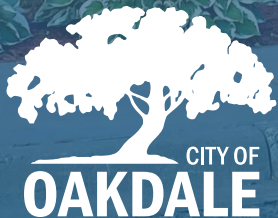


# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*for fiscal year ending December 31, 2022*



**CITY OF OAKDALE, MINNESOTA**

1584 Hadley Avenue North

Oakdale, MN 55128

651-739-5086

[www.oakdalemn.gov](http://www.oakdalemn.gov)



CITY OF OAKDALE  
WASHINGTON COUNTY, MINNESOTA

Annual Comprehensive  
Financial Report

for the Fiscal Year Ended  
December 31, 2022

Jason Zimmerman  
Finance Director

Report Prepared by  
Finance Department

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# CITY OF OAKDALE

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## INTRODUCTORY SECTION







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June 6, 2023

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

Minnesota Statutes require that cities issue an annual financial report prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue this Annual Comprehensive Financial Report (ACFR) of the City of Oakdale (the City) for the fiscal year ended December 31, 2022.

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 financial 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 to protect the government'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 GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls is 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., a firm of licensed 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, 2022, 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 audit has issued an unmodified ("clean") opinion on the City's basic financial statements for the year ended December 31, 2022. The independent auditor's report is located at the front of the financial section of this report. GAAP requires 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 to be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Township of Oakdale was formed in 1858, and covered 36 square miles that incorporated Lake Elmo, Landfall, and Oakdale. In 1926, Lake Elmo split off and in 1959, Landfall split off. In 1968, the City was incorporated as a village and then became a statutory city on January 1, 1974. In the early 1990s, the City annexed Section 32 and 33 from Lake Elmo. As such, the City, as it exists today, is approximately 11.45 square miles in area with a population of approximately 28,000. A suburb of the eastern metropolitan area, the City is a 10-minute drive from Saint Paul and a 20-minute drive from Minneapolis and is considered a "second-ring suburb" by definition.

The City is a statutory city under the Plan A form of government. Policy making and legislative authority are vested in a City Council, consisting of a Mayor and four Council Members, each elected at-large and on a nonpartisan basis for four-year terms. Terms of office are staggered, with elections held in even-numbered years. The City Council is responsible for passing ordinances, adopting the budget, and appointing members to the various citizen advisory bodies. The City Council also appoints the City Administrator, who is responsible for overall management of city operations.

The City provides a full range of municipal services, including: police and fire protection, ambulance services, parks and park facilities, engineering services, recreational programming, street construction and maintenance, forestry services, planning and zoning, protective inspections, water and sewer utilities, and general administrative functions. All city funds, departments, advisory bodies, and other organizations for which the City is financially accountable are presented within the ACFR. The Oakdale Volunteer Fire Department, Inc. does not meet the established reporting criteria for inclusion and, therefore, is excluded from this report; however, it was dissolved on December 31, 2022 as the full-time career fire department became fully operational. Further information regarding city services can be obtained from the City's website at [www.oakdalemn.gov](http://www.oakdalemn.gov).

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City submit requests for appropriations to the City Administrator by July of each year. In coordination with the Finance Director with continuing input from departments, the City Administrator uses these requests as the starting point for developing the recommended budget and presents the recommended budget to the City Council for review. The City will adopt a proposed preliminary tax levy prior to September 30. According to Minnesota Statutes, this proposed preliminary tax levy can be subsequently decreased but not increased (the state does allow a few exceptions) when it is adopted as a final tax levy in December. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget by December 31, the close of the City's fiscal year.

The appropriated budget is prepared by fund, program, and activity. The City Administrator may make transfers between departments or activities. Transfers between funds must be approved by the City Council. Budget-to-actual comparisons are available for review by the City Council and management at any time through our OpenGov budget software. For the General Fund, this comparison is presented in Statement 7 as part of the basic financial statements for governmental funds.

## Local Economy

The City is located within Washington County and is part of the Minneapolis-Saint Paul seven county metropolitan area; an economically diverse environment with an equally diverse labor force. As of December 2021, the unemployment rate of the City was 2.4 percent, compared to the national rate of 3.7 percent. As of December 2022, the unemployment rate for the City increased to 2.6 percent, compared to the national rate of 3.3 percent.

Unemployment Rate	Dec. 2018	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022
City of Oakdale	3.0%	3.0%	5.0%	2.7%	2.6%
Washington County	2.8%	2.8%	4.4%	2.4%	2.5%
State of Minnesota	3.4%	3.4%	5.0%	2.9%	3.2%
United States	3.7%	3.4%	6.5%	3.7%	3.3%

(Source: MN Dept. of Economic Development)

Through 2021, despite the COVID-19 pandemic, the median income in the City remained fairly consistent with 2020, as shown in the table below. The 2021 median household income increased by \$4,283 over 2020 and \$9,061 from 2017. The City's 2021 median household income of \$78,586 is higher compared to \$77,720 for the state.

Median Income	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020	Dec. 2021
Married-Couple Families	\$ 109,965	\$ 112,097	\$ 116,369	\$ 109,572	\$ 107,364
Families	90,120	92,957	96,176	95,137	95,000
Households	69,525	70,861	72,511	74,303	78,586
Nonfamily Households	42,963	41,931	41,092	45,216	48,401

(Source: US Census Bureau ACS 5-Year Survey Table S1901)

The City is home to a number of businesses that collectively employ over 13,000 people. Some major industries include: manufacturing, professional and scientific services, and retail and food services. Additionally, adjacent to the City is the global headquarters of 3M, with research and manufacturing facilities, as well as administrative offices.

Since 2016, Slumberland Corporation has occupied a 550,000 square foot campus for its national headquarters. In addition to its own operations, Slumberland Corporation is leasing the remainder of the site, known as 4Front Technology and Office Campus. Several large corporations are tenants in the complex, including Wei Labs, Optimize Social Media, Carestream Health, and MD Biosciences. Additionally, 4Front and United Properties are partnering on a new, approximately 200,000 square foot, light manufacturing building on the eastern side of the existing campus that is under construction. There are approximately 40 acres of land for additional development at a later date on the remainder of the campus.

The City is also home to several upscale business centers and industrial parks that provide a variety of employment opportunities. Some major tenants include: MoTech Corporation, RR Donnelley Publishing, Integrated Systems, Twin City Hardware, and Spartan Promotional Group. Additionally, Pace Analytical Life Sciences operates a 60,000 square foot facility providing services to the pharmaceutical, biopharmaceutical, and medical device industries in the City.

There are several major commercial retail developments located in the City. Near the southern border, Oakdale Village has a number of national retailers and restaurants, including: Best Buy, Home Goods, Buffalo Wild Wings, Red Lobster, Olive Garden, and several local restaurants. Near the 694 and 10th Street interchange, there are three major retail centers: Bergen Plaza, which hosts a number of national and local shopping, dining, and entertainment opportunities; Tartan Crossing, which hosts a 90,000 square foot Hy-Vee grocery store, Hardees restaurant, Starbucks Coffee, and a gas station/convenience store; and HOM Furniture/Dock 86, which opened in 2021. Oakdale Marketplace and Oakdale Station are strategically located along the border with the rapidly growing City of Lake Elmo, with notable tenants including Target, Pinz, and LA Fitness with room for additional growth. The construction supplies and home improvement markets are also strong in the City, supported by a 200,000 square foot Menards store and a 175,000 square foot Fleet Farm store.

## Long-Term Financial Planning

The City places a high priority on planning for future growth and redevelopment. City staff use many tools to examine and address the changes in the community: annual budgeting, a 5-year Capital Improvements Program (CIP), and a 10-year financial forecast. Used in conjunction with the Comprehensive Plan, these tools give the City Council and staff a better understanding of the long-range financial implications of current year budgeting decisions, as well as maintain a long-term focus on sound planning practices to ensure strong financial health.

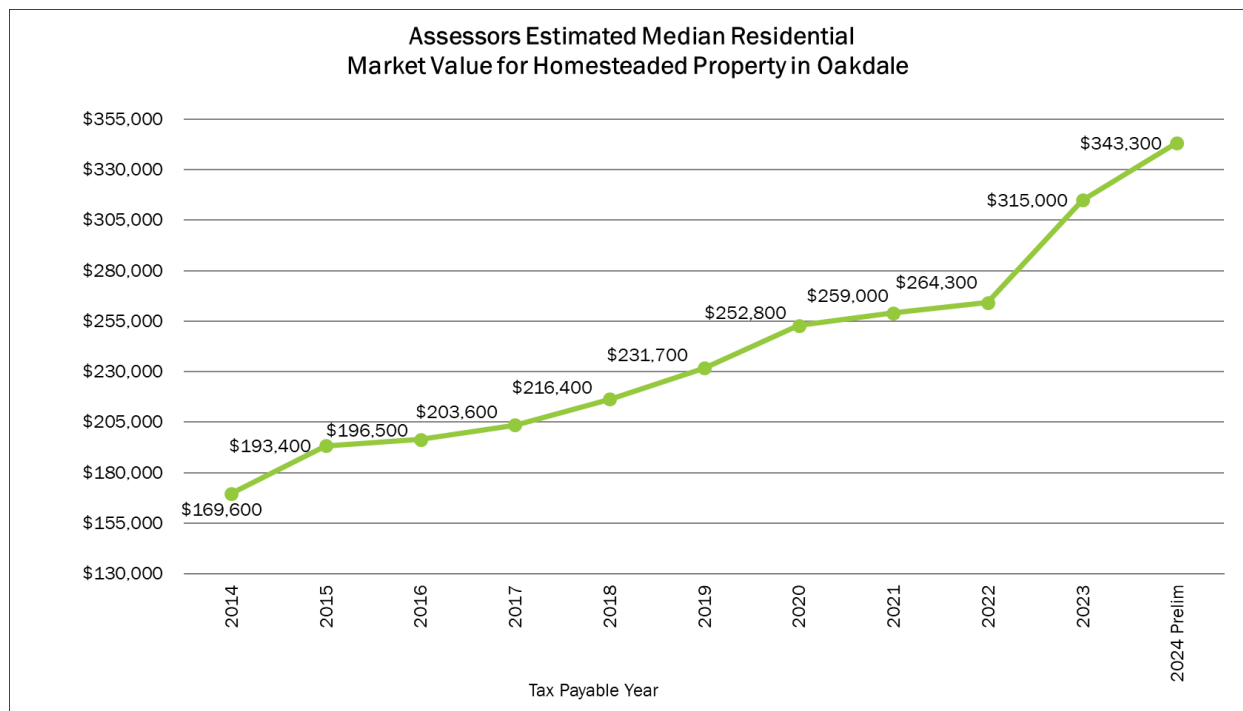
Each annual CIP update provides a comprehensive guide to the major road, park, utility, building, development, and equipment needs anticipated for the next five years. As part of that process, the City analyzes fund balances and updates long-term financial projections as it is the City's policy to maintain adequate reserves in all funds to respond to both anticipated and unexpected financial needs. This annual update allows staff to plan for alternate funding strategies or make project adjustments if necessary.

Related to the establishment of tax increment financing (TIF) districts, the City has entered into several pay-as-you-go notes with private developers to facilitate certain development and redevelopment projects within the City. But for the use of tax increment financing and the City financing of a portion of the extraordinary costs related to the projects, the development/redevelopment activities would not have occurred. The tax abatements have resulted in substantial taxable value increases for the City that will assist with long-term financial planning of financing required for capital improvements, while maintaining reasonable annual levies and tax rates. Once decertified, the captured tax capacity of the TIF districts have resulted (and will continue in the future as newer districts are decertified) to enhance and diversify the City's tax base.

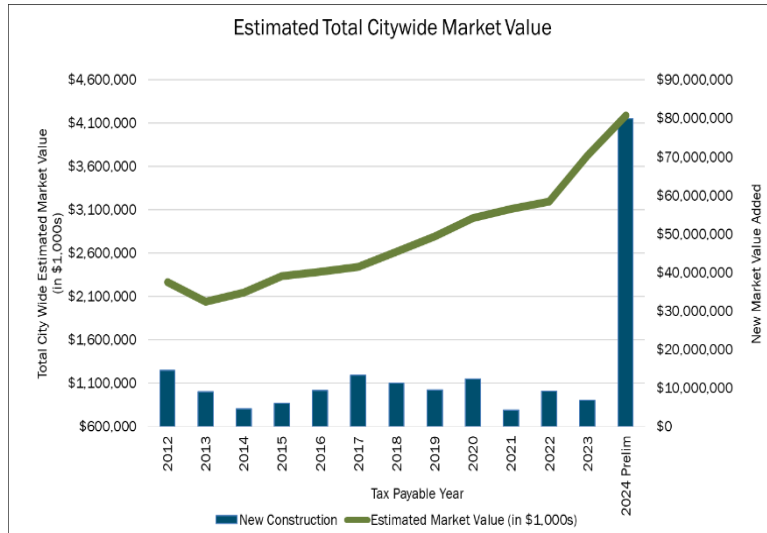
## Housing Values

Home values in the City are continuing a positive trend, reflecting the strength of the City's housing market. The assessor's estimated residential market values increased on the median valued home approximately 19.2 percent for 2023 taxes payable. Since 2013, the assessed median residential market value property has more than doubled in value, increasing by 100.3 percent for 2023 taxes payable. This represents the third largest growth among the 10 most populous cities in Washington County during this timeframe. This value increase is generally a result of appreciation of existing housing stock, as the City has added 112 residential parcels over the last 10 years. With large residential developments on the horizon, the City expects to see significant growth in overall city-wide property valuation.

Increase (Decline) in Median Residential Value	
2015	14.0%
2016	1.6%
2017	3.6%
2018	6.3%
2019	7.1%
2020	9.1%
2021	2.5%
2022	2.0%
2023	19.2%
2024 Prelim	9.0%



## Market Values



The City consistently adds tax base each year. In 2023, an estimated total of \$6.8 million of new value was added to the City's tax base, which is expected to grow with significant developments in the planning stages or currently underway. Total market value increased by \$524.7 million for tax year 2023, resulting from improved market conditions. Conditions are expected to continue improving, with county assessor data for taxes payable in 2024 showing an estimated market value of \$4.2 billion, of which \$73.0 million results from new construction.

## Relevant Financial Policies

The City has financial policies and plans that establish the principles that guide the City Council and staff to make consistent and informed financial decisions. These include: Fund Balance Policy, Investments and Cash Management Policy, and Capital Improvements Plan. These policies, along with the established internal controls, contribute to greater financial accountability and transparency.

Cash temporarily idle during the year was invested in U.S. government treasury and agency obligations, municipal securities, certificates of deposit, and money market instruments. The City's investment policy calls for the investment of public funds in a manner that will provide the highest investment return with minimum risk, while meeting the daily cash flow demands of the City. The yield to maturity as of December 31, 2022 on City investments was 4.39 percent.

Each year, the City adopts a 5-year CIP. The CIP is a 5-year plan that identifies the City's infrastructure, development objectives, and the allocation of resources for these projects. This CIP provides policymakers and the community with a strategic approach to implementation and administration of improvement projects. The 2023–2027 CIP identifies \$133 million of capital projects, along with the associated funding. The 5-year CIP also includes revenue and expenditure projections for the funds identified in the document.

## Infrastructure Improvements

The City is committed to maintaining its significant investment in the community's infrastructure. In 2022, over \$11.9 million was invested to maintain the infrastructure and included the following significant projects:

- Reconstruction of streets in the Anna's Grove and 4th Street neighborhoods
- Reconstruction of Ideal Avenue from 34th Street to 44th Street
- Reconstruction of 40th Street from Ideal Avenue to I-694
- Additional resurfacing of streets throughout the community to preserve their useful lives
- Relocation and rehabilitation of Lift Station #9 located at 2847 Granada Avenue North
- Reconstruction of the Walton Park Hockey Rink

## Major Initiatives

There are several significant projects underway in the City, both in community growth and infrastructure needs. The largest of these is a residential-focused project known as Willowbrooke. This 206-acre site, previously owned by 3M, was sold to national builders. Complete construction will include over 1,400 housing units, interconnected greenspace for recreation, multi-modal pedestrian options, city parks, and open space. While the planning for this development has been underway for nearly a decade, the development work is now in full swing with over 600 units either under construction or recently completed. The City also granted approval for a 168-unit affordable senior housing facility at Tartan Crossing development and a 158-unit market rate apartment building at Oakdale Marketplace. Both projects will break ground in 2023 and continue to diversify the City's housing portfolio.

Planning for the Gold Line Bus Rapid Transit (BRT) line continues to advance in order to better connect the eastern suburbs to Saint Paul with high frequency transit service. Two major stations of this 9-mile line will be located in the City: Helmo and Greenway. The larger of the two, Helmo, is anticipated to include approximately 155,000 square feet of retail, industrial, and office space, and between 750 and 950 housing units. The first phase of Helmo Station, a 318-unit luxury apartment building with a ground floor restaurant and coffee shop, broke ground in 2022 and will open in fall 2024.

Other development in the City includes a 30,000 square foot Animal Emergency and Referral Center. The Animal Emergency and Referral Center opened their new facility in December 2022 expanding their campus in the City for critical pet care. This center is a destination for many in/around the metro and provides over 350 jobs. The City is also working with Priority Courier to relocate their headquarters to a 38-acre parcel of property they acquired in the City.

The City has been planning several years for two major facility upgrades—a renovation and expansion of the police department and a new public works facility. Both facilities are severely undersized for current operations and the City has been working to identify funding strategies for each project. A facility plan has been completed for each project. The police department, which includes plans to renovate the existing space that has been occupied since 1992, as well as significantly expand on the overall footprint due to many factors, including significant growth in the City. The public works facility, which has been expanded three times since it was built in 1985, will move to a new location due to wetland constraints on the current site and other building shortfalls. The City has partnered with 3M to receive a donation of a 10-acre site as the suitable location for the new public works facility.

In both 2020 and 2021, the City made a request to the Minnesota Legislature (the Legislature) for the authority to exercise a local option sales tax (L.O.S.T.) to fund the renovation and expansion of the police department and a new public works facility. In 2020, the proposal had sponsors in both the House of Representatives and Senate, but the state postponed consideration on all L.O.S.T. proposals due to the COVID-19 pandemic. The City resubmitted its request in 2021, and gained approval from the Legislature.



In 2022, the City presented a bill to the Legislature to authorize an amendment to the L.O.S.T. approved in 2021, due to increasing construction costs from inflationary impacts. The Legislature adjourned in 2022 without passing a tax bill, including the amendment presented by the City. At the commencement of the 2023 legislative session, the City resubmitted the amendment, along with a request for sales tax exemption for construction materials on the public works facility. Sales tax is exempt on the purchase of construction materials for the police department expansion and remodeling. The amendment and request for sales tax exemption were included in the 2023 omnibus tax bill and signed into law in 2023.

In addition to legislative approval, cities in Minnesota are required to pass a referendum to impose the tax. The City submitted to qualified electors on the 2022 general election ballot, two questions in regards to imposing a local sales and use tax of one-half of one percent (the Sales Tax) on items that are taxable by the state. The first question was to fund the public works facility and the second to fund the police department expansion and remodeling. Voters approved the Sales Tax with 51.52 percent and 55.45 percent voting yes on each ballot question, respectively. The Sales Tax is proposed to be collected for approximately 25 years or until approximately \$22,000,000 for the public works facility and \$15,000,000 for the police department expansion and remodeling, plus the costs of collecting and administering the tax and costs of issuing any bonds, including interest, is collected. The City plans the issuance and sale of general obligation bonds pursuant to Minnesota Statutes, Chapter 475, as amended, in one or more series in an aggregate principal not to exceed \$37,000,000 plus the costs of issuing the bonds, including interest.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the year ended December 31, 2021. This was the 32nd consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized report. Staff believes this year's report will satisfy the requirements as well, and will submit the 2022 ACFR to the GFOA for consideration.

On June 24, 2022, Moody's Investor Services upgraded the City's general obligation unlimited tax rating to Aa1 from Aa2. The upgrade to Aa1 reflects the City's very strong financial position, growing tax base with solid resident wealth and income, and moderate debt burden. These strengths are balanced against elevated fixed costs and an above-average pension burden. Moody's last upgraded the City's rating to Aa2 from Aa3 in September 2010.

We wish to express our sincere thank you to the Mayor and City Council for their responsible and thoughtful leadership. This appreciation is also extended to the Department Directors for their continued cooperation and support in planning and conducting the financial operations of the City. Finally, we wish to express our thanks to the entire Finance Department staff for their efforts in assisting with this document. The preparation of this report would simply not have been possible without their ongoing efficient and dedicated service.

Respectfully submitted,



Christina M. Volkers  
City Administrator

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Oakdale  
Minnesota**

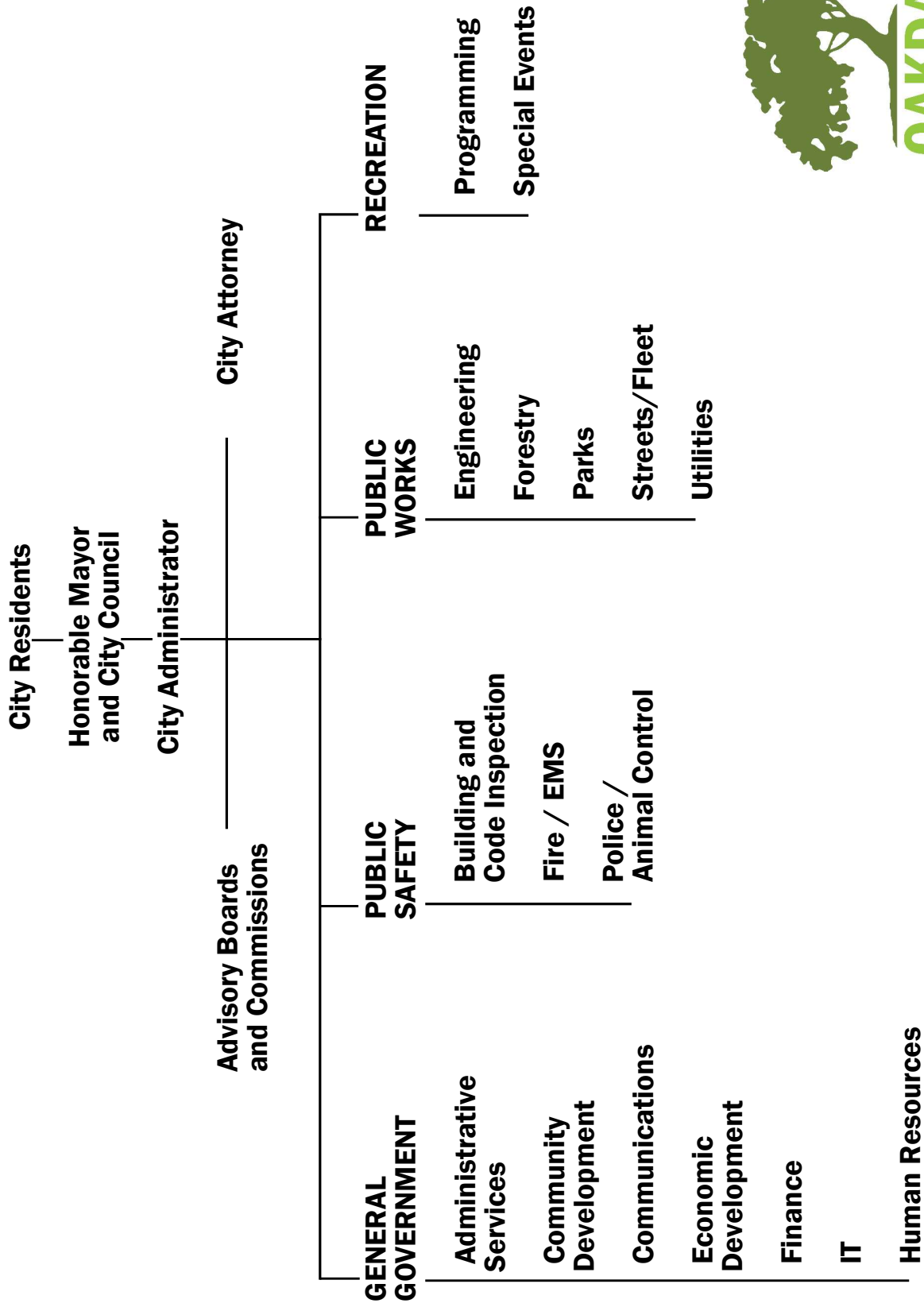
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

# CITY OF OAKDALE ORGANIZATIONAL CHART



## CITY OF OAKDALE

### Elected Officials and Appointed Personnel December 31, 2022

#### **ELECTED OFFICIALS**

		<u>Term Expires</u>
Paul Reinke	Mayor	December 31, 2022
Jake Ingebrigtsen	Councilmember	December 31, 2024
Susan Olson	Councilmember	December 31, 2022
Colleen Swedberg	Councilmember	December 31, 2022
Kevin Zabel	Councilmember	December 31, 2024

#### **APPOINTED PERSONNEL**

Christina Volkers	City Administrator
Andrew Gitzlaff	Community Development Director
Melanie Lee	Human Resources Director
Nick Newton	Police Chief
Kevin Wold	Fire Chief
Jason Zimmerman	Finance Director

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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 Oakdale, Minnesota

### **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 Oakdale, Minnesota (the City) as of and for the year ended December 31, 2022, 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund 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.

### **EMPHASIS OF MATTER**

#### ***Change in Accounting Principle***

As described in Note 1 to the basic financial statements, in fiscal 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

(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 GASB 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 combining and individual fund 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 June 6, 2023, 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  
June 6, 2023

## CITY OF OAKDALE

### Management's Discussion and Analysis Year Ended December 31, 2022

As management of the City of Oakdale, Minnesota (the City), we have provided readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, located earlier in this report.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$94,417,773 (net position). Of this amount, \$23,577,907 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors; \$13,731,573 is restricted for specific purposes (*restricted net position*); and \$57,108,293 represents the net investment in capital assets. The City's total net position increased \$2,760,864 during the year ended December 31, 2022, excluding the prior period adjustment reported in the current year as discussed below.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$40,885,126.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,829,285, or 53 percent, of total General Fund expenditures based on 2023 budgeted expenditure levels.
- The City reported a prior period adjustment in the current year relating to recording advances of Municipal State Aid (MSA) funding. This change reduced beginning net position and fund balance in the government-wide and nonmajor governmental funds by \$1,047,856.
- As described in Note 1 of the notes to basic financial statement, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the fiscal year ended December 31, 2022. This standard changed the way lease transactions are reported by the City, but did not result in a restatement of net position in the current year.

#### 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 comprise 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.

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

The *Statement of Net Position* presents information on all of the City’s assets, 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 City’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 general property 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, public works, and community services and recreation. The business-type activities include water, sewer, street lights, and ambulance.

