

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for fiscal year ending December 31, 2022



CITY OF OAKDALE, MINNESOTA

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Oakdale, MN 55128

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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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CITY OF OAKDALE

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INTRODUCTORY SECTION



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.

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.

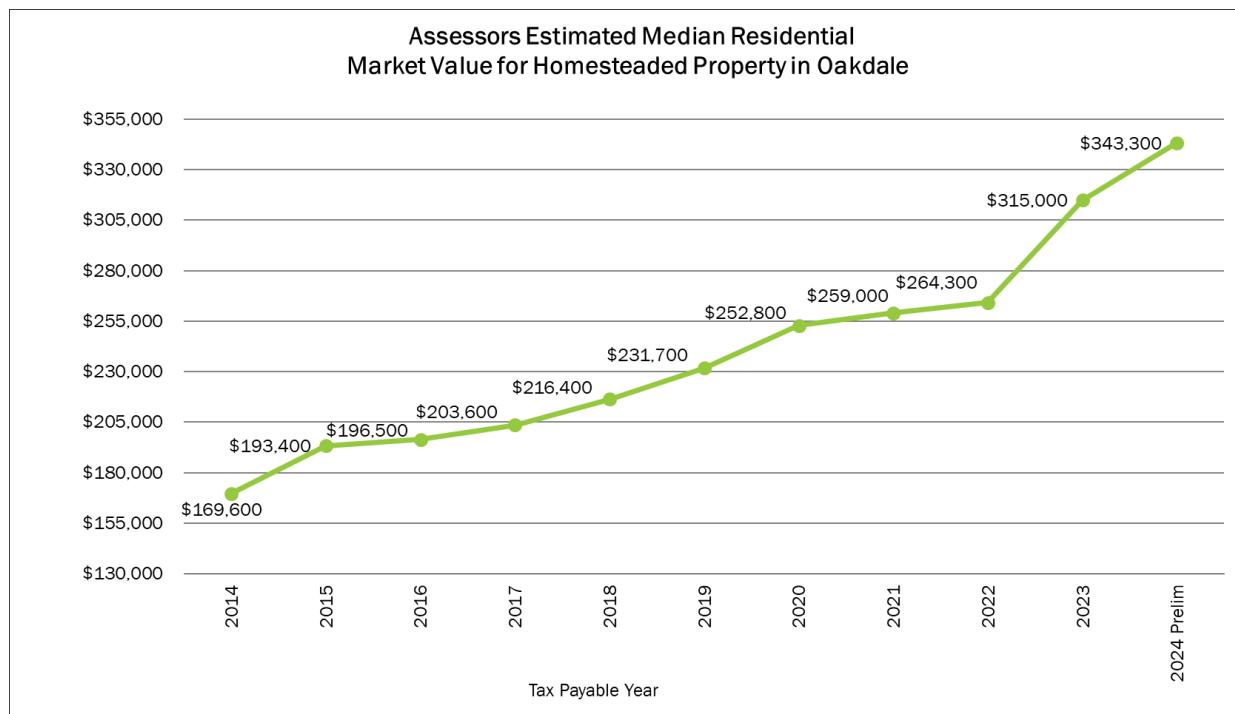
Each annual CIP update provides a comprehensive guide to the major road, park, utility, building, development, and equipment needs anticipated for the next five years. As part of that process, the City analyzes fund balances and updates long-term financial projections as it is the City's policy to maintain 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.

