

COMPREHENSIVE ANNUAL FINANCIAL

REPORT OF THE

CITY OF

WILLMAR, MINNESOTA

FOR THE

YEAR ENDED

DECEMBER 31, 2010

DIVISION OF FINANCE

**STEVEN B. OKINS, DIRECTOR OF FINANCE
MEMBER OF THE GOVERNMENT FINANCE OFFICER'S
ASSOCIATION OF THE UNITED STATES AND CANADA &
MINNESOTA FINANCE OFFICERS ASSOCIATION**

**CITY OF WILLMAR, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010**

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CITY OF WILLMAR, MINNESOTA

INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WILLMAR, MINNESOTA

2010

CITY COUNCIL

LESTER HEITKE, MAYOR

COUNCIL MEMBERS:

DENIS ANDERSON

BRUCE DEBLIECK

RON CHRISTIANSON

TIM JOHNSON

STEVE AHMANN

RICK FAGERLIE

JAMES DOKKEN

DOUG REESE

FINANCE DIRECTOR

STEVEN B. OKINS

CITY ADMINISTRATOR

MICHAEL C. SCHMIT

CITY OF WILLMAR, MINNESOTA

FINANCIAL SECTION - I

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Willmar, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Willmar, Minnesota (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Rice Memorial Hospital and Willmar Municipal Utilities, which represent 100 percent, respectively, of the assets, net assets, and revenues of Rice Memorial Hospital and Willmar Municipal Utilities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, in so far as it relates to the amounts included for Rice Memorial Hospital and Willmar Municipal Utilities is based 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

As discussed in Note 5 to the financial statements, the City has not adopted Governmental Accounting Standards Board No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, as it relates to its Primary Government as of and for the year ended December 31, 2010. The amount by which this departure would affect the liabilities of the governmental activities is not reasonably determinable.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of the City of Willmar, Minnesota, as of December 31, 2010, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component units, each major fund, and aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 10 and 50 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.



WESTBERG EISCHENS, PLLP
Willmar, Minnesota

September 23, 2011

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mayor and City Council
City of Willmar, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Willmar, Minnesota (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 23, 2011. Our report was qualified for governmental activities due to the failure to adopt GASB 45 and was modified to include a reference to 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. Other auditors audited the financial statements of Rice Memorial Hospital and Willmar Municipal Utilities, as described in our report on the City of Willmar's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2008-1 and 2007-1 to be material weaknesses in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



WESTBERG EISCHENS, PLLP
Willmar, Minnesota

September 23, 2011

AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Mayor and City Council
City of Willmar, Minnesota

We have audited the basic financial statements of the City of Willmar, Minnesota, as of and for the year ended December 31, 2010, and have issued our report thereon dated September 23, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the provisions of the Minnesota Legal Compliance Audit Guide for Local Government, promulgated by the Legal Compliance Task Force pursuant to Minnesota Statutes Sec.6.65. Accordingly, the audit included such tests of the accounting records and other auditing procedures, as we considered necessary in the circumstances.

The Minnesota Legal Compliance Audit Guide for Local Government covers seven main categories of compliance to be tested: Contracting and Bidding, Deposits and Investments, Conflicts of Interest, Public Indebtedness, Claims and Disbursements, Miscellaneous Provisions, and Tax Increment Financing. Our study included all of the listed categories.

The results of our tests indicate that for the items tested, the City of Willmar, Minnesota complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the use of The City of Willmar, Minnesota and the Office of the Minnesota State Auditor and is not intended to be, and should not be, used by anyone other than those specified parties.



WESTBERG EISCHENS, PLLP
Willmar, Minnesota

September 23, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor and City Council
City of Willmar, Minnesota

Compliance

We have audited City of Willmar, Minnesota's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Willmar, Minnesota's major federal programs for the year ended December 31, 2010. City of Willmar, Minnesota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Willmar, Minnesota's management. Our responsibility is to express an opinion on City of Willmar, Minnesota's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Willmar, Minnesota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Willmar, Minnesota's compliance with those requirements.

In our opinion, the City of Willmar, Minnesota, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control over Compliance

Management of City of Willmar, Minnesota, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Willmar, Minnesota's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Willmar, Minnesota's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



WESTBERG EISCHENS, PLLP
Willmar, Minnesota

September 23, 2011

**CITY OF WILLMAR, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2010**

| Federal Funding Source | Pass-Through Agency | Program Name | Catalog of Federal Domestic Assistance Number | State or Other Contract Number | Expenditures |
|--|---|--|---|--|-----------------------|
| U.S. Department of Housing and Urban Development | Minnesota Department of Employment and Economic Development | Community Development Block Grants - State's Program | 14.228 | CDAP-08-0074-O-FY09 CDAP-07-0104-O-FY08 | \$ 267,454 350,000 |
| U.S. Environmental Protection Agency | Minnesota Public Facilities Authority | Capitalization Grants for Clean Water State Revolving Funds | 66.458 | MPFA-09-0043-R-FY10 | 15,798,694 |
| U.S. Environmental Protection Agency | Minnesota Public Facilities Authority | Capitalization Grants for Clean Water State Revolving Funds-ARRA | 66.458 | MPFA-09-0005-R-FY10 ARRA-09-0005-R-FY10 | 1,606,474 4,788 |
| U.S. Environmental Protection Agency | Direct Award | Congressionally Mandated Projects | 66.202 | XP-00E78801-0 | 291,000 |
| U.S. Department of Justice | Direct Award | Recovery Act-Edward Byrne Memorial Justice Assistance Grant Program -Grants to Units of Local Government | 16.804 | 2009-SB-B9-1827 | 48,394 |
| U.S. Department of Justice | Direct Award | Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program | 16.580 | 2008-DD-BX-0404 | 86,699 |
| U.S. Department of Homeland Security | Direct Award | Assistance to Firefighters Grant | 97.044 | EMW-2009-FO-02369 | <u>125,104</u> |
| Total Expended | | | | | <u>\$ 18,578,607</u> |

CITY OF WILLMAR
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

NOTE 1: REPORTING ENTITY

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the City of Willmar, Minnesota. The City of Willmar’s reporting entity is defined in Note1 to the financial statements.

NOTE 2: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Willmar and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: SUBRECIPIENTS

Of the expenditures presented in the schedule, the City of Willmar provided federal awards to subrecipients as follows:

| | | | Amount |
|--|--------|--|---------------|
| | CFDA | | Provided to |
| | Number | Program Name | Subrecipients |
| | 14.228 | Community Development Block Grant - State's Program | \$ 617,454 |

NOTE 4: LOANS

CFDA 66.458 Capitalization Grants for Clean Water State Revolving Funds

Loan proceeds expended for the year ended December 31, 2010 was \$15,798,694. The loan balance outstanding at year end was \$64,878,814.

CFDA 66.458 Capitalization Grants for Clean Water State Revolving Funds - ARRA

Loan proceeds expended for the year ended December 31, 2010 was \$1,606,474. The loan balance outstanding at year end was \$1,589,097.

CITY OF WILLMAR, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2010

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Significant deficiency (ies) identified? X yes no

Significant deficiency (ies) identified that are considered to be material weaknesses? X yes none reported

Noncompliance material to financial statement noted? yes X no

Federal Awards

Internal control over major programs:

Significant deficiency (ies) identified? yes X no

Significant deficiency (ies) identified that are considered to be material weakness (es)? yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes X no

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|--|
| 66.458 | Capitalization Grants for Clean Water State Revolving Funds |
| 66.458 | Capitalization Grants for Clean Water State Revolving Funds - ARRA |
| 14.228 | Community Development Block Grants – State Program |

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

CITY OF WILLMAR, MINNESOTA
Schedule of Findings and Questioned Costs
Year Ended December 31, 2010

SECTION II: FINANCIAL STATEMENT FINDINGS

Finding 2008-1

Criteria:

Generally, a system of internal control includes the ability to understand and prepare the City's financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition:

The financial statements do not include all the required accruals and disclosures related to the City's OPEB obligations.

Questioned Costs:

None

Cause:

The City had not adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB) as it relates to the Primary Government.

Effect:

The City is unable to make a determination of whether or not its OPEB liabilities are material.

Recommendation:

We recommend the City establish a plan to adopt GASB 45 in order to comply with generally accepted accounting principles.

CORRECTIVE ACTION PLAN (CAP)

Finding 2008-1

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City will hire an actuary to perform the necessary calculations to determine its OPEB liabilities.

Officer Responsible for Ensuring CAP:

Clerk/Treasurer

Planned Completion Date:

Ongoing

Plan to Monitor Completion of CAP:

City Administrator

CITY OF WILLMAR, MINNESOTA
Schedule of Findings and Questioned Costs
Year Ended December 31, 2010

SECTION II: FINANCIAL STATEMENT FINDINGS (continued)

Finding 2007-1

Criteria:

The proper design or operation of an internal control system assists management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements of the financial statements on a timely basis. A control deficiency exists when the design of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements of the financial statements on a timely basis.

Condition:

During our audit, we proposed adjustments that resulted in material changes to the City's financial statements.

Questioned Costs:

None

Cause:

Internal controls and monitoring of internal controls by City personnel were insufficient to detect material misstatements.

Effect:

Proposed audit adjustments were reviewed and approved by the appropriate staff and are reflected in the financial statements. By definition, however, independent external auditors cannot be considered part of the government's internal control.

Recommendation:

We recommend the City establish internal controls for determining all necessary entries required to present fairly the financial statements in accordance with generally accepted accounting principles.

CORRECTIVE ACTION PLAN (CAP)

Finding 2007-1

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City will continue to review internal controls and work to design modifications that will increase internal control and the ability to detect material misstatements.

Officer Responsible for Ensuring CAP:

Clerk/Treasurer

Planned Completion Date:

December 31, 2010

Plan to Monitor Completion of CAP:

City Administrator

CITY OF WILLMAR, MINNESOTA
Schedule of Findings and Questioned Costs
Year Ended December 31, 2010

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV: PRIOR FINDINGS

Finding 2007-1

Status:

Unresolved

Condition:

During our audit, we proposed adjustments that resulted in material changes to the City's financial statements.

Recommendation:

We recommend the City establish internal controls for determining all necessary entries required to present fairly the financial statements in accordance with generally accepted accounting principles.

Actions Planned in Response to Finding:

The City will continue to review internal controls and work to design modifications that will increase internal control and the ability to detect material misstatements.

Finding 2008-1

Status:

Unresolved

Condition:

The financial statements do not include all the required accruals and disclosures related to the City's OPEB obligations.

Recommendation:

We recommend the City establish a plan to adopt GASB 45 in order to comply with generally accepted accounting principles.

Actions Planned in Response to Finding:

The City will hire an actuary to perform the necessary calculations to determine its OPEB liabilities.

CITY OF WILLMAR, MINNESOTA

FINANCIAL SECTION - II

MANAGEMENT DISCUSSION AND ANALYSIS

**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

This section of the basic financial statements of the City of Willmar (the City) presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2010. Please read it in conjunction with the City's basic financial statements following this section.

Financial Highlights

- The assets of the City exceeded liabilities by \$148,411,903 (net assets). Of this amount, \$38,712,401 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets decreased by \$3,015,461.
- The City's governmental funds reported combined ending fund balances of \$38,650,774. Of this total amount, approximately 77% is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$13,854,881, or 110% of the total General Fund expenditures of \$12,644,304.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented after the Statement of Activities. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's funds. The notes to the basic financial statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The City as a whole: Statement of Net Assets and Statement of Activities

Our analysis of the City of Willmar begins with the Statement of Net Assets and the Statement of Activities. One of the most important questions asked about the City's finances is, "Is the City as a whole better off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities both report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net assets and changes in them. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health. Over time, increases and decreases in the City's net assets are one indicator of whether the City's financial health is improving or deteriorating.

You will need to consider other nonfinancial factors, however, to assess the overall health of the City of Willmar.

**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

Governmental Activities - Most of the City's basic services are reported here, including the police, public works, parks departments and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.

Business-Type Activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's waste treatment fund and internal service fund are reported here.

The City's Most Significant Funds: Fund Financial Statements

Our analysis of the City of Willmar's major funds begins with the fund financial statements. These statements provided detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City of Willmar's two kinds of funds – governmental and proprietary – use different accounting approaches.

Governmental Funds – Most of the City of Willmar's basic services are reported in governmental funds. Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader of the statements determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation after the fund financial statements.

The governmental fund financial statements can be found on pages 15-19 of this report.

Proprietary Funds – When the City of Willmar charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

The proprietary fund financial statements can be found on pages 22-25 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-49 of this report.

Statement of Net Assets

The City of Willmar's net assets decreased from a year ago. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 3) of the City's governmental and business-type activities.

**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Table 1
Condensed Statement of Net Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$ 49,097,008 | \$ 46,997,854 | \$ 9,621,923 | 8,797,394 | \$ 58,718,931 | \$ 55,795,248 |
| Net capital assets | <u>92,520,282</u> | <u>94,961,508</u> | <u>97,214,420</u> | <u>84,897,079</u> | <u>189,734,702</u> | <u>179,858,587</u> |
| Total Assets | <u>141,617,290</u> | <u>141,959,362</u> | <u>106,836,343</u> | <u>93,694,473</u> | <u>248,453,633</u> | <u>235,653,835</u> |
| Other liabilities | 5,327,120 | 4,643,302 | 3,734,069 | 5,400,610 | 9,061,189 | 10,043,912 |
| Long-term liabilities | <u>17,281,614</u> | <u>15,872,484</u> | <u>73,698,927</u> | <u>58,302,390</u> | <u>90,980,541</u> | <u>74,174,874</u> |
| Total Liabilities | <u>22,608,734</u> | <u>20,515,786</u> | <u>77,432,996</u> | <u>63,703,000</u> | <u>100,041,730</u> | <u>84,218,786</u> |
| Net Assets | | | | | | |
| Invested in capital assets, net of related debt | 77,203,154 | 77,149,024 | 21,489,927 | 25,943,897 | 98,693,081 | 103,092,921 |
| Restricted | 8,629,830 | 6,996,848 | 2,376,591 | (2,169,479) | 11,006,421 | 4,827,369 |
| Unrestricted | <u>33,175,572</u> | <u>37,297,704</u> | <u>5,536,829</u> | <u>6,217,055</u> | <u>38,712,401</u> | <u>43,514,759</u> |
| Total Net Assets | <u>\$119,008,556</u> | <u>\$121,443,576</u> | <u>\$ 29,403,347</u> | <u>\$ 29,991,473</u> | <u>\$148,411,903</u> | <u>\$151,435,049</u> |

Governmental Activities

The net assets of the City's governmental activities decreased by \$2,427,335 in 2010. The decrease was mainly due to the depreciation on significant capital assets placed in service during 2010.

Business-Type Activities

The total net assets of the City's business-type activities decreased by \$588,126 in 2010. The decrease was mainly due to depreciation on significant capital assets placed in service during 2010 and interest expense..

Table 2
Condensed Statement of Net Assets

| | Rice Memorial Hospital | | Municipal Utilities | | Total | |
|--|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$ 59,938,006 | \$ 51,517,312 | \$ 22,276,841 | \$ 21,043,800 | \$ 82,214,847 | \$ 72,561,112 |
| Net capital assets | <u>61,717,061</u> | <u>64,889,411</u> | <u>31,539,048</u> | <u>32,488,367</u> | <u>93,256,109</u> | <u>97,377,778</u> |
| Total Assets | <u>121,655,067</u> | <u>116,406,723</u> | <u>53,815,889</u> | <u>53,532,167</u> | <u>175,470,956</u> | <u>169,938,890</u> |
| Current and other liabilities | 14,893,025 | 16,053,704 | 3,800,584 | 4,581,567 | 18,693,609 | 20,635,271 |
| Long-term liabilities | <u>49,258,207</u> | <u>50,767,376</u> | <u>10,039,718</u> | <u>9,540,012</u> | <u>59,297,925</u> | <u>60,307,388</u> |
| Total Liabilities | <u>64,151,232</u> | <u>66,821,080</u> | <u>13,840,302</u> | <u>14,121,579</u> | <u>77,991,534</u> | <u>80,942,659</u> |
| Net Assets | | | | | | |
| Invested in capital assets, net of related debt | 11,331,245 | 12,455,893 | 20,784,317 | 22,141,348 | 32,115,562 | 34,597,241 |
| Restricted debt | 8,218,295 | 6,303,731 | 11,257,340 | 11,344,602 | 19,475,635 | 17,648,333 |
| Unrestricted | <u>37,954,295</u> | <u>30,826,019</u> | <u>7,933,930</u> | <u>5,924,638</u> | <u>45,888,225</u> | <u>36,750,657</u> |
| Total Net Assets | <u>\$ 57,503,835</u> | <u>\$ 49,585,643</u> | <u>\$ 39,975,587</u> | <u>\$ 39,410,588</u> | <u>\$ 97,479,422</u> | <u>\$ 88,996,231</u> |

**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Primary Government

Table 3
Condensed Statement of Activities

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,860,344 | \$ 1,588,135 | \$ 4,139,101 | \$ 3,576,202 | \$ 5,999,445 | \$ 5,164,337 |
| Operating grants and contributions | 733,094 | 669,502 | - | - | 733,094 | 669,502 |
| Capital grants and contributions | 2,893,352 | 1,907,405 | 295,788 | 2,670,126 | 3,189,140 | 4,577,531 |
| General revenues: | | | | | | |
| Property and other taxes | 5,531,315 | 5,687,570 | - | - | 5,531,315 | 5,687,570 |
| Grants and contributions not restricted to specific program | 4,231,033 | 4,516,981 | - | - | 4,231,033 | 4,516,981 |
| Other | 1,493,462 | (1,399,725) | 81,528 | 270,991 | 1,574,990 | (1,128,734) |
| Intergovernmental | - | - | - | - | - | - |
| Total Revenues | <u>16,742,600</u> | <u>12,969,868</u> | <u>4,516,417</u> | <u>6,517,319</u> | <u>21,259,017</u> | <u>19,487,187</u> |
| Expenses | | | | | | |
| General Government | 3,959,815 | 3,315,545 | - | - | 3,959,815 | 3,315,545 |
| Public works | 4,788,655 | 6,151,836 | - | - | 4,788,655 | 6,151,836 |
| Public safety | 9,212,988 | 4,724,853 | - | - | 9,212,988 | 4,724,853 |
| Social services | - | - | - | - | - | - |
| Culture and recreation | 2,388,824 | 2,428,603 | - | - | 2,388,824 | 2,428,603 |
| Economic development | 662,838 | 71,204 | - | - | 662,838 | 71,204 |
| Capital projects | - | - | - | - | - | - |
| Debt service | 449,116 | 499,798 | - | - | 449,116 | 499,798 |
| Office services | - | - | - | - | - | - |
| Waste treatment | - | - | 4,854,543 | 2,851,067 | 4,854,543 | 2,851,067 |
| Total Expenses | <u>21,462,236</u> | <u>17,191,839</u> | <u>4,854,543</u> | <u>2,851,067</u> | <u>26,316,779</u> | <u>20,042,906</u> |
| Changes in Net Assets | | | | | | |
| Before Transfers | (4,719,636) | (4,221,971) | (338,126) | 3,666,252 | (5,057,762) | (555,719) |
| Transfers | <u>2,292,301</u> | <u>2,366,629</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>2,042,301</u> | <u>2,116,629</u> |
| Changes in Net Assets | (2,427,335) | (1,855,342) | (588,126) | 3,416,252 | (3,015,461) | 1,560,910 |
| Net Assets, Beginning of Year | 121,443,576 | 123,307,418 | 29,991,473 | 26,575,221 | 151,435,049 | 149,882,639 |
| Prior period adjustment | <u>(7,685)</u> | <u>(8,500)</u> | <u>-</u> | <u>-</u> | <u>(7,685)</u> | <u>(8,500)</u> |
| Net Assets, End of Year | <u>\$ 119,008,556</u> | <u>\$ 121,443,576</u> | <u>\$ 29,403,347</u> | <u>\$ 29,991,473</u> | <u>\$ 148,411,903</u> | <u>\$ 151,435,049</u> |

CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010

Component Units

Component Units

The total Net Assets of the City's two component units increased by \$8,483,191 in 2010. The net assets of the Municipal Utilities Commission increased by \$564,999, and the net assets of Rice Memorial Hospital increased by \$7,918,192.

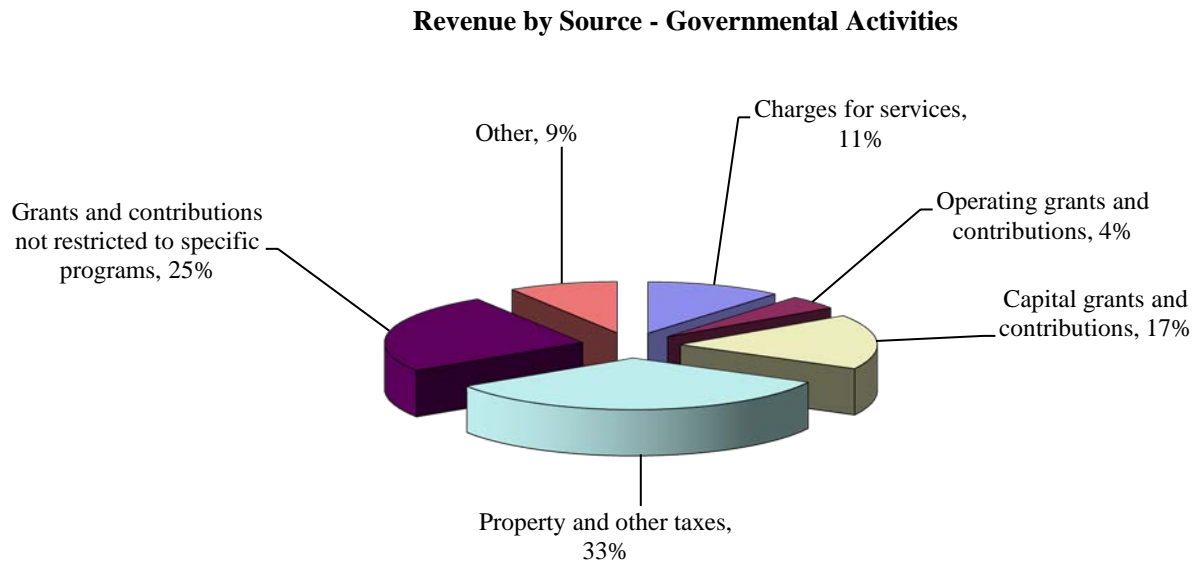
Table 4
Condensed Statement of Activities

| | Rice Memorial Hospital | | Municipal Utilities | | Total | |
|---|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues | | | | | | |
| Hospital | \$ 93,834,103 | \$ 91,283,548 | \$ - | \$ - | \$ 93,834,103 | \$ 91,283,548 |
| Municipal Utility | - | - | 26,463,044 | 25,310,427 | 26,463,044 | 25,310,427 |
| Interest Earnings | 1,364,518 | 559,066 | 274,476 | (1,207,330) | 1,638,994 | (648,264) |
| Gain (Loss) on sale of Capital Assets | 119,329 | 17,000 | (17,175) | (14,788) | 102,154 | 2,212 |
| Miscellaneous | 8,463,297 | 307,508 | 45,637 | 28,248 | 8,508,934 | 335,756 |
| Total Revenues | <u>103,781,247</u> | <u>92,167,122</u> | <u>26,765,982</u> | <u>24,116,557</u> | <u>130,547,229</u> | <u>116,283,679</u> |
| Expenses | | | | | | |
| Hospital | 95,663,055 | 90,874,684 | - | - | 95,663,055 | 90,874,684 |
| Municipal Utility | - | - | 24,358,683 | 21,738,126 | 24,358,683 | 21,738,126 |
| Total Expenses | <u>95,663,055</u> | <u>90,874,684</u> | <u>24,358,683</u> | <u>21,738,126</u> | <u>120,021,738</u> | <u>112,612,810</u> |
| Changes in Net Assets Before transfers | 8,118,192 | 1,292,438 | 2,407,299 | 2,378,431 | 10,525,491 | 3,670,869 |
| Transfers | <u>(200,000)</u> | <u>(200,000)</u> | <u>(1,842,300)</u> | <u>(1,771,400)</u> | <u>(2,042,300)</u> | <u>(1,971,400)</u> |
| Changes in Net Assets | 7,918,192 | 1,092,438 | 564,999 | 607,031 | 8,483,191 | 1,699,469 |
| Net Assets, Beginning | <u>49,585,643</u> | <u>48,493,205</u> | <u>39,410,588</u> | <u>38,803,557</u> | <u>88,996,231</u> | <u>87,296,762</u> |
| Net Assets, Ending | <u>\$ 57,503,835</u> | <u>\$ 49,585,643</u> | <u>\$ 39,975,587</u> | <u>\$ 39,410,588</u> | <u>\$ 97,479,422</u> | <u>\$ 88,996,231</u> |

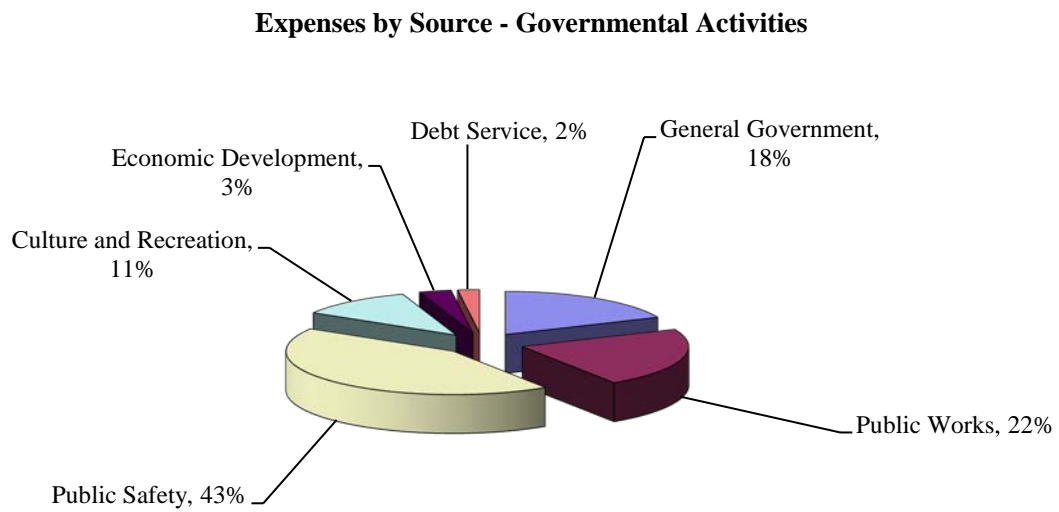
**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Governmental Activities

Revenues – The following chart visually illustrates the City's revenues by source for its governmental activities:



Expenses – The following chart visually illustrates the City's expenses by source for its governmental activities:



**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Financial Analysis of the City's Funds

General Fund –

The City's General Fund balance decreased by \$533,818 in 2010. The actual fund balance decrease is \$319,708 less than the projected decrease in the final budget because the City prepared and implemented a plan to defer capital expenditures as a result of the Local Government Aid Unallotment notification received.

