

City of Mounds View
Minnesota



Annual Comprehensive Financial Report
For the Year Ended
December 31, 2023

CITY OF MOUNDS VIEW
RAMSEY COUNTY, MINNESOTA

Annual Comprehensive
Financial Report

For the Fiscal Year Ended
December 31, 2023

Report Prepared by
Finance Department

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CITY OF MOUNDS VIEW

Table of Contents

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	i–iv
GFOA Certificate of Achievement	v
Principal City Officials	vi
Organizational Chart	vii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	
	1–4
MANAGEMENT’S DISCUSSION AND ANALYSIS	
	5–15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17–18
Fund Financial Statements	
Governmental Funds	
Balance Sheet	19–20
Reconciliation of the Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	22–23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	25–26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Economic Development Authority Special Revenue Fund	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Community Center Special Revenue Fund	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Tax Increment Financing District No. 5 Special Revenue Fund	29
Proprietary Funds	
Statement of Net Position	30
Statement of Revenues, Expenses, and Changes in Net Position	31
Statement of Cash Flows	32
Notes to Basic Financial Statements	33–63
REQUIRED SUPPLEMENTARY INFORMATION	
PERA – General Employees Retirement Fund	
Schedule of City’s and Nonemployer Proportionate Share of Net Pension Liability	64
Schedule of City Contributions	64
PERA – Public Employees Police and Fire Fund	
Schedule of City’s and Nonemployer Proportionate Share of Net Pension Liability	65
Schedule of City Contributions	65
Other Post-Employment Benefits Plan	
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios	66
Notes to Required Supplementary Information	67–73

CITY OF MOUNDS VIEW

Table of Contents (continued)

	Page
SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	75
Nonmajor Special Revenue Funds	
Combining Balance Sheet	76–77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	78–79
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Cable Television Fund	80
Police Forfeiture Fund	81
Lakeside Park Fund	82
Recycling Grant Fund	83
Tax Increment Financing District No. 6 Fund	84
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component	85–86
Changes in Net Position	87–90
Governmental Activities Tax Revenues by Source	91
Fund Balances of Governmental Funds	92–93
Changes in Fund Balances of Governmental Funds	94–95
General Governmental Tax Revenues by Source	96
Tax Capacity Value and Estimated Actual Value of Taxable Property	97–98
Property Tax Rates – Direct and Overlapping Governments	99–100
Principal Property Taxpayers	101
Property Tax Levies and Collections	102
Ratios of Outstanding Debt by Type	103–104
Ratios of General Bonded Debt Outstanding	105
Direct and Overlapping Governmental Activities Debt	106
Legal Debt Margin Information	107–108
Pledged Revenue Coverage	109
Demographic and Economic Statistics	110
Principal Employers	111
Full-Time Equivalent City Government Employees by Function	112–113
Operating Indicators by Function	114–115
Capital Asset Statistics by Function	116–117

INTRODUCTORY SECTION



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April 29, 2024

Honorable Mayor, Members of the City Council, and Residents
City of Mounds View, Minnesota

State law requires that all municipalities complete a set of financial statements presented in conformity with accounting principles generally accepted in the United States of America, and these statements are to be audited by a firm of certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby submit the Annual Comprehensive Financial Report (ACFR) of the City of Mounds View, Minnesota (the City) for the fiscal year ended December 31, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A. (MMKR), a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2023 are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended December 31, 2023 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City is located in the northwest corner of Ramsey County, approximately eight miles north of the City of St. Paul. The City encompasses an area of approximately 4.25 square miles. Population was 10,599 in 1970, 12,593 in 1980, 12,541 in 1990, 12,738 in 2000, 12,155 in 2010, and 13,193 in 2020. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City has been a municipal corporation since 1958. The City operates under a Home Rule Charter (the Charter) that was adopted in 1979. The Charter was most recently amended on May 15, 2023. The form of government established by the Charter is the Mayor/City Council plan. There is a Mayor and four City Council members, all of whom are elected at large.

The City provides a full range of services, including police and fire protection, planning and zoning, streets and roads, parks and recreation, and a community center. Certain utilities are provided through Water, Sewer, Storm Water, and Street Light Funds that operate as departments of the City. The Economic Development Authority of the City is treated as a blended component unit of the City and is reported as a Special Revenue Fund. Fire protection is provided through the joint Spring Lake Park – Blaine – Mounds View Fire Department (the Fire Department). Only the City's contribution to the Fire Department is reported in these financial statements.

The annual operating budget is the core of the City's financial planning. All departments and all funds are required to submit budget requests. The City adopts annual budgets for the General Fund and special revenue funds. The state of Minnesota requires local governments to meet certain processes and deadlines for consideration, public notification, and adoption of property tax levies. These requirements form the basis of the City's entire budget process.

Additional details on the profile of the City can be found in Note 1 of the basic financial statements.

Local Economic Condition and Outlook

The City is over 90 percent developed with the majority of land having been developed as single-family housing. Since the City is primarily residential, many residents are employed in other parts of the metropolitan area. Interstate Highway 35W, U.S. Highway 10, and Mounds View Boulevard traverse the City, providing easy access routes for commuters and commercial traffic. Mounds View Boulevard was formerly County Road 10, which was formerly U.S. Highway 10, until a new freeway segment was constructed and took the name.

The City had one new residential dwelling in 2023. This compares with one residential development of 120-unit senior housing in 2022. The City issued no new commercial building permits in 2023, compared with none in 2022. The City issued a total of 809 building permits in 2023, compared with 441 in 2022, at a total constructed value of \$10,721,088, compared with \$27,923,245 in 2022. The City anticipates modest residential development and no commercial development in 2024.

It is unlikely at this time that the City will see a reduction in anticipated aid payments in the next state budget cycle. The City prepared the 2024 budget at 90 percent of certified state aid and thus a reduction, if any, will not have as adverse an impact on the City.

The City has entered into tax abatement agreements for projects that, but for city assistance, would not have occurred. The benefit to the City is elimination of blighted and underutilized properties, job creation, and increased tax base in the future years.

Long-Term Financial Planning

The City maintains a bond rating of AA, which was confirmed as part of financing upgrades to the water treatment processes and facilities, this continues to reflect the City's favorable financial position. This would provide a lower interest rate should the City desire to use long-term borrowing for future capital and infrastructure improvements. The greatest infrastructure need facing the City is the condition of its utility infrastructure. The City has made significant improvements to the water treatment system beginning in 2020 and running through 2023. Also, the City is preparing to replace the 27-year-old water meters in 2024. The City issued bonds to finance the improvements. The City completed a 10-year street improvement program in 2017 that rehabilitated 25.9 miles of streets. The City continues reconstruction of streets that were not part of the 10-year street improvement program. The next streets being considered for improvements are Bronson Drive, Pine Wood Circle, and Edgewood Drive.

Future street reconstruction will be financed by a combination of different revenue sources: franchise taxes, Municipal State Aid, and a general property tax levy will serve as the main sources. Making street reconstruction affordable for citizens was a goal of the City. The City is developing a long-term street maintenance program to finance future street maintenance.

State funding to cities has stabilized with the state reporting a surplus for the current biennium. The City Council and the City's staff will need to continue to make difficult choices in determining the manner in which to finance services provided to citizens.

The City continues to work on redevelopment opportunities in other parts of the City that will enhance the tax base, increase job opportunities, and provide amenities desired by the residents.

Relevant Financial Policies

In past years, the state has reduced aid to local governments during economic downturns. The City's policy is to not anticipate full payment of future aid and will construct future budgets with reduced amounts of aid payments.

Major Initiatives

The major economic development initiative continues to be the upgrading of Mounds View Boulevard. The objective is to improve traffic flow and safety on the major corridor through the City's main commercial district. This is a multi-year project and achieving this should trigger new interest in development and redevelopment of commercial properties along the corridor. Along with this, the City continues its work related to rehabilitating road surfaces, improving storm water structures, and lining sewer pipes throughout the City.

The City is working with a developer on a housing development known as Long Lake Woods that would add 12 to 14 buildable lots. The City is also researching wetland banking instead of a market rate townhome development in the Arden Park area. There are a few smaller commercial properties in the process of either a renovation or being acquired for a new business.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the dedicated services of the finance and administrative staff of the City. I would like to express my appreciation to all staff members who assisted in the preparation of this report. Credit must also be given to the Mayor and City Council who have supported changes to improve the financial processes and position of the City.

Respectfully submitted,



Nyle Zikmund
City Administrator



Gayle Bauman
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mounds View
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF MOUNDS VIEW

Principal City Officials
December 31, 2023

ELECTED OFFICIALS

Zach Lindstrom
Theresa Cermak
Sherry Gunn
Gary Meehlhause
Vacant

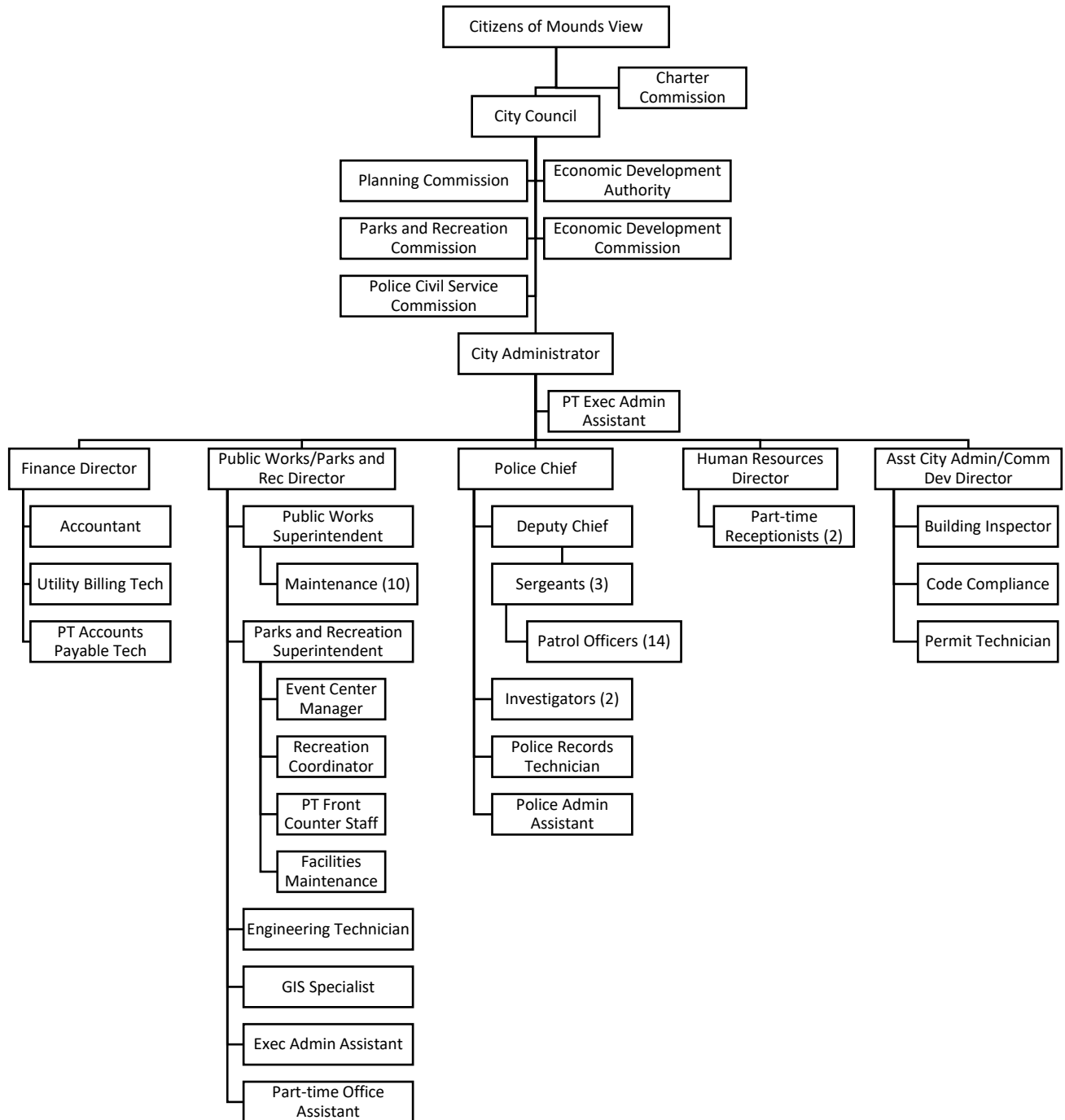
Mayor
Councilmember
Councilmember
Councilmember
Councilmember

APPOINTED OFFICIALS

Nyle Zikmund
Gayle Bauman
Don Peterson
Ben Zender
Rayla Ewald
Brian Beeman
Scott Riggs

City Administrator
Finance Director
Public Works/Parks and Recreation Director
Police Chief
Human Resources Director
Assistant City Administrator/Community Development Director
City Attorney

City of Mounds View Organizational Chart



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FINANCIAL SECTION



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Mounds View, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mounds View, Minnesota (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund and major special revenue funds for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
April 29, 2024

CITY OF MOUNDS VIEW

Management's Discussion and Analysis Year Ended December 31, 2023

As management of the City of Mounds View, Minnesota (the City), we offer readers of the City's Annual Comprehensive Financial Report (ACFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which is presented in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$59,962,664 (*net position*). Of this amount, \$15,338,540 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$785,088. Governmental activities decreased total net position by \$1,231,521, while business-type activities increased total net position by \$446,433.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,658,413. The City reported a net decrease of \$859,045 in comparison with the prior year. Approximately 12.8 percent of total fund balance, or \$2,254,010, is restricted for economic development, tax increment, communications, public safety, parks and recreation, conservation, and debt service. Approximately 55.9 percent, or \$9,876,213, is assigned for future expenditures, and 31.3 percent, or \$5,528,190, is unassigned, which is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,528,190, or 67.6 percent, of total General Fund expenditures.
- The City's total long-term debt (excluding bond premium, compensated absences, total other post-employment benefits (OPEB) liability, and net pension liability) decreased by \$720,475, or 6.7 percent, during the current fiscal year. The decrease was the result of scheduled debt service.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *Statement of Net Position* presents financial information on all of the City’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets and highways, sanitation, culture and recreation, and economic development. The business-type activities of the City include water, sewer, storm water, and street light.

The government-wide financial statements include only the City itself. The Economic Development Authority, although legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. The governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund; the Economic Development Authority Special Revenue Fund, the Community Center Special Revenue Fund, the TIF District No. 5 Special Revenue Fund, the Vehicle and Equipment Capital Projects Fund, the Special Projects Capital Projects Fund, and the Street Improvement Capital Projects Fund, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparisons for the General Fund and major special revenue funds are included in the basic financial statements. Budgetary comparisons for nonmajor special revenue funds are provided elsewhere in the report to demonstrate compliance with these budgets.

Proprietary Funds – The City maintains only one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm water, and street light operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City reports the Water, Sewer, and Storm Water Funds as major funds. The Street Light Fund is a nonmajor fund, but is reported with the major funds.

Notes to Basic 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 basic financial statements are included as a component of the basic financial statements and can be found immediately after the proprietary fund statements.

Other Information – Required supplementary information (RSI) is presented following the notes to basic financial statements. Combining and individual fund statements and schedules for nonmajor funds and other schedules are presented immediately following the RSI. Statistical tables are presented as the last section in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$59,962,664 at the close of the most recent fiscal year.

A significant portion of the City's net position (70.8 percent) reflects its net investment in capital assets (e.g., land, construction in progress, buildings, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot typically be used to liquidate these liabilities.

The following is a summary of the City's net position:

	Governmental Activities		Business-Type Activities		Totals – Primary Government	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 20,966,165	\$ 20,721,712	\$ 5,931,572	\$ 6,448,302	\$ 26,897,737	\$ 27,170,014
Capital assets, net	39,952,414	40,233,526	13,642,230	12,527,767	53,594,644	52,761,293
Total assets	<u>60,918,579</u>	<u>60,955,238</u>	<u>19,573,802</u>	<u>18,976,069</u>	<u>80,492,381</u>	<u>79,931,307</u>
Deferred outflows of resources	<u>5,523,940</u>	<u>6,488,156</u>	<u>165,554</u>	<u>304,696</u>	<u>5,689,494</u>	<u>6,792,852</u>
Total assets and deferred outflows of resources	<u>\$ 66,442,519</u>	<u>\$ 67,443,394</u>	<u>\$ 19,739,356</u>	<u>\$ 19,280,765</u>	<u>\$ 86,181,875</u>	<u>\$ 86,724,159</u>
Liabilities						
Other liabilities	\$ 1,582,773	\$ 1,018,402	\$ 852,402	\$ 356,293	\$ 2,435,175	\$ 1,374,695
Long-term liabilities outstanding	<u>10,634,836</u>	<u>16,697,919</u>	<u>6,008,179</u>	<u>6,650,576</u>	<u>16,643,015</u>	<u>23,348,495</u>
Total liabilities	<u>12,217,609</u>	<u>17,716,321</u>	<u>6,860,581</u>	<u>7,006,869</u>	<u>19,078,190</u>	<u>24,723,190</u>
Deferred inflows of resources	6,968,353	1,238,995	172,668	14,222	7,141,021	1,253,217
Net position						
Net investment in capital assets	34,807,488	34,806,497	7,617,563	6,630,980	42,425,051	41,437,477
Restricted	2,199,073	3,266,043	–	–	2,199,073	3,266,043
Unrestricted	<u>10,249,996</u>	<u>10,415,538</u>	<u>5,088,544</u>	<u>5,628,694</u>	<u>15,338,540</u>	<u>16,044,232</u>
Total net position	<u>47,256,557</u>	<u>48,488,078</u>	<u>12,706,107</u>	<u>12,259,674</u>	<u>59,962,664</u>	<u>60,747,752</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 66,442,519</u>	<u>\$ 67,443,394</u>	<u>\$ 19,739,356</u>	<u>\$ 19,280,765</u>	<u>\$ 86,181,875</u>	<u>\$ 86,724,159</u>

An additional portion of the City's net position, 3.7 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$15,338,540, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Total net position decreased by \$785,088 during the current year. Changes in state-wide pension obligations and higher economic development payments contributed to the decrease in net position.