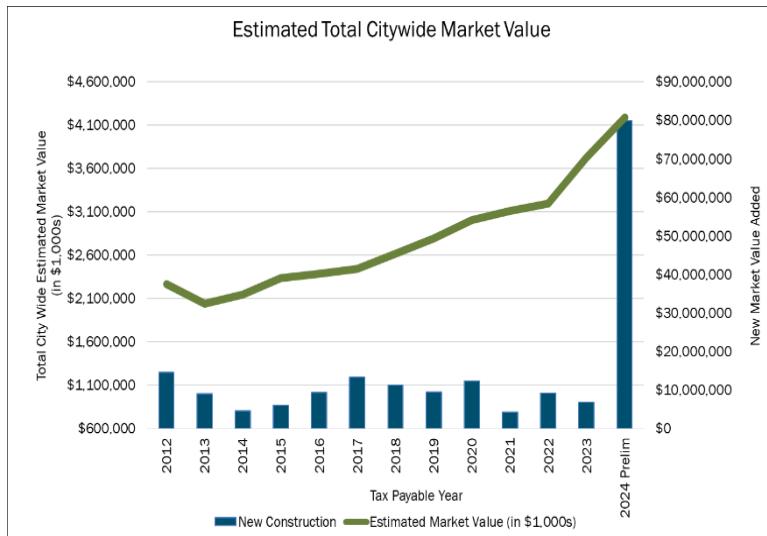
Housing Values

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**

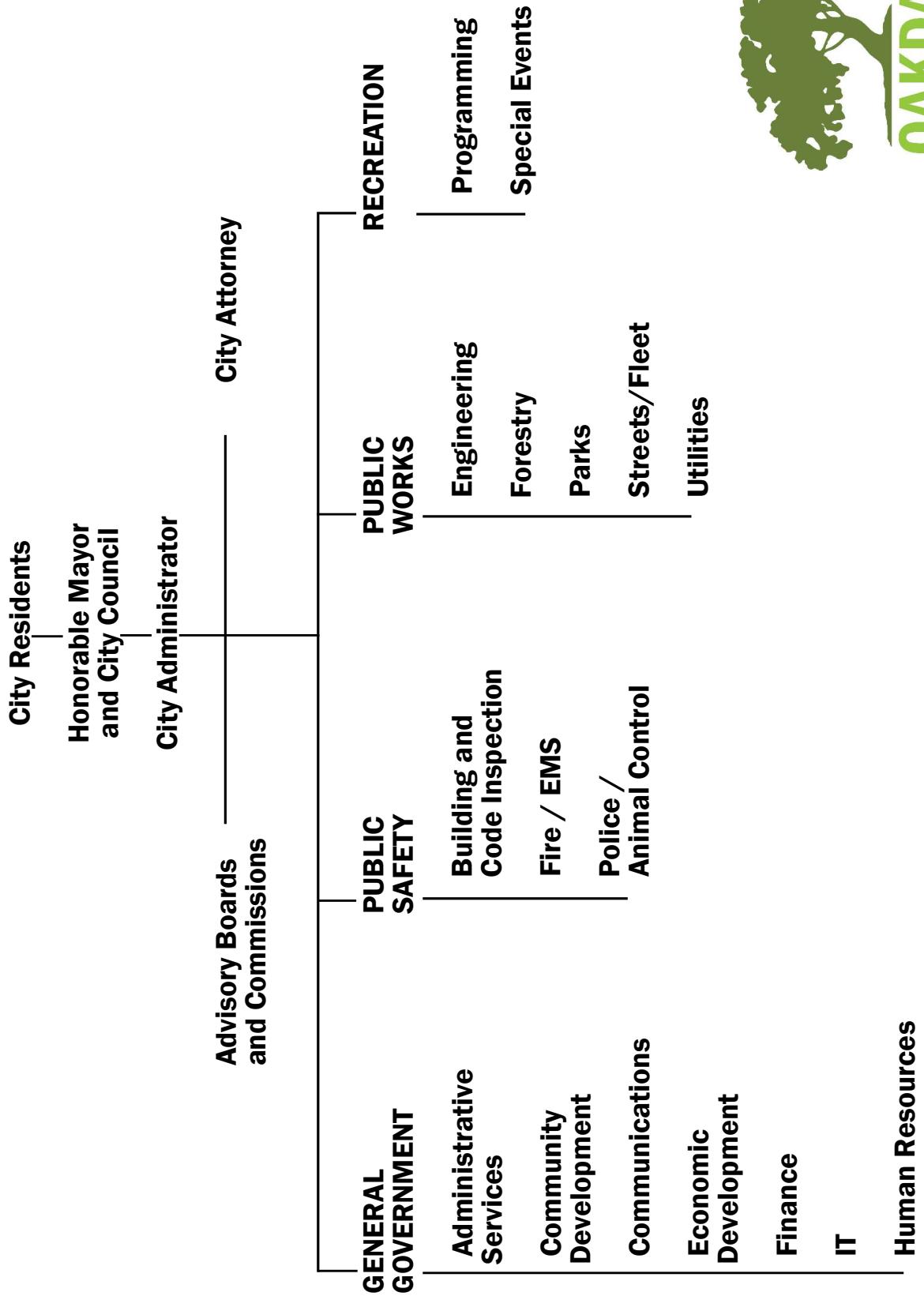
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Monell

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, Radasovich & 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 |
| Assets | | | | | | |
| 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 |
| Total assets | \$100,641,897 | \$ 91,131,006 | \$ 38,576,776 | \$ 39,270,959 | \$139,218,673 | \$130,401,965 |
| Deferred outflows of resources | | | | | | |
| 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 |
| Total deferred outflows of resources | \$ 14,832,952 | \$ 7,882,709 | \$ — | \$ — | \$ 14,832,952 | \$ 7,882,709 |
| Total assets and deferred outflows of resources | \$115,474,849 | \$ 99,013,715 | \$ 38,576,776 | \$ 39,270,959 | \$154,051,625 | \$138,284,674 |
| Liabilities | | | | | | |
| 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 |
| Total liabilities | \$ 54,265,182 | \$ 34,573,866 | \$ 491,187 | \$ 439,396 | \$ 54,756,369 | \$ 35,013,262 |
| Deferred inflows of resources | | | | | | |
| 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 | — |
| Total deferred inflows of resources | \$ 4,877,483 | \$ 10,566,647 | \$ — | \$ — | \$ 4,877,483 | \$ 10,566,647 |
| Net position | | | | | | |
| 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 |
| Total net position | \$ 56,332,184 | \$ 53,873,202 | \$ 38,085,589 | \$ 38,831,563 | \$ 94,417,773 | \$ 92,704,765 |
| Total liabilities, deferred inflows of resources, and net position | \$115,474,849 | \$ 99,013,715 | \$ 38,576,776 | \$ 39,270,959 | \$154,051,625 | \$138,284,674 |

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 |
| Revenues | | | | | | |
| 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 |
| Expenses | | | | | | |
| 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 |
| Transfers | 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.

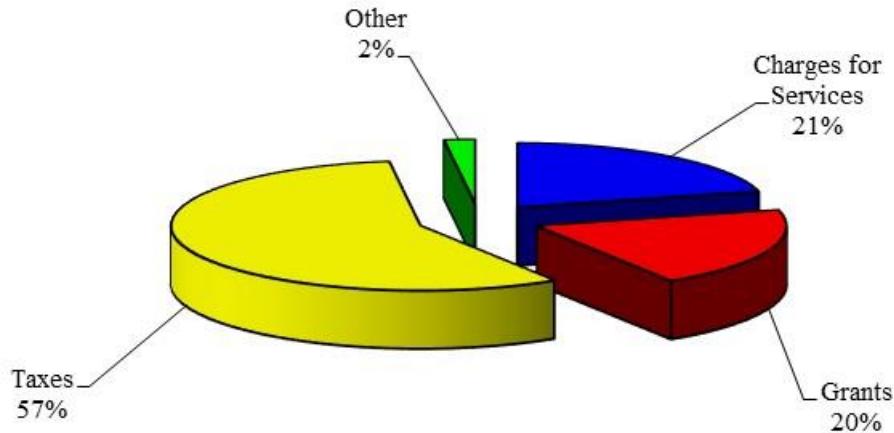
- The largest changes occurred in operating grants and contributions, capital grants and contributions, and charges for services. Operating and capital grants decreased with the recognition of federal coronavirus state and local fiscal recovery funds and grants received for a well project and street 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.

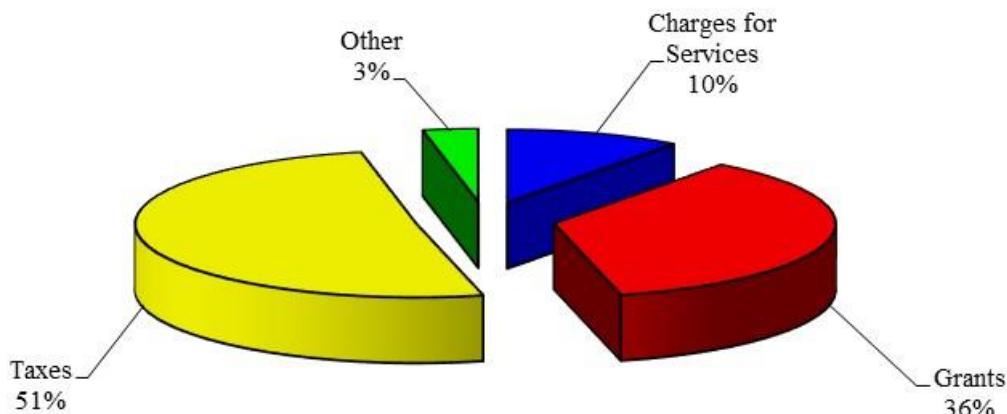
- The City experienced the largest increase within the public safety function, mainly due to staffing increases in the police department and with the change from a paid-on-call to full-time fire department.