Debt Service Funds –

Special Assessments Bond Debt Service Fund increased by \$20,202. The increase was attributable to higher than expected collection of special assessments.

Special Revenue Fund –

Local Option Sales Tax Fund increased by \$1,845,323. The increase was due to pending capital projects not yet finalized.

Special Revenue Fund –

Community Investment Fund decreased by \$279,030. The decrease was due to transfers to the debt service funds.

Capital Projects Fund –

Street, Water/Sewer Capital Projects Fund decreased by \$224,945. The fund decrease was due to the scheduled expenditures for street projects.

GENERAL FUND BUDGETARY HIGHLIGHTS:

The City approved the 2010 general fund budget anticipating expenditures would exceed revenues by over \$853,526. The main difference between the original and final budget was due to a decrease in property tax revenues.

At the end of the year, revenues exceeded the final budget by over \$106,413 and expenditures were less than the final budget by over \$96,151. The most significant positive variances for revenues was in Miscellaneous Revenues while the most significant negative variance was in Investment Income. The negative variance was due to the unexpected reduction in local government aid in December. The most significant negative variance for expenditures was in General Government while the most significant positive variance was in Public Safety and Culture/Recreation.

**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Capital Assets

At the end of 2010, the City of Willmar had over \$189,000,000 (net of accumulated depreciation) invested in a broad range of capital assets. Refer to Note 3 of the Notes to the Financial Statements for a schedule showing the City's capital asset activity.

Primary Government

Table 5
Capital Assets

| | Government Activities | | Business-Type Activities | |
|--------------------------|-----------------------|----------------------|--------------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Land and improvements | \$ 8,449,733 | \$ 3,687,421 | \$ 1,630,927 | \$ 321,370 |
| Buildings | 11,631,916 | 7,874,458 | 83,329,651 | 20,176,514 |
| Furniture and equipment | 4,037,042 | 3,962,586 | 1,081,589 | 996,442 |
| Machinery and auto | 6,991,140 | 6,934,723 | 6,348,313 | 745,931 |
| Other improvements | 110,558,916 | 92,774,219 | 9,025,682 | 2,932,202 |
| Construction in progress | 3,850,158 | 26,628,919 | 9,461,189 | 72,234,581 |
| Less: Depreciation | <u>(52,998,623)</u> | <u>(46,900,818)</u> | <u>(13,662,931)</u> | <u>(12,509,960)</u> |
| | <u>\$ 92,520,282</u> | <u>\$ 94,961,508</u> | <u>\$ 97,214,420</u> | <u>\$ 84,897,080</u> |

Component Units

Table 6
Capital Assets

| | Rice Memorial Hospital | | Willmar Municipal Utilities | |
|--------------------------|------------------------|----------------------|-----------------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Land | \$ 2,603,000 | \$ 2,603,000 | \$ 1,172,207 | \$ 905,134 |
| Buildings | 82,074,000 | 81,548,000 | 3,536,000 | 3,514,554 |
| Furniture and equipment | 35,557,000 | 33,403,000 | 71,294,873 | 67,778,555 |
| Machinery and auto | - | - | - | - |
| Other improvements | 1,608,000 | 1,448,000 | - | - |
| Utility Plant in Service | - | - | - | - |
| Construction in progress | 668,000 | 334,000 | 476,563 | 3,028,368 |
| Less: Depreciation | <u>(60,793,000)</u> | <u>(54,447,000)</u> | <u>(44,940,595)</u> | <u>(42,738,244)</u> |
| | <u>\$ 61,717,000</u> | <u>\$ 64,889,000</u> | <u>\$ 31,539,048</u> | <u>\$ 32,488,367</u> |

**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Long-Term Debt

At year-end, the City of Willmar had \$89,824,493 in bonds outstanding. Refer to Note 3 of the Notes to the Financial Statements for a schedule showing the City's long-term debt activity.

Primary Government

Table 7

| | <u>2010</u> | <u>2009</u> | <u>Change</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | |
| G.O. Special Assessment Bonds | \$ 12,585,000 | \$ 12,615,000 | \$ (30,000) |
| G.O. Revenue Bonds | 1,515,000 | 1,640,000 | (125,000) |
| Note Payable | <u>1,217,128</u> | <u>307,998</u> | <u>909,130</u> |
| | <u>\$ 15,317,128</u> | <u>\$ 14,562,998</u> | <u>\$ 754,130</u> |
| Business-Type Activities | | | |
| G.O. Revenue Bonds | \$ 925,000 | \$ 1,010,000 | \$ (85,000) |
| G.O. Revenue Notes | <u>74,799,493</u> | <u>57,943,182</u> | <u>16,856,311</u> |
| | <u>\$ 75,724,493</u> | <u>\$ 58,953,182</u> | <u>\$ 16,771,311</u> |

Component Units

Table 8

| | <u>2010</u> | <u>2009</u> | <u>Change</u> |
|---|----------------------|----------------------|-----------------------|
| Rice Memorial Hospital | | | |
| G.O. Revenue Bonds | \$ 45,810,000 | \$ 46,655,000 | \$ (845,000) |
| Special Obligation Revenue Bonds | 710,000 | 825,000 | (115,000) |
| Promissory Note Payable | 2,140,713 | 2,694,504 | (553,791) |
| Note Payable to Foundation | - | 499,660 | (499,660) |
| Capital Lease | 48,897 | - | 48,897 |
| Rice Home Medical Notes Payable | 757,020 | 797,503 | (40,483) |
| Rice Home Medical Leases Payable | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 49,466,630</u> | <u>\$ 51,471,667</u> | <u>\$ (2,005,037)</u> |
| Willmar Municipal Utilities | | | |
| Municipal Utility Revenue Bond 1999 | \$ 235,000 | \$ 460,000 | \$ (225,000) |
| Municipal Utility Revenue Bond 2001 | 150,000 | 295,000 | (145,000) |
| Municipal Utility Revenue Bond 2009 | 8,120,000 | 8,120,000 | - |
| General Obligation Water Revenue Bond | 830,000 | 950,000 | (120,000) |
| Note Payable Big Stone II Joint Venture | <u>205,012</u> | <u>474,519</u> | <u>(269,507)</u> |
| | <u>\$ 9,540,012</u> | <u>\$ 10,299,519</u> | <u>\$ (759,507)</u> |

**CITY OF WILLMAR, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Economic Factors and Next Year's Budget

In the City adopted budget for 2011, expenditures were forecast to exceed revenue by approximately \$610,798. The difference is to be funded by using fund balances.

Contacting the City's Financial Management

This financial report is designated to provide our residents, customers, and creditors with a general overview of the City of Willmar's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City of Willmar, 333 6th St SW, Willmar, MN 56201 or by phone at (320) 235-4913.

BASIC FINANCIAL STATEMENTS

CITY OF WILLMAR, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2010

| | Primary Government | | | Component Units | |
|--|----------------------------|-----------------------------|----------------|--------------------------------------|------------------------------|
| | Governmental Activities | Business-Type Activities | Total | Municipal Utilities Commission | Rice Memorial Hospital |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ 3,117,114 | \$ 148 | \$ 3,117,262 | \$ 1,800,647 | \$ 5,752,630 |
| Investments | 35,205,140 | 7,716,379 | 42,921,519 | 4,862,129 | 17,946,975 |
| Investments with Trustee | - | - | - | - | 5,846,171 |
| Receivables (Net of Allow for Uncollect) | | | | | |
| Accounts Receivable | 96,749 | 92,543 | 189,292 | 2,690,422 | 18,352,643 |
| Accrued Interest | 143,811 | 31,568 | 175,379 | - | - |
| Taxes Receivable | 1,015,440 | - | 1,015,440 | - | - |
| Special Assessments | 6,451,849 | - | 6,451,849 | - | - |
| Notes Receivable | 225,715 | - | 225,715 | - | - |
| Related-Party Investments | - | - | - | - | 3,882,978 |
| Due from Component Unit | - | - | - | - | - |
| Due from Other Governmental Units | 852,689 | 805,535 | 1,658,224 | - | - |
| Internal Balances | 409,512 | (409,512) | - | - | - |
| Inventories | 141,912 | 14,137 | 156,049 | 861,846 | 1,852,558 |
| Prepaid Items | 1,230,450 | 17,504 | 1,247,954 | 696,940 | 1,069,363 |
| Deferred Charges | | | | | |
| Bond Discount Unamortized | 30,100 | - | 30,100 | 105,939 | 533,005 |
| Bond Refunding Escrow account | - | - | - | - | - |
| Restricted Assets: | | | | | |
| Temporarily Restricted: | | | | | |
| Cash and Cash Equivalents | 10,350 | 1,353,621 | 1,363,971 | - | 1,596,018 |
| Investments | - | - | - | 11,257,340 | - |
| Permanently Restricted: | | | | | |
| Investments | 30,000 | - | 30,000 | - | 3,049,850 |
| Capital Assets | | | | | |
| Nondepreciable | 12,299,891 | 11,092,116 | 23,392,007 | 476,563 | 2,603,061 |
| Depreciable, net | 80,220,391 | 86,122,304 | 166,342,695 | 31,062,485 | 59,114,000 |
| Other Assets | 136,177 | - | 136,177 | 1,578 | 55,815 |
| Total Assets | \$ 141,617,290 | \$ 106,836,343 | \$ 248,453,633 | \$ 53,815,889 | \$ 121,655,067 |

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

CITY OF WILLMAR, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2010

| | Primary Government | | | Component Units | |
|--|----------------------------|-----------------------------|----------------|--------------------------------------|------------------------------|
| | Governmental Activities | Business-Type Activities | Total | Municipal Utilities Commission | Rice Memorial Hospital |
| <u>Liabilities</u> | | | | | |
| Accounts and Contracts Payable | \$ 1,248,616 | \$ 1,694,121 | \$ 2,942,737 | \$ 2,294,060 | \$ 3,124,745 |
| Accrued Interest Payable | 466,898 | - | 466,898 | 199,241 | 985,939 |
| Due to Component Units | - | - | - | - | - |
| Due to Primary Government | - | - | - | 361,440 | - |
| Due to Other Governmental Units | 162,427 | - | 162,427 | - | - |
| Unearned Revenue | 1,387,750 | - | 1,387,750 | - | - |
| Accrued Compensation and Benefits | 126,429 | 14,382 | 140,811 | 230,830 | 9,654,732 |
| Noncurrent Liabilities | | | | | |
| Due within one year | 1,935,000 | 2,025,566 | 3,960,566 | 715,013 | 1,789,989 |
| Due in more than one year | 17,281,614 | 73,698,927 | 90,980,541 | 10,039,718 | 48,595,827 |
| Total Liabilities | 22,608,734 | 77,432,996 | 100,041,730 | 13,840,302 | 64,151,232 |
| <u>Net Assets</u> | | | | | |
| Invested in Capital Assets, Net of Related Debt | 77,203,154 | 21,489,927 | 98,693,081 | 20,784,317 | 11,331,245 |
| Restricted For: | | | | | |
| Capital Improvements | 3,638,453 | 1,698,770 | 5,337,223 | 7,700,000 | - |
| Construction Fund | - | 331,821 | 331,821 | - | - |
| Debt Service | 4,961,377 | - | 4,961,377 | 1,427,340 | 3,730,910 |
| Specific Operating Activities | - | 346,000 | 346,000 | - | 1,485,511 |
| Nonexpendable Perm. Endowment | 30,000 | - | 30,000 | - | 3,001,874 |
| Other Purposes | - | - | - | 2,130,000 | - |
| Unrestricted | 33,175,572 | 5,536,829 | 38,712,401 | 7,933,930 | 37,954,295 |
| Total Net Assets | \$ 119,008,556 | \$ 29,403,347 | \$ 148,411,903 | \$ 39,975,587 | \$ 57,503,835 |

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

**City of Willmar
Statement of Activities
For the Year Ended December 31, 2010**

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | | |
|--------------------------------|-------------------------|---------------------------------|---|---|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 3,959,815 | \$ 425,623 | \$ - | \$ - |
| Public Safety | 4,788,655 | 388,441 | 427,189 | 86,699 |
| Public Works | 9,212,988 | 548,158 | 250,379 | 2,189,199 |
| Social Services | - | - | - | - |
| Culture and Recreation | 2,388,824 | 498,122 | 55,526 | - |
| Economic Development | 662,838 | - | - | 617,454 |
| Debt Service - interest | 449,116 | - | - | - |
| Total Governmental Activities | <u>21,462,236</u> | <u>1,860,344</u> | <u>733,094</u> | <u>2,893,352</u> |
| Business-Type Activities: | | | | |
| Waste Treatment | 4,854,543 | 4,139,101 | - | 295,788 |
| Total Business-Type Activities | <u>4,854,543</u> | <u>4,139,101</u> | <u>-</u> | <u>295,788</u> |
| Total Primary Government | <u>\$ 26,316,779</u> | <u>\$ 5,999,445</u> | <u>\$ 733,094</u> | <u>\$ 3,189,140</u> |
| Component Units: | | | | |
| Municipal Utilities | \$ 24,358,683 | \$ 26,463,044 | \$ - | \$ - |
| Rice Memorial Hospital | 95,663,055 | 93,834,103 | - | 2,078,422 |
| Total Component Units | <u>\$ 120,021,738</u> | <u>\$ 120,297,147</u> | <u>\$ -</u> | <u>\$ 2,078,422</u> |

General Revenues:
Property Taxes
Sales Taxes
Other Taxes
Grants and contributions not restricted to specific programs
Interest earnings
Net increase (decrease) in fair value of investments
Gain (Loss) Capital Assets
Miscellaneous
Transfers
Total General Revenues /Transfers
Change in Net Assets
Net Assets - Beginning
Prior period adjustment see Note 9
Net Assets - Ending

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

| Net (Expense) Revenue and Changes in Net Assets | | | | |
|--|-------------------------------------|-----------------------|---|---------------------------------------|
| Primary Government | | | Component Units | |
| Governmental Activities | Business-Type Activities | Total | Municipal Utilities Commission | Rice Memorial Hospital |
| \$ (3,534,192) | | \$ (3,534,192) | | |
| (3,886,326) | | (3,886,326) | | |
| (6,225,252) | | (6,225,252) | | |
| - | | - | | |
| (1,835,176) | | (1,835,176) | | |
| (45,384) | | (45,384) | | |
| (449,116) | | (449,116) | | |
| <u>(15,975,446)</u> | | <u>(15,975,446)</u> | | |
| - | \$ (419,654) | (419,654) | | |
| - | (419,654) | (419,654) | | |
| <u>(15,975,446)</u> | <u>(419,654)</u> | <u>(16,395,100)</u> | | |
| | | | \$ 2,104,361 | \$ - |
| | | | - | 249,470 |
| | | | <u>2,104,361</u> | <u>249,470</u> |
| 3,617,303 | - | 3,617,303 | - | - |
| 1,771,674 | - | 1,771,674 | - | - |
| 142,338 | - | 142,338 | - | - |
| 4,231,033 | - | 4,231,033 | - | - |
| 893,950 | 221,619 | 1,115,569 | 274,476 | 1,364,518 |
| (200,147) | (41,614) | (241,761) | - | 678,736 |
| (88,872) | (98,477) | (187,349) | (17,175) | 119,329 |
| 888,531 | - | 888,531 | 45,637 | 5,706,139 |
| 2,292,301 | (250,000) | 2,042,301 | (1,842,300) | (200,000) |
| <u>13,548,111</u> | <u>(168,472)</u> | <u>13,379,639</u> | <u>(1,539,362)</u> | <u>7,668,722</u> |
| (2,427,335) | (588,126) | (3,015,461) | 564,999 | 7,918,192 |
| 121,443,576 | 29,991,473 | 151,435,049 | 39,410,588 | 49,585,643 |
| (7,685) | - | (7,685) | - | - |
| <u>\$ 119,008,556</u> | <u>\$ 29,403,347</u> | <u>\$ 148,411,903</u> | <u>\$ 39,975,587</u> | <u>\$ 57,503,835</u> |

CITY OF WILLMAR, MINNESOTA
BALANCE SHEETS
GOVERNMENTAL FUNDS
December 31, 2010

| | General | Special Assessments Bonds Debt Service | Street Water/Sewer Capital Projects |
|--|----------------------|---|--|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 46,709 | \$ 4,601 | \$ (41,131) |
| Investments | 13,674,897 | 3,885,212 | 2,258,348 |
| Receivables (Net of Allowance for Uncollect) | | | |
| Accounts | 86,542 | - | - |
| Interest | 56,066 | 15,902 | 9,234 |
| Taxes | | | |
| Current | - | - | - |
| Delinquent | 133,513 | - | - |
| Deferred | - | 427,608 | - |
| Assessments | | | |
| Current | - | - | - |
| Delinquent | - | 211,179 | - |
| Deferred | 2,091 | 5,494,818 | - |
| Notes | 718 | - | - |
| Due From Other Funds | 43,532 | 169,859 | 175,885 |
| Due From Other Governments | 5,668 | 314,479 | 415,032 |
| Inventory | 136,608 | - | - |
| Prepaid Expenses | 188,091 | 857,730 | - |
| Deposits | 12,096 | - | - |
| Workers Comp Deposit | 136,176 | - | - |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 10,350 | - | - |
| Investments | - | - | - |
| Unamortized Discount | - | 13,720 | - |
| | <u>\$ 14,533,057</u> | <u>\$ 11,395,108</u> | <u>\$ 2,817,368</u> |
| Total Assets | | | |
| LIABILITIES AND FUND BALANCES | | | |
| Accounts Payable | \$ 153,033 | \$ 3,250 | \$ 241,848 |
| Contracts Payable | (883) | - | 768,932 |
| Notes Payable | - | - | - |
| Accrued Wages | 124,265 | - | - |
| Deposits | 9,543 | - | - |
| Due to Other Funds | 24,271 | - | 169,859 |
| Due to Other Governments | 42,693 | - | - |
| Deferred Revenue | 137,163 | 6,448,082 | 415,032 |
| | <u>490,085</u> | <u>6,451,332</u> | <u>1,595,671</u> |
| Total Liabilities | | | |
| Fund Balances | | | |
| Reserved for: | | | |
| Prepaid Items | 188,091 | 857,730 | - |
| Debt Service | - | 4,086,046 | - |
| Fiduciary Funds | - | - | - |
| Capital Projects Funds | - | - | 1,221,697 |
| Unreserved, designated, reported in: | | | |
| General Fund | 13,854,881 | - | - |
| Special Revenue Fund | - | - | - |
| Capital Projects Funds | - | - | - |
| | <u>14,042,972</u> | <u>4,943,776</u> | <u>1,221,697</u> |
| Total Fund Balances | | | |
| | <u>\$ 14,533,057</u> | <u>\$ 11,395,108</u> | <u>\$ 2,817,368</u> |
| Total Liabilities and Fund Balances | | | |

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

| Local Option Sales Tax Special Revenue Fund | Community Investment Special Revenue Fund | Other Governmental Funds | Total Governmental Funds |
|--|--|---|---|
| \$ 60 | \$ 218 | \$ 3,204,195 | \$ 3,214,652 |
| 1,773,147 | 8,555,078 | 3,940,685 | 34,087,367 |
| - | - | 10,207 | 96,749 |
| 7,261 | 34,532 | 16,239 | 139,234 |
| 363,429 | - | 67,984 | 431,413 |
| - | - | - | 133,513 |
| - | 22,906 | - | 450,514 |
| - | - | - | - |
| - | 6,240 | - | 217,419 |
| - | 737,521 | - | 6,234,430 |
| - | - | 224,997 | 225,715 |
| 480,187 | - | 648,068 | 1,517,531 |
| - | - | 96,224 | 831,403 |
| - | - | - | 136,608 |
| - | - | 172,533 | 1,218,354 |
| - | - | - | 12,096 |
| - | - | - | 136,176 |
| - | - | - | 10,350 |
| - | - | 30,000 | 30,000 |
| - | - | 16,380 | 30,100 |
| <u>\$ 2,624,084</u> | <u>\$ 9,356,495</u> | <u>\$ 8,427,512</u> | <u>\$ 49,153,624</u> |
| \$ - | \$ - | \$ 61,589 | \$ 459,720 |
| - | - | 7,423 | 775,472 |
| - | - | 3,664 | 3,664 |
| - | - | 2,164 | 126,429 |
| - | - | - | 9,543 |
| 197,385 | - | 716,507 | 1,108,022 |
| 9,943 | 108,703 | 1,088 | 162,427 |
| - | <u>761,072</u> | <u>96,224</u> | <u>7,857,573</u> |
| <u>207,328</u> | <u>869,775</u> | <u>888,659</u> | <u>10,502,850</u> |
| - | - | 172,533 | 1,218,354 |
| - | - | 17,601 | 4,103,647 |
| - | - | 37,995 | 37,995 |
| 2,416,756 | - | - | 3,638,453 |
| - | - | - | 13,854,881 |
| - | 8,486,720 | 1,814,104 | 10,300,824 |
| - | - | <u>5,496,620</u> | <u>5,496,620</u> |
| <u>2,416,756</u> | <u>8,486,720</u> | <u>7,538,853</u> | <u>38,650,774</u> |
| <u>\$ 2,624,084</u> | <u>\$ 9,356,495</u> | <u>\$ 8,427,512</u> | <u>\$ 49,153,624</u> |

City of Willmar, Minnesota
Reconciliation of Net Assets in the
Government-Wide Financial Statements and Fund Balances
in the Fund Basis Financial Statements
December 31, 2010

Amounts reported for governmental activities in the statement of net assets are different because:

| | | |
|--|---------------------|-----------------------|
| Total governmental fund balances | | \$ 38,650,774 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Governmental funds - capital assets | 145,505,084 | |
| Less: Accumulated depreciation | <u>(52,988,283)</u> | |
| | | 92,516,801 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | |
| Delinquent property taxes | 133,513 | |
| Deferred Property Taxes | 450,514 | |
| Deferred special assessments | <u>5,885,797</u> | |
| | | 6,469,824 |
| Internal service funds are used by management to charge the costs of equipment, information technology and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | | |
| | | 1,054,669 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| Bonds and notes payable | (15,317,128) | |
| Compensated absences | (3,899,486) | |
| Accrued interest | <u>(466,898)</u> | |
| | | <u>(19,683,512)</u> |
| Net assets of governmental activities | | <u>\$ 119,008,556</u> |