**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 government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financial 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 financial decisions. Both the governmental funds Balance Sheet and 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 two major 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 and 2022 Street Improvements Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

**Proprietary Funds** – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, street lights, and ambulance operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City’s various functions. The City uses an internal service fund to account for its pension and other post-employment benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water, sewer, street lights, and ambulance operations, all of which are considered to be major funds of the City. The internal service fund is presented as a single column in the proprietary fund financial statements.

**Notes to Basic Financial Statements** – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** – In addition to the basic financial statements, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules (presented as supplementary information) referred to earlier in connection with nonmajor governmental funds, which are presented immediately following the basic financial statements.

Further, a statistical section has been included as part of the Annual Comprehensive Financial Report (ACFR) to facilitate additional analysis, and is the third and final section of the report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$94,417,773 at the close of the most recent fiscal year.

By far, the largest portion of the City’s net position reflects its net investment in capital assets (e.g., land, buildings and structures, furniture and equipment, and infrastructure) 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 are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## City of Oakdale's Net Position

**Table 1**  
**Summary of Net Position**  
**as of December 31, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 51,576,241	\$ 44,023,561	\$ 12,433,019	\$ 13,291,401	\$ 64,009,260	\$ 57,314,962
Capital assets, net	49,065,656	47,107,445	26,143,757	25,979,558	75,209,413	73,087,003
<b>Total assets</b>	<b>\$100,641,897</b>	<b>\$ 91,131,006</b>	<b>\$ 38,576,776</b>	<b>\$ 39,270,959</b>	<b>\$139,218,673</b>	<b>\$130,401,965</b>
<b>Deferred outflows of resources</b>						
Pension plan deferments	\$ 14,477,981	\$ 7,523,467	\$ –	\$ –	\$ 14,477,981	\$ 7,523,467
OPEB plan deferments	354,971	359,242	–	–	354,971	359,242
<b>Total deferred outflows of resources</b>	<b>\$ 14,832,952</b>	<b>\$ 7,882,709</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 14,832,952</b>	<b>\$ 7,882,709</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$115,474,849</b>	<b>\$ 99,013,715</b>	<b>\$ 38,576,776</b>	<b>\$ 39,270,959</b>	<b>\$154,051,625</b>	<b>\$138,284,674</b>
<b>Liabilities</b>						
Other liabilities	\$ 1,937,028	\$ 2,027,410	\$ 368,575	\$ 190,488	\$ 2,305,603	\$ 2,217,898
Noncurrent liabilities	52,328,154	32,546,456	122,612	248,908	52,450,766	32,795,364
<b>Total liabilities</b>	<b>\$ 54,265,182</b>	<b>\$ 34,573,866</b>	<b>\$ 491,187</b>	<b>\$ 439,396</b>	<b>\$ 54,756,369</b>	<b>\$ 35,013,262</b>
<b>Deferred inflows of resources</b>						
Lease revenue for subsequent years	\$ 1,215,626	\$ –	\$ –	\$ –	\$ 1,215,626	\$ –
Pension plan deferments	488,034	9,889,403	–	–	488,034	9,889,403
OPEB plan deferments	588,339	677,244	–	–	588,339	677,244
State aid received for subsequent years	2,585,484	–	–	–	2,585,484	–
<b>Total deferred inflows of resources</b>	<b>\$ 4,877,483</b>	<b>\$ 10,566,647</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 4,877,483</b>	<b>\$ 10,566,647</b>
<b>Net position</b>						
Net investment in capital assets	\$ 30,964,536	\$ 27,834,959	\$ 26,143,757	\$ 25,979,558	\$ 57,108,293	\$ 53,814,517
Restricted	13,731,573	13,241,430	–	–	13,731,573	13,241,430
Unrestricted	11,636,075	12,796,813	11,941,832	12,852,005	23,577,907	25,648,818
<b>Total net position</b>	<b>\$ 56,332,184</b>	<b>\$ 53,873,202</b>	<b>\$ 38,085,589</b>	<b>\$ 38,831,563</b>	<b>\$ 94,417,773</b>	<b>\$ 92,704,765</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$115,474,849</b>	<b>\$ 99,013,715</b>	<b>\$ 38,576,776</b>	<b>\$ 39,270,959</b>	<b>\$154,051,625</b>	<b>\$138,284,674</b>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$23,577,907 may be used to meet the City'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 for the City as a whole, as well as for its separate governmental and business-type activities.

There was an increase in net position in the governmental activities of \$2,458,982 and a decrease in the business-type activities of \$745,974, for a net total increase of \$1,713,008 in net position. This change in net position reflects an increase of \$2,760,864 from the current year operating results, while the prior period adjustment mentioned earlier reduced net position by \$1,047,856. The increase in current assets and deferred inflows of resources in the current year is mainly due to recording a lease receivable and deferred inflow relating to the implementation of GASB Statement No. 87, as the City is the lessor in agreements that conveys the right to use space owned by the City. Current assets also increased, due to bond proceeds exceeding current year spending on street projects. The change in the City's share of the Public Employees Retirement Association (PERA) pension plan contributed to the change in deferred outflows of resources, noncurrent liabilities, and deferred inflows of resources.

## City of Oakdale's Changes in Net Position

**Table 2**  
**Change in Net Position**  
**for the Years Ended December 31, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 5,475,248	\$ 2,829,233	\$ 8,074,364	\$ 8,774,445	\$ 13,549,612	\$ 11,603,678
Operating grants and contributions	1,083,407	3,885,793	292,789	96,847	1,376,196	3,982,640
Capital grants and contributions	3,872,353	5,963,072	—	—	3,872,353	5,963,072
General revenues						
General property taxes	14,121,692	13,237,393	300,000	300,000	14,421,692	13,537,393
Tax increment taxes	1,024,908	946,180	—	—	1,024,908	946,180
Franchise fees	649,033	665,512	—	—	649,033	665,512
Grants and contributions not restricted to specific programs	456,504	262,874	—	—	456,504	262,874
Other general revenues	20,154	—	—	—	20,154	—
Investment earnings (charges)	(84,033)	62,283	(56,079)	26,005	(140,112)	88,288
Gain on disposal of capital assets	49,575	157,896	—	—	49,575	157,896
Total revenues	26,668,841	28,010,236	8,611,074	9,197,297	35,279,915	37,207,533
<b>Expenses</b>						
General government	4,912,123	3,964,045	—	—	4,912,123	3,964,045
Public safety	9,687,863	7,004,086	—	—	9,687,863	7,004,086
Public works	7,997,552	7,263,966	—	—	7,997,552	7,263,966
Community services and recreation	730,891	658,923	—	—	730,891	658,923
Interest and fiscal charges	541,822	437,048	—	—	541,822	437,048
Water	—	—	2,436,109	2,232,207	2,436,109	2,232,207
Sewer	—	—	3,588,282	3,448,749	3,588,282	3,448,749
Street lights	—	—	721,784	624,858	721,784	624,858
Ambulance	—	—	1,902,625	1,901,995	1,902,625	1,901,995
Total expenses	23,870,251	19,328,068	8,648,800	8,207,809	32,519,051	27,535,877
Increase (decrease) in net position before transfers	2,798,590	8,682,168	(37,726)	989,488	2,760,864	9,671,656
<b>Transfers</b>	708,248	1,854,550	(708,248)	(1,854,550)	—	—
Change in net position	3,506,838	10,536,718	(745,974)	(865,062)	2,760,864	9,671,656
Net position – beginning, as previously reported	53,873,202	43,336,484	38,831,563	39,696,625	92,704,765	83,033,109
Prior period adjustment	(1,047,856)	—	—	—	(1,047,856)	—
Net position – beginning, as restated	52,825,346	43,336,484	38,831,563	39,696,625	91,656,909	83,033,109
Net position – ending	\$ 56,332,184	\$ 53,873,202	\$ 38,085,589	\$ 38,831,563	\$ 94,417,773	\$ 92,704,765

**Governmental Activities** – The City's net position for governmental activities increased by \$2,458,982, or 4.6 percent, after \$708,248 of net transfers from business-type activities. Key elements of this increase are seen in the table above.

Revenues decreased overall by \$1,341,395, or 4.8 percent.

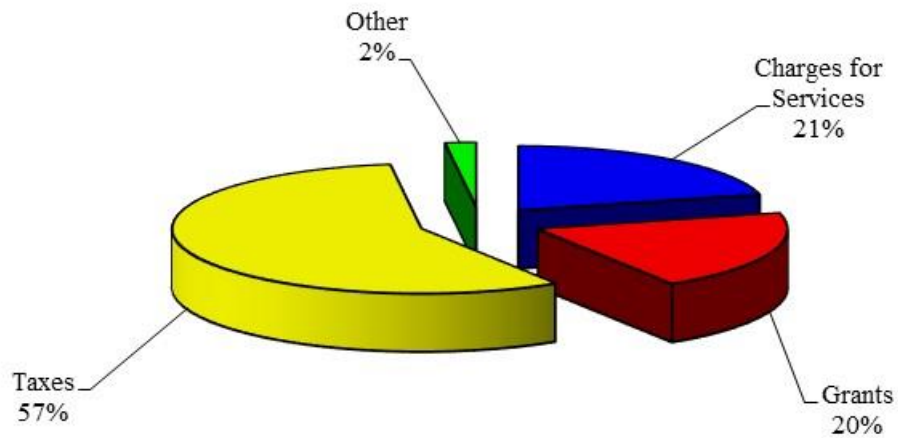
- The largest changes occurred in operating grants and contributions, capital grants and contributions, and charges for services. Operating and capital grants decreased with the recognition of federal coronavirus state and local fiscal recovery funds and grants received for a well project and street projects in the prior year. This decrease was offset by an increase in charges for services, due to more building activity during the current year. The building activity is driven by multiple new developments ongoing throughout the City.

Expenses increased overall by \$4,542,183, or 23.5 percent.

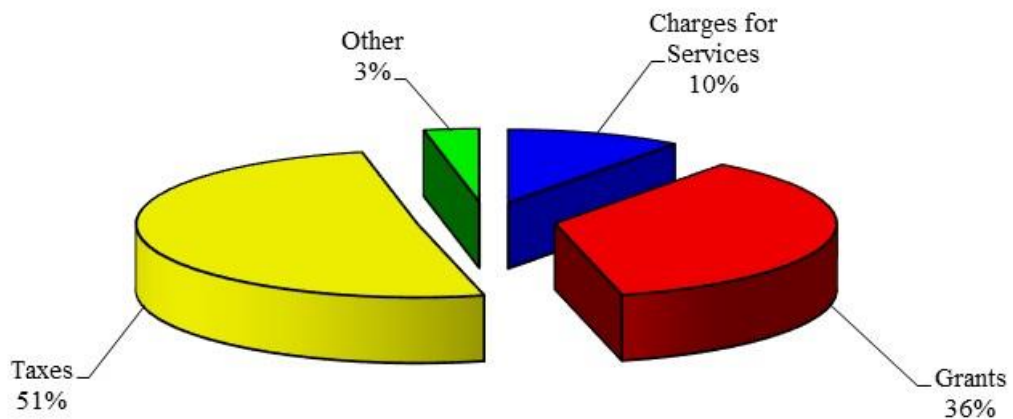
- The City experienced the largest increase within the public safety function, mainly due to staffing increases in the police department and with the change from a paid-on-call to full-time fire department.

As seen in the following graph, taxes make up about 57 percent of the total revenues for 2022. Charges for services make up about 21 percent of the total. Grants (operating, capital, and unrestricted grants and contributions), including state aids, such as local government aid, make up about 20 percent of the total and are followed by other at 2 percent of the total.

**2022 Revenues by Source – Governmental Activities**



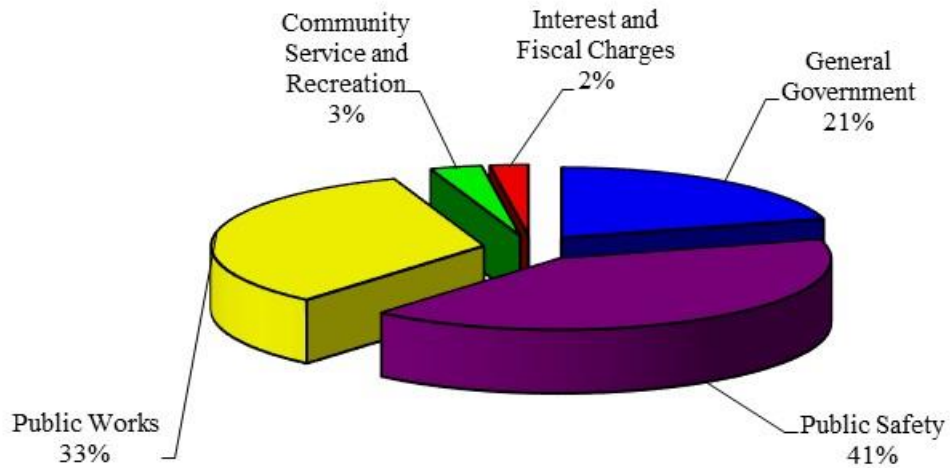
**2021 Revenues by Source – Governmental Activities**



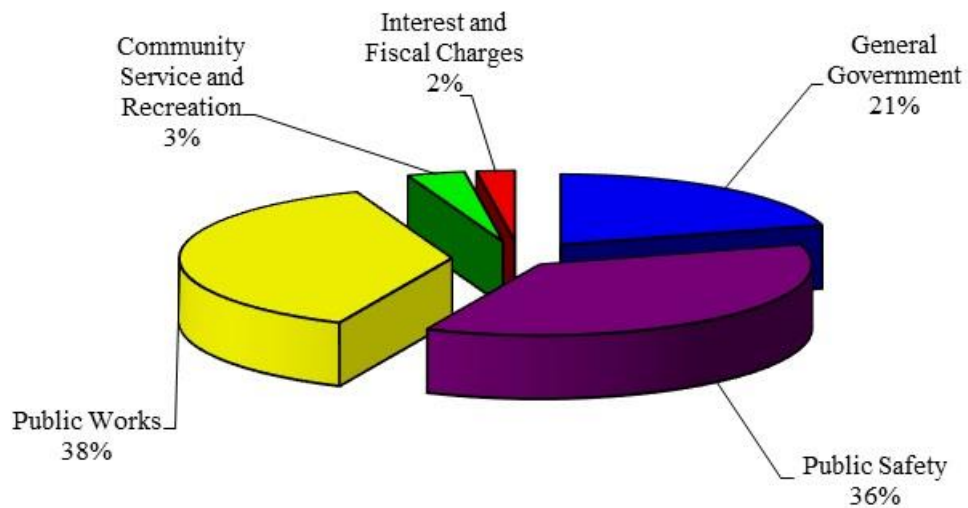


The expenses in the graphs below for governmental activities show the amounts spent on different activities for 2022 and 2021. Public safety increased to 41 percent, while public works decreased to 33 percent of total expenses. The other three categories: general government, community service and recreation, and interest and fiscal charges, did not change as a percent of total expenses year over year.

### 2022 Expenses – Governmental Activities



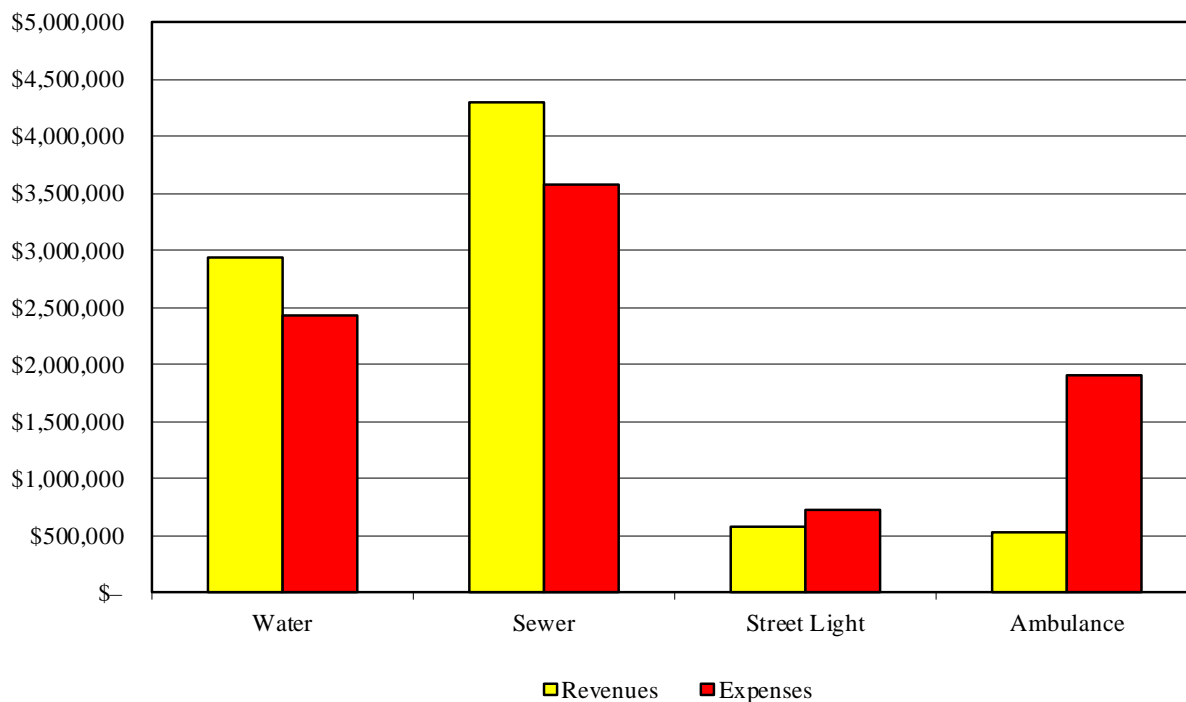
### 2021 Expenses – Governmental Activities



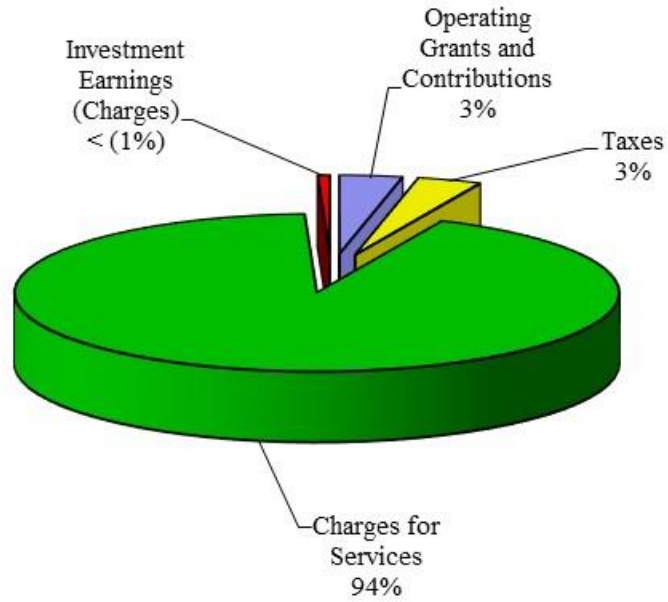
**Business-Type Activities** – Business-type activities decreased the City’s total net position by \$745,974. Key elements of the business-type activities are as follows:

- Charges for services for business-type activities include charges for water, sewer, street lights, and ambulance. The graph below shows the relationship between the program revenues and expenses for the various activities. Charges for services decreased in the ambulance function by \$819,373, due to reclassifying this operation to governmental activities.
- Expenses increased \$203,902, \$139,533, and \$96,926 for the water, sewer, and street light functions, respectively. Expenses increased for each function, due to increases in materials cost for water, municipal wastewater charge for sewer, and capital asset depreciation for street light.
- Overall, business-type activities generated a decrease in net position before transfers of \$37,726. After considering transfers to governmental activities totaling \$708,248, net position decreased by \$745,974.

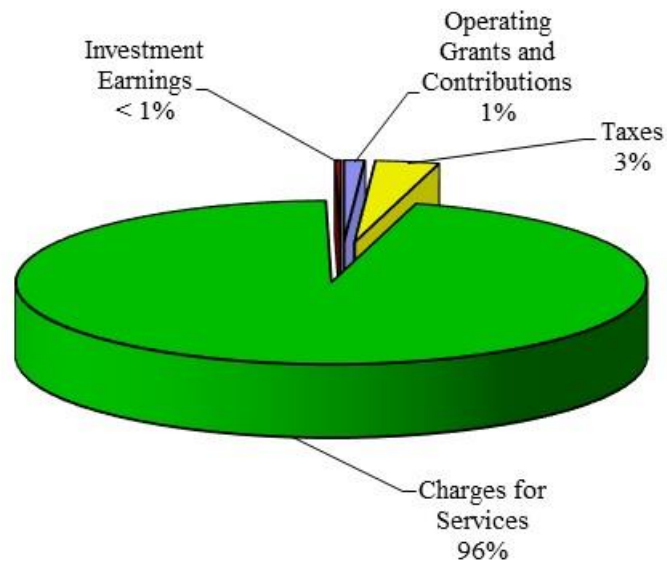
#### **Revenues and Expenses – Business-Type Activities**



### 2022 Revenues by Source – Business-Type Activities



### 2021 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 currently available resources. Such information is useful in assessing the City's financing requirements. In particular, 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 \$40,885,126, an increase of \$4,393,880 in comparison with the prior year, excluding the prior period adjustment reported in the current year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was \$12,109,735. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 53 percent of the subsequent year budgeted expenditures.

Total fund balance for the City's General Fund increased by \$1,774,443 during 2022. Key factors in this increase are as follows:

- The City experienced favorable budget variances in both revenues and expenditures in the current year. These variances were spread across most revenue categories and expenditure functions, as discussed on the next page.
- General Fund revenues increased \$527,154 from the prior year. Licenses and permits revenue increased with more building activity. Tax revenues increased due to an increase in the property tax levy approved by the City Council. These increases were offset by a decrease in intergovernmental revenues due to the recognition of federal coronavirus state and local fiscal recovery funds in the prior year.
- General Fund expenditures increased \$1,590,507 from the prior year. The increase was mainly in the public safety function due to increased personal service costs in the police protection, fire, and inspections departments. Personal services increased due to staffing increases, along with the change from a paid-on-call to full-time fire department.
- The City has a fund balance policy that establishes a year-end targeted unassigned fund balance amount for cash-flow timing and emergency needs at 60 percent of the subsequent year's budgeted expenditures.

The 2022 Street Improvements Capital Projects Fund decreased by \$1,497,835, due to spending on the 2022 Street Improvement project in the current year that will be funded with future allocations of MSA funding.

**Proprietary Funds** – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The City is required to adopt a budget for the General Fund prior to the beginning of its fiscal year. During the year, the City amended the budget, increasing revenues by \$170,000 and decreasing expenditures by \$74,070, including an amendment to transfers out of \$5,000.

Revenues were over budget by \$1,209,249, mainly in licenses and permits with more building activity than anticipated. The City currently has multiple development projects in process generating increasing charges for services. General Fund expenditures were under budget in each function, with total expenditures ending the year \$430,642, or 2.6 percent, under budget. General government and public works expenditures were under budget, mainly due to vacant positions in the current year. After the variance in net transfers, the City's General Fund ended the year \$1,630,373 more than anticipated in the budget.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** – The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$75,209,413 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and structures, furniture and fixtures, machinery and equipment, other park improvements, streets, storm sewer, street lights, distribution system, and collection system.

### City of Oakdale’s Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 9,723,070	\$ 9,723,070	\$ 55,966	\$ 55,966	\$ 9,779,036	\$ 9,779,036
Construction in progress	15,336,517	12,683,829	–	–	15,336,517	12,683,829
Buildings and structures	3,030,569	3,279,800	623,091	707,709	3,653,660	3,987,509
Furniture and fixtures	235,225	256,178	–	–	235,225	256,178
Machinery and equipment	2,396,423	2,110,412	477,829	461,955	2,874,252	2,572,367
Other park improvements	1,057,714	1,036,298	–	–	1,057,714	1,036,298
Streets	13,904,770	14,516,150	–	–	13,904,770	14,516,150
Storm sewer	3,381,368	3,501,708	–	–	3,381,368	3,501,708
Street lights	–	–	5,356,557	5,208,894	5,356,557	5,208,894
Distribution system	–	–	9,981,002	10,299,847	9,981,002	10,299,847
Collection system	–	–	9,649,312	9,245,187	9,649,312	9,245,187
Total capital assets, net of depreciation	<u>\$ 49,065,656</u>	<u>\$ 47,107,445</u>	<u>\$ 26,143,757</u>	<u>\$ 25,979,558</u>	<u>\$ 75,209,413</u>	<u>\$ 73,087,003</u>

The changes presented in the table above reflect the ongoing activity and completion of projects within the City during fiscal year 2022. The majority of the activity in construction in progress is for street and utility improvements in recent years.

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

**Long-Term Debt** – At the end of the current fiscal year, the City had total bonded debt outstanding of \$23,195,000. A portion of this comprises general obligation debt backed solely by the full faith and credit of the City. The remainder of the City’s bonded debt represents bonds secured by special assessments, tax increment, specified revenue sources, and general obligation levy, if necessary.

### City of Oakdale’s Noncurrent Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 1,030,000	\$ 1,745,000	\$ –	\$ –	\$ 1,030,000	\$ 1,745,000
General obligation tax increment bonds	3,480,000	3,665,000	–	–	3,480,000	3,665,000
General obligation taxable housing bonds	430,000	730,000	–	–	430,000	730,000
General obligation improvement bonds	18,255,000	15,540,000	–	–	18,255,000	15,540,000
Unamortized bond premiums	1,643,531	1,351,519	–	–	1,643,531	1,351,519
Compensated absences	1,492,566	1,153,087	122,613	248,908	1,615,179	1,401,995
Total OPEB liability	2,723,117	2,530,372	–	–	2,723,117	2,530,372
Net pension liability	23,273,940	5,831,478	–	–	23,273,940	5,831,478
Total	<u>\$52,328,154</u>	<u>\$32,546,456</u>	<u>\$ 122,613</u>	<u>\$ 248,908</u>	<u>\$52,450,767</u>	<u>\$32,795,364</u>

The City's total bonded debt, excluding unamortized bond premiums, increased by \$1,515,000, or 7.0 percent, during 2022. This increase was due to the City issuing \$5,915,000 in 2022A General Obligation Improvement Bonds offset by scheduled debt service payments and the early repayment of the 2012A and 2012C General Obligation Improvement Bonds.

The difference in the net pension liability reflects the change in the City's proportionate share of the state-wide pension obligations for the PERA.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3.0 percent of its total market valuation. A complete calculation of the City's legal debt margin can be found in the statistical section of this report.