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

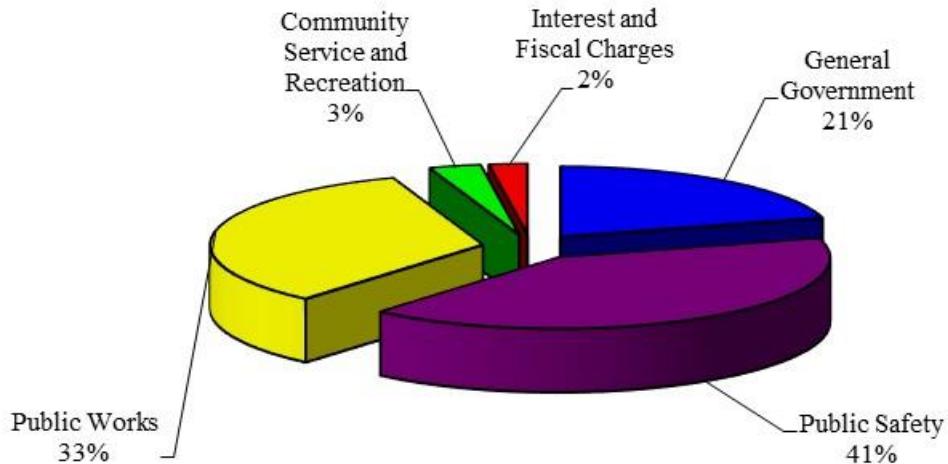


2021 Revenues by Source – Governmental Activities

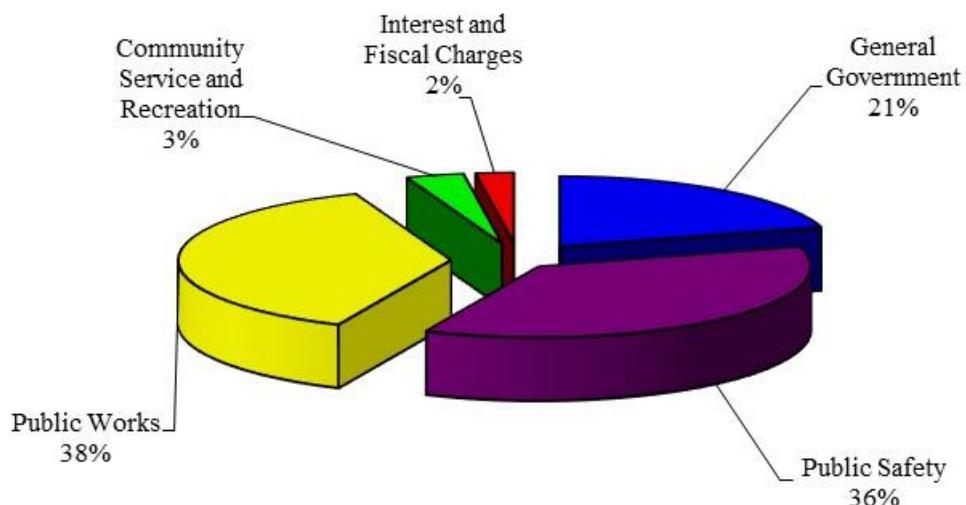


The expenses in the graphs below for governmental activities show the amounts spent on different activities for 2022 and 2021. Public safety increased to 41 percent, while public works decreased to 33 percent of total expenses. The other three categories: general government, community service and recreation,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

2022 Expenses – Governmental Activities



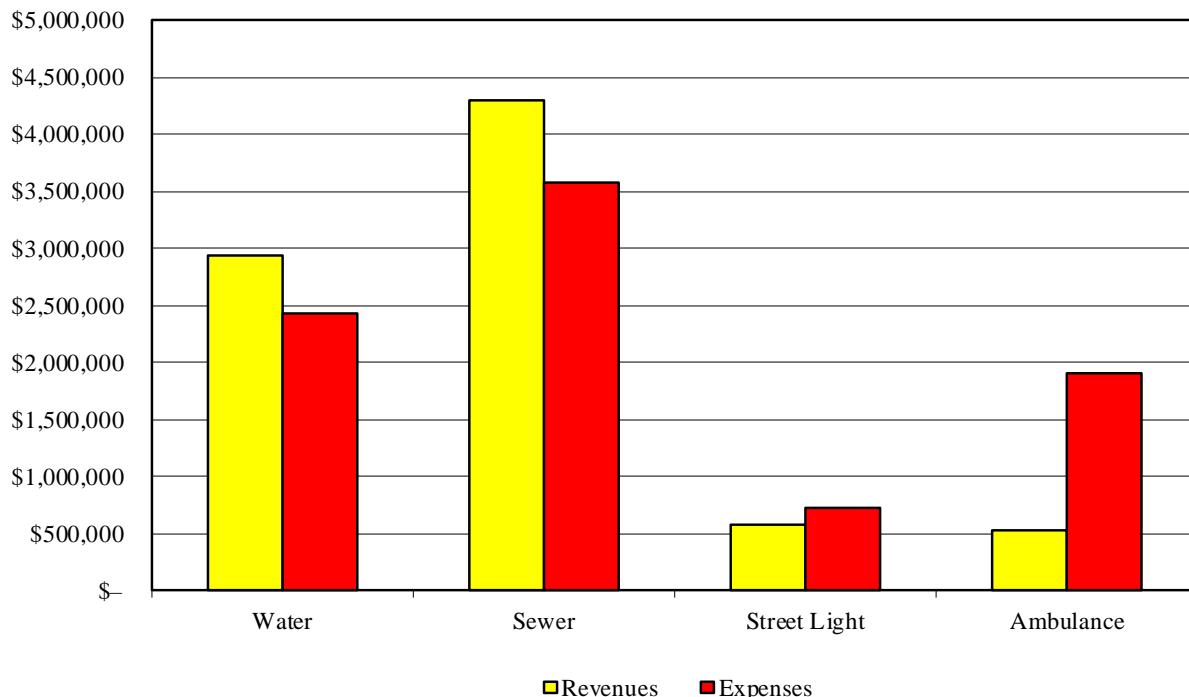
2021 Expenses – Governmental Activities



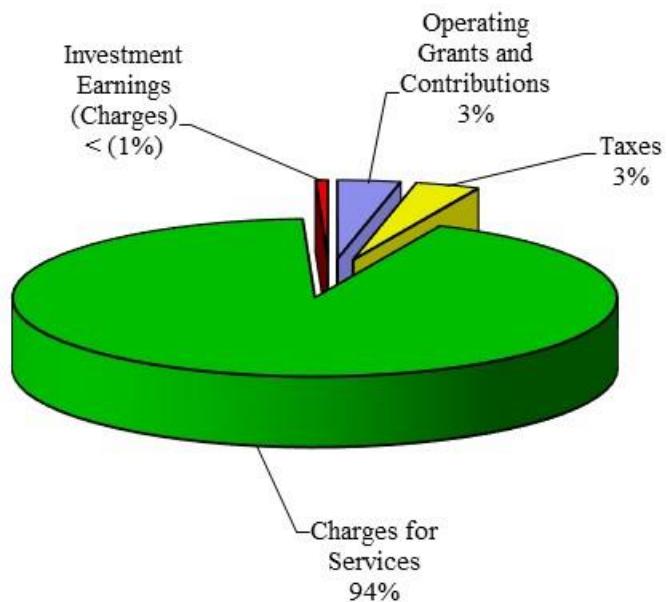
Business-Type Activities – Business-type activities decreased the City’s total net position by \$745,974. Key elements of the business-type activities are as follows:

- 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.