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

CITY OF WILLMAR, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

| | <u>General</u> | <u>Special Assessments Bonds Debt Service</u> | <u>Street Water/Sewer Capital Projects</u> |
|---|----------------------|---|--|
| REVENUES | | | |
| General Property Taxes | \$ 3,369,088 | \$ - | \$ - |
| Sales Tax | - | - | - |
| Other Taxes | - | - | - |
| Special Assessments | 2,023 | 1,497,692 | - |
| License and Permits | 364,712 | - | 17,814 |
| Intergovernmental | 4,995,300 | - | 544,997 |
| Charges for Services | 869,222 | - | - |
| Fines and Forfeits | 168,716 | - | - |
| Investment Income | 237,736 | 89,687 | 67,474 |
| Change in market value | (98,899) | (26,181) | (14,452) |
| Miscellaneous Revenues | 807,139 | 7,751 | 67,446 |
| Total Revenues | <u>10,715,037</u> | <u>1,568,949</u> | <u>683,279</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 3,207,918 | - | - |
| Public Safety | 4,544,247 | - | - |
| Streets and Highways | 3,133,761 | - | - |
| Culture & Recreation | 1,758,378 | - | - |
| Economic Development | - | - | - |
| Debt Service: | | | |
| Principal | - | 1,815,000 | - |
| Interest | - | 438,620 | - |
| Other Charges and Services | - | 9,076 | - |
| Capital Outlay | - | - | 2,300,576 |
| Total Expenditures | <u>12,644,304</u> | <u>2,262,696</u> | <u>2,300,576</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,929,267)</u> | <u>(693,747)</u> | <u>(1,617,297)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating Transfers In | 2,590,364 | 713,949 | (18,115) |
| Operating Transfers Out | (1,194,915) | - | (394,859) |
| Bond Proceeds | - | - | 1,805,326 |
| Total Other Financing Sources (Uses) | <u>1,395,449</u> | <u>713,949</u> | <u>1,392,352</u> |
| Net Change in Fund Balances | <u>(533,818)</u> | <u>20,202</u> | <u>(224,945)</u> |
| Fund Balances - Beginning | 14,576,343 | 4,923,574 | 1,446,642 |
| Prior period adjustment see Note 9 | 447 | - | - |
| Fund Balances - Ending | <u>\$ 14,042,972</u> | <u>\$ 4,943,776</u> | <u>\$ 1,221,697</u> |

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

CITY OF WILLMAR, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

| Local Option Sales Tax Special Revenue Fund | Community Investment Special Revenue | Other Government Funds | Total Governmental Funds |
|--|---|---------------------------------------|---|
| \$ - | \$ - | \$ 248,215 | \$ 3,617,303 |
| 1,771,674 | - | - | 1,771,674 |
| - | - | 142,338 | 142,338 |
| - | 28,079 | - | 1,527,794 |
| - | - | - | 382,526 |
| - | - | 925,621 | 6,465,918 |
| - | - | 414,144 | 1,283,366 |
| - | - | - | 168,716 |
| 107,473 | 261,804 | 98,137 | 862,311 |
| 3,345 | (26,932) | (27,566) | (190,685) |
| - | 2,109 | 3,677 | 888,122 |
| <u>1,882,492</u> | <u>265,060</u> | <u>1,804,566</u> | <u>16,919,383</u> |
| - | - | - | 3,207,918 |
| - | - | 8,186 | 4,552,433 |
| - | - | - | 3,133,761 |
| - | - | 409,290 | 2,167,668 |
| 33,784 | - | 642,434 | 676,218 |
| - | - | 132,328 | 1,947,328 |
| - | - | 60,280 | 498,900 |
| - | - | - | 9,076 |
| - | - | 1,024,172 | 3,324,748 |
| <u>33,784</u> | <u>-</u> | <u>2,276,690</u> | <u>19,518,050</u> |
| <u>1,848,708</u> | <u>265,060</u> | <u>(472,124)</u> | <u>(2,598,667)</u> |
| 272,000 | - | 1,934,520 | 5,492,718 |
| (275,385) | (544,090) | (749,171) | (3,158,420) |
| - | - | - | 1,805,326 |
| <u>(3,385)</u> | <u>(544,090)</u> | <u>1,185,349</u> | <u>4,139,624</u> |
| 1,845,323 | (279,030) | 713,225 | 1,540,957 |
| 579,565 | 8,765,750 | 6,825,628 | 37,117,502 |
| (8,132) | - | - | (7,685) |
| <u>\$ 2,416,756</u> | <u>\$ 8,486,720</u> | <u>\$ 7,538,853</u> | <u>\$ 38,650,774</u> |

City of Willmar, Minnesota
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|--|--------------------|-----------------------|
| Net Change in Fund Balances-Governmental Funds | | \$ 1,540,957 |
| <p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | |
| Capital Outlay Expense | 3,324,748 | |
| Depreciation Expense | <u>(6,606,940)</u> | (3,282,192) |
| <p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets</p> | | |
| | | (91,184) |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p> | | |
| Deferred Revenue, December 31, 2010 | 6,469,824 | |
| Deferred Revenue, December 31, 2009 | <u>(6,604,034)</u> | (134,210) |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | | |
| Compensated absences, December 31, 2010 | (3,899,486) | |
| Compensated absences, December 31, 2009 | <u>3,249,486</u> | (650,000) |
| <p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principle is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets.</p> | | |
| Principle Retirement of Long-Term Debt | 1,960,708 | |
| Bond Proceeds | (1,785,000) | |
| Change in accrued interest | <u>29,458</u> | 205,166 |
| <p>Internal service funds are used by management to charge the costs of equipment, information technology and insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities</p> | | |
| | | <u>(15,872)</u> |
| Change in Net Assets-Governmental Activities | | <u>\$ (2,427,335)</u> |

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

City of Willmar, Minnesota
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the fiscal year ended December 31, 2010

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget |
|---|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES | | | | |
| General Property Taxes | \$ 3,718,705 | \$ 3,398,436 | \$ 3,369,088 | \$ (29,348) |
| Special Assessments | - | - | 2,023 | 2,023 |
| License and Permits | 301,275 | 301,275 | 364,712 | 63,437 |
| Intergovernmental | 4,869,043 | 4,874,363 | 4,995,300 | 120,937 |
| Charges for Services | 782,650 | 801,450 | 869,222 | 67,772 |
| Fines and Forfeits | 234,000 | 234,000 | 168,716 | (65,284) |
| Investment Income | 500,500 | 500,500 | 237,736 | (262,764) |
| Change in market value | - | - | (98,899) | (98,899) |
| Miscellaneous Revenues | 449,000 | 498,600 | 807,139 | 308,539 |
| Total Revenues | 10,855,173 | 10,608,624 | 10,715,037 | 106,413 |
| EXPENDITURES | | | | |
| General Government | 3,111,603 | 3,115,056 | 3,207,918 | (92,862) |
| Public Safety | 4,681,762 | 4,687,871 | 4,544,247 | 143,624 |
| Public Works | 3,076,414 | 3,093,414 | 3,133,761 | (40,347) |
| Culture & Recreation | 1,830,464 | 1,829,114 | 1,743,378 | 85,736 |
| Non-Departmental | 15,000 | 15,000 | 15,000 | - |
| Total Expenditures | 12,715,243 | 12,740,455 | 12,644,304 | 96,151 |
| Excess (deficiency) of revenues over (under) expenditures | (1,860,070) | (2,131,831) | (1,929,267) | 202,564 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating Transfers In | 2,349,721 | 2,588,221 | 2,590,364 | 2,143 |
| Operating Transfers Out | (1,339,677) | (1,309,916) | (1,194,915) | 115,001 |
| Total Other Financing Sources (Uses) | 1,010,044 | 1,278,305 | 1,395,449 | 117,144 |
| Net Change in Fund Balances | (850,026) | (853,526) | (533,818) | 319,708 |
| Fund Balances - Beginning | 14,576,343 | 14,576,343 | 14,576,343 | - |
| Prior Period Adjustment - See Note 9 | 447 | 447 | 447 | - |
| Fund Balances - Ending | \$ 13,726,764 | \$ 13,723,264 | \$ 14,042,972 | \$ 319,708 |

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

City of Willmar, Minnesota
Statement of Net Assets
Proprietary Funds
December 31, 2010

| | Business-Type Activities | Governmental Activities |
|---|-----------------------------|----------------------------|
| | Waste Treatment Plant | Internal Service Funds |
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 148 | \$ (97,538) |
| Investments | 7,716,379 | 1,117,774 |
| Accounts Receivable | 92,543 | - |
| Interest Receivable | 31,568 | 4,577 |
| Due From Other Governments | 805,535 | 21,286 |
| Due From Other Funds | - | 3 |
| Inventories | 14,137 | 5,304 |
| Prepaid Items | 17,504 | - |
| Restricted Cash and Investments | 1,353,621 | - |
| Total Current Assets | 10,031,435 | 1,051,406 |
| Noncurrent Assets | | |
| Capital Assets: | | |
| Nondepreciable | 11,092,116 | - |
| Depreciable | 99,785,235 | 13,821 |
| Less: Accumulated Depreciation | (13,662,931) | (10,340) |
| Net capital assets | 97,214,420 | 3,481 |
| Total Noncurrent Assets | 97,214,420 | 3,481 |
| TOTAL ASSETS | 107,245,855 | 1,054,887 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 163,217 | 218 |
| Contracts Payable | 1,530,904 | - |
| Accrued Wages | 14,382 | - |
| Due To Other Funds | 409,512 | - |
| Deferred Revenue | - | - |
| Current Portion of Debt | 2,025,566 | - |
| Total Current Liabilities | 4,143,581 | 218 |
| Noncurrent Liabilities: | | |
| Bonds Payable | 835,000 | - |
| Notes Payable | 72,863,927 | - |
| Total Noncurrent Liabilities | 73,698,927 | - |
| TOTAL LIABILITIES | 77,842,508 | 218 |
| NET ASSETS | | |
| Invested in Capital Assets, net of related debt | 21,489,927 | 3,481 |
| Restricted: | | |
| Designated Plant Improvements | 1,289,626 | - |
| 2009 Operating Budget | 346,000 | - |
| Capital Improvement Fund | 409,144 | - |
| Construction Fund | 331,821 | - |
| Unrestricted | 5,536,829 | 1,051,188 |
| TOTAL NET ASSETS | \$ 29,403,347 | \$ 1,054,669 |

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

City of Willmar, Minnesota
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

| | Business-Type Activities Waste Treatment Plant | Governmental Activities Internal Service Funds |
|--|---|---|
| Operating Revenues | | |
| Intergovernmental | \$ 3,379 | \$ - |
| Charges For Sales and Services: | 4,135,722 | 23,713 |
| Total Operating Revenues | 4,139,101 | 23,713 |
| Operating Expenses | | |
| Personal Services | 950,855 | - |
| Supplies | 275,966 | 9,545 |
| Other Services and Charges | 689,422 | 12,533 |
| Depreciation | 1,162,069 | 408 |
| Total Operating Expenses | 3,078,312 | 22,486 |
| Operating Income (Loss) | 1,060,789 | 1,227 |
| Nonoperating Revenues (Expenses) | | |
| Lift Station Tapping Fees Collected | - | - |
| Investment Earnings | 221,619 | 31,639 |
| Change in market value | (41,614) | (9,462) |
| Capital Asset (Disposal)/Acquisition | (98,477) | 2,721 |
| Interest Expense | (1,776,231) | - |
| Other Revenue (Expense) | - | - |
| Total Nonoperating Revenues (Expenses) | (1,694,703) | 24,898 |
| Income (Loss) Before Contributions and Transfers | (633,914) | 26,125 |
| Capital Grants - Federal | 295,788 | - |
| Capital Grants - State | - | - |
| Transfers In | - | 3 |
| Transfers Out | (250,000) | (42,000) |
| Change in Net Assets | (588,126) | (15,872) |
| Total Net Assets - Beginning | 29,991,473 | 1,070,541 |
| Total Net Assets - Ending | \$ 29,403,347 | \$ 1,054,669 |

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

City of Willmar, Minnesota
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended December 31, 2010

| | Business-Type Activities | Governmental Activities |
|--|-----------------------------|----------------------------|
| | Waste Treatment Plant | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from Customers and Users | \$ 4,477,387 | \$ 23,713 |
| Payments to Suppliers | (828,205) | (9,990) |
| Payments to Employees | (936,473) | (12,533) |
| Net Cash Provided by Operating Activities | 2,712,709 | 1,190 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Transfer from Other Funds | - | 480,187 |
| Transfer to Other Funds | (500,000) | (84,000) |
| Net Cash Provided (Used) by Noncapital Financing Activities | (500,000) | 396,187 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Capital Contributions | 295,788 | - |
| Purchases of Capital Assets | (17,575,044) | - |
| Interest Paid on Capital Debt | (1,776,231) | - |
| Principal Paid on Capital Debt | (650,792) | - |
| Proceeds from Debt | 17,422,103 | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (2,284,176) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Principal Collected On Loan | - | 275 |
| Proceeds from Sales and Maturities of Investments | 2,295,000 | 72,000 |
| Purchase of Investments | (2,393,000) | (502,000) |
| Interest Received | 228,282 | 30,559 |
| Net Cash Provided/(Used) by Investing Activities | 130,282 | (399,166) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 58,815 | (1,789) |
| Cash and Cash Equivalents - Beginning | 1,294,954 | (95,749) |
| Cash and Cash Equivalents - Ending | \$ 1,353,769 | \$ (97,538) |
| Classified As: | | |
| Cash and Cash Equivalents | \$ 148 | \$ (97,538) |
| Restricted Cash | 1,353,621 | - |
| Total Cash and Cash Equivalents, End of Year | \$ 1,353,769 | \$ (97,538) |

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

City of Willmar, Minnesota
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended December 31, 2010

| | Business-Type Activities | Governmental Activities |
|--|-----------------------------|----------------------------|
| | Waste Treatment | Internal Service |
| | Plant | Funds |
| Reconciliation of Operating Income to Net Cash Provided (Used) | | |
| by Operating Activities: | | |
| Operating Income | \$ 1,060,789 | \$ 1,227 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By | | |
| Operating Activities: | | |
| Depreciation | 1,162,069 | 408 |
| Change in Assets and Liabilities: | | |
| (Increase) Decrease in Accounts Receivable | (71,226) | - |
| (Increase) Decrease in Inventories | - | (663) |
| (Increase) Decrease in Prepaid Items | 1,258 | - |
| Increase (Decrease) in Accounts Payable | 121,555 | 218 |
| Increase (Decrease) in Contracts Payable | 14,370 | - |
| Increase (Decrease) in Accrued Wages | 14,382 | - |
| Increase (Decrease) in Due To Other Funds | 409,512 | - |
| Total Adjustments | 1,651,920 | (37) |
| Net Cash Provided (Used) by Operating Activities | \$ 2,712,709 | \$ 1,190 |
| | | |
| Non Cash Transactions: | | |
| Net Increase in fair value of investments | \$ (41,614) | \$ (9,462) |

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

**NOTES TO FINANCIAL
STATEMENTS**

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Willmar's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2010. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Financial Reporting Entity

The City of Willmar was established in 1901 and is governed under a charter. The governing body consists of an eight member council, and mayor elected by eligible voters of the City. Four members are elected every two years for a four year term. The Mayor's office is for four years. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

1. Component Unit

a. 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 units are reported in separate columns to emphasize that they are legally separate from the City but are included because the primary government is financially accountable and is able to impose its will on the organizations.

Rice Memorial Hospital

The hospital provides inpatient and outpatient health care services to the City of Willmar and surrounding area. The governing board of Rice Memorial Hospital is appointed by the City Council. The City may change the manner, mode and type of operations of the hospital to permit participation of other agencies. The City also has the power to overrule any decision, motion, resolution, rule, regulation, or order of the board and the legal liability for the general obligation portion of any debt remains with the City. Complete financial statements for Rice Memorial Hospital may be obtained at 301 Becker Avenue SW, Willmar, MN 56201.

Willmar Municipal Utilities

The Willmar Municipal Utilities (WMU) is responsible for the operation and management of the electric, water and district heating systems of the City of Willmar. WMU is governed by the Municipal Utilities Commission which is appointed by the Willmar City Council. The City also has the power to overrule any decision, motion, resolution, rule, regulation, or order of the board and the legal liability for the general obligation portion of any debt remains with the City. The rates for user charges and bond issuance authorizations are approved by the City Council. Complete financial statements for Willmar Municipal Utilities may be obtained at 700 Litchfield Avenue SW, Willmar, MN 56201.

b. Excluded: Firefighters Association

This association is organized as a non-profit organization by its members to provide pension and other benefits to such members in accordance with Minnesota Statutes. Their board of directors is appointed by the membership of the organization. All funding is conducted in accordance with Minnesota Statutes whereby State Aids flow to the association, tax levies are determined by the association and are only reviewed by the City, and the association pays benefits directly to its members.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (the statement of net assets and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

In the government-wide statement of net assets, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted net assets; and (3) unrestricted net assets.

The statement of activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and its business-type activities are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund financial statements provide information about the City's funds. Separate statements for each fund category-governmental, proprietary and fiduciary-are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed in a separate column in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

a. Governmental Funds

The City reports the following major governmental funds:

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Debt Service Fund - Special Assessments Bond

This fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation special assessment bonds.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Capital Project Fund – Street, Water and Sewer

This fund is used to account for capital acquisition, construction and improvement projects related to streets, water and sewer.

Special Revenue Fund – Local Option Sales Tax

This fund is used to account for the local sales tax revenue. The resources are restricted for specific projects: connecting the Willmar Civic Center and Blue Line Center, the City walking and bike path system and the development of the land acquired through the relocation of the Willmar Airport.

Special Revenue Fund – Community Investment

This fund is used to account for surplus money in each separate improvement fund and in the improvement bond redemption fund which remain after the costs of each improvement have been fully funded.

b. Enterprise Funds

The City reports the following major enterprise fund:

Waste Treatment Fund

This fund is used to account for activities related to providing sewer services to the public.

c. Internal Service Fund

This fund is used to account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

d. Agency Funds

Financial statements of agency funds, which are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds assets, liabilities, and net assets are included in the fiduciary statement of net assets.

C. Measurement Focus and Basis of Accounting

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

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers all revenues as available if collected within 60 days after the end of the current period, except for reimbursement (expenditure driven) grants for which the period is 90 days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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 business operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. *Operating* expenses for the City's enterprise funds and internal service 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.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the City can deposit or effectively withdraw cash at any time without prior notice or penalty.

2. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the City in certificates of deposit and other authorized investments. Earnings on cash accounts are allocated to individual funds based upon an average of month-end balances.

Investments are stated at fair value based on quoted market prices at the reporting date.

3. Receivables

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

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectibles.

Property taxes are levied by the City Council in December of each year and are certified to Kandiyohi County for collection in the following year. The property taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments in May and October. The County collects the taxes and periodically remits them to the City. The majority of these remittances are made in June and November.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from delinquent property taxes not collected within 60 days of year-end is deferred in the fund financial statements because they are not known to be available to finance the operations of the City in the current year.

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Generally, assessment collections are deferred over periods ranging from one to ten years. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become collectible in the governmental funds of the fund financial statements. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. Delinquent assessments receivable are deferred revenue in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

4. Prepaid Items

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

5. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (such as roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary funds. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current period, the City did not have any capitalized interest.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

| <u>Assets</u> | <u>Years</u> |
|------------------------------------|--------------|
| Buildings | 25 - 50 |
| Building improvements | 25 - 50 |
| Infrastructure | 10 - 20 |
| Furniture, equipment, and vehicles | 3 - 20 |

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned vacation and sick pay benefits. The liability for compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the government funds only if they have matured. The City typically liquidates the liability for compensated absences to the fund where employees' salaries were originally charged.

7. Deferred Revenue

All City funds and the government-wide financial statements defer revenue for resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for revenues not considered to be available to liquidate liabilities of the current period.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

9. Net Assets/Fund Balances

The government-wide and business-type activities fund financial statements use a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

a. Invested in capital assets, net of related debt

This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

b. Restricted net assets

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

c. Unrestricted net assets

This category represents net assets of the City, not restricted for any project or other purpose.

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

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds and special revenue funds except some capital projects funds, which adopt project-length budgets. All annual appropriations except those for capital outlay lapse at fiscal year end.

On or before the first Tuesday in August of each year, all agencies of the government submit request for appropriations to the Mayor so that a budget may be prepared. In September, the proposed budget is presented to the City's council for review. The council holds public hearings and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function and department. The government's City Administrator may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level. All supplemental budgetary appropriations in all funds were approved by the City Council.

B. Deficit Fund Balances

The following fund had a deficit fund balance as of December 31, 2010:

| | |
|------------------------|--------------------|
| Capital Project Fund | |
| Local Option Sales Tax | <u>\$ (48,622)</u> |

**CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

| | |
|--|----------------------|
| Cash and cash equivalents | \$ 13,630,529 |
| Investments | <u>85,913,985</u> |
| | <u>\$ 99,544,514</u> |
| Primary Government | |
| Cash and cash equivalents | \$ 3,117,263 |
| Investments | 42,921,520 |
| Temporarily restricted cash | 1,363,971 |
| Permanently restricted investments | <u>30,000</u> |
| Total Primary Government | <u>47,432,754</u> |
| Discretely Presented Component Units | |
| Willmar Municipal Utilities: | |
| Cash and cash equivalents | 1,800,647 |
| Investments | 4,862,129 |
| Temporarily restricted investments | <u>11,257,340</u> |
| Total Willmar Municipal Utilities | <u>17,920,116</u> |
| Rice Memorial Hospital | |
| Cash and cash equivalents | 5,752,630 |
| Investments | 17,946,975 |
| Investments with trustee | 5,846,171 |
| Temporarily restricted cash | 1,596,018 |
| Permanently restricted investments | <u>3,049,850</u> |
| Total Rice Memorial Hospital | <u>34,191,644</u> |
| Total | <u>\$ 99,544,514</u> |

a. Deposits

Minn. Stat. §§ 118A.02 and 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution’s banking day, 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, and 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.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

1. Deposits and Investments (continued)

a. Deposits (continued)

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. It is the City's policy that collateral or bonds will be required for all uninsured amounts on deposit and the additional insurance will be documented to show compliance with state law and a perfected security interest under federal law. As of December 31, 2010, the City's deposits were entirely covered by federal depository insurance or by collateral held by the City or its agent in the City's name.

b. Investments

Minn. Stat. §§ 118A.04 and 118A.05 generally authorize the following types of investments as available to the City:

- (1) 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 Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) 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; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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. It is the City's policy to minimize its exposure to interest rate risk by investing in both shorter and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, taking into account the City's investment risk constraints, cash flow characteristics of the portfolio, and prudent investment principles.

| | Fair Value | Investment Maturities in Years | | |
|--|----------------------|--------------------------------|---------------------|----------------------|
| | | Less than 1 | 1-5 Years | 6-10 Years |
| Certificates of Deposit | \$ 1,673,365 | \$ 96,006 | \$ 1,577,359 | \$ - |
| Federal Farm Credit Banks | 2,943,972 | - | - | 2,943,972 |
| Federal Home Loan Banks | 16,873,802 | - | 4,422,083 | 12,451,719 |
| Federal Home Loan Mortgage Corporation | 9,470,651 | - | - | 9,470,651 |
| Federal National Mortgage Association | 17,260,904 | - | - | 17,260,904 |
| Mutual Funds | 574,600 | 574,600 | - | - |
| | <u>\$ 48,797,294</u> | <u>\$ 670,606</u> | <u>\$ 5,999,442</u> | <u>\$ 42,127,246</u> |

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 City's investments are rated as follows:

| | Rating |
|--------------------------|------------------|
| Commerical Paper | A1/P1 and A1+/P1 |
| US Government Securities | AAA |
| Mutual/Bond Funds | Not Rated |

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, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. The City's policy is that brokers may hold City investments only to the extent that there is SIPC and excess SIPC coverage available.