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Overall assessed market values for taxes payable in 2023 are at an all-time high at just over \$3.7 billion. This growth has been mainly fueled by the market value changes experienced by the existing housing stock, as the City has experienced slow growth since the early 1980's. For 2023, the estimated median value residential property is \$315,000, up 19.2 percent from 2022. Significant development throughout the City, including at Willowbrooke, 4Front Technology and Office Campus, and Helmo Station, will continue to increase market values, in addition to the market value changes experienced.

Per the U.S. Bureau of Labor and Statistics, the annual average consumer price index (CPI) for the Minneapolis-St. Paul-Bloomington area increased 7.5 percent from 2021 to 2022. Nationally, the CPI increased 8.0 percent from 2021 to 2022. This index is a high-level measure of the change in the prices paid by consumers for goods and services.

The 2023 levy was set at a 12.0 percent increase from 2022. The levy supports the 2023 budget, which has prioritized the following objectives:

- Focusing on essential city services and funding these activities adequately
- Maintaining high quality city operated public safety departments
- Investing in modern technology to improve services and increase efficiency
- Continuing to fund annual street reconstruction/maintenance projects
- Enhancing city parks, trails, open spaces, and facilities
- Fostering an efficient and transparent government
- Promoting citizen engagement

Based on these priorities, the highlights for the 2023 budget include:

- Deployment of body-worn cameras for all licensed officers
- One newly funded full-time patrol officer
- Four new squad vehicles to be deployed to the patrol division
- Three additional full-time firefighter/EMT/paramedic positions
- Replacement of playground equipment at one park, and repaving the Oakdale Nature Preserve Trail
- Internal funding of all vehicles and equipment, eliminating the need for equipment certificate debt
- Reduction of the City's debt levy for the third consecutive year

In addition to the budget, each year the City adopts a schedule of fees that are charged for city services, licenses, permits, utilities, etc. The 2023 version can be found on the City's website. To fund current repairs and future capital improvements, rates increased 6.0 percent for water and sewer, 5.0 percent for street lights, and 10.0 percent for surface water management.

## **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 City's finances. Questions concerning any of the information provided in this ACFR, or requests for additional financial information, should be addressed to the Finance Department, City of Oakdale, 1584 Hadley Avenue North, Oakdale, Minnesota 55128.

## BASIC FINANCIAL STATEMENTS

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## CITY OF OAKDALE

## Statement 1

Statement of Net Position  
as of December 31, 2022

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 41,418,679	\$ 10,359,821	\$ 51,778,500
Receivables			
Interest	214,848	53,478	268,326
Accounts	1,177,179	1,534,551	2,711,730
Loan	253,276	—	253,276
Taxes	202,186	—	202,186
Special assessments	4,032,186	88,789	4,120,975
Due from other governments	31,224	226,450	257,674
Lease	1,215,626	—	1,215,626
Internal balances	326,783	(326,783)	—
Inventory	—	90,189	90,189
Prepaid items	293,573	406,524	700,097
Assets held for resale	2,410,681	—	2,410,681
Capital assets			
Not depreciated	25,059,587	55,966	25,115,553
Depreciated	24,006,069	26,087,791	50,093,860
Total capital assets, net of depreciation	49,065,656	26,143,757	75,209,413
Total assets	100,641,897	38,576,776	139,218,673
<b>Deferred outflows of resources</b>			
Pension plan deferments	14,477,981	—	14,477,981
OPEB plan deferments	354,971	—	354,971
Total deferred outflows of resources	14,832,952	—	14,832,952
Total assets and deferred outflows of resources	\$ 115,474,849	\$ 38,576,776	\$ 154,051,625
<b>Liabilities</b>			
Accounts and contracts payable	\$ 863,344	\$ 349,752	\$ 1,213,096
Accrued salaries and employee benefits payable	365,454	18,023	383,477
Accrued interest payable	339,473	—	339,473
Due to other governments	84	—	84
Deposits payable	282,829	800	283,629
Unearned revenue	85,844	—	85,844
Net pension liability			
Due in more than one year	23,273,940	—	23,273,940
Total OPEB liability			
Due within one year	54,823	—	54,823
Due in more than one year	2,668,294	—	2,668,294
Bonds and compensated absences payable			
Due within one year	3,188,995	23,574	3,212,569
Due in more than one year	23,142,102	99,038	23,241,140
Total liabilities	54,265,182	491,187	54,756,369
<b>Deferred inflows of resources</b>			
Lease revenue for subsequent years	1,215,626	—	1,215,626
Pension plan deferments	488,034	—	488,034
OPEB plan deferments	588,339	—	588,339
State aid received for subsequent years	2,585,484	—	2,585,484
Total deferred inflows of resources	4,877,483	—	4,877,483
<b>Net position</b>			
Net investment in capital assets	30,964,536	26,143,757	57,108,293
Restricted for			
Debt service	9,705,270	—	9,705,270
Public safety	119,954	—	119,954
Recreation and community events	289,040	—	289,040
Tax increment purposes	2,463,171	—	2,463,171
Capital improvements	75,454	—	75,454
Park development	1,078,684	—	1,078,684
Unrestricted	11,636,075	11,941,832	23,577,907
Total net position	56,332,184	38,085,589	94,417,773
Total liabilities, deferred inflows of resources, and net position	\$ 115,474,849	\$ 38,576,776	\$ 154,051,625

## CITY OF OAKDALE

Statement of Activities  
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,912,123	\$ 478,909	\$ 490,708	\$ —
Public safety	9,687,863	3,414,475	592,699	213,962
Public works	7,997,552	1,431,612	—	2,683,678
Community services and recreation	730,891	150,252	—	974,713
Interest and fiscal charges	541,822	—	—	—
Total governmental activities	23,870,251	5,475,248	1,083,407	3,872,353
Business-type activities				
Water	2,436,109	2,720,823	226,450	—
Sewer	3,588,282	4,298,701	—	—
Street lights	721,784	582,709	—	—
Ambulance	1,902,625	472,131	66,339	—
Total business-type activities	8,648,800	8,074,364	292,789	—
Total governmental and business-type activities	\$ 32,519,051	\$ 13,549,612	\$ 1,376,196	\$ 3,872,353

## General revenues

General property taxes

Tax increment taxes

Franchise fees

Grants and contributions not restricted  
to specific programs

Other general revenues

Investment earnings (charges)

Gain on disposal of capital assets

## Transfers

Total general revenues and transfers

## Change in net position

Net position – beginning, as previously reported

Prior period adjustment

Net position – beginning, as restated

Net position – ending

**Statement 2**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (3,942,506)	\$ —	\$ (3,942,506)
(5,466,727)	—	(5,466,727)
(3,882,262)	—	(3,882,262)
394,074	—	394,074
(541,822)	—	(541,822)
(13,439,243)	—	(13,439,243)
—	511,164	511,164
—	710,419	710,419
—	(139,075)	(139,075)
—	(1,364,155)	(1,364,155)
—	(281,647)	(281,647)
(13,439,243)	(281,647)	(13,720,890)
14,121,692	300,000	14,421,692
1,024,908	—	1,024,908
649,033	—	649,033
456,504	—	456,504
20,154	—	20,154
(84,033)	(56,079)	(140,112)
49,575	—	49,575
708,248	(708,248)	—
16,946,081	(464,327)	16,481,754
3,506,838	(745,974)	2,760,864
53,873,202	38,831,563	92,704,765
(1,047,856)	—	(1,047,856)
52,825,346	38,831,563	91,656,909
\$ 56,332,184	\$ 38,085,589	\$ 94,417,773

## CITY OF OAKDALE

## Statement 3

Balance Sheet  
Governmental Funds  
as of December 31, 2022

	100	695		
	General	2022 Street Improvements	Nonmajor	Total
<b>Assets</b>				
Cash and investments	\$ 12,363,948	\$ 1,095,812	\$ 27,958,919	\$ 41,418,679
Receivables				
Interest	62,622	5,658	146,568	214,848
Accounts	828,720	—	348,459	1,177,179
Loan	—	—	253,276	253,276
Taxes				
Current	82,687	—	—	82,687
Delinquent	119,499	—	—	119,499
Special assessments				
Current	—	—	3,486	3,486
Delinquent	3,373	—	14,363	17,736
Deferred	—	—	3,878,965	3,878,965
Special deferred	—	—	131,999	131,999
Due from other governments	31,224	—	—	31,224
Lease	1,215,626	—	—	1,215,626
Due from other funds	39,908	—	—	39,908
Prepaid items	274,155	—	19,418	293,573
Assets held for resale	—	—	2,410,681	2,410,681
<b>Total assets</b>	<b>\$ 15,021,762</b>	<b>\$ 1,101,470</b>	<b>\$ 35,166,134</b>	<b>\$ 51,289,366</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 277,437	\$ 177,134	\$ 408,773	\$ 863,344
Accrued salaries and employee benefits payable	363,143	—	2,311	365,454
Due to other governments	84	—	—	84
Due to other funds	—	—	39,908	39,908
Deposits payable	282,829	—	—	282,829
Unearned revenue	85,844	—	—	85,844
<b>Total liabilities</b>	<b>1,009,337</b>	<b>177,134</b>	<b>450,992</b>	<b>1,637,463</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue – loan receivable	—	—	253,276	253,276
Unavailable revenue – taxes	119,499	—	—	119,499
Unavailable revenue – special assessments	3,373	—	4,025,327	4,028,700
Unavailable revenue – ambulance receivables	564,192	—	—	564,192
Lease revenue for subsequent years	1,215,626	—	—	1,215,626
State aid received for subsequent years	—	2,468,562	116,922	2,585,484
<b>Total deferred inflows of resources</b>	<b>1,902,690</b>	<b>2,468,562</b>	<b>4,395,525</b>	<b>8,766,777</b>
<b>Fund balances (deficits)</b>				
Nonspendable	274,155	—	19,418	293,573
Restricted	—	—	15,914,762	15,914,762
Committed	762,225	—	1,225,499	1,987,724
Assigned	244,070	—	13,212,527	13,456,597
Unassigned	10,829,285	(1,544,226)	(52,589)	9,232,470
<b>Total fund balances (deficits)</b>	<b>12,109,735</b>	<b>(1,544,226)</b>	<b>30,319,617</b>	<b>40,885,126</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,021,762</b>	<b>\$ 1,101,470</b>	<b>\$ 35,166,134</b>	<b>\$ 51,289,366</b>

See notes to basic financial statements

## CITY OF OAKDALE

## Statement 4

Reconciliation of the Balance Sheet to the  
Statement of Net Position  
Governmental Funds  
as of December 31, 2022

Total fund balances – governmental funds \$ 40,885,126

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	220,276,080
Less accumulated depreciation	(171,210,424)

Long-term liabilities are not payable with current financial resources and, therefore, are not reported in governmental funds.

Bonds	(23,195,000)
Unamortized bond premiums	(1,643,531)
Compensated absences	(1,492,566)

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.	(339,473)
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Internal service funds are used by management to charge certain costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Internal service fund net position	(12,240,478)
Internal balances for internal services used by business-type activities	326,783

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 inflows of resources – unavailable revenues	<u>4,965,667</u>
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Total net position – governmental activities	<u><u>\$ 56,332,184</u></u>
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## CITY OF OAKDALE

## Statement 5

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2022

	100	695		
		2022		
	General	Street	Nonmajor	Total
		Improvements		
Revenues				
General property taxes	\$ 10,884,557	\$ —	\$ 3,244,639	\$ 14,129,196
Tax increment taxes	—	—	1,024,908	1,024,908
Special assessments	1,050	17,608	1,248,406	1,267,064
Franchise fees	649,033	—	—	649,033
Licenses and permits	2,742,510	—	—	2,742,510
Intergovernmental	1,209,062	86,934	1,285,922	2,581,918
Charges for services	609,195	—	2,230,728	2,839,923
Fines and forfeits	107,286	—	6,135	113,421
Investment earnings (charges)	(3,990)	252	(80,295)	(84,033)
Refunds and reimbursements	8,674	—	221,301	229,975
Contributions and donations	150	—	94,059	94,209
Other	59,274	—	26,529	85,803
Total revenues	16,266,801	104,794	9,302,332	25,673,927
Expenditures				
Current				
General government	4,021,587	—	505,875	4,527,462
Public safety	8,118,751	—	3,108	8,121,859
Public works	3,217,876	—	403,547	3,621,423
Community services and recreation	427,784	—	33,046	460,830
Capital outlay				
General government	25,847	—	23,576	49,423
Public safety	38,155	—	436,607	474,762
Public works	2,371	3,888,982	3,944,078	7,835,431
Community services and recreation	869	—	40,262	41,131
Debt service				
Principal	—	—	4,400,000	4,400,000
Interest and fiscal charges	—	25,416	724,160	749,576
Total expenditures	15,853,240	3,914,398	10,514,259	30,281,897
Excess (deficiency) of revenues over expenditures	413,561	(3,809,604)	(1,211,927)	(4,607,970)
Other financing sources (uses)				
Bonds issued	—	1,405,000	4,510,000	5,915,000
Premium on bonds issued	—	113,769	462,881	576,650
Transfers in	1,666,775	793,000	5,891,627	8,351,402
Transfers out	(310,968)	—	(5,579,809)	(5,890,777)
Sale of capital assets	5,075	—	44,500	49,575
Total other financing sources (uses)	1,360,882	2,311,769	5,329,199	9,001,850
Net change in fund balances	1,774,443	(1,497,835)	4,117,272	4,393,880
Fund balances (deficits)				
Beginning of year, as previously reported	10,335,292	(46,391)	27,250,201	37,539,102
Prior period adjustment	—	—	(1,047,856)	(1,047,856)
Beginning of year, as restated	10,335,292	(46,391)	26,202,345	36,491,246
End of year	\$ 12,109,735	\$ (1,544,226)	\$ 30,319,617	\$ 40,885,126

See notes to basic financial statements

## CITY OF OAKDALE

## Statement 6

Reconciliation of the Statement of  
Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended December 31, 2022

Total net change in fund balances – governmental funds \$ 4,393,880

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	7,722,667
Capital contributions	213,962
Transfer to business-type activities	(2,086,682)
Transfer from business-type activities	451,353
Depreciation expense	(4,340,789)

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 balances.

(2,300)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal 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 and compensated absences.

Bonds issued	(5,915,000)
Principal payments for bonds	4,400,000
Unamortized bond premiums	(292,012)
Compensated absences	(339,479)

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.

(76,884)

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 inflows of resources – unavailable revenues	519,552
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Internal service funds are used by management to charge certain costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities in the government-wide financial statements.

Internal service fund activity	(1,194,690)
Internal balances for internal service activity for business-type activities	<u>53,260</u>

Change in net position – governmental activities	<u><u>\$ 3,506,838</u></u>
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## CITY OF OAKDALE

## Statement 7

## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Budget and Actual

## General Fund

Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenues				
General property taxes	\$ 10,908,983	\$ 10,908,983	\$ 10,884,557	\$ (24,426)
Special assessments	—	—	1,050	1,050
Franchise fees	670,000	670,000	649,033	(20,967)
Licenses and permits	1,527,535	1,597,535	2,742,510	1,144,975
Intergovernmental	978,721	1,078,721	1,209,062	130,341
Charges for services	594,160	594,160	609,195	15,035
Fines and forfeits	80,000	80,000	107,286	27,286
Investment earnings (charges)	63,153	63,153	(3,990)	(67,143)
Refunds and reimbursements	10,000	10,000	8,674	(1,326)
Contributions and donations	15,000	15,000	150	(14,850)
Other	40,000	40,000	59,274	19,274
Total revenues	<u>14,887,552</u>	<u>15,057,552</u>	<u>16,266,801</u>	<u>1,209,249</u>
Expenditures				
Current				
General government	4,198,113	4,253,540	4,021,587	(231,953)
Public safety	8,063,325	8,153,068	8,118,751	(34,317)
Public works	3,570,381	3,377,441	3,217,876	(159,565)
Community services and recreation	436,670	436,670	427,784	(8,886)
Capital outlay				
General government	52,500	21,200	25,847	4,647
Public safety	34,963	34,963	38,155	3,192
Public works	2,000	2,000	2,371	371
Community services and recreation	5,000	5,000	869	(4,131)
Total expenditures	<u>16,362,952</u>	<u>16,283,882</u>	<u>15,853,240</u>	<u>(430,642)</u>
Excess (deficiency) of revenues over expenditures	(1,475,400)	(1,226,330)	413,561	1,639,891
Other financing sources (uses)				
Transfers in	1,375,400	1,375,400	1,666,775	291,375
Transfers out	—	(5,000)	(310,968)	(305,968)
Sale of capital assets	—	—	5,075	5,075
Total other financing sources (uses)	<u>1,375,400</u>	<u>1,370,400</u>	<u>1,360,882</u>	<u>(9,518)</u>
Net change in fund balances	<u>\$ (100,000)</u>	<u>\$ 144,070</u>	<u>1,774,443</u>	<u>\$ 1,630,373</u>
Fund balances				
Beginning of year			<u>10,335,292</u>	
End of year			<u>\$ 12,109,735</u>	

## CITY OF OAKDALE

Statement of Net Position  
Proprietary Funds  
as of December 31, 2022

	Business-Type Activities – Enterprise Funds			
	700 Water	725 Sewer	750 Street Lights	799 Ambulance
Assets				
Current assets				
Cash and investments	\$ 6,292,248	\$ 3,146,429	\$ 921,144	\$ –
Receivables				
Interest	32,784	15,979	4,715	–
Accounts	437,378	924,634	172,539	–
Special assessments				
Current	636	–	–	–
Delinquent	36,455	45,190	6,508	–
Due from other governments	226,450	–	–	–
Prepaid items	103,599	302,925	–	–
Inventory	28,421	–	61,768	–
Total current assets	7,157,971	4,435,157	1,166,674	–
Noncurrent assets				
Capital assets				
Land	55,966	–	–	–
Buildings and structures	5,103,249	113,432	–	–
Machinery and equipment	1,067,512	1,402,279	–	–
Infrastructure	22,111,015	23,095,341	10,071,701	–
Less accumulated depreciation	(17,508,497)	(14,653,098)	(4,715,143)	–
Total capital assets (net of accumulated depreciation)	10,829,245	9,957,954	5,356,558	–
Total noncurrent assets	10,829,245	9,957,954	5,356,558	–
Total assets	17,987,216	14,393,111	6,523,232	–
Deferred outflows of resources				
OPEB plan deferments	–	–	–	–
Pension plan deferments	–	–	–	–
Total deferred outflows of resources	–	–	–	–
Total assets and deferred outflows of resources	\$ 17,987,216	\$ 14,393,111	\$ 6,523,232	\$ –
Liabilities				
Current liabilities				
Accounts and contracts payable	\$ 308,105	\$ 23,561	\$ 18,086	\$ –
Accrued salaries and employee benefits payable	10,808	6,131	1,084	–
Deposits payable	800	–	–	–
Compensated absences payable – current	11,787	11,787	–	–
Other post-employment benefits	–	–	–	–
Total current liabilities	331,500	41,479	19,170	–
Noncurrent liabilities				
Compensated absences payable	49,519	49,519	–	–
Total OPEB liability	–	–	–	–
Net pension liability	–	–	–	–
Total noncurrent liabilities	49,519	49,519	–	–
Total liabilities	381,019	90,998	19,170	–
Deferred inflows of resources				
OPEB plan deferments	–	–	–	–
Pension plan deferments	–	–	–	–
Total deferred inflows of resources	–	–	–	–
Net position				
Net investment in capital assets	10,829,245	9,957,954	5,356,558	–
Unrestricted	6,776,952	4,344,159	1,147,504	–
Total net position	17,606,197	14,302,113	6,504,062	–
Total liabilities, deferred inflows of resources, and net position	\$ 17,987,216	\$ 14,393,111	\$ 6,523,232	\$ –

Net position – total enterprise funds

Adjustment to reflect the consolidation of the internal  
service fund activities related to enterprise funds

Net position – business-type activities

Statement 8

<u>Total</u>	<u>Governmental Activities – Internal Service</u>
\$ 10,359,821	\$ –
53,478	–
1,534,551	–
636	–
88,153	–
226,450	–
406,524	–
90,189	–
<u>12,759,802</u>	<u>–</u>
55,966	–
5,216,681	–
2,469,791	–
55,278,057	–
<u>(36,876,738)</u>	<u>–</u>
<u>26,143,757</u>	<u>–</u>
26,143,757	–
38,903,559	–
–	354,971
–	<u>14,477,981</u>
–	<u>14,832,952</u>
<u>\$ 38,903,559</u>	<u>\$ 14,832,952</u>
\$ 349,752	\$ –
18,023	–
800	–
23,574	–
–	<u>54,823</u>
<u>392,149</u>	<u>54,823</u>
99,038	–
–	2,668,294
–	<u>23,273,940</u>
<u>99,038</u>	<u>25,942,234</u>
491,187	25,997,057
–	588,339
–	<u>488,034</u>
–	<u>1,076,373</u>
26,143,757	–
<u>12,268,615</u>	<u>(12,240,478)</u>
<u>38,412,372</u>	<u>(12,240,478)</u>
<u>\$ 38,903,559</u>	<u>\$ 14,832,952</u>
\$ 38,412,372	
<u>(326,783)</u>	
<u>\$ 38,085,589</u>	

CITY OF OAKDALE

Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
Year Ended December 31, 2022

	Business-Type Activities – Enterprise Funds			
	<b>700</b>	<b>725</b>	<b>750</b>	<b>799</b>
	Water	Sewer	Street Lights	Ambulance
Operating revenue				
Charges for services	\$ 2,712,638	\$ 4,296,652	\$ 582,414	\$ 472,131
Intergovernmental revenue	–	–	–	66,339
Other operating revenue	7,429	–	–	–
Total operating revenue	<u>2,720,067</u>	<u>4,296,652</u>	<u>582,414</u>	<u>538,470</u>
Operating expenses				
Personal services	593,017	365,380	90,538	1,723,207
Materials and supplies	352,608	29,635	17,594	400
Contractual services	489,222	265,685	32,361	110,200
MCES – sewer service charge	–	2,391,499	–	–
Utilities	260,184	63,800	190,952	–
Repairs and maintenance	4,419	15,422	4,435	–
Collected for other agencies	85,286	–	–	–
Depreciation	620,988	438,991	380,899	68,818
Total operating expenses	<u>2,405,724</u>	<u>3,570,412</u>	<u>716,779</u>	<u>1,902,625</u>
Operating income (loss)	314,343	726,240	(134,365)	(1,364,155)
Nonoperating revenues (expenses)				
Investment earnings (charges)	(29,128)	(19,842)	(6,970)	(139)
General property taxes	–	–	–	300,000
Intergovernmental revenue	226,450	–	–	–
Contribution to governmental activities	–	–	–	(334,305)
Special assessments	756	2,049	295	–
Total nonoperating revenues (expenses)	<u>198,078</u>	<u>(17,793)</u>	<u>(6,675)</u>	<u>(34,444)</u>
Income (loss) before capital contributions and transfers	512,421	708,447	(141,040)	(1,398,599)
Capital contributions	206,372	1,064,070	528,562	287,678
Transfers in	–	–	–	305,968
Transfers out	<u>(1,025,000)</u>	<u>(1,353,593)</u>	<u>(388,000)</u>	<u>–</u>
Change in net position	(306,207)	418,924	(478)	(804,953)
Net position	<u>17,912,404</u>	<u>13,883,189</u>	<u>6,504,540</u>	<u>804,953</u>
Beginning of year	<u>\$ 17,606,197</u>	<u>\$ 14,302,113</u>	<u>\$ 6,504,062</u>	<u>\$ –</u>
End of year				

Change in net position – total enterprise funds

Adjustment to reflect the consolidation of the internal  
service fund activities related to enterprise funds

Change in net position – business-type activities

**Statement 9**

<u>Total</u>	<u>Governmental Activities – Internal Service</u>
\$ 8,063,835	\$ 1,376,939
66,339	211,825
7,429	–
<u>8,137,603</u>	<u>1,588,764</u>
2,772,142	2,783,454
400,237	–
897,468	–
2,391,499	–
514,936	–
24,276	–
85,286	–
1,509,696	–
<u>8,595,540</u>	<u>2,783,454</u>
(457,937)	(1,194,690)
(56,079)	–
300,000	–
226,450	–
(334,305)	–
3,100	–
<u>139,166</u>	<u>–</u>
(318,771)	(1,194,690)
2,086,682	–
305,968	–
<u>(2,766,593)</u>	<u>–</u>
(692,714)	(1,194,690)
<u>39,105,086</u>	<u>(11,045,788)</u>
<u>\$ 38,412,372</u>	<u>\$ (12,240,478)</u>
\$ (692,714)	
<u>(53,260)</u>	
<u>\$ (745,974)</u>	

## CITY OF OAKDALE

Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2022

	Business-Type Activities – Enterprise Funds			
	700 Water	725 Sewer	750 Street Lights	799 Ambulance
Cash flows from operating activities				
Cash received from customers	\$ 2,472,142	\$ 4,246,991	\$ 545,994	\$ 1,063,205
Cash receipts on interfund charges for pension benefits	–	–	–	–
Cash payments to suppliers	(939,404)	(2,994,463)	(241,483)	(50,345)
Cash payments to employees for services	(603,293)	(363,873)	(91,659)	(1,754,293)
Net cash flows from operating activities	929,445	888,655	212,852	(741,433)
Cash flows from noncapital financing activities				
General property taxes	–	–	–	300,000
Intergovernmental revenue	226,450	–	–	–
Transfers in	–	–	–	249,755
Transfers out	(1,025,000)	(1,353,593)	(388,000)	–
Net cash flows from noncapital financing activities	(798,550)	(1,353,593)	(388,000)	549,755
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(38,566)	–	–	–
Cash flows from investing activities				
Interest received (charged) on investments	(61,912)	(35,821)	(11,685)	(139)
Net change in cash and cash equivalents	30,417	(500,759)	(186,833)	(191,817)
Cash and investments				
Beginning of year	6,261,831	3,647,188	1,107,977	191,817
End of year	\$ 6,292,248	\$ 3,146,429	\$ 921,144	\$ –
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 314,343	\$ 726,240	\$ (134,365)	\$ (1,364,155)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	620,988	438,991	380,899	68,818
Special assessments	756	2,049	295	–
Change in assets, deferred outflows, liabilities, and deferred inflows				
Accounts receivable	(210,050)	(6,520)	(30,207)	524,735
Special assessments receivable	(37,091)	(45,190)	(6,508)	–
Prepaid items	(23,069)	(226,194)	–	61,238
Inventory	4,963	–	3,501	–
Deferred outflows of resources	–	–	–	–
Accounts and contracts payable	273,673	6,353	358	(983)
Net pension liability	–	–	–	–
Total other post employment benefits	–	–	–	–
Deferred inflows of resources	–	–	–	–
Accrued salaries and employee benefits payable	(5,652)	6,131	(1,121)	(31,086)
Deposits payable	(1,540)	–	–	–
Compensated absences payable	(4,624)	(4,624)	–	–
Due to other governments	(3,252)	(8,581)	–	–
Net cash flows from operating activities	\$ 929,445	\$ 888,655	\$ 212,852	\$ (741,433)
Noncash investing, capital, and financing activities				
Capital assets contributed by other funds	\$ 206,372	\$ 1,064,070	\$ 528,562	\$ 287,678
Capital assets contributed to governmental activities	\$ –	\$ –	\$ –	\$ (451,353)
Transfer in for payables moved to other funds	\$ –	\$ –	\$ –	\$ 56,213
Compensated absences contributed to governmental activities	\$ –	\$ –	\$ –	\$ 117,048

See notes to basic financial statements

**Statement 10**

<u>Total</u>	<u>Governmental Activities – Internal Service</u>
\$ 8,328,332	\$ –
–	1,588,764
(4,225,695)	–
<u>(2,813,118)</u>	<u>(1,588,764)</u>
1,289,519	–
300,000	–
226,450	–
249,755	–
<u>(2,766,593)</u>	<u>–</u>
(1,990,388)	–
<u>(38,566)</u>	<u>–</u>
<u>(109,557)</u>	<u>–</u>
(848,992)	–
<u>11,208,813</u>	<u>–</u>
<u>\$ 10,359,821</u>	<u>\$ –</u>
\$ (457,937)	\$ (1,194,690)
1,509,696	–
3,100	–
277,958	–
(88,789)	–
(188,025)	–
8,464	–
–	(6,950,243)
279,401	–
–	17,442,462
–	192,745
–	(9,490,274)
(31,728)	–
(1,540)	–
(9,248)	–
<u>(11,833)</u>	<u>–</u>
<u>\$ 1,289,519</u>	<u>\$ –</u>
<u>\$ 2,086,682</u>	<u>\$ –</u>
<u>\$ (451,353)</u>	<u>\$ –</u>
<u>\$ 56,213</u>	<u>\$ –</u>
<u>\$ 117,048</u>	<u>\$ –</u>

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## CITY OF OAKDALE

### Notes to Basic Financial Statements December 31, 2022

#### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Organization**

The City of Oakdale, Minnesota (the City) was incorporated in 1968 and operates under the state of Minnesota Statutory Plan A form of government. The governing body consists of a five-member City Council elected by voters of the City.