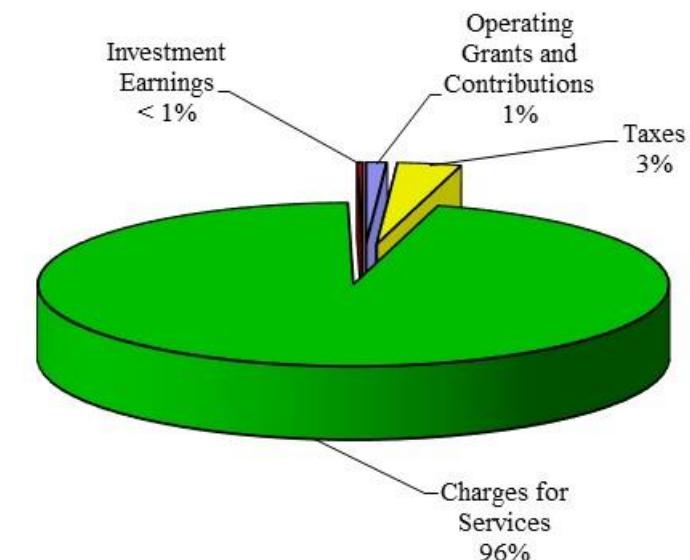
Revenues and Expenses – Business-Type Activities



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

Table 3
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 | \$ 49,065,656 | \$ 47,107,445 | \$ 26,143,757 | \$ 25,979,558 | \$ 75,209,413 | \$ 73,087,003 |

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

Table 4
Outstanding Debt

| | 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 | \$52,328,154 | \$32,546,456 | \$ 122,613 | \$ 248,908 | \$52,450,767 | \$32,795,364 |

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 |
|--|------------------------------|-----------------------------|------------------------------|
| Assets | | | |
| 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 | <u>49,065,656</u> | <u>26,143,757</u> | <u>75,209,413</u> |
| Total assets | 100,641,897 | 38,576,776 | 139,218,673 |
| Deferred outflows of resources | | | |
| Pension plan deferments | 14,477,981 | — | 14,477,981 |
| OPEB plan deferments | 354,971 | — | 354,971 |
| Total deferred outflows of resources | <u>14,832,952</u> | <u>—</u> | <u>14,832,952</u> |
| Total assets and deferred outflows of resources | <u>\$ 115,474,849</u> | <u>\$ 38,576,776</u> | <u>\$ 154,051,625</u> |
| Liabilities | | | |
| 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 | <u>23,142,102</u> | <u>99,038</u> | <u>23,241,140</u> |
| Total liabilities | <u>54,265,182</u> | <u>491,187</u> | <u>54,756,369</u> |
| Deferred inflows of resources | | | |
| 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 | <u>4,877,483</u> | <u>—</u> | <u>4,877,483</u> |
| Net position | | | |
| 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 | <u>11,636,075</u> | <u>11,941,832</u> | <u>23,577,907</u> |
| Total net position | <u>56,332,184</u> | <u>38,085,589</u> | <u>94,417,773</u> |
| Total liabilities, deferred inflows of resources, and net position | <u><u>\$ 115,474,849</u></u> | <u><u>\$ 38,576,776</u></u> | <u><u>\$ 154,051,625</u></u> |

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 | <u>23,870,251</u> | <u>5,475,248</u> | <u>1,083,407</u> | <u>3,872,353</u> |
| 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 | <u>8,648,800</u> | <u>8,074,364</u> | <u>292,789</u> | <u>—</u> |
| Total governmental and business-type activities | <u><u>\$ 32,519,051</u></u> | <u><u>\$ 13,549,612</u></u> | <u><u>\$ 1,376,196</u></u> | <u><u>\$ 3,872,353</u></u> |

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

| <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|-------------------------------------|--------------------------|
| <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| \$ (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) |
| <u>(13,439,243)</u> | <u>—</u> | <u>(13,439,243)</u> |
| — | 511,164 | 511,164 |
| — | 710,419 | 710,419 |
| — | (139,075) | (139,075) |
| — | (1,364,155) | (1,364,155) |
| <u>—</u> | <u>(281,647)</u> | <u>(281,647)</u> |
| (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) | — |
| <u>16,946,081</u> | <u>(464,327)</u> | <u>16,481,754</u> |
| 3,506,838 | (745,974) | 2,760,864 |
| 53,873,202 | 38,831,563 | 92,704,765 |
| <u>(1,047,856)</u> | <u>—</u> | <u>(1,047,856)</u> |
| <u>52,825,346</u> | <u>38,831,563</u> | <u>91,656,909</u> |
| <u>\$ 56,332,184</u> | <u>\$ 38,085,589</u> | <u>\$ 94,417,773</u> |

CITY OF OAKDALE

Statement 3

Balance Sheet
Governmental Funds
as of December 31, 2022

| | 100 | 695 | | |
|--|-----------------------------|----------------------------|-----------------------------|-----------------------------|
| | General | Improvements | Nonmajor | Total |
| Assets | | | | |
| 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 |
| Total assets | <u>\$ 15,021,762</u> | <u>\$ 1,101,470</u> | <u>\$ 35,166,134</u> | <u>\$ 51,289,366</u> |
| Liabilities | | | | |
| 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 |
| Total liabilities | <u>1,009,337</u> | <u>177,134</u> | <u>450,992</u> | <u>1,637,463</u> |
| Deferred inflows of resources | | | | |
| 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 |
| Total deferred inflows of resources | <u>1,902,690</u> | <u>2,468,562</u> | <u>4,395,525</u> | <u>8,766,777</u> |
| Fund balances (deficits) | | | | |
| 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 |
| Total fund balances (deficits) | <u>12,109,735</u> | <u>(1,544,226)</u> | <u>30,319,617</u> | <u>40,885,126</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 15,021,762</u> | <u>\$ 1,101,470</u> | <u>\$ 35,166,134</u> | <u>\$ 51,289,366</u> |