The issuers and amounts that exceed five percent of the City's investments are as follows:

| Issuer | Amount | Percent |
|------------------------|---------------|---------|
| Smith Barney Citigroup | \$ 7,488,605 | 15% |
| United Bank Services | \$ 9,533,410 | 20% |
| Wells Fargo | \$ 10,261,179 | 21% |
| Wells Fargo Advisors | \$ 20,939,500 | 43% |

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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. The City's investment policy dictates that it will diversify its investments by security type and by institution. The security types and amounts that exceed five percent of the City's total investments are as follows:

| <u>Security Type</u> | <u>Amount</u> | <u>Percent</u> |
|--|---------------|----------------|
| Federal Farm Credit Banks | \$ 2,943,972 | 6% |
| Federal Home Loan Banks | \$ 16,873,802 | 35% |
| Federal Home Loan Mortgage Corporation | \$ 9,470,651 | 19% |
| Federal National Mortgage Association | \$ 17,260,904 | 35% |

2. Capital Assets

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

Governmental Activities*

| | Balance January 1, 2010 | Additions | Deletions | Balance December 31, 2010 |
|--------------------------------------|--|----------------------|----------------------|--|
| Governmental Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 3,687,421 | \$ 4,762,312 | \$ - | \$ 8,449,733 |
| Construction in progress | <u>26,628,919</u> | <u>3,324,748</u> | <u>26,103,509</u> | <u>3,850,158</u> |
| Total | <u>30,316,340</u> | <u>8,087,060</u> | <u>26,103,509</u> | <u>12,299,891</u> |
| Capital assets being depreciated | | | | |
| Buildings and structures | 7,874,458 | 3,773,562 | 16,104 | 11,631,916 |
| Furniture and equipment | 3,962,586 | 310,302 | 235,846 | 4,037,042 |
| Machinery and auto | 6,934,723 | 540,079 | 483,662 | 6,991,140 |
| Other improvements | <u>92,774,219</u> | <u>17,786,615</u> | <u>1,918</u> | <u>110,558,916</u> |
| Total | <u>111,545,986</u> | <u>22,410,558</u> | <u>737,530</u> | <u>133,219,014</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 2,494,674 | 905,269 | 14,494 | 3,385,449 |
| Furniture and equipment | 2,180,132 | 282,286 | 138,192 | 2,324,226 |
| Machinery and equipment | 3,734,707 | 427,120 | 354,723 | 3,807,104 |
| Other improvements | <u>38,491,305</u> | <u>4,992,265</u> | <u>1,726</u> | <u>43,481,844</u> |
| | <u>46,900,818</u> | <u>6,606,940</u> | <u>509,135</u> | <u>52,998,623</u> |
| Net property and equipment | <u>\$ 94,961,508</u> | <u>\$ 23,890,678</u> | <u>\$ 26,331,904</u> | <u>\$ 92,520,282</u> |

* Includes internal service fund capital assets

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

2. Capital Assets (continued)

Business-Type Activities

| | Balance January 1, 2010 | Additions | Deletions | Balance December 31, 2010 |
|--------------------------------------|--|----------------------|----------------------|--|
| Business-Type Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 321,370 | \$ 1,309,557 | \$ - | \$ 1,630,927 |
| Construction in progress | <u>72,234,581</u> | <u>13,370,696</u> | <u>76,144,088</u> | <u>9,461,189</u> |
| Total | <u>72,555,951</u> | <u>14,680,253</u> | <u>76,144,088</u> | <u>11,092,116</u> |
| Capital assets being depreciated | | | | |
| Buildings and structures | 20,176,514 | 63,153,137 | - | 83,329,651 |
| Furniture and equipment | 996,442 | 94,245 | 9,098 | 1,081,589 |
| Machinery and auto | 745,931 | 5,602,381 | - | 6,348,312 |
| Other improvements | <u>2,932,202</u> | <u>6,093,481</u> | <u>-</u> | <u>9,025,683</u> |
| Total | 24,851,089 | 74,943,244 | 9,098 | 99,785,235 |
| Less accumulated depreciation for: | | | | |
| Buildings | 10,514,339 | 912,916 | - | 11,427,255 |
| Furniture and equipment | 682,990 | 42,890 | 8,187 | 717,693 |
| Machinery and auto | 322,765 | 134,440 | - | 457,205 |
| Other improvements | <u>989,866</u> | <u>70,912</u> | <u>-</u> | <u>1,060,778</u> |
| | <u>12,509,960</u> | <u>1,161,158</u> | <u>8,187</u> | <u>13,662,931</u> |
| Net property and equipment | <u>\$ 84,897,080</u> | <u>\$ 88,462,339</u> | <u>\$ 76,144,999</u> | <u>\$ 97,214,420</u> |

Component Units

| | <u>Rice Memorial Hospital</u> | | <u>Willmar Municipal Utilities</u> | |
|--------------------------|-------------------------------|----------------------|------------------------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Land | \$ 2,603,000 | \$ 2,603,000 | \$ 1,172,207 | \$ 905,134 |
| Buildings | 82,074,000 | 81,548,000 | 3,536,000 | 3,514,554 |
| Furniture and equipment | 35,557,000 | 33,403,000 | 71,294,873 | 67,778,555 |
| Machinery and auto | - | - | - | - |
| Other improvements | 1,608,000 | 1,448,000 | - | - |
| Utility Plant in Service | - | - | - | - |
| Construction in progress | 668,000 | 334,000 | 476,563 | 3,028,368 |
| Less: Depreciation | <u>(60,793,000)</u> | <u>(54,447,000)</u> | <u>(44,940,595)</u> | <u>(42,738,244)</u> |
| | <u>\$ 61,717,000</u> | <u>\$ 64,889,000</u> | <u>\$ 31,539,048</u> | <u>\$ 32,488,367</u> |

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

2. Capital Assets (continued)

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

| | |
|---|---------------------|
| Governmental Activities | |
| General government | \$ 79,411 |
| Public safety | 236,222 |
| Public works | 6,070,151 |
| Culture and recreation | <u>221,156</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 6,606,940</u> |
| Business-Type Activities | |
| Waste treatment | <u>\$ 1,161,158</u> |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 1,161,158</u> |

Construction Commitments

The City has active construction projects as of December 31, 2010. The projects include street improvements and wastewater treatment improvements and storm water upgrades. At year end the City's commitments with contractors were as follows:

| <u>Construction Projects</u> | <u>Remaining Commitment</u> |
|------------------------------|---------------------------------|
| Street Projects | \$ 1,021,377 |
| Waste Water Treatment Plant | <u>4,446,695</u> |
| | <u>\$ 5,468,072</u> |

B. Interfund Receivables, Payables and Transfers

1. Due from/Due to

| <u>Receivable fund</u> | <u>Payable fund</u> | <u>Amount</u> |
|---|---|---------------------|
| General Fund | Debt Service - Tax Increment Bonds | \$ 407 |
| General Fund | Capital Projects - Surface Water | 15,360 |
| General Fund | Capital Projects - Local Option Sales Tax | 21,500 |
| General Fund | Capital Projects - Capital Improvements | 6,265 |
| Special Revenue - Local Option Sales Tax | Capital Projects - Airport | 480,187 |
| Debt Service - Special Assessments | Capital Projects - Street | 169,859 |
| Capital Projects - Street | Capital Projects - Local Option Sales Tax | 175,885 |
| Capital Projects - 2009 AFG Fire Grant | General Fund | 6,823 |
| Capital Projects - Surface Water | General Fund | 17,448 |
| Capital Projects - Local Option Sales Tax | Special Revenue - Local Option Sales Tax | 197,385 |
| Capital Projects - Capital Improvements | Special Revenue - WRAC8 | 16,900 |
| Internal Services - Public Improvement | Special Revenue - Industrial Development | 3 |
| Special Revenue - Public Works Reserve | Enterprise - Waste Treatment Plant | <u>409,512</u> |
| | | <u>\$ 1,517,534</u> |

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

2. Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following schedule briefly summarizes the City's transfer activity:

| <u>Funds transferred to</u> | | <u>Funds transferred from</u> | |
|--|---------------------|--|---------------------|
| General Fund | \$ 548,064 | Nonmajor Special Revenue | \$ 7,250 |
| | | Nonmajor Debt Service | 814 |
| | | Capital Project - Street, Water, Sewer | 225,000 |
| | | Nonmajor Capital Project Fund | 21,500 |
| | | Waste Treatment | 250,000 |
| | | Internal Service Fund | 42,000 |
| | | Nonmajor Trust & Agency Fund | 1,500 |
| | | | <u>548,064</u> |
| Special Revenue - Local Option Sales Tax | 272,000 | Nonmajor Capital Project | 272,000 |
| Nonmajor Special Revenue Fund | 253,320 | Nonmajor Capital Projects | 24,838 |
| | | Nonmajor Trust & Agency Fund | 228,482 |
| | | | <u>253,320</u> |
| Special Assessments Bonds | 895,449 | General Fund | 181,500 |
| | | Special Revenue - Community Investment | 544,090 |
| | | Capital Project - Street, Water, Sewer | 169,859 |
| | | | <u>895,449</u> |
| Capital Project - Street, Water, Sewer | (18,115) | Special Revenue - Local Option Sales Tax | (194,000) |
| | | Nonmajor Capital Project | 175,885 |
| | | | <u>(18,115)</u> |
| Nonmajor Capital Projects | 1,499,700 | General Fund | 1,013,415 |
| | | Special Revenue - Local Option Sales Tax | 469,385 |
| | | Nonmajor Special Revenue | 16,900 |
| | | | <u>1,499,700</u> |
| Internal Service Fund | 3 | Nonmajor Special Revenue Fund | 3 |
| Total | <u>\$ 3,450,421</u> | Total | <u>\$ 3,450,421</u> |

C. Liabilities

1. Deferred Revenue

Deferred revenue consists of taxes and special assessments receivable that are not collected soon enough after year-end to pay liabilities of the current period and prepayments that have been received by not earned.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

2. Long-Term Debt

The long-term debt obligations outstanding at year end are summarized as follows:

| | <u>Interest Rates</u> | <u>Date Issued</u> | <u>Date Matures</u> | <u>Original Issue</u> | <u>Outstanding at 12/31/2010</u> |
|--|---------------------------|------------------------|-------------------------|------------------------------|--------------------------------------|
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| <u>G.O. Special Assessments</u> | | | | | |
| 2000 Improvement Bond | 4.75-5.25 | 2000 | 2011 | \$ 665,000 | \$ 70,000 |
| 2001 Improvement Bond | 3.00-4.25 | 2001 | 2012 | 1,400,000 | 280,000 |
| 2002 Improvement Bond | 2.00-3.75 | 2002 | 2013 | 1,125,000 | 305,000 |
| 2003 Improvement Bond | 2.00-4.10 | 2003 | 2014 | 600,000 | 220,000 |
| 2004 Improvement Bond | 2.10-4.00 | 2004 | 2015 | 2,125,000 | 1,010,000 |
| 2005 Improvement Bond | 3.25-3.65 | 2005 | 2016 | 3,675,000 | 2,130,000 |
| 2006 Improvement Bond | 3.60-3.85 | 2006 | 2017 | 1,950,000 | 1,370,000 |
| 2007A Improvement Bond | 3.75-4.00 | 2007 | 2018 | 3,285,000 | 2,640,000 |
| 2007B Improvement Bond | 4 | 2007 | 2018 | 1,725,000 | 1,390,000 |
| 2008 Improvement Bond | 3.00-4.00 | 2008 | 2019 | 1,530,000 | 1,385,000 |
| 2010 Improvement Bond | 2.00-3.00 | 2010 | 2021 | <u>1,785,000</u> | <u>1,785,000</u> |
| Total Special Assessment Bonds | | | | <u>19,865,000</u> | <u>12,585,000</u> |
| <u>G.O. Revenue Bonds</u> | | | | | |
| 2004 Airport Bond | 2.00-4.05 | 2004 | 2020 | <u>2,100,000</u> | <u>1,515,000</u> |
| Total G.O. Revenue Bonds | | | | <u>2,100,000</u> | <u>1,515,000</u> |
| <u>Notes Payable</u> | | | | | |
| Airport Land Cost Repayment Agreement | | | | 929,838 | 929,838 |
| Tax Increment Financing - Homme Project | | | | 235,024 | 235,024 |
| Tax Increment Financing - Lakewood Project | | | | <u>100,000</u> | <u>52,266</u> |
| Total Notes Payable | | | | <u>1,264,862</u> | <u>1,217,128</u> |
| Total Governmental Activities | | | | <u>23,229,862</u> | <u>15,317,128</u> |
| Business-Type Activities | | | | | |
| <u>G.O. Revenue Notes and Bonds</u> | | | | | |
| 1997 Waste Treatment Note | 3.13 | 1997 | 2017 | 4,300,000 | 1,814,646 |
| 2008 Waste Treatment Note | 3.275 | 2008 | 2028 | 42,001,362 | 41,733,000 |
| 2008 Waste Treatment Note | 0 | 2008 | 2030 | 7,000,000 * | 6,516,936 |
| 2009 Waste Treatment Note | 2.457 | 2009 | 2029 | 1,788,716 * | 1,589,097 |
| 2009 Waste Treatment Note | 3.44 | 2009 | 2038 | <u>36,238,638 *</u> | <u>23,145,814</u> |
| Total G.O. Revenue Notes | | | | <u>91,328,716</u> | <u>74,799,493</u> |
| 2004 Waste Treatment Bond | 1.45-4.15 | 2004 | 2019 | <u>1,410,000</u> | <u>925,000</u> |
| Total G.O. Revenue Notes and Bonds | | | | <u>92,738,716</u> | <u>75,724,493</u> |
| Total Business-Type Activities | | | | <u>92,738,716</u> | <u>75,724,493</u> |
| Total Primary Government | | | | <u>\$ 115,968,578</u> | <u>\$ 91,041,621</u> |

*Includes undrawn proceeds of \$483,064, \$129,903 and \$13,092,823

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

2. Long-Term Debt (continued)

| | <u>Interest Rates</u> | <u>Date Issued</u> | <u>Date Matures</u> | <u>Original Issue</u> | <u>Outstanding at 12/31/2010</u> |
|-------------------------------------|-----------------------|--------------------|---------------------|-----------------------------|----------------------------------|
| Component Units | | | | | |
| Municipal Utilities | | | | | |
| <u>Revenue Bonds</u> | | | | | |
| 1999 Bond | 4.20-5.00 | 1999 | 2011 | \$ 1,760,000 | \$ 235,000 |
| 2001 Bond | 3.50-4.50 | 2001 | 2011 | 1,240,000 | 150,000 |
| 2009 Bond | 3.50-5.00 | 2009 | 2025 | <u>8,120,000</u> | <u>8,120,000</u> |
| Total Revenue Bonds | | | | <u>11,120,000</u> | <u>8,505,000</u> |
| <u>G.O. Revenue Bonds</u> | | | | | |
| 2005 Bond | 3.00-3.75 | 2005 | 2016 | <u>1,290,000</u> | <u>830,000</u> |
| Total G.O. Revenue Bonds | | | | <u>1,290,000</u> | <u>830,000</u> |
| <u>Note Payable</u> | | | | | |
| Big Stone II Joint Vent | N/A | N/A | 2011 | <u>474,519</u> | <u>205,013</u> |
| Total Note Payable | | | | <u>474,519</u> | <u>205,013</u> |
| Total Municipal Utilities | | | | <u>\$ 12,884,519</u> | <u>\$ 9,540,013</u> |
| Rice Memorial Hospital | | | | | |
| <u>Revenue Bonds</u> | | | | | |
| 1994 Bond | 6.20-6.70 | 1994 | 2015 | \$ 1,865,000 | \$ 710,000 |
| <u>G.O. Revenue Bonds</u> | | | | | |
| 2002 Bond | 3.00-5.00 | 2002 | 2032 | <u>51,200,000</u> | <u>45,810,000</u> |
| <u>Notes Payable</u> | | | | | |
| Promissory Note | 5.47 | 2009 | 2014 | 3,000,000 | 2,140,713 |
| Rice Home Medical | 6.95 | 2007 | 2014 | <u>880,000</u> | <u>757,020</u> |
| Total Notes Payable | | | | <u>3,880,000</u> | <u>2,897,733</u> |
| <u>Lease Payable</u> | | | | | |
| Rice Home Medical | 4.5 | 2010 | 2015 | <u>55,612</u> | <u>48,897</u> |
| Total Rice Memorial Hospital | | | | <u>\$ 57,000,612</u> | <u>\$ 49,466,630</u> |

3. Long-Term Debt Maturities

Long-Term Debt maturities are as follows:

| <u>Notes Payable</u> | |
|----------------------|-------------------------------------|
| <u>Year</u> | <u>Governmental Activities</u> |
| 2012 | Airport Land Cost Repayment Agr. |
| 2013 | Tax Increment Financing/Homme |
| 2028 | Tax Increment Financing/Lakewood BK |

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

3. Long-Term Debt Maturities (Con't)

Long-Term Debt maturities (con't):

General Obligation Special Assessments Bonds

| <u>Year</u> | <u>Governmental Activities</u> | |
|-------------|--------------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2011 | \$ 1,805,000 | \$ 413,148 |
| 2012 | 1,900,000 | 346,065 |
| 2013 | 1,755,000 | 281,541 |
| 2014 | 1,635,000 | 221,673 |
| 2015 | 1,575,000 | 164,735 |
| 2016-2020 | 3,740,000 | 242,108 |
| 2021-2025 | 175,000 | 2,625 |
| Total | <u>\$ 12,585,000</u> | <u>\$ 1,671,895</u> |

General Obligation Revenue Bonds

| <u>Year</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|-------------|--------------------------------|-------------------|---------------------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2011 | \$ 130,000 | \$ 53,750 | \$ 90,000 | \$ 33,365 |
| 2012 | 130,000 | 49,427 | 90,000 | 30,350 |
| 2013 | 135,000 | 44,855 | 95,000 | 27,111 |
| 2014 | 140,000 | 40,043 | 100,000 | 23,600 |
| 2015 | 145,000 | 34,946 | 100,000 | 19,900 |
| 2016-2020 | 835,000 | 85,015 | 450,000 | 37,613 |
| Total | <u>\$ 1,515,000</u> | <u>\$ 308,036</u> | <u>\$ 925,000</u> | <u>\$ 171,939</u> |

General Obligation Revenue Notes

| <u>Year</u> | <u>Business-Type Activities</u> | |
|-------------|---------------------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2011 | \$ 1,935,567 | \$ 2,324,112 |
| 2012 | 2,453,371 | 2,647,137 |
| 2013 | 2,567,048 | 2,566,417 |
| 2014 | 2,649,968 | 2,481,959 |
| 2015 | 2,733,137 | 2,394,770 |
| 2016-2020 | 14,444,193 | 10,582,509 |
| 2021-2025 | 18,548,000 | 8,105,495 |
| 2026-2030 | 28,589,000 | 4,220,196 |
| 2031-2035 | 8,655,000 | 1,933,452 |
| 2036-2040 | 5,930,000 | 412,456 |
| Total | <u>\$ 88,505,284</u> | <u>\$ 37,668,503</u> |

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

3. Long-Term Debt Maturities (continued)

| Year | <u>Municipal Utilities</u> | | <u>Rice Memorial Hospital</u> | |
|-----------|----------------------------|---------------------|-------------------------------|----------------------|
| | Principal | Interest | Principal | Interest |
| 2011 | \$ 510,000 | \$ 401,162 | \$ 1,789,989 | \$ 2,590,609 |
| 2012 | 535,000 | 378,356 | 1,951,711 | 2,496,871 |
| 2013 | 555,000 | 359,544 | 2,056,027 | 2,389,621 |
| 2014 | 575,000 | 339,996 | 1,759,690 | 2,274,633 |
| 2015 | 595,000 | 319,640 | 1,548,538 | 2,146,149 |
| 2016-2020 | 2,965,000 | 1,261,710 | 8,756,305 | 9,505,382 |
| 2021-2025 | 3,600,000 | 545,469 | 11,064,370 | 7,095,456 |
| 2026-2030 | - | - | 13,940,000 | 4,140,500 |
| 2031-2032 | - | - | 6,600,000 | 740,625 |
| Total | <u>\$ 9,335,000</u> | <u>\$ 3,605,877</u> | <u>\$ 49,466,630</u> | <u>\$ 33,379,846</u> |

4. Changes in Long-Term Liabilities

| | <u>Balance</u> <u>01/01/2010</u> | <u>Issued</u> | <u>Retired/ Defeased</u> | <u>Balance</u> <u>12/31/2010</u> |
|---------------------------------------|-------------------------------------|----------------------------|------------------------------|-------------------------------------|
| Primary Government | | | | |
| Governmental Activities | | | | |
| G.O. Special Assessment Bonds | \$ 12,615,000 | \$ 1,785,000 | \$ 1,815,000 | \$ 12,585,000 |
| G.O. Revenue Bonds | 1,640,000 | - | 125,000 | 1,515,000 |
| Notes Payable | 307,998 | 929,838 | 20,708 | 1,217,128 |
| Compensated Absences | 3,249,486 | 650,000 | - | 3,899,486 |
| Total Governmental Activities | <u>17,812,484</u> | <u>3,364,838</u> | <u>1,960,708</u> | <u>19,216,614</u> |
| Business-Type Activities | | | | |
| G.O. Revenue Notes | 57,943,182 | 17,422,103 | 565,792 | 74,799,493 |
| G.O. Revenue Bonds | 1,010,000 | - | 85,000 | 925,000 |
| Total Business-Type Activities | <u>58,953,182</u> | <u>17,422,103</u> | <u>650,792</u> | <u>75,724,493</u> |
| Total Primary Government | <u>\$ 76,765,666</u> | <u>\$20,786,941</u> | <u>\$2,611,500</u> | <u>\$ 94,941,107</u> |
| Component Units | | | | |
| Municipal Utilities | | | | |
| Revenue Bonds | \$ 8,875,000 | \$ - | \$ 370,000 | \$ 8,505,000 |
| G.O. Revenue Bonds | 950,000 | - | 120,000 | 830,000 |
| Note Payable Big Stone II Joint Vent | 474,519 | - | 269,506 | 205,013 |
| Total Municipal Utilities | <u>10,299,519</u> | <u>-</u> | <u>759,506</u> | <u>9,540,013</u> |
| Rice Memorial Hospital | | | | |
| Revenue Bond | 825,000 | - | 115,000 | 710,000 |
| G.O. Revenue Bonds | 46,655,000 | - | 845,000 | 45,810,000 |
| Note Payable: Foundation | 499,660 | - | 499,660 | - |
| Promissory Note Payable | 2,694,504 | - | 553,791 | 2,140,713 |
| Note Payable: Rice Home Medical | 797,503 | - | 40,483 | 757,020 |
| Capital Lease Payable | - | 55,612 | 6,715 | 48,897 |
| Total Rice Memorial Hospital | <u>51,471,667</u> | <u>55,612</u> | <u>2,060,649</u> | <u>49,466,630</u> |
| Total Component Units | <u>\$ 61,771,186</u> | <u>\$ 55,612</u> | <u>\$2,820,155</u> | <u>\$ 59,006,643</u> |

**CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010**

D. Designated Fund Balance

At December 31, 2010, the following balances were designated:

| <u>GENERAL FUND</u> | |
|---------------------------------------|----------------------|
| Designated for: | |
| 2010 Operating Budget | \$ 115,473 |
| 2011 Operating Budget | 505,800 |
| Prepaid Items | 188,136 |
| Public Works Blacktop | 200,000 |
| Compensated Absence | 3,899,486 |
| Retirees' Insurance Buy Out | 223,540 |
| Capital Improvements Fund | 2,308,237 |
| Self-Insurance | 1,000,000 |
| Working Capital | 3,000,000 |
| Current Year Emergency Appropriations | 1,300,000 |
| Future Year Emergency Appropriations | 1,300,000 |
| Petty Cash | 2,300 |
| | <u>\$ 14,042,972</u> |

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

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

Public Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund.

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

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each year thereafter. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service.

**CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010**

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

For all Public Employees Retirement Fund members whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund members, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund. That report may be obtained on the internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

B. Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minn. Stat. ch. 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members were required to contribute 9.10 and 6.0 percent, respectively, of their annual covered salary in 2010. Public Employees Police and Fire Fund members were required to contribute 9.40 percent of their annual covered salary in 2010. Contribution rates will remain the same in 2011 for PERA Basic Plan members but will increase to 6.25% for Coordinated Plan members and to 9.60% for Police and Fire Fund members.

The City is required to contribute the following percentages of annual covered payroll in 2010 and 2011:

| | 2010 | 2011 |
|---------------------------------------|---------|---------|
| Public Employee Retirement Fund | | |
| Basic Plan Members | 11.78 % | 11.78 % |
| Coordinated Plan Members | 7.00 % | 7.25 % |
| Public Employees Police and Fire Fund | 14.10 % | 14.40 % |

The City's contributions for the years ending December 31, 2010, 2009, and 2008, for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund were:

| | Public Employees Retirement Fund | Public Employees Police and Fire Fund |
|------|---|--|
| 2010 | \$ 274,961 | \$ 310,143 |
| 2009 | \$ 274,045 | \$ 322,542 |
| 2008 | \$ 248,216 | \$ 272,954 |

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

**CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010**

NOTE 5 OTHER POST EMPLOYMENT BENEFITS

Primary Government

At December 31, 2010, the City had not adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB) as it relates to the Primary Government. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Component Units

Willmar Municipal Utilities

The Utilities engaged an actuary to determine the Utilities liability for postemployment benefits other than pensions. The liability was determined to be immaterial and therefore GASB Statement No. 45 was not adopted.