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.

##### **B. Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

The Economic Development Authority (EDA) is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were part of the City's operations because the members of the City Council serve as EDA board members and its purpose is to promote development within the City. The EDA is currently inactive. Separate financial statements are not prepared for the EDA.

The Housing and Redevelopment Authority (HRA) is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as HRA board members and its activity is confined to the City. The HRA is currently inactive. Separate financial statements are not prepared for the HRA.

##### **C. Government-Wide Financial Statement Presentation**

The government-wide financial statements (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 sales, fees, and charges for support.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments 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 and special assessments are recognized as revenues in the fiscal year for which they are certified for levy. Grants and similar items are recognized when 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 fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the 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 and acquisitions under leases are reported as other financing sources.

Major revenue that is susceptible to accrual includes taxes, franchise fees, 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.

- 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.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and internal service funds are charges to customers for sales and services. The operating expenses for the enterprise funds and internal service 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.

Information for the internal service fund is reported in a single column in the proprietary fund financial statements. Because the principal user of the internal services is the City's governmental activities, the financial statements of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

### 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 accounted for in another fund.

**2022 Street Improvements Capital Projects Fund** – This fund was established to account for the construction costs associated with 2022 street improvements.

The City reports the following major enterprise funds:

**Water Fund** – The Water Fund accounts for the water service charges which are used to finance the water system operating expenses.

**Sewer Fund** – The Sewer Fund accounts for the sewer service charges which are used to finance the sanitary sewer system operating expenses.

**Street Lights Fund** – The Street Lights Fund accounts for service charges to residents which are used to finance street light operating expenses.

**Ambulance Fund** – The Ambulance Fund accounts for ambulance user fees which are used to finance contracted ambulance services.

Additionally, the City reports the following fund type:

**Internal Service Fund** – The Employee Benefit Fund is used to provide pension and other post-employment benefits (OPEB) to other funds of the City on a cost-reimbursement basis.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **E. Cash and Investments**

Cash and investments include balances that are combined and invested to the extent available in various securities as authorized by state law. Allocations of pooled investment earnings to the respective funds is based on participation by each fund.

The City generally reports investments at fair value. The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC), but 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.

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 2 for the City's recurring fair value measurements as of year-end.

### **F. 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 only receivables not expected to be collected within one year are loan receivable, lease receivable, property taxes receivable, special assessments receivable, and ambulance receivable.

### **G. Interfund Balances and Transfers**

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." Interfund balances and transfers reported in the fund financial statements are eliminated to the extent possible in the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **H. Property Taxes**

Property tax levies are set by the City Council in December of each year and are certified to Washington 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.

Property taxes 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, 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.

### **I. Special Assessments**

Special assessments primarily represent the financing for public improvements paid for by benefiting property owners. As previously mentioned under receivables, the City is also generally able to certify delinquent amounts to the county for collection as special assessments. 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. Delinquent assessments receivable at December 31, 2022 totaled \$105,889.

### **J. Inventories**

Inventories of the proprietary funds are stated at cost for supplies and at the lower of cost or acquisition value for inventory held for resale, cost being determined by the first-in, first-out method.

### **K. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### L. Capital Assets

Capital assets, which include property, buildings, improvements, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value on the date of donation. The City defines capital assets as those with an initial, individual cost greater than \$5,000 (except for easements which is \$50,000) and an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Capital assets are recorded in the government-wide and proprietary fund financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Capital assets not being depreciated include land and construction in progress.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings and structures	13–50 years
Machinery and equipment (including software)	5–10 years
Easements	10 years
Furniture and fixtures	10 years
Other park improvements	25–50 years
Storm sewers	25 years
Streets	10–25 years
Street lights	5–30 years
Distribution and collection systems	10–50 years

### M. Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused, vacation, sick pay, and PTO benefits. In the government-wide and proprietary fund financial statements, sick leave is accrued as used or when it becomes likely that it will be paid as termination pay, while vacation and PTO are accrued when incurred. 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. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the period incurred.

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

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **O. Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report separate sections for 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.

The City reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide and internal service fund Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, net collective difference between projected and actual investment earnings, changes in proportion, 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.

Unavailable revenue from loan receivables, taxes, special assessments, and ambulance receivables arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City reports deferred inflows of resources related to lease receivables in the government-wide 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.

The City also reports deferred inflows of resources related to state aid entitlements received for subsequent years in the government-wide and governmental funds Balance Sheet. This item is deferred and recognized as an inflow of resources in the period that the resources are appropriated.

### **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. Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements for the General Fund:

1. The city administrator submits a proposed operating budget for the fiscal year commencing the following January 1 to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public hearings are conducted to obtain taxpayer comments.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

4. The budget is legally enacted through passage of a resolution on a departmental basis for the General Fund and can be expended by each department based on upon detailed budget estimates for individual expenditure accounts.
5. The city administrator and finance director are authorized to transfer appropriations within any department budget. Interdepartmental or interfund appropriations and deletions are authorized by the City Council with fund contingency reserves or additional revenues.
6. Formal budgetary integration is employed as a management control device during the year for the budgeted funds. The General Fund is the only fund with a legally adopted annual budget.
7. Legal debt obligation indentures determine the appropriation level of debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
8. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
9. The legal level of budgetary control is at the department level for the General Fund. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services; materials and supplies; contractual services; and capital outlay) within each program. All amounts over budget have been approved by the City Council through the disbursement process.
10. The City Council may authorize transfer of budgeted amounts between City funds. The City Council can make supplemental budgetary appropriations throughout the year.
11. The budgets are adopted using the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America. Budgeted expenditure appropriations lapse at year end.

### **R. Assets Held for Resale**

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

### **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.



## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### T. Net Position 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.
- **Unrestricted Net Position** – All other elements of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

### U. Fund Balance Classifications and Flow Assumptions

In the fund financial statements, governmental funds report fund balance 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 related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **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.
- **Assigned** – Consists of internally imposed constraints for amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by an official to which the City Council delegates the authority by resolution. Pursuant to City Council resolution, the city administrator and/or finance director are authorized to establish assignments of fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- **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, the City first uses restricted resources, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, the City uses resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **V. 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. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation, and other miscellaneous insurance coverages. The LMCIT operates as a common risk management and insurance program for Minnesota cities. The City pays an annual premium to the LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. The City also carries commercial insurance for certain other risks of loss. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in the current year.

### **W. 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 amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

### **X. Change in Accounting Principle**

During the year ended December 31, 2022, the City implemented GASB Statement No. 87, *Leases*. This statement included major changes in recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of this new GASB statement in the current year resulted in the City reporting a new lease receivable and deferred inflows of resources, but did not require a restatement of net position. See Note 3 for additional details on this change in the current year.

### **Y. Prior Period Adjustment**

During the year ended December 31, 2022, the City recorded a prior period adjustment in the governmental activities on the government-wide financial statements and in the nonmajor fund in the governmental funds financial statements, decreasing net position/fund balance by \$1,047,856. This change was related to recording advances with Municipal State Aid (MSA) funding.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

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

Deposits	\$ 4,312,722
Investments	47,464,311
Cash on hand	<u>1,467</u>
Total	<u><u>\$ 51,778,500</u></u>

### 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 carrying amount of the City’s deposits was \$4,312,722, while the balance on the bank records was \$4,954,730. At December 31, 2022, 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 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### C. Investments

The City has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk – Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	
U.S. treasuries	N/R	N/A	Level 1	\$ 5,165,395	\$ 3,346,110	\$ –	\$ 8,511,505
U.S. agency securities	AA	S&P	Level 2	9,022,809	8,690,775	–	17,713,584
Municipal securities	AAA	S&P	Level 2	1,469,870	1,144,631	–	2,614,501
Municipal securities	AA	S&P	Level 2	1,189,307	2,701,569	143,875	4,034,751
Municipal securities	AAA	Moody's	Level 2	–	219,961	–	219,961
Municipal securities	AA	Moody's	Level 2	108,831	3,333,324	94,306	3,536,461
Negotiable certificates of deposit	N/R	N/A	Level 2	2,693,642	3,831,369	–	6,525,011
				<u>\$ 19,649,854</u>	<u>\$ 23,267,739</u>	<u>\$ 238,181</u>	43,155,774
Investment pools/mutual funds							
First American Treasury Obligations Fund	AAA	S&P	Level 1	N/A	N/A	N/A	4,017,600
U.S. Government Money Market Fund	AAA	S&P	Level 1	N/A	N/A	N/A	7
Minnesota Municipal Money Market Fund	N/R	N/A	Amortized Cost	N/A	N/A	N/A	290,930
Total investments							<u>\$ 47,464,311</u>

N/A – Not Applicable

N/R – Not Rated

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.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

**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. The City’s investment policies do not limit the concentration of investments. At December 31, 2022, the City’s investment portfolio included the following percentages of specific issuers greater than 5 percent:

Federal Home Loan Banks	5.72%
Federal National Mortgage Association	19.14%
Federal Farm Credit Banks	8.29%

**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 no more than 20 percent of the total investment portfolio should extend beyond five years and in no circumstance should any investments extend beyond 10 years.

## NOTE 3 – RECEIVABLES

### A. Loan Receivables

The City has made several business and home improvement loans to local businesses and citizens. The terms and periods of repayment vary with each loan. Loan receivables in nonmajor governmental funds totaled \$253,276.

### B. Lease Receivables

The City has entered into lease receivable agreements for cell tower rental space on city property. These leases are reported using an incremental borrowing rate of 2.78 percent with a final maturity in fiscal 2035. During the current year, the City received principal and interest payments on these leases of \$264,534.

## NOTE 4 – INTERFUND TRANSACTIONS

### A. Due To and Due From Other Funds

Interfund receivables and payables at year-end were as follows:

<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	
	<u>Governmental</u>	<u>General</u>
Governmental Nonmajor	\$	39,908

Interfund borrowing is utilized for cash flow purposes to eliminate temporary cash balance deficits.

## NOTE 4 – INTERFUND TRANSACTIONS (CONTINUED)

### B. Interfund Transfers

Interfund transfers for the year were as follows:

Transfers Out	Transfers In				
	Governmental			Proprietary	
	2022				
	General	Street Improvements	Nonmajor	Ambulance	Total
Governmental					
General	\$ –	\$ –	\$ 5,000	\$ 305,968	\$ 310,968
Nonmajor	466,775	793,000	4,320,034	–	5,579,809
Proprietary					
Water	575,000	–	450,000	–	1,025,000
Sewer	575,000	–	778,593	–	1,353,593
Street Lights	50,000	–	338,000	–	388,000
Total	\$ 1,666,775	\$ 793,000	\$ 5,891,627	\$ 305,968	\$ 8,657,370

Transfers are made in accordance with budget appropriations or as approved by the City Council for special funding of city activities. These transfers were made to fund operations, debt payments, capital outlay, or to close funds.

## NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

### A. Changes in Capital Assets Used in Governmental Activities

	Beginning Balance	Additions	Deletions	Completed Construction	Transfers	Ending Balance
Capital assets, not being depreciated						
Land	\$ 9,723,070	\$ –	\$ –	\$ –	\$ –	\$ 9,723,070
Construction in progress	12,683,829	6,980,163	–	(2,876,142)	(1,451,333)	15,336,517
Total capital assets, not being depreciated	22,406,899	6,980,163	–	(2,876,142)	(1,451,333)	25,059,587
Capital assets, depreciated						
Buildings and structures	14,061,838	65,222	–	86,949	–	14,214,009
Furniture and fixtures	1,821,340	–	(23,425)	43,793	14,330	1,856,038
Machinery and equipment	9,596,788	891,244	(92,962)	201,075	306,412	10,902,557
Other park improvements	10,836,337	–	–	207,771	–	11,044,108
Streets	138,750,023	–	–	2,201,482	–	140,951,505
Storm sewers	16,113,204	–	–	135,072	–	16,248,276
Total capital assets, depreciated	191,179,530	956,466	(116,387)	2,876,142	320,742	195,216,493
Less accumulated depreciation on						
Buildings and structures	10,782,038	401,402	–	–	–	11,183,440
Furniture and fixtures	1,565,162	62,446	(21,125)	–	14,330	1,620,813
Machinery and equipment	7,486,376	622,312	(92,962)	–	490,408	8,506,134
Other park improvements	9,800,039	186,355	–	–	–	9,986,394
Streets	124,233,873	2,812,862	–	–	–	127,046,735
Storm sewers	12,611,496	255,412	–	–	–	12,866,908
Total accumulated depreciation	166,478,984	4,340,789	(114,087)	–	504,738	171,210,424
Total capital assets, depreciated, net	24,700,546	(3,384,323)	(2,300)	2,876,142	(183,996)	24,006,069
Net capital assets	\$ 47,107,445	\$ 3,595,840	\$ (2,300)	\$ –	\$ (1,635,329)	\$ 49,065,656

## NOTE 5 – CAPITAL ASSETS (CONTINUED)

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 55,966	\$ —	\$ —	\$ —	\$ 55,966
Capital assets, depreciated					
Buildings and structures	5,216,681	—	—	—	5,216,681
Machinery and equipment	2,881,192	18,111	(108,770)	(320,742)	2,469,791
Street lights	9,543,139	—	—	528,562	10,071,701
Distribution system	21,963,537	20,455	—	127,023	22,111,015
Collection system	22,299,593	—	—	795,748	23,095,341
Total capital assets, depreciated	61,904,142	38,566	(108,770)	1,130,591	62,964,529
Less accumulated depreciation on					
Buildings and structures	4,508,972	84,618	—	—	4,593,590
Machinery and equipment	2,419,237	186,233	(108,770)	(504,738)	1,991,962
Street lights	4,334,245	380,899	—	—	4,715,144
Distribution system	11,663,690	466,323	—	—	12,130,013
Collection system	13,054,406	391,623	—	—	13,446,029
Total accumulated depreciation	35,980,550	1,509,696	(108,770)	(504,738)	36,876,738
Total capital assets, depreciated, net	25,923,592	(1,471,130)	—	1,635,329	26,087,791
Net capital assets	\$ 25,979,558	\$ (1,471,130)	\$ —	\$ 1,635,329	\$ 26,143,757

### C. Depreciation Expense by Function

Depreciation expense was charged to the following functions:

Governmental activities	
General government	\$ 62,618
Public safety	410,882
Public works	3,660,378
Community services and recreation	206,911
Total depreciation expense – governmental activities	\$ 4,340,789
Business-type activities	
Water	\$ 620,988
Sewer	438,991
Street lights	380,899
Ambulance	68,818
Total depreciation expense – business-type activities	\$ 1,509,696

## NOTE 6 – LONG-TERM DEBT

### A. Components of Long-Term Debt

	Original Issue	Interest Rate	Issue Date	Final Maturity Date	Balance – End of Year
Governmental activities					
G.O. bonds					
Equipment Certificates of 2018B	\$ 940,000	5.00%	09/13/2018	11/01/2023	\$ 205,000
Equipment Certificates of 2019B	\$ 845,000	5.00%	08/22/2019	11/01/2024	370,000
Equipment Certificates of 2020B	\$ 715,000	5.00%	09/10/2020	11/01/2025	455,000
Total G.O. bonds					<u>1,030,000</u>
G.O. tax increment bonds					
Tax Increment Revenue Bonds of 2016D	\$ 4,315,000	2.00–3.10%	08/11/2016	02/01/2037	3,480,000
G.O. taxable housing bonds					
Taxable Housing Bonds of 2016C	\$ 550,000	2.00–3.10%	08/11/2016	02/01/2035	430,000
G.O. improvement bonds					
Improvement Bonds of 2013A	\$ 2,365,000	2.00–2.45%	11/01/2013	02/01/2024	480,000
Improvement Bonds of 2014B	\$ 2,330,000	2.00–2.50%	12/01/2014	02/01/2025	700,000
Improvement Bonds of 2015A	\$ 2,555,000	2.25–3.00%	08/27/2015	02/01/2026	1,055,000
Improvement Refunding Bonds of 2015C	\$ 1,645,000	2.00–2.125%	11/05/2015	02/01/2023	175,000
Improvement Bonds of 2016A	\$ 1,920,000	2.00%	08/11/2016	02/01/2027	950,000
Improvement Bonds of 2017A	\$ 2,700,000	2.00–2.10%	10/26/2017	02/01/2028	1,635,000
Improvement Bonds of 2018A	\$ 840,000	3.00%	09/13/2018	02/01/2029	605,000
Improvement Bonds of 2019A	\$ 2,630,000	3.00–5.00%	08/22/2019	02/01/2030	2,205,000
Improvement Bonds of 2020A	\$ 1,690,000	1.00–5.00%	09/10/2020	02/01/2031	1,535,000
Improvement Refunding Bonds of 2020A	\$ 650,000	5.00%	09/10/2020	02/01/2027	465,000
Improvement Bonds of 2021A	\$ 2,535,000	1.00–5.00%	08/12/2021	02/01/2032	2,535,000
Improvement Bonds of 2022A	\$ 5,915,000	3.10–5.00%	08/01/2022	02/01/2033	5,915,000
Total G.O. improvement bonds					<u>18,255,000</u>
Unamortized bond premiums					1,643,531
Compensated absences					<u>1,492,566</u>
Total governmental activities					<u><u>\$ 26,331,097</u></u>
Business-type activities					
Compensated absences					<u><u>\$ 122,612</u></u>
Total government-wide activities					<u><u>\$ 26,453,709</u></u>



## NOTE 6 – LONG-TERM DEBT (CONTINUED)

### B. Changes in Long-Term Debt

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance	Due Within One Year
Governmental activities						
G.O. bonds	\$ 1,745,000	\$ –	\$ 715,000	\$ –	\$ 1,030,000	\$ 530,000
G.O. tax increment bonds	3,665,000	–	185,000	–	3,480,000	190,000
G.O. taxable housing bonds	730,000	–	300,000	–	430,000	30,000
G.O. improvement bonds	15,540,000	5,915,000	3,200,000	–	18,255,000	2,140,000
Unamortized bond premiums	1,351,519	576,650	284,638	–	1,643,531	–
Total bonds	23,031,519	6,491,650	4,684,638	–	24,838,531	2,890,000
Compensated absences	1,153,087	640,527	418,096	117,048	1,492,566	298,995
Total governmental activities	24,184,606	7,132,177	5,102,734	117,048	26,331,097	3,188,995
Business-type activities						
Compensated absences	248,908	172,971	182,219	(117,048)	122,612	23,574
Total government-wide	<u>\$ 24,433,514</u>	<u>\$ 7,305,148</u>	<u>\$ 5,284,953</u>	<u>\$ –</u>	<u>\$ 26,453,709</u>	<u>\$ 3,212,569</u>

### C. Minimum Debt Payments

Minimum annual payments required to retire bonds are as follows:

Year Ending December 31,	G.O. Bonds		G.O. Tax Increment Bonds		G.O. Taxable Housing Bonds		G.O. Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 530,000	\$ 51,500	\$ 190,000	\$ 90,778	\$ 30,000	\$ 11,605	\$ 2,140,000	\$ 651,394
2024	340,000	25,000	195,000	86,928	30,000	10,990	2,600,000	568,333
2025	160,000	8,000	200,000	82,828	30,000	10,345	2,490,000	471,480
2026	–	–	205,000	78,371	30,000	9,603	2,285,000	377,574
2027	–	–	210,000	73,598	30,000	8,778	2,055,000	288,368
2028–2032	–	–	1,145,000	283,253	165,000	30,500	6,535,000	447,766
2033–2037	–	–	1,335,000	104,793	115,000	5,502	150,000	2,324
Total	<u>\$ 1,030,000</u>	<u>\$ 84,500</u>	<u>\$ 3,480,000</u>	<u>\$ 800,549</u>	<u>\$ 430,000</u>	<u>\$ 87,323</u>	<u>\$18,255,000</u>	<u>\$ 2,807,239</u>

### D. Descriptions of Long-Term Debt

- **General Obligation Bonds** – The City has outstanding series of equipment certificates, issued in accordance with Minnesota Statutes § 412.301, to finance the purchase of equipment. These certificates will be repaid primarily by ad valorem tax levies.
- **General Obligation Tax Increment Bonds** – The City has established tax increment financing districts and has issued general obligation tax increment bonds in accordance with Minnesota Statutes. It is anticipated that the tax increment revenues, derived from the captured assessed value of property in the tax increment district, will provide substantially all funds necessary to retire the bond principal and interest. In addition, future tax levies may be placed on the tax rolls annually as scheduled for supplementary financing.
- **General Obligation Taxable Housing Bonds** – These bonds were issued to finance improvements to designated housing projects. The bonds are repaid from assessments to the benefiting properties.
- **General Obligation Improvement Bonds** – These bonds were issued for the acquisition and construction of major capital improvements or to refinance (refund) previous bond issues. These bonds will be repaid by ad valorem tax levies and special assessments levied on the properties benefitting from the improvements.

## NOTE 6 – LONG-TERM DEBT (CONTINUED)

- **Other Long-Term Liabilities** – The City provides its employees with various benefits, including compensated absences, pension benefits, and OPEB as further described elsewhere in these notes. The General, Water, Sewer, and Internal Service Funds will be used to liquidate these liabilities.

### E. Arbitrage Rebate

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. In the opinion of management, any obligation would be immaterial.

### F. Revenue Pledged

Future revenue pledged for the payment of long-term debt is as follows:

Debt Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2013A G.O. Improvement	Utility improvements	Assessments/property tax	100%	2014–2024	\$ 491,520	\$ 253,800	\$ 199,720
2014B G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2015–2025	\$ 726,375	\$ 250,375	\$ 224,031
2015A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2016–2026	\$ 1,108,256	\$ 292,238	\$ 203,280
2015C G.O. Improvement	Refund 2007A/ Street and site improvements	Assessments/property tax	100%	2017–2023	\$ 176,859	\$ 170,369	\$ 187,655
2016A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2018–2027	\$ 997,500	\$ 210,900	\$ 161,593
2016C Taxable G.O. Housing	Housing rehabilitation	Assessments	100%	2018–2035	\$ 517,323	\$ 37,155	\$ 74,306
2016D Tax Increment Revenue	Oakdale Mall project	TIF	100%	2015–2037	\$ 4,280,549	\$ 279,528	\$ 280,000
2017A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2019–2028	\$ 1,735,063	\$ 305,675	\$ 243,716
2018A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2020–2029	\$ 669,275	\$ 99,350	\$ 95,413
2018B Equipment Certificates	Equipment purchases	Property taxes	100%	2020–2023	\$ 215,250	\$ 220,250	\$ 231,262
2019A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2020–2030	\$ 2,579,875	\$ 339,025	\$ 319,077
2019B Equipment Certificates	Equipment purchases	Property taxes	100%	2020–2024	\$ 398,000	\$ 197,000	\$ 206,850
2020A G.O. Improvement	Refund 2006A/ Street and site improvements	Assessments/property tax	100%	2021–2031	\$ 2,263,200	\$ 331,125	\$ 305,193
2020B Equipment Certificates	Equipment purchases	Property taxes	100%	2021–2025	\$ 501,250	\$ 164,500	\$ 172,725
2021A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2021–2032	\$ 2,923,041	\$ 91,411	\$ 283,293
2022A G.O. Improvement	Street improvement projects	Assessments/property tax	100%	2022–2033	\$ 7,391,275	\$ –	\$ 271,683

## NOTE 7 – DEFINED BENEFIT PENSION PLANS

Employees of the City participate in two defined benefit pension plans. Both of the plans are state-wide, cost-sharing, multiple-employer defined benefit pension plans administered by the Public Employee Retirement Association (PERA) of Minnesota; the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF). The details of the City's participation in each of these plans are presented later in these notes. The following table summarizes the impact of these plans on the City's government-wide financial statements:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA – GERF	\$ 5,441,063	\$ 1,635,538	\$ 129,333	\$ 764,080
PERA – PEPFF	17,832,877	12,842,443	358,701	1,931,129
Total – all pensions	<u>\$ 23,273,940</u>	<u>\$ 14,477,981</u>	<u>\$ 488,034</u>	<u>\$ 2,695,209</u>

## NOTE 8 – 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 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 Internal Revenue Code (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.