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)

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> |
|--|------------------|

| | |
|--|----------------------|
| Total net position – governmental activities | <u>\$ 56,332,184</u> |
|--|----------------------|

CITY OF OAKDALE

Statement 5

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

| | 100 | 695 | | |
|---|---------------|----------------|---------------|---------------|
| | | 2022 | Street | |
| | General | Improvements | Nonmajor | Total |
| 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 |

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 |
|--|---------|

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 \$ 3,506,838

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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 | 14,887,552 | 15,057,552 | 16,266,801 | 1,209,249 |
| 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 | 16,362,952 | 16,283,882 | 15,853,240 | (430,642) |
| 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) | 1,375,400 | 1,370,400 | 1,360,882 | (9,518) |
| Net change in fund balances | \$ (100,000) | \$ 144,070 | 1,774,443 | \$ 1,630,373 |
| 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 deferrals | – | – | – | – |
| Pension plan deferrals | – | – | – | – |
| 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 deferrals | – | – | – | – |
| Pension plan deferrals | – | – | – | – |
| 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

| Total | Governmental Activities – Internal Service |
|-------|--|
|-------|--|

| | |
|-------------------|----------|
| \$ 10,359,821 | \$ – |
| 53,478 | – |
| 1,534,551 | – |
| 636 | – |
| 88,153 | – |
| 226,450 | – |
| 406,524 | – |
| 90,189 | – |
| 12,759,802 | – |

| | |
|----------------------|----------------------|
| 55,966 | – |
| 5,216,681 | – |
| 2,469,791 | – |
| 55,278,057 | – |
| (36,876,738) | – |
| 26,143,757 | – |
| 26,143,757 | – |
| 38,903,559 | – |
| – | 354,971 |
| – | 14,477,981 |
| – | 14,832,952 |
| \$ 38,903,559 | \$ 14,832,952 |

| | |
|----------------|---------------|
| \$ 349,752 | \$ – |
| 18,023 | – |
| 800 | – |
| 23,574 | – |
| – | 54,823 |
| 392,149 | 54,823 |

| | |
|---------------|-------------------|
| 99,038 | – |
| – | 2,668,294 |
| – | 23,273,940 |
| 99,038 | 25,942,234 |
| 491,187 | 25,997,057 |

| | |
|----------|------------------|
| – | 588,339 |
| – | 488,034 |
| – | 1,076,373 |

| | |
|----------------------|----------------------|
| 26,143,757 | – |
| 12,268,615 | (12,240,478) |
| 38,412,372 | (12,240,478) |
| \$ 38,903,559 | \$ 14,832,952 |
| \$ 38,412,372 | |

| | |
|----------------------|--|
| (326,783) | |
| \$ 38,085,589 | |

CITY OF OAKDALE

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

| | Business-Type Activities – Enterprise Funds | | | |
|--|---|---------------|----------------------|------------------|
| | 700 Water | 725 Sewer | 750 Street Lights | 799 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 | 2,720,067 | 4,296,652 | 582,414 | 538,470 |
| 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 | 2,405,724 | 3,570,412 | 716,779 | 1,902,625 |
| 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) | 198,078 | (17,793) | (6,675) | (34,444) |
| 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 | (1,025,000) | (1,353,593) | (388,000) | – |
| Change in net position | (306,207) | 418,924 | (478) | (804,953) |
| Net position | 17,912,404 | 13,883,189 | 6,504,540 | 804,953 |
| Beginning of year | \$ 17,606,197 | \$ 14,302,113 | \$ 6,504,062 | \$ – |
| 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

| | Governmental Activities – Internal Service |
|--------------------------|--|
| Total | |
| \$ 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 |

Statement 10

| | Governmental Activities – Internal Service |
|--------------------------|--|
| Total | |
| \$ 8,328,332 | \$ – |
| – | 1,588,764 |
| (4,225,695) | – |
| (2,813,118) | (1,588,764) |
| <u>1,289,519</u> | <u>–</u> |
| 300,000 | – |
| 226,450 | – |
| 249,755 | – |
| (2,766,593) | – |
| <u>(1,990,388)</u> | <u>–</u> |
| (38,566) | – |
| (109,557) | – |
| (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:

| <u>Assets</u> | <u>Useful Life</u> |
|--|--------------------|
| 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>\$ 51,778,500</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> | <u>43,155,774</u> |
| 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 | <u>290,930</u> |
| 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 | Street | Improvements | Nonmajor | Ambulance |
| General | General | 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 | <u>\$ 1,666,775</u> | <u>\$ 793,000</u> | <u>\$ 5,891,627</u> | <u>\$ 305,968</u> | <u>\$ 8,657,370</u> |

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 | <u>22,406,899</u> | <u>6,980,163</u> | <u>–</u> | <u>(2,876,142)</u> | <u>(1,451,333)</u> | <u>25,059,587</u> |
| 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 | <u>191,179,530</u> | <u>956,466</u> | <u>(116,387)</u> | <u>2,876,142</u> | <u>320,742</u> | <u>195,216,493</u> |
| 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 | <u>166,478,984</u> | <u>4,340,789</u> | <u>(114,087)</u> | <u>–</u> | <u>504,738</u> | <u>171,210,424</u> |
| Total capital assets, depreciated, net | <u>24,700,546</u> | <u>(3,384,323)</u> | <u>(2,300)</u> | <u>2,876,142</u> | <u>(183,996)</u> | <u>24,006,069</u> |
| Net capital assets | <u>\$ 47,107,445</u> | <u>\$ 3,595,840</u> | <u>\$ (2,300)</u> | <u>\$ –</u> | <u>\$ (1,635,329)</u> | <u>\$ 49,065,656</u> |

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 |
| | | | | <hr/> |
| Total depreciation expense – governmental activities | | | | \$ 4,340,789 |
| Business-type activities | | | | |
| Water | | | | \$ 620,988 |
| Sewer | | | | 438,991 |
| Street lights | | | | 380,899 |
| Ambulance | | | | 68,818 |
| | | | | <hr/> |
| 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 | | | | | 1,030,000 |
| 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 | | | | | 18,255,000 |
| Unamortized bond premiums | | | | | 1,643,531 |
| Compensated absences | | | | | 1,492,566 |
| Total governmental activities | | | | | \$ 26,331,097 |
| Business-type activities | | | | | |
| Compensated absences | | | | | \$ 122,612 |
| Total government-wide activities | | | | | \$ 26,453,709 |

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 | <u>17,832,877</u> | <u>12,842,443</u> | <u>358,701</u> | <u>1,931,129</u> |
| Total – all pensions | <u><u>\$ 23,273,940</u></u> | <u><u>\$ 14,477,981</u></u> | <u><u>\$ 488,034</u></u> | <u><u>\$ 2,695,209</u></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 GEF. The GEF 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. GERF Benefits

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

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 GERP'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 | <u>218,197</u> | <u>–</u> |
| 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 | \$ 12,842,443 | \$ 358,701 |

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:

| <u>Year Ending December 31,</u> | <u>Pension Expense Amount</u> |
|-------------------------------------|---------------------------------------|
| 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:

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

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 GERP 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.