Rice Memorial Hospital

As of December 31, 2008 the Hospital implemented the requirements of Governmental Accounting Standards Board (GASB) No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions*. Qualified employees may choose to participate in the Hospital's insurance plan after retirement, with no contribution from the Hospital. The Hospital provides these benefits to retirees as required by Minnesota statute 471.61 subdivision 2b. As of December 31, 2010, and 2009 there were approximately 32 and 23 retirees receiving benefits from the Hospital's health plan, respectively.

Annual OPEB Cost and Net OPEB Obligation

The Hospital's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

The following table shows the components of the Hospital's annual OPEB cost as of December 31, 2010, the amount actually contributed to the insurance plan, and changes in the Hospital's net OPEB obligation.

| | <u>2010</u> | <u>2009</u> |
|--------------------------------------|-------------------|-------------------|
| Net OPEB, Beginning of Year | \$ 400,415 | \$ 219,218 |
| Activity During the Year: | | |
| Annual Required Contribution (ARC) | 395,838 | 311,374 |
| Interest on Net OPEB Obligation | 16,017 | 8,769 |
| Adjustments to ARC | (23,156) | (12,677) |
| Contributions during the fiscal year | <u>(126,734)</u> | <u>(126,269)</u> |
| Increase in Net OPEB Obligation | <u>261,965</u> | <u>181,197</u> |
| Net OPEB, End of the Year | <u>\$ 662,380</u> | <u>\$ 400,415</u> |

**CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010**

NOTE 5 OTHER POST EMPLOYMENT BENEFITS (continued)

Rice Memorial Hospital (continued)

The Hospital's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation consist of the following:

| | <u>OPEB Cost</u> | <u>Contribution</u> | <u>Contribution</u> | <u>Obligation</u> |
|------------|------------------|---------------------|---------------------|-------------------|
| 12/31/2009 | \$ 307,466 | \$ 126,269 | 41.07% | \$ 400,415 |
| 12/31/2010 | \$ 388,699 | \$ 126,734 | 32.60% | \$ 662,380 |

Funding Status

The Hospital provides to retirees the option to participate in the Hospital's health insurance plan after retirement, with no contribution from the Hospital. The Hospital currently has 32 retirees receiving benefits from the Hospital's health plan.

The Hospital currently has no assets that have been irrevocably deposited in a trust for future health benefits. Therefore, the actuarial value of the assets is \$-0- at December 31, 2010. The following is a summary of the funding status at January 1, 2010, the most recent actuarial valuation date:

| Value of Assets (a) | Accrued Liability (b) | Actuarial Accrued Liability (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | Percentage of Covered Payroll ((b-a)/c) |
|---------------------------|-----------------------------|---|--------------------------|---------------------------|---|
| \$ - | \$ 2,997,099 | \$ 2,997,099 | 0.00% | \$ 33,576,612 | 8.93% |

NOTE 6 RISK MANAGEMENT

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

The workers' compensation policy is a retrospectively rated policy with premiums that accrue based on the ultimate cost of the experience to date. There is no way to estimate what the change in premium may be. Generally, it has been minimal.

NOTE 7 CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City of Willmar has an agreement with the Minnesota Department of Transportation to repay the State Airport Fund approximately \$824,380 from proceeds of the sale of land located at the former airport.

**CITY OF WILLMAR, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010**

NOTE 8 LEASE AGREEMENTS

The City has entered into an agreement with the Housing and Redevelopment Authority In and For the City of Willmar (the Authority) to lease a building used for the city garage. The term of the lease is 15 years commencing October 1996. The agreement requires annual payments equal to the principal and interest due on bonds issued by the Authority. As of December 31, 2010, the principal balance was \$75,000.

Future minimum lease payments are:

| | |
|------|------------------|
| 2011 | <u>77,213</u> |
| | <u>\$ 77,213</u> |

The City has entered into an agreement with Kandiyohi County to lease space for the Willmar Police Department. The term of the lease is 20 years commencing October 2000. The agreement requires annual payments of \$175,000.

Future minimum lease payments are:

| | |
|-----------|---------------------|
| 2011 | 175,000 |
| 2012 | 175,000 |
| 2013 | 175,000 |
| 2014 | 175,000 |
| 2015 | 175,000 |
| 2016-2020 | <u>875,000</u> |
| | <u>\$ 1,750,000</u> |

NOTE 9 JOINTLY-GOVERNED ORGANIZATIONS

Kandiyohi County and City of Willmar Economic Development Commission

The EDC was established on July 1, 2003, by a joint-powers agreement between Kandiyohi County and the City of Willmar by resolution pursuant to Minn. Laws 1989, First Special Session, ch. 1, Art. 17, § 21. The EDC was set up to encourage, attract, promote, and develop economically sound industry and commerce within the County and City. The EDC has six members. Kandiyohi County appoints three members, and the City of Willmar appoints three members of the EDC. Each member is appointed to serve for three years. Complete financial information for the EDC can be obtained at Kandiyohi County and City of Willmar Economic Development Commission, 333 Litchfield Avenue S.W., P. O. Box 1783, Willmar, Minnesota 56201.

Kandiyohi Area Transit

KAT was established on October 20, 1998 by a joint powers agreement Kandiyohi County and the City of Willmar. The Transit Board is made up of two members appointed by Kandiyohi County, two members appointed by the City of Willmar, and one elected official from other local governments in Kandiyohi County appointed by the Transit Board. Complete financial information for KAT can be obtained at Kandiyohi Area Transit, 1320 22nd Street SW, Willmar, Minnesota 56201.

CITY OF WILLMAR, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 10 PRIOR PERIOD ADJUSTMENTS

Certain adjustments have been made to the January 1, 2010 fund balances, they are as follows:

General Fund

| | |
|--------------------------------|----------------------|
| 1/1/2010 Fund Balance | \$ 14,576,343 |
| Accounts Receivable Adjustment | (6,888) |
| Accrued Wages Adjustment | 7,035 |
| Deferred Revenue Adjustment | <u>300</u> |
| 1/1/2010 Adjusted Fund Balance | <u>\$ 14,576,790</u> |

Special Revenue Fund/Local Option Sales Tax

| | |
|--------------------------------------|-------------------|
| 1/1/2010 Fund balance | \$ 579,565 |
| Intergovernmental Payable Adjustment | <u>(8,132)</u> |
| 1/1/2010 Adjusted fund balance | <u>\$ 571,433</u> |

The January 1, 2010 net assets balance for governmental activities was adjusted as follows:

Governmental Activities

| | |
|--------------------------------------|-----------------------|
| 1/1/2010 Net assets | \$ 121,443,576 |
| Accounts Receivable Adjustment | (6,888) |
| Accrued Wages Adjustment | 7,035 |
| Deferred Revenue Adjustment | 300 |
| Intergovernmental Payable Adjustment | <u>(8,132)</u> |
| 1/1/2010 Adjusted net assets | <u>\$ 121,435,891</u> |

BUDGET AND ACTUAL SCHEDULES

City of Willmar, Minnesota
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the fiscal year ended December 31, 2010

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|-------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| GENERAL PROPERTY TAXES | | | | |
| Current Ad Valorem | \$ 3,668,705 | \$ 3,348,436 | \$ 3,296,430 | \$ (52,006) |
| Delinquent Ad Valorem | 50,000 | 50,000 | 72,658 | 22,658 |
| TOTAL TAXES | 3,718,705 | 3,398,436 | 3,369,088 | (29,348) |
| LICENSES/PERMITS | | | | |
| Business License/Permit | 43,275 | 43,275 | 57,298 | 14,023 |
| Non-Business License/Permit | 258,000 | 258,000 | 307,414 | 49,414 |
| TOTAL LICENSES & PERMITS | 301,275 | 301,275 | 364,712 | 63,437 |
| INTERGOVERNMENTAL | | | | |
| FEDERAL GOVERNMENT | | | | |
| Federal Grant | 500 | 500 | 86,699 | 86,199 |
| STATE GRANTS | | | | |
| Local Government Aid | 4,052,790 | 4,052,790 | 4,052,790 | - |
| Police Department Aid | 180,000 | 180,000 | 222,266 | 42,266 |
| P.E.R.A. Aid | 172,146 | 172,146 | 172,146 | - |
| Airport Aid | 51,636 | 51,636 | 51,636 | - |
| State Grant | 30,000 | 31,320 | 5,855 | (25,465) |
| MFG Home HACA | - | - | 242 | 242 |
| Fire Department Aid | 65,000 | 69,000 | 74,923 | 5,923 |
| Shared Highway User Tax | 183,176 | 183,176 | 189,367 | 6,191 |
| COUNTY GRANTS | | | | |
| Kandiyohi County Highways | 3,795 | 3,795 | 3,795 | - |
| Kandiyohi County | - | - | 5,581 | 5,581 |
| SCHOOL DISTRICT #347 | | | | |
| School Liaison Officer | 130,000 | 130,000 | 130,000 | - |
| TOTAL INTERGOVERNMENTAL | 4,869,043 | 4,874,363 | 4,995,300 | 120,937 |
| SERVICE CHARGES | | | | |
| General Government | 15,850 | 15,850 | 17,361 | 1,511 |
| Public Safety | 167,700 | 185,100 | 215,093 | 29,993 |
| Buildings & Grounds | 11,500 | 11,500 | 6,980 | (4,520) |
| Civic Center | 276,500 | 276,500 | 300,702 | 24,202 |
| Leisure Services | 177,200 | 178,600 | 176,407 | (2,193) |
| Highways & Streets | 17,900 | 17,900 | 13,309 | (4,591) |
| Community Center | 10,000 | 10,000 | 14,033 | 4,033 |
| Transportation (Airport) | 106,000 | 106,000 | 125,337 | 19,337 |
| TOTAL SERVICE CHARGES | 782,650 | 801,450 | 869,222 | 67,772 |
| FINES AND FORFEITS | | | | |
| Other Fines and Forfeits | 15,000 | 15,000 | 40 | (14,960) |
| Court Fines | 135,000 | 135,000 | 122,059 | (12,941) |
| Parking Violations | 25,000 | 25,000 | 21,886 | (3,114) |
| Impounding Fees | 59,000 | 59,000 | 24,731 | (34,269) |
| TOTAL FINES & FORFEITS | 234,000 | 234,000 | 168,716 | (65,284) |
| SPECIAL ASSESSMENTS | | | | |
| Special Assessments | - | - | 2,023 | 2,023 |
| TOTAL SPECIAL ASSESSMENTS | - | - | 2,023 | 2,023 |

See notes to required supplementary information.

City of Willmar, Minnesota
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the fiscal year ended December 31, 2010

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES (Con't) | | | | |
| MISCELLANEOUS REVENUE | | | | |
| Miscellaneous | 36,000 | 36,000 | 130,040 | 94,040 |
| Interest Earnings | 500,500 | 500,500 | 237,736 | (262,764) |
| Sale of Fixed Assets | 10,000 | 50,000 | 52,500 | 2,500 |
| Sale of Materials | 50,000 | 50,000 | 20,833 | (29,167) |
| Contributions/Donations | 1,000 | 1,000 | 2,300 | 1,300 |
| City Auditorium Rents | 2,000 | 2,000 | 3,824 | 1,824 |
| Capital Gains | - | - | 10,300 | 10,300 |
| Other Rents | - | 9,600 | 9,951 | 351 |
| Market Value Increase/(Decrease) | - | - | (98,899) | (98,899) |
| Insurance Reimbursements | 150,000 | 150,000 | 248,005 | 98,005 |
| Insurance Pass Through | 200,000 | 200,000 | 329,386 | 129,386 |
| TOTAL MISCELLANEOUS | 949,500 | 999,100 | 945,976 | (53,124) |
| | | | | |
| TOTAL REVENUE | 10,855,173 | 10,608,624 | 10,715,037 | 106,413 |
| | | | | |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT | | | | |
| City Administrator | | | | |
| Personal Services | 224,159 | 224,159 | 227,963 | (3,804) |
| Supplies | 1,200 | 1,200 | 1,143 | 57 |
| Other Services & Charges | 3,075 | 3,075 | 2,102 | 973 |
| Total | 228,434 | 228,434 | 231,208 | (2,774) |
| | | | | |
| Mayor and Council | | | | |
| Personal Services | 81,490 | 81,490 | 78,364 | 3,126 |
| Supplies | 11,450 | 11,450 | 13,469 | (2,019) |
| Other Services & Charges | 93,800 | 95,300 | 69,127 | 26,173 |
| Total | 186,740 | 188,240 | 160,960 | 27,280 |
| | | | | |
| Planning & Development | | | | |
| Personal Services | 412,065 | 415,518 | 421,245 | (5,727) |
| Supplies | 10,750 | 10,750 | 8,840 | 1,910 |
| Other Services & Charges | 26,200 | 26,200 | 19,488 | 6,712 |
| Total | 449,015 | 452,468 | 449,573 | 2,895 |
| | | | | |
| City Clerk/Treasurer | | | | |
| Personal Services | 193,045 | 193,045 | 195,870 | (2,825) |
| Supplies | 5,935 | 5,935 | 6,397 | (462) |
| Other Services & Charges | 5,175 | 5,175 | 4,694 | 481 |
| Total | 204,155 | 204,155 | 206,961 | (2,806) |
| | | | | |
| Assessing | | | | |
| Personal Services | 290,252 | 290,252 | 293,175 | (2,923) |
| Supplies | 3,250 | 3,250 | 2,486 | 764 |
| Other Services & Charges | 10,050 | 10,050 | 5,429 | 4,621 |
| Total | 303,552 | 303,552 | 301,090 | 2,462 |
| | | | | |
| Accounting | | | | |
| Personal Services | 304,823 | 304,823 | 308,623 | (3,800) |
| Supplies | 4,700 | 4,700 | 6,099 | (1,399) |
| Other Services & Charges | 29,500 | 29,500 | 26,946 | 2,554 |
| Total | 339,023 | 339,023 | 341,668 | (2,645) |

See notes to required supplementary information.

City of Willmar, Minnesota
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the fiscal year ended December 31, 2010

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Con't) | | | | |
| GENERAL GOVERNMENT (Con't) | | | | |
| Legal | | | | |
| Personal Services | 155,069 | 155,069 | 158,003 | (2,934) |
| Supplies | 5,600 | 5,600 | 5,829 | (229) |
| Other Services & Charges | 23,050 | 23,050 | 23,012 | 38 |
| Total | <u>183,719</u> | <u>183,719</u> | <u>186,844</u> | <u>(3,125)</u> |
| City Hall | | | | |
| Personal Services | 44,087 | 44,087 | 44,282 | (195) |
| Supplies | 13,650 | 13,650 | 11,493 | 2,157 |
| Other Services & Charges | 42,575 | 42,575 | 54,464 | (11,889) |
| Total | <u>100,312</u> | <u>100,312</u> | <u>110,239</u> | <u>(9,927)</u> |
| Data Processing Center | | | | |
| Personal Services | 136,353 | 136,353 | 134,781 | 1,572 |
| Supplies | 8,350 | 8,350 | 5,409 | 2,941 |
| Other Services & Charges | 65,490 | 65,490 | 48,111 | 17,379 |
| Total | <u>210,193</u> | <u>210,193</u> | <u>188,301</u> | <u>21,892</u> |
| Cultural Diversity | | | | |
| Other Services & Charges | 42,000 | 42,000 | 21,000 | 21,000 |
| Total | <u>42,000</u> | <u>42,000</u> | <u>21,000</u> | <u>21,000</u> |
| Elections & Voters Registration | | | | |
| Personal Services | 49,015 | 49,015 | 45,939 | 3,076 |
| Supplies | 550 | 550 | 340 | 210 |
| Other Services & Charges | 6,895 | 6,895 | 1,731 | 5,164 |
| Total | <u>56,460</u> | <u>56,460</u> | <u>48,010</u> | <u>8,450</u> |
| Non-Departmental Expenses | | | | |
| Personal Services | 29,000 | 29,000 | 2,857 | 26,143 |
| Other Charges/Services | 80,000 | 78,500 | 111,470 | (32,970) |
| Insurances | - | - | 67 | (67) |
| Labor Negotiator | 20,000 | 20,000 | 3,941 | 16,059 |
| Severance | - | - | 663 | (663) |
| Deferred Compensation | - | - | 36,236 | (36,236) |
| Re-Employment Insurance | 1,000 | 1,000 | 499 | 501 |
| Retired Employees Insurance | 100,000 | 100,000 | 79,816 | 20,184 |
| Insurance Pass Through | 200,000 | 200,000 | 328,253 | (128,253) |
| Downtown Items | 48,000 | 48,000 | 43,581 | 4,419 |
| Insurance Deductible | 150,000 | 150,000 | 90,126 | 59,874 |
| Internship Program | 5,000 | 5,000 | - | 5,000 |
| Refunds Paid | 175,000 | 175,000 | 264,555 | (89,555) |
| Total | <u>808,000</u> | <u>806,500</u> | <u>962,064</u> | <u>(155,564)</u> |
| TOTAL GENERAL GOVERNMENT | <u>3,111,603</u> | <u>3,115,056</u> | <u>3,207,918</u> | <u>(92,862)</u> |
| PUBLIC SAFETY | | | | |
| Police Department | | | | |
| Personal Services | 3,394,905 | 3,396,225 | 3,338,937 | 57,288 |
| Supplies | 186,200 | 186,200 | 176,460 | 9,740 |
| Other Services & Charges | 228,450 | 228,450 | 202,971 | 25,479 |
| Debt Redemption | 175,000 | 175,000 | 175,000 | - |
| Total | <u>3,984,555</u> | <u>3,985,875</u> | <u>3,893,368</u> | <u>92,507</u> |

See notes to required supplementary information.

City of Willmar, Minnesota
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the fiscal year ended December 31, 2010

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Con't) | | | | |
| PUBLIC SAFETY (Con't) | | | | |
| Fire Department | | | | |
| Personal Services | 528,257 | 524,804 | 519,663 | 5,141 |
| Supplies | 74,900 | 74,900 | 60,280 | 14,620 |
| Other Services & Charges | 84,050 | 92,292 | 69,276 | 23,016 |
| Total | <u>687,207</u> | <u>691,996</u> | <u>649,219</u> | <u>42,777</u> |
| Non-Department Expenses | | | | |
| Safety Program | 10,000 | 10,000 | 1,660 | 8,340 |
| Total | <u>10,000</u> | <u>10,000</u> | <u>1,660</u> | <u>8,340</u> |
| TOTAL PUBLIC SAFETY | <u>4,681,762</u> | <u>4,687,871</u> | <u>4,544,247</u> | <u>143,624</u> |
| PUBLIC WORKS | | | | |
| Engineering | | | | |
| Personal Services | 478,881 | 478,881 | 443,802 | 35,079 |
| Supplies | 11,550 | 11,550 | 10,867 | 683 |
| Other Services & Charges | 73,550 | 73,550 | 18,098 | 55,452 |
| Total | <u>563,981</u> | <u>563,981</u> | <u>472,767</u> | <u>91,214</u> |
| Public Works | | | | |
| Personal Services | 1,609,833 | 1,609,833 | 1,674,051 | (64,218) |
| Supplies | 404,200 | 404,200 | 514,802 | (110,602) |
| Other Services & Charges | 258,900 | 275,900 | 284,136 | (8,236) |
| Interest | 25,000 | 25,000 | 6,445 | 18,555 |
| Debt Redemption | 70,000 | 70,000 | 70,000 | - |
| Total | <u>2,367,933</u> | <u>2,384,933</u> | <u>2,549,434</u> | <u>(164,501)</u> |
| Airport | | | | |
| Personal Services | - | - | 3,554 | (3,554) |
| Supplies | 13,800 | 13,800 | 9,714 | 4,086 |
| Other Services & Charges | 127,700 | 127,700 | 97,364 | 30,336 |
| Total | <u>141,500</u> | <u>141,500</u> | <u>110,632</u> | <u>30,868</u> |
| Non-Departmental Expenses | | | | |
| Other Services & Charges | 3,000 | 3,000 | 928 | 2,072 |
| Total | <u>3,000</u> | <u>3,000</u> | <u>928</u> | <u>2,072</u> |
| TOTAL PUBLIC WORKS | <u>3,076,414</u> | <u>3,093,414</u> | <u>3,133,761</u> | <u>(40,347)</u> |
| NON-DEPARTMENTAL EXPENSES | | | | |
| Social Services | | | | |
| Meals on Wheels | 15,000 | 15,000 | 15,000 | - |
| TOTAL NON-DEPARTMENTAL EXPENSE | <u>15,000</u> | <u>15,000</u> | <u>15,000</u> | <u>-</u> |
| CULTURE & RECREATION | | | | |
| Library | | | | |
| Other Services & Charges | 459,007 | 459,007 | 412,597 | 46,410 |
| Total | <u>459,007</u> | <u>459,007</u> | <u>412,597</u> | <u>46,410</u> |
| Auditorium | | | | |
| Personal Services | 62,749 | 62,749 | 15,378 | 47,371 |
| Supplies | 13,300 | 13,300 | 6,625 | 6,675 |
| Other Services & Charges | 38,575 | 38,575 | 36,608 | 1,967 |
| Total | <u>114,624</u> | <u>114,624</u> | <u>58,611</u> | <u>56,013</u> |

See notes to required supplementary information.

City of Willmar, Minnesota
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the fiscal year ended December 31, 2010

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|------------------|---------------|-------------------|---|
| | Original | Final | | |
| EXPENDITURES (Con't) | | | | |
| CULTURE & RECREATION (Con't) | | | | |
| Non-Department Expenses | | | | |
| Civic Promotion | 36,000 | 36,000 | 41,800 | (5,800) |
| Total | 36,000 | 36,000 | 41,800 | (5,800) |
| Leisure Services | | | | |
| Personal Services | 238,162 | 238,162 | 230,371 | 7,791 |
| Supplies | 20,950 | 18,200 | 16,330 | 1,870 |
| Other Services & Charges | 144,482 | 145,882 | 153,066 | (7,184) |
| Total | 403,594 | 402,244 | 399,767 | 2,477 |
| Civic Center - Ice Arena | | | | |
| Personal Services | 302,135 | 302,135 | 315,872 | (13,737) |
| Supplies | 77,300 | 77,300 | 72,566 | 4,734 |
| Other Services & Charges | 156,550 | 156,550 | 158,261 | (1,711) |
| Miscellaneous | - | - | 1,578 | (1,578) |
| Total | 535,985 | 535,985 | 548,277 | (12,292) |
| Community Center | | | | |
| Personal Services | 62,659 | 62,659 | 61,474 | 1,185 |
| Supplies | 8,800 | 8,800 | 12,934 | (4,134) |
| Other Services & Charges | 41,810 | 41,810 | 31,066 | 10,744 |
| Total | 113,269 | 113,269 | 105,474 | 7,795 |
| Aquatics Center | | | | |
| Personal Services | 109,085 | 109,085 | 117,539 | (8,454) |
| Supplies | 30,900 | 30,900 | 34,329 | (3,429) |
| Other Services & Charges | 28,000 | 28,000 | 24,984 | 3,016 |
| Total | 167,985 | 167,985 | 176,852 | (8,867) |
| TOTAL CULTURE & RECREATION | 1,830,464 | 1,829,114 | 1,743,378 | 85,736 |
| TOTAL EXPENDITURES | 12,715,243 | 12,740,455 | 12,644,304 | 96,151 |
| Excess of Revenues Over Expenditures | (1,860,070) | (2,131,831) | (1,929,267) | 202,564 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 2,349,721 | 2,588,221 | 2,590,364 | 2,143 |
| Transfers Out | (1,339,677) | (1,309,916) | (1,194,915) | 115,001 |
| Total Other Financing Sources (Uses) | 1,010,044 | 1,278,305 | 1,395,449 | 117,144 |
| Net Change in Fund Balances | (850,026) | (853,526) | (533,818) | 319,708 |
| Fund Balances - Beginning | 14,576,343 | 14,576,343 | 14,576,343 | - |
| Prior Period Adjustment - See Note 9 | 447 | 447 | 447 | - |
| Fund Balances - Ending | \$ 13,726,764 | \$ 13,723,264 | \$ 14,042,972 | \$ 319,708 |

See notes to required supplementary information.

City of Willmar, Minnesota
Community Investment Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | <u>Budget Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-----------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Special Assessments | \$ 1,400 | \$ 1,400 | \$ 28,079 | \$ 26,679 |
| Miscellaneous Revenue | | | | |
| Interest Earnings | 350,000 | 350,000 | 261,804 | (88,196) |
| Market Value Decrease | - | - | (26,932) | (26,932) |
| Miscellaneous | - | - | 2,109 | 2,109 |
| Total Revenues | <u>351,400</u> | <u>351,400</u> | <u>265,060</u> | <u>(86,340)</u> |
| EXPENDITURES | | | | |
| Other Charges | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>351,400</u> | <u>351,400</u> | <u>265,060</u> | <u>(86,340)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 1,400 | 1,400 | - | (1,400) |
| Transfers Out | <u>(479,067)</u> | <u>(479,067)</u> | <u>(544,090)</u> | <u>(65,023)</u> |
| Total Other Financing Sources (Uses) | <u>(477,667)</u> | <u>(477,667)</u> | <u>(544,090)</u> | <u>(66,423)</u> |
| Net Change in Fund Balances | (126,267) | (126,267) | (279,030) | (152,763) |
| Fund Balance - Beginning | <u>8,765,750</u> | <u>8,765,750</u> | <u>8,765,750</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 8,639,483</u> | <u>\$ 8,639,483</u> | <u>\$ 8,486,720</u> | <u>\$ (152,763)</u> |

See notes to required supplementary information.