## **NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

### **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. GERS 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.

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. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

#### **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.

## **NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

### **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 2022, 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, 2022, were \$400,437. 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 2022, 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, 2022, were \$946,446. The City's contributions were equal to the required contributions as set by state statutes.

### **D. Pension Costs**

#### **1. GERF Pension Costs**

At December 31, 2022, the City reported a liability of \$5,441,063 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 \$159,484. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.0687 percent at the end of the measurement period and 0.0702 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	\$ 5,441,063
State's proportionate share of the net pension liability associated with the City	\$ 159,484

For the year ended December 31, 2022, the City recognized pension expense of \$740,249 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$23,831 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16.0 million to the GERF.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

At December 31, 2022, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 45,448	\$ 59,256
Changes in actuarial assumptions	1,257,485	22,034
Net collective difference between projected and actual investment earnings	48,009	—
Changes in proportion	66,399	48,043
Contributions paid to the PERA subsequent to the measurement date	218,197	—
Total	<u>\$ 1,635,538</u>	<u>\$ 129,333</u>

A total of \$218,197 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, 2023. 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
2023	\$ 495,867
2024	\$ 504,619
2025	\$ (204,540)
2026	\$ 492,062

**2. PEPFF Pension Costs**

At December 31, 2022, the City reported a liability of \$17,832,877 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.4098 percent at the end of the measurement period and 0.3671 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, 2022. The contribution consisted of \$9.0 million in direct state aid that does meet 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, 2021. 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.

## NOTE 8 – 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, 2022, the City recognized pension expense of \$1,780,017 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$151,112 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9.0 million to the PEPFF.

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	\$ 17,832,877
State's proportionate share of the net pension liability associated with the City	\$ 779,035

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 \$36,882 for the year ended December 31, 2022 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, 2022, 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
Differences between expected and actual economic experience	\$ 1,047,909	\$ –
Changes in actuarial assumptions	10,109,855	100,958
Net collective difference between projected and actual investment earnings	736,874	–
Changes in proportion	421,155	257,743
Contributions paid to the PERA subsequent to the measurement date	526,650	–
Total	<u>\$ 12,842,443</u>	<u>\$ 358,701</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

A total of \$526,650 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, 2023. 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
2023	\$ 2,390,403
2024	\$ 2,377,600
2025	\$ 2,087,985
2026	\$ 3,562,437
2027	\$ 1,538,667

**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:

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

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2022, 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 6.50 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 6.50 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 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1.00 percent per year and that increase was used in the valuation.



## **NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

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 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 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.

The following changes in actuarial assumptions occurred in 2022:

### **1. GERF**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

### **2. PEPFF**

#### **CHANGES IN ACTUARIAL ASSUMPTIONS**

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

## **G. Discount Rate**

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.50 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 was 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.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061, projected benefit payments exceed the fund's projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to, but not later than, the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.50 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

## NOTE 8 – 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 in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	5.50%	6.50%	7.50%
City's proportionate share of the GERF net pension liability	\$ 8,594,444	\$ 5,441,063	\$ 2,854,804
PEPFF discount rate	4.40%	5.40%	6.40%
City's proportionate share of the PEPFF net pension liability	\$ 26,987,772	\$ 17,832,877	\$ 10,431,693

### 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](http://www.mnpera.org).

## NOTE 9 – 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 have the option under state law to continue their medical insurance coverage through the City from the time of 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 medical and dental insurance. Per state statutes, the City is also required to contribute towards 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.

## NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

### 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 \$54,823.

### D. Membership

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

Retirees and beneficiaries receiving benefits	10
Active plan members	<u>112</u>
Total members	<u><u>122</u></u>

### E. Total OPEB Liability of the City

The City's total OPEB liability of \$2,723,117 as of year-end was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2020.

### F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, using the entry-age normal level percent of pay method. The following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Discount rate	1.84%
20-year municipal bond yield	1.84%
Inflation rate	2.25% per year
Healthcare cost trend rate	6.30% for 2021 gradually decreasing to an ultimate rate of 3.80% in 2075 and beyond

Since the Plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on Scale MP-2019, and other adjustments for the Police and Fire employees. Mortality rates for the General employees were based on Pub-2010 mortality tables with projected mortality improvements based on Scale MP-2019, and other adjustments.

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)****G. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Beginning balance – January 1, 2022	\$ 2,530,372
Changes for the year	
Service cost	155,517
Interest	53,116
Differences between expected and actual experience	(2,270)
Changes of assumptions	46,520
Benefit payments	<u>(60,138)</u>
Total net changes	<u>192,745</u>
Ending balance – December 31, 2022	<u><u>\$ 2,723,117</u></u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 2.00 percent to 1.84 percent.

**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	0.84%	1.84%	2.84%
Total OPEB liability	\$ 3,036,013	\$ 2,723,117	\$ 2,447,008

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	5.30% decreasing to 2.80% over 54 years	6.30% decreasing to 3.80% over 54 years	7.30% decreasing to 4.80% over 54 years
Total OPEB liability	\$ 2,343,339	\$ 2,723,117	\$ 3,176,796

**NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)****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 \$162,934. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ —	\$ 430,458
Changes in actuarial assumptions	300,148	157,881
Contributions subsequent to the measurement date	<u>54,823</u>	<u>—</u>
Total	<u>\$ 354,971</u>	<u>\$ 588,339</u>

A total of \$54,823 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	OPEB Expense Amount
2023	\$ (45,699)
2024	\$ (45,699)
2025	\$ (45,699)
2026	\$ (45,699)
2027	\$ (46,954)
Thereafter	\$ (58,441)

**NOTE 10 – NET POSITION/FUND BALANCE****A. Net Investment in Capital Assets**

The government-wide statement of net position at December 31, 2022 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			
Nondepreciable	\$ 25,059,587	\$ 55,966	\$ 25,115,553
Depreciable, net of accumulated depreciation	24,006,069	26,087,791	50,093,860
Less capital related long-term debt outstanding	(20,344,617)	—	(20,344,617)
Less capital related accounts/contracts payable	(353,846)	—	(353,846)
Plus unspent bond proceeds	<u>2,597,343</u>	<u>—</u>	<u>2,597,343</u>
Total net investment in capital assets	<u>\$ 30,964,536</u>	<u>\$ 26,143,757</u>	<u>\$ 57,108,293</u>

**NOTE 10 – NET POSITION/FUND BALANCE (CONTINUED)****B. Governmental Fund Balance Classifications**

At December 31, 2022, the City had the following governmental fund balances:

	General	2022 Street Improvements	Nonmajor	Total
Nonspendable				
Prepaid items	\$ 274,155	\$ –	\$ 19,418	\$ 293,573
Restricted				
Tax increment	–	–	4,829,268	4,829,268
Public safety	–	–	119,954	119,954
Debt service	–	–	6,875,308	6,875,308
Capital improvements	–	–	2,722,508	2,722,508
Recreation and community events	–	–	289,040	289,040
Park development	–	–	1,078,684	1,078,684
Total restricted	–	–	15,914,762	15,914,762
Committed				
Compensated absences	762,225	–	–	762,225
Surface water management	–	–	852,294	852,294
Recovery loans	–	–	253,584	253,584
Neighborhood and strategic initiatives	–	–	119,621	119,621
Total committed	762,225	–	1,225,499	1,987,724
Assigned				
Budget carryover/uncompleted projects	244,070	–	–	244,070
Capital improvements	–	–	4,545,129	4,545,129
Debt service	–	–	377,343	377,343
Future buildings	–	–	3,278,025	3,278,025
Parks and recreation	–	–	990,063	990,063
Utility system replacements	–	–	3,548,307	3,548,307
Mall redevelopment	–	–	473,660	473,660
Total assigned	244,070	–	13,212,527	13,456,597
Unassigned	10,829,285	(1,544,226)	(52,589)	9,232,470
Total	<u>\$ 12,109,735</u>	<u>\$ (1,544,226)</u>	<u>\$ 30,319,617</u>	<u>\$ 40,885,126</u>

**C. Minimum Unassigned Fund Balance Policy**

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year, June and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. In addition, it is the City's goal to begin each fiscal year with sufficient fund balance to fund emergencies in an amount equal to 10 percent of the ensuing year's General Fund expenditures. The policy establishes a year-end targeted unassigned fund balance amount for cash-flow timing and emergency needs at 60 percent of the subsequent year's budgeted expenditures. At December 31, 2022, the unassigned fund balance for the General Fund was 53 percent of the subsequent year's budgeted expenditures.

## **NOTE 10 – NET POSITION/FUND BALANCE (CONTINUED)**

### **D. Deficit Fund Balances**

The following funds have a deficit fund equity at December 31, 2022:

	<u>Amount</u>
Governmental	
Capital Projects Fund	
2022 Street Improvements	\$ 1,544,226
Nonmajor Funds	
Capital Projects Fund	
2023 Street Reconstruction	\$ 52,589
Proprietary	
Internal Service Fund	\$ 12,240,478

The deficit in the 2022 Street Improvements Capital Projects Fund will be reduced and eliminated as the City recognizes its annual MSA allocation of funding each year.

The deficit in the 2023 Street Reconstruction Capital Project Fund will be reduced and eliminated with future bond proceeds.

The deficit in the Internal Service Fund will be reduced and eliminated with future pension/OPEB contributions.

## **NOTE 11 – COMMITMENTS AND CONTINGENCIES**

### **A. Federal and State Funding**

Amounts recorded 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.

### **D. Construction Contracts**

The City has several outstanding contracts at year-end. A liability for work completed has been recorded as contracts payable. The City's commitment for uncompleted work on these contracts at December 31, 2022 is \$10,528,958.

## **NOTE 12 – CONDUIT DEBT OBLIGATION**

From time to time, the City has issued rental housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of rental housing deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2022, there were two series of rental housing revenue bonds outstanding. The aggregate issued amount was \$29,990,000, including a 2012 refunding issue of \$10,040,000, and a 2016 issue of \$19,950,000. The balance outstanding at December 31, 2022 is unavailable.

## **NOTE 13 – SUBSEQUENT EVENTS**

### **New Accounting Standard**

A new standard was issued by the GASB for Subscription Based Information Technology Arrangements (SBITAs). An SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange-like transaction. At the commencement of the subscription term, a government should recognize a subscription liability and an intangible right-to-use asset. The effects of this change have not yet been determined and are not reflected in these financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKDALE

PERA – General Employees Retirement Fund  
Schedule of City's and Nonemployer Proportionate Share of Net Pension Liability  
Year Ended December 31, 2022

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 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	0.0671%	\$ 3,477,470	\$ –	\$ 3,477,470	\$ 3,943,891	88.17%	78.20%
12/31/2016	06/30/2016	0.0672%	\$ 5,456,307	\$ 71,285	\$ 5,527,592	\$ 4,325,114	126.15%	68.90%
12/31/2017	06/30/2017	0.0665%	\$ 4,245,316	\$ 53,389	\$ 4,298,705	\$ 4,284,735	99.08%	75.90%
12/31/2018	06/30/2018	0.0675%	\$ 3,744,623	\$ 122,982	\$ 3,867,605	\$ 4,540,594	82.47%	79.50%
12/31/2019	06/30/2019	0.0675%	\$ 3,731,924	\$ 115,995	\$ 3,847,919	\$ 4,773,850	78.17%	80.20%
12/31/2020	06/30/2020	0.0684%	\$ 4,100,893	\$ 126,440	\$ 4,227,333	\$ 4,875,048	84.12%	79.10%
12/31/2021	06/30/2021	0.0702%	\$ 2,997,855	\$ 91,619	\$ 3,089,474	\$ 5,055,654	59.30%	87.00%
12/31/2022	06/30/2022	0.0687%	\$ 5,441,063	\$ 159,484	\$ 5,600,547	\$ 5,142,723	105.80%	76.70%

PERA – General Employees Retirement Fund  
Schedule of City Contributions  
Year Ended December 31, 2022

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	\$ 301,636	\$ 301,636	\$ –	\$ 4,025,698	7.49%
12/31/2016	\$ 316,100	\$ 316,100	\$ –	\$ 4,214,659	7.50%
12/31/2017	\$ 326,799	\$ 326,799	\$ –	\$ 4,357,322	7.50%
12/31/2018	\$ 351,531	\$ 351,531	\$ –	\$ 4,687,075	7.50%
12/31/2019	\$ 366,587	\$ 366,587	\$ –	\$ 4,887,817	7.50%
12/31/2020	\$ 367,895	\$ 367,895	\$ –	\$ 4,905,283	7.50%
12/31/2021	\$ 381,763	\$ 381,763	\$ –	\$ 5,091,321	7.50%
12/31/2022	\$ 400,437	\$ 400,437	\$ –	\$ 5,334,898	7.51%

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 OAKDALE

PERA – Public Employees Police and Fire Fund  
Schedule of City's and Nonemployer Proportionate Share of Net Pension Liability  
Year Ended December 31, 2022

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	0.3550%	\$ 4,033,631	\$ –	\$ 4,033,631	\$ 3,233,354	124.75%	86.60%
12/31/2016	06/30/2016	0.3570%	\$ 14,327,031	\$ –	\$ 14,327,031	\$ 3,565,277	401.85%	63.90%
12/31/2017	06/30/2017	0.3540%	\$ 4,779,421	\$ –	\$ 4,779,421	\$ 3,634,022	131.52%	85.40%
12/31/2018	06/30/2018	0.3591%	\$ 3,827,636	\$ –	\$ 3,827,636	\$ 3,639,288	105.18%	88.80%
12/31/2019	06/30/2019	0.3971%	\$ 4,227,531	\$ –	\$ 4,227,531	\$ 4,185,998	100.99%	89.30%
12/31/2020	06/30/2020	0.3954%	\$ 5,211,795	\$ 122,776	\$ 5,334,571	\$ 4,461,545	116.82%	87.20%
12/31/2021	06/30/2021	0.3671%	\$ 2,833,623	\$ 127,390	\$ 2,961,013	\$ 4,345,128	65.21%	93.70%
12/31/2022	06/30/2022	0.4098%	\$ 17,832,877	\$ 779,035	\$ 18,611,912	\$ 4,970,662	358.76%	70.50%

PERA – Public Employees Police and Fire Fund  
Schedule of City Contributions  
Year Ended December 31, 2022

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	\$ 543,624	\$ 543,624	\$ –	\$ 3,355,704	16.20%
12/31/2016	\$ 571,063	\$ 571,063	\$ –	\$ 3,525,077	16.20%
12/31/2017	\$ 597,604	\$ 597,604	\$ –	\$ 3,688,916	16.20%
12/31/2018	\$ 639,589	\$ 639,589	\$ –	\$ 3,948,083	16.20%
12/31/2019	\$ 740,973	\$ 740,973	\$ –	\$ 4,371,523	16.95%
12/31/2020	\$ 785,957	\$ 785,957	\$ –	\$ 4,440,437	17.70%
12/31/2021	\$ 833,333	\$ 833,333	\$ –	\$ 4,708,098	17.70%
12/31/2022	\$ 946,446	\$ 946,446	\$ –	\$ 5,340,909	17.72%

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 OAKDALE

Other Post-Employment Benefits Plan  
Schedule of Changes in the City's Total  
OPEB Liability and Related Ratios  
Year Ended December 31, 2022

City financial statement year ended December 31, Measurement period – December 31,	Fiscal Year				
	2018	2019	2020	2021	2022
	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 145,946	\$ 167,671	\$ 145,721	\$ 169,902	\$ 155,517
Interest	91,707	90,675	85,838	73,292	53,116
Differences between expected and actual experience	–	(337,938)	–	(287,259)	(2,270)
Changes of assumptions	138,015	(263,661)	150,436	108,045	46,520
Benefit payments	(60,629)	(69,296)	(51,755)	(57,709)	(60,138)
Net change in total OPEB liability	315,039	(412,549)	330,240	6,271	192,745
Total OPEB liability – beginning of year	2,291,371	2,606,410	2,193,861	2,524,101	2,530,372
Total OPEB liability – end of year	<u>\$ 2,606,410</u>	<u>\$ 2,193,861</u>	<u>\$ 2,524,101</u>	<u>\$ 2,530,372</u>	<u>\$ 2,723,117</u>
Covered-employee payroll	<u>\$ 8,364,847</u>	<u>\$ 8,964,148</u>	<u>\$ 9,626,556</u>	<u>\$ 9,702,898</u>	<u>\$ 10,685,373</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>31.2%</u>	<u>24.5%</u>	<u>26.2%</u>	<u>26.1%</u>	<u>25.5%</u>

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

Note 2: The City implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

## CITY OF OAKDALE

### Notes to Required Supplementary Information December 31, 2022

#### **PERA – GENERAL EMPLOYEES RETIREMENT FUND**

##### **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.

##### **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.

CITY OF OAKDALE

Notes to Required Supplementary Information (continued)  
December 31, 2022

**PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)**

**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 OAKDALE

### Notes to Required Supplementary Information (continued) December 31, 2022

#### **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 OAKDALE

### Notes to Required Supplementary Information (continued) December 31, 2022

#### **PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND**

##### **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 percent to 70 percent. Minor changes to form of payment assumptions were applied.

##### **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.



## CITY OF OAKDALE

### Notes to Required Supplementary Information (continued) December 31, 2022

#### **PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)**

##### **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.

##### **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.

CITY OF OAKDALE

Notes to Required Supplementary Information (continued)  
December 31, 2022

**PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)**

**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 OAKDALE

### Notes to Required Supplementary Information (continued) December 31, 2022

#### **OTHER POST-EMPLOYMENT BENEFITS PLAN**

##### **2022 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.00 percent to 1.84 percent.

##### **2021 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 2.75 percent to 2.00 percent.
- Healthcare trend rates were reset to reflect updates cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience, including an adjustment to reflect age/gender-based risk scores published by in the Society of Actuaries.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Plan and July 1, 2018 PERA Police and Fire Plan valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

##### **2020 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.71 percent to 2.75 percent.

##### **2019 CHANGES IN ACTUARIAL ASSUMPTIONS**

- The discount rate was changed from 3.31 percent to 3.71 percent.
- Healthcare trend rates were reset to reflect updates cost increase expectations, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2016 PERA General Employees Plan and July 1, 2016 PERA Police and Fire Plan valuations to the rates used in the July 1, 2018 valuations.
- The percent of future regular retirees assumed to elect coverage at retirement changed from 75 percent to 60 percent to reflect recent plan experience.
- The percent of future non-Medicare eligible retirees electing each medical plan were updated to reflect recent plan experience.
- The inflation assumption was changed from 2.75 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

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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.

## CITY OF OAKDALE

## Statement 11

Nonmajor Governmental Funds  
Combining Balance Sheet  
as of December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and investments	\$ 1,512,506	\$ 7,212,719	\$ 19,233,694	\$ 27,958,919
Receivables				
Interest	7,790	37,996	100,782	146,568
Accounts	145,168	—	203,291	348,459
Loan	253,276	—	—	253,276
Special assessments				
Current	—	3,486	—	3,486
Delinquent	4,400	9,963	—	14,363
Deferred	—	3,871,565	7,400	3,878,965
Special deferred	—	131,999	—	131,999
Prepaid items	3,085	—	16,333	19,418
Assets held for resale	—	—	2,410,681	2,410,681
Total assets	<u>\$ 1,926,225</u>	<u>\$ 11,267,728</u>	<u>\$ 21,972,181</u>	<u>\$ 35,166,134</u>
Liabilities				
Accounts and contracts payable	\$ 28,660	\$ 1,550	\$ 378,563	\$ 408,773
Accrued salaries and employee benefits payable	2,311	—	—	2,311
Due to other funds	—	—	39,908	39,908
Total liabilities	<u>30,971</u>	<u>1,550</u>	<u>418,471</u>	<u>450,992</u>
Deferred inflows of resources				
Unavailable revenue – loan receivable	253,276	—	—	253,276
Unavailable revenue – special assessments	4,400	4,013,527	7,400	4,025,327
State aid received for subsequent years	—	—	116,922	116,922
Total deferred inflows of resources	<u>257,676</u>	<u>4,013,527</u>	<u>124,322</u>	<u>4,395,525</u>
Fund balances (deficits)				
Nonspendable	3,085	—	16,333	19,418
Restricted	408,994	6,875,308	8,630,460	15,914,762
Committed	1,225,499	—	—	1,225,499
Assigned	—	377,343	12,835,184	13,212,527
Unassigned	—	—	(52,589)	(52,589)
Total fund balances	<u>1,637,578</u>	<u>7,252,651</u>	<u>21,429,388</u>	<u>30,319,617</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,926,225</u>	<u>\$ 11,267,728</u>	<u>\$ 21,972,181</u>	<u>\$ 35,166,134</u>



## CITY OF OAKDALE

## Statement 12

Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Revenue				
General property taxes	\$ 84,500	\$ 2,520,139	\$ 640,000	\$ 3,244,639
Tax increment taxes	—	—	1,024,908	1,024,908
Special assessments	13,232	1,233,596	1,578	1,248,406
Intergovernmental	—	115,484	1,170,438	1,285,922
Charges for services	685,692	—	1,545,036	2,230,728
Forfeited property	6,135	—	—	6,135
Investment earnings (charges)	(1,090)	(16,985)	(62,220)	(80,295)
Refunds and reimbursements	57,820	—	163,481	221,301
Contributions and donations	77,559	—	16,500	94,059
Other	6,375	—	20,154	26,529
Total revenue	930,223	3,852,234	4,519,875	9,302,332
Expenditures				
Current				
General government	335,668	—	170,207	505,875
Public safety	3,108	—	—	3,108
Public works	331,489	—	72,058	403,547
Community services and recreation	33,046	—	—	33,046
Capital outlay				
General government	10,806	—	12,770	23,576
Public safety	990	—	435,617	436,607
Public works	—	—	3,944,078	3,944,078
Community services and recreation	—	—	40,262	40,262
Debt service				
Principal	—	4,400,000	—	4,400,000
Interest and fiscal charges	—	653,842	70,318	724,160
Total expenditures	715,107	5,053,842	4,745,310	10,514,259
Excess (deficiency) of revenues over expenditures	215,116	(1,201,608)	(225,435)	(1,211,927)
Other financing sources (uses)				
Bonds issued	—	—	4,510,000	4,510,000
Premium on bonds issued	—	—	462,881	462,881
Transfers in	300,000	1,857,128	3,734,499	5,891,627
Transfers out	(221,801)	(1,377,066)	(3,980,942)	(5,579,809)
Sale of capital assets	—	—	44,500	44,500
Total other financing sources (uses)	78,199	480,062	4,770,938	5,329,199
Net change in fund balances	293,315	(721,546)	4,545,503	4,117,272
Fund balances				
Beginning of year, as previously reported	1,344,263	7,974,197	17,931,741	27,250,201
Prior period adjustment	—	—	(1,047,856)	(1,047,856)
Beginning of year, as restated	1,344,263	7,974,197	16,883,885	26,202,345
End of year	\$ 1,637,578	\$ 7,252,651	\$ 21,429,388	\$ 30,319,617

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## NONMAJOR 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:

- **Surface Water Management Fund** – Administers the resources associated with storm and surface water management activities within the City. Primary revenues are generated through a fee collected from new development.
- **Charitable Gambling Fund** – Administers the resources contributed by nonprofit organizations that are used to fund youth oriented activities and projects.
- **Forfeited Proceeds Fund** – Administers the resources acquired through law enforcement investigation and confiscations as permitted by Minnesota Statutes Section 609. Permitted expenditures from this fund include disbursements to other law enforcement agencies and funding for police programs and equipment.
- **Wellness Fund** – Administers the resources for the City's Live Well Employee Wellness program funded by contributions from the City's health insurance provider.
- **Community and Economic Development Fund** – Administers the resources for low interest loans to small businesses. The purpose of the fund is to promote business development, create new job opportunities, and expand the local tax base. The fund was created with revenue from existing tax increment districts. Future revenue will include interest on loans.
- **Pandemic Business Recovery Loan Fund** – Administers the resources for the Pandemic Business Recovery Loans approved by the City Council.
- **Neighborhood Strategic Planning Fund** – Administers the resources for costs associated with completing programs that have been identified as priority initiatives in the City's strategic plan and neighborhood enhancement guide.
- **Communications and Broadcasting Fund** – Administers the resources for the collection of cable commission fees to be used to purchase cable broadcast equipment.
- **Recreation Activity Fund** – Administers the resources for the recreational activities that operate on a fee basis. Revenues are generated through registration fees and charges for services of specific programs and are used to fund direct expenditures of the programs.
- **Summerfest Fund** – Administers the resources for the activity of the annual Summerfest celebration.
- **Veterans Memorial Fund** – Administers the resources for costs associated with the purchase of memorial bricks for the veteran's monument. Proceeds received in this fund were donated from a nonprofit veterans group.