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 | (60,138) |
| Total net changes | <u>192,745</u> |
| Ending balance – December 31, 2022 | <u>\$ 2,723,117</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:

| | 2022 Street Improvements | | | |
|--|--------------------------------|-----------------------|----------------------|----------------------|
| | General | 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 State of Minnesota's Net Pension Liability | City's Proportionate Share of the State of Minnesota's Net Pension Liability | City's Proportionate Share of the City's Net Pension Liability and the City's Share of the State of Minnesota's Net Pension Liability | City's Proportionate Share of the City's Net Pension Liability as a Percentage of 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 |
|---------------------------|--|--|---|--|--|---|---|--|--|
| | | | | | | | | City's Proportionate Share of the Net Pension Liability | 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 |
|---------------------------|------------------------------------|---|----------------------------------|-----------------|--|
| | | | | | Contribution Deficiency (Excess) |
| 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 Proportionate Share of the Net Pension Liability | | City's Proportionate Share of the Net Pension Liability and the City's State of Minnesota's Share of the Net Pension Liability | | City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | | City's Proportionate Share of the Net Pension Liability and the City's State of Minnesota's Share of the Net Pension Liability as a Percentage of the Total Pension Liability | |
|---------------------------|--|---|---|--|---|--|---|---|---|
| | | City's Proportion of the Net Pension Liability | City's Proportionate Share of the Net Pension Liability | Proportionate Share of the Net Pension Liability | City's Share of the Net Pension Liability | City's Proportion of the Net Pension Liability | City's Proportionate Share of the Net Pension Liability | City's Proportion of the Net Pension Liability | City's Proportionate Share of the Net 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 | |
|---------------------------|------------------------------------|---|----------------------------------|----------------------------------|-----------------|--|-------------------------------|
| | | Statutorily Required Contributions | Contribution Deficiency (Excess) | | | Percentage of Covered Payroll | Percentage of Covered Payroll |
| 12/31/2015 | \$ 543,624 | \$ 543,624 | \$ — | \$ 3,355,704 | \$ 3,355,704 | 16.20% | 16.20% |
| 12/31/2016 | \$ 571,063 | \$ 571,063 | \$ — | \$ 3,525,077 | \$ 3,525,077 | 16.20% | 16.20% |
| 12/31/2017 | \$ 597,604 | \$ 597,604 | \$ — | \$ 3,688,916 | \$ 3,688,916 | 16.20% | 16.20% |
| 12/31/2018 | \$ 639,589 | \$ 639,589 | \$ — | \$ 3,948,083 | \$ 3,948,083 | 16.20% | 16.20% |
| 12/31/2019 | \$ 740,973 | \$ 740,973 | \$ — | \$ 4,371,523 | \$ 4,371,523 | 16.95% | 16.95% |
| 12/31/2020 | \$ 785,957 | \$ 785,957 | \$ — | \$ 4,440,437 | \$ 4,440,437 | 17.70% | 17.70% |
| 12/31/2021 | \$ 833,333 | \$ 833,333 | \$ — | \$ 4,708,098 | \$ 4,708,098 | 17.70% | 17.70% |
| 12/31/2022 | \$ 946,446 | \$ 946,446 | \$ — | \$ 5,340,909 | \$ 5,340,909 | 17.72% | 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

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| 2017 | 2018 | 2019 | 2020 | 2021 | |
| City financial statement year ended December 31, | | | | | |
| Measurement period – December 31, | | | | | |
| 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 | <u>2,291,371</u> | <u>2,606,410</u> | <u>2,193,861</u> | <u>2,524,101</u> | <u>2,530,372</u> |
| 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 updated 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 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 updated 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 | \$ 1,926,225 | \$ 11,267,728 | \$ 21,972,181 | \$ 35,166,134 |
| 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 | 30,971 | 1,550 | 418,471 | 450,992 |
| 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 | 257,676 | 4,013,527 | 124,322 | 4,395,525 |
| 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 | 1,637,578 | 7,252,651 | 21,429,388 | 30,319,617 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,926,225 | \$ 11,267,728 | \$ 21,972,181 | \$ 35,166,134 |

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 |
| \$ 117,197 | \$ 119,621 | \$ — | \$ — | \$ — | \$ — | \$ 1,926,225 |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 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 |
| \$ 117,197 | \$ 119,621 | \$ — | \$ — | \$ — | \$ — | \$ 1,926,225 |

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 |

| 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

| | 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 |
| Assets | | | | | | |
| 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 | \$ 792,284 | \$ — | \$ — | \$ 51,895 | \$ 26,845 | \$ 14,950 |
| Liabilities | | | | | | |
| Accounts and contracts payable | \$ 1,000 | \$ — | \$ — | \$ — | \$ — | \$ — |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue – special assessments | 413,941 | — | — | — | — | — |
| Fund balances | | | | | | |
| Restricted | — | — | — | 51,895 | 26,845 | 14,950 |
| Assigned | 377,343 | — | — | — | — | — |
| Total fund balances | 377,343 | — | — | 51,895 | 26,845 | 14,950 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 792,284 | \$ — | \$ — | \$ 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 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 |
| \$ – \$ – \$ – \$ – \$ – \$ – | \$ – \$ – \$ – \$ – \$ – \$ – \$ – | | | \$ 381,949 | \$ 785,507 | \$ 736,843 | \$ 510,100 |
| \$ – \$ – \$ – \$ – \$ – \$ – | \$ – \$ – \$ – \$ – \$ – \$ – \$ – | | | \$ 550 | \$ 550 | \$ – \$ – | \$ – \$ – |
| – | – | – | – | 58,149 | 112,543 | 173,161 | 3,200 |
| – | – | – | – | 323,800 | 672,414 | 563,682 | 506,900 |
| – | – | – | – | – | – | – | – |
| \$ – \$ – \$ – \$ – \$ – \$ – | \$ – \$ – \$ – \$ – \$ – \$ – \$ – | | | \$ 323,800 | \$ 672,414 | \$ 563,682 | \$ 506,900 |
| \$ – \$ – \$ – \$ – \$ – \$ – | \$ – \$ – \$ – \$ – \$ – \$ – \$ – | | | \$ 381,949 | \$ 785,507 | \$ 736,843 | \$ 510,100 |