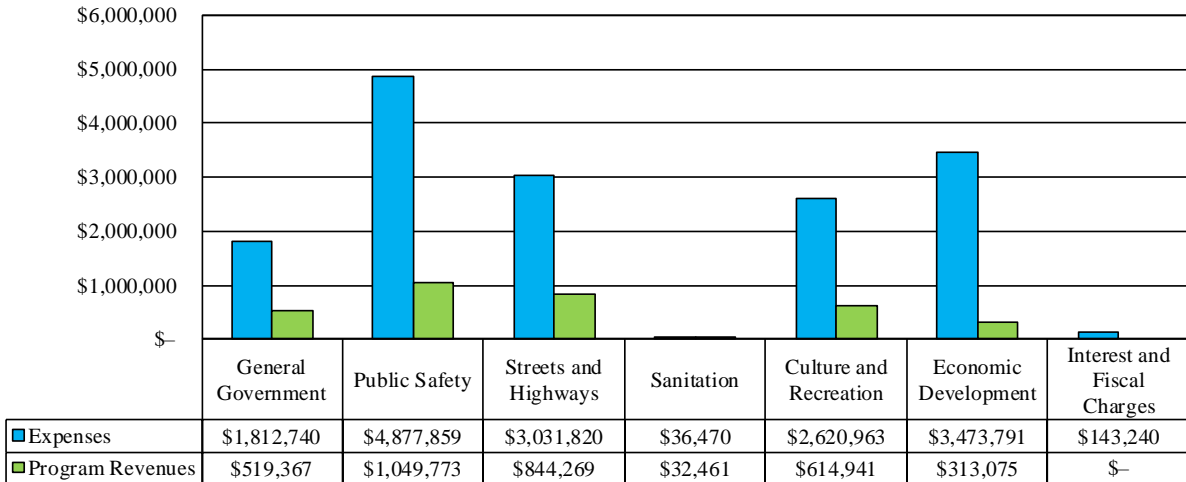
The following is a summary of the City's change in net position:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 1,653,333	\$ 1,943,529	\$ 4,025,369	\$ 3,966,868	\$ 5,678,702	\$ 5,910,397
Operating grants and contributions	1,261,291	1,318,765	66	13,179	1,261,357	1,331,944
Capital grants and contributions	459,262	462,994	70,705	–	529,967	462,994
General revenues						
Property taxes	6,552,285	6,027,539	–	–	6,552,285	6,027,539
Tax increments	1,786,129	1,884,269	–	–	1,786,129	1,884,269
Franchise taxes	914,172	960,125	–	–	914,172	960,125
Lodging taxes	54,241	60,446	–	–	54,241	60,446
General grants and contributions	1,104,742	852,212	–	–	1,104,742	852,212
Other general revenues	10,090	–	–	–	10,090	–
Investment earnings (charges)	731,169	(872,443)	291,081	(308,560)	1,022,250	(1,181,003)
Total revenues	14,526,714	12,637,436	4,387,221	3,671,487	18,913,935	16,308,923
Expenses						
General government	1,812,740	1,828,657	–	–	1,812,740	1,828,657
Public safety	4,877,859	5,127,145	–	–	4,877,859	5,127,145
Streets and highways	3,031,820	2,855,646	–	–	3,031,820	2,855,646
Sanitation	36,470	77,648	–	–	36,470	77,648
Culture and recreation	2,620,963	2,251,294	–	–	2,620,963	2,251,294
Economic development	3,473,791	2,600,676	–	–	3,473,791	2,600,676
Interest and fiscal charges	143,240	157,280	–	–	143,240	157,280
Water	–	–	1,407,430	1,266,600	1,407,430	1,266,600
Sewer	–	–	1,808,117	1,933,490	1,808,117	1,933,490
Storm water	–	–	372,694	345,701	372,694	345,701
Street light	–	–	113,899	115,962	113,899	115,962
Total expenses	15,996,883	14,898,346	3,702,140	3,661,753	19,699,023	18,560,099
Income (loss) before transfers	(1,470,169)	(2,260,910)	685,081	9,734	(785,088)	(2,251,176)
Transfers	238,648	348,008	(238,648)	(348,008)	–	–
Change in net position	(1,231,521)	(1,912,902)	446,433	(338,274)	(785,088)	(2,251,176)
Net position – beginning	48,488,078	50,400,980	12,259,674	12,597,948	60,747,752	62,998,928
Net position – ending	\$ 47,256,557	\$ 48,488,078	\$ 12,706,107	\$ 12,259,674	\$ 59,962,664	\$ 60,747,752

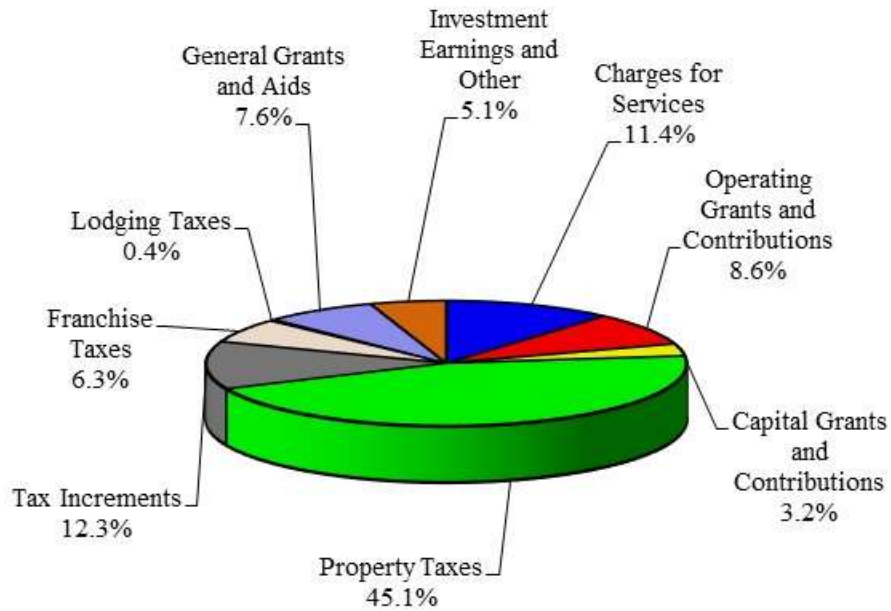
Governmental Activities – Governmental activities decreased the City's net position by \$1,231,521 in the current year, compared to a decrease of \$1,912,902 reported last year. Key elements of this change are seen in the table above.

- Revenues for governmental activities increased by \$1,889,278 over the prior year. Improved investment earnings and an increase in the approved property tax levy were key factors in this change.
- Government activities expenses were also up, increasing by \$1,098,537 in the current year. An increase in economic development payments and natural inflationary increases contributed to the increase over the prior year. More expenses for street maintenance were a factor for the growth over the prior year.

Expenses and Program Revenues – Governmental Activities



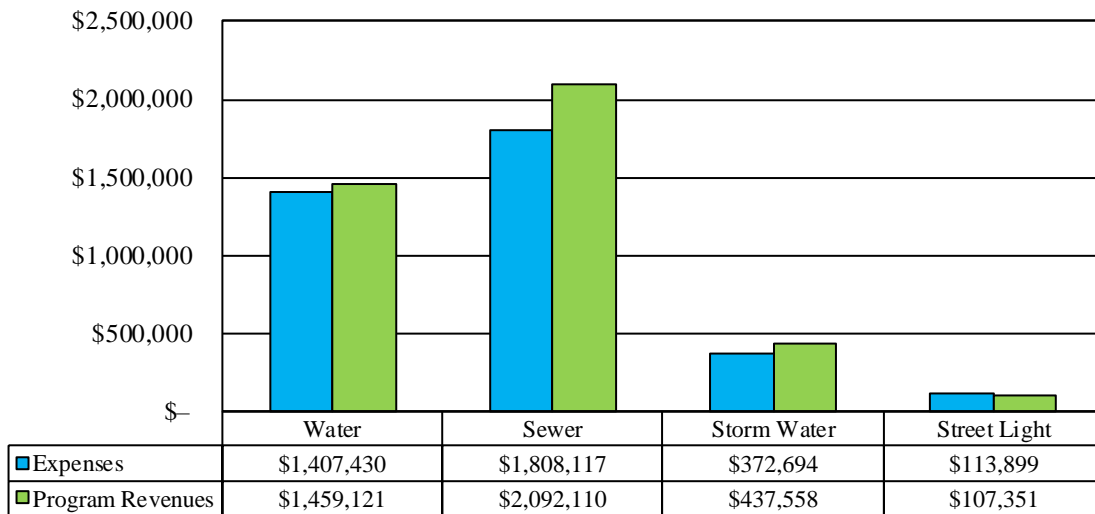
Revenues by Source – Governmental Activities



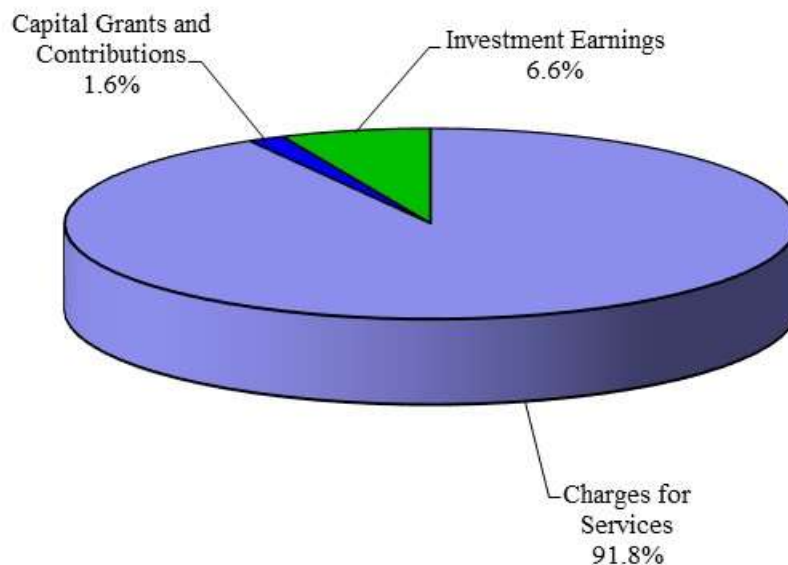
Business-Type Activities – Business-type activities increased the City’s net position by \$446,433 in the current year, compared to a decrease of \$338,274 reported last year. Key elements of this change included the following:

- Utility rates were reviewed in conjunction with planning the 2023 fiscal year. Modest changes in the utility rate structures were necessary to offset anticipated capital activity. Overall utility revenues were modestly higher.
- Revenues for business-type activities increased by \$715,734 over the prior year. Improved investment earnings, utility rate changes, and a new capital grant were key factors in this increase over the prior year.
- Business-type activities expenses were also up, increasing by \$40,387, or 1.1 percent, in the current year. An increase in the water utility for contractual services was offset by a decrease in contractual services in the sewer utility.

Expenses and Program Revenues – Business-Type Activities



Revenues by Source – Business-Type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,658,413, a decrease of \$859,045 in comparison with the prior year. Approximately 12.8 percent of this total amount, \$2,254,010, is restricted for economic development, tax increment, communications, public safety, parks and recreation, conservation, and debt service. Approximately 55.9 percent, or \$9,876,213, is assigned for future expenditures, and 31.3 percent, or \$5,528,190, is unassigned. Assigned and unassigned fund balances are available for spending at the government's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$5,528,190. Due to the pattern of receipt of taxes and intergovernmental revenues mandated by the state, Minnesota cities do not receive any significant revenues in their General Fund until July of each year. The City's policy is to end the year with a fund balance equal to 35.0 percent to 50.0 percent of the subsequent year's budgeted revenues and transfers, or a minimum of five months expenditures and transfers. Unassigned fund balance represents 60.7 percent of the 2024 budgeted General Fund revenue and transfers from other funds.

Fund balance for the City's General Fund decreased by \$1,601,278 during the current fiscal year. The City had budgeted for a net decrease in fund balance of \$2,821,240. The City budgeted and made significant transfers to other funds, primarily for capital purposes in the current year. The favorable results are due to conservative projections for intergovernmental revenues, investment earnings, and miscellaneous sources.

The Economic Development Authority Special Revenue Fund reported an increase in fund balance of \$29,900, compared to the final budget that anticipated a reduction in fund balance of \$11,698. The increase in the current year was largely due to less expenditures than anticipated in the final budget for housing programs and business subsidies.

The Community Center Special Revenue Fund reported a slight decrease in fund balance of \$9,754, which compares to a decrease of \$77,300 anticipated in the budget. Actual results were better than anticipated, largely due to increased program participation increasing revenues more than the additional expenditures to provide the level of programming.

The Tax Increment Financing District No. 5 Special Revenue Fund reported a decrease in fund balance of \$842,759, compared to the \$33,197 increase anticipated in the final budget. The decrease in fund balance and variance to budget was a combination of the City receiving less tax increment financing in the current year and an increase in community incentive payments reported.

The Vehicle and Equipment Fund (Capital Projects), the Special Projects Fund (Capital Projects), and the Street Improvement Fund (Capital Projects) reported increases in fund balance of \$207,049, \$1,362,995, and \$252,403, respectively. Each of these capital projects funds received transfers in the current year (largely from the General Fund) to finance current and future projects.

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

The three major utility funds (Water, Sewer, and Storm Water) saw favorable results for changes in total net position: the Water Fund increased by \$65,625; the Sewer Fund increased by \$234,442; and the Storm Water Fund increased by \$152,100. Rate increases helped produce net income for all three funds. All three funds recognized higher investment returns as a result of marking investments to fair value.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues exceeded the budgeted amount by \$1,170,770, primarily as a result of higher than expected franchise taxes, intergovernmental, investment earnings, and miscellaneous sources. Conservative budgeting for these less predictable sources contributed to the favorable variance.

Total expenditures were \$49,192, or 0.6 percent, under the amount approved in the final budget. Actual spending for general government purposes was more than offset by underspending for public safety. Difficulty filling open positions and insurance savings accounted for the variance in police spending.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets – The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2023 was \$53,594,644 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, infrastructure, and equipment.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital assets						
Land	\$ 775,377	\$ 775,377	\$ 563,579	\$ 563,579	\$ 1,338,956	\$ 1,338,956
Construction in progress	4,562,379	2,506,934	7,987,811	6,707,373	12,550,190	9,214,307
Buildings	18,435,519	18,378,186	4,845,700	4,845,700	23,281,219	23,223,886
Infrastructure	42,853,363	42,671,198	12,720,092	12,694,642	55,573,455	55,365,840
Equipment	8,530,407	8,469,477	2,901,820	2,781,940	11,432,227	11,251,417
Total capital assets	75,157,045	72,801,172	29,019,002	27,593,234	104,176,047	100,394,406
Less accumulated depreciation	(35,204,631)	(32,567,646)	(15,376,772)	(15,065,467)	(50,581,403)	(47,633,113)
Total capital assets, net of depreciation	\$ 39,952,414	\$ 40,233,526	\$ 13,642,230	\$ 12,527,767	\$ 53,594,644	\$ 52,761,293

Major capital assets events during the current year included the following:

- Street project and related utility improvements.
- City park and shelter improvements.
- Water meter replacement project.
- Water treatment plants and booster station rehabilitation.
- Sewer lining improvements.

Additional information on the City’s capital assets can be found in Note 5 to the basic financial statements.

Long-Term Debt – At the end of the current year, the City had total bonded debt outstanding of \$10,110,075, which is backed by the full faith and credit of the City.

Table 4
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
G.O. bonds payable	\$ 4,965,075	\$ 5,299,900	\$ 5,145,000	\$ 5,495,000	\$10,110,075	\$10,794,900
Bond premium	–	–	217,222	235,324	217,222	235,324
G.O. equipment certificates	–	35,650	–	–	–	35,650
Total OPEB liability	928,489	744,500	–	–	928,489	744,500
Net pension liability – PERA	4,103,709	9,982,227	537,335	807,007	4,641,044	10,789,234
Compensated absences payable	637,563	635,642	108,622	113,245	746,185	748,887
Total	\$10,634,836	\$16,697,919	\$ 6,008,179	\$ 6,650,576	\$16,643,015	\$23,348,495

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.0 percent of its total estimated market value. The current debt limitation for the City is \$48,091,548, which is significantly in excess of the City’s outstanding general obligation debt.

The changes in bonds payable and equipment certificates was as anticipated with scheduled debt payments. An additional year of amortization reduced the outstanding balance for bond premium. Changes in the actuarial determined obligations for insurance benefits contributed to the change in the total OPEB liability. The net pension liability decreased from the prior year, due to the change in the City’s proportionate share of pension obligations for the Public Employees Retirement Association (PERA) state-wide pension plans. The liability for compensated absences decreased slightly from the prior year.

Additional information on the City’s long-term debt can be found in Note 6 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Dramatic increases in local government aids and other state sources are not anticipated, based on legislation at the time of writing this report.
- Property tax collection rates are expected to remain strong, at or near the 2023 level.
- The 2024 budget approved for the General Fund anticipates expenditures and other financing uses to exceed revenues and other financing sources by \$976,000, which is included in assigned fund balance at December 31, 2023.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

Utility rate studies are prepared for each of the City's four utilities every year. Water, sewer, street light, and storm water rates will all increase as approved for 2024.

REQUESTS FOR INFORMATION

This ACFR is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Office of the Finance Director, 2401 Mounds View Boulevard, City of Mounds View, Minnesota 55112-1429.

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BASIC FINANCIAL STATEMENTS

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CITY OF MOUNDS VIEW

Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 18,071,616	\$ 4,832,647	\$ 22,904,263
Receivables			
Accounts	314,241	953,383	1,267,624
Intergovernmental	148,884	-	148,884
Delinquent taxes	86,782	-	86,782
Special assessments	85,578	145,542	231,120
Notes	74,450	-	74,450
Leases	1,608,760	-	1,608,760
Assets held for resale	575,854	-	575,854
Capital assets			
Not depreciated	5,337,756	8,551,390	13,889,146
Depreciated, net of accumulated depreciation	34,614,658	5,090,840	39,705,498
Total capital assets, net of depreciation	<u>39,952,414</u>	<u>13,642,230</u>	<u>53,594,644</u>
Total assets	<u>60,918,579</u>	<u>19,573,802</u>	<u>80,492,381</u>
Deferred outflows of resources			
Pension plan deferments – PERA	5,139,258	165,554	5,304,812
OPEB plan deferments	384,682	-	384,682
Total deferred outflows of resources	<u>5,523,940</u>	<u>165,554</u>	<u>5,689,494</u>
Total assets and deferred outflows of resources	<u>\$ 66,442,519</u>	<u>\$ 19,739,356</u>	<u>\$ 86,181,875</u>
Liabilities			
Accounts and contracts payable	\$ 1,162,099	\$ 754,788	\$ 1,916,887
Accrued wages and benefits	125,715	17,595	143,310
Due to other governments	18,877	8,230	27,107
Deposits payable	220,136	38,571	258,707
Accrued interest payable	55,946	33,218	89,164
Long-term liabilities			
Due within one year	916,695	436,467	1,353,162
Due in more than one year	9,718,141	5,571,712	15,289,853
Total long-term liabilities	<u>10,634,836</u>	<u>6,008,179</u>	<u>16,643,015</u>
Total liabilities	<u>12,217,609</u>	<u>6,860,581</u>	<u>19,078,190</u>
Deferred inflows of resources			
Pension plan deferments – PERA	5,239,446	172,668	5,412,114
OPEB plan deferments	120,147	-	120,147
Lease revenue for subsequent years	1,608,760	-	1,608,760
Total deferred inflows of resources	<u>6,968,353</u>	<u>172,668</u>	<u>7,141,021</u>
Net position			
Net investment in capital assets	34,807,488	7,617,563	42,425,051
Restricted for			
Economic development	1,429,697	-	1,429,697
Tax increment	45,827	-	45,827
Communications	226,082	-	226,082
Public safety	30,164	-	30,164
Parks and recreation	76,189	-	76,189
Conservation	32,306	-	32,306
Debt service	358,808	-	358,808
Unrestricted	10,249,996	5,088,544	15,338,540
Total net position	<u>47,256,557</u>	<u>12,706,107</u>	<u>59,962,664</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 66,442,519</u>	<u>\$ 19,739,356</u>	<u>\$ 86,181,875</u>

See notes to basic financial statements

CITY OF MOUNDS VIEW

Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 1,812,740	\$ 519,367	\$ -	\$ -
Public safety	4,877,859	45,213	1,004,560	-
Streets and highways	3,031,820	235,737	149,270	459,262
Sanitation	36,470	-	32,461	-
Culture and recreation	2,620,963	589,941	25,000	-
Economic development	3,473,791	263,075	50,000	-
Interest and fiscal charges	143,240	-	-	-
Total governmental activities	<u>15,996,883</u>	<u>1,653,333</u>	<u>1,261,291</u>	<u>459,262</u>
Business-type activities				
Water	1,407,430	1,459,091	30	-
Sewer	1,808,117	2,021,378	27	70,705
Storm water	372,694	437,549	9	-
Street light	113,899	107,351	-	-
Total business-type activities	<u>3,702,140</u>	<u>4,025,369</u>	<u>66</u>	<u>70,705</u>
Total government	<u>\$ 19,699,023</u>	<u>\$ 5,678,702</u>	<u>\$ 1,261,357</u>	<u>\$ 529,967</u>

General revenues

Taxes

 Property

 Tax increment

 Franchise

 Lodging

General grants and contributions

Other general revenues

Investment earnings

Transfers

 Total general revenues and transfers

Change in net position

Net position – beginning

Net position – ending

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,293,373)	\$ —	\$ (1,293,373)
(3,828,086)	—	(3,828,086)
(2,187,551)	—	(2,187,551)
(4,009)	—	(4,009)
(2,006,022)	—	(2,006,022)
(3,160,716)	—	(3,160,716)
(143,240)	—	(143,240)
<u>(12,622,997)</u>	<u>—</u>	<u>(12,622,997)</u>
—	51,691	51,691
—	283,993	283,993
—	64,864	64,864
—	(6,548)	(6,548)
<u>—</u>	<u>394,000</u>	<u>394,000</u>
(12,622,997)	394,000	(12,228,997)
6,552,285	—	6,552,285
1,786,129	—	1,786,129
914,172	—	914,172
54,241	—	54,241
1,104,742	—	1,104,742
10,090	—	10,090
731,169	291,081	1,022,250
238,648	(238,648)	—
<u>11,391,476</u>	<u>52,433</u>	<u>11,443,909</u>
(1,231,521)	446,433	(785,088)
<u>48,488,078</u>	<u>12,259,674</u>	<u>60,747,752</u>
<u>\$ 47,256,557</u>	<u>\$ 12,706,107</u>	<u>\$ 59,962,664</u>

