

**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:

CFDA Number	Program Name	Amount Provided to 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?	<u> X </u> yes	_____ no
Significant deficiency (ies) identified that are considered to be material weaknesses?	<u> X </u> yes	_____ none reported
Noncompliance material to financial statement noted?	_____ yes	<u> X </u> no

**Federal Awards**

Internal control over major programs:

Significant deficiency (ies) identified?	_____ yes	<u> X </u> no
Significant deficiency (ies) identified that are considered to be material weakness (es)?	_____ yes	<u> X </u> 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	<u> X </u> no
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**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:	\$ <u>          300,000          </u>
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Auditee qualified as low-risk auditee?	_____ yes	<u> X </u> no
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**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
<b>Revenues</b>						
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	-	-	-	-	-	-
<b>Total Revenues</b>	<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>
<b>Expenses</b>						
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
<b>Total Expenses</b>	<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>
<b>Changes in Net Assets</b>						
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>
<b>Net Assets, End of Year</b>	<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.

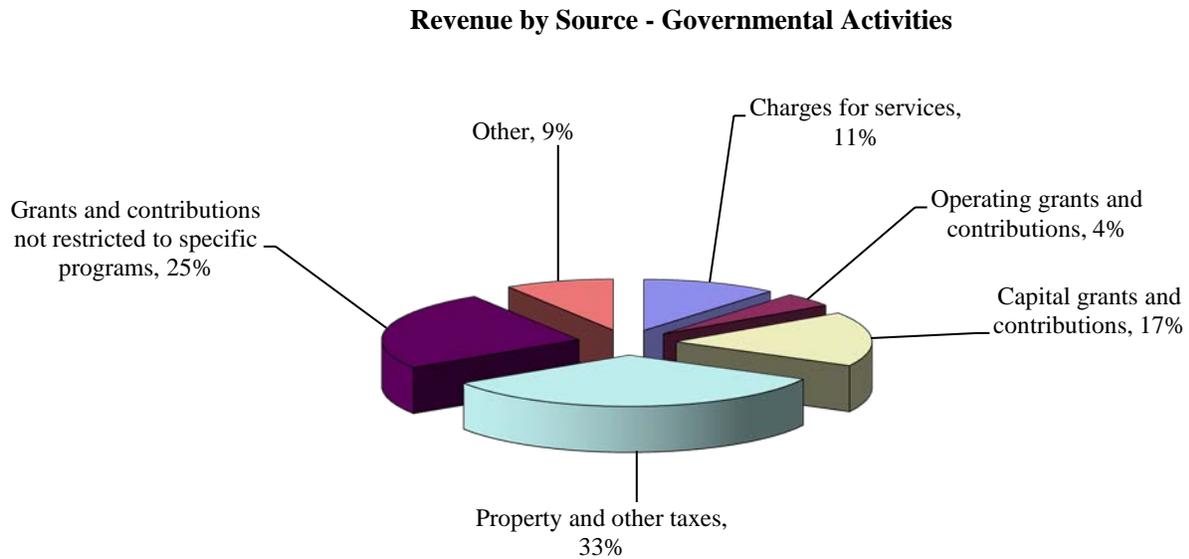
Table 4  
Condensed Statement of Activities

	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>

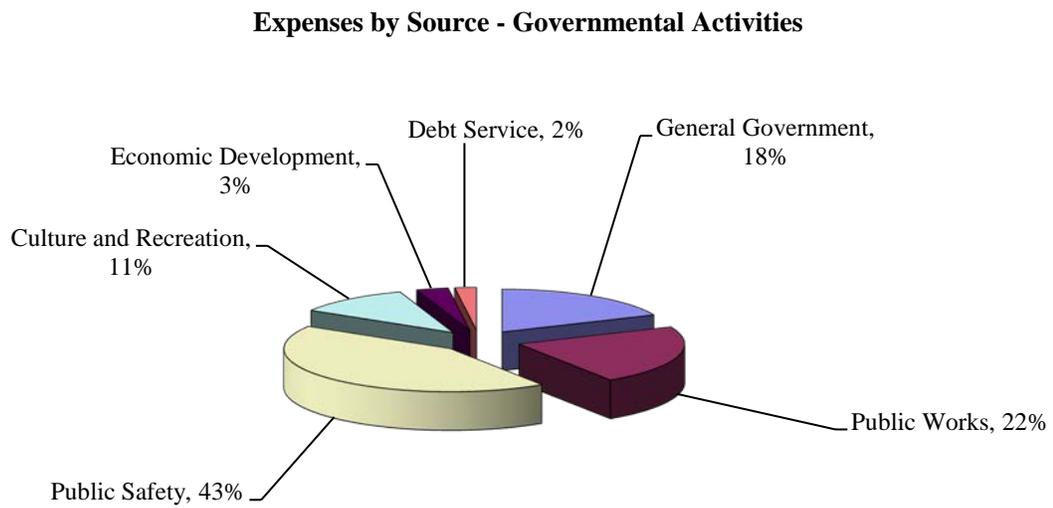
**CITY OF WILLMAR, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2010**