City of Willmar, Minnesota
Convention & Visitors' Bureau Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | <u>Budget Amounts</u> | | <u>Actual</u> | <u>Variance With</u> |
|--|-----------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u> |
| REVENUES | | | | |
| General Taxes | | | | |
| Hotel-Motel Tax | \$ 150,000 | \$ 150,000 | \$ 142,338 | \$ (7,662) |
| Intergovernmental | | | | |
| State Tourism Grant | 5,000 | 5,000 | 6,031 | 1,031 |
| Kandiyohi County Camping Fees | 15,000 | 15,000 | 14,889 | (111) |
| Kandiyohi County Phone Reimb | 1,000 | 1,000 | | |
| Kandiyohi County Tourism Partner. | 34,000 | 34,000 | 34,606 | 606 |
| Total Intergovernmental | 55,000 | 55,000 | 55,526 | 1,526 |
| Service Charges | 4,000 | 4,000 | - | (4,000) |
| Miscellaneous Revenue | | | | |
| Interest Earnings | 5,000 | 5,000 | 6,483 | 1,483 |
| Market Value Increase/(Decrease) | - | - | (1,161) | (1,161) |
| Miscellaneous | - | - | 2,459 | 2,459 |
| Total Miscellaneous Revenue | 5,000 | 5,000 | 7,781 | 2,781 |
| Total Revenue | 214,000 | 214,000 | 205,645 | (7,355) |
| EXPENDITURES | | | | |
| Personal Services | 95,000 | 95,000 | 82,088 | 12,912 |
| Supplies | 11,350 | 11,350 | 6,569 | 4,781 |
| Other Services and Charges | 31,800 | 31,800 | 23,506 | 8,294 |
| Tourism | 34,000 | 34,000 | 24,601 | 9,399 |
| Ad Development | 1,000 | 1,000 | - | 1,000 |
| Conference & Convention | 30,000 | 30,000 | 29,207 | 793 |
| Group Tour Promotions | 8,800 | 8,800 | 5,470 | 3,330 |
| Leisure Travel | 36,000 | 36,000 | 29,240 | 6,760 |
| Fall/Winter Promotions | 15,000 | 15,000 | 15,055 | (55) |
| Refunds & Reimbursements | - | - | - | - |
| Special Projects | 20,000 | 20,000 | 8,650 | 11,350 |
| Strategic Marketing | 15,000 | 15,000 | 9,936 | 5,064 |
| Total Expenditures | 297,950 | 297,950 | 234,322 | 63,628 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (83,950) | (83,950) | (28,677) | 56,273 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out - General | (7,500) | (7,500) | (7,250) | 250 |
| Transfers Out - Capital Improvement | (3,000) | (3,000) | - | 3,000 |
| Total Other Financing Sources (Uses) | (10,500) | (10,500) | (7,250) | 3,250 |
| Net Change in Fund Balances | (94,450) | (94,450) | (35,927) | 59,523 |
| Fund Balance - Beginning | 247,578 | 247,578 | 247,578 | - |
| Fund Balance - Ending | \$ 153,128 | \$ 153,128 | \$ 211,651 | \$ 59,523 |

See notes to required supplementary information.

City of Willmar, Minnesota
WRAC - 8 Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | <u>Budget Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-----------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| General Taxes | | | | |
| Franchise Taxes | \$ 185,000 | \$ 185,000 | \$ 232,634 | \$ 47,634 |
| Miscellaneous Revenue | | | | |
| Interest Earnings | 10,000 | 10,000 | 12,232 | 2,232 |
| Market Value Increase/(Decrease) | - | - | (2,788) | (2,788) |
| Miscellaneous | - | - | 218 | 218 |
| Total Miscellaneous Revenue | 10,000 | 10,000 | 9,662 | (338) |
| Total Revenues | 195,000 | 195,000 | 242,296 | 47,296 |
| EXPENDITURES | | | | |
| Personal Services | 121,989 | 121,989 | 120,857 | 1,132 |
| Supplies | 8,030 | 8,030 | 6,323 | 1,707 |
| Other Services/Charges | 16,535 | 16,535 | 17,406 | (871) |
| Total Expenditures | 146,554 | 146,554 | 144,586 | 1,968 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 48,446 | 48,446 | 97,710 | 49,264 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer Out - Capital Improvements | (7,900) | (16,900) | (16,900) | - |
| Total Other Financing Sources (Uses) | (7,900) | (16,900) | (16,900) | - |
| Net Change in Fund Balances | 40,546 | 31,546 | 80,810 | 49,264 |
| Fund Balances - Beginning | 399,269 | 399,269 | 399,269 | - |
| Fund Balances - Ending | \$ 439,815 | \$ 430,815 | \$ 480,079 | \$ 49,264 |

See notes to required supplementary information.

City of Willmar, Minnesota
Economic Development Revolving Loan Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | <u>Budget Amounts</u> | | <u>Actual</u> | <u>Variance With</u> |
|--|-----------------------|-------------------|-------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| REVENUES | | | | |
| Miscellaneous Revenue | | | | |
| Interest Earnings | \$ 15,068 | \$ 15,068 | \$ 17,192 | \$ 2,124 |
| Market Value Incr/(Decr) | - | - | (1,584) | (1,584) |
| Total Revenues | <u>15,068</u> | <u>15,068</u> | <u>15,608</u> | <u>540</u> |
| EXPENDITURES | | | | |
| Other Services/Charges | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>15,068</u> | <u>15,068</u> | <u>15,608</u> | <u>540</u> |
| Net Change in Fund Balances | 15,068 | 15,068 | 15,608 | 540 |
| Fund Balance - Beginning | <u>456,357</u> | <u>456,357</u> | <u>456,357</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 471,425</u> | <u>\$ 471,425</u> | <u>\$ 471,965</u> | <u>\$ 540</u> |

See notes to required supplementary information.

City of Willmar, Minnesota
Community Development Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | Budget Amounts | | Actual | Variance With |
|--|-----------------------|--------------|---------------|----------------------|
| | Original | Final | | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Intergovernmental | | | | |
| Federal Grants | \$ - | \$ 350,000 | \$ 350,000 | \$ - |
| State Grants | - | - | 267,454 | 267,454 |
| Total Intergovernmental | - | 350,000 | 617,454 | 267,454 |
| Miscellaneous Revenue | - | 6,325,107 | - | (6,325,107) |
| Total Revenue | - | 6,675,107 | 617,454 | (6,057,653) |
| EXPENDITURES | | | | |
| Other Services/Charges | - | 6,675,107 | 617,454 | 6,057,653 |
| Total Expenditures | - | 6,675,107 | 617,454 | 6,057,653 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - |

See notes to required supplementary information.

City of Willmar, Minnesota
Local Option Sales Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | Budget Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| General Taxes | | | | |
| Sales/Use Tax | \$ 1,700,000 | \$ 1,700,000 | \$ 1,722,494 | \$ 22,494 |
| Excise Tax | 50,000 | 50,000 | 49,180 | (820) |
| Total General Taxes | <u>1,750,000</u> | <u>1,750,000</u> | <u>1,771,674</u> | <u>21,674</u> |
| Miscellaneous Revenue | | | | |
| Interest Earnings | 24,215 | 24,215 | 107,473 | 83,258 |
| Market Value Increase/(Decrease) | - | - | 3,345 | 3,345 |
| Total Miscellaneous Revenue | <u>24,215</u> | <u>24,215</u> | <u>110,818</u> | <u>86,603</u> |
| Total Revenue | <u>1,774,215</u> | <u>1,774,215</u> | <u>1,882,492</u> | <u>108,277</u> |
| EXPENDITURES | | | | |
| Other Services and Charges | - | - | 33,784 | (33,784) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>33,784</u> | <u>(33,784)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,774,215</u> | <u>1,774,215</u> | <u>1,848,708</u> | <u>74,493</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 272,000 | 272,000 |
| Transfers Out | - | (280,000) | (275,385) | 4,615 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(280,000)</u> | <u>(3,385)</u> | <u>276,615</u> |
| Net Change in Fund Balances | 1,774,215 | 1,494,215 | 1,845,323 | 351,108 |
| Fund Balance - Beginning | 579,565 | 579,565 | 579,565 | - |
| Prior Period Adjustment - See Note 9 | (8,132) | (8,132) | (8,132) | - |
| Fund Balance - Ending | <u>\$ 2,345,648</u> | <u>\$ 2,065,648</u> | <u>\$ 2,416,756</u> | <u>\$ 351,108</u> |

See notes to required supplementary information.

City of Willmar, Minnesota
Debt Service Funds/Special Assessments Bonds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | <u>Budget Amounts</u> | | <u>Actual</u> | <u>Over (Under)</u> |
|--|-----------------------|---------------------|---------------------|---------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| REVENUES | | | | |
| Special Assessments | | | | |
| Special Assessments | \$ 1,404,370 | \$ 1,404,370 | \$ 1,497,692 | \$ 93,322 |
| Miscellaneous Revenue | | | | |
| Miscellaneous | - | - | 7,751 | 7,751 |
| Interest Earnings | 64,750 | 64,750 | 89,687 | 24,937 |
| Net change in fair market value | - | - | (26,181) | (26,181) |
| Total Revenues | <u>1,469,120</u> | <u>1,469,120</u> | <u>1,568,949</u> | <u>99,829</u> |
| EXPENDITURES | | | | |
| Bond Principal Payments | 1,815,000 | 1,815,000 | 1,815,000 | - |
| Interest Payments | 438,621 | 438,621 | 438,620 | (1) |
| Other Charges | 6,500 | 6,500 | 9,076 | 2,576 |
| Total Expenditures | <u>2,260,121</u> | <u>2,260,121</u> | <u>2,262,696</u> | <u>2,575</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(791,001)</u> | <u>(791,001)</u> | <u>(693,747)</u> | <u>97,254</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 479,067 | 479,067 | 713,949 | 234,882 |
| Total Other Financing Sources (Uses) | <u>479,067</u> | <u>479,067</u> | <u>713,949</u> | <u>234,882</u> |
| Net Change in Fund Balances | (311,934) | (311,934) | 20,202 | 332,136 |
| Fund Balances - Beginning | <u>4,923,574</u> | <u>4,923,574</u> | <u>4,923,574</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 4,611,640</u> | <u>\$ 4,611,640</u> | <u>\$ 4,943,776</u> | <u>\$ 332,136</u> |

See notes to required supplementary information.

City of Willmar, Minnesota
Debt Service Funds/ Airport G.O. Revenue Bonds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | <u>Budget Amounts</u> | | <u>Actual</u> | <u>Over (Under) Final Budget</u> |
|--|-----------------------|--------------|---------------|--------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Interest Earnings | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| EXPENDITURES | | | | |
| Bond Principal Payments | 125,000 | 125,000 | 125,000 | - |
| Interest Payments | 57,738 | 57,738 | 57,738 | - |
| Other Charges | 3,400 | 3,400 | 631 | (2,769) |
| Total Expenditures | 186,138 | 186,138 | 183,369 | (2,769) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (186,138) | (186,138) | (183,369) | (2,769) |
| OTHER FINANCING SOURCES(USES) | | | | |
| Transfers In | 181,500 | 181,500 | 181,500 | - |
| Total Other Financing Sources (Uses) | 181,500 | 181,500 | 181,500 | - |
| Net Change in Fund Balances | (4,638) | (4,638) | (1,869) | (2,769) |
| Fund Balances - Beginning | 168,014 | 168,014 | 168,014 | - |
| Fund Balances - Ending | \$ 163,376 | \$ 163,376 | \$ 166,145 | \$ (2,769) |

See notes to required supplementary information.

City of Willmar, Minnesota
Debt Service Funds/Tax Increment Bonds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

| | Budget Amounts | | Actual | Over (Under) Final Budget |
|--|-----------------------|---------------|-----------------|--------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| General Taxes | | | | |
| Current Ad Valorem | \$ - | \$ - | \$ 3,859 | \$ 3,859 |
| Tax Increment | 12,270 | 12,270 | 11,722 | (548) |
| Total Taxes | <u>12,270</u> | <u>12,270</u> | <u>15,581</u> | <u>3,311</u> |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenues | <u>12,270</u> | <u>12,270</u> | <u>15,581</u> | <u>3,311</u> |
| EXPENDITURES | | | | |
| Interest Payments | 3,820 | 3,820 | 1,911 | (1,909) |
| Contracts | <u>7,605</u> | <u>7,605</u> | <u>7,328</u> | <u>(277)</u> |
| Total Expenditures | <u>11,425</u> | <u>11,425</u> | <u>9,239</u> | <u>(2,186)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>845</u> | <u>845</u> | <u>6,342</u> | <u>5,497</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(845)</u> | <u>(845)</u> | <u>(814)</u> | <u>(31)</u> |
| Total Other Financing Sources (Uses) | <u>(845)</u> | <u>(845)</u> | <u>(814)</u> | <u>(31)</u> |
| Net Change in Fund Balances | - | - | 5,528 | 5,528 |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>3,859</u> | <u>3,859</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,387</u> | <u>\$ 9,387</u> |

See notes to required supplementary information.

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF WILLMAR, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

A. Budgets

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds and special revenue funds except some capital projects funds, which adopt project-length budgets. All annual appropriations except those for capital outlay lapse at fiscal year end.

On or before the first Tuesday in August of each year, all agencies of the government submit request for appropriations to the Mayor so that a budget may be prepared. In September, the proposed budget is presented to the City's council for review. The council holds public hearings and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function and department. The government's City Administrator may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level. All supplemental budgetary appropriations in all funds were approved by the City Council.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

City of Willmar, Minnesota
Combining Balance Sheet
NonMajor Governmental Funds
December 31, 2010

| | Total Special Revenue Funds | Total Capital Projects Funds | Total Debt Service Funds | Total Fiduciary Funds | Total Nonmajor Governmental Funds |
|-------------------------------------|--|---|---|--------------------------------------|--|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 54,358 | \$ 3,144,185 | \$ 5,292 | \$ 360 | \$ 3,204,195 |
| Investments | 1,115,490 | 2,817,718 | - | 7,477 | 3,940,685 |
| Receivables | | | | | |
| Taxes Receivable - Current | 67,984 | - | - | - | 67,984 |
| Accounts Receivable | 10,207 | - | - | - | 10,207 |
| Notes Receivable | 224,997 | - | - | - | 224,997 |
| Interest Receivable | 4,559 | 11,522 | - | 158 | 16,239 |
| Due From Other Funds | 409,512 | 238,556 | - | - | 648,068 |
| Due From Other Governments | - | 96,224 | - | - | 96,224 |
| Prepaid Items | 14,602 | - | 157,931 | - | 172,533 |
| Restricted Assets: | - | - | - | - | - |
| Investments | - | - | - | 30,000 | 30,000 |
| Unamortized Discounts On Bonds | - | - | 16,380 | - | 16,380 |
| Total Assets | <u>\$ 1,901,709</u> | <u>\$ 6,308,205</u> | <u>\$ 179,603</u> | <u>\$ 37,995</u> | <u>\$ 8,427,512</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 53,936 | \$ 7,653 | \$ - | \$ - | \$ 61,589 |
| Contracts Payable | - | 7,423 | - | - | 7,423 |
| Accrued Wages | 2,164 | - | - | - | 2,164 |
| Notes Payable | - | - | 3,664 | - | 3,664 |
| Due To Other Funds | 16,903 | 699,197 | 407 | - | 716,507 |
| Due To Other Gov Units | - | 1,088 | - | - | 1,088 |
| Deferred Revenue | - | 96,224 | - | - | 96,224 |
| Total Liabilities | <u>73,003</u> | <u>811,585</u> | <u>4,071</u> | <u>-</u> | <u>888,659</u> |
| FUND BALANCES | | | | | |
| Reserved - Debt Service | - | - | 17,601 | - | 17,601 |
| Reserved - Prepaid Items | 14,602 | - | 157,931 | - | 172,533 |
| Reserved - Perpetual Care Fund | - | - | - | 37,995 | 37,995 |
| Unreserved - Designated Future Exp. | 1,814,104 | 5,496,620 | - | - | 7,310,724 |
| Total Fund Balances | <u>1,828,706</u> | <u>5,496,620</u> | <u>175,532</u> | <u>37,995</u> | <u>7,538,853</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,901,709</u> | <u>\$ 6,308,205</u> | <u>\$ 179,603</u> | <u>\$ 37,995</u> | <u>\$ 8,427,512</u> |

City of Willmar, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
NonMajor Governmental Funds
For the Year Ended December 31, 2010

| | Total Special Revenue Funds | Total Capital Projects Funds | Total Debt Service Funds | Total Fiduciary Funds | Total Nonmajor Governmental Funds |
|--|--|---|---|--------------------------------------|--|
| REVENUES | | | | | |
| General Taxes | \$ 232,634 | \$ - | \$ 15,581 | \$ - | \$ 248,215 |
| Other Taxes | 142,338 | - | - | - | 142,338 |
| Intergovernmental | 672,980 | 252,641 | - | - | 925,621 |
| Charges for Services | 414,144 | - | - | - | 414,144 |
| Investment Income | 42,500 | 54,520 | - | 1,117 | 98,137 |
| Net change in fair market value | (6,315) | (21,061) | - | (190) | (27,566) |
| Miscellaneous Revenue | 2,677 | 1,000 | - | - | 3,677 |
| Total Revenues | 1,500,958 | 287,100 | 15,581 | 927 | 1,804,566 |
| EXPENDITURES | | | | | |
| Public Safety | 8,186 | - | - | - | 8,186 |
| Culture and Recreation | 409,290 | - | - | - | 409,290 |
| Economic Development | 642,434 | - | - | - | 642,434 |
| Debt Service | | | | | |
| Principal | - | - | 132,328 | - | 132,328 |
| Interest and other | - | - | 60,280 | - | 60,280 |
| Capital Projects | - | 1,024,172 | - | - | 1,024,172 |
| Total Expenditures | 1,059,910 | 1,024,172 | 192,608 | - | 2,276,690 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 441,048 | (737,072) | (177,027) | 927 | (472,124) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating Transfers In | 253,320 | 1,499,700 | 181,500 | - | 1,934,520 |
| Operating Transfers Out | (24,153) | (494,222) | (814) | (229,982) | (749,171) |
| Total Other Financing Sources (Uses) | 229,167 | 1,005,478 | 180,686 | (229,982) | 1,185,349 |
| Net Change in Fund Balances | 670,215 | 268,406 | 3,659 | (229,055) | 713,225 |
| Fund Balances - Beginning | 1,158,491 | 5,228,214 | 171,873 | 267,050 | 6,825,628 |
| Prior Period Adjustment - See Note 9 | - | - | - | - | - |
| Fund Balances - Ending | \$ 1,828,706 | \$ 5,496,620 | \$ 175,532 | \$ 37,995 | \$ 7,538,853 |

City of Willmar, Minnesota
Combining Balance Sheet
NonMajor Governmental Funds/Special Revenue
December 31, 2010

| | Economic Development Revolving Loan | Industrial Development | W.R.A.C. - 8 | Convention and Visitors Bureau | Library Improvement Reserve | Public Works Reserve | Law Enforcement Forfeiture Fund | Total Special Revenue Funds |
|--|--|-----------------------------------|---------------------|---|--|---------------------------------|--|--|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ 525 | \$ 3 | \$ 394 | \$ 1,024 | \$ 573 | \$ - | \$ 51,839 | \$ 54,358 |
| Investments | 235,791 | - | 434,108 | 243,333 | 202,258 | - | - | 1,115,490 |
| Receivables | | | | | | | | |
| Taxes Receivable - Current | - | - | 59,980 | 8,004 | - | - | - | 67,984 |
| Accounts Receivable | 9,685 | - | 7 | 515 | - | - | - | 10,207 |
| Notes Receivable | 224,997 | - | - | - | - | - | - | 224,997 |
| Interest Receivable | 967 | - | 1,776 | 987 | 829 | - | - | 4,559 |
| Due From Other Funds | - | - | - | - | - | 409,512 | - | 409,512 |
| Prepaid Items | - | - | 3,704 | 10,898 | - | - | - | 14,602 |
| Total Assets | \$ 471,965 | \$ 3 | \$ 499,969 | \$ 264,761 | \$ 203,660 | \$ 409,512 | \$ 51,839 | \$ 1,901,709 |
| LIABILITIES | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 826 | \$ 53,110 | \$ - | \$ - | \$ - | \$ 53,936 |
| Accrued Wages | - | - | 2,164 | - | - | - | - | 2,164 |
| Due To Other Funds | - | 3 | 16,900 | - | - | - | - | 16,903 |
| Total Liabilities | - | 3 | 19,890 | 53,110 | - | - | - | 73,003 |
| FUND BALANCES | | | | | | | | |
| Reserved - Prepaid Items | - | - | 3,704 | 10,898 | - | - | - | 14,602 |
| Reserved - Petty Cash | - | - | - | 50 | - | - | - | 50 |
| Unreserved - Designated Future Exp. | 471,965 | - | 476,375 | 200,703 | 203,660 | 409,512 | 51,839 | 1,814,054 |
| Total Fund Balances | 471,965 | - | 480,079 | 211,651 | 203,660 | 409,512 | 51,839 | 1,828,706 |
| Total Liabilities and Fund Balances | \$ 471,965 | \$ 3 | \$ 499,969 | \$ 264,761 | \$ 203,660 | \$ 409,512 | \$ 51,839 | \$ 1,901,709 |

City of Willmar, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
NonMajor Governmental Funds/Special Revenue
For the Year Ended December 31, 2010

| | Economic Development Revolving Loan | Industrial Development | W.R.A.C. - 8 | Convention and Visitors Bureau | Community Development | Library Improvement Reserve | Public Works Reserve | Law Enforcement Forfeiture Fund | Total Special Revenue Funds |
|--|--|-----------------------------------|---------------------|---|----------------------------------|--|---------------------------------|--|--|
| REVENUES | | | | | | | | | |
| General Taxes | \$ - | \$ - | \$ 232,634 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 232,634 |
| Other Taxes | - | - | - | 142,338 | - | - | - | - | 142,338 |
| Intergovernmental | - | - | - | 55,526 | 617,454 | - | - | - | 672,980 |
| Service Charges | - | - | - | - | - | - | 409,512 | 4,632 | 414,144 |
| Investment income | 17,192 | 70 | 12,232 | 6,483 | - | 6,417 | - | 106 | 42,500 |
| Fair Market Value Incr/(Decr) | (1,584) | 75 | (2,788) | (1,161) | - | (857) | - | - | (6,315) |
| Miscellaneous Revenue | - | - | 218 | 2,459 | - | - | - | - | 2,677 |
| Total Revenues | 15,608 | 145 | 242,296 | 205,645 | 617,454 | 5,560 | 409,512 | 4,738 | 1,500,958 |
| EXPENDITURES | | | | | | | | | |
| Public Safety | - | - | - | - | - | - | - | 8,186 | 8,186 |
| Culture and Recreation | - | - | 144,586 | 234,322 | - | 30,382 | - | - | 409,290 |
| Economic Development | - | 24,980 | - | - | 617,454 | - | - | - | 642,434 |
| Total Expenditures | - | 24,980 | 144,586 | 234,322 | 617,454 | 30,382 | - | 8,186 | 1,059,910 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 15,608 | (24,835) | 97,710 | (28,677) | - | (24,822) | 409,512 | (3,448) | 441,048 |
| OTHER FIN. SOURCES (USES) | | | | | | | | | |
| Transfers In | - | 24,838 | - | - | - | 228,482 | - | - | 253,320 |
| Transfers Out | - | (3) | (16,900) | (7,250) | - | - | - | - | (24,153) |
| Total Other Fin. Sources (Uses) | - | 24,835 | (16,900) | (7,250) | - | 228,482 | - | - | 229,167 |
| Net Change in Fund Balances | 15,608 | - | 80,810 | (35,927) | - | 203,660 | 409,512 | (3,448) | 670,215 |
| Fund Balances - Beginning | 456,357 | - | 399,269 | 247,578 | - | - | - | 55,287 | 1,158,491 |
| Fund Balances - Ending | \$ 471,965 | \$ - | \$ 480,079 | \$ 211,651 | \$ - | \$ 203,660 | \$ 409,512 | \$ 51,839 | \$ 1,828,706 |