CITY OF MOUNDS VIEW

Balance Sheet
Governmental Funds
December 31, 2023

	General	Special Revenue – Economic Development Authority	Special Revenue – Community Center	Special Revenue – Tax Increment Financing District No. 5
Assets				
Cash and investments	\$ 8,674,288	\$ 758,185	\$ 340,826	\$ 868,359
Receivables				
Accounts	215,839	27,341	12,156	–
Intergovernmental	109,227	–	–	–
Delinquent taxes	85,773	–	–	–
Special assessments	16,960	–	–	–
Notes	–	74,450	–	–
Leases	1,001,436	–	607,324	–
Assets held for resale	–	575,854	–	–
	<u>–</u>	<u>575,854</u>	<u>–</u>	<u>–</u>
Total assets	<u>\$ 10,103,523</u>	<u>\$ 1,435,830</u>	<u>\$ 960,306</u>	<u>\$ 868,359</u>
Liabilities				
Accounts and contracts payable	\$ 105,776	\$ 3,189	\$ 19,664	\$ 823,133
Accrued wages and benefits	111,671	2,944	10,383	–
Due to other governments	12,553	–	4,802	–
Deposits payable	218,004	–	–	–
Total liabilities	<u>448,004</u>	<u>6,133</u>	<u>34,849</u>	<u>823,133</u>
Deferred inflows of resources				
Unavailable revenue – taxes	85,773	–	–	–
Unavailable revenue – assessments	16,960	–	–	–
Lease revenue for subsequent years	1,001,436	–	607,324	–
Total deferred inflows of resources	<u>1,104,169</u>	<u>–</u>	<u>607,324</u>	<u>–</u>
Fund balances				
Restricted	–	1,429,697	–	45,226
Assigned	3,023,160	–	318,133	–
Unassigned	5,528,190	–	–	–
Total fund balances	<u>8,551,350</u>	<u>1,429,697</u>	<u>318,133</u>	<u>45,226</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,103,523</u>	<u>\$ 1,435,830</u>	<u>\$ 960,306</u>	<u>\$ 868,359</u>

<u>Capital Projects – Vehicle and Equipment</u>	<u>Capital Projects – Special Projects</u>	<u>Capital Projects – Street Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 2,557,036	\$ 2,691,259	\$ 1,438,116	\$ 743,547	\$ 18,071,616
–	–	34,539	24,366	314,241
–	–	–	39,657	148,884
–	–	–	1,009	86,782
–	–	68,618	–	85,578
–	–	–	–	74,450
–	–	–	–	1,608,760
–	–	–	–	575,854
<u>\$ 2,557,036</u>	<u>\$ 2,691,259</u>	<u>\$ 1,541,273</u>	<u>\$ 808,579</u>	<u>\$ 20,966,165</u>
\$ –	\$ –	\$ 182,594	\$ 27,743	\$ 1,162,099
–	–	–	717	125,715
–	–	1,499	23	18,877
–	–	2,132	–	220,136
–	–	186,225	28,483	1,526,827
–	–	–	1,009	86,782
–	–	68,423	–	85,383
–	–	–	–	1,608,760
–	–	68,423	1,009	1,780,925
–	–	–	779,087	2,254,010
2,557,036	2,691,259	1,286,625	–	9,876,213
–	–	–	–	5,528,190
<u>2,557,036</u>	<u>2,691,259</u>	<u>1,286,625</u>	<u>779,087</u>	<u>17,658,413</u>
<u>\$ 2,557,036</u>	<u>\$ 2,691,259</u>	<u>\$ 1,541,273</u>	<u>\$ 808,579</u>	<u>\$ 20,966,165</u>

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CITY OF MOUNDS VIEW

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
December 31, 2023

Total fund balances – governmental funds	\$ 17,658,413
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Cost of capital assets	75,157,045
Less accumulated depreciation	(35,204,631)
Long-term liabilities are not payable with current financial resources and, therefore, are not reported in governmental funds.	
G.O. bonds payable	(4,965,075)
Total OPEB liability	(928,489)
Net pension liability – PERA	(4,103,709)
Compensated absences payable	(637,563)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	(55,946)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.	
Deferred outflows of resources – pension plan deferments – PERA	5,139,258
Deferred outflows of resources – OPEB plan deferments	384,682
Deferred inflows of resources – pension plan deferments – PERA	(5,239,446)
Deferred inflows of resources – OPEB plan deferments	(120,147)
Deferred inflows of resources – unavailable revenues	172,165
	<u>172,165</u>
Total net position – governmental activities	<u><u>\$ 47,256,557</u></u>

CITY OF MOUNDS VIEW

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2023

	General	Special Revenue – Economic Development Authority	Special Revenue – Community Center	Special Revenue – Tax Increment Financing District No. 5
Revenues				
Taxes				
Property	\$ 5,816,166	\$ 100,000	\$ –	\$ –
Tax increment	–	–	–	1,728,059
Franchise	405,972	–	–	–
Lodging	54,241	–	–	–
Special assessments	6,084	–	–	–
Licenses and permits	259,825	–	–	–
Intergovernmental	1,725,979	–	–	–
Charges for services	236,538	–	531,630	–
Fines and forfeits	32,585	–	–	–
Investment earnings	513,634	614	7,756	13,933
Miscellaneous	574,951	–	1,264	–
Total revenues	<u>9,625,975</u>	<u>100,614</u>	<u>540,650</u>	<u>1,741,992</u>
Expenditures				
Current				
General government	1,620,010	–	–	–
Public safety	4,091,768	–	–	–
Streets and highways	794,777	–	–	–
Sanitation	–	–	–	–
Culture and recreation	849,663	–	900,404	–
Economic development	616,634	214,911	–	2,501,554
Capital outlay				
Public safety	84,630	–	–	–
Streets and highways	–	–	–	–
Culture and recreation	–	–	–	–
Debt service				
Principal	115,475	–	–	–
Interest and fiscal charges	6,324	–	–	–
Total expenditures	<u>8,179,281</u>	<u>214,911</u>	<u>900,404</u>	<u>2,501,554</u>
Excess (deficiency) of revenues over expenditures	1,446,694	(114,297)	(359,754)	(759,562)
Other financing sources (uses)				
Transfers in	193,648	144,197	350,000	–
Transfers out	(3,241,620)	–	–	(83,197)
Total other financing sources (uses)	<u>(3,047,972)</u>	<u>144,197</u>	<u>350,000</u>	<u>(83,197)</u>
Net change in fund balances	(1,601,278)	29,900	(9,754)	(842,759)
Fund balances				
Beginning of year	<u>10,152,628</u>	<u>1,399,797</u>	<u>327,887</u>	<u>887,985</u>
End of year	<u>\$ 8,551,350</u>	<u>\$ 1,429,697</u>	<u>\$ 318,133</u>	<u>\$ 45,226</u>

See notes to basic financial statements

Capital Projects – Vehicle and Equipment	Capital Projects – Special Projects	Capital Projects – Street Improvement	Nonmajor	Total
\$ –	\$ –	\$ 150,000	\$ 410,214	\$ 6,476,380
–	–	–	58,070	1,786,129
–	–	405,971	102,229	914,172
–	–	–	–	54,241
–	–	19,040	–	25,124
–	–	–	–	259,825
–	574,704	446,023	57,461	2,804,167
–	–	–	1,271	769,439
–	–	–	6,361	38,946
–	71,298	100,377	23,557	731,169
2,500	–	3,414	7,000	589,129
<u>2,500</u>	<u>646,002</u>	<u>1,124,825</u>	<u>666,163</u>	<u>14,448,721</u>
–	18,221	–	–	1,638,231
12,030	32,612	–	10,208	4,146,618
–	–	1,226	–	796,003
–	–	–	36,244	36,244
–	143,691	–	106,149	1,999,907
–	45,965	–	92,572	3,471,636
100,302	–	–	3,365	188,297
28,119	8,468	2,371,196	–	2,407,783
–	64,670	–	280,123	344,793
–	–	–	255,000	370,475
–	–	–	140,103	146,427
<u>140,451</u>	<u>313,627</u>	<u>2,372,422</u>	<u>923,764</u>	<u>15,546,414</u>
(137,951)	332,375	(1,247,597)	(257,601)	(1,097,693)
465,000	1,030,620	1,500,000	–	3,683,465
(120,000)	–	–	–	(3,444,817)
<u>345,000</u>	<u>1,030,620</u>	<u>1,500,000</u>	<u>–</u>	<u>238,648</u>
207,049	1,362,995	252,403	(257,601)	(859,045)
<u>2,349,987</u>	<u>1,328,264</u>	<u>1,034,222</u>	<u>1,036,688</u>	<u>18,517,458</u>
<u>\$ 2,557,036</u>	<u>\$ 2,691,259</u>	<u>\$ 1,286,625</u>	<u>\$ 779,087</u>	<u>\$ 17,658,413</u>

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CITY OF MOUNDS VIEW

Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended December 31, 2023

Total net change in fund balances – governmental funds \$ (859,045)

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

Governmental funds report 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.

Capital outlay	2,674,108
Depreciation expense	(2,821,603)

A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balance.

Net book value of capital assets disposed	(133,617)
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The issuance of long-term debt provides current financial resources to governmental funds, while principal repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. Other long-term adjustments are also made between the governmental funds and the Statement of Activities for debt premiums, compensated absences, pension liabilities, and OPEB obligations.

Principal payments for debt	370,475
Total OPEB liability	(183,989)
Net pension liability – PERA	5,878,518
Compensated absences payable	(1,921)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

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The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.

Deferred outflows of resources – pension plan deferments – PERA	(1,294,635)
Deferred outflows of resources – OPEB plan deferments	330,419
Deferred inflows of resources – pension plan deferments – PERA	(5,143,375)
Deferred inflows of resources – OPEB plan deferments	(120,147)
Deferred inflows of resources – unavailable revenues	70,104

Change in net position – governmental activities	<u>\$ (1,231,521)</u>
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CITY OF MOUNDS VIEW

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 5,842,799	\$ 5,842,799	\$ 5,816,166	\$ (26,633)
Franchise	340,000	340,000	405,972	65,972
Lodging	53,000	53,000	54,241	1,241
Special assessments	3,000	3,000	6,084	3,084
Licenses and permits	277,172	277,172	259,825	(17,347)
Intergovernmental	1,254,370	1,304,370	1,725,979	421,609
Charges for services	47,625	238,325	236,538	(1,787)
Fines and forfeits	33,750	33,750	32,585	(1,165)
Investment earnings	90,000	90,000	513,634	423,634
Miscellaneous	272,789	272,789	574,951	302,162
Total revenues	8,214,505	8,455,205	9,625,975	1,170,770
Expenditures				
Current				
General government				
Mayor and City Council	61,935	61,935	49,324	(12,611)
Advisory commissions	26,350	26,350	57,602	31,252
Administration	353,008	353,008	366,263	13,255
Elections	37,750	37,750	41,806	4,056
Finance	312,450	375,380	412,788	37,408
Central services	338,094	338,094	418,968	80,874
Government buildings	167,230	167,230	183,230	16,000
Miscellaneous and contingency	99,229	99,229	90,029	(9,200)
Total general government	1,396,046	1,458,976	1,620,010	161,034
Public safety				
Police	3,829,481	3,829,481	3,606,989	(222,492)
Fire	489,555	489,555	484,779	(4,776)
Total public safety	4,319,036	4,319,036	4,091,768	(227,268)
Streets and highways				
Public works administration	140,323	140,323	133,481	(6,842)
Streets	493,574	493,574	492,066	(1,508)
Vehicle maintenance	154,577	154,577	169,230	14,653
Total streets and highways	788,474	788,474	794,777	6,303
Culture and recreation				
Parks	530,653	530,653	553,792	23,139
Forestry	78,252	268,952	295,871	26,919
Total culture and recreation	608,905	799,605	849,663	50,058

CITY OF MOUNDS VIEW

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 General Fund
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Expenditures (continued)				
Current (continued)				
Economic development				
Community development	523,603	606,293	561,289	(45,004)
Convention and visitors bureau	50,350	50,350	55,345	4,995
Total economic development	<u>573,953</u>	<u>656,643</u>	<u>616,634</u>	<u>(40,009)</u>
Total current expenditures	7,686,414	8,022,734	7,972,852	(49,882)
Capital outlay				
Public safety	84,630	84,630	84,630	–
Debt service				
Principal	115,475	115,475	115,475	–
Interest and fiscal charges	5,634	5,634	6,324	690
Total debt service	<u>121,109</u>	<u>121,109</u>	<u>121,799</u>	<u>690</u>
Total expenditures	<u>7,892,153</u>	<u>8,228,473</u>	<u>8,179,281</u>	<u>(49,192)</u>
Excess of revenues over expenditures	322,352	226,732	1,446,694	1,219,962
Other financing sources (uses)				
Transfers in	220,648	193,648	193,648	–
Transfers out	<u>(2,275,000)</u>	<u>(3,241,620)</u>	<u>(3,241,620)</u>	<u>–</u>
Total other financing sources (uses)	<u>(2,054,352)</u>	<u>(3,047,972)</u>	<u>(3,047,972)</u>	<u>–</u>
Net change in fund balances	<u>\$ (1,732,000)</u>	<u>\$ (2,821,240)</u>	(1,601,278)	<u>\$ 1,219,962</u>
Fund balances				
Beginning of year			<u>10,152,628</u>	
End of year			<u>\$ 8,551,350</u>	

CITY OF MOUNDS VIEW

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Economic Development Authority Special Revenue Fund
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Investment earnings	-	-	614	614
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,614</u>	<u>614</u>
Expenditures				
Current				
Economic development				
Community development	<u>252,940</u>	<u>255,895</u>	<u>214,911</u>	<u>(40,984)</u>
Excess (deficiency) of revenues over expenditures	(152,940)	(155,895)	(114,297)	41,598
Other financing sources				
Transfers in	<u>152,622</u>	<u>144,197</u>	<u>144,197</u>	<u>-</u>
Net change in fund balances	<u>\$ (318)</u>	<u>\$ (11,698)</u>	29,900	<u>\$ 41,598</u>
Fund balances				
Beginning of year			<u>1,399,797</u>	
End of year			<u>\$ 1,429,697</u>	

CITY OF MOUNDS VIEW

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Community Center Special Revenue Fund
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 432,500	\$ 432,500	\$ 531,630	\$ 99,130
Investment earnings	300	300	7,756	7,456
Miscellaneous	500	500	1,264	764
Total revenues	<u>433,300</u>	<u>433,300</u>	<u>540,650</u>	<u>107,350</u>
Expenditures				
Current				
Culture and recreation				
Recreation	<u>860,600</u>	<u>860,600</u>	<u>900,404</u>	<u>39,804</u>
Excess (deficiency) of revenues over expenditures	(427,300)	(427,300)	(359,754)	67,546
Other financing sources				
Transfers in	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (77,300)</u>	<u>\$ (77,300)</u>	<u>(9,754)</u>	<u>\$ 67,546</u>
Fund balances				
Beginning of year			<u>327,887</u>	
End of year			<u>\$ 318,133</u>	

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CITY OF MOUNDS VIEW

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Tax Increment Financing District No. 5 Special Revenue Fund
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes				
Tax increment	\$ 1,884,584	\$ 1,884,584	\$ 1,728,059	\$ (156,525)
Investment earnings	1,500	1,500	13,933	12,433
Total revenues	<u>1,886,084</u>	<u>1,886,084</u>	<u>1,741,992</u>	<u>(144,092)</u>
Expenditures				
Current				
Economic development				
Community development	<u>1,769,690</u>	<u>1,769,690</u>	<u>2,501,554</u>	<u>731,864</u>
Excess (deficiency) of revenues over expenditures	116,394	116,394	(759,562)	(875,956)
Other financing sources (uses)				
Transfers out	<u>(94,229)</u>	<u>(83,197)</u>	<u>(83,197)</u>	<u>-</u>
Net change in fund balances	<u>\$ 22,165</u>	<u>\$ 33,197</u>	<u>(842,759)</u>	<u>\$ (875,956)</u>
Fund balances				
Beginning of year			<u>887,985</u>	
End of year			<u>\$ 45,226</u>	

CITY OF MOUNDS VIEW

Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities – Enterprise Funds				
	Water	Sewer	Storm Water	Nonmajor Street Light	Total
Assets					
Current assets					
Cash and investments	\$ 374,239	\$ 2,307,983	\$ 2,082,104	\$ 68,321	\$ 4,832,647
Receivables					
Accounts	292,076	517,566	115,274	28,467	953,383
Special assessments	126,419	19,123	–	–	145,542
Total current assets	<u>792,734</u>	<u>2,844,672</u>	<u>2,197,378</u>	<u>96,788</u>	<u>5,931,572</u>
Noncurrent assets					
Capital assets					
Land	7,596	3,255	552,728	–	563,579
Construction in progress	7,291,395	595,740	100,676	–	7,987,811
Buildings	4,833,307	12,393	–	–	4,845,700
Infrastructure	4,423,376	7,341,140	955,576	–	12,720,092
Equipment	1,775,081	726,433	400,306	–	2,901,820
Less accumulated depreciation	(8,583,849)	(6,095,817)	(697,106)	–	(15,376,772)
Total capital assets, net of depreciation	<u>9,746,906</u>	<u>2,583,144</u>	<u>1,312,180</u>	<u>–</u>	<u>13,642,230</u>
Total assets	10,539,640	5,427,816	3,509,558	96,788	19,573,802
Deferred outflows of resources					
Pension plan deferments – PERA	<u>75,555</u>	<u>66,579</u>	<u>23,420</u>	<u>–</u>	<u>165,554</u>
Total assets and deferred outflows of resources	<u>\$ 10,615,195</u>	<u>\$ 5,494,395</u>	<u>\$ 3,532,978</u>	<u>\$ 96,788</u>	<u>\$ 19,739,356</u>
Current liabilities					
Accounts and contracts payable	\$ 172,076	\$ 521,399	\$ 52,907	\$ 8,406	\$ 754,788
Accrued wages and benefits	8,527	6,134	2,688	246	17,595
Due to other governments	170	8,060	–	–	8,230
Deposits payable	30,571	8,000	–	–	38,571
Accrued interest payable	33,218	–	–	–	33,218
Bonds payable	355,000	–	–	–	355,000
Compensated absences payable	42,960	26,281	10,440	1,786	81,467
Total current liabilities	<u>642,522</u>	<u>569,874</u>	<u>66,035</u>	<u>10,438</u>	<u>1,288,869</u>
Noncurrent liabilities					
Bonds payable	4,790,000	–	–	–	4,790,000
Bond premium	217,222	–	–	–	217,222
Net pension liability – PERA	245,228	216,092	76,015	–	537,335
Compensated absences payable	14,320	8,760	3,480	595	27,155
Total noncurrent liabilities	<u>5,266,770</u>	<u>224,852</u>	<u>79,495</u>	<u>595</u>	<u>5,571,712</u>
Total liabilities	5,909,292	794,726	145,530	11,033	6,860,581
Deferred inflows of resources					
Pension plan deferments – PERA	78,802	69,439	24,427	–	172,668
Net position					
Net investment in capital assets	4,288,159	2,062,898	1,266,506	–	7,617,563
Unrestricted	338,942	2,567,332	2,096,515	85,755	5,088,544
Total net position	<u>4,627,101</u>	<u>4,630,230</u>	<u>3,363,021</u>	<u>85,755</u>	<u>12,706,107</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 10,615,195</u>	<u>\$ 5,494,395</u>	<u>\$ 3,532,978</u>	<u>\$ 96,788</u>	<u>\$ 19,739,356</u>

See notes to basic financial statements

CITY OF MOUNDS VIEW

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2023

	Business-Type Activities – Enterprise Funds				Total
	Water	Sewer	Storm Water	Nonmajor Street Light	
Operating revenue					
Sales/user fees	\$ 1,450,110	\$ 2,011,278	\$ 437,549	\$ 107,351	\$ 4,006,288
Connection charges	3,700	10,100	–	–	13,800
Intergovernmental					
State pension contribution	30	27	9	–	66
Other income	5,281	–	–	–	5,281
Total operating revenue	<u>1,459,121</u>	<u>2,021,405</u>	<u>437,558</u>	<u>107,351</u>	<u>4,025,435</u>
Operating expenses					
Personal services	515,120	436,621	156,886	15,992	1,124,619
Supplies	100,661	25,868	27,266	73	153,868
Contractual services	543,764	72,052	153,857	97,834	867,507
Disposal charges	–	1,146,733	–	–	1,146,733
Depreciation	183,673	126,843	34,685	–	345,201
Total operating expenses	<u>1,343,218</u>	<u>1,808,117</u>	<u>372,694</u>	<u>113,899</u>	<u>3,637,928</u>
Operating income (loss)	115,903	213,288	64,864	(6,548)	387,507
Nonoperating revenues (expenses)					
Investment earnings	101,976	92,991	92,087	4,027	291,081
Interest expense	(64,212)	–	–	–	(64,212)
Total nonoperating revenue (expenses)	<u>37,764</u>	<u>92,991</u>	<u>92,087</u>	<u>4,027</u>	<u>226,869</u>
Income (loss) before contributions and transfers	153,667	306,279	156,951	(2,521)	614,376
Contributions	–	70,705	–	–	70,705
Transfers in	82,500	–	37,500	–	120,000
Transfers out	(170,542)	(142,542)	(42,351)	(3,213)	(358,648)
Change in net position	65,625	234,442	152,100	(5,734)	446,433
Net position					
Beginning of year	<u>4,561,476</u>	<u>4,395,788</u>	<u>3,210,921</u>	<u>91,489</u>	<u>12,259,674</u>
End of year	<u>\$ 4,627,101</u>	<u>\$ 4,630,230</u>	<u>\$ 3,363,021</u>	<u>\$ 85,755</u>	<u>\$ 12,706,107</u>