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>
<b>Governmental Activities</b>			
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>
<b>Business-Type Activities</b>			
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>
<b>Rice Memorial Hospital</b>			
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>
<b>Willmar Municipal Utilities</b>			
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 6<sup>th</sup> 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
<b>Assets</b>					
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
<b><u>Liabilities</u></b>					
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
<b><u>Net Assets</u></b>					
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>
<b>Primary Government:</b>				
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>
<b>Component Units:</b>				
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.

<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Municipal Utilities Commission</b>	<b>Rice Memorial Hospital</b>
\$ (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**

	<b>General</b>	<b>Special Assessments Bonds Debt Service</b>	<b>Street Water/Sewer Capital Projects</b>
<b>ASSETS</b>			
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			
<b>LIABILITIES AND FUND BALANCES</b>			
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.

<b>Local Option Sales Tax Special Revenue Fund</b>	<b>Community Investment Special Revenue Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 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>
<b>REVENUES</b>			
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>
<b>EXPENDITURES</b>			
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>
<b>OTHER FINANCING SOURCES (USES)</b>			
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**

<b>Local Option Sales Tax Special Revenue Fund</b>	<b>Community Investment Special Revenue</b>	<b>Other Government Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 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)
<b>REVENUES</b>				
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
<b>Total Revenues</b>	<b>10,855,173</b>	<b>10,608,624</b>	<b>10,715,037</b>	<b>106,413</b>
<b>EXPENDITURES</b>				
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	-
<b>Total Expenditures</b>	<b>12,715,243</b>	<b>12,740,455</b>	<b>12,644,304</b>	<b>96,151</b>
Excess (deficiency) of revenues over (under) expenditures	(1,860,070)	(2,131,831)	(1,929,267)	202,564
<b>OTHER FINANCING SOURCES (USES)</b>				
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
<b>Total Other Financing Sources (Uses)</b>	<b>1,010,044</b>	<b>1,278,305</b>	<b>1,395,449</b>	<b>117,144</b>
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	-
<b>Fund Balances - Ending</b>	<b>\$ 13,726,764</b>	<b>\$ 13,723,264</b>	<b>\$ 14,042,972</b>	<b>\$ 319,708</b>

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
<b>ASSETS</b>		
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
<b>TOTAL ASSETS</b>	<b>107,245,855</b>	<b>1,054,887</b>
<b>LIABILITIES</b>		
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	-
<b>TOTAL LIABILITIES</b>	<b>77,842,508</b>	<b>218</b>
<b>NET ASSETS</b>		
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
<b>TOTAL NET ASSETS</b>	<b>\$ 29,403,347</b>	<b>\$ 1,054,669</b>

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
<b>Operating Revenues</b>		
Intergovernmental	\$ 3,379	\$ -
Charges For Sales and Services:	4,135,722	23,713
Total Operating Revenues	4,139,101	23,713
<b>Operating Expenses</b>		
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
<b>Nonoperating Revenues (Expenses)</b>		
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
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
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
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
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
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
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)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
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
<b>Reconciliation of Operating Income to Net Cash Provided (Used)</b>		
<b>by Operating Activities:</b>		
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\***

	<b>Balance January 1, 2010</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2010</b>
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**

	<b>Balance January 1, 2010</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2010</b>
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>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
<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>
<b>Total Governmental Activities</b>				<b><u>23,229,862</u></b>	<b><u>15,317,128</u></b>
<b>Business-Type Activities</b>					
<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>
<b>Total Business-Type Activities</b>				<b><u>92,738,716</u></b>	<b><u>75,724,493</u></b>
<b>Total Primary Government</b>				<b><u>\$ 115,968,578</u></b>	<b><u>\$ 91,041,621</u></b>