CITY OF OAKDALE

Nonmajor Debt Service Funds
 Combining Balance Sheet (continued)
 as of 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 |
| Assets | | | | | | |
| 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 | \$ 747,527 | \$ 745,894 | \$ 476 | \$ 961,940 | \$ 386,206 | \$ 1,105,794 |
| Liabilities | | | | | | |
| Accounts and contracts payable | \$ – | \$ – | \$ – | \$ – | \$ – | \$ – |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue – special assessments | 185,618 | 460,364 | – | 250,182 | 148,252 | 375,102 |
| Fund balances | | | | | | |
| Restricted | 561,909 | 285,530 | 476 | 711,758 | 237,954 | 730,692 |
| Assigned | – | – | – | – | – | – |
| Total fund balances | 561,909 | 285,530 | 476 | 711,758 | 237,954 | 730,692 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 747,527 | \$ 745,894 | \$ 476 | \$ 961,940 | \$ 386,206 | \$ 1,105,794 |

Statement 15
2 of 2

| 470 | 475 | 476 | |
|--|----------------------------------|----------------------------------|-----------------------------|
| \$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 |
| <u>4,800</u> | <u>—</u> | <u>—</u> | <u>131,999</u> |
| <u><u>\$ 1,132,182</u></u> | <u><u>\$ 1,963,150</u></u> | <u><u>\$ 924,186</u></u> | <u><u>\$ 11,267,728</u></u> |
| \$ — | \$ — | \$ — | \$ 1,550 |
| 449,170 | 733,655 | 650,190 | 4,013,527 |
| 683,012 | 1,229,495 | 273,996 | 6,875,308 |
| <u>—</u> | <u>—</u> | <u>—</u> | <u>377,343</u> |
| <u><u>683,012</u></u> | <u><u>1,229,495</u></u> | <u><u>273,996</u></u> | <u><u>7,252,651</u></u> |
| <u><u>\$ 1,132,182</u></u> | <u><u>\$ 1,963,150</u></u> | <u><u>\$ 924,186</u></u> | <u><u>\$ 11,267,728</u></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 |
| \$ 303 — (181) 122 | \$ 150,942 51,749 — (7,648) 195,043 | \$ — 39,347 — (125) (125) | \$ 146,787 52,933 — 939 36,260 | \$ 153,734 70,297 — (772) 223,259 | \$ 137,641 65,639 — (135) 203,145 | \$ 187,655 — 115,484 1,076 304,215 | |
| 215,000 2,956 217,956 | 1,070,000 17,950 1,087,950 | — — — | 275,000 7,835 282,835 | 240,000 14,350 254,350 | 230,000 20,925 250,925 | 260,000 32,738 292,738 | 165,000 5,869 170,869 |
| (217,834) | (892,907) | (125) | (246,575) | (53,691) | (27,666) | (89,593) | 133,346 |
| — (17,601) (17,601) | — (350,179) (350,179) | — (27,423) (27,423) | — (116,397) (116,397) | 80,000 — 80,000 | — — — | 100,000 — 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

| | 470 | 475 | 476 | |
|-------------------|--|----------------------------------|----------------------------------|--------------|
| | \$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 |
| Total assets | \$ 1,954,990 | \$ 1,039,675 | \$ 3,663,215 | \$ 293,037 | \$ 3,278,025 |
| Liabilities | | | | | |
| Accounts and contracts payable | \$ — | \$ — | \$ 107,508 | \$ — | \$ — |
| Due to other funds | — | — | — | — | — |
| Total liabilities | — | — | 107,508 | — | — |
| Deferred inflows of resources | | | | | |
| Unavailable revenue – special assessments | — | — | 7,400 | — | — |
| State aid received for subsequent years | — | — | — | 71,575 | — |
| Total deferred inflows of resources | — | — | 7,400 | 71,575 | — |
| 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) | 1,954,990 | 1,039,675 | 3,548,307 | 221,462 | 3,278,025 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,954,990 | \$ 1,039,675 | \$ 3,663,215 | \$ 293,037 | \$ 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 |
| \$ 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 | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — |
| \$ 354,376 | \$ 416,343 | \$ 2,547,257 | \$ 2,366,097 | \$ — | \$ — | \$ 458,115 | \$ 150 | \$ 2,006,625 |
| \$ — | \$ — | \$ 17,651 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 1,719 |
| — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — |
| — | — | 16,333 | — | — | — | — | — | — |
| — | — | — | 2,366,097 | — | — | 458,115 | 150 | 2,004,906 |
| 354,376 | 416,343 | 2,513,273 | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — | — |
| 354,376 | 416,343 | 2,529,606 | 2,366,097 | \$ — | \$ — | \$ 458,115 | \$ 150 | \$ 2,004,906 |
| \$ 354,376 | \$ 416,343 | \$ 2,547,257 | \$ 2,366,097 | \$ — | \$ — | \$ 458,115 | \$ 150 | \$ 2,006,625 |

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 | — | — | — | — | — |
| Total assets | \$ — | \$ — | \$ — | \$ 473,660 | \$ 123,096 |
| Liabilities | | | | | |
| Accounts and contracts payable | \$ — | \$ — | \$ — | \$ — | \$ 9,339 |
| Due to other funds | — | — | — | — | — |
| Total liabilities | — | — | — | — | 9,339 |
| Deferred inflows of resources | | | | | |
| Unavailable revenue – special assessments | — | — | — | — | — |
| State aid received for subsequent years | — | — | — | — | — |
| Total deferred inflows | — | — | — | — | — |
| Fund balances (deficit) | | | | | |
| Nonspendable | — | — | — | — | — |
| Restricted | — | — | — | — | 113,757 |
| Assigned | — | — | — | 473,660 | — |
| Unassigned | — | — | — | — | — |
| Total fund balances (deficit) | — | — | — | 473,660 | 113,757 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ — | \$ — | \$ — | \$ 473,660 | \$ 123,096 |

Statement 17
2 of 2

| 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 |
| \$ 138,867 | \$ — | \$ 2,704,674 | \$ 153,979 | \$ — | \$ 21,972,181 |
| \$ 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 |
| \$ 138,867 | \$ — | \$ 2,704,674 | \$ 153,979 | \$ — | \$ 21,972,181 |

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 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 |

Statement 18
2 of 2

| 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 | | | | |
| Investment earnings (charges) | 80,000 | 107,286 | 27,286 | 101,675 |
| Refunds and reimbursements | 63,153 | (3,990) | (67,143) | 15,775 |
| Contributions and donations | 10,000 | 8,674 | (1,326) | 35,093 |
| Other | 15,000 | 150 | (14,850) | 100 |
| Total revenues | 40,000 | 59,274 | 19,274 | 89,827 |
| | 15,057,552 | 16,266,801 | 1,209,249 | 15,740,653 |