CITY OF MOUNDS VIEW

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

	Business-Type Activities – Enterprise Funds				Total
	Water	Sewer	Storm Water	Nonmajor Street Light	
Cash flows from operating activities					
Cash received from customers and users	\$ 1,493,029	\$ 2,031,495	\$ 429,811	\$ 107,498	\$ 4,061,833
Payments to employees	(503,436)	(434,015)	(153,175)	(15,880)	(1,106,506)
Payments to suppliers	(655,498)	(1,240,973)	(177,658)	(89,876)	(2,164,005)
Net cash flows from operating activities	<u>334,095</u>	<u>356,507</u>	<u>98,978</u>	<u>1,742</u>	<u>791,322</u>
Cash flows from noncapital financing activities					
Transfers in	82,500	–	37,500	–	120,000
Transfers out	(170,542)	(142,542)	(42,351)	(3,213)	(358,648)
Net cash flows from noncapital financing activities	<u>(88,042)</u>	<u>(142,542)</u>	<u>(4,851)</u>	<u>(3,213)</u>	<u>(238,648)</u>
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(754,341)	(113,344)	(95,997)	–	(963,682)
Contributions	–	70,705	–	–	70,705
Payment on bonds	(350,000)	–	–	–	(350,000)
Interest paid	(85,230)	–	–	–	(85,230)
Net cash flows from capital and related financing activities	<u>(1,189,571)</u>	<u>(42,639)</u>	<u>(95,997)</u>	<u>–</u>	<u>(1,328,207)</u>
Cash flows from investing activities					
Interest received on investments	101,976	92,991	92,087	4,027	291,081
Net change in cash and cash equivalents	<u>(841,542)</u>	<u>264,317</u>	<u>90,217</u>	<u>2,556</u>	<u>(484,452)</u>
Cash and investments					
Beginning of year	1,215,781	2,043,666	1,991,887	65,765	5,317,099
End of year	<u>\$ 374,239</u>	<u>\$ 2,307,983</u>	<u>\$ 2,082,104</u>	<u>\$ 68,321</u>	<u>\$ 4,832,647</u>
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ 115,903	\$ 213,288	\$ 64,864	\$ (6,548)	\$ 387,507
Adjustments to reconcile operating income to net cash flows from operating activities					
Depreciation	183,673	126,843	34,685	–	345,201
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources					
Accounts receivable	47,517	5,448	(7,747)	147	45,365
Due from other governments	2,066	–	–	–	2,066
Special assessments receivable	(19,795)	4,642	–	–	(15,153)
Deferred outflows of resources	61,496	56,839	20,807	–	139,142
Accounts and contracts payable	(8,767)	(4,373)	3,472	8,031	(1,637)
Accrued wages and benefits	(1,909)	(2,581)	(689)	(1)	(5,180)
Deposits payable	4,120	–	–	–	4,120
Due to other governments	(2,306)	8,053	(7)	–	5,740
Net pension liability – PERA	(117,760)	(110,790)	(41,122)	–	(269,672)
Compensated absences	(2,548)	(4,540)	2,352	113	(4,623)
Deferred inflows of resources	72,405	63,678	22,363	–	158,446
Net cash flows from operating activities	<u>\$ 334,095</u>	<u>\$ 356,507</u>	<u>\$ 98,978</u>	<u>\$ 1,742</u>	<u>\$ 791,322</u>
Noncash investing, capital, and financing activities					
Current year capital asset additions on credit	\$ 96,525	\$ 520,246	\$ 45,674	\$ –	\$ 662,445
Prior year capital asset additions on credit	\$ (166,463)	\$ –	\$ –	\$ –	\$ (166,463)
Accrued interest payable change	\$ (2,916)	\$ –	\$ –	\$ –	\$ (2,916)
Amortization of premium	\$ 18,102	\$ –	\$ –	\$ –	\$ 18,102

See notes to basic financial statements

CITY OF MOUNDS VIEW

Notes to Basic Financial Statements
December 31, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Mounds View, Minnesota (the City) is a municipal corporation that operates under a Home Rule Charter adopted on October 11, 1979. The City is governed by a Mayor and City Council form of government. The Mayor and City Council are elected on an at-large basis with the Mayor serving two-year terms and the City Council serving four-year terms.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below:

B. Reporting Entity

In accordance with accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations are presented in this report as blended component units (which are reported as if they were a part of the City) or related and jointly governed organizations (in which the relationship of the City with the entity is disclosed).

Blended Component Unit

Economic Development Authority (EDA) – The EDA was created to carry out housing and economic development activities within the City. The governing board is the City Council. The City Council also approves tax levies and directs the activities of the EDA's management. Various city employees, such as the city administrator, finance director, and the city's attorney perform key management functions for the EDA. The EDA's activity is reported as the Economic Development Authority Special Revenue Fund. The EDA does not issue separate financial statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Joint Powers Organizations

Metro-INET – The City has joined with several municipalities and governmental entities to cooperatively provide information technology services to its members. Metro-INET is governed by its own Board of Directors. Directors are appointed by each member. An Executive Board is elected by the Board of Directors and is responsible for operations through the Executive Director. The city of Roseville is acting as the fiscal agent for the organization. Members may withdraw but will forfeit any equity in the equipment. If the entity is dissolved, the remaining assets will be allocated to any remaining members. The annual budget is adopted in May and member charges are based on each member's individual metrics for users, email accounts, computers, phones, and remote access accounts.

The City's share of operating and capital costs were \$204,903 during 2023. These costs were recorded as expenditures in the General Fund and the Community Center Special Revenue Fund.

Metro-INET financial reports are available at Roseville city offices, 2660 Corporate Center Drive, Roseville, Minnesota 55113.

Spring Lake Park – Blaine – Mounds View Fire Department – The City has joined with the cities of Blaine and Spring Lake Park to cooperatively provide fire protection services to their residents. This is provided by the Spring Lake Park – Blaine – Mounds View Fire Department (the Fire Department), a private nonprofit Internal Revenue Code (IRC) Section 501c (3) organization. The service territory is generally comprised of the cities of Spring Lake Park, Blaine, and Mounds View.

The three cities agreed upon several significant provisions in their agreement dated December 11, 1990:

- a. The Fire Department is governed by its own Board of Directors. Directors are appointed by each city and from the Fire Department.
- b. Operation, maintenance, and debt service costs are shared based upon a fixed formula. The City's share of the formula is 15.50 percent in 2023. The share was set at a fixed amount in 2021 going forward and to be reviewed every five years.
- c. The city of Blaine issued \$4,900,000 G.O. Capital Improvement Refunding Bonds, Series 2013A on December 1, 2013 to refund the G.O. Capital Improvement Bonds, Series 2005A. They also issued \$1,070,000 of G.O. Equipment Certificates of Indebtedness, Series 2018A on June 28, 2018 to purchase a ladder truck and related equipment, which were retired in 2023.
- d. Each city has a nonmeasureable equity interest in the property that is held in the city of Blaine's name.

The City's share of operating costs were \$484,779, capital costs were \$84,630, and debt service costs were \$121,799 during 2023. These costs were recorded as expenditures in the General Fund.

The Fire Department and its relief association issue financial reports, which are available at Mounds View city offices or at the Fire Department, 1710 Highway 10, Spring Lake Park, MN 55432.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which significantly rely upon fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customer or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions are not eliminated, as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds, and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor funds is reported in a single column in the respective fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Proceeds of long-term debt are reported as other financing sources.

Major revenue that is susceptible to accrual includes property taxes, special assessments, intergovernmental revenue, charges for services, and interest earned on investments. Major revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term obligations, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds.

Proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses.

Description of Funds

The City reports the following major governmental funds:

General Fund – This fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Economic Development Authority Special Revenue Fund – This fund accounts for transfers from the General Fund, tax increment funds, a tax levy, and expenditures for economic development activities of the Economic Development Authority.

Community Center Special Revenue Fund – This fund accounts for the operation of the City's community center.

Tax Increment Financing District No. 5 Special Revenue Fund – This fund accounts for tax increments collected from properties within the district that are used to retire the developer note.

Vehicle and Equipment Capital Projects Fund – This fund accumulates resources for the eventual replacement of city vehicles and equipment.

Special Projects Capital Projects Fund – This fund finances the construction of city buildings, park improvements, and some transportation projects, except any accounted for in the proprietary funds. The main funding source has been periodic transfers of surpluses from the General Fund.

Street Improvement Capital Projects Fund – This fund is used to account for the construction and major repair of city streets as part of the City's street improvement program.

The City reports the following major proprietary funds:

Water Fund – This fund accounts for the activities associated with providing water service to city residents and businesses. Services are paid for by user fees.

Sewer Fund – This fund accounts for the activities associated with providing sanitary sewer service to city residents and businesses. Services are paid for by user fees.

Storm Water Fund – This fund accounts for the construction and maintenance of storm water facilities. Utility fees are charged on the quarterly utility bill and impact fees are charged on new development of land.

Street Light Fund (nonmajor) – This fund accounts for the activities associated with providing streetlight services to city residents and businesses. Services are paid for by user fees.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. treasury and federal agencies, commercial paper, repurchase agreements, and the state treasurer's investment pool.

Investments are generally stated at fair value, except for investments in external investment pools, which are stated at amortized cost. Short-term highly liquid debt instruments (including commercial paper, bankers' acceptances, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may be reported at amortized cost. Investment income is accrued at the balance sheet date. Investment earnings for the Economic Development Authority, Cable Television, Police Forfeiture, and Recycling Grant Special Revenue Funds, and the Vehicle and Equipment Capital Projects Fund are allocated to the General Fund.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 3 for the City's recurring fair value measurements at year-end.

F. Interfund Receivables and Payables

When applicable, in the fund financial statements, activity between funds that is representative of lending or borrowing arrangements is reported as either "due to/from other funds" (current portion) or "advances to/from other funds." 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."

G. Receivables

Utility and miscellaneous accounts receivable are reported at gross. Since the City is generally able to certify delinquent amounts to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on current receivables. The City does record an allowance for the amount of utility receivables that remain delinquent after having been certified to the county. The only receivables not expected to be collected within one year are property taxes, special assessments, and lease receivables.

H. Property Taxes

Property tax levies are set by the City Council in December of each year, and are certified to Ramsey County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads the levies over all taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts three times a year: in July, December, and January.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes are recognized as revenue in the year levied in the government-wide financial statements. In the governmental fund financial statements, taxes are recognized as revenue when received in cash or within 60 days after year-end. Taxes which remain unpaid on December 31 are classified as delinquent taxes receivable and are offset by a deferred inflow of resources in the governmental fund financial statements, because they are not available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

I. Special Assessments Receivable

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with state statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The county handles collection of annual installments (including interest) in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties. Special assessments are recorded as receivables upon certification to the county. Special assessments are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, special assessments are recognized as revenue when received in cash or within 60 days after year-end. Governmental fund special assessments receivable which remain unpaid on December 31 are offset by a deferred inflow of resources in the governmental fund financial statements. At year-end, the City has recorded \$35,332 of delinquent special assessments receivable.

J. Assets Held for Resale

Assets held for resale represents various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value.

K. Inventories and Prepaid Items

Inventories of supplies are valued at cost, while inventories held for resale are valued at the lower of cost or market value, on a first-in, first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of inventories and prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

L. Capital Assets

Capital asset acquisition costs are recorded as expenditures in the City's governmental fund financial statements, which use the modified accrual basis of accounting. Capital assets are capitalized within the City's government-wide financial statements and proprietary fund financial statements, which use the full accrual basis of accounting. Infrastructure assets reported by governmental activities include assets placed in service in 1980 or later.

The City defines capital assets as assets with an initial, individual cost of more than \$5,000 for purchased assets and \$25,000 for construct assets, and an estimated useful life in excess of three years. All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at the acquisition value as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and construction in progress are not depreciated.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30–50 years
Infrastructure – distribution and collection systems	30–50 years
Infrastructure – streets	20–40 years
Equipment	3–20 years

M. Compensated Absences

It is the City’s policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. At termination of employment, employees receive all accrued vacation benefits and employees with sufficient years of service receive a percentage of their unpaid accumulated sick leave. Union employees and nonunion employees with two or more years qualify. Compensated absence pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Long-Term Obligations

In the government-wide and proprietary 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 Position. Bond premiums and discounts, when material, 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.

In the fund financial statements, governmental fund-types recognize bond premiums and discounts during the current period. The face amount of 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.

O. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position or balance sheets may report separate financial statement elements called deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

Deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) in the government-wide and proprietary fund Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, differences between projected and actual investment earnings, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The City reports deferred inflows of resources related to leases receivable in the government-wide Statement of Net Position and governmental funds Balance Sheet, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unavailable revenue arises only under the modified accrual basis of accounting and, therefore, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from special assessments and property taxes not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. State-Wide Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA's fiduciary net position have been determined on the same basis as they are reported by the PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Net Position Classifications and Flow Assumptions

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or enabling legislation.
- **Unrestricted Net Position** – All remaining net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

R. Fund Balance Classifications and Flow Assumptions

In the governmental fund financial statements, fund balance is reported in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts where there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or enabling legislation.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to City Council resolution, the city administrator or finance director is authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

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

When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

S. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

T. 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 and disclosures in the financial statements. Actual results could differ from those estimates

U. 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; and natural disasters for which the City carries commercial insurance. The City retains risk for the deductible portions of the insurance policies and for any exclusion from said policies. These amounts are considered to be immaterial to the financial condition of the City. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for the past three fiscal years.

Workers' compensation is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association as required by law. The City has a \$5,000 deductible for which it retains the risk. These deductibles are considered to be immaterial to the financial statements.

Property, casualty, and automobile insurance coverage are provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City has a \$25,000 deductible for which it retains the risk. These deductibles are considered to be immaterial to the financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and special revenue funds. Debt service funds do not have annual budgets but follow the requirements set at the time of bond issuance. Capital projects funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 15, the city administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Informational meetings are held on the preliminary budget during the budget process with formal public hearings being conducted between November 29 and December 30 to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution prior to December 31.
- The City Council may authorize transfers of budgeted amounts between departments within any fund.
- Budgetary control is maintained at the department level within each fund. Also inherent in this controlling function is the management philosophy that the existence of a particular item or appropriation in the approved budget does not automatically mean that it will be spent. The budget process has flexibility in that, where need has been properly demonstrated, an adjustment can be made within the department budget by the city administrator, or between departments by the City Council. Therefore, there is a constant review process and expenditures are not approved until it has been determined that: (1) adequate funds were appropriated, (2) the expenditure is still necessary, and (3) funds are available.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations in the following departments (the legal level of budgetary control) of the City’s funds with budgets approved by the City Council. These deficiencies were funded by greater than anticipated revenues or fund balance.

General Fund		
Advisory commissions	\$	31,252
Administration	\$	13,255
Elections	\$	4,056
Finance	\$	37,408
Central services	\$	80,874
Government buildings	\$	16,000
Vehicle maintenance	\$	14,653
Parks	\$	23,139
Forestry	\$	26,919
Convention and visitors bureau	\$	4,995
Interest and fiscal charges	\$	690
Major special revenue funds		
Community Center	\$	39,804
TIF District No. 5	\$	731,864
Nonmajor special revenue funds		
Police Forfeiture	\$	2,873
Recycling	\$	3,020
TIF District No. 6	\$	16,530

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years		Total
	Rating	Agency		Less Than 1	1 to 5	
U.S. agency securities						
Federal Home Loan Mortgage Corporation	AA	S&P	Level 2	\$ 487,958	\$ 501,202	\$ 989,160
Federal Home Loan Bank notes and bonds	AA	S&P	Level 2	16,097	12,244,008	12,260,105
Federal Farm Credit Bank bonds	AA	S&P	Level 2	–	1,007,961	1,007,961
Negotiable certificates of deposit	N/R	N/A	Level 2	746,571	3,001,111	3,747,682
				<u>\$ 1,250,626</u>	<u>\$ 16,754,282</u>	18,004,908
Investment pools/mutual funds						
4M Fund	N/R	N/A	Amortized Cost			4,204,452
Wells Fargo Advantage 100% Treasury Money Market Fund	AAA	S&P	Level 1			406,411
Total investments						22,615,771
Deposits						288,009
Change funds						483
Total cash and investments						<u>\$ 22,904,263</u>

N/A – Not Applicable

N/R – Not Rated

The Minnesota Municipal Money Market (4M Fund) is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC. The fair value of the position in the pool is the same as the value of the pool shares, which is based on an amortized cost method that approximates fair value. The 4M Fund is sponsored by the League of Minnesota Cities. Investments are purchased and regulated according to Minnesota Statutes. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the liquid class; the redemption notice period is 14 days for the Plus Class.

B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard 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. The City has no additional deposit policies addressing custodial credit risk.

At year-end, the City’s carrying amount of the City’s deposits was \$288,009, while the balance on the bank records was \$315,404. At December 31, 2023, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not further address this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The City's investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the City's investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. At December 31, 2023, the City had 54.2 percent of its portfolio invested with Federal Home Loan Bank. The City's investment policies do not limit the concentration of investments.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policy notes the City will not directly invest in securities maturing more than 10 years from the date of purchase and to maintain an average weighted maturity up to three years to the extent possible.

NOTE 4 – LEASES RECEIVABLE

The City has entered into lease receivable agreements for water tower rental for cellular antennas, land rental for billboards, and space rental at the community center. The City has imputed an interest rate of 3.25 percent based on the estimated incremental borrowing rate with final maturities through 2037. During the current year, the City received principal and interest payments of \$236,485.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year was as follows:

A. Changes in Capital Assets Used in Governmental Activities

	Beginning Balance	Additions	Deletions	Completed Construction	Ending Balance
Capital assets, not being depreciated					
Land	\$ 775,377	\$ –	\$ –	\$ –	\$ 775,377
Construction in progress	2,506,934	2,189,062	(133,617)	–	4,562,379
Total capital assets, not being depreciated	<u>3,282,311</u>	<u>2,189,062</u>	<u>(133,617)</u>	<u>–</u>	<u>5,337,756</u>
Capital assets, being depreciated					
Buildings	18,378,186	57,333	–	–	18,435,519
Infrastructure	42,671,198	280,123	(97,958)	–	42,853,363
Equipment	8,469,477	147,590	(86,660)	–	8,530,407
Total capital assets, being depreciated	<u>69,518,861</u>	<u>485,046</u>	<u>(184,618)</u>	<u>–</u>	<u>69,819,289</u>
Less accumulated depreciation on					
Buildings	10,080,382	639,359	–	–	10,719,741
Infrastructure	17,933,544	1,627,683	(97,958)	–	19,463,269
Equipment	4,553,720	554,561	(86,660)	–	5,021,621
Total accumulated depreciation	<u>32,567,646</u>	<u>2,821,603</u>	<u>(184,618)</u>	<u>–</u>	<u>35,204,631</u>
Net capital assets, being depreciated	<u>36,951,215</u>	<u>(2,336,557)</u>	<u>–</u>	<u>–</u>	<u>34,614,658</u>
Net capital assets	<u>\$ 40,233,526</u>	<u>\$ (147,495)</u>	<u>\$ (133,617)</u>	<u>\$ –</u>	<u>\$ 39,952,414</u>

B. Changes in Capital Assets Used in Business-Type Activities

	Beginning Balance	Additions	Deletions	Completed Construction	Ending Balance
Capital assets, not being depreciated					
Land	\$ 563,579	\$ –	\$ –	\$ –	\$ 563,579
Construction in progress	6,707,373	1,280,438	–	–	7,987,811
Total capital assets, not being depreciated	<u>7,270,952</u>	<u>1,280,438</u>	<u>–</u>	<u>–</u>	<u>8,551,390</u>
Capital assets, being depreciated					
Buildings	4,845,700	–	–	–	4,845,700
Infrastructure	12,694,642	25,450	–	–	12,720,092
Equipment	2,781,940	153,776	(33,896)	–	2,901,820
Total capital assets, being depreciated	<u>20,322,282</u>	<u>179,226</u>	<u>(33,896)</u>	<u>–</u>	<u>20,467,612</u>
Less accumulated depreciation on					
Buildings	3,508,115	88,912	–	–	3,597,027
Infrastructure	9,423,731	173,582	–	–	9,597,313
Equipment	2,133,621	82,707	(33,896)	–	2,182,432
Total accumulated depreciation	<u>15,065,467</u>	<u>345,201</u>	<u>(33,896)</u>	<u>–</u>	<u>15,376,772</u>
Net capital assets, being depreciated	<u>5,256,815</u>	<u>(165,975)</u>	<u>–</u>	<u>–</u>	<u>5,090,840</u>
Net capital assets	<u>\$ 12,527,767</u>	<u>\$ 1,114,463</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 13,642,230</u>

NOTE 5 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

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

Governmental activities	
General government	\$ 201,050
Public safety	147,311
Streets and highways	1,896,979
Culture and recreation	<u>576,263</u>
Total depreciation expense – governmental activities	<u>\$ 2,821,603</u>
Business-type activities	
Water	\$ 183,673
Sewer	126,843
Storm water	<u>34,685</u>
Total depreciation expense – business-type activities	<u>\$ 345,201</u>

The City’s commitment for uncompleted work at December 31, 2023 is \$680,303.