\*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>
<b>Component Units</b>					
<b>Municipal Utilities</b>					
<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>
<b>Total Municipal Utilities</b>				<b><u>\$ 12,884,519</u></b>	<b><u>\$ 9,540,013</u></b>
<b>Rice Memorial Hospital</b>					
<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>
<b>Total Rice Memorial Hospital</b>				<b><u>\$ 57,000,612</u></b>	<b><u>\$ 49,466,630</u></b>

**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)**

<u>Year</u>	<u>Municipal Utilities</u>		<u>Rice Memorial Hospital</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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
<b>Total</b>	<b>\$ 9,335,000</b>	<b>\$ 3,605,877</b>	<b>\$ 49,466,630</b>	<b>\$ 33,379,846</b>

**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>
<b>Primary Government</b>				
<b>Governmental Activities</b>				
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
<b>Total Governmental Activities</b>	<b>17,812,484</b>	<b>3,364,838</b>	<b>1,960,708</b>	<b>19,216,614</b>
<b>Business-Type Activities</b>				
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
<b>Total Business-Type Activities</b>	<b>58,953,182</b>	<b>17,422,103</b>	<b>650,792</b>	<b>75,724,493</b>
<b>Total Primary Government</b>	<b>\$ 76,765,666</b>	<b>\$20,786,941</b>	<b>\$2,611,500</b>	<b>\$ 94,941,107</b>
<b>Component Units</b>				
<b>Municipal Utilities</b>				
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
<b>Total Municipal Utilities</b>	<b>10,299,519</b>	<b>-</b>	<b>759,506</b>	<b>9,540,013</b>
<b>Rice Memorial Hospital</b>				
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
<b>Total Rice Memorial Hospital</b>	<b>51,471,667</b>	<b>55,612</b>	<b>2,060,649</b>	<b>49,466,630</b>
<b>Total Component Units</b>	<b>\$ 61,771,186</b>	<b>\$ 55,612</b>	<b>\$2,820,155</b>	<b>\$ 59,006,643</b>

**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](http://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 22<sup>nd</sup> 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><u>\$ 14,576,790</u></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><u>\$ 571,433</u></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><u>\$ 121,435,891</u></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		
<b>REVENUES</b>				
<b>GENERAL PROPERTY TAXES</b>				
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
<b>TOTAL TAXES</b>	<b>3,718,705</b>	<b>3,398,436</b>	<b>3,369,088</b>	<b>(29,348)</b>
<b>LICENSES/PERMITS</b>				
Business License/Permit	43,275	43,275	57,298	14,023
Non-Business License/Permit	258,000	258,000	307,414	49,414
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>301,275</b>	<b>301,275</b>	<b>364,712</b>	<b>63,437</b>
<b>INTERGOVERNMENTAL</b>				
<b>FEDERAL GOVERNMENT</b>				
Federal Grant	500	500	86,699	86,199
<b>STATE GRANTS</b>				
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
<b>COUNTY GRANTS</b>				
Kandiyohi County Highways	3,795	3,795	3,795	-
Kandiyohi County	-	-	5,581	5,581
<b>SCHOOL DISTRICT #347</b>				
School Liaison Officer	130,000	130,000	130,000	-
<b>TOTAL INTERGOVERNMENTAL</b>	<b>4,869,043</b>	<b>4,874,363</b>	<b>4,995,300</b>	<b>120,937</b>
<b>SERVICE CHARGES</b>				
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
<b>TOTAL SERVICE CHARGES</b>	<b>782,650</b>	<b>801,450</b>	<b>869,222</b>	<b>67,772</b>
<b>FINES AND FORFEITS</b>				
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)
<b>TOTAL FINES &amp; FORFEITS</b>	<b>234,000</b>	<b>234,000</b>	<b>168,716</b>	<b>(65,284)</b>
<b>SPECIAL ASSESSMENTS</b>				
Special Assessments	-	-	2,023	2,023
<b>TOTAL SPECIAL ASSESSMENTS</b>	<b>-</b>	<b>-</b>	<b>2,023</b>	<b>2,023</b>