CITY OF OAKDALE

Schedule 1
Page 2 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 | | | | |
| 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
Page 3 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) | | | | |
| General government (continued) | | | | |
| Building maintenance | | | | |
| Materials and supplies | 11,500 | 8,308 | (3,192) | 9,497 |
| Contractual services | 186,300 | 184,958 | (1,342) | 187,297 |
| Capital outlay | – | 4,483 | 4,483 | – |
| Total building maintenance | 197,800 | 197,749 | (51) | 196,794 |
| Communications | | | | |
| Personal services | 137,106 | 150,531 | 13,425 | 78,283 |
| Materials and supplies | 4,000 | 713 | (3,287) | 2,555 |
| Contractual services | 41,400 | 31,174 | (10,226) | 16,752 |
| Total communications | 182,506 | 182,418 | (88) | 97,590 |
| 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) | 3,782,543 |
| Public safety | | | | |
| Police protection | | | | |
| Personal services | 5,444,434 | 5,440,715 | (3,719) | 5,113,056 |
| Materials and supplies | 166,300 | 170,033 | 3,733 | 119,567 |
| Contractual services | 324,699 | 293,489 | (31,210) | 320,726 |
| Capital outlay | 18,963 | 21,916 | 2,953 | 3,577 |
| Total police protection | 5,954,396 | 5,926,153 | (28,243) | 5,556,926 |
| Fire | | | | |
| Personal services | 845,159 | 828,445 | (16,714) | 517,237 |
| Materials and supplies | 53,900 | 67,120 | 13,220 | 22,633 |
| Contractual services | 596,340 | 598,498 | 2,158 | 591,110 |
| Capital outlay | 16,000 | 16,239 | 239 | – |
| Total fire | 1,511,399 | 1,510,302 | (1,097) | 1,130,980 |

CITY OF OAKDALE

Schedule 1
Page 4 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 safety (continued) | | | | |
| Inspections | | | | |
| Personal services | 563,099 | 548,843 | (14,256) | 424,776 |
| Materials and supplies | 2,000 | 1,704 | (296) | 1,002 |
| Contractual services | 157,137 | 169,904 | 12,767 | 38,961 |
| Total inspections | 722,236 | 720,451 | (1,785) | 464,739 |
| Total public safety | 8,188,031 | 8,156,906 | (31,125) | 7,152,645 |
| Public works | | | | |
| Engineering | | | | |
| Personal services | 531,586 | 311,961 | (219,625) | 523,218 |
| Materials and supplies | 2,800 | – | (2,800) | 1,999 |
| Contractual services | 27,740 | 231,749 | 204,009 | 23,166 |
| Total engineering | 562,126 | 543,710 | (18,416) | 548,383 |
| Street maintenance | | | | |
| Personal services | 605,067 | 586,857 | (18,210) | 536,337 |
| Materials and supplies | 186,850 | 170,798 | (16,052) | 169,685 |
| Contractual services | 59,500 | 48,160 | (11,340) | 61,841 |
| Capital outlay | – | – | – | 52,867 |
| Total street maintenance | 851,417 | 805,815 | (45,602) | 820,730 |
| Forestry | | | | |
| Personal services | 333,904 | 302,370 | (31,534) | 286,582 |
| Materials and supplies | 27,177 | 37,307 | 10,130 | 41,901 |
| Contractual services | 66,850 | 57,749 | (9,101) | 39,305 |
| Total forestry | 427,931 | 397,426 | (30,505) | 367,788 |
| Parks operation and maintenance | | | | |
| Personal services | 696,220 | 697,578 | 1,358 | 644,848 |
| Materials and supplies | 64,150 | 23,795 | (40,355) | 27,273 |
| Contractual services | 95,450 | 99,550 | 4,100 | 135,195 |
| Capital outlay | 2,000 | 1,352 | (648) | 46,120 |
| Total parks operation and maintenance | 857,820 | 822,275 | (35,545) | 853,436 |
| Fleet services | | | | |
| Personal services | 227,029 | 172,011 | (55,018) | 218,154 |
| Materials and supplies | 198,500 | 207,350 | 8,850 | 165,636 |
| Contractual services | 26,935 | 46,268 | 19,333 | 23,696 |
| Capital outlay | – | 1,019 | 1,019 | 16,347 |
| Total fleet services | 452,464 | 426,648 | (25,816) | 423,833 |

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)

| | 2013 | 2014 | 2015 | 2016 | Fiscal Year |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------|
| 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 | 11,173,758 | 11,728,040 | 11,913,314 | 11,791,790 | |
| 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 |
| <u>3,229,209</u> | <u>3,482,802</u> | <u>2,619,634</u> | <u>5,959,462</u> | <u>12,796,813</u> | <u>11,636,075</u> |
| \$ 39,085,889 | \$ 37,488,693 | \$ 40,025,370 | \$ 43,336,484 | \$ 53,873,202 | \$ 56,332,184 |
| | | | | | |
| \$ 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 |
| <u>15,428,521</u> | <u>16,408,988</u> | <u>15,686,300</u> | <u>18,656,213</u> | <u>25,648,818</u> | <u>23,577,907</u> |
| \$ 78,430,452 | \$ 77,447,218 | \$ 80,442,487 | \$ 83,033,109 | \$ 92,704,765 | \$ 94,417,773 |

CITY OF OAKDALE

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

| | Fiscal Year | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2013 | 2014 | 2015 | 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 | <u>20,503,719</u> | <u>19,853,061</u> | <u>19,348,149</u> | <u>23,482,128</u> |
| 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 | <u>6,373,418</u> | <u>6,522,907</u> | <u>6,789,398</u> | <u>7,325,394</u> |
| Total primary government expenses | <u>\$ 26,877,137</u> | <u>\$ 26,375,968</u> | <u>\$ 26,137,547</u> | <u>\$ 30,807,522</u> |
| 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 | <u>5,381,443</u> | <u>5,294,563</u> | <u>6,380,160</u> | <u>6,748,772</u> |
| 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 | <u>6,445,999</u> | <u>6,535,735</u> | <u>6,820,707</u> | <u>7,169,948</u> |
| Total primary government program revenues | <u>\$ 11,827,442</u> | <u>\$ 11,830,298</u> | <u>\$ 13,200,867</u> | <u>\$ 13,918,720</u> |

Table 2
Page 1 of 2

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| \$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 | |
| — | — | — | — | — | — | |
| <u>497,618</u> | <u>465,817</u> | <u>544,093</u> | <u>517,707</u> | <u>