CITY OF OAKDALE

Nonmajor Special Revenue Funds  
Combining Balance Sheet  
as of December 31, 2022

	206	282	202	204	220
	Surface Water Management	Charitable Gambling	Forfeited Proceeds	Wellness	Community and Economic Development
Assets					
Cash and investments	\$ 719,768	\$ 275,737	\$ 120,323	\$ 500	\$ 277,172
Receivables					
Interest	3,699	1,424	621	—	1,431
Accounts	133,289	11,879	—	—	—
Loan	—	—	—	—	136,079
Special assessments					
Delinquent	4,400	—	—	—	—
Prepaid items	3,085	—	—	—	—
Total assets	<u>\$ 864,241</u>	<u>\$ 289,040</u>	<u>\$ 120,944</u>	<u>\$ 500</u>	<u>\$ 414,682</u>
Liabilities					
Accounts and contracts payable	\$ 2,151	\$ —	\$ 990	\$ 500	\$ 25,019
Accrued salaries and employee benefits payable	2,311	—	—	—	—
Total liabilities	<u>4,462</u>	<u>—</u>	<u>990</u>	<u>500</u>	<u>25,019</u>
Deferred inflows of resources					
Unavailable revenue – loan receivable	—	—	—	—	136,079
Unavailable revenue – special assessments	4,400	—	—	—	—
Total deferred inflows of resources	<u>4,400</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>136,079</u>
Fund balances					
Nonspendable	3,085	—	—	—	—
Restricted	—	289,040	119,954	—	—
Committed	852,294	—	—	—	253,584
Total fund balances	<u>855,379</u>	<u>289,040</u>	<u>119,954</u>	<u>—</u>	<u>253,584</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 864,241</u>	<u>\$ 289,040</u>	<u>\$ 120,944</u>	<u>\$ 500</u>	<u>\$ 414,682</u>

Statement 13

290 Pandemic Business Recovery Loan	203 Neighborhood Strategic Planning	280 Communications and Broadcasting	205 Recreation Activity	208 Summerfest	207 Veterans Memorial	Total
\$ —	\$ 119,006	\$ —	\$ —	\$ —	\$ —	\$ 1,512,506
—	615	—	—	—	—	7,790
—	—	—	—	—	—	145,168
117,197	—	—	—	—	—	253,276
—	—	—	—	—	—	4,400
—	—	—	—	—	—	3,085
<u>\$ 117,197</u>	<u>\$ 119,621</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,926,225</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 28,660
—	—	—	—	—	—	2,311
—	—	—	—	—	—	30,971
117,197	—	—	—	—	—	253,276
—	—	—	—	—	—	4,400
117,197	—	—	—	—	—	257,676
—	—	—	—	—	—	3,085
—	—	—	—	—	—	408,994
—	119,621	—	—	—	—	1,225,499
—	119,621	—	—	—	—	1,637,578
<u>\$ 117,197</u>	<u>\$ 119,621</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,926,225</u>

CITY OF OAKDALE

Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Year Ended December 31, 2022

	206	282	202	204	220
	Surface Water Management	Charitable Gambling	Forfeited Proceeds	Wellness	Community and Economic Development
Revenues					
General property taxes	\$ —	\$ —	\$ —	\$ —	\$ 79,500
Special assessments	3,365	—	—	—	9,867
Charges for services					
Activity fees	—	—	—	—	—
Surface water management fees	682,361	—	—	—	—
Forfeited property	—	—	6,135	—	—
Investment earnings (charges)	1,569	(582)	(529)	—	(528)
Refunds and reimbursements	—	—	—	34,045	—
Contributions and donations	—	77,559	—	—	—
Other	—	—	—	—	—
Total revenues	687,295	76,977	5,606	34,045	88,839
Expenditures					
Current					
General government	—	—	—	34,045	184,426
Public safety	—	—	3,108	—	—
Public works	331,489	—	—	—	—
Community services and recreation	—	—	—	—	—
Capital outlay					
General government	—	—	—	—	—
Public safety	—	—	990	—	—
Total expenditures	331,489	—	4,098	34,045	184,426
Excess (deficiency) of revenues over expenditures	355,806	76,977	1,508	—	(95,587)
Other financing sources (uses)					
Transfers in	300,000	—	—	—	—
Transfers out	(120,000)	—	—	—	—
Total other financing sources (uses)	180,000	—	—	—	—
Net change in fund balances	535,806	76,977	1,508	—	(95,587)
Fund balances					
Beginning of year	319,573	212,063	118,446	—	349,171
End of year	\$ 855,379	\$ 289,040	\$ 119,954	\$ —	\$ 253,584

## Statement 14

290 Pandemic Business Recovery Loan	203 Neighborhood Strategic Planning	280 Communications and Broadcasting	205 Recreation Activity	208 Summerfest	207 Veterans Memorial	Total
\$ —	\$ —	\$ —	\$ —	\$ 5,000	\$ —	\$ 84,500
—	—	—	—	—	—	13,232
—	—	—	—	3,331	—	3,331
—	—	—	—	—	—	682,361
—	—	—	—	—	—	6,135
—	(544)	(285)	—	(175)	(16)	(1,090)
—	—	23,775	—	—	—	57,820
—	—	—	—	—	—	77,559
—	—	—	—	6,375	—	6,375
—	(544)	23,490	—	14,531	(16)	930,223
117,197	—	—	—	—	—	335,668
—	—	—	—	—	—	3,108
—	—	—	—	—	—	331,489
—	—	—	—	33,046	—	33,046
—	—	10,806	—	—	—	10,806
—	—	—	—	—	—	990
117,197	—	10,806	—	33,046	—	715,107
(117,197)	(544)	12,684	—	(18,515)	(16)	215,116
—	—	—	—	—	—	300,000
—	—	(41,457)	(43,072)	(13,730)	(3,542)	(221,801)
—	—	(41,457)	(43,072)	(13,730)	(3,542)	78,199
(117,197)	(544)	(28,773)	(43,072)	(32,245)	(3,558)	293,315
117,197	120,165	28,773	43,072	32,245	3,558	1,344,263
\$ —	\$ 119,621	\$ —	\$ —	\$ —	\$ —	\$ 1,637,578

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## **NONMAJOR DEBT SERVICE FUNDS**

Nonmajor debt service funds are used to account for the accumulation of resources for and the payment of principal, interest, and related costs on long-term general obligation debt of governmental funds. The individual nonmajor debt service funds are presented to distinguish between the various bond issues.

## CITY OF OAKDALE

Nonmajor Debt Service Funds  
Combining Balance Sheet  
as of December 31, 2022

	<b>440</b>	<b>346</b>	<b>347</b>	<b>318</b>	<b>317</b>	<b>316</b>
	Closed Bond Sinking Fund	2016B Equipment Certificates	2017B Equipment Certificates	2018B Equipment Certificates	2019B Equipment Certificates	2020B Equipment Certificates
<b>Assets</b>						
Cash and investments	\$ 372,092	\$ —	\$ —	\$ 51,628	\$ 26,707	\$ 14,873
Receivables						
Interest	5,412	—	—	267	138	77
Special assessments						
Current	839	—	—	—	—	—
Delinquent	5,267	—	—	—	—	—
Deferred	337,023	—	—	—	—	—
Special deferred	71,651	—	—	—	—	—
Total assets	<u>\$ 792,284</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 51,895</u>	<u>\$ 26,845</u>	<u>\$ 14,950</u>
<b>Liabilities</b>						
Accounts and contracts payable	\$ 1,000	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred inflows of resources						
Unavailable revenue – special assessments	413,941	—	—	—	—	—
<b>Fund balances</b>						
Restricted	—	—	—	51,895	26,845	14,950
Assigned	377,343	—	—	—	—	—
Total fund balances	<u>377,343</u>	<u>—</u>	<u>—</u>	<u>51,895</u>	<u>26,845</u>	<u>14,950</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 792,284</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 51,895</u>	<u>\$ 26,845</u>	<u>\$ 14,950</u>

<b>456</b>	<b>460</b>	<b>351</b>	<b>350</b>	<b>455</b>	<b>454</b>	<b>453</b>	<b>461</b>
\$2,200,000 Bonds of 2011B	\$4,485,000 Bonds of 2012A	Reserve for Housing Bonds of 2012C	\$550,000 Taxable Housing Bonds of 2012C	\$2,365,000 Bonds of 2013A	\$2,330,000 Bonds of 2014A	\$2,555,000 Bonds of 2015A	\$1,645,000 Refunding Bonds of 2015C
\$ —	\$ —	\$ —	\$ —	\$ 322,424	\$ 669,301	\$ 561,300	\$ 504,296
—	—	—	—	1,252	3,456	2,382	2,604
—	—	—	—	124	207	—	—
—	—	—	—	192	1,263	394	—
—	—	—	—	45,994	107,980	160,662	—
—	—	—	—	11,963	3,300	12,105	3,200
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 381,949</u>	<u>\$ 785,507</u>	<u>\$ 736,843</u>	<u>\$ 510,100</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 550	\$ —	\$ —
—	—	—	—	58,149	112,543	173,161	3,200
—	—	—	—	323,800	672,414	563,682	506,900
—	—	—	—	—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>323,800</u>	<u>672,414</u>	<u>563,682</u>	<u>506,900</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 381,949</u>	<u>\$ 785,507</u>	<u>\$ 736,843</u>	<u>\$ 510,100</u>

## CITY OF OAKDALE

Nonmajor Debt Service Funds  
Combining Balance Sheet (continued)  
as of December 31, 2022

	<b>451</b>	<b>352</b>	<b>349</b>	<b>452</b>	<b>468</b>	<b>469</b>
	\$1,920,000 Bonds of 2016A	\$550,000 2016C HIA Bonds	\$4,315,000 Tax Increment Bonds of 2016D	\$2,700,000 Bonds of 2017A	\$840,000 Bonds of 2018A	\$2,630,000 Bonds of 2019A
<b>Assets</b>						
Cash and investments	\$ 558,989	\$ 284,064	\$ 476	\$ 708,219	\$ 236,726	\$ 726,131
Receivables						
Interest	2,886	1,466		2,886	1,223	3,749
Special assessments						
Current	34	—	—	653	5	812
Delinquent	442	407	—	49	256	789
Deferred	174,228	459,957	—	250,133	144,156	364,121
Special deferred	10,948	—	—	—	3,840	10,192
Total assets	<u>\$ 747,527</u>	<u>\$ 745,894</u>	<u>\$ 476</u>	<u>\$ 961,940</u>	<u>\$ 386,206</u>	<u>\$ 1,105,794</u>
<b>Liabilities</b>						
Accounts and contracts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred inflows of resources						
Unavailable revenue – special assessments	185,618	460,364	—	250,182	148,252	375,102
<b>Fund balances</b>						
Restricted	561,909	285,530	476	711,758	237,954	730,692
Assigned	—	—	—	—	—	—
Total fund balances	<u>561,909</u>	<u>285,530</u>	<u>476</u>	<u>711,758</u>	<u>237,954</u>	<u>730,692</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 747,527</u>	<u>\$ 745,894</u>	<u>\$ 476</u>	<u>\$ 961,940</u>	<u>\$ 386,206</u>	<u>\$ 1,105,794</u>

**Statement 15**  
**2 of 2**

<b>470</b>	<b>475</b>	<b>476</b>	
\$2,340,000 Refunding Bonds of 2020A	\$2,535,000 Bonds of 2021A	\$5,915,000 Bonds of 2022A	Total
\$ 679,723	\$ 1,223,179	\$ 272,591	\$ 7,212,719
2,477	6,316	1,405	37,996
812	—	—	3,486
374	530	—	9,963
443,996	733,125	650,190	3,871,565
4,800	—	—	131,999
<u>\$ 1,132,182</u>	<u>\$ 1,963,150</u>	<u>\$ 924,186</u>	<u>\$ 11,267,728</u>
\$ —	\$ —	\$ —	\$ 1,550
449,170	733,655	650,190	4,013,527
683,012	1,229,495	273,996	6,875,308
—	—	—	377,343
<u>683,012</u>	<u>1,229,495</u>	<u>273,996</u>	<u>7,252,651</u>
<u>\$ 1,132,182</u>	<u>\$ 1,963,150</u>	<u>\$ 924,186</u>	<u>\$ 11,267,728</u>

## CITY OF OAKDALE

Nonmajor Debt Service Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Year Ended December 31, 2022

	440	346	347	318	317	316
	Closed Bond Sinking Fund	2016B Equipment Certificates	2017B Equipment Certificates	2018B Equipment Certificates	2019B Equipment Certificates	2020B Equipment Certificates
Revenues						
General property taxes	\$ —	\$ —	\$ 224,910	\$ 231,262	\$ 206,850	\$ 172,725
Special assessments	106,687	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—
Investment earnings (charges)	(206)	(593)	(941)	(866)	(576)	(408)
Total revenues	106,481	(593)	223,969	230,396	206,274	172,317
Expenditures						
Debt service						
Principal	—	—	210,000	200,000	170,000	135,000
Interest and fiscal charges	—	—	4,700	20,800	27,500	30,000
Total expenditures	—	—	214,700	220,800	197,500	165,000
Excess (deficiency) of revenues over expenditures	106,481	(593)	9,269	9,596	8,774	7,317
Other financing sources (uses)						
Transfers in	756,473	—	—	—	—	—
Transfers out	(680,000)	(130,123)	(55,343)	—	—	—
Total other financing sources (uses)	76,473	(130,123)	(55,343)	—	—	—
Net change in fund balances	182,954	(130,716)	(46,074)	9,596	8,774	7,317
Fund balances						
Beginning of year	194,389	130,716	46,074	42,299	18,071	7,633
End of year	\$ 377,343	\$ —	\$ —	\$ 51,895	\$ 26,845	\$ 14,950

456	460	351	350	455	454	453	461
\$2,200,000 Bonds of 2011B	\$4,485,000 Bonds of 2012A	Reserve for Housing Bonds of 2012C	\$550,000 Taxable Housing Bonds of 2012C	\$2,365,000 Bonds of 2013A	\$2,330,000 Bonds of 2014B	\$2,555,000 Bonds of 2015A	\$1,645,000 Refunding Bonds of 2015C
\$ —	\$ 150,942	\$ —	\$ —	\$ 146,787	\$ 153,734	\$ 137,641	\$ 187,655
303	51,749	—	39,347	52,933	70,297	65,639	—
—	—	—	—	—	—	—	115,484
(181)	(7,648)	(125)	(3,087)	939	(772)	(135)	1,076
122	195,043	(125)	36,260	200,659	223,259	203,145	304,215
215,000	1,070,000	—	275,000	240,000	230,000	260,000	165,000
2,956	17,950	—	7,835	14,350	20,925	32,738	5,869
217,956	1,087,950	—	282,835	254,350	250,925	292,738	170,869
(217,834)	(892,907)	(125)	(246,575)	(53,691)	(27,666)	(89,593)	133,346
—	—	—	—	80,000	—	100,000	—
(17,601)	(350,179)	(27,423)	(116,397)	—	—	—	—
(17,601)	(350,179)	(27,423)	(116,397)	80,000	—	100,000	—
(235,435)	(1,243,086)	(27,548)	(362,972)	26,309	(27,666)	10,407	133,346
235,435	1,243,086	27,548	362,972	297,491	700,080	553,275	373,554
\$ —	\$ —	\$ —	\$ —	\$ 323,800	\$ 672,414	\$ 563,682	\$ 506,900

## CITY OF OAKDALE

Nonmajor Debt Service Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (continued)  
Year Ended December 31, 2022

	451	352	349	452	468	469
	\$1,920,000 Bonds of 2016A	\$550,000 2016C HIA Bonds	\$4,315,000 Tax Increment Bonds of 2016D	\$2,700,000 Bonds of 2017A	\$840,000 Bonds of 2018A	\$2,630,000 Bonds of 2019A
Revenues						
General property taxes	\$ 99,821	\$ —	\$ —	\$ 172,416	\$ 56,552	\$ 217,943
Special assessments	61,772	74,306	—	71,300	38,861	101,134
Intergovernmental	—	—	—	—	—	—
Investment earnings (charges)	(957)	(576)	—	(2,653)	(191)	(543)
Total revenues	160,636	73,730	—	241,063	95,222	318,534
Expenditures						
Debt service						
Principal retirement	190,000	25,000	185,000	270,000	80,000	235,000
Interest and fiscal charges	21,400	12,655	95,028	36,175	19,900	104,525
Total expenditures	211,400	37,655	280,028	306,175	99,900	339,525
Excess (deficiency) of revenues over expenditures	(50,764)	36,075	(280,028)	(65,112)	(4,678)	(20,991)
Other financing sources (uses)						
Transfers in	—	—	280,000	—	—	—
Transfers out	—	—	—	—	—	—
Total other financing sources (uses)	—	—	280,000	—	—	—
Net change in fund balances	(50,764)	36,075	(28)	(65,112)	(4,678)	(20,991)
Fund balances						
Beginning of year	612,673	249,455	504	776,870	242,632	751,683
End of year	\$ 561,909	\$ 285,530	\$ 476	\$ 711,758	\$ 237,954	\$ 730,692



**Statement 16**  
**2 of 2**

<b>470</b>	<b>475</b>	<b>476</b>	
\$2,340,000 Refunding Bonds of 2020A	\$2,535,000 Bonds of 2021A	\$5,915,000 Bonds of 2022A	Total
\$ 217,691	\$ 143,210	\$ —	\$ 2,520,139
87,502	140,083	271,683	1,233,596
—	—	—	115,484
644	(1,499)	2,313	(16,985)
<u>305,837</u>	<u>281,794</u>	<u>273,996</u>	<u>3,852,234</u>
245,000	—	—	4,400,000
86,625	91,911	—	653,842
<u>331,625</u>	<u>91,911</u>	<u>—</u>	<u>5,053,842</u>
(25,788)	189,883	273,996	(1,201,608)
200,000	440,655	—	1,857,128
—	—	—	(1,377,066)
<u>200,000</u>	<u>440,655</u>	<u>—</u>	<u>480,062</u>
174,212	630,538	273,996	(721,546)
508,800	598,957	—	7,974,197
<u>\$ 683,012</u>	<u>\$ 1,229,495</u>	<u>\$ 273,996</u>	<u>\$ 7,252,651</u>

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## NONMAJOR CAPITAL PROJECTS FUNDS

Nonmajor capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Nonmajor capital projects funds presently established are as follows:

- **Park Improvements Fund** – Administers the resources for capital equipment or land acquisition and construction projects within the park system.
- **Vehicle and Equipment Replacement Fund** – Administers the resources for vehicles and equipment replacement throughout all City departments. Funding is derived from the annual levy.
- **Utility System Replacement Fund** – Administers the resources for capital infrastructure replacement projects that are expected to occur within the next five years.
- **Street Maintenance Fund** – Administers the resources needed to undertake projects identified in the City’s Capital Improvement Plan.
- **Municipal Building Fund** – Administers the resources for property tax revenue that has been dedicated to the future construction of a fire station and public safety complex.
- **Water Availability Reserve Fund** – Administers the resources for collection and use of water availability fees. The fees are collected through the issuance of building permits and funds are reserved for capital repairs or enhancement to the water system.
- **Sewer Availability Reserve Fund** – Administers the resources for collection and use of sewer availability fees. The fees are collected through the issuance of building permits and funds are reserved for capital repairs or enhancement to the sewer system.
- **Special Projects Fund** – Administers the resources for one-time purchases approved by the City Council. Funding is provided through transfers of excess fund balance.
- **Tax Increment District Funds** – Administers the increment generated by each district and the directly related expenditures.
- **Oakwood Luster HIA Fund** – Administers the resources for costs associated with a housing improvement area project. Taxable G.O. bonds were issued to fund the project and will be paid back with special assessments.
- **2014 Capital Energy Grant Fund** – Administers the resources for a one-time grant that is dedicated to providing local businesses with funding to upgrade certain capital equipment with energy efficient replacements.
- **2020 Capital Equipment Acquisition Fund** – Administers the resources for the purchase of capital equipment that was to be financed through the issuance of equipment certificates in 2020.
- **Escrow for Park Tool Land Purchase Proceeds Fund** – Administers the resources for the proceeds of a land sale. These proceeds are to be escrowed for a future redevelopment need.
- **Willowbrooke Open Space Fund** – Administers the resources for the Willowbrooke open space development. Funding is derived from developer payments agreed upon through the Willowbrooke development agreement.
- **Highway 36 Realignment Fund** – Administers the resources for the City portion of construction costs associated with this multi-jurisdictional highway project. Minnesota Highway State Aid associated with this project will also be accounted for in this fund.
- **2021 Street Improvements Fund** – Administers the resources for the construction costs associated with 2021 street improvements.
- **40th Street Reconstruction Fund** – Administers the resources for the construction costs associated with the 40th Street reconstruction project.
- **Ideal Avenue Reconstruction Fund** – Administers the resources for the construction costs associated with the Ideal Avenue reconstruction project.
- **2023 Street Improvements Fund** – Administers the resources for the construction costs associated with 2023 street improvements.

## CITY OF OAKDALE

Nonmajor Capital Projects Funds  
Combining Balance Sheet  
as of December 31, 2022

	500	502	517	506	522
	Park Improvements	Vehicle and Equipment Replacement	Utility System Replacement	Street Maintenance	Municipal Building
Assets					
Cash and investments	\$ 1,920,915	\$ 1,014,284	\$ 3,479,384	\$ 291,532	\$ 862,888
Receivables					
Interest	9,919	5,237	17,450	1,505	4,456
Accounts	24,156	20,154	158,981	—	—
Special assessments					
Deferred	—	—	7,400	—	—
Prepaid items	—	—	—	—	—
Assets held for resale	—	—	—	—	2,410,681
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,410,681</u>
Total assets	<u>\$ 1,954,990</u>	<u>\$ 1,039,675</u>	<u>\$ 3,663,215</u>	<u>\$ 293,037</u>	<u>\$ 3,278,025</u>
Liabilities					
Accounts and contracts payable	\$ —	\$ —	\$ 107,508	\$ —	\$ —
Due to other funds	—	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>107,508</u>	<u>—</u>	<u>—</u>
Deferred inflows of resources					
Unavailable revenue – special assessments	—	—	7,400	—	—
State aid received for subsequent years	—	—	—	71,575	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>7,400</u>	<u>71,575</u>	<u>—</u>
Fund balances (deficit)					
Nonspendable	—	—	—	—	—
Restricted	964,927	—	—	—	—
Assigned	990,063	1,039,675	3,548,307	221,462	3,278,025
Unassigned	—	—	—	—	—
Total fund balances (deficit)	<u>1,954,990</u>	<u>1,039,675</u>	<u>3,548,307</u>	<u>221,462</u>	<u>3,278,025</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,954,990</u>	<u>\$ 1,039,675</u>	<u>\$ 3,663,215</u>	<u>\$ 293,037</u>	<u>\$ 3,278,025</u>

504	505	530	538	559	564	537	539	560
Water Availability Reserve	Sewer Availability Reserve	Special Projects	Tax Increment #6	Tax Increment #1-4	Tax Increment #1-6	Tax Increment #2-11	Tax Increment #2-12	TIF Temporary Transfer Authority
\$ 352,556	\$ 413,690	\$ 2,517,922	\$ 2,353,942	\$ —	\$ —	\$ 454,323	\$ 149	\$ 1,996,317
1,820	2,653	13,002	12,155	—	—	3,792	1	10,308
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	16,333	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
<u>\$ 354,376</u>	<u>\$ 416,343</u>	<u>\$ 2,547,257</u>	<u>\$ 2,366,097</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 458,115</u>	<u>\$ 150</u>	<u>\$ 2,006,625</u>
\$ —	\$ —	\$ 17,651	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,719
—	—	—	—	—	—	—	—	—
—	—	17,651	—	—	—	—	—	1,719
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	16,333	—	—	—	—	—	—
—	—	—	2,366,097	—	—	458,115	150	2,004,906
354,376	416,343	2,513,273	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
<u>354,376</u>	<u>416,343</u>	<u>2,529,606</u>	<u>2,366,097</u>	<u>—</u>	<u>—</u>	<u>458,115</u>	<u>150</u>	<u>2,004,906</u>
<u>\$ 354,376</u>	<u>\$ 416,343</u>	<u>\$ 2,547,257</u>	<u>\$ 2,366,097</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 458,115</u>	<u>\$ 150</u>	<u>\$ 2,006,625</u>

## CITY OF OAKDALE

Nonmajor Capital Projects Funds  
Combining Balance Sheet (continued)  
as of December 31, 2022

	678	550	532	563	525
	Oakwood Luster HIA	2014 Capital Energy Grant	2020 Capital Equipment Acquisition	Escrow for Park Tool Land Purchase Proceeds	Willowbrooke Open Space
Assets					
Cash and investments	\$ —	\$ —	\$ —	\$ 471,227	\$ 122,464
Receivables					
Interest	—	—	—	2,433	632
Accounts	—	—	—	—	—
Special assessments					
Deferred	—	—	—	—	—
Prepaid items	—	—	—	—	—
Assets held for resale	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 473,660</u>	<u>\$ 123,096</u>
Liabilities					
Accounts and contracts payable	\$ —	\$ —	\$ —	\$ —	\$ 9,339
Due to other funds	—	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,339</u>
Deferred inflows of resources					
Unavailable revenue – special assessments	—	—	—	—	—
State aid received for subsequent years	—	—	—	—	—
Total deferred inflows	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances (deficit)					
Nonspendable	—	—	—	—	—
Restricted	—	—	—	—	113,757
Assigned	—	—	—	473,660	—
Unassigned	—	—	—	—	—
Total fund balances (deficit)	<u>—</u>	<u>—</u>	<u>—</u>	<u>473,660</u>	<u>113,757</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 473,660</u>	<u>\$ 123,096</u>

689	694	693	697	699	
Highway 36 Realignment	2021 Street Improvements	40th Street Reconstruction	Ideal Avenue Reconstruction	2023 Street Reconstruction	Total
\$ 138,133	\$ —	\$ 2,690,780	\$ 153,188	\$ —	\$ 19,233,694
734	—	13,894	791	—	100,782
—	—	—	—	—	203,291
—	—	—	—	—	7,400
—	—	—	—	—	16,333
—	—	—	—	—	2,410,681
<u>\$ 138,867</u>	<u>\$ —</u>	<u>\$ 2,704,674</u>	<u>\$ 153,979</u>	<u>\$ —</u>	<u>\$ 21,972,181</u>
\$ 18,066	\$ —	\$ 107,331	\$ 104,268	\$ 12,681	\$ 378,563
—	—	—	—	39,908	39,908
18,066	—	107,331	104,268	52,589	418,471
—	—	—	—	—	7,400
45,347	—	—	—	—	116,922
45,347	—	—	—	—	124,322
—	—	—	—	—	16,333
75,454	—	2,597,343	49,711	—	8,630,460
—	—	—	—	—	12,835,184
—	—	—	—	(52,589)	(52,589)
75,454	—	2,597,343	49,711	(52,589)	21,429,388
<u>\$ 138,867</u>	<u>\$ —</u>	<u>\$ 2,704,674</u>	<u>\$ 153,979</u>	<u>\$ —</u>	<u>\$ 21,972,181</u>

## CITY OF OAKDALE

Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Year Ended December 31, 2022

	500	502	517	506	522
	Park Improvements	Vehicle and Equipment Replacement	Utility System Replacement	Street Maintenance	Municipal Building
Revenues					
General property taxes	\$ 120,000	\$ 320,000	\$ —	\$ 200,000	\$ —
Tax increment taxes	—	—	—	—	—
Special assessments	—	—	1,578	—	—
Intergovernmental	—	—	167,929	—	—
Charges for services	1,017,000	—	—	—	—
Investment earnings (charges)	1,719	(9,305)	(9,477)	(6,275)	(5,121)
Refunds and reimbursements	—	—	163,481	—	—
Contributions and donations	16,500	—	—	—	—
Other	—	20,154	—	—	—
Total revenues	1,155,219	330,849	323,511	193,725	(5,121)
Expenditures					
Current					
General government	—	—	—	—	—
Public works	—	—	—	—	—
Capital outlay					
General government	—	—	—	—	12,770
Public safety	—	406,347	—	—	29,270
Public works	—	418,171	849,233	77,341	—
Community services and recreation	40,262	—	—	—	—
Debt service					
Interest and fiscal charges	—	—	—	—	—
Total expenditures	40,262	824,518	849,233	77,341	42,040
Excess (deficiency) of revenues over expenditures	1,114,957	(493,669)	(525,722)	116,384	(47,161)
Other financing sources (uses)					
Bonds issued	—	—	—	—	—
Premium on bonds issued	—	—	—	—	—
Transfers in	—	543,588	1,186,005	—	—
Transfers out	—	—	(188,000)	(605,000)	(60,000)
Sale of capital assets	—	40,500	—	—	—
Total other financing sources (uses)	—	584,088	998,005	(605,000)	(60,000)
Net change in fund balances	1,114,957	90,419	472,283	(488,616)	(107,161)
Fund balances (deficit)					
Beginning of year, as previously reported	840,033	949,256	3,076,024	710,078	3,385,186
Prior period adjustment	—	—	—	—	—
Beginning of year, as restated	840,033	949,256	3,076,024	710,078	3,385,186
End of year	\$ 1,954,990	\$ 1,039,675	\$ 3,548,307	\$ 221,462	\$ 3,278,025