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		
<b>REVENUES (Con't)</b>				
<b>MISCELLANEOUS REVENUE</b>				
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
<b>TOTAL MISCELLANEOUS</b>	<b>949,500</b>	<b>999,100</b>	<b>945,976</b>	<b>(53,124)</b>
<b>TOTAL REVENUE</b>	<b>10,855,173</b>	<b>10,608,624</b>	<b>10,715,037</b>	<b>106,413</b>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>City Administrator</b>				
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
<b>Total</b>	<b>228,434</b>	<b>228,434</b>	<b>231,208</b>	<b>(2,774)</b>
<b>Mayor and Council</b>				
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
<b>Total</b>	<b>186,740</b>	<b>188,240</b>	<b>160,960</b>	<b>27,280</b>
<b>Planning &amp; Development</b>				
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
<b>Total</b>	<b>449,015</b>	<b>452,468</b>	<b>449,573</b>	<b>2,895</b>
<b>City Clerk/Treasurer</b>				
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
<b>Total</b>	<b>204,155</b>	<b>204,155</b>	<b>206,961</b>	<b>(2,806)</b>
<b>Assessing</b>				
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
<b>Total</b>	<b>303,552</b>	<b>303,552</b>	<b>301,090</b>	<b>2,462</b>
<b>Accounting</b>				
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
<b>Total</b>	<b>339,023</b>	<b>339,023</b>	<b>341,668</b>	<b>(2,645)</b>

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		
<b>EXPENDITURES (Con't)</b>				
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		
<b>EXPENDITURES (Con't)</b>				
<b>PUBLIC SAFETY (Con't)</b>				
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>
<b>TOTAL PUBLIC SAFETY</b>	<u>4,681,762</u>	<u>4,687,871</u>	<u>4,544,247</u>	<u>143,624</u>
<b>PUBLIC WORKS</b>				
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>
<b>TOTAL PUBLIC WORKS</b>	<u>3,076,414</u>	<u>3,093,414</u>	<u>3,133,761</u>	<u>(40,347)</u>
<b>NON-DEPARTMENTAL EXPENSES</b>				
Social Services				
Meals on Wheels	15,000	15,000	15,000	-
<b>TOTAL NON-DEPARTMENTAL EXPENSE</b>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>CULTURE &amp; RECREATION</b>				
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		
<b>EXPENDITURES (Con't)</b>				
<b>CULTURE &amp; RECREATION (Con't)</b>				
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)
<b>TOTAL CULTURE &amp; RECREATION</b>	1,830,464	1,829,114	1,743,378	85,736
<b>TOTAL EXPENDITURES</b>	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
<b>OTHER FINANCING SOURCES (USES)</b>				
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	<u>\$ 13,726,764</u>	<u>\$ 13,723,264</u>	<u>\$ 14,042,972</u>	<u>\$ 319,708</u>

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>		
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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>
<b>OTHER FINANCING SOURCES (USES)</b>				
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>
<b>REVENUES</b>				
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)
<b>EXPENDITURES</b>				
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
<b>OTHER FINANCING SOURCES (USES)</b>				
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>		
<b>REVENUES</b>				
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
<b>EXPENDITURES</b>				
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
<b>OTHER FINANCING SOURCES (USES)</b>				
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>	<b>Variance With</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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><u>\$ 471,425</u></u>	<u><u>\$ 471,425</u></u>	<u><u>\$ 471,965</u></u>	<u><u>\$ 540</u></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**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
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)
<b>EXPENDITURES</b>				
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**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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>
<b>OTHER FINANCING SOURCES (USES)</b>				
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>
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
Bond Principal Payments	1,815,000	1,815,000	1,815,000	-
Interest Payments	438,621	438,621	438,620	(1)
Other Charges	<u>6,500</u>	<u>6,500</u>	<u>9,076</u>	<u>2,576</u>
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>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>479,067</u>	<u>479,067</u>	<u>713,949</u>	<u>234,882</u>
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>		
<b>REVENUES</b>				
Interest Earnings	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
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)
<b>OTHER FINANCING SOURCES(USES)</b>				
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**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Over (Under) Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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>
<b>OTHER FINANCING SOURCES (USES)</b>				
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**

	<b>Total Special Revenue Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Debt Service Funds</b>	<b>Total Fiduciary Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>					
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>
<b>LIABILITIES</b>					
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>
<b>FUND BALANCES</b>					
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**