NOTE 6 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

The City currently has the following general obligation bonds payable outstanding:

	Original Issue	Interest Rate	Maturity Date	Balance – End of Year
Governmental activities				
2013 General Obligation Fire Improvement Refunding Bonds	\$ 4,900,000	1.0–2.0%	2025	\$ 165,075
2017 General Obligation Capital Improvement Plan Bonds	\$ 6,000,000	2.7–3.5%	2038	<u>4,800,000</u>
Total governmental activities				<u>4,965,075</u>
Business-type activities				
2020A G.O. Water Revenue Bonds	\$ 5,830,000	1.0–2.0%	2036	<u>5,145,000</u>
Total bonds				<u>\$ 10,110,075</u>

These bonds were issued to finance the acquisition and construction of major capital facilities and firefighting equipment. All bonds are backed by the full faith and credit of the City. Assets of the debt service fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of governmental activities bonds. Revenues of the Water Fund have been pledged to finance the payment for the outstanding business-type activity bonds.

B. Revenue Pledged

Future revenue pledged for the payment of water revenue bonds is as follows:

Debt Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
Water Revenue Bonds of 2020A	Utility improvements	Utility charges	100%	2020–2036	\$ 5,608,371	\$ 435,230	\$ 1,459,121

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

C. Other Long-Term Liabilities

The City offers a number of benefits to its employees, including OPEB, pensions, and compensated absences. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are financed primarily from the General, Water, Sewer, and Storm Water Funds.

City employees participate in two state-wide, cost-sharing, multiple-employer defined benefit pension plans administered by the PERA. The following is a summary of the net pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans for the current year:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA – GERF	\$ 1,867,690	\$ 582,180	\$ 606,904	\$ 334,040
PERA – PEPFF	2,773,354	4,722,632	4,805,210	833,636
Total	\$ 4,641,044	\$ 5,304,812	\$ 5,412,114	\$ 1,167,676

D. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds		G.O. Water Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 341,375	\$ 132,858	\$ 355,000	\$ 76,172
2025	353,700	123,257	360,000	69,023
2026	280,000	114,590	370,000	61,723
2027	285,000	106,962	375,000	54,272
2028	295,000	99,133	385,000	46,672
2029–2033	1,585,000	371,059	2,025,000	125,199
2034–2038	1,825,000	139,750	1,275,000	30,310
Total	\$ 4,965,075	\$ 1,087,609	\$ 5,145,000	\$ 463,371

E. Changes in Long-Term Liabilities

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
G.O. bonds payable	\$ 5,299,900	\$ –	\$ 334,825	\$ 4,965,075	\$ 341,375
G.O. equipment certificates	35,650	–	35,650	–	–
Total OPEB liability	744,500	382,547	198,558	928,489	97,148
Net pension liability – PERA	9,982,227	1,458,220	7,336,738	4,103,709	–
Compensated absences payable	635,642	402,597	400,676	637,563	478,172
Total governmental activities	16,697,919	2,243,364	8,306,447	10,634,836	916,695
Business-type activities					
G.O. water revenue bonds payable	5,495,000	–	350,000	5,145,000	355,000
Bond premium	235,324	–	18,102	217,222	–
Net pension liability – PERA	807,007	74,254	343,926	537,335	–
Compensated absences payable	113,245	82,271	86,894	108,622	81,467
Total business-type activities	6,650,576	156,525	798,922	6,008,179	436,467
Total government-wide	\$ 23,348,495	\$ 2,399,889	\$ 9,105,369	\$ 16,643,015	\$ 1,353,162

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

F. Conduit Debt Obligations

The City has issued private activity bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds constitute special obligations of the City, payable solely from revenues of the projects pledged to the payment thereof. The bonds do not constitute a debt of the City and the City has no obligation for repayment. Accordingly, the bonds are not reported as liabilities in the City’s financial statements. Bonds outstanding at December 31, 2023 are as follows:

Bond	Description	Amount Outstanding
Health Care Facility Revenue Note, Series 2019	Apple Tree Dental	\$ 2,462,366
Multifamily Housing Revenue Note, Series 2022A	Villas of Mounds View	14,500,000
Multifamily Housing Revenue Note, Series 2023A	Sherman Forbes Project	9,270,000
Multifamily Housing Revenue Note, Series 2023B	Sherman Forbes Project	5,980,000
Educational Facilities Revenue Note, Series 2023A	High School for Recording Arts Project	3,650,000
Educational Facilities Revenue Note, Series 2023B	High School for Recording Arts Project	2,270,000
Total		<u>\$ 38,132,366</u>

NOTE 7 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

The government-wide Statement of Net Position at December 31, 2023 includes the City’s net investment in capital assets, calculated as follows:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets			
Capital assets			
Not depreciated	\$ 5,337,756	\$ 8,551,390	\$ 13,889,146
Depreciated, net of accumulated depreciation	34,614,658	5,090,840	39,705,498
Less capital-related long-term debt outstanding	(4,965,075)	(5,145,000)	(10,110,075)
Less unamortized original issue premium	–	(217,222)	(217,222)
Less capital-related accounts/contracts payable	(179,851)	(662,445)	(842,296)
Total net investment in capital assets	<u>\$ 34,807,488</u>	<u>\$ 7,617,563</u>	<u>\$ 42,425,051</u>

NOTE 7 – NET POSITION/FUND BALANCES (CONTINUED)

B. Governmental Fund Balance Classifications

At December 31, 2023, a summary of the City’s governmental fund balance classifications are as follows:

	Special Revenue				Capital Projects				Total
	General	EDA	Community Center	Tax Increment Financing District No. 5	Vehicle and Equipment	Special Projects	Street Improvements	Nonmajor	
Restricted									
Economic development	\$ -	\$ 1,429,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,429,697
Tax increment	-	-	-	45,226	-	-	-	601	45,827
Communications	-	-	-	-	-	-	-	226,082	226,082
Public safety	-	-	-	-	-	-	-	30,164	30,164
Parks and recreation	-	-	-	-	-	-	-	76,189	76,189
Conservation	-	-	-	-	-	-	-	32,306	32,306
Debt service	-	-	-	-	-	-	-	413,745	413,745
Total restricted	-	1,429,697	-	45,226	-	-	-	779,087	2,254,010
Assigned									
Levy reduction	2,047,160	-	-	-	-	-	-	-	2,047,160
Balance subsequent budget	976,000	-	-	-	-	-	-	-	976,000
Community center operations	-	-	318,133	-	-	-	-	-	318,133
Other capital projects	-	-	-	-	2,557,036	2,691,259	-	-	5,248,295
Street reconstruction	-	-	-	-	-	-	1,286,625	-	1,286,625
Total assigned	3,023,160	-	318,133	-	2,557,036	2,691,259	1,286,625	-	9,876,213
Unassigned	5,528,190	-	-	-	-	-	-	-	5,528,190
Total	\$ 8,551,350	\$ 1,429,697	\$ 318,133	\$ 45,226	\$ 2,557,036	\$ 2,691,259	\$ 1,286,625	\$ 779,087	\$ 17,658,413

C. Minimum Fund Balance Policy

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes a minimum unassigned General Fund balance of between 35.0 percent and 50.0 percent of the subsequent year’s budgeted revenues and transfers or a minimum five months of expenditures and transfers. At December 31, 2023, the unassigned fund balance of the General Fund was 60.7 percent of the subsequent year’s budgeted revenues and transfers, compared to 62.5 percent for the prior year.

NOTE 8 – INTERFUND TRANSACTIONS

Transfers are made in accordance with the budget or as approved by the City Council. Transfers are used to move restricted and unrestricted revenues from various funds to finance various programs that the government must account for in other funds in accordance with budgetary and statutory authorizations. Transfers to the Community Center Special Revenue Fund support operation of city recreation programs; transfers to the EDA Special Revenue Fund support economic development and business outreach; transfers to and from the Vehicle and Equipment Special Revenue Fund support equipment purchases; and transfers to the General Fund offset indirect costs. The General Fund also made transfers to finance current and future capital projects. The following is a summary of current year transfers:

<u>Fund Making Transfer</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	EDA Special Revenue Fund	\$ 61,000
	Community Center Special Revenue Fund	350,000
	Vehicle and Equipment Capital Projects Fund	300,000
	Special Projects Capital Projects Fund	1,030,620
	Street Improvement Capital Projects Fund	<u>1,500,000</u>
		3,241,620
TIF District No. 5 Special Revenue Fund	EDA Special Revenue Fund	83,197
Vehicle and Equipment Capital Projects Fund	Water Fund	82,500
	Storm Water Fund	<u>37,500</u>
		120,000
Water Fund	General Fund	90,542
	Vehicle and Equipment Capital Projects Fund	<u>80,000</u>
		170,542
Sewer Fund	General Fund	90,542
	Vehicle and Equipment Capital Projects Fund	<u>52,000</u>
		142,542
Storm Water Fund	General Fund	9,351
	Vehicle and Equipment Capital Projects Fund	<u>33,000</u>
		42,351
Street Light Fund	General Fund	<u>3,213</u>
Total		<u><u>\$ 3,803,465</u></u>

To the extent possible, interfund transactions are eliminated in the government-wide financial statements.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

The City participates in the following cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) of Minnesota. The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. The PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the IRC.

1. General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the GERF. The GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

The Public Employees Police and Fire Fund (PEPFF), originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to the PERA.

B. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. GERF Benefits

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 the PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2 percent for each of the first 10 years of service, and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010 but before July 1, 2014, vest on a prorated basis from 50.0 percent after five years, up to 100.0 percent after 10 years of credited service. Benefits for the PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50.0 percent after 10 years, up to 100.0 percent after 20 years of credited service. The annuity accrual rate is 3.0 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is fixed at 1.0 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months, but less than 36 months as of the June 30 before the effective date of the increase, will receive a reduced prorated increase.

In 2023, the Legislature allocated funding for a one-time lump-sum payment to the General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is noncompounding towards future benefits.

C. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

1. GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023, and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2023, were \$205,124. The City's contributions were equal to the required contributions as set by state statutes.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023, and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2023, were \$369,861. The City's contributions were equal to the required contributions as set by state statutes.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs

1. GERF Pension Costs

At December 31, 2023, the City reported a liability of \$1,867,690 for its proportionate share of the GERF’s net pension liability. The City’s net pension liability reflected a reduction, due to the state of Minnesota’s contribution of \$16.0 million. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The state of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$51,455. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA’s participating employers. The City’s proportionate share was 0.0334 percent at the end of the measurement period and 0.0348 percent for the beginning of the period.

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the City were as follows:

City’s proportionate share of the net pension liability	\$ 1,867,690
State’s proportionate share of the net pension liability associated with the City	<u>51,455</u>
Total	<u><u>\$ 1,919,145</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$333,809 for its proportionate share of the GERF’s pension expense. In addition, the City recognized an additional \$231 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$16.0 million to the GERF.

At December 31, 2023, the City reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 61,953	\$ 11,826
Changes in actuarial assumptions	279,385	511,918
Net collective difference between projected and actual investment earnings	6,742	–
Changes in proportion	129,512	83,160
Contributions paid to the PERA subsequent to the measurement date	<u>104,588</u>	<u>–</u>
Total	<u><u>\$ 582,180</u></u>	<u><u>\$ 606,904</u></u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

A total of \$104,588 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 111,341
2025	\$ (226,044)
2026	\$ 25,914
2027	\$ (40,523)

2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$2,773,354 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA’s participating employers. The City’s proportionate share was 0.1606 percent at the end of the measurement period and 0.1846 percent for the beginning of the period.

The state of Minnesota contributed \$18.0 million to the PEPFF in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9.0 million in direct state aid that meets the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9.0 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9.0 million in supplemental state aid will continue until the fund is 90.0 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0 percent funded, whichever occurs later. The state of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$111,733.

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the City were as follows:

City’s proportionate share of the net pension liability	\$ 2,773,354
State’s proportionate share of the net pension liability associated with the City	<u>111,733</u>
Total	<u><u>\$ 2,885,087</u></u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The state of Minnesota is included as a nonemployer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9.0 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the state of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$840,366 for its proportionate share of the Police and Fire Plan’s pension expense. The City recognized \$6,730 as a reduction of grant revenue and pension expense for its proportionate share of the state of Minnesota’s pension expense for the contribution of \$9.0 million to the PEPFF.

The state of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9.0 million in supplemental state aid. The City recognized \$14,454 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota’s on-behalf contributions to the PEPFF.

At December 31, 2023, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 803,940	\$ –
Changes in actuarial assumptions	3,620,906	3,900,488
Net collective difference between projected and actual investment earnings	–	22,321
Changes in proportion	113,002	882,401
Contributions paid to the PERA subsequent to the measurement date	<u>184,784</u>	<u>–</u>
Total	<u>\$ 4,722,632</u>	<u>\$ 4,805,210</u>

A total of \$184,784 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
<u> </u>	<u> </u>
2024	\$ 133,374
2025	\$ 9,518
2026	\$ 709,547
2027	\$ (257,652)
2028	\$ (862,149)

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Long-Term Expected Return on Investments

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30 %
Fixed income	25.00	0.75 %
Private markets	<u>25.00</u>	5.90 %
Total	<u>100.00 %</u>	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.00 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 1.00 percent for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.00 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit the PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020, adopted by the Board, and became effective with the July 1, 2021 actuarial valuation.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The following changes in actuarial assumptions and plan provisions occurred in 2023:

1. GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

CHANGES IN PLAN PROVISIONS

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2. PEPFF

CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

CHANGES IN PLAN PROVISIONS

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.00 percent vesting after five years, increasing incrementally to 100.00 percent after 10 years.
- A one-time, noncompounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

The following table presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed on the preceding page, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
The City’s proportionate share of the GERF net pension liability	\$ 3,304,095	\$ 1,867,690	\$ 686,194
The City’s proportionate share of the PEPFF net pension liability	\$ 5,502,663	\$ 2,773,354	\$ 529,495

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

NOTE 10 – DEFINED CONTRIBUTION PLAN

Councilmembers of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the PERA. The PEDCP is a tax qualified plan under Section 401(a) of the IRC, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5.00 percent of their salary, which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, the PERA receives 2.00 percent of employer contributions and 25 hundredths of 1.00 percent (0.25 percent) of the assets in each member’s account annually.

Total contributions made by the City during fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
Employee	Employer	Employee	Employer	
\$ 697	\$ 697	5.00%	5.00%	5.00%

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The City provides post-employment benefits to certain eligible employees through the City’s OPEB Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

All retirees of the City upon retirement have the option under state law to continue their medical insurance coverage through the City from the time retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for the medical and dental insurance. Per state statutes, the City is also required to contribute toward the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an ‘implicit rate subsidy.’ This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City’s younger and statistically healthier active employees.

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$97,148.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	4
Active plan members	<u>53</u>
Total members	<u><u>57</u></u>

E. Total OPEB Liability of the City

The City’s total OPEB liability of \$928,489 as of year-end was measured as of January 1, 2023 and was determined by an actuarial valuation as of January 1, 2022.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.00%
20-year municipal bond yield	4.00%
Inflation rate	2.50%
Healthcare cost trend rate	6.25%, grading to 5.00% over 5 year and then to 4.00% over the next 48 years

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota city employees. The state pension plans base their assumptions on periodic experience studies. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 4.00 percent, which was set by considering published rate information for 20-year high-quality, tax-exempt, general obligation municipal bonds as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability – beginning balance	\$ 744,500
Service cost	43,933
Interest	15,138
Difference between expected and actual experience	323,476
Changes in assumptions	(135,166)
Benefit payments	<u>(63,392)</u>
Total net changes	<u>183,989</u>
Total OPEB liability – ending balance	<u>\$ 928,489</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 2.00 percent 4.00 percent.
- The inflation rate was changed from 2.00 percent to 2.50 percent.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

H. Total OPEB Liability Sensitivity to Discount and Healthcare Cost Trend Rate Changes

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	3.00%	4.00%	5.00%
Total OPEB liability	\$ 993,483	\$ 928,489	\$ 868,535

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB healthcare cost trend rate	5.25% grading to 4.00% over 5 years, then to 3.00% over the next 48 years	6.25% grading to 5.00% over 5 years, then to 4.00% over the next 48 years	7.25% grading to 6.00% over 5 years, then to 5.00% over the next 48 years
Total OPEB liability	\$ 843,286	\$ 928,489	\$ 1,028,013

I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$79,994. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 287,534	\$ –
Changes in actuarial assumptions	–	120,147
Contributions paid subsequent to the measurement date	97,148	–
Total	<u>\$ 384,682</u>	<u>\$ 120,147</u>

A total of \$97,148 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 20,923
2025	\$ 20,923
2026	\$ 20,923
2027	\$ 20,923
2028	\$ 20,923
Thereafter	\$ 62,772

NOTE 12 – FLEXIBLE BENEFITS PLAN

The City has a flexible benefit plan that is classified as a “cafeteria plan” (the Plan) under § 125 of the IRC. All full-time employees of the City are eligible. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for health and dental insurance, medical expenses, and dependent care benefits. Payments are made from the plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the Plan year, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At December 31, the City is contingently liable for claims against the total amount of participant’s annual contributions to the plan, whether or not such contributions have been made.

An independent contractor serves as trustee and handles all plan record keeping. Employee contributions are included as personal services expenditures in the funds the employee is charged to.

All property of the Plan and income attributable to that property is solely the property of the City subject to the claims of the City’s general creditors. Participants’ rights under the Plan are equal to those of general creditors of the City in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 13 – TAX ABATEMENT AGREEMENTS

The City, in order to spur economic development and redevelopment will enter into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings or clean-up and redevelop blighted areas. These agreements may in substance be a tax abatement but will depend on their individual circumstances. The City currently has two agreements that would be considered a tax abatement under GASB Statement No. 77.

In 2018, the City entered into a development agreement with Boulevard Apartments, Limited Partnership to construct a 60-unit workforce rental building. This site was previously two parcels of tax forfeited land and two residential parcels. The City will abate \$546,000 of the incremental taxes received through the execution of a tax increment revenue note to be retired over 25 years or sooner.

In 2005, the City entered into a development agreement with Medtronic, Inc. to purchase land held by the City and construct a corporate campus on the site. The site was previously a golf course owned by the City. The City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. The City will abate 95 percent of the incremental taxes received through execution of a tax increment revenue note to be retired over the life of the district with district statutory decertification to occur in 2033 or sooner if the revenue note is retired.

The City is authorized to create a tax increment financing plan under Minnesota Statute 469.175. The criteria that must be met under the statute are that, in the opinion of the municipality:

- The proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district.

NOTE 13 – TAX ABATEMENT AGREEMENTS (CONTINUED)

- The tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.
- The tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

The developer (Boulevard Apartments, LP) agreed to a number of restrictive covenants related to income limitations for residents of the rental building and is required to submit a report on compliance annually by January 31. The developer is in compliance. The City rebated \$90,765 to retire the revenue note in 2023. The outstanding balance on the note at year-end was approximately \$434,000.

The developer (Medtronic, Inc.) agreed to the material requirements to construct a minimum of 1.2 million square feet of office and laboratory space and employ a minimum of 1,500 employees at an average of \$34 per hour within two years of completion of the corporate campus and cause the continuous operation of the facility for five years after issuance of a certificate of occupancy. The developer has complied with all the requirements. The City rebated \$2,498,348 to retire the revenue note in 2023. The outstanding balance on the note at year-end was approximately \$16,214,000.