504	505	530	538	559	564	537	539	560
Water Availability Reserve	Sewer Availability Reserve	Special Projects	Tax Increment #6	Tax Increment #1-4	Tax Increment #1-6	Tax Increment #2-11	Tax Increment #2-12	TIF Temporary Transfer Authority
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	438,916	91,311	166,350	328,181	150	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
306,500	211,750	-	-	-	-	-	-	-
1,205	(2,022)	(17,428)	(5,870)	(2,144)	(4,242)	309	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
307,705	209,728	(17,428)	433,046	89,167	162,108	328,490	150	-
-	-	155,313	1,462	5,318	6,712	1,402	-	-
-	-	19,469	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	170,160	33,690	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	170,160	208,472	1,462	5,318	6,712	1,402	-	-
307,705	39,568	(225,900)	431,584	83,849	155,396	327,088	150	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2,004,906
-	-	(288,000)	-	(687,029)	(1,317,877)	(280,000)	-	-
-	-	4,000	-	-	-	-	-	-
-	-	(284,000)	-	(687,029)	(1,317,877)	(280,000)	-	2,004,906
307,705	39,568	(509,900)	431,584	(603,180)	(1,162,481)	47,088	150	2,004,906
46,671	376,775	3,039,506	1,934,513	603,180	1,162,481	411,027	-	-
-	-	-	-	-	-	-	-	-
46,671	376,775	3,039,506	1,934,513	603,180	1,162,481	411,027	-	-
\$ 354,376	\$ 416,343	\$ 2,529,606	\$ 2,366,097	\$ -	\$ -	\$ 458,115	\$ 150	\$ 2,004,906

## CITY OF OAKDALE

Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (continued)  
Year Ended December 31, 2022

	678	550	532	563	525
	Oakwood Luster HIA	2014 Capital Energy Grant	2020 Capital Equipment Acquisition	Escrow for Park Tool Land Purchase Proceeds	Willowbrooke Open Space
Revenues					
General property taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Tax increment taxes	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	—	—	—	—	—
Charges for services	—	—	—	—	9,786
Investment earnings (charges)	(271)	(21)	—	(2,166)	(1,236)
Refunds and reimbursements	—	—	—	—	—
Contributions and donations	—	—	—	—	—
Other	—	—	—	—	—
Total revenues	(271)	(21)	—	(2,166)	8,550
Expenditures					
Current					
General government	—	—	—	—	—
Public works	—	—	—	—	—
Capital outlay					
General government	—	—	—	—	—
Public safety	—	—	—	—	—
Public works	—	—	—	—	74,676
Community services and recreation	—	—	—	—	—
Debt service					
Interest and fiscal charges	—	—	—	—	—
Total expenditures	—	—	—	—	74,676
Excess (deficiency) of revenues over expenditures	(271)	(21)	—	(2,166)	(66,126)
Other financing sources (uses)					
Bonds issued	—	—	—	—	—
Premium on bonds issued	—	—	—	—	—
Transfers in	—	—	—	—	—
Transfers out	(59,408)	(4,973)	(50,000)	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	(59,408)	(4,973)	(50,000)	—	—
Net change in fund balances	(59,679)	(4,994)	(50,000)	(2,166)	(66,126)
Fund balances (deficit)					
Beginning of year, as previously reported	59,679	4,994	50,000	475,826	179,883
Prior period adjustment	—	—	—	—	—
Beginning of year, as restated	59,679	4,994	50,000	475,826	179,883
End of year	\$ —	\$ —	\$ —	\$ 473,660	\$ 113,757

689	694	693	697	699	
Highway 36 Realignment	2021 Street Improvements	40th Street Reconstruction	Ideal Avenue Reconstruction	2023 Street Improvements	Total
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 640,000
—	—	—	—	—	1,024,908
—	—	—	—	—	1,578
1,002,509	—	—	—	—	1,170,438
—	—	—	—	—	1,545,036
(612)	(3,822)	5,160	(601)	—	(62,220)
—	—	—	—	—	163,481
—	—	—	—	—	16,500
—	—	—	—	—	20,154
1,001,897	(3,822)	5,160	(601)	—	4,519,875
—	—	—	—	—	170,207
—	—	—	—	52,589	72,058
—	—	—	—	—	12,770
—	—	—	—	—	435,617
18,066	42,673	1,746,862	513,206	—	3,944,078
—	—	—	—	—	40,262
—	—	61,247	9,071	—	70,318
18,066	42,673	1,808,109	522,277	52,589	4,745,310
983,831	(46,495)	(1,802,949)	(522,878)	(52,589)	(225,435)
—	—	3,990,000	520,000	—	4,510,000
—	—	410,292	52,589	—	462,881
—	—	—	—	—	3,734,499
—	(440,655)	—	—	—	(3,980,942)
—	—	—	—	—	44,500
—	(440,655)	4,400,292	572,589	—	4,770,938
983,831	(487,150)	2,597,343	49,711	(52,589)	4,545,503
139,479	487,150	—	—	—	17,931,741
(1,047,856)	—	—	—	—	(1,047,856)
(908,377)	487,150	—	—	—	16,883,885
\$ 75,454	\$ —	\$ 2,597,343	\$ 49,711	\$ (52,589)	\$ 21,429,388

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## **GENERAL FUND**

The General Fund accounts for revenue and expenditures used to carryout basic governmental activities of the City, such as general government, public safety, public works, and community services and recreation. Revenues are recorded by source (i.e., taxes, licenses and permits, fines and forfeits, service charges, etc.). General Fund expenditures are primarily for current day-to-day operations and operating equipment, and are recorded by major functional classifications and by operating departments. This fund accounts for all financial transactions not properly accounted for in another fund.

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## CITY OF OAKDALE

Schedule 1

Page 1 of 5

General Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances – Budget and Actual  
 Year Ended December 31, 2022  
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022		2021	
	Final Budget	Actual	Over (Under) Budget	Actual
Revenues				
General property taxes				
Current	\$ 10,798,983	\$ 10,720,810	\$ (78,173)	\$ 9,570,835
Delinquent	20,000	63,085	43,085	5,998
Penalties, interest, and other	90,000	100,662	10,662	82,971
Total general property taxes	10,908,983	10,884,557	(24,426)	9,659,804
Special assessments	–	1,050	1,050	8,426
Franchise fees	670,000	649,033	(20,967)	497,237
Licenses and permits	1,597,535	2,742,510	1,144,975	1,012,488
Intergovernmental				
Local government aid	262,721	262,721	–	262,721
State aid police	290,000	315,518	25,518	286,502
Municipal state aid	260,000	334,170	74,170	292,259
Other state aids	125,000	160,993	35,993	40,111
Federal grants	15,000	8,852	(6,148)	3,056,828
Other grants	126,000.00	126,808	808	137,614
Total intergovernmental	1,078,721	1,209,062	130,341	4,076,035
Charges for services				
Public works	1,500	592	(908)	90
Engineering and planning	35,000	66,408	31,408	62,647
Police	15,000	35,954	20,954	14,386
Recreation	71,160	73,732	2,572	–
Rent – antenna	300,000	273,855	(26,145)	–
Rent – interfund	150,000	150,000	–	150,000
Other	21,500	8,654	(12,846)	17,070
Total charges for services	594,160	609,195	15,035	244,193
Fines and forfeits	80,000	107,286	27,286	101,675
Investment earnings (charges)	63,153	(3,990)	(67,143)	15,775
Refunds and reimbursements	10,000	8,674	(1,326)	35,093
Contributions and donations	15,000	150	(14,850)	100
Other	40,000	59,274	19,274	89,827
Total revenues	15,057,552	16,266,801	1,209,249	15,740,653

## CITY OF OAKDALE

Schedule 1

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General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual (continued)  
Year Ended December 31, 2022  
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			2021
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures				
General government				
City Council				
Personal services	41,595	40,744	(851)	40,760
Materials and supplies	4,000	1,713	(2,287)	2,901
Contractual services	37,500	31,096	(6,404)	27,823
Total City Council	83,095	73,553	(9,542)	71,484
Community development				
Personal services	457,192	381,606	(75,586)	443,267
Materials and supplies	5,750	6,886	1,136	626
Contractual services	60,065	121,988	61,923	101,093
Total community development	523,007	510,480	(12,527)	544,986
Legal				
Personal services	257,342	250,439	(6,903)	251,980
Materials and supplies	1,000	585	(415)	802
Contractual services	205,738	205,024	(714)	152,321
Total legal	464,080	456,048	(8,032)	405,103
Administration				
Personal services	528,435	475,976	(52,459)	616,235
Materials and supplies	8,900	12,257	3,357	11,912
Contractual services	208,532	134,041	(74,491)	102,120
Total administration	745,867	622,274	(123,593)	730,267
Finance				
Personal services	594,525	587,227	(7,298)	949,930
Materials and supplies	4,000	1,941	(2,059)	3,440
Contractual services	229,600	198,005	(31,595)	357,580
Total finance	828,125	787,173	(40,952)	1,310,950
Information technology				
Personal services	124,386	119,505	(4,881)	122,973
Materials and supplies	4,000	4,347	347	1,532
Contractual services	359,790	359,976	186	298,741
Capital outlay	21,200	21,164	(36)	2,123
Total information technology	509,376	504,992	(4,384)	425,369



## CITY OF OAKDALE

Schedule 1

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General Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances – Budget and Actual (continued)  
 Year Ended December 31, 2022  
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022		2021
	Final Budget	Actual	Over (Under) Budget
			Actual
Expenditures (continued)			
General government (continued)			
Building maintenance			
Materials and supplies	11,500	8,308	(3,192)
Contractual services	186,300	184,958	(1,342)
Capital outlay	–	4,483	4,483
Total building maintenance	197,800	197,749	(51)
Communications			
Personal services	137,106	150,531	13,425
Materials and supplies	4,000	713	(3,287)
Contractual services	41,400	31,174	(10,226)
Total communications	182,506	182,418	(88)
Human resources			
Personal services	344,184	334,030	(10,154)
Materials and supplies	1,300	2,247	947
Contractual services	2,000	8,465	6,465
Capital outlay	–	200	200
Total human resources	347,484	344,942	(2,542)
Risk management			
Personal services	215,000	209,561	(5,439)
Contractual services	178,400	158,244	(20,156)
Total risk management	393,400	367,805	(25,595)
Total general government	4,274,740	4,047,434	(227,306)
Public safety			
Police protection			
Personal services	5,444,434	5,440,715	(3,719)
Materials and supplies	166,300	170,033	3,733
Contractual services	324,699	293,489	(31,210)
Capital outlay	18,963	21,916	2,953
Total police protection	5,954,396	5,926,153	(28,243)
Fire			
Personal services	845,159	828,445	(16,714)
Materials and supplies	53,900	67,120	13,220
Contractual services	596,340	598,498	2,158
Capital outlay	16,000	16,239	239
Total fire	1,511,399	1,510,302	(1,097)

## CITY OF OAKDALE

Schedule 1  
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General Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances – Budget and Actual (continued)  
 Year Ended December 31, 2022  
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022		2021
	Final Budget	Actual	Over (Under) Budget
			Actual
Expenditures (continued)			
Public safety (continued)			
Inspections			
Personal services	563,099	548,843	(14,256)
Materials and supplies	2,000	1,704	(296)
Contractual services	157,137	169,904	12,767
Total inspections	722,236	720,451	(1,785)
Total public safety	8,188,031	8,156,906	(31,125)
Public works			
Engineering			
Personal services	531,586	311,961	(219,625)
Materials and supplies	2,800	–	(2,800)
Contractual services	27,740	231,749	204,009
Total engineering	562,126	543,710	(18,416)
Street maintenance			
Personal services	605,067	586,857	(18,210)
Materials and supplies	186,850	170,798	(16,052)
Contractual services	59,500	48,160	(11,340)
Capital outlay	–	–	–
Total street maintenance	851,417	805,815	(45,602)
Forestry			
Personal services	333,904	302,370	(31,534)
Materials and supplies	27,177	37,307	10,130
Contractual services	66,850	57,749	(9,101)
Total forestry	427,931	397,426	(30,505)
Parks operation and maintenance			
Personal services	696,220	697,578	1,358
Materials and supplies	64,150	23,795	(40,355)
Contractual services	95,450	99,550	4,100
Capital outlay	2,000	1,352	(648)
Total parks operation and maintenance	857,820	822,275	(35,545)
Fleet services			
Personal services	227,029	172,011	(55,018)
Materials and supplies	198,500	207,350	8,850
Contractual services	26,935	46,268	19,333
Capital outlay	–	1,019	1,019
Total fleet services	452,464	426,648	(25,816)

## CITY OF OAKDALE

Schedule 1  
Page 5 of 5

General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances – Budget and Actual (continued)  
Year Ended December 31, 2022  
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022		2021	
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Public works (continued)				
Public works building maintenance				
Personal services	35,633	45,225	9,592	12,246
Materials and supplies	22,600	26,791	4,191	31,280
Contractual services	169,450	152,357	(17,093)	147,025
Capital outlay	–	–	–	2,179
Total public works building maintenance	227,683	224,373	(3,310)	192,730
Total public works	3,379,441	3,220,247	(159,194)	3,206,900
Community services and recreation				
Personal services	353,805	364,417	10,612	108,380
Materials and supplies	10,700	10,084	(616)	7,673
Contractual services	72,165	53,283	(18,882)	5,598
Capital outlay	5,000	869	(4,131)	–
Total community services and recreation	441,670	428,653	(13,017)	121,651
Total expenditures	16,283,882	15,853,240	(430,642)	14,263,739
Excess (deficiency) of revenues over expenditures	(1,226,330)	413,561	1,639,891	1,476,914
Other financing sources (uses)				
Transfers in	1,375,400	1,666,775	291,375	1,500,000
Transfers out	(5,000)	(310,968)	(305,968)	(4,795,843)
Sale of capital assets	–	5,075	5,075	105,382
Total other financing sources (uses)	1,370,400	1,360,882	(9,518)	(3,190,461)
Net change in fund balances	\$ 144,070	1,774,443	\$ 1,630,373	(1,713,547)
Fund balance				
Beginning of year		10,335,292		12,048,839
End of year		\$ 12,109,735		\$ 10,335,292

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STATISTICAL  
SECTION  
(UNAUDITED)



## STATISTICAL SECTION

### (UNAUDITED)

This part of the City of Oakdale's (the City) Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor.

The contents of the statistical section include:

**Financial Trends** – These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in a historical perspective.

**Revenue Capacity** – These schedules contain information to assist the reader in assessing the City's most significant local revenue source—property taxes.

**Debt Capacity** – These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information** – These tables offer economic and demographic indicators that are commonly used for financial analysis and that can assist the reader in understanding the City's present and ongoing financial status.

**Operating Information** – These tables contain service and infrastructure indicators that can assist the reader in understanding 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 tables is derived from the ACFR for the relevant year.

CITY OF OAKDALE

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 31,000,171	\$ 28,608,756	\$ 25,138,406	\$ 23,580,449
Restricted	20,049,422	15,493,529	17,481,305	14,185,787
Unrestricted	<u>5,387,511</u>	<u>2,609,399</u>	<u>2,512,525</u>	<u>3,222,750</u>
Total governmental activities net position	<u>\$ 56,437,104</u>	<u>\$ 46,711,684</u>	<u>\$ 45,132,236</u>	<u>\$ 40,988,986</u>
Business-type activities				
Net investment in capital assets	\$ 29,022,214	\$ 28,987,356	\$ 28,391,604	\$ 27,734,752
Unrestricted	<u>11,173,758</u>	<u>11,728,040</u>	<u>11,913,314</u>	<u>11,791,790</u>
Total business-type activities net position	<u>\$ 40,195,972</u>	<u>\$ 40,715,396</u>	<u>\$ 40,304,918</u>	<u>\$ 39,526,542</u>
Primary government				
Net investment in capital assets	\$ 60,022,385	\$ 57,596,112	\$ 53,530,010	\$ 51,315,201
Restricted	20,049,422	15,493,529	17,481,305	14,185,787
Unrestricted	<u>16,561,269</u>	<u>14,337,439</u>	<u>14,425,839</u>	<u>15,014,540</u>
Total primary government net position	<u>\$ 96,633,076</u>	<u>\$ 87,427,080</u>	<u>\$ 85,437,154</u>	<u>\$ 80,515,528</u>

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015. The City reported a change in accounting principle as a result of implementing this standard that decreased unrestricted net position. Prior year information has not been restated.

Note 2: The City implemented GASB Statement No. 75 in fiscal 2018. The City reported a change in accounting principle as a result of implementing this standard. Prior year information has not been restated.



**Table 1**

2017	2018	2019	2020	2021	2022
\$ 21,948,627	\$ 22,195,786	\$ 25,184,283	\$ 25,141,926	\$ 27,834,959	\$ 30,964,536
13,908,053	11,810,105	12,221,453	12,235,096	13,241,430	13,731,573
3,229,209	3,482,802	2,619,634	5,959,462	12,796,813	11,636,075
<u>\$ 39,085,889</u>	<u>\$ 37,488,693</u>	<u>\$ 40,025,370</u>	<u>\$ 43,336,484</u>	<u>\$ 53,873,202</u>	<u>\$ 56,332,184</u>
\$ 27,145,251	\$ 27,032,339	\$ 27,350,451	\$ 26,999,874	\$ 25,979,558	\$ 26,143,757
12,199,312	12,926,186	13,066,666	12,696,751	12,852,005	11,941,832
<u>\$ 39,344,563</u>	<u>\$ 39,958,525</u>	<u>\$ 40,417,117</u>	<u>\$ 39,696,625</u>	<u>\$ 38,831,563</u>	<u>\$ 38,085,589</u>
\$ 49,093,878	\$ 49,228,125	\$ 52,534,734	\$ 52,141,800	\$ 53,814,517	\$ 57,108,293
13,908,053	11,810,105	12,221,453	12,235,096	13,241,430	13,731,573
15,428,521	16,408,988	15,686,300	18,656,213	25,648,818	23,577,907
<u>\$ 78,430,452</u>	<u>\$ 77,447,218</u>	<u>\$ 80,442,487</u>	<u>\$ 83,033,109</u>	<u>\$ 92,704,765</u>	<u>\$ 94,417,773</u>

## CITY OF OAKDALE

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

	2013	2014	2015	Fiscal Year 2016
Expenses				
Governmental activities				
General government	\$ 4,245,651	\$ 3,970,198	\$ 4,056,020	\$ 4,291,430
Public safety	6,459,517	6,464,749	6,573,857	8,281,879
Public works	7,748,106	7,521,795	6,861,475	8,730,525
Community services and recreation	1,273,941	1,333,313	1,328,454	1,446,972
Economic development	—	—	—	201,582
Interest and fiscal charges	776,504	563,006	528,343	529,740
Total governmental activities expenses	20,503,719	19,853,061	19,348,149	23,482,128
Business-type activities				
Water	2,112,725	2,116,038	1,914,017	2,072,540
Sewer	3,078,530	3,131,461	3,392,344	3,340,132
Ambulance	721,846	799,197	994,465	1,338,486
Street lights	460,317	476,211	488,572	574,236
Total business-type activities expenses	6,373,418	6,522,907	6,789,398	7,325,394
Total primary government expenses	\$ 26,877,137	\$ 26,375,968	\$ 26,137,547	\$ 30,807,522
Program revenues				
Governmental activities				
Charges for services				
Licenses and permits	\$ 631,908	\$ 659,935	\$ 806,193	\$ 932,784
Surface water management fees	342,566	346,437	344,954	346,593
Park dedication fees	270,203	491	99,757	1,522
Other activities	1,470,213	1,457,334	1,637,558	1,755,222
Operating grants and contributions	711,974	612,753	913,510	761,377
Capital grants and contributions	1,954,579	2,217,613	2,578,188	2,951,274
Total governmental activities program revenues	5,381,443	5,294,563	6,380,160	6,748,772
Business-type activities				
Charges for services				
Water	2,237,918	2,089,105	2,137,696	2,269,956
Sewer	3,172,728	3,312,124	3,350,920	3,566,620
Other activities	1,035,353	1,134,506	1,279,576	1,304,434
Operating grants and contributions	—	—	—	—
Capital grants and contributions	—	—	52,515	28,938
Total business-type activities program revenues	6,445,999	6,535,735	6,820,707	7,169,948
Total primary government program revenues	\$ 11,827,442	\$ 11,830,298	\$ 13,200,867	\$ 13,918,720

**Table 2**  
**Page 1 of 2**

2017	2018	2019	2020	2021	2022
\$4,532,274	\$ 4,629,620	\$ 4,708,747	\$ 4,149,340	\$ 3,964,045	\$ 4,912,123
7,814,989	7,072,727	7,280,339	7,584,153	7,004,086	9,687,863
6,751,446	7,220,285	6,533,252	6,928,423	7,263,966	7,997,552
1,257,036	1,111,275	942,126	929,587	658,923	730,891
—	—	—	—	—	—
497,618	465,817	544,093	517,707	437,048	541,822
20,853,363	20,499,724	20,008,557	20,109,210	19,328,068	23,870,251
2,032,649	2,115,819	2,135,180	2,260,406	2,232,207	2,436,109
3,619,322	3,643,966	3,519,978	3,537,017	3,448,749	3,588,282
1,155,719	1,300,076	1,769,612	1,864,796	1,901,995	1,902,625
566,893	552,104	521,727	542,891	624,858	721,784
7,374,583	7,611,965	7,946,497	8,205,110	8,207,809	8,648,800
<u>\$ 28,227,946</u>	<u>\$ 28,111,689</u>	<u>\$ 27,955,054</u>	<u>\$ 28,314,320</u>	<u>\$ 27,535,877</u>	<u>\$ 32,519,051</u>
\$ 814,906	\$ 839,413	\$ 862,205	\$ 1,215,355	\$ 1,012,488	\$ 2,742,510
445,010	450,396	449,984	447,339	611,028	682,361
—	2,886	—	—	57,649	—
1,921,113	1,432,620	1,192,965	1,080,009	1,148,068	2,050,377
837,968	800,006	907,007	3,094,523	3,885,793	1,083,407
1,933,030	1,913,242	4,466,687	1,956,503	5,963,072	3,872,353
5,952,027	5,438,563	7,878,848	7,793,729	12,678,098	10,431,008
2,468,262	2,447,687	2,332,706	2,398,578	2,760,062	2,720,823
3,690,346	3,973,512	4,015,582	3,911,315	4,160,810	4,298,701
1,401,848	1,585,997	1,492,020	1,315,169	1,853,573	1,054,840
—	98,702	87,227	160,712	96,847	292,789
—	—	—	—	—	—
7,560,456	8,105,898	7,927,535	7,785,774	8,871,292	8,367,153
<u>\$ 13,512,483</u>	<u>\$ 13,544,461</u>	<u>\$ 15,806,383</u>	<u>\$ 15,579,503</u>	<u>\$ 21,549,390</u>	<u>\$ 12,239,506</u>

## CITY OF OAKDALE

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

	2013	2014	2015	Fiscal Year 2016
Net (expense) revenue				
Governmental activities	\$ (15,122,276)	\$ (14,558,498)	\$ (12,967,989)	\$ (16,733,356)
Business-type activities	72,581	12,828	31,309	(155,446)
Total primary government net expense	<u>\$ (15,049,695)</u>	<u>\$ (14,545,670)</u>	<u>\$ (12,936,680)</u>	<u>\$ (16,888,802)</u>
General revenues and other changes in net position				
Governmental activities				
General property taxes	\$ 9,640,622	\$ 9,876,804	\$ 9,303,933	\$ 9,999,148
Tax increment collections	421,197	411,624	419,597	571,911
Franchise fees	368,549	483,779	492,424	490,438
Unrestricted grants and contributions	15,005	121,034	172,727	162,562
Other general revenues	—	—	—	—
Investment earnings (charges)	(515,595)	859,060	238,620	281,118
Gain on disposal of capital assets	22,338	725	8,983	133,954
Transfers	(232,597)	129,336	752,257	950,975
Total governmental activities	<u>9,719,519</u>	<u>11,882,362</u>	<u>11,388,541</u>	<u>12,590,106</u>
Business-type activities				
General property taxes	97,664	98,074	183,304	243,364
Unrestricted grants and contributions	576	—	—	—
Investment earnings (charges)	(327,992)	517,858	127,166	84,681
Gain on disposal of capital assets	—	—	—	—
Transfers	232,597	(129,336)	(752,257)	(950,975)
Total business-type activities	<u>2,845</u>	<u>486,596</u>	<u>(441,787)</u>	<u>(622,930)</u>
Total primary government	<u>\$ 9,722,364</u>	<u>\$ 12,368,958</u>	<u>\$ 10,946,754</u>	<u>\$ 11,967,176</u>
Change in net position				
Governmental activities	\$ (5,402,757)	\$ (2,676,136)	\$ (1,579,448)	\$ (4,143,250)
Business-type activities	75,426	519,424	(410,478)	(778,376)
Total primary government	<u>\$ (5,327,331)</u>	<u>\$ (2,156,712)</u>	<u>\$ (1,989,926)</u>	<u>\$ (4,921,626)</u>