	<b>Total Special Revenue Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Debt Service Funds</b>	<b>Total Fiduciary Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>					
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
<b>Total Revenues</b>	<b>1,500,958</b>	<b>287,100</b>	<b>15,581</b>	<b>927</b>	<b>1,804,566</b>
<b>EXPENDITURES</b>					
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
<b>Total Expenditures</b>	<b>1,059,910</b>	<b>1,024,172</b>	<b>192,608</b>	<b>-</b>	<b>2,276,690</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	441,048	(737,072)	(177,027)	927	(472,124)
<b>OTHER FINANCING SOURCES (USES)</b>					
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)
<b>Total Other Financing Sources (Uses)</b>	<b>229,167</b>	<b>1,005,478</b>	<b>180,686</b>	<b>(229,982)</b>	<b>1,185,349</b>
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	-	-	-	-	-
<b>Fund Balances - Ending</b>	<b>\$ 1,828,706</b>	<b>\$ 5,496,620</b>	<b>\$ 175,532</b>	<b>\$ 37,995</b>	<b>\$ 7,538,853</b>

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

	<b>Economic Development Revolving Loan</b>	<b>Industrial Development</b>	<b>W.R.A.C. - 8</b>	<b>Convention and Visitors Bureau</b>	<b>Library Improvement Reserve</b>	<b>Public Works Reserve</b>	<b>Law Enforcement Forfeiture Fund</b>	<b>Total Special Revenue Funds</b>
<b>ASSETS</b>								
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
<b>Total Assets</b>	<b>\$ 471,965</b>	<b>\$ 3</b>	<b>\$ 499,969</b>	<b>\$ 264,761</b>	<b>\$ 203,660</b>	<b>\$ 409,512</b>	<b>\$ 51,839</b>	<b>\$ 1,901,709</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ -	\$ -	\$ 826	\$ 53,110	\$ -	\$ -	\$ -	\$ 53,936
Accrued Wages	-	-	2,164	-	-	-	-	2,164
Due To Other Funds	-	3	16,900	-	-	-	-	16,903
<b>Total Liabilities</b>	<b>-</b>	<b>3</b>	<b>19,890</b>	<b>53,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,003</b>
<b>FUND BALANCES</b>								
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
<b>Total Fund Balances</b>	<b>471,965</b>	<b>-</b>	<b>480,079</b>	<b>211,651</b>	<b>203,660</b>	<b>409,512</b>	<b>51,839</b>	<b>1,828,706</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 471,965</b>	<b>\$ 3</b>	<b>\$ 499,969</b>	<b>\$ 264,761</b>	<b>\$ 203,660</b>	<b>\$ 409,512</b>	<b>\$ 51,839</b>	<b>\$ 1,901,709</b>

**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**

	<b>Economic Development Revolving Loan</b>	<b>Industrial Development</b>	<b>W.R.A.C. - 8</b>	<b>Convention and Visitors Bureau</b>	<b>Community Development</b>	<b>Library Improvement Reserve</b>	<b>Public Works Reserve</b>	<b>Law Enforcement Forfeiture Fund</b>	<b>Total Special Revenue Funds</b>
<b>REVENUES</b>									
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
<b>Total Revenues</b>	<b>15,608</b>	<b>145</b>	<b>242,296</b>	<b>205,645</b>	<b>617,454</b>	<b>5,560</b>	<b>409,512</b>	<b>4,738</b>	<b>1,500,958</b>
<b>EXPENDITURES</b>									
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
<b>Total Expenditures</b>	<b>-</b>	<b>24,980</b>	<b>144,586</b>	<b>234,322</b>	<b>617,454</b>	<b>30,382</b>	<b>-</b>	<b>8,186</b>	<b>1,059,910</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,608	(24,835)	97,710	(28,677)	-	(24,822)	409,512	(3,448)	441,048
<b>OTHER FIN. SOURCES (USES)</b>									
Transfers In	-	24,838	-	-	-	228,482	-	-	253,320
Transfers Out	-	(3)	(16,900)	(7,250)	-	-	-	-	(24,153)
<b>Total Other Fin. Sources (Uses)</b>	<b>-</b>	<b>24,835</b>	<b>(16,900)</b>	<b>(7,250)</b>	<b>-</b>	<b>228,482</b>	<b>-</b>	<b>-</b>	<b>229,167</b>
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**