The amount outstanding on these abatement notes are not included in long-term debt because the nature of the note in that repayment is required only if sufficient tax increments are received. The City's position is that these are obligations to assign future and uncertain revenue sources and, as such, is not actual debt in substance.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

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

B. Legal Claims

The City has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes that the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

C. Tax Increment Districts

The City's tax increment districts are subject to review by the Minnesota Office of the State Auditor. Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOUNDS VIEW

PERA – General Employees Retirement Fund
 Schedule of City’s and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended December 31, 2023

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0325%	\$ 1,684,318	\$ –	\$ 1,684,318	\$ 1,910,660	88.15%	78.20%
12/31/2016	06/30/2016	0.0320%	\$ 2,598,241	\$ 33,915	\$ 2,632,156	\$ 1,985,281	130.88%	68.90%
12/31/2017	06/30/2017	0.0302%	\$ 1,927,948	\$ 24,234	\$ 1,952,182	\$ 1,944,862	99.13%	75.90%
12/31/2018	06/30/2018	0.0267%	\$ 1,481,207	\$ 48,629	\$ 1,529,836	\$ 1,794,854	82.53%	79.50%
12/31/2019	06/30/2019	0.0289%	\$ 1,597,817	\$ 49,665	\$ 1,647,482	\$ 2,045,469	78.11%	80.20%
12/31/2020	06/30/2020	0.0279%	\$ 1,672,732	\$ 51,652	\$ 1,724,384	\$ 1,989,399	84.08%	79.10%
12/31/2021	06/30/2021	0.0307%	\$ 1,311,028	\$ 40,115	\$ 1,351,143	\$ 2,208,105	59.37%	87.00%
12/31/2022	06/30/2022	0.0348%	\$ 2,756,171	\$ 80,757	\$ 2,836,928	\$ 2,605,367	105.79%	76.70%
12/31/2023	06/30/2023	0.0334%	\$ 1,867,690	\$ 51,455	\$ 1,919,145	\$ 2,653,639	70.38%	83.10%

PERA – General Employees Retirement Fund
 Schedule of City Contributions
 Year Ended December 31, 2023

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 145,092	\$ 145,092	\$ –	\$ 1,934,560	7.50%
12/31/2016	\$ 147,699	\$ 147,699	\$ –	\$ 1,969,324	7.50%
12/31/2017	\$ 139,833	\$ 139,833	\$ –	\$ 1,864,442	7.50%
12/31/2018	\$ 142,769	\$ 142,769	\$ –	\$ 1,903,591	7.50%
12/31/2019	\$ 152,838	\$ 152,838	\$ –	\$ 2,037,843	7.50%
12/31/2020	\$ 160,346	\$ 160,346	\$ –	\$ 2,137,943	7.50%
12/31/2021	\$ 179,261	\$ 179,261	\$ –	\$ 2,390,141	7.50%
12/31/2022	\$ 194,901	\$ 194,901	\$ –	\$ 2,598,681	7.50%
12/31/2023	\$ 205,124	\$ 205,124	\$ –	\$ 2,734,980	7.50%

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

CITY OF MOUNDS VIEW

PERA – Public Employees Police and Fire Fund
 Schedule of City’s and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended December 31, 2023

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.1570%	\$ 1,783,887	\$ –	\$ 1,783,887	\$ 1,440,337	123.85%	86.60%
12/31/2016	06/30/2016	0.1590%	\$ 6,380,947	\$ –	\$ 6,380,947	\$ 1,533,300	416.16%	63.90%
12/31/2017	06/30/2017	0.1510%	\$ 2,038,680	\$ –	\$ 2,038,680	\$ 1,545,377	131.92%	85.40%
12/31/2018	06/30/2018	0.1565%	\$ 1,668,130	\$ –	\$ 1,668,130	\$ 1,694,461	98.45%	88.80%
12/31/2019	06/30/2019	0.1727%	\$ 1,838,567	\$ –	\$ 1,838,567	\$ 1,819,880	101.03%	89.30%
12/31/2020	06/30/2020	0.1693%	\$ 2,231,556	\$ 52,575	\$ 2,284,131	\$ 1,911,207	116.76%	87.20%
12/31/2021	06/30/2021	0.1731%	\$ 1,336,148	\$ 60,075	\$ 1,396,223	\$ 2,046,371	65.29%	93.70%
12/31/2022	06/30/2022	0.1846%	\$ 8,033,063	\$ 350,994	\$ 8,384,057	\$ 2,226,856	360.74%	70.50%
12/31/2023	06/30/2023	0.1606%	\$ 2,773,354	\$ 111,733	\$ 2,885,087	\$ 2,125,096	130.50%	86.50%

PERA – Public Employees Police and Fire Fund
 Schedule of City Contributions
 Year Ended December 31, 2023

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 244,551	\$ 244,551	\$ –	\$ 1,509,576	16.20%
12/31/2016	\$ 246,897	\$ 246,897	\$ –	\$ 1,524,057	16.20%
12/31/2017	\$ 258,079	\$ 258,079	\$ –	\$ 1,593,084	16.20%
12/31/2018	\$ 279,204	\$ 279,204	\$ –	\$ 1,723,481	16.20%
12/31/2019	\$ 322,054	\$ 322,054	\$ –	\$ 1,900,022	16.95%
12/31/2020	\$ 358,581	\$ 358,581	\$ –	\$ 2,025,880	17.70%
12/31/2021	\$ 375,790	\$ 375,790	\$ –	\$ 2,123,108	17.70%
12/31/2022	\$ 381,542	\$ 381,542	\$ –	\$ 2,155,605	17.70%
12/31/2023	\$ 369,861	\$ 369,861	\$ –	\$ 2,089,607	17.70%

Note: The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

CITY OF MOUNDS VIEW

Other Post-Employment Benefits Plan
 Schedule of Changes in the City's Total
 OPEB Liability and Related Ratios
 Year Ended December 31, 2023

	Fiscal Year December 31,	
	2022	2023
City fiscal year-end date	2021	2022
Measurement date	2021	2022
Total OPEB liability		
Prior year service cost and other adjustments	\$ 719,556	\$ –
Service cost	60,796	43,933
Interest	15,099	15,138
Differences between expected and actual experience	–	323,476
Changes in assumptions	–	(135,166)
Benefit payments	(50,951)	(63,392)
Net change in total OPEB liability	744,500	183,989
Total OPEB liability – beginning balance	–	744,500
Total OPEB liability – ending balance	<u>\$ 744,500</u>	<u>\$ 928,489</u>
Covered-employee payroll	<u>\$ 4,538,061</u>	<u>\$ 4,565,968</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>16.41%</u>	<u>20.33%</u>

Note 1: The City has not established a trust fund to finance GASB Statement No. 75-related benefits.

Note 2: The City's obligation for other post-employment benefits was immaterial prior to 2022, with their ability to utilize age adjusted premiums. The City was required to utilize community rated blended premiums in fiscal 2022, requiring the implementation of GASB Statement No. 75. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

CITY OF MOUNDS VIEW

Notes to Required Supplementary Information
December 31, 2023

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

2023 CHANGES IN PLAN PROVISIONS

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, noncompounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

CITY OF MOUNDS VIEW

Notes to Required Supplementary Information (continued)
December 31, 2023

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN PLAN PROVISIONS

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF MOUNDS VIEW

Notes to Required Supplementary Information (continued)
December 31, 2023

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 CHANGES IN PLAN PROVISIONS

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

CITY OF MOUNDS VIEW

Notes to Required Supplementary Information (continued)
December 31, 2023

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

2023 CHANGES IN PLAN PROVISIONS

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.00 percent vesting after five years, increasing incrementally to 100.00 percent after 10 years.
- A one-time, noncompounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- This single discount rate changed from 6.50 percent to 5.40 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 Public Safety Mortality Table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality Table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality Table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25–44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60.00 percent to 70.00 percent. Minor changes to form of payment assumptions were applied.

CITY OF MOUNDS VIEW

Notes to Required Supplementary Information (continued)
December 31, 2023

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 CHANGES IN PLAN PROVISIONS

- Post-retirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.00 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF MOUNDS VIEW

Notes to Required Supplementary Information (continued)
December 31, 2023

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30.00 percent for vested and nonvested deferred members. The CSA has been changed to 33.00 percent for vested members, and 2.00 percent for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational Table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years, to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037, and 2.50 percent per year thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2037, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- The post-retirement benefit increase to be paid after attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

CITY OF MOUNDS VIEW

Notes to Required Supplementary Information (continued)
December 31, 2023

OTHER POST-EMPLOYMENT BENEFITS PLAN

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.00 percent to 4.00 percent.
- The inflation rate was changed from 2.00 percent to 2.50 percent.

2022 CHANGES

- The City's obligation for other post-employment benefits was immaterial prior to 2022, with their ability to utilize age adjusted premiums. The City was required to utilize community rated blended premiums in fiscal 2022, requiring the implementation of GASB Statement No. 75.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

The statements that follow are to provide further detail and support additional analysis for the City's nonmajor special revenue, debt service, and capital projects funds.

SPECIAL REVENUE FUNDS

Nonmajor special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes. Nonmajor special revenue funds presently established are as follows:

Cable Television Fund – This fund accounts for franchise taxes for services provided over the cable system and is restricted by the franchise agreement to the operation of the North Suburban Cable Commission and to local public service broadcasting.

Police Forfeiture Fund – This fund accounts for usage of funds acquired under federal and state Forfeiture/Equitable Sharing Program.

Lakeside Park Fund – This fund accounts for the operation of a park under a cooperative agreement with the City of Spring Lake Park.

Recycling Grant Fund – This fund accounts for a grant from Ramsey County to operate a recycling program within the City.

Tax Increment Financing District No. 6 – This fund accounts for tax increments collected from a housing project within the district that are used to retire the developer note.

DEBT SERVICE FUND

The nonmajor debt service fund accounts for the accumulation of resources and payment of bond principal and interest and related costs on long-term debt.

G.O. Capital Improvement Plan Bonds of 2017A – This fund accounts for the debt service activity related to bonds issued to construct the public works maintenance facility.

CAPITAL PROJECTS FUND

The nonmajor capital projects fund is used to account for the acquisition and construction of major capital facilities and capital equipment other than those financed by proprietary funds.

Park Dedication Fund – This fund accounts for park land dedication funds paid when a major subdivision is initiated and will be used for future park improvements.

CITY OF MOUNDS VIEW

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2023

	Special Revenue	Debt Service – G.O. Capital Improvement Plan Bonds of 2017A	Capital Projects – Park Dedication	Total
Assets				
Cash and investments	\$ 283,171	\$ 406,549	\$ 53,827	\$ 743,547
Receivables				
Accounts	24,366	–	–	24,366
Intergovernmental	32,461	7,196	–	39,657
Delinquent taxes	–	1,009	–	1,009
Total assets	<u>\$ 339,998</u>	<u>\$ 414,754</u>	<u>\$ 53,827</u>	<u>\$ 808,579</u>
Liabilities				
Accounts and contracts payable	\$ 27,743	\$ –	\$ –	\$ 27,743
Accrued wages and benefits	717	–	–	717
Due to other governments	23	–	–	23
Total liabilities	<u>28,483</u>	<u>–</u>	<u>–</u>	<u>28,483</u>
Deferred inflows of resources				
Unavailable revenue – taxes	–	1,009	–	1,009
Fund balances				
Restricted	<u>311,515</u>	<u>413,745</u>	<u>53,827</u>	<u>779,087</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 339,998</u>	<u>\$ 414,754</u>	<u>\$ 53,827</u>	<u>\$ 808,579</u>

CITY OF MOUNDS VIEW

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2023

	Special Revenue	Debt Service – G.O. Capital Improvement Plan Bonds of 2017A	Capital Projects – Park Dedication	Total
Revenue				
Taxes				
Property	\$ –	\$ 410,214	\$ –	\$ 410,214
Tax increment	58,070	–	–	58,070
Franchise	102,229	–	–	102,229
Intergovernmental	57,461	–	–	57,461
Charges for services	1,271	–	–	1,271
Fines and forfeits	6,361	–	–	6,361
Investment earnings	1,345	7,463	14,749	23,557
Miscellaneous	–	–	7,000	7,000
Total revenue	<u>226,737</u>	<u>417,677</u>	<u>21,749</u>	<u>666,163</u>
Expenditures				
Current				
Public safety	10,208	–	–	10,208
Sanitation	36,244	–	–	36,244
Culture and recreation	106,149	–	–	106,149
Economic development	92,572	–	–	92,572
Capital outlay				
Public safety	3,365	–	–	3,365
Culture and recreation	–	–	280,123	280,123
Debt service				
Principal	–	255,000	–	255,000
Interest and fiscal charges	–	140,103	–	140,103
Total expenditures	<u>248,538</u>	<u>395,103</u>	<u>280,123</u>	<u>923,764</u>
Net change in fund balances	(21,801)	22,574	(258,374)	(257,601)
Fund balances				
Beginning of year	<u>333,316</u>	<u>391,171</u>	<u>312,201</u>	<u>1,036,688</u>
End of year	<u>\$ 311,515</u>	<u>\$ 413,745</u>	<u>\$ 53,827</u>	<u>\$ 779,087</u>

CITY OF MOUNDS VIEW

Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2023

	<u>Cable Television</u>	<u>Police Forfeiture</u>	<u>Lakeside Park</u>
Assets			
Cash and investments	\$ 203,005	\$ 30,914	\$ 22,500
Receivables			
Accounts	24,366	-	-
Intergovernmental	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 227,371</u>	<u>\$ 30,914</u>	<u>\$ 22,500</u>
Liabilities			
Accounts and contracts payable	\$ 746	\$ 750	\$ 115
Accrued wages and benefits	543	-	-
Due to other governments	-	-	23
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,289	750	138
Fund balances			
Restricted	<u>226,082</u>	<u>30,164</u>	<u>22,362</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 227,371</u>	<u>\$ 30,914</u>	<u>\$ 22,500</u>

<u>Recycling Grant</u>	<u>Tax Increment Financing District No. 6</u>	<u>Total</u>
\$ 19	\$ 26,733	\$ 283,171
-	-	24,366
<u>32,461</u>	<u>-</u>	<u>32,461</u>
<u>\$ 32,480</u>	<u>\$ 26,733</u>	<u>\$ 339,998</u>
\$ -	\$ 26,132	\$ 27,743
174	-	717
<u>-</u>	<u>-</u>	<u>23</u>
174	26,132	28,483
<u>32,306</u>	<u>601</u>	<u>311,515</u>
<u>\$ 32,480</u>	<u>\$ 26,733</u>	<u>\$ 339,998</u>

CITY OF MOUNDS VIEW

Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Year Ended December 31, 2023

	<u>Cable Television</u>	<u>Police Forfeiture</u>	<u>Lakeside Park</u>
Revenues			
Taxes			
Tax increment	\$ —	\$ —	\$ —
Franchise	102,229	—	—
Intergovernmental	—	—	25,000
Charges for services	—	—	1,271
Fines and forfeits	—	6,361	—
Investment earnings	—	—	1,023
Total revenues	<u>102,229</u>	<u>6,361</u>	<u>27,294</u>
Expenditures			
Current			
Public safety	—	10,208	—
Sanitation	—	—	—
Culture and recreation	80,809	—	25,340
Economic development	—	—	—
Capital outlay			
Public safety	—	3,365	—
Total expenditures	<u>80,809</u>	<u>13,573</u>	<u>25,340</u>
Net change in fund balances	21,420	(7,212)	1,954
Fund balances			
Beginning of year	<u>204,662</u>	<u>37,376</u>	<u>20,408</u>
End of year	<u>\$ 226,082</u>	<u>\$ 30,164</u>	<u>\$ 22,362</u>

<u>Recycling Grant</u>	<u>Tax Increment Financing District No. 6</u>	<u>Total</u>
\$ —	\$ 58,070	\$ 58,070
—	—	102,229
32,461	—	57,461
—	—	1,271
—	—	6,361
—	322	1,345
<u>32,461</u>	<u>58,392</u>	<u>226,737</u>
—	—	10,208
36,244	—	36,244
—	—	106,149
—	92,572	92,572
—	—	3,365
<u>36,244</u>	<u>92,572</u>	<u>248,538</u>
(3,783)	(34,180)	(21,801)
<u>36,089</u>	<u>34,781</u>	<u>333,316</u>
<u>\$ 32,306</u>	<u>\$ 601</u>	<u>\$ 311,515</u>

CITY OF MOUNDS VIEW

Cable Television Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes				
Franchise	\$ 112,000	\$ 112,000	\$ 102,229	\$ (9,771)
Expenditures				
Current				
Culture and recreation				
Recreation	<u>110,309</u>	<u>113,264</u>	<u>80,809</u>	<u>(32,455)</u>
Net change in fund balances	<u>\$ 1,691</u>	<u>\$ (1,264)</u>	21,420	<u>\$ 22,684</u>
Fund balances				
Beginning of year			<u>204,662</u>	
End of year			<u>\$ 226,082</u>	

CITY OF MOUNDS VIEW

Police Forfeiture Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Fines and forfeits	\$ 2,000	\$ 2,000	\$ 6,361	\$ 4,361
Expenditures				
Current				
Public safety				
Police	10,700	10,700	10,208	(492)
Capital outlay				
Public safety				
Police	–	–	3,365	3,365
Total expenditures	<u>10,700</u>	<u>10,700</u>	<u>13,573</u>	<u>2,873</u>
Net change in fund balances	<u>\$ (8,700)</u>	<u>\$ (8,700)</u>	(7,212)	<u>\$ 1,488</u>
Fund balances				
Beginning of year			<u>37,376</u>	
End of year			<u>\$ 30,164</u>	

CITY OF MOUNDS VIEW

Lakeside Park Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 25,000	\$ –
Charges for services	–	–	1,271	1,271
Investment earnings	25	25	1,023	998
Miscellaneous	500	500	–	(500)
Total revenues	<u>25,525</u>	<u>25,525</u>	<u>27,294</u>	<u>1,769</u>
Expenditures				
Current				
Culture and recreation				
Recreation	<u>25,525</u>	<u>25,525</u>	<u>25,340</u>	<u>(185)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	1,954	<u>\$ 1,954</u>
Fund balances				
Beginning of year			<u>20,408</u>	
End of year			<u>\$ 22,362</u>	

CITY OF MOUNDS VIEW

Recycling Grant Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 32,631	\$ 32,631	\$ 32,461	\$ (170)
Expenditures				
Current				
Sanitation	32,634	33,224	36,244	3,020
Net change in fund balances	\$ (3)	\$ (593)	(3,783)	\$ (3,190)
Fund balances				
Beginning of year			36,089	
End of year			\$ 32,306	

CITY OF MOUNDS VIEW

Tax Increment Financing District No. 6
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes				
Tax increment	\$ 83,935	\$ 83,935	\$ 58,070	\$ (25,865)
Investment earnings	500	500	322	(178)
Total revenues	<u>84,435</u>	<u>84,435</u>	<u>58,392</u>	<u>(26,043)</u>
Expenditures				
Current				
Economic development	<u>76,042</u>	<u>76,042</u>	<u>92,572</u>	<u>16,530</u>
Excess (deficiency) of revenues over expenditures	8,393	8,393	(34,180)	(42,573)
Other financing (uses)				
Transfers out	<u>(8,393)</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ 8,393</u>	<u>(34,180)</u>	<u>\$ (42,573)</u>
Fund balances				
Beginning of year			<u>34,781</u>	
End of year			<u>\$ 601</u>	

STATISTICAL SECTION

(UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Mounds View, Minnesota's (the City) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, including property tax revenue.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

Operating Indicators

These schedules contain service and infrastructure data to help the reader understand how the information in the City's ACFR relates to the services the City provides, and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the ACFR for the relevant year.