**City of Willmar, Minnesota
Combining Balance Sheet
NonMajor Governmental Funds/Capital Projects
December 31, 2010**

| | Local Option Sales Tax | Airport Capital Project | Capital Improvement | 2009 AFG Fire Grant | Surface Water | Total Capital Projects Funds |
|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------|---|
| ASSETS | | | | | | |
| Cash | \$ (48,622) | \$ 3,199,492 | \$ (106) | \$ (6,823) | \$ 244 | \$ 3,144,185 |
| Investments | - | - | 2,697,369 | - | 120,349 | 2,817,718 |
| Accounts Receivable | - | - | - | - | - | - |
| Interest Receivable | - | - | 11,029 | - | 493 | 11,522 |
| Due From Other Funds | 197,385 | - | 16,900 | 6,823 | 17,448 | 238,556 |
| Due From Other Governments | 96,224 | - | - | - | - | 96,224 |
| Prepaid Expenses | - | - | - | - | - | - |
| Total Assets | <u>\$ 244,987</u> | <u>\$ 3,199,492</u> | <u>\$ 2,725,192</u> | <u>\$ -</u> | <u>\$ 138,534</u> | <u>\$ 6,308,205</u> |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 5,344 | - | \$ 2,309 | \$ 7,653 |
| Contracts Payable | - | - | - | - | 7,423 | 7,423 |
| Due To Other Funds | 197,385 | 480,187 | 6,265 | - | 15,360 | 699,197 |
| Due To Other Gov Units | - | - | 1,088 | - | - | 1,088 |
| Deferred Revenue | 96,224 | - | - | - | - | 96,224 |
| Total Liabilities | <u>293,609</u> | <u>480,187</u> | <u>12,697</u> | <u>-</u> | <u>25,092</u> | <u>811,585</u> |
| FUND BALANCES | | | | | | |
| Unreserved-Designated | <u>(48,622)</u> | <u>2,719,305</u> | <u>2,712,495</u> | <u>-</u> | <u>113,442</u> | <u>5,496,620</u> |
| Total Fund Balance | <u>(48,622)</u> | <u>2,719,305</u> | <u>2,712,495</u> | <u>-</u> | <u>113,442</u> | <u>5,496,620</u> |
| Total Liabilities/Fund Bal. | <u>\$ 244,987</u> | <u>\$ 3,199,492</u> | <u>\$ 2,725,192</u> | <u>\$ -</u> | <u>\$ 138,534</u> | <u>\$ 6,308,205</u> |

City of Willmar, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
NonMajor Governmental Funds/Capital Projects
For the Year Ended December 31, 2010

| | <u>Local Option Sales Tax</u> | <u>Airport Capital Project</u> | <u>Capital Improvement</u> | <u>2009 AFG Fire Grant</u> | <u>Surface Water</u> | <u>Total Capital Project Funds</u> |
|--|-----------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------|--|
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ 79,143 | \$ 48,394 | \$ 125,104 | \$ - | \$ 252,641 |
| Investment Income | - | - | 54,027 | - | 493 | 54,520 |
| Market Value Decrease | - | - | (19,410) | - | (1,651) | (21,061) |
| Miscellaneous | - | - | 1,000 | - | - | 1,000 |
| Total Revenues | <u>-</u> | <u>79,143</u> | <u>84,011</u> | <u>125,104</u> | <u>(1,158)</u> | <u>287,100</u> |
| EXPENDITURES | | | | | | |
| Capital/Construction Projects | <u>6,070</u> | <u>79,143</u> | <u>721,632</u> | <u>131,927</u> | <u>85,400</u> | <u>1,024,172</u> |
| Total Expenditures | <u>6,070</u> | <u>79,143</u> | <u>721,632</u> | <u>131,927</u> | <u>85,400</u> | <u>1,024,172</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(6,070)</u> | <u>-</u> | <u>(637,621)</u> | <u>(6,823)</u> | <u>(86,558)</u> | <u>(737,072)</u> |
| OTH FINANC SOURCES (USES) | | | | | | |
| Operating Transfers In | 469,385 | - | 823,492 | 6,823 | 200,000 | 1,499,700 |
| Operating Transfers Out | <u>(486,555)</u> | <u>(7,667)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(494,222)</u> |
| Total Other Financ Sources (Uses) | <u>(17,170)</u> | <u>(7,667)</u> | <u>823,492</u> | <u>6,823</u> | <u>200,000</u> | <u>1,005,478</u> |
| Net Change in Fund Balances | (23,240) | (7,667) | 185,871 | - | 113,442 | 268,406 |
| Fund Balance - Beginning | (25,382) | 2,726,972 | 2,526,624 | - | - | 5,228,214 |
| Prior Period Adjustment See Note 9 | - | - | - | - | - | - |
| Fund Balance- Ending | <u>\$ (48,622)</u> | <u>\$ 2,719,305</u> | <u>\$ 2,712,495</u> | <u>\$ -</u> | <u>\$ 113,442</u> | <u>\$ 5,496,620</u> |

City of Willmar, Minnesota
Non-Major Debt Service Funds
Combining Balance Sheets
December 31, 2010

| | Airport G.O. Revenue Bond | Tax Increment Bonds | Total Debt Service Funds |
|-------------------------------------|--|------------------------------------|---|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ (8,166) | \$ 13,458 | \$ 5,292 |
| Due From Other Funds | - | - | - |
| Prepaid Expenses | 157,931 | - | 157,931 |
| Unamort Discount On Bonds Sold | 16,380 | - | 16,380 |
| Total Assets | \$ 166,145 | \$ 13,458 | \$ 179,603 |
| LIABILITIES | | | |
| Notes Payable | \$ - | \$ 3,664 | \$ 3,664 |
| Due To Other Funds | - | 407 | 407 |
| Total Liabilities | - | 4,071 | 4,071 |
| FUND BALANCES | | | |
| Reserved for Prepaid Items | 157,931 | - | 157,931 |
| Reserved For Debt Service | 8,214 | 9,387 | 17,601 |
| Total Fund Balances | 166,145 | 9,387 | 175,532 |
| Total Liabilities and Fund Balances | \$ 166,145 | \$ 13,458 | \$ 179,603 |

City of Willmar, Minnesota
Non-Major Debt Service Funds
Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2010

| | Airport G.O. Revenue Bond | Tax Increment Bonds | Total Debt Service Funds |
|---|--|------------------------------------|---|
| REVENUES | | | |
| General Taxes | | | |
| Current Ad Valorem | \$ - | \$ 3,859 | \$ 3,859 |
| Tax Increment | - | 11,722 | 11,722 |
| TOTAL TAXES | - | 15,581 | 15,581 |
| Total Revenues | - | 15,581 | 15,581 |
| EXPENDITURES | | | |
| Bond Principal Payments | 125,000 | 7,328 | 132,328 |
| Interest Payments | 57,738 | 1,911 | 59,649 |
| Other Charges | 631 | - | 631 |
| Total Expenditures | 183,369 | 9,239 | 192,608 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (183,369) | 6,342 | (177,027) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 181,500 | - | 181,500 |
| Transfers Out | - | (814) | (814) |
| Total Other Financing Sources (Uses) | 181,500 | (814) | 180,686 |
| Net Change in Fund Balances | (1,869) | 5,528 | 3,659 |
| Fund Balances - Beginning | 168,014 | 3,859 | 171,873 |
| Fund Balances - Ending | \$ 166,145 | \$ 9,387 | \$ 175,532 |

City of Willmar, Minnesota
Combining Statement of Net Assets
NonMajor Governmental Funds/Fiduciary Funds
December 31, 2010

| | Perpetual Care Fund |
|---------------------------|--------------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 360 |
| Investments | 37,477 |
| Receivables | |
| Interest Receivable | 158 |
| Due From Other Funds | - |
| Total Assets | \$ 37,995 |
| LIABILITIES | |
| Due To Other Funds | \$ - |
| Total Liabilities | - |
| NET ASSETS | |
| Held In Trust | \$ 37,995 |

City of Willmar, Minnesota
Combining Statement of Changes in Net Assets
NonMajor Governmental Funds/Fiduciary Funds
For the Year Ended December 31, 2010

| | Perpetual Care Fund | Library Improvement Reserve Fund | Total Fiduciary Funds |
|--|--------------------------------|---|--------------------------------------|
| REVENUES | | | |
| Investment Earnings | \$ 1,117 | \$ - | \$ 1,117 |
| Fair Market Value Decrease | (190) | - | (190) |
| Total Revenues | <u>927</u> | <u>-</u> | <u>927</u> |
| EXPENDITURES | | | |
| Culture and Recreation | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>927</u> | <u>-</u> | <u>927</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | - | - |
| Transfers Out | (1,500) | (228,482) | (229,982) |
| Total Other Financing Sources (Uses) | <u>(1,500)</u> | <u>(228,482)</u> | <u>(229,982)</u> |
| Net Change in Fund Balances | (573) | (228,482) | (229,055) |
| Fund Balances - Beginning | <u>38,568</u> | <u>228,482</u> | <u>267,050</u> |
| Fund Balances - Ending | <u>\$ 37,995</u> | <u>\$ -</u> | <u>\$ 37,995</u> |

City of Willmar, Minnesota
Internal Service Funds
Combining Statement of Net Assets
December 31, 2010

| | Office Services | Public Improve. Revolving | Total |
|--|----------------------------|--------------------------------------|---------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash And Cash Equivalents | \$ 920 | \$ (98,458) | \$ (97,538) |
| Investments | 119,365 | 998,409 | 1,117,774 |
| Interest Receivable | 493 | 4,084 | 4,577 |
| Intergovernmental Receivable | - | 21,286 | 21,286 |
| Due From Other Funds | - | 3 | 3 |
| Inventories - Merchandise For Resale | 5,304 | - | 5,304 |
| Total Current Assets | <u>126,082</u> | <u>925,324</u> | <u>1,051,406</u> |
| Noncurrent Assets: | | | |
| Capital Assets: | | | |
| Office Equipment | 13,821 | - | 13,821 |
| Less Accumulated Depreciation | <u>(10,340)</u> | <u>-</u> | <u>(10,340)</u> |
| Total Capital Assets (net of accumulated depreciation) | <u>3,481</u> | <u>-</u> | <u>3,481</u> |
| Total Assets | <u>129,563</u> | <u>925,324</u> | <u>1,054,887</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 218 | - | 218 |
| Due To Other Funds | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Current Liabilities | <u>218</u> | <u>-</u> | <u>218</u> |
| NET ASSETS | | | |
| Invested In Capital Assets | 3,481 | - | 3,481 |
| Unrestricted | <u>125,864</u> | <u>925,324</u> | <u>1,051,188</u> |
| Total Net Assets | <u>\$ 129,345</u> | <u>\$ 925,324</u> | <u>\$ 1,054,669</u> |

City of Willmar, Minnesota
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2010

| | <u>Office Services</u> | <u>Public Improve. Revolving</u> | <u>Total</u> |
|--|----------------------------|--------------------------------------|---------------------|
| Operating Revenues: | | | |
| Charges For Services | \$ 23,713 | \$ - | \$ 23,713 |
| Total Operating Revenues | <u>23,713</u> | <u>-</u> | <u>23,713</u> |
| Operating Expenses: | | | |
| Cost of Materials Used: | | | |
| Inventory, January 1 | 4,641 | - | 4,641 |
| Purchases | <u>10,208</u> | <u>-</u> | <u>10,208</u> |
| Total Available | <u>14,849</u> | <u>-</u> | <u>14,849</u> |
| Inventory, December 31 | (5,304) | - | (5,304) |
| Total Cost of Materials Used | <u>9,545</u> | <u>-</u> | <u>9,545</u> |
| Other Services And Charges | 12,533 | - | 12,533 |
| Depreciation | <u>408</u> | <u>-</u> | <u>408</u> |
| Total Operating Expenses | <u>22,486</u> | <u>-</u> | <u>22,486</u> |
| Operating Income (Loss) | <u>1,227</u> | <u>-</u> | <u>1,227</u> |
| Nonoperating Revenues (Expenses): | | | |
| Interest On Investments | 3,302 | 28,337 | 31,639 |
| Market Value Increase/(Decrease) | (675) | (8,787) | (9,462) |
| Capital Asset Acquisition/(Disposal) | <u>2,721</u> | <u>-</u> | <u>2,721</u> |
| Total Nonoperating Revenues | 5,348 | 19,550 | 24,898 |
| Income (Loss) Before Contributions and Transfers | 6,575 | 19,550 | 26,125 |
| Operating Transfers In | - | 3 | 3 |
| Operating Transfers Out | <u>-</u> | <u>(42,000)</u> | <u>(42,000)</u> |
| Change in Net Assets | 6,575 | (22,447) | (15,872) |
| Total Net Assets - Beginning | <u>122,770</u> | <u>947,771</u> | <u>1,070,541</u> |
| Total Net Assets - Ending | <u>\$ 129,345</u> | <u>\$ 925,324</u> | <u>\$ 1,054,669</u> |

City of Willmar, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2010

| | Office Services | Public Improvement Revolving | Total |
|--|----------------------------|---|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from Charges For Services | \$ 23,713 | \$ - | \$ 23,713 |
| Payments For Purchases | (9,990) | - | (9,990) |
| Payments For Other Services and Charges | (12,533) | - | (12,533) |
| Liquidation of Liabilities | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>1,190</u> | <u>-</u> | <u>1,190</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Transfer from Other Funds | - | 480,187 | 480,187 |
| Transfer to Other Funds | - | (84,000) | (84,000) |
| Net Cash Used in Noncapital and Related Financing Activities | <u>-</u> | <u>396,187</u> | <u>396,187</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Principal Payments on Long-Term Debt | - | - | - |
| Net Cash Used in Capital and Related Financing Activities | <u>-</u> | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Principal Collected on Loan | - | 275 | 275 |
| Proceeds from Sales and Maturities of Investments | - | 72,000 | 72,000 |
| Purchase of Investments | (5,000) | (497,000) | (502,000) |
| Interest and Dividends Received | 3,391 | 27,168 | 30,559 |
| Net Cash Provided (Used) from Investing Activities | <u>(1,609)</u> | <u>(397,557)</u> | <u>(399,166)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (419) | (1,370) | (1,789) |
| Cash and Cash Equivalents - Beginning | 1,339 | (97,088) | (95,749) |
| Cash and Cash Equivalents - Ending | <u>\$ 920</u> | <u>\$ (98,458)</u> | <u>\$ (97,538)</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating Income (Loss) | \$ 1,227 | \$ - | \$ 1,227 |
| Adjustments to Reconcile Operating Income from to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | 408 | - | 408 |
| Change in Assets and Liabilities: | | | |
| (Increase) Decrease in Inventories | (663) | - | (663) |
| Increase (Decrease) in Accounts Payable | 218 | - | 218 |
| Total Adjustments | <u>(37)</u> | <u>-</u> | <u>(37)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,190</u> | <u>\$ -</u> | <u>\$ 1,190</u> |

CITY OF WILLMAR, MINNESOTA

STATISTICAL SECTION

City of Willmar, Minnesota

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules By Source*

December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|-----------------------|-----------------------|
| Governmental Funds Capital Assets: | | |
| Land | \$ 8,449,733 | \$ 3,687,421 |
| Buildings and Structures | 11,631,916 | 7,874,458 |
| Furniture and Equipment | 4,023,221 | 3,950,907 |
| Machinery and Auto Equipment | 6,991,139 | 6,934,723 |
| Other Improvements | <u>110,558,916</u> | <u>92,774,219</u> |
| Total Governmental Funds Capital Assets | <u>\$ 141,654,925</u> | <u>\$ 115,221,728</u> |
| Investments in Governmental Funds Capital Assets By Source: | | |
| General Fund | \$ 140,108,147 | \$ 113,676,880 |
| Special Revenue Fund | 1,546,778 | 1,544,848 |
| Capital Projects Funds | <u>-</u> | <u>-</u> |
| Total Governmental Funds Capital Assets | <u>\$ 141,654,925</u> | <u>\$ 115,221,728</u> |

*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Willmar, Minnesota
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity*
For the Fiscal Year Ended December 31, 2010

| FIXED ASSETS-2010 | Governmental Funds Capital Assets | | | Governmental Funds Capital Assets |
|--|--|-------------------------|--------------------------|--|
| | <u>01/01/2010</u> | <u>Additions</u> | <u>Deductions</u> | <u>12/31/2010</u> |
| <u>GENERAL GOVERNMENT</u> | | | | |
| Mayor & Council | \$ 24,709 | \$ - | \$ - | \$ 24,709 |
| Community Development | 49,490 | - | - | 49,490 |
| City Clerk-Treasurer | 4,143 | - | - | 4,143 |
| Assessing | 14,117 | - | - | 14,117 |
| Accounting | 1,268 | - | - | 1,268 |
| City Hall | 844,007 | 3,911 | 3,887 | 844,031 |
| Data Processing | 522,981 | 46,042 | 43,768 | 525,255 |
| Elections | 86,970 | - | - | 86,970 |
| Non-Departmental | 164,893 | - | - | 164,893 |
| Industrial Development | 277,900 | 824,380 | - | 1,102,280 |
| Total | 1,990,478 | 874,333 | 47,655 | 2,817,156 |
| <u>PUBLIC SAFETY</u> | | | | |
| Police Dept. | 725,809 | 179,811 | 86,084 | 819,536 |
| Trust & Agency K-9 | 5,000 | - | - | 5,000 |
| Fire Dept. | 3,790,897 | 173,962 | 357,218 | 3,607,641 |
| Public Parking | 631,870 | - | - | 631,870 |
| Total | 5,153,576 | 353,773 | 443,302 | 5,064,047 |
| <u>PUBLIC WORKS</u> | | | | |
| Engineering | 180,510 | - | - | 180,510 |
| Public Works | 97,474,321 | 4,176,429 | 216,475 | 101,434,275 |
| Airport | 2,105,029 | 21,698,192 | 25,051 | 23,778,170 |
| Transit | 1,000 | - | - | 1,000 |
| Total | 99,760,860 | 25,874,621 | 241,526 | 125,393,955 |
| <u>CULTURE & RECREATION</u> | | | | |
| Auditorium | 501,279 | 5,985 | - | 507,264 |
| Buildings & Grounds | 1,122,569 | 11,600 | 1,918 | 1,132,251 |
| Leisure Services | 104,175 | 11,661 | - | 115,836 |
| Civic Center | 3,561,366 | 3,633 | - | 3,564,999 |
| Community Center | 485,081 | 7,099 | - | 492,180 |
| Aquatic Center | 2,000,875 | 3,964 | - | 2,004,839 |
| WRAC-8 | 403,185 | 19,508 | 1,385 | 421,308 |
| C.V.B. | 20,383 | 2,806 | - | 23,189 |
| Library | 117,901 | - | - | 117,901 |
| Total | 8,316,814 | 66,256 | 3,303 | 8,379,767 |
| GRAND TOTAL | \$ 115,221,728 | \$ 27,168,983 | \$ 735,786 | \$ 141,654,925 |

*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Willmar, Minnesota
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity*
December 31, 2010

| FIXED ASSETS-2010 | | | | | | |
|---------------------------------|------------------------------|----------------------------|---|--|-----------------------------------|--------------------------------------|
| | <u>Total</u> | <u>Land</u> | <u>Buildings/ Structures</u> | <u>Furniture/ Equipment</u> | <u>Machinery/ Auto</u> | <u>Other Improvements</u> |
| <u>GENERAL GOVERNMENT</u> | | | | | | |
| Mayor & Council | \$ 24,709 | \$ - | \$ - | \$ 24,709 | \$ - | \$ - |
| Community Development | 49,490 | 9,060 | - | - | 39,125 | 1,305 |
| City Clerk-Treasurer | 4,143 | - | - | 4,143 | - | - |
| Assessing | 14,117 | - | - | 8,792 | - | 5,325 |
| Accounting | 1,268 | - | - | 1,268 | - | - |
| City Hall | 844,030 | 40,000 | 702,883 | 23,665 | 53,534 | 23,948 |
| Data Processing | 525,256 | - | - | 460,940 | - | 64,316 |
| Elections | 86,970 | - | - | 86,970 | - | - |
| Non-Departmental | 164,893 | - | - | 164,893 | - | - |
| Industrial Development | 1,102,281 | 1,102,281 | - | - | - | - |
| Total | <u>2,817,157</u> | <u>1,151,341</u> | <u>702,883</u> | <u>775,380</u> | <u>92,659</u> | <u>94,894</u> |
| <u>PUBLIC SAFETY</u> | | | | | | |
| Police Dept. | 819,536 | - | 3,146 | 303,318 | 513,072 | - |
| Trust & Agency K-9 | 5,000 | - | - | 5,000 | - | - |
| Fire Dept. | 3,607,640 | 166,936 | 597,603 | 928,504 | 1,862,778 | 51,819 |
| Public Parking | 631,870 | 631,870 | - | - | - | - |
| Total | <u>5,064,046</u> | <u>798,806</u> | <u>600,749</u> | <u>1,236,822</u> | <u>2,375,850</u> | <u>51,819</u> |
| <u>PUBLIC WORKS</u> | | | | | | |
| Engineering | 180,510 | - | - | 93,300 | 79,084 | 8,126 |
| Public Works | 101,434,275 | 1,972,622 | 1,237,933 | 641,048 | 4,086,483 | 93,496,189 |
| Airport | 23,778,170 | 4,224,152 | 3,966,490 | 34,882 | 86,091 | 15,466,555 |
| Transit | 1,000 | 1,000 | - | - | - | - |
| Total | <u>125,393,955</u> | <u>6,197,774</u> | <u>5,204,423</u> | <u>769,230</u> | <u>4,251,658</u> | <u>108,970,870</u> |
| <u>CULTURE & RECREATION</u> | | | | | | |
| Auditorium | 507,264 | 3,000 | 455,557 | 36,707 | - | 12,000 |
| Buildings & Grounds | 1,132,251 | 112,405 | 21,177 | 259,623 | 6,950 | 732,096 |
| Leisure Services | 115,835 | - | 11,660 | 56,481 | 19,294 | 28,400 |
| Civic Center | 3,564,999 | 23,572 | 2,589,577 | 250,341 | 239,407 | 462,102 |
| Community Center | 492,180 | 87,635 | 347,154 | 12,377 | 5,321 | 39,693 |
| Aquatic Center | 2,004,840 | 75,200 | 1,482,411 | 280,187 | - | 167,042 |
| WRAC-8 | 421,308 | - | 99,622 | 321,686 | - | - |
| C.V.B | 23,189 | - | - | 23,189 | - | - |
| Library | 117,901 | - | 116,704 | 1,197 | - | - |
| Total | <u>8,379,767</u> | <u>301,812</u> | <u>5,123,862</u> | <u>1,241,788</u> | <u>270,972</u> | <u>1,441,333</u> |
| GRAND TOTAL | <u><u>\$ 141,654,925</u></u> | <u><u>\$ 8,449,733</u></u> | <u><u>\$ 11,631,917</u></u> | <u><u>\$ 4,023,220</u></u> | <u><u>\$ 6,991,139</u></u> | <u><u>\$ 110,558,916</u></u> |