	<b>Local Option Sales Tax</b>	<b>Airport Capital Project</b>	<b>Capital Improvement</b>	<b>2009 AFG Fire Grant</b>	<b>Surface Water</b>	<b>Total Capital Projects Funds</b>
<b>ASSETS</b>						
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>
<b>LIABILITIES</b>						
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>
<b>FUND BALANCES</b>						
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>
<b>REVENUES</b>						
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>
<b>EXPENDITURES</b>						
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>
<b>OTH FINANC SOURCES (USES)</b>						
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**

	<b>Airport G.O. Revenue Bond</b>	<b>Tax Increment Bonds</b>	<b>Total Debt Service Funds</b>
<b>ASSETS</b>			
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
 <b>LIABILITIES</b>			
Notes Payable	\$ -	\$ 3,664	\$ 3,664
Due To Other Funds	-	407	407
Total Liabilities	-	4,071	4,071
 <b>FUND BALANCES</b>			
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**

	<b>Airport G.O. Revenue Bond</b>	<b>Tax Increment Bonds</b>	<b>Total Debt Service Funds</b>
<b>REVENUES</b>			
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
<b>EXPENDITURES</b>			
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)
<b>OTHER FINANCING SOURCES (USES)</b>			
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**

	<b>Perpetual Care Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 360
Investments	37,477
Receivables	
Interest Receivable	158
Due From Other Funds	-
Total Assets	\$ 37,995
 <b>LIABILITIES</b>	
Due To Other Funds	\$ -
Total Liabilities	-
 <b>NET ASSETS</b>	
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**

	<b>Perpetual Care Fund</b>	<b>Library Improvement Reserve Fund</b>	<b>Total Fiduciary Funds</b>
<b>REVENUES</b>			
Investment Earnings	\$ 1,117	\$ -	\$ 1,117
Fair Market Value Decrease	(190)	-	(190)
Total Revenues	<u>927</u>	<u>-</u>	<u>927</u>
<b>EXPENDITURES</b>			
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>
<b>OTHER FINANCING SOURCES (USES)</b>			
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><u>\$ 37,995</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 37,995</u></u>

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

	<b>Office Services</b>	<b>Public Improve. Revolving</b>	<b>Total</b>
<b>ASSETS</b>			
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>
<b>LIABILITIES</b>			
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>
<b>NET ASSETS</b>			
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**

	<b>Office Services</b>	<b>Public Improve. Revolving</b>	<b>Total</b>
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**

	<b>Office Services</b>	<b>Public Improvement Revolving</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
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>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
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>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal Payments on Long-Term Debt	-	-	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
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>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
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**

	<b>2010</b>	<b>2009</b>
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	110,558,916	92,774,219
Total Governmental Funds Capital Assets	\$ 141,654,925	\$ 115,221,728
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	-	-
Total Governmental Funds Capital Assets	\$ 141,654,925	\$ 115,221,728

\*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**

<b>FIXED ASSETS-2010</b>	<b>Governmental Funds Capital Assets</b>			<b>Governmental Funds Capital Assets</b>
	<b><u>01/01/2010</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>12/31/2010</u></b>
<b><u>GENERAL GOVERNMENT</u></b>				
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
<b><u>PUBLIC SAFETY</u></b>				
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
<b><u>PUBLIC WORKS</u></b>				
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
<b><u>CULTURE &amp; RECREATION</u></b>				
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
<b>GRAND TOTAL</b>	<b>\$ 115,221,728</b>	<b>\$ 27,168,983</b>	<b>\$ 735,786</b>	<b>\$ 141,654,925</b>

\*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**

<b>FIXED ASSETS-2010</b>						
	<u><b>Total</b></u>	<u><b>Land</b></u>	<u><b>Buildings/ Structures</b></u>	<u><b>Furniture/ Equipment</b></u>	<u><b>Machinery/ Auto</b></u>	<u><b>Other Improvements</b></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 &amp; 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>
<b>GRAND TOTAL</b>	<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 &amp; 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 &amp; 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
<b>REAL PROPERTY</b>				
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
<b>PERSONAL PROPERTY</b>				
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
<b>TOTAL REAL AND PERSONAL PROPERTY</b>				
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
<b>PERCENT OF TAX CAPACITY TO ESTIMATED MARKET VALUE</b>	0.016224	0.012205	0.01206	0.012005
<b>PER CAPITA VALUATION</b>				
Tax Capacity	502	387	398	420
Estimated Market Value	30,954	31,688	32,980	35,024
<b>NET BONDED DEBT</b>				
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>	Rural Dev. Fin. <u>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