**Table 2**  
**Page 2 of 2**

2017	2018	2019	2020	2021	2022
\$ (14,901,336)	\$ (15,061,161)	\$ (12,129,709)	\$ (12,315,481)	\$ (6,649,970)	\$ (13,439,243)
185,873	493,933	(18,962)	(419,336)	663,483	(281,647)
<u>\$ (14,715,463)</u>	<u>\$ (14,567,228)</u>	<u>\$ (12,148,671)</u>	<u>\$ (12,734,817)</u>	<u>\$ (5,986,487)</u>	<u>\$ (13,720,890)</u>
\$ 10,595,705	\$ 11,344,210	\$ 11,989,811	\$ 12,595,493	\$ 13,237,393	\$ 14,121,692
645,410	839,413	902,206	995,115	946,180	1,024,908
491,645	495,206	496,085	496,372	665,512	649,033
159,260	208,182	211,465	237,139	262,874	456,504
—	—	—	—	—	20,154
276,721	294,033	814,055	410,978	62,283	(84,033)
33,841	5,441	13,643	89,964	157,896	49,575
795,657	277,480	239,121	801,534	1,854,550	708,248
12,998,239	13,463,965	14,666,386	15,626,595	17,186,688	16,946,081
248,233	246,770	298,836	299,245	300,000	300,000
12	—	—	—	—	—
156,060	199,051	417,839	201,133	26,005	(56,079)
23,500	—	—	—	—	—
(795,657)	(277,480)	(239,121)	(801,534)	(1,854,550)	(708,248)
(367,852)	168,341	477,554	(301,156)	(1,528,545)	(464,327)
<u>\$ 12,630,387</u>	<u>\$ 13,632,306</u>	<u>\$ 15,143,940</u>	<u>\$ 15,325,439</u>	<u>\$ 15,658,143</u>	<u>\$ 16,481,754</u>
\$ (1,903,097)	\$ (1,597,196)	\$ 2,536,677	\$ 3,311,114	\$ 10,536,718	\$ 3,506,838
(181,979)	662,274	458,592	(720,492)	(865,062)	(745,974)
<u>\$ (2,085,076)</u>	<u>\$ (934,922)</u>	<u>\$ 2,995,269</u>	<u>\$ 2,590,622</u>	<u>\$ 9,671,656</u>	<u>\$ 2,760,864</u>

CITY OF OAKDALE

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 240,259	\$ 254,379	\$ 232,741	\$ 155,397
Committed	1,832,389	1,730,533	1,758,980	1,821,474
Assigned	—	—	—	—
Unassigned	6,549,727	7,015,678	7,043,546	7,535,464
Total General Fund	<u>\$ 8,622,375</u>	<u>\$ 9,000,590</u>	<u>\$ 9,035,267</u>	<u>\$ 9,512,335</u>
Other governmental funds				
Nonspendable	\$ 1,800	\$ 8,096	\$ 3,379	\$ 2,650
Restricted	11,468,603	7,729,096	9,638,209	5,995,336
Committed	1,289,168	776,204	1,234,071	1,469,510
Assigned	6,243,753	7,946,638	7,864,433	8,438,721
Unassigned	(93,316)	(131,784)	(127,991)	(247,674)
Total other governmental funds	<u>\$ 18,910,008</u>	<u>\$ 16,328,250</u>	<u>\$ 18,612,101</u>	<u>\$ 15,658,543</u>

Table 3

2017	2018	2019	2020	2021	2022
\$ 182,621	\$ 303,041	\$ 290,823	\$ 317,203	\$ 322,321	\$ 274,155
1,892,875	668,062	710,894	736,737	665,746	762,225
—	—	—	—	—	244,070
7,616,540	8,634,522	8,652,921	10,994,899	9,347,225	10,829,285
<u>\$ 9,692,036</u>	<u>\$ 9,605,625</u>	<u>\$ 9,654,638</u>	<u>\$ 12,048,839</u>	<u>\$ 10,335,292</u>	<u>\$ 12,109,735</u>
\$ 2,650	\$ 4,688	\$ 4,593	\$ 7,982	\$ 2,101	\$ 19,418
8,548,909	8,866,668	10,395,441	10,947,941	12,272,423	15,914,762
1,145,564	1,067,630	564,779	497,209	727,542	1,225,499
9,525,198	8,665,439	8,640,554	10,263,872	14,248,135	13,212,527
(210,909)	(424,933)	(1,380,739)	(3,040,375)	(46,391)	(1,596,815)
<u>\$ 19,011,412</u>	<u>\$ 18,179,492</u>	<u>\$ 18,224,628</u>	<u>\$ 18,676,629</u>	<u>\$ 27,203,810</u>	<u>\$ 28,775,391</u>

CITY OF OAKDALE

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

	2013	2014	2015	Fiscal Year 2016
Revenues				
Taxes	\$ 10,017,837	\$ 10,341,507	\$ 9,781,722	\$ 10,547,026
Special assessments	2,267,245	2,175,501	1,934,747	2,447,251
Franchise fees	368,549	483,779	492,424	490,438
Licenses and permits	631,908	659,935	806,193	932,784
Intergovernmental	1,142,541	1,264,383	1,782,425	1,112,090
Charges for services	1,717,403	1,383,314	1,724,545	1,743,287
Fines and forfeits	118,776	177,980	218,864	146,501
Rents – interfund	150,625	150,000	150,000	150,000
Investment earnings (charges)	(515,595)	859,060	238,620	281,118
Refunds and reimbursements	33,317	30,194	12,618	43,301
Contributions and donations	12,780	42,978	13,854	43,471
Other	314,229	161,052	115,183	140,849
Total revenues	16,259,615	17,729,683	17,271,195	18,078,116
Expenditures				
Current				
General government	3,723,868	3,565,762	3,575,533	3,742,605
Public safety	5,825,134	5,889,781	5,890,752	5,955,360
Public works	3,038,912	2,767,981	2,588,341	3,421,550
Community services and recreation	415,280	437,336	427,629	584,338
Economic development	–	–	–	201,582
Capital outlay				
General government	–	–	27,945	134,880
Public safety	5,382	17,832	66,429	627,711
Public works	998,911	584,774	842,460	508,002
Community service and recreation	114,113	78,236	–	145,917
Debt service				
Principal	3,401,360	13,576,760	3,266,360	11,671,360
Interest	758,003	691,063	731,924	648,132
Developer incentives	113,703	63,090	21,063	–
Construction/acquisition costs	3,441,988	3,607,268	4,358,471	2,640,272
Total expenditures	21,836,654	31,279,883	21,796,907	30,281,709
Excess of revenues over (under) expenditures	(5,577,039)	(13,550,200)	(4,525,712)	(12,203,593)
Other financing sources (uses)				
Equipment certificates issued	780,000	750,000	800,000	1,020,000
Taxable tax increment bonds issued	–	6,720,000	–	4,315,000
Bonds issued	2,365,000	2,330,000	2,555,000	2,470,000
Refunding bonds issued	–	–	1,645,000	–
Premium on debt issued	63,739	72,876	184,408	131,937
Transfers in	1,539,996	1,539,996	1,609,988	1,740,004
Transfers out	–	–	–	–
Sale of capital assets	22,338	725	8,983	133,954
Total other financing sources (uses)	4,771,073	11,413,597	6,803,379	9,810,895
Net change in fund balances	\$ (805,966)	\$ (2,136,603)	\$ 2,277,667	\$ (2,392,698)
Debt service as a percentage of noncapital expenditures	24.3%	52.9%	23.7%	45.3%

Note 1: Debt service expenditures increased significantly in 2014, due to maturity of the \$7,475,000 Taxable Temporary Tax increment bonds.

Note 2: Debt service expenditures increased significantly in 2016, due to maturity of the \$6,720,000 Temporary Mall bonds.



Table 4

2017	2018	2019	2020	2021	2022
\$ 11,270,549	\$ 12,183,979	\$ 12,863,131	\$ 13,608,735	\$ 14,147,826	\$ 15,154,104
4,069,611	1,366,815	1,784,802	1,392,702	1,664,938	1,267,064
491,645	495,206	496,085	496,372	665,512	649,033
814,906	841,796	864,332	1,215,355	1,012,488	2,742,510
1,163,777	2,170,347	4,142,716	4,022,552	8,419,659	2,581,918
2,391,575	1,484,871	1,538,425	1,403,236	1,318,341	2,839,923
594,230	283,822	206,061	110,742	156,038	113,421
150,000	—	—	—	—	—
276,721	294,033	814,055	410,978	62,283	(84,033)
23,322	55,103	15,547	287,098	43,415	229,975
51,759	37,361	28,136	73,136	177,382	94,209
64,430	47,849	42,211	41,666	239,764	85,803
21,362,525	19,261,182	22,795,501	23,062,572	27,907,646	25,673,927
4,077,949	4,230,363	4,367,443	3,796,660	4,107,150	4,527,462
6,562,327	6,522,488	6,580,163	6,968,191	7,253,921	8,121,859
2,449,351	3,134,898	2,744,879	3,487,778	3,537,652	3,621,423
458,995	534,741	473,054	328,537	437,760	460,830
—	—	—	—	—	—
41,505	10,724	16,608	594,093	65,450	49,423
583,868	140,799	58,919	154,288	196,722	474,762
451,905	1,225,707	529,012	269,226	6,541,468	7,835,431
10,100	—	—	—	108,064	41,131
3,581,360	3,709,840	3,785,000	4,400,000	3,710,000	4,400,000
648,132	625,042	638,329	700,204	670,765	749,576
—	—	—	—	—	—
4,411,023	3,980,116	9,545,222	5,074,283	—	—
23,276,515	24,114,718	28,738,629	25,773,260	26,628,952	30,281,897
(1,913,990)	(4,853,536)	(5,943,128)	(2,710,688)	1,278,694	(4,607,970)
1,000,000	940,000	845,000	715,000	—	—
—	—	—	—	—	—
2,700,000	840,000	2,630,000	1,690,000	2,535,000	5,915,000
—	—	—	650,000	—	—
72,715	112,399	508,638	471,930	343,760	576,650
1,640,004	1,889,995	2,039,996	1,939,996	2,395,000	8,351,402
—	—	—	—	—	(5,890,777)
33,841	2,810	13,643	89,964	261,180	49,575
5,446,560	3,785,204	6,037,277	5,556,890	5,534,940	9,001,850
\$ 3,532,570	\$ (1,068,332)	\$ 94,149	\$ 2,846,202	\$ 6,813,634	\$ 4,393,880
23.5%	23.5%	23.5%	20.6%	22.3%	22.8%

CITY OF OAKDALE

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

Fiscal Year	Tax Capacity (1)				
	Real Property		All Other Property	Less Captured Tax Increment	Less Fiscal Disparities Distribution
	Residential Property	Commercial Property			
2013	\$ 13,574,499	\$ 8,829,541	\$ 455,033	\$ (515,994)	\$ (3,674,393)
2014	14,956,544	8,695,851	466,468	(521,027)	(3,278,757)
2015	16,115,412	9,227,373	649,815	(565,082)	(3,353,639)
2016	16,457,300	9,465,210	740,052	(707,661)	(3,373,989)
2017	16,866,177	9,683,872	741,500	(820,007)	(3,353,013)
2018	18,586,063	10,626,717	861,755	(1,006,187)	(2,575,643)
2019	19,343,298	11,108,600	847,937	(1,096,429)	(3,529,581)
2020	23,572,557	9,554,808	467,862	(1,208,265)	(3,575,253)
2021	24,440,370	9,991,086	642,178	(1,234,695)	(3,880,464)
2022	25,153,310	10,659,178	407,691	(1,247,727)	(4,138,696)

Source: Washington County

**Table 5**

Plus Fiscal Disparity Distribution		Total Tax Capacity	Total Direct Tax Rate	Total Taxable Market Value	Tax Capacity Value as a Percentage of Market Value
\$	4,018,310	\$ 22,859,073	44.065	\$ 2,044,362,100	1.1 %
	3,896,687	24,118,863	41.201	2,148,517,200	1.1
	3,962,763	25,992,600	39.131	2,162,439,300	1.2
	4,249,897	26,662,562	39.492	2,216,689,400	1.2
	4,393,092	27,291,549	39.721	2,274,440,600	1.2
	4,525,412	30,074,535	38.540	2,457,661,500	1.2
	4,795,549	31,299,835	39.227	2,644,688,200	1.2
	5,086,664	33,595,227	37.616	2,868,048,600	1.2
	5,058,774	35,073,634	38.821	2,977,729,500	1.2
	5,548,520	36,220,179	39.533	3,070,210,400	1.2

## CITY OF OAKDALE

**Table 6**

Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year	Direct Rates			Overlapping			Total Direct and Overlapping Rates
	City Rate Applicable to Debt	City Rate Applicable to Operations	Total City Direct Rate	County	School District	Other District	
2013	6.946	37.119	44.065	34.220	32.500	4.850	115.635
2014	6.628	34.573	41.201	32.811	37.643	6.440	118.095
2015	6.130	33.001	39.131	30.186	35.864	5.883	111.064
2016	6.437	33.055	39.492	30.564	35.569	5.321	110.946
2017	7.080	32.641	39.721	30.448	35.582	5.300	111.051
2018	8.170	30.370	38.540	29.951	30.225	8.558	107.274
2019	8.542	30.685	39.227	29.682	29.226	8.155	106.290
2020	8.114	29.502	37.616	28.944	32.503	7.027	106.090
2021	7.808	31.013	38.821	27.435	31.804	6.804	104.864
2022	6.905	32.628	39.533	27.531	32.173	6.401	105.638

Note: 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 district rates apply only to approximately one-third of city property owners whose property is located within that district's geographic boundaries.

Source: Washington County

## CITY OF OAKDALE

Table 7

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Capacity Value	Rank	Percentage of Taxable Capacity Value	Taxable Capacity Value	Rank	Percentage of Taxable Capacity Value
Hadley Estates of MN LLC	\$ 516,139	1	1.43 %	\$ 260,738	7	1.14 %
Larson Family Real Estate LLLP	463,597	2	1.28	—	—	—
Stag Industrial Holdings, LLC	325,462	3	0.90	—	—	—
Agree LTD Partnership	312,714	4	0.86	—	—	—
RCG-Oakdale MN LLC	308,500	5	0.85	—	—	—
Xcel Energy	279,186	6	0.77	395,232	4	1.73
IRC Bergen Plaza LLC	253,934	7	0.70	—	—	—
FFOAMN001 LLC	236,334	8	0.65	—	—	—
B9 Polar Granada LLC	232,014	9	0.64	—	—	—
Menards	231,602	10	0.64	487,836	3	2.13
Imation Corporation	—	—	—	840,250	1	3.68
I & G Oakdale LLC	—	—	—	494,806	2	2.16
Mills Properties	—	—	—	332,262	5	1.45
Inland Real Estate Trust	—	—	—	288,054	6	1.26
Target Corporation	—	—	—	180,538	8	0.79
GFI INV LLP	—	—	—	170,872	9	0.75
AP Oakdale Ltd. Partnership	—	—	—	169,208	10	0.74
Total	<u>\$ 3,159,482</u>		<u>8.72 %</u>	<u>\$ 3,619,796</u>		<u>15.83 %</u>

Source: Washington County

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## CITY OF OAKDALE

**Table 8**Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 9,879,444	\$ 9,703,603	98.2 %	\$ (261,532)	\$ 9,442,071	95.6 %
2014	10,088,705	9,947,401	98.6	(233,104)	9,714,297	96.3
2015	10,270,522	10,204,002	99.4	(231,570)	9,972,432	97.1
2016	10,514,149	10,226,378	97.3	14,622	10,241,000	97.4
2017	10,830,475	10,728,802	99.1	4,883	10,733,685	99.1
2018	11,645,249	11,530,220	99.0	31,727	11,561,947	99.3
2019	12,245,295	12,143,534	99.2	44,016	12,187,550	99.5
2020	12,833,351	12,754,565	99.4	24,220	12,778,785	99.6
2021	13,532,996	13,384,976	98.9	63,691	13,448,667	99.4
2022	14,343,622	14,261,739	99.4	—	14,261,739	99.4

CITY OF OAKDALE

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	G.O. Equipment Certificates	G.O. Improvement Bonds	G.O. Tax Increment Bonds	G.O. Taxable Housing Bonds	Other G.O. Temp Bonds
2013	\$ 2,220,203	\$ 22,395,605	\$ —	\$ 550,000	\$ 7,475,000
2014	2,273,083	19,350,159	—	520,000	6,720,000
2015	2,419,278	21,090,656	—	485,000	6,720,000
2016	2,714,208	18,854,261	4,333,911	1,000,226	—
2017	2,872,934	18,834,371	4,332,969	965,213	—
2018	3,002,209	16,962,175	4,217,028	910,206	—
2019	3,010,991	17,256,789	4,041,087	850,188	—
2020	2,878,648	16,566,219	3,860,145	790,176	—
2021	1,915,048	16,707,105	3,679,203	730,163	—
2022	1,132,906	19,782,213	3,493,261	430,151	—

\* Information not available for years prior to 2017.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Details regarding the City's outstanding debt can be found in the notes to basic financial statements.



**Table 9**

Finance Purchase		Less Amounts Available in Debt Service Funds	Net	Percentage of Estimated Taxable Market Value	Percentage of Personal Income (1)	Per Capita (1)
\$	40,280	*	\$ 32,681,088	1.60 %	1.73 %	\$ 1,161
	33,920	*	28,897,162	1.34	1.53	1,027
	27,560	*	30,742,494	1.42	1.54	1,073
	21,200	*	26,923,806	1.21	1.35	940
	21,200	\$ 12,637,095	14,389,592	1.11	0.72	502
	—	10,301,339	14,790,279	1.10	0.74	526
	—	10,280,789	14,878,266	1.02	0.68	525
	—	10,077,509	14,017,679	0.84	0.63	495
	—	10,602,256	12,429,263	0.42	0.59	439
	—	9,705,270	15,133,261	0.49	0.68	538

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## CITY OF OAKDALE

Table 10

Direct and Overlapping Governmental Activities Debt  
as of December 31, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt			
City of Oakdale	\$ 24,838,531	100.00 %	\$ 24,838,531
Overlapping debt			
Washington County	101,015,000	9.50	9,596,425
Independent School District No. 622	434,095,000	36.20	157,142,390
Independent School District No. 832	45,760,000	1.60	732,160
Metropolitan Transit	213,985,000	0.90	1,925,865
Metropolitan Council	6,285,000	0.70	43,995
Total overlapping debt			<u>169,440,835</u>
Total direct and overlapping debt			<u>\$ 194,279,366</u>

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the City's boundaries and dividing it by the entity's total taxable assessed value.

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 City'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: Washington County

# CITY OF OAKDALE

## Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	\$ 61,330,863	\$ 64,455,516	\$ 70,075,617	\$ 71,606,280
Total net debt applicable to the limit	2,665,031	2,674,353	2,748,521	3,543,401
Legal debt margin	<u>\$ 58,665,832</u>	<u>\$ 61,781,163</u>	<u>\$ 67,327,096</u>	<u>\$ 68,062,879</u>
Total net debt applicable to the limit as a percentage of debt limit	4.35%	4.15%	3.92%	4.95%

Note: Under Minnesota state law, the City's net debt cannot exceed 3 percent of the estimated market value.

**Table 11**

2017	2018	2019	2020	2021	2022
\$ 73,241,085	\$ 78,519,153	\$ 83,799,375	\$ 90,161,058	\$ 93,334,188	\$ 95,968,242
3,593,951	3,570,765	3,267,621	2,878,648	1,915,048	1,132,906
<u>\$ 69,647,134</u>	<u>\$ 74,948,388</u>	<u>\$ 80,531,754</u>	<u>\$ 87,282,410</u>	<u>\$ 91,419,140</u>	<u>\$ 94,835,336</u>
4.91%	4.55%	3.90%	3.19%	2.05%	1.18%

Legal Debt Margin Calculation for Fiscal Year 2022

Estimated market value	\$ 3,198,941,400
Debt limit (3 percent of market value)	95,968,242
Debt applicable to the limit	<u>1,132,906</u>
Legal debt margin	<u>\$ 94,835,336</u>

CITY OF OAKDALE

Pledged Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	HRA Revenue Bonds*			Improvement Bonds			
	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
2013	\$ 155,000	\$ 4,146	– %	\$ 2,074,416	\$ 2,560,000	\$ 631,800	65 %
2014	–	–	–	2,053,433	5,365,000	555,022	35
2015	–	–	–	1,821,407	2,570,000	468,864	60
2016	–	–	–	1,741,198	4,170,000	473,518	37
2017	–	–	–	3,641,115	2,700,000	422,374	117
2018	–	–	–	1,215,110	2,660,000	396,964	40
2019	–	–	–	1,649,735	2,655,000	365,008	55
2020	–	–	–	1,162,388	2,525,000	416,076	40
2021	–	–	–	1,220,353	2,580,000	461,252	40
2022	–	–	–	1,012,953	3,200,000	449,674	28

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\* The City's HRA sold revenue bonds to fund City Hall expansion and construction of a new fire station. The City made lease payments to the HRA to fund debt service on these issues.

**Table 12**

Tax Increment Bonds			
Tax Increment Collections	Debt Service		Coverage
	Principal	Interest	
\$ —	\$ —	\$ 130,813	— %
239,823	7,475,000	65,406	3
239,823	—	108,621	221
—	6,720,000	88,909	—
150,000	—	106,339	141
200,000	115,000	108,228	90
250,000	175,000	105,328	89
270,000	180,000	101,778	96
279,000	180,000	98,178	100
280,000	185,000	94,528	100

## CITY OF OAKDALE

**Table 13**Demographic and Economic Statistics  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Household Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2013	28,142	\$ 67,100	\$ 30,900	5.5 %
2014	28,142	67,250	30,900	3.7
2015	28,655	69,500	32,000	3.1
2016	28,655	69,500	32,000	3.5
2017	28,655	69,500	32,000	3.2
2018	28,115	71,350	35,000	3.1
2019	28,315	76,775	37,000	3.2
2020	28,315	79,189	37,000	6.5
2021	28,303	74,303	36,532	3.7
2022	28,135	78,586	38,698	1.9

Note 1: Population is based on an estimate from the Minnesota State Demographic Center.

Note 2: Median household income and personal income information is a total for the year.

Note 3: Unemployment rate is an adjusted yearly average.



## CITY OF OAKDALE

Table 14

Principal Employers  
Current Year and Nine Years Ago

Employer	2022		2013	
	Employees	Rank	Employees	Rank
3M Company	10,000	1	10,000	1
Independent School District No. 622	1,458	2	1,550	2
Slumberland (Corporate)	385	3	—	—
MnDOT	257	4	345	6
First Student Transportation	255	5	—	—
Hy-Vee	228	6	—	—
Fleet Farm	226	7	250	8
Carestream Health	199	8	—	—
Target Corporation	179	9	215	9
Canvas Health	150	10	—	—
Imation Corporation	—	—	1,500	3
Washington County	—	—	1,100	4
Educational Credit Management	—	—	426	5
Hartford Group	—	—	254	7
Human Services	—	—	176	10
Total	13,337		15,816	

Note: The percentage of total city employment is unavailable.

Source: Minnesota Department of Labor and Industry  
Local Survey

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## CITY OF OAKDALE

**Table 15**Full-Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary government										
General government	16.50	15.00	16.50	16.00	16.00	16.00	15.00	16.00	16.00	18.00
Public safety	46.50	48.00	48.50	48.50	48.50	48.00	48.50	48.50	50.00	69.00
Public works	22.00	22.00	21.50	23.00	23.00	22.00	24.00	24.00	24.00	21.00
Community service and recreation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Business-type activities										
Water	3.75	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.50	4.50
Sewer	3.75	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.50	4.50
Ambulance	6.00	6.00	8.00	8.00	8.00	12.00	12.00	12.00	11.00	—
Total	<u>101.50</u>	<u>101.50</u>	<u>105.00</u>	<u>106.00</u>	<u>106.00</u>	<u>109.00</u>	<u>110.50</u>	<u>111.50</u>	<u>113.00</u>	<u>120.00</u>

Source: Various government departments

# CITY OF OAKDALE

## Operating Indicators by Function Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Function				
Police				
Physical arrests	672	680	680	630
Parking violations	774	1,137	1,140	937
Traffic violations	1,577	1,941	1,998	2,095
Felony offenses	1,231	1,257	1,250	450
Gross and minor misdemeanor offenses	1,357	1,341	1,350	2,080
Fire				
Emergency responses	2,059	2,196	2,335	2,583
Fires extinguished	48	43	61	64
Inspections	568	524	592	645
Building inspection				
Permits issued				
Residential	1,596	1,594	1,634	1,935
Commercial	336	414	413	377
Other public works				
Street resurfacing (miles)	3.0	3.4	4.0	4.0
Potholes repaired	275	275	275	275
Parks and recreation				
Athletic field permits issued	295	295	295	295
Program participants	—	—	—	—
Discovery Center rentals	—	—	—	—
Picnic shelter rentals	—	—	—	—
Water				
New connections	11	16	22	22
Water main breaks	15	13	3	3
Average daily consumption (thousands of gallons)	2,850	2,830	2,277	2,318
Peak daily consumptions (thousands of gallons)	6,450	5,062	4,810	4,840

Note: Indicators are not available for the general government function. For 2019 and 2020, the numbers of potholes repaired and athletic field permits issued are no longer tracked. New operating indicators were developed for parks and recreation beginning in 2019.

Source: Various city departments

**Table 16**

2017	2018	2019	2020	2021	2022
647	549	630	494	460	521
955	279	330	321	397	294
2,095	906	1,802	1,425	1,449	1,034
450	395	561	623	882	857
2,080	1,839	1,953	1,797	2,376	2,523
2,762	2,832	2,844	2,832	3,258	3,655
71	71	41	81	133	90
574	659	659	300	300	275
2,189	2,703	1,993	2,375	2,562	4,194
443	390	371	335	318	153
3.1	3.1	3.6	3.5	2.5	2.2
260	285	—	—	290	300
280	280	—	—	280	280
—	—	27,000	10,000	20,000	20,000
—	—	57	6	39	59
—	—	221	127	272	262
18	5	4	2	31	85
7	10	19	13	18	8
2,415	2,313	2,076	2,285	1,830	1,747
5,276	4,715	4,269	3,250	3,862	3,136

# CITY OF OAKDALE

## Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Function				
Police				
Stations	1	1	1	1
Patrol units	3	3	3	3
Fire stations	2	2	2	2
Other public works				
Streets (miles)	98	98	98	98
Streetlights	N/A	N/A	N/A	N/A
Traffic signals	18	18	18	18
Parks and recreation				
Acreage	N/A	N/A	N/A	N/A
Playgrounds	11	11	11	11
Baseball/softball diamonds	19	19	19	19
Soccer/football fields	11	11	11	11
Water				
Water mains (miles)	132	132	132	132
Fire hydrants	1,353	1,353	1,353	1,353
Storage capacity (thousands of gallons)	4,000,000	4,000,000	4,000,000	4,000,000
Wastewater				
Sanitary sewers (miles)	103	103	103	103
Storm sewers (miles)	57	57	57	57

N/A – Not Available

Note: No capital asset indicators are available for the general government function.

Source: Various city departments

**Table 17**

2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
3	3	3	3	3	3
2	2	2	2	2	2
98	98	98	98	98	99
N/A	N/A	N/A	2,112	2,112	2,128
18	18	18	18	18	18
N/A	N/A	N/A	624	624	638
11	11	11	11	11	13
19	19	19	19	19	17
11	11	11	11	11	11
132	132	132	132	134	134
1,353	1,353	1,353	1,353	1,373	1,630
4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
103	103	103	103	105	110
57	57	57	57	58	64

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