*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF WILLMAR, MINNESOTA

GOVERNMENT-WIDE EXPENSES BY FUNCTION

Years 2001 Through 2010

| <u>Fiscal Year</u> | <u>General Government</u> | <u>Public Safety</u> | <u>Public Works</u> | <u>Miscellaneous</u> | <u>Culture & Recreation</u> | <u>Debt Service</u> | <u>Waste Treatment</u> | <u>Office Services</u> | <u>Public Improvement Revolv Loans</u> | <u>Total</u> |
|--------------------|---------------------------|----------------------|---------------------|----------------------|---------------------------------|---------------------|------------------------|------------------------|--|---------------|
| 2001 | \$ 1,987,113 | \$ 3,177,527 | \$ 2,360,295 | \$ 5,926,553 | \$ 1,309,758 | \$ 2,875,947 | \$ 2,551,062 | \$ 31,857 | \$ 50,000 | \$ 20,270,112 |
| 2002 | \$ 2,107,030 | \$ 3,334,687 | \$ 2,239,998 | \$ 5,647,526 | \$ 1,359,845 | \$ 2,583,665 | \$ 2,449,676 | \$ 23,377 | \$ 35,000 | \$ 19,780,804 |
| 2003 | \$ 2,100,653 | \$ 3,362,219 | \$ 2,352,839 | \$ 16,506,760 | \$ 1,321,291 | \$ 1,326,327 | \$ 2,090,791 | \$ 20,926 | \$ - | \$ 29,081,806 |
| 2004 | \$ 2,276,924 | \$ 3,596,160 | \$ 2,529,753 | \$ 12,647,931 | \$ 1,472,386 | \$ 4,837,110 | \$ 2,202,238 | \$ 23,642 | \$ - | \$ 29,586,144 |
| 2005 | \$ 2,483,779 | \$ 3,658,760 | \$ 2,675,202 | \$ 13,244,275 | \$ 1,744,408 | \$ 4,107,819 | \$ 2,885,754 | \$ 23,528 | \$ - | \$ 30,823,525 |
| 2006 | \$ 2,638,867 | \$ 3,890,662 | \$ 2,865,920 | \$ 14,431,623 | \$ 1,732,007 | \$ 2,317,583 | \$ 2,263,868 | \$ 21,558 | \$ - | \$ 30,162,088 |
| 2007 | \$ 2,841,646 | \$ 4,075,315 | \$ 2,858,588 | \$ 11,310,300 | \$ 1,973,936 | \$ 5,485,266 | \$ 2,396,676 | \$ 26,366 | \$ - | \$ 30,968,093 |
| 2008 | \$ 3,120,895 | \$ 5,483,622 | \$ 3,174,692 | \$ 4,778,060 | \$ 2,023,979 | \$ 2,120,587 | \$ 2,775,907 | \$ 27,311 | \$ - | \$ 23,505,053 |
| 2009 | \$ 3,190,772 | \$ 4,451,561 | \$ 2,992,636 | \$ 3,277,484 | \$ 2,213,398 | \$ 2,354,859 | \$ 2,851,067 | \$ 21,458 | \$ - | \$ 21,353,235 |
| 2010 | \$ 3,207,918 | \$ 4,552,433 | \$ 3,133,761 | \$ 4,000,966 | \$ 2,167,668 | \$ 2,455,304 | \$ 4,854,543 | \$ 22,486 | \$ - | \$ 24,395,079 |

CITY OF WILLMAR, MINNESOTA

GOVERNMENT-WIDE REVENUES

Years 2001 through 2010

| <u>Fiscal Year</u> | <u>Program Revenues</u> | <u>General Revenues</u> | | <u>Total</u> |
|--------------------|-----------------------------|-------------------------|------------------------------|---------------|
| | <u>Charges For Services</u> | <u>Taxes</u> | <u>Miscellaneous Revenue</u> | |
| 2001 | \$ 630,335 | \$ 4,523,868 | \$ 9,453,991 | \$ 14,608,194 |
| 2002 | \$ 590,349 | \$ 2,135,115 | \$ 10,370,923 | \$ 13,096,387 |
| 2003 | \$ 3,390,786 | \$ 2,162,007 | \$ 15,636,825 | \$ 21,189,618 |
| 2004 | \$ 3,363,740 | \$ 2,315,035 | \$ 15,486,160 | \$ 21,164,935 |
| 2005 | \$ 3,603,967 | \$ 2,435,037 | \$ 15,697,584 | \$ 21,736,588 |
| 2006 | \$ 3,722,861 | \$ 4,215,909 | \$ 16,049,775 | \$ 23,988,545 |
| 2007 | \$ 4,088,622 | \$ 4,781,966 | \$ 13,291,133 | \$ 22,161,721 |
| 2008 | \$ 6,139,089 | \$ 5,497,952 | \$ 9,493,609 | \$ 21,130,650 |
| 2009 | \$ 5,164,337 | \$ 5,687,570 | \$ 8,635,280 | \$ 19,487,187 |
| 2010 | \$ 5,999,445 | \$ 5,531,315 | \$ 9,728,257 | \$ 21,259,017 |

CITY OF WILLMAR, MINNESOTA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Years 2001 Through 2010

| <u>Fiscal Year</u> | <u>General Government</u> | <u>Public Safety</u> | <u>Public Works</u> | <u>Miscellaneous</u> | <u>Culture & Recreation</u> | <u>Debt Service</u> | <u>Total</u> |
|--------------------|---------------------------|----------------------|---------------------|----------------------|---------------------------------|---------------------|---------------|
| 2001 | \$ 1,987,113 | \$ 3,177,527 | \$ 2,360,295 | \$ 5,926,553 | \$ 1,309,758 | \$ 2,875,947 | \$ 17,637,193 |
| 2002 | \$ 2,107,030 | \$ 3,334,687 | \$ 2,239,998 | \$ 5,647,526 | \$ 1,359,845 | \$ 2,583,665 | \$ 17,272,751 |
| 2003 | \$ 2,100,653 | \$ 3,362,219 | \$ 2,352,839 | \$ 13,264,700 | \$ 1,321,291 | \$ 4,404,017 | \$ 26,805,719 |
| 2004 | \$ 2,276,924 | \$ 3,596,160 | \$ 2,529,753 | \$ 9,582,886 | \$ 1,472,386 | \$ - | \$ 19,458,109 |
| 2005 | \$ 2,483,779 | \$ 3,658,760 | \$ 2,675,202 | \$ 10,651,251 | \$ 1,744,408 | \$ - | \$ 21,213,400 |
| 2006 | \$ 2,638,867 | \$ 3,890,662 | \$ 2,865,920 | \$ 11,675,212 | \$ 1,732,007 | \$ - | \$ 22,802,668 |
| 2007 | \$ 2,841,646 | \$ 4,075,315 | \$ 2,858,588 | \$ 8,629,657 | \$ 1,973,936 | \$ - | \$ 20,379,142 |
| 2008 | \$ 3,120,895 | \$ 5,483,622 | \$ 3,174,692 | \$ 6,898,647 | \$ 2,023,979 | \$ - | \$ 20,701,835 |
| 2009 | \$ 3,190,772 | \$ 4,451,561 | \$ 2,992,636 | \$ 5,632,343 | \$ 2,213,398 | \$ - | \$ 18,480,710 |
| 2010 | \$ 3,207,918 | \$ 4,552,433 | \$ 3,133,761 | \$ 6,456,270 | \$ 2,167,668 | \$ - | \$ 19,518,050 |

CITY OF WILLMAR, MINNESOTA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Years 2001 Through 2010

| <u>Fiscal Year</u> | <u>Taxes</u> | <u>Licenses and Permits</u> | <u>Intergovernmental Revenues</u> | <u>Charges for Services</u> | <u>Fines and Forfeitures</u> | <u>Miscellaneous Revenue</u> | <u>Total</u> |
|--------------------|--------------|-----------------------------|-----------------------------------|-----------------------------|------------------------------|------------------------------|---------------|
| 2001 | \$ 4,523,868 | \$ 443,817 | \$ 5,325,273 | \$ 630,335 | \$ 192,660 | \$ 3,492,241 | \$ 14,608,194 |
| 2002 | \$ 2,135,115 | \$ 519,351 | \$ 6,675,900 | \$ 590,349 | \$ 194,698 | \$ 2,980,974 | \$ 13,096,387 |
| 2003 | \$ 2,162,007 | \$ 800,093 | \$ 9,058,086 | \$ 948,305 | \$ 203,121 | \$ 4,405,980 | \$ 17,577,592 |
| 2004 | \$ 2,315,035 | \$ 769,293 | \$ 9,989,732 | \$ 686,158 | \$ 238,512 | \$ 9,005,981 | \$ 23,004,711 |
| 2005 | \$ 2,435,037 | \$ 707,981 | \$ 6,047,404 | \$ 739,782 | \$ 230,762 | \$ 7,779,869 | \$ 17,940,835 |
| 2006 | \$ 4,215,909 | \$ 1,049,922 | \$ 8,496,439 | \$ 724,172 | \$ 276,797 | \$ 12,494,942 | \$ 27,258,181 |
| 2007 | \$ 4,781,966 | \$ 454,878 | \$ 7,177,007 | \$ 864,241 | \$ 259,559 | \$ 9,443,920 | \$ 22,981,571 |
| 2008 | \$ 5,497,952 | \$ 1,454,324 | \$ 6,887,102 | \$ 886,291 | \$ 236,776 | \$ 3,941,369 | \$ 18,903,814 |
| 2009 | \$ 5,687,570 | \$ 447,306 | \$ 7,142,387 | \$ 919,809 | \$ 188,957 | \$ 3,397,091 | \$ 17,783,120 |
| 2010 | \$ 5,531,315 | \$ 382,526 | \$ 6,465,918 | \$ 1,283,366 | \$ 168,716 | \$ 3,087,542 | \$ 16,919,383 |

CITY OF WILLMAR, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS

Years 2001 Through 2010

| <u>Fiscal Year</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Per Cent Of Levy Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Collections As Per Cent of Current Levy</u> | <u>Outstanding Delinquent Taxes</u> | <u>Delinquent Taxes as Per Cent of Current Levy</u> |
|--------------------|-----------------------|--------------------------------|-----------------------------------|-----------------------------------|------------------------------|--|-------------------------------------|---|
| 2001 | 2,544,350 | 2,484,499 | 97.65% | 101,998 | 2,586,497 | 101.66% | 77,537 | 3.05% |
| 2002 | 1,917,749 | 1,866,708 | 97.34% | 57,195 | 1,923,903 | 100.32% | 71,459 | 3.73% |
| 2003 | 1,835,251 | 1,793,370 | 97.72% | 54,995 | 1,848,385 | 100.72% | 52,666 | 2.87% |
| 2004 | 2,069,429 | 2,024,475 | 97.83% | 42,263 | 2,066,738 | 99.87% | 57,332 | 2.77% |
| 2005 | 2,255,677 | 2,216,210 | 98.25% | 47,857 | 2,264,067 | 100.37% | 49,160 | 2.18% |
| 2006 | 2,335,677 | 2,294,467 | 98.24% | 35,021 | 2,329,488 | 99.74% | 60,889 | 2.61% |
| 2007 | 2,806,995 | 2,755,905 | 98.18% | 49,481 | 2,805,386 | 99.94% | 66,336 | 2.36% |
| 2008 | 3,383,646 | 3,304,665 | 98.18% | 49,576 | 3,354,241 | 99.94% | 97,374 | 2.88% |
| 2009 | 3,525,325 | 3,440,974 | 97.61% | 64,902 | 3,505,876 | 99.45% | 114,055 | 3.24% |
| 2010 | 3,668,705 | 3,296,429 | 89.85% | 72,658 | 3,369,087 | 91.83% | 133,513 | 3.64% |

CITY OF WILLMAR, MINNESOTA

TAX CAPACITIES AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

YEARS 2001 THROUGH 2010

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|--|-------------|-------------|-------------|-------------|
| Population (*Census) | 18,903 | 18,903 | 18,903 | 18,903 |
| REAL PROPERTY | | | | |
| Tax Capacity | 9,748,599 | 7,370,074 | 7,578,460 | 8,001,757 |
| Less: Tax Increment Districts - | | | | |
| Highland #91 | 0 | 0 | 0 | 0 |
| Center City #92 | 31,826 | 0 | 0 | 0 |
| Theatre & Hotel #93 | 0 | 0 | 0 | 0 |
| Shared Health #94 | 75,153 | 0 | 0 | 0 |
| Phoenix #95 | 11,056 | 13,206 | 13,206 | 12,538 |
| Somody #96 | 0 | 0 | 0 | 0 |
| Accrupress #97 | 0 | 0 | 0 | 0 |
| Brinton #98 | 0 | 0 | 0 | 0 |
| Jennie-O #99 | 0 | 0 | 0 | 0 |
| Holiday Inn #01 | 0 | 0 | 0 | 0 |
| Bethesda #02 | 65,667 | 55,024 | 55,024 | 49,722 |
| West Central Steel #03 | 22,876 | 13,783 | 13,783 | 20,357 |
| Coborns #04 | 29,332 | 17,477 | 17,477 | 0 |
| Relco #05 | 42,831 | 12,340 | 12,340 | 12,642 |
| Lakewood #06 | 0 | 4,456 | 4,456 | 4,822 |
| JOBZ | 0 | 0 | 0 | 0 |
| Net Tax Capacity | 9,493,108 | 7,253,788 | 7,462,174 | 7,887,152 |
| Estimated Market Value | 582,092,700 | 595,989,800 | 620,455,700 | 658,842,700 |
| PERSONAL PROPERTY | | | | |
| Tax Capacity | 94,689 | 57,193 | 56,201 | 60,962 |
| Estimated Market Value | 3,033,800 | 3,008,600 | 2,961,900 | 3,215,100 |
| TOTAL REAL AND PERSONAL PROPERTY | | | | |
| Tax Capacity | 9,493,108 | 7,310,981 | 7,518,375 | 7,948,114 |
| Estimated Market Value | 585,126,500 | 598,998,400 | 623,417,600 | 662,057,800 |
| PERCENT OF TAX CAPACITY TO ESTIMATED MARKET VALUE | 0.016224 | 0.012205 | 0.01206 | 0.012005 |
| PER CAPITA VALUATION | | | | |
| Tax Capacity | 502 | 387 | 398 | 420 |
| Estimated Market Value | 30,954 | 31,688 | 32,980 | 35,024 |
| NET BONDED DEBT | | | | |
| Net Bonded Debt per Capita | N/A | N/A | N/A | N/A |
| Net Bonded Debt per Tax Capacity | N/A | N/A | N/A | N/A |

| <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-------------|-------------|-------------|-------------|---------------|---------------|
| 18,903 | 18,757 | 18,757 | 18,757 | 18,757 | 19,610 |
| 8,956,269 | 9,664,031 | 10,947,806 | 12,005,028 | 12,526,714 | 12,830,579 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 12,538 | 12,538 | 13,697 | 15,031 | 15,031 | 15,031 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 49,722 | 0 | 0 | 0 | 0 | 0 |
| 20,357 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 12,642 | 15,016 | 15,874 | 27,154 | 0 | 0 |
| 4,822 | 5,414 | 6,262 | 7,382 | 7,834 | 7,834 |
| 0 | 30,260 | 61,393 | 82,927 | 99,310 | 113,205 |
| 8,856,188 | 9,600,803 | 10,850,580 | 11,872,534 | 12,404,539 | 12,694,509 |
| 737,628,700 | 806,284,500 | 904,555,700 | 983,810,800 | 1,020,849,500 | 1,044,367,400 |
| 67,230 | 90,344 | 104,040 | 110,372 | 112,608 | 113,796 |
| 3,527,500 | 4,696,500 | 5,396,500 | 5,921,300 | 6,095,700 | 6,201,500 |
| 8,923,418 | 9,691,147 | 10,954,620 | 11,982,906 | 12,517,147 | 12,808,305 |
| 741,156,200 | 810,981,000 | 909,952,200 | 989,732,100 | 1,026,945,200 | 1,050,568,900 |
| 0.01204 | 0.01195 | 0.012039 | 0.012107 | 0.012189 | 0.012192 |
| 472 | 517 | 584 | 639 | 667 | 653 |
| 39,208 | 43,236 | 48,513 | 52,766 | 54,750 | 53,573 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

CITY OF WILLMAR, MINNESOTA

TAX CAPACITY RATES

ALL OVERLAPPING GOVERNMENTS

Years 2001 Through 2010

A 10-YEAR COMPARISON OF TAX CAPACITY RATES

| <u>Year Tax Due</u> | <u>City</u> | <u>School</u> | *** | <u>County</u> | <u>H.R.A.</u> | <u>Rural Dev. Fin. Auth.</u> | <u>Total</u> |
|-----------------------------|-------------|---------------|-----|---------------|---------------|--------------------------------------|--------------|
| 2001 | 26.99 | 53.88 | | 61.06 | 0.80 | 0.76 | 143.49 |
| 2002 | 26.36 | 24.49 | | 77.89 | 1.17 | 0.91 | 130.82 |
| 2003 | 24.58 | 24.99 | | 79.59 | 1.19 | 0.85 | 131.20 |
| 2004 | 26.20 | 25.71 | | 78.25 | 1.19 | 1.32 | 132.67 |
| 2005 | 25.27 | 23.69 | | 69.78 | 1.18 | 1.38 | 121.30 |
| 2006 | 24.10 | 23.31 | | 64.22 | 1.19 | 1.64 | 114.46 |
| 2007 | 25.62 | 22.66 | | 60.41 | 1.18 | 1.46 | 111.33 |
| 2008 | 28.23 | 20.23 | | 56.71 | 1.18 | 1.32 | 107.67 |
| 2009 | 28.16 | 20.54 | | 56.88 | 1.51 | 1.25 | 108.34 |
| 2010 | 28.64 | 19.84 | | 53.36 | 1.32 | 1.16 | 104.32 |

*** Includes Mid Minnesota Development Commission.

CITY OF WILLMAR, MINNESOTA

TAX LEVIES

ALL OVERLAPPING GOVERNMENTS

Years 2001 Through 2010

A 10-YEAR COMPARISON OF TAX CAPACITY LEVIES

| <u>Year Tax Due</u> | <u>*City</u> | <u>School</u> | <u>Market Value Ref.</u> | <u>**County</u> | <u>H.R.A.</u> | <u>EDC/ Rural Dev. Fin. Auth.</u> | <u>Total</u> |
|-----------------------------|--------------|---------------|----------------------------------|-----------------|---------------|---|--------------|
| 2001 | 2,562,285 | 5,115,076 | 374,426 | 5,796,871 | 75,660 | 72,432 | 13,996,750 |
| 2002 | 1,926,809 | 1,790,679 | 938,273 | 5,694,377 | 85,831 | 66,530 | 10,502,499 |
| 2003 | 1,848,317 | 1,878,692 | 967,051 | 5,983,799 | 89,393 | 64,207 | 10,831,459 |
| 2004 | 2,082,088 | 2,043,222 | 756,285 | 6,219,638 | 94,742 | 105,155 | 11,301,130 |
| 2005 | 2,254,502 | 2,114,047 | 760,160 | 6,226,940 | 105,564 | 126,357 | 11,587,570 |
| 2006 | 2,335,761 | 2,258,522 | 1,067,332 | 6,223,946 | 115,519 | 133,835 | 12,134,915 |
| 2007 | 2,806,902 | 2,483,193 | 1,183,484 | 6,617,795 | 129,265 | 133,865 | 13,354,504 |
| 2008 | 3,383,493 | 2,424,022 | 1,236,868 | 6,795,266 | 141,159 | 131,812 | 14,112,620 |
| 2009 | 3,525,204 | 2,571,272 | 1,724,036 | 7,145,914 | 188,884 | 129,302 | 15,284,612 |
| 2010 | 3,663,422 | 2,538,124 | 1,807,189 | 6,850,914 | 168,577 | 121,253 | 15,149,479 |

* This Levy does not take into consideration the small reduction that results from agricultural property.

** Includes Mid Minnesota Development Commission.

CITY OF WILLMAR, MINNESOTA

PRINCIPAL TAXPAYERS

December 31, 2010

| Taxpayer | Type of Business | Market Valuation Payable 2011 | Total Tax |
|-------------------------------|--------------------|--|------------|
| Affiliated Community Health | Medical Center | \$ 10,670,400 | \$ 350,456 |
| WalMart Stores, Inc. | Discount Retailer | 10,270,200 | 338,397 |
| Kandi Mall 1999, LLC | Kandi Mall | 9,387,000 | 309,194 |
| Menard Inc. | Building Materials | 9,361,200 | 308,342 |
| Mills Properties, Inc. | Auto Dealership | 7,008,800 | 226,440 |
| Jennie-O Turkey Store, Inc. | Food Processing | 5,738,400 | 187,310 |
| Willmar Ten Investors | Investment Company | 4,795,900 | 151,520 |
| BNSF Railway Company | Railroad | 4,321,600 | 141,712 |
| Home Depot U.S.A., Inc. | Building Materials | 4,311,300 | 141,374 |
| Centerpoint Energy Minnegasco | Gas Company | 3,938,700 | 127,574 |

CITY OF WILLMAR, MINNESOTA

SPECIAL ASSESSMENT COLLECTIONS

Year 2001 Through 2010

| <u>Fiscal Year</u> | <u>Current Assessments Due</u> | <u>Current Assessments Collected</u> | <u>Percent of Collections To Amount Due</u> | <u>Total Outstanding Current and Delinquent Assessments</u> |
|--------------------|--------------------------------|--------------------------------------|---|---|
| 2001 | 540,155 | 490,620 | 90.83 | 88,907 |
| 2002 | 571,873 | 521,802 | 91.24 | 93,661 |
| 2003 | 566,469 | 503,488 | 88.88 | 120,056 |
| 2004 | 608,519 | 563,291 | 92.57 | 84,346 |
| 2005 | 657,968 | 615,429 | 93.53 | 80,524 |
| 2006 | 1,087,759 | 1,048,115 | 96.36 | 50,385 |
| 2007 | 1,024,590 | 984,177 | 96.06 | 45,782 |
| 2008 | 1,497,645 | 1,459,639 | 97.46 | 50,876 |
| 2009 | 1,268,693 | 1,145,147 | 90.26 | 135,323 |
| 2010 | 1,149,652 | 1,031,192 | 89.70 | 217,417 |

NOTE: Special Assessments are certified to the County Auditor of Kandiyohi County for collection. Special Assessment Bonds are general obligation pursuant to M.S.A. Section 430.12

CITY OF WILLMAR, MINNESOTA

COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2010

Legal Debt Limit and Margin

| | |
|---|----------------------|
| Legal Debt Limit (2% of Estimated Market Value \$1,050,568,900) | \$ 21,011,378 |
| Less: Outstanding Debt Subject to Limit | \$ - |
| Legal Debt Margin as of December 31, 2010 | <u>\$ 21,011,378</u> |

General Obligation Debt Supported Solely by Taxes*

* Nothing subject to legal debt limit

CITY OF WILLMAR, MINNESOTA

MISCELLANEOUS STATISTICAL FACTS

| | |
|----------------------------------|-------------------|
| Date of Incorporation | November 19, 1901 |
| Date of Adoption of City Charter | November 5, 1968 |
| Form of Government | Administrator |
| Fiscal Year Begins | January 1 |
| Area - Acres (Land) | 7,398 |
| - Acres (Water) | 1,229 |
| Miles of Streets and Alleys: | |
| Streets - | |
| Paved | 132.34 |
| Sidewalks | 65.00 |
| Bike Paths | 17.70 |
| Building Permits | |
| Number of Permits Issued | |
| Year 2010 | 761 |
| Year 2009 | 772 |
| Year 2008 | 780 |
| Year 2007 | 651 |
| Year 2006 | 693 |
| Year 2005 | 728 |
| Year 2004 | 752 |
| Year 2003 | 760 |
| Year 2002 | 669 |
| Year 2001 | 565 |
| Estimated Construction Costs | |
| Year 2010 | \$ 22,520,064 |
| Year 2009 | 30,922,465 |
| Year 2008 | 70,002,629 |
| Year 2007 | 33,722,627 |
| Year 2006 | 42,379,065 |
| Year 2005 | 48,732,487 |
| Year 2004 | 34,723,015 |
| Year 2003 | 53,373,765 |
| Year 2002 | 62,334,342 |
| Year 2001 | 29,203,778 |
| Year 2000 | 15,474,996 |

*Information obtained from various Departmental Reports

CITY OF WILLMAR, MINNESOTA

MISCELLANEOUS STATISTICAL FACTS

| | <u>2010</u> | <u>2009</u> |
|--|---------------|---------------|
| Public Safety: | | |
| Fire Protection: | | |
| Number of Stations | 1.00 | 1.00 |
| Number of Employees (Admin. & Clerical) | 3.00 | 3.00 |
| Number of Volunteer Firefighters | 33.00 | 30.00 |
| Police Protection: | | |
| Number of Stations | 1.00 | 1.00 |
| Number of Employees (Admin. & Clerical) | 4.00 | 4.00 |
| Number of Employees (Law Enforcement Officers) | 33.00 | 33.00 |
| Total Number of Employees | <u>75.00</u> | <u>72.00</u> |
| Leisure Services: | | |
| Number of Full-Time Employees | 7 | 7 |
| Number of Part-Time Employees | 133 | 149 |
| Number of Wading Pools | 1 | 1 |
| Number of Outdoor Swimming Pools | 1 | 1 |
| Number of Shelters | 30 | 30 |
| Number of Skating Rinks | 4 | 4 |
| Number of Hockey Rinks | 2 | 2 |
| Indoor Rinks | 2 | 2 |
| Tennis Courts - Lighted | 10 | 10 |
| Non-Lighted | 5 | 5 |
| Shared-Lighted | 4 | 4 |
| Lighted Softball, Football, Baseball and Soccer Fields | 6 | 6 |
| Miles of Hiking and Bicycle Paths | Est. 16 Miles | Est. 16 Miles |
| Skate Board Parks | 1 | 1 |
| BMX Bike Tracks | 1 | 1 |
| 9-Hole Frisbee Golf Course | 1 | 1 |
| Number of Parks | 37 | 37 |
| Park Acres | 310 | 310 |
| Nature Areas | 4 | 4 |
| Parking Lots (Central Business District): | | |
| Parking Spaces On Streets | 380 | 380 |
| Parking Spaces Off Streets | 417 | 417 |

*Information obtained from various Departmental Reports