CITY OF MOUNDS VIEW

Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2014	2015	2016	Fiscal Year 2017
Governmental activities				
Net investment in capital assets	\$ 31,091,016	\$ 34,081,047	\$ 37,087,585	\$ 36,784,587
Restricted	4,657,172	3,455,542	2,965,913	3,148,142
Unrestricted	<u>18,199,615</u>	<u>13,792,759</u>	<u>9,943,649</u>	<u>9,248,882</u>
Total governmental activities net position	<u>\$ 53,947,803</u>	<u>\$ 51,329,348</u>	<u>\$ 49,997,147</u>	<u>\$ 49,181,611</u>
Business-type activities				
Net investment in capital assets	\$ 6,619,515	\$ 6,814,281	\$ 6,714,995	\$ 6,702,181
Unrestricted	<u>4,856,016</u>	<u>4,013,515</u>	<u>4,075,782</u>	<u>4,455,356</u>
Total business-type activities net position	<u>\$ 11,475,531</u>	<u>\$ 10,827,796</u>	<u>\$ 10,790,777</u>	<u>\$ 11,157,537</u>
Primary government				
Net investment in capital assets	\$ 37,710,531	\$ 40,895,328	\$ 43,802,580	\$ 43,486,768
Restricted	4,657,172	3,455,542	2,965,913	3,148,142
Unrestricted	<u>23,055,631</u>	<u>17,806,274</u>	<u>14,019,431</u>	<u>13,704,238</u>
Total primary government net position	<u>\$ 65,423,334</u>	<u>\$ 62,157,144</u>	<u>\$ 60,787,924</u>	<u>\$ 60,339,148</u>

2018	2019	2020	2021	2022	2023
\$ 36,010,512	\$ 35,524,808	\$ 35,788,785	\$ 34,497,082	\$ 34,806,497	\$ 34,807,488
3,298,426	2,828,405	2,997,756	3,009,328	3,266,043	2,199,073
9,792,777	10,945,057	11,522,688	12,894,570	10,415,538	10,249,996
<u>\$ 49,101,715</u>	<u>\$ 49,298,270</u>	<u>\$ 50,309,229</u>	<u>\$ 50,400,980</u>	<u>\$ 48,488,078</u>	<u>\$ 47,256,557</u>
\$ 6,329,151	\$ 6,595,530	\$ 6,497,482	\$ 6,179,374	\$ 6,630,980	\$ 7,617,563
5,122,447	5,312,231	5,594,896	6,418,574	5,628,694	5,088,544
<u>\$ 11,451,598</u>	<u>\$ 11,907,761</u>	<u>\$ 12,092,378</u>	<u>\$ 12,597,948</u>	<u>\$ 12,259,674</u>	<u>\$ 12,706,107</u>
\$ 42,339,663	\$ 42,120,338	\$ 42,286,267	\$ 40,676,456	\$ 41,437,477	\$ 42,425,051
3,298,426	2,828,405	2,997,756	3,009,328	3,266,043	2,199,073
14,915,224	16,257,288	17,117,584	19,313,144	16,044,232	15,338,540
<u>\$ 60,553,313</u>	<u>\$ 61,206,031</u>	<u>\$ 62,401,607</u>	<u>\$ 62,998,928</u>	<u>\$ 60,747,752</u>	<u>\$ 59,962,664</u>

CITY OF MOUNDS VIEW

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	\$ 1,088,836	\$ 1,157,461	\$ 1,201,039	\$ 1,298,436
Public safety	2,927,551	3,291,339	4,061,286	3,653,742
Streets and highways	1,627,747	1,658,540	1,737,382	2,268,318
Sanitation	26,075	25,294	27,861	20,019
Culture and recreation	1,419,628	1,446,470	1,527,977	1,341,654
Economic development	1,885,105	1,879,233	2,406,007	2,078,756
Interest and fiscal charges	118,888	55,847	36,180	100,802
Total governmental activities	<u>9,093,830</u>	<u>9,514,184</u>	<u>10,997,732</u>	<u>10,761,727</u>
Business-type activities				
Water	1,011,194	1,011,893	1,000,744	968,475
Sewer	1,414,638	1,374,822	1,401,189	1,396,463
Storm water	230,580	200,942	194,152	227,621
Street light	68,768	182,563	82,900	87,804
Total business-type activities	<u>2,725,180</u>	<u>2,770,220</u>	<u>2,678,985</u>	<u>2,680,363</u>
Total primary government expenses	<u>\$ 11,819,010</u>	<u>\$ 12,284,404</u>	<u>\$ 13,676,717</u>	<u>\$ 13,442,090</u>
Program revenues				
Government activities				
Charges for services				
General government	\$ 252,542	\$ 263,412	\$ 294,146	\$ 271,318
Culture and recreation	268,558	294,098	275,782	311,751
Economic development	298,085	212,240	191,801	326,132
Other activities	166,370	104,606	110,365	142,360
Operating grants and contributions	380,705	441,123	456,019	467,486
Capital grants and contributions	559,796	379,090	517,872	372,033
Total governmental activities	<u>1,926,056</u>	<u>1,694,569</u>	<u>1,845,985</u>	<u>1,891,080</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,327,997	\$ 1,416,027	\$ 1,405,608	\$ 1,615,683	\$ 1,828,657	\$ 1,812,740
3,523,790	3,994,122	3,869,349	3,705,080	5,127,145	4,877,859
2,103,663	2,864,440	2,587,457	2,697,412	2,855,646	3,031,820
27,330	24,411	21,538	27,922	77,648	36,470
1,467,715	1,509,833	1,385,545	1,730,537	2,251,294	2,620,963
2,211,174	2,325,182	2,252,409	2,416,894	2,600,676	3,473,791
225,377	212,833	185,731	152,116	157,280	143,240
<u>10,887,046</u>	<u>12,346,848</u>	<u>11,707,637</u>	<u>12,345,644</u>	<u>14,898,346</u>	<u>15,996,883</u>
996,602	1,005,538	1,130,502	1,093,538	1,266,600	1,407,430
1,492,863	1,527,841	1,634,356	1,635,600	1,933,490	1,808,117
233,995	266,924	374,867	288,349	345,701	372,694
87,165	87,693	107,904	95,709	115,962	113,899
<u>2,810,625</u>	<u>2,887,996</u>	<u>3,247,629</u>	<u>3,113,196</u>	<u>3,661,753</u>	<u>3,702,140</u>
<u>\$ 13,697,671</u>	<u>\$ 15,234,844</u>	<u>\$ 14,955,266</u>	<u>\$ 15,458,840</u>	<u>\$ 18,560,099</u>	<u>\$ 19,699,023</u>
\$ 255,379	\$ 1,090,374	\$ 273,840	\$ 302,782	\$ 455,232	\$ 519,367
413,551	511,447	188,582	398,120	878,816	589,941
314,047	376,105	273,070	302,680	444,784	263,075
116,291	118,950	133,174	125,991	164,697	280,950
526,942	606,566	1,644,139	1,284,307	1,318,765	1,261,291
410,015	490,703	497,614	426,376	462,994	459,262
<u>2,036,225</u>	<u>3,194,145</u>	<u>3,010,419</u>	<u>2,840,256</u>	<u>3,725,288</u>	<u>3,373,886</u>

CITY OF MOUNDS VIEW

Changes in Net Position (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Program revenues (continued)				
Business-type activities				
Charges for services				
Water	976,763	959,130	1,063,337	1,112,169
Sanitary sewer	1,356,000	1,400,087	1,471,301	1,599,427
Storm water	278,359	266,092	264,066	286,324
Street light	88,052	91,563	97,759	104,224
Operating grants and contributions	-	-	2,937	203
Capital grants and contributions	-	-	-	-
Total business-type activities	<u>2,699,174</u>	<u>2,716,872</u>	<u>2,899,400</u>	<u>3,102,347</u>
Total primary government program revenues	<u>\$ 4,625,230</u>	<u>\$ 4,411,441</u>	<u>\$ 4,745,385</u>	<u>\$ 4,993,427</u>
Net (expense)/revenue				
Governmental activities	\$ (7,167,774)	\$ (7,819,615)	\$ (9,151,747)	\$ (8,870,647)
Business-type activities	<u>(26,006)</u>	<u>(53,348)</u>	<u>220,415</u>	<u>421,984</u>
Total primary government net expense	<u>\$ (7,193,780)</u>	<u>\$ (7,872,963)</u>	<u>\$ (8,931,332)</u>	<u>\$ (8,448,663)</u>
General revenues and other changes in net position				
Governmental activities				
Taxes				
Property	\$ 4,328,302	\$ 4,398,808	\$ 4,322,667	\$ 4,558,252
Tax increment	1,966,286	1,610,547	1,555,581	1,630,140
Franchise	800,402	744,260	727,229	753,959
Lodging	66,367	69,109	67,408	68,666
General grants and contributions	607,419	665,944	677,284	682,022
Other general revenues	450	-	-	48,001
Investment earnings (charges)	1,025,931	212,392	171,852	208,491
Special item	412,925	-	-	-
Transfers	388,985	195,530	297,525	105,580
Total governmental activities	<u>9,597,067</u>	<u>7,896,590</u>	<u>7,819,546</u>	<u>8,055,111</u>
Business-type activities				
Investment earnings (charges)	228,354	43,772	40,091	50,356
Transfers	<u>(388,985)</u>	<u>(195,530)</u>	<u>(297,525)</u>	<u>(105,580)</u>
Total business-type activities	<u>(160,631)</u>	<u>(151,758)</u>	<u>(257,434)</u>	<u>(55,224)</u>
Total primary government	<u>\$ 9,436,436</u>	<u>\$ 7,744,832</u>	<u>\$ 7,562,112</u>	<u>\$ 7,999,887</u>
Change in net position				
Governmental activities	\$ 2,429,293	\$ 76,975	\$ (1,332,201)	\$ (815,536)
Business-type activities	<u>(186,637)</u>	<u>(205,106)</u>	<u>(37,019)</u>	<u>366,760</u>
Total primary government	<u>\$ 2,242,656</u>	<u>\$ (128,131)</u>	<u>\$ (1,369,220)</u>	<u>\$ (448,776)</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1,255,559	1,203,410	1,365,597	1,459,316	1,454,495	1,459,091
1,678,163	1,738,097	1,866,735	1,918,051	2,006,717	2,021,378
292,431	327,750	343,561	371,233	400,477	437,549
104,322	104,867	104,410	105,072	105,179	107,351
3,292	1,080	1,453	1,020	13,179	66
–	43,059	–	–	–	70,705
<u>3,333,767</u>	<u>3,418,263</u>	<u>3,681,756</u>	<u>3,854,692</u>	<u>3,980,047</u>	<u>4,096,140</u>
<u>\$ 5,369,992</u>	<u>\$ 6,612,408</u>	<u>\$ 6,692,175</u>	<u>\$ 6,694,948</u>	<u>\$ 7,705,335</u>	<u>\$ 7,470,026</u>
\$ (8,850,821)	\$ (9,152,703)	\$ (8,697,218)	\$ (9,505,388)	\$(11,173,058)	\$(12,622,997)
<u>523,142</u>	<u>530,267</u>	<u>434,127</u>	<u>741,496</u>	<u>318,294</u>	<u>394,000</u>
<u>\$ (8,327,679)</u>	<u>\$ (8,622,436)</u>	<u>\$ (8,263,091)</u>	<u>\$ (8,763,892)</u>	<u>\$(10,854,764)</u>	<u>\$(12,228,997)</u>
\$ 4,950,678	\$ 5,423,885	\$ 5,760,429	\$ 5,902,615	\$ 6,027,539	\$ 6,552,285
1,670,422	1,707,400	1,771,496	1,874,708	1,884,269	1,786,129
799,948	735,319	720,241	792,220	960,125	914,172
77,115	71,957	29,264	52,820	60,446	54,241
746,962	750,546	822,693	846,423	852,212	1,104,742
–	–	–	–	–	10,090
228,999	438,096	271,838	(87,180)	(872,443)	731,169
–	–	–	–	–	–
<u>296,801</u>	<u>222,055</u>	<u>332,216</u>	<u>215,533</u>	<u>348,008</u>	<u>238,648</u>
<u>8,770,925</u>	<u>9,349,258</u>	<u>9,708,177</u>	<u>9,597,139</u>	<u>9,260,156</u>	<u>11,391,476</u>
67,720	147,951	82,706	(20,393)	(308,560)	291,081
<u>(296,801)</u>	<u>(222,055)</u>	<u>(332,216)</u>	<u>(215,533)</u>	<u>(348,008)</u>	<u>(238,648)</u>
<u>(229,081)</u>	<u>(74,104)</u>	<u>(249,510)</u>	<u>(235,926)</u>	<u>(656,568)</u>	<u>52,433</u>
<u>\$ 8,541,844</u>	<u>\$ 9,275,154</u>	<u>\$ 9,458,667</u>	<u>\$ 9,361,213</u>	<u>\$ 8,603,588</u>	<u>\$ 11,443,909</u>
\$ (79,896)	\$ 196,555	\$ 1,010,959	\$ 91,751	\$ (1,912,902)	\$ (1,231,521)
<u>294,061</u>	<u>456,163</u>	<u>184,617</u>	<u>505,570</u>	<u>(338,274)</u>	<u>446,433</u>
<u>\$ 214,165</u>	<u>\$ 652,718</u>	<u>\$ 1,195,576</u>	<u>\$ 597,321</u>	<u>\$ (2,251,176)</u>	<u>\$ (785,088)</u>

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CITY OF MOUNDS VIEW

Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Tax</u>	<u>Lodging Tax</u>	<u>Total</u>
2014	\$ 4,328,302	\$ 1,966,286	\$ 800,402	\$ 66,367	\$ 7,161,357
2015	4,398,808	1,610,547	744,260	69,109	6,822,724
2016	4,322,667	1,555,581	727,229	67,408	6,672,885
2017	4,558,252	1,630,140	753,959	68,666	7,011,017
2018	4,950,678	1,670,422	799,948	77,115	7,498,163
2019	5,423,885	1,707,400	735,319	71,957	7,938,561
2020	5,760,429	1,771,496	720,241	29,264	8,281,430
2021	5,902,615	1,874,708	792,220	52,820	8,622,363
2022	6,027,539	1,884,269	960,125	60,446	8,932,379
2023	6,552,285	1,786,129	914,172	54,241	9,306,827

CITY OF MOUNDS VIEW

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Assigned	\$ 6,250,280	\$ 6,166,302	\$ 5,906,709	\$ 5,765,648
Unassigned	<u>3,334,542</u>	<u>3,448,111</u>	<u>3,538,754</u>	<u>3,710,891</u>
Total General Fund	<u>\$ 9,584,822</u>	<u>\$ 9,614,413</u>	<u>\$ 9,445,463</u>	<u>\$ 9,476,539</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,987,847	1,782,701	2,965,913	3,147,858
Assigned	<u>9,868,708</u>	<u>8,100,748</u>	<u>5,241,230</u>	<u>5,030,794</u>
Total all other governmental funds	<u>\$ 12,856,555</u>	<u>\$ 9,883,449</u>	<u>\$ 8,207,143</u>	<u>\$ 8,178,652</u>
All governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,987,847	1,782,701	2,965,913	3,147,858
Assigned	16,118,988	14,267,050	11,147,939	10,796,442
Unassigned	<u>3,334,542</u>	<u>3,448,111</u>	<u>3,538,754</u>	<u>3,710,891</u>
Total all governmental funds	<u>\$ 22,441,377</u>	<u>\$ 19,497,862</u>	<u>\$ 17,652,606</u>	<u>\$ 17,655,191</u>

2018	2019	2020	2021	2022	2023
\$ 5,587,607	\$ 5,463,724	\$ 5,482,115	\$ 5,073,391	\$ 4,879,607	\$ 3,023,160
<u>3,952,927</u>	<u>4,127,062</u>	<u>4,662,432</u>	<u>5,037,325</u>	<u>5,273,021</u>	<u>5,528,190</u>
<u>\$ 9,540,534</u>	<u>\$ 9,590,786</u>	<u>\$ 10,144,547</u>	<u>\$ 10,110,716</u>	<u>\$ 10,152,628</u>	<u>\$ 8,551,350</u>
\$ -	\$ -	\$ -	\$ -	\$ 35,350	\$ -
3,367,273	2,894,413	3,060,558	3,068,738	3,324,470	2,254,010
<u>4,485,904</u>	<u>5,530,723</u>	<u>5,384,138</u>	<u>6,186,486</u>	<u>5,005,010</u>	<u>6,853,053</u>
<u>\$ 7,853,177</u>	<u>\$ 8,425,136</u>	<u>\$ 8,444,696</u>	<u>\$ 9,255,224</u>	<u>\$ 8,364,830</u>	<u>\$ 9,107,063</u>
\$ -	\$ -	\$ -	\$ -	\$ 35,350	\$ -
3,367,273	2,894,413	3,060,558	3,068,738	3,324,470	2,254,010
10,073,511	10,994,447	10,866,253	11,259,877	9,884,617	9,876,213
<u>3,952,927</u>	<u>4,127,062</u>	<u>4,662,432</u>	<u>5,037,325</u>	<u>5,273,021</u>	<u>5,528,190</u>
<u>\$ 17,393,711</u>	<u>\$ 18,015,922</u>	<u>\$ 18,589,243</u>	<u>\$ 19,365,940</u>	<u>\$ 18,517,458</u>	<u>\$ 17,658,413</u>

CITY OF MOUNDS VIEW

Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 7,197,519	\$ 6,805,517	\$ 6,676,733	\$ 7,007,896
Special assessments	54,396	67,085	41,923	27,670
Licenses and permits	246,970	204,844	184,499	310,965
Intergovernmental	1,315,314	1,416,279	1,624,550	1,512,865
Charges for services	264,865	281,039	298,003	309,373
Fines and forfeits	69,101	50,179	35,683	43,837
Investment earnings (charges)	1,025,931	212,392	171,852	208,491
Miscellaneous	622,087	346,562	348,177	383,946
Total revenues	<u>10,796,183</u>	<u>9,383,897</u>	<u>9,381,420</u>	<u>9,805,043</u>
Expenditures				
General government	937,782	989,052	1,007,715	1,091,571
Public safety	2,849,814	3,098,543	3,136,469	3,235,510
Streets and highways	694,781	576,629	604,294	873,006
Sanitation	26,033	24,868	27,563	19,196
Culture and recreation	987,599	1,012,160	1,077,863	926,124
Economic development	1,888,217	1,879,212	1,906,076	2,059,441
Capital outlay	3,343,582	5,279,794	4,742,796	7,740,035
Debt service				
Principal	280,636	383,864	180,658	143,296
Interest and fiscal charges	122,504	60,576	43,733	106,489
Total expenditures	<u>11,130,948</u>	<u>13,304,698</u>	<u>12,727,167</u>	<u>16,194,668</u>
Excess (deficiency) of revenues over expenditures	(334,765)	(3,920,801)	(3,345,747)	(6,389,625)
Other financing sources (uses)				
Transfers in	1,809,766	1,008,313	1,202,981	1,006,678
Transfers out	(1,420,781)	(812,783)	(905,456)	(901,098)
Debt issued, net of premium/discount	-	781,756	-	6,286,630
Total other financing sources (uses)	<u>388,985</u>	<u>977,286</u>	<u>297,525</u>	<u>6,392,210</u>
Net change in fund balances	<u>\$ 54,220</u>	<u>\$ (2,943,515)</u>	<u>\$ (3,048,222)</u>	<u>\$ 2,585</u>
Debt service as a percentage of noncapital expenditures	<u>5.2%</u>	<u>5.5%</u>	<u>2.8%</u>	<u>3.0%</u>

2018	2019	2020	2021	2022	2023
\$ 7,495,877	\$ 7,949,935	\$ 8,277,905	\$ 8,618,920	\$ 8,968,242	\$ 9,230,922
22,047	24,176	31,818	22,774	21,379	25,124
312,047	348,201	269,446	294,605	374,631	259,825
1,680,480	1,764,992	2,951,621	2,539,520	2,630,146	2,804,167
363,621	409,801	240,741	382,062	475,670	769,439
52,531	66,410	48,412	54,975	92,250	38,946
228,999	438,096	271,838	(87,180)	(872,443)	731,169
426,697	1,295,483	308,544	386,037	998,559	589,129
<u>10,582,299</u>	<u>12,297,094</u>	<u>12,400,325</u>	<u>12,211,713</u>	<u>12,688,434</u>	<u>14,448,721</u>
1,107,761	1,196,376	1,177,348	1,323,638	1,363,084	1,638,231
3,460,743	3,847,558	3,766,434	3,935,954	4,268,044	4,146,618
709,953	991,106	764,675	804,956	762,035	796,003
27,975	24,396	22,434	28,555	27,023	36,244
1,030,967	1,111,348	1,024,628	1,328,468	1,670,211	1,999,907
2,215,355	2,313,899	2,285,754	2,431,902	2,543,753	3,471,636
2,343,410	1,776,159	2,031,977	1,239,409	2,697,407	2,940,873
150,898	420,450	897,302	402,551	393,025	370,475
268,709	215,646	188,668	155,116	160,342	146,427
<u>11,315,771</u>	<u>11,896,938</u>	<u>12,159,220</u>	<u>11,650,549</u>	<u>13,884,924</u>	<u>15,546,414</u>
(733,472)	400,156	241,105	561,164	(1,196,490)	(1,097,693)
1,146,628	1,097,618	2,495,252	1,962,212	1,248,641	3,683,465
(849,827)	(875,563)	(2,163,036)	(1,746,679)	(900,633)	(3,444,817)
175,191	-	-	-	-	-
<u>471,992</u>	<u>222,055</u>	<u>332,216</u>	<u>215,533</u>	<u>348,008</u>	<u>238,648</u>
<u>\$ (261,480)</u>	<u>\$ 622,211</u>	<u>\$ 573,321</u>	<u>\$ 776,697</u>	<u>\$ (848,482)</u>	<u>\$ (859,045)</u>
<u>4.7%</u>	<u>6.3%</u>	<u>10.7%</u>	<u>5.4%</u>	<u>4.9%</u>	<u>4.0%</u>

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CITY OF MOUNDS VIEW

General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment</u>	<u>Franchise Tax</u>	<u>Lodging Tax</u>	<u>Total</u>
2014	\$ 4,339,441	\$ 1,991,309	\$ 800,402	\$ 66,367	\$ 7,197,519
2015	4,381,601	1,610,547	744,260	69,109	6,805,517
2016	4,326,515	1,555,581	727,229	67,408	6,676,733
2017	4,555,131	1,630,140	753,959	68,666	7,007,896
2018	4,948,392	1,670,422	799,948	77,115	7,495,877
2019	5,435,259	1,707,400	735,319	71,957	7,949,935
2020	5,756,904	1,771,496	720,241	29,264	8,277,905
2021	5,899,172	1,874,708	792,220	52,820	8,618,920
2022	6,063,402	1,884,269	960,125	60,446	8,968,242
2023	6,476,380	1,786,129	914,172	54,241	9,230,922

CITY OF MOUNDS VIEW

Tax Capacity Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Taxable Tax Capacity</u>	<u>Less Tax Increment District</u>	<u>Less Fiscal Disparity Contribution</u>
2014	\$ 10,364,684	\$ 154,507	\$ 10,519,191	\$ 1,603,915	\$ 1,929,931
2015	10,771,141	160,728	10,931,869	1,339,747	1,949,252
2016	11,289,433	165,194	11,454,627	1,314,994	1,903,138
2017	12,052,612	176,236	12,228,848	1,378,021	1,919,854
2018	13,082,013	184,690	13,266,703	1,412,075	2,082,610
2019	14,265,320	174,238	14,439,558	1,443,334	2,225,741
2020	15,391,499	166,302	15,557,801	1,497,257	2,314,370
2021	16,504,562	182,785	16,687,347	1,635,863	2,396,113
2022	17,460,256	107,501	17,567,757	1,621,332	2,587,439
2023	19,318,671	111,455	19,430,126	1,693,289	2,603,875

Source: Ramsey County

<u>Adjusted Tax Capacity (ATC) Value</u>	<u>Total Direct Tax Rate</u>	<u>Market Value Tax Rate</u>	<u>Estimated Market Value (EMV)</u>	<u>ATC as a Percentage of EMV</u>
\$ 6,985,345	44.301 %	0.02096 %	\$ 855,296,300	0.82 %
7,642,870	42.886	0.02103	896,458,200	0.85
8,236,495	40.105	0.02092	935,172,600	0.88
8,930,973	37.531	0.02072	997,316,400	0.90
9,772,018	37.742	0.02765	1,076,048,900	0.91
10,770,483	38.009	0.02659	1,175,600,300	0.92
11,746,174	36.675	0.02621	1,268,966,700	0.93
12,655,371	35.569	0.02454	1,359,372,600	0.93
13,358,986	35.180	0.02707	1,437,369,400	0.93
15,132,962	33.856	0.02440	1,603,051,600	0.94

CITY OF MOUNDS VIEW

Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Year	City				Overlapping (2)
	Basic Rate	General Obligation Debt Service	Total Direct	Market Value Tax Rate (1)	Ramsey County
2014	40.527 %	3.774 %	44.301 %	0.02096 %	63.735 %
2015	42.886	–	42.886	0.02103	58.922
2016	40.105	–	40.105	0.02092	58.885
2017	37.531	–	37.531	0.02072	55.850
2018	33.497	4.245	37.742	0.02765	53.962
2019	33.670	4.339	38.009	0.02659	52.879
2020	32.647	4.028	36.675	0.02621	52.302
2021	31.841	3.728	35.569	0.02454	47.760
2022	31.641	3.538	35.179	0.02707	48.067
2023	30.850	3.006	33.856	0.02440	44.901

- (1) The City’s market value tax rate is applied against a different base and thus is not included in the direct and overlapping rate total.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners; for example, although the county property tax rates apply to all city property owners, other taxing jurisdictions rates apply only to those property owners whose property is located within the jurisdiction boundaries.

Source: Ramsey County

School District No. 621	Other Taxing Jurisdictions	Total
29.734 %	11.764 %	149.534 %
27.378	10.876	140.062
26.245	10.742	135.977
25.305	9.006	127.692
28.464	8.249	128.417
26.330	8.265	125.483
24.964	8.249	122.190
23.863	7.822	115.014
23.420	9.971	116.637
18.367	8.740	105.864

CITY OF MOUNDS VIEW

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value
Medtronic, Inc.	\$ 2,903,424	1	19.19 %	\$ 2,225,058	1	31.85 %
H2 Flats LLC/Levitan LP	513,580	2	3.39	265,981	4	3.81
ICON Owner Pool 3 Midwest/ Southeast LLC	483,638	3	3.20	277,942	3	3.98
GIJV MN 5 LLC	370,000	4	2.44	387,312	2	5.54
Sysco	296,380	5	1.96	183,250	5	2.62
Crossroads Pointe MV LLC	296,125	6	1.96	–	–	–
Landmark Circle LLC	264,673	7	1.75	117,504	8	1.68
SAIA Motor Freight Line LLC	188,732	8	1.25	–	–	–
GKI Industrial Minneapolis LLC	186,244	9	1.23	–	–	–
MultiTech	156,892	10	1.04	115,454	10	1.65
AP Mounds View Limited	–	–	–	145,336	6	2.08
Xcel Energy	–	–	–	126,608	7	1.81
Mounds View Square Associates	–	–	–	117,232	9	1.68
Total	<u>\$ 5,659,688</u>		<u>37.40 %</u>	<u>\$ 3,961,677</u>		<u>56.71 %</u>
Total capacity value	<u>\$15,132,962</u>			<u>\$ 6,985,345</u>		

Source: Ramsey County

CITY OF MOUNDS VIEW

Property Tax Levies and Collections
Last Ten Fiscal Years

Year	Tax Levy	Current Collections		Delinquent Collections and Adjustments	Total Collections and Adjustments	Percent of Levy
		Amount	Percent of Levy			
2014	\$ 4,265,010	\$ 4,225,053	99.06 %	\$ 39,957	\$ 4,265,010	100.00 %
2015	4,350,310	4,320,828	99.32	29,482	4,350,310	100.00
2016	4,393,813	4,336,994	98.71	56,819	4,393,813	100.00
2017	4,528,947	4,502,685	99.42	26,262	4,528,947	100.00
2018	4,973,985	4,933,166	99.18	39,530	4,972,696	99.97
2019	5,427,676	5,367,759	98.90	59,917	5,427,676	100.00
2020	5,678,877	5,652,067	99.53	26,810	5,678,877	100.00
2021	5,866,279	5,840,800	99.57	25,479	5,866,279	100.00
2022	6,178,870	6,112,860	98.93	63,266	6,176,126	99.96
2023	6,479,782	6,448,075	99.51	–	6,448,075	99.51

Note: Collections include abatements, adjustments, and tax credits received through state aid.

Source: Ramsey County

CITY OF MOUNDS VIEW

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	G.O. Fire Equipment Certificates	Tax Increment Bonds	Lease	G.O. Water Revenue Bonds	Lease
2014	\$ 1,073,928	\$ 104,292	\$ -	\$ -	\$ -	\$ -
2015	789,173	50,712	-	736,227	-	87,580
2016	715,601	-	-	679,853	-	80,861
2017	6,630,388	172,427	-	621,770	-	73,938
2018	6,568,762	318,189	-	561,927	-	66,805
2019	6,274,377	253,781	-	500,270	-	59,456
2020	5,951,149	179,977	-	-	6,101,528	-
2021	5,622,400	106,175	-	-	6,083,426	-
2022	5,299,900	35,650	-	-	5,730,324	-
2023	4,965,075	-	-	-	5,362,222	-

(1) Tax capacity amounts exclude tax increment financing capacity and are adjusted for fiscal disparities.

(2) See Demographic and Economic Statistics for population data.

Note: Outstanding debt details for the City can be found in the notes to basic financial statements.

<u>Total Primary Government</u>	<u>Percentage of Tax Capacity (1)</u>	<u>Per Capita (2)</u>
\$ 1,178,220	13.16 %	\$ 95
1,663,692	17.25	132
1,476,315	14.30	116
7,498,523	66.04	583
7,515,683	60.71	580
7,087,884	52.57	541
12,232,654	84.45	927
11,812,001	76.32	896
11,065,874	67.33	845
10,327,297	57.70	788

CITY OF MOUNDS VIEW

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>G.O. Bonds and Certificates</u>	<u>Less Amounts Restricted for Debt Service</u>	<u>Total</u>	<u>Percentage of Tax Capacity (1)</u>	<u>Per Capita (2)</u>
2014	\$ 1,178,220	\$ 232,174	\$ 946,046	10.57 %	\$ 76
2015	839,885	–	839,885	8.71	67
2016	715,601	–	715,601	6.93	56
2017	6,802,815	–	6,802,815	59.91	528
2018	6,886,951	322,522	6,564,429	53.02	507
2019	6,528,158	348,395	6,179,763	45.83	472
2020	12,232,654	373,850	11,858,804	81.87	899
2021	11,812,001	331,500	11,480,501	74.18	871
2022	11,065,874	332,744	10,733,130	65.31	819
2023	10,327,297	358,808	9,968,489	55.69	761

(1) Tax capacity amounts exclude tax increment financing capacity and are adjusted for fiscal disparities.

(2) See Demographic and Economic Statistics for population data.

Note: Outstanding debt details for the City can be found in the notes to basic financial statements.

CITY OF MOUNDS VIEW

Direct and Overlapping Governmental Activities Debt
December 31, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Overlapping debt			
Ramsey County	\$ 124,547,787	2.20 %	\$ 2,737,538
Ramsey County Library	18,110,027	4.34	785,261
Independent School district No. 621	168,431,292	12.23	20,601,835
Metropolitan Council	<u>1,581,725,568</u>	0.30	<u>4,816,422</u>
Total overlapping debt	1,892,814,674		28,941,056
Direct debt			
City of Mounds View (1)	<u>4,965,075</u>	100.00	<u>4,965,075</u>
Total direct and overlapping debt	<u>\$ 1,897,779,749</u>		<u>\$ 33,906,131</u>

(1) Includes only governmental activities debt.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Ramsey County

CITY OF MOUNDS VIEW

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Debt Limit	\$ 25,658,889	\$ 26,893,746	\$ 28,055,178	\$ 29,919,492
Total net debt applicable to limit	<u>946,046</u>	<u>1,663,692</u>	<u>1,476,315</u>	<u>6,802,815</u>
Legal debt margin	<u>\$ 24,712,843</u>	<u>\$ 25,230,054</u>	<u>\$ 26,578,863</u>	<u>\$ 23,116,677</u>
Total net debt applicable to the limit as a percentage of debt limit	3.69%	6.19%	5.26%	22.74%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 3 percent of total market value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. Tax increment bonds are not subject to the debt limit; therefore, they are not included.

2018	2019	2020	2021	2022	2023
\$ 32,281,467	\$ 35,268,009	\$ 38,069,001	\$ 40,781,178	\$ 43,121,082	\$ 48,091,548
6,564,429	6,179,763	5,757,276	5,728,575	5,335,550	4,965,075
<u>\$ 25,717,038</u>	<u>\$ 29,088,246</u>	<u>\$ 32,311,725</u>	<u>\$ 35,052,603</u>	<u>\$ 37,785,532</u>	<u>\$ 43,126,473</u>
20.33%	17.52%	15.12%	14.05%	12.37%	10.32%

Legal Debt Margin Calculation for Fiscal Year 2023

Estimated Market Value	\$1,603,051,600
Debt limit (3% of estimated market value)	48,091,548
Debt applicable to limit:	
City Debt	<u>4,965,075</u>
Legal debt margin	<u>\$ 43,126,473</u>

CITY OF MOUNDS VIEW

Pledged-Revenue Coverage
Last Four Fiscal Years

Fiscal Year	G.O. Water Revenue Bonds (1)					
	Water Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2020	\$ 1,366,246	\$ 831,579	\$ 534,667	\$ -	\$ -	-
2021	1,459,780	821,707	638,073	-	56,526	11.29
2022	1,456,084	1,009,233	446,851	335,000	92,079	1.05
2023	1,459,121	1,159,545	299,576	350,000	85,230	0.69

(1) Operating expenses do not include interest, depreciation, or amortization expenses.

Note 1: During fiscal years 2014–2019, the City did not have any outstanding water revenue bonds.

Note 2: Outstanding debt details for the City can be found in the notes to basic financial statements.

CITY OF MOUNDS VIEW

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Median Age (1)</u>	<u>Population (2)</u>	<u>Per Capita Income (3)</u>	<u>Personal Income (4)</u>	<u>Unemployment Rate (5)</u>
2014	36.5	12,412	\$ 28,928	\$ 359,054,336	4.1 %
2015	36.5	12,584	29,696	373,694,464	3.6
2016	35.4	12,708	29,080	369,548,640	3.6
2014	36.2	12,872	30,495	392,531,640	3.3
2018	36.6	12,959	30,620	396,804,580	2.8
2019	35.5	13,094	30,806	403,373,764	3.0
2020	34.8	13,193	32,642	430,645,906	7.0
2021	34.8	13,187	36,144	476,630,928	4.2
2022	36.4	13,100	39,511	517,594,100	2.6
2023	36.9	13,100	40,696	533,121,923	2.7

Data Sources:

- (1) Median age is from www.city-data.com website.
- (2) Population data is obtained from the Metropolitan Council website. Current fiscal year is estimated by city staff.
- (3) Per capita personal income is obtained from the Metropolitan Council website. Current fiscal year is estimated by city staff.
- (4) Personal income is calculated based on the population and per capita personal income.
- (5) Unemployment rate information is from DEED for Ramsey County.

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CITY OF MOUNDS VIEW

Principal Employers
Current Year and Nine Years Ago

Employer	2023		2014 (1)	
	Employees	Rank	Employees	Rank
Medtronic, Inc.	3,900–4,400	1	4,100	1
Sysco Minnesota	500–550	2	517	2
MultiTech	200–250	3	200	3
Mermaid Supper Club and Banquet Center	100–150	4	65	10
Midwest Medical Services	100–150	4	150	4
Mounds View School District	100–150	4	96	8
Quanex	75–125	7	95	9
BioLife Plasma Service	75–125	7	–	0
Owens & Minor	50–100	9	110	6
Excel Engineering	50–100	9	100	7
Vitran Express	–	–	130	5
Total city employees	<u>6,950</u> (2)		<u>5,952</u>	

(1) Information only readily available for the listed employers.

(2) This is an estimate from 2022. Information for 2023 is not yet available.

Note: This does not purport to be a comprehensive list and is based on available data from the City’s 2020 Official Statement and updates received since then. Some employers do not respond to inquiries for employment data.

Source: City staff research; Metropolitan Council; EDA; MN DEED

CITY OF MOUNDS VIEW

Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2015	2016	2017
General government	6.00	6.00	6.00	6.00
Public safety				
Police				
Officers	19.00	19.00	19.00	19.00
Civilians	3.00	3.00	3.00	3.00
Streets and highways				
Administration/engineering	4.00	4.00	4.00	4.00
Maintenance	3.25	3.25	3.25	3.25
Culture and recreation				
Parks	2.00	2.00	2.00	2.00
Community center	1.00	1.00	1.00	1.00
Cable	1.00	1.00	1.00	1.00
Economic development				
EDA	0.75	0.75	0.75	1.00
Community development	4.00	4.00	4.00	4.00
Water	2.25	2.25	2.25	2.25
Sewer	2.25	2.25	2.25	2.25
Storm water	1.25	1.25	1.25	1.25
Total	49.75	49.75	49.75	50.00

Source: Finance department

2018	2019	2020	2021	2022	2023
6.50	6.50	6.50	6.50	6.50	6.50
21.00	21.00	21.00	21.00	21.00	21.00
2.00	2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00	4.00
3.25	3.25	3.25	3.25	3.25	2.75
2.00	2.00	3.00	3.00	3.00	3.00
1.00	1.00	2.00	4.00	6.50	7.50
1.00	–	–	–	–	–
1.00	1.00	1.00	1.00	1.00	1.00
4.00	4.00	4.00	4.00	4.00	4.00
2.25	2.25	2.25	2.25	2.50	2.50
2.25	2.25	2.25	2.25	2.50	2.50
1.25	1.25	1.25	1.25	1.25	1.25
<u>51.50</u>	<u>50.50</u>	<u>52.50</u>	<u>54.50</u>	<u>57.50</u>	<u>58.00</u>

CITY OF MOUNDS VIEW

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Police				
Physical arrests – adults	407	236	214	251
Calls for service	9,955	11,268	9,979	12,215
Traffic citations	1,280	855	672	808
Accidents	230	127	281	214
Fire				
Number of calls answered	202	205	274	270
Inspections	14	70	93	53
Streets and highways				
Streets reconstructed (miles)	1.80	2.40	2.60	0.70
Pothole material (asphalt tons)	359.0	103.0	95.0	84.0
Economic development				
Permits issued	604	697	662	334
Permit value (thousands \$)	15,698	7,610	6,192	15,321
Water				
Water main breaks	5	3	7	8
Residential service line breaks	24	16	10	15
Average daily consumption (thousands of gallons) (billed)	1,035	1,012	1,021	1,018
Sanitary sewer				
Average daily sewage treatment (thousands of gallons) (MCES)	1,094	1,041	1,006	1,099

Note 1: Indicators are not available for the general government, culture and recreation, storm water and street light functions.

Note 2: The City contracts with Metropolitan Council Environmental Services for sewage treatment.

Note 3: The City contracts with Xcel Energy for street lights.

Source: Various government departments

2018	2019	2020	2021	2022	2023
433	628	269	322	250	234
11,007	12,313	10,324	13,368	11,832	10,429
873	752	487	643	701	610
267	267	146	194	186	186
203	221	206	256	305	360
60	142	131	196	188	97
0.97	0.70	0.50	–	1.33	1.20
56.0	11.0	4.5	18.5	18.0	83.8
679	766	693	751	441	809
18,658	27,468	13,099	10,044	27,923	10,721
9	9	5	8	9	9
19	10	15	15	22	31
1,081	936	1,017	1,058	975	1,294
1,075	1,046	1,133	1,057	978	980

CITY OF MOUNDS VIEW

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Police stations	1	1	1	1
Patrol units	6	6	6	6
Fire stations	1	1	1	1
Streets and highways				
Streets (miles)	43.3	43.3	43.3	43.3
Traffic signals	10	10	10	10
Culture and recreation				
Parks acreage	123	123	123	123
Parks	11	11	11	11
Tennis courts	4	4	4	4
Basketball courts	9	9	9	9
Soccer fields	4	4	4	5
Volleyball courts	3	3	3	3
Disk golf courses	1	1	1	1
Ball fields	6	6	6	6
Community centers	1	1	1	1
Water				
Water mains (miles)	47.2	47.2	47.2	47.2
Fire hydrants	481	481	481	481
Maximum daily capacity (thousands of gallons)	5,600	5,600	5,600	5,600
Sewer				
Sanitary sewers (miles)	44.7	44.7	44.7	44.7
Storm water				
Storm sewers (miles)	33.9	33.9	33.9	33.9
Street light				
Streetlights	275	275	275	275

Note: No capital asset indicators are available for the general government, sanitation, and economic development functions.

Source: Various city departments

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
6	6	6	6	6	6
1	1	1	1	1	1
43.3	43.3	43.3	43.3	43.3	43.3
10	10	10	10	10	10
123	123	123	123	123	123
11	11	11	11	11	11
4	4	4	4	4	2
9	9	9	9	9	9
5	5	5	5	5	4
3	3	3	3	3	4
1	1	1	1	1	1
6	6	6	6	6	7
1	1	1	1	1	1
47.2	47.2	47.2	47.2	47.2	47.2
481	481	481	481	481	481
5,600	5,600	5,600	5,600	5,600	5,600
44.7	44.7	44.7	44.7	44.7	44.7
33.9	33.9	33.9	33.9	33.9	33.9
275	275	275	275	275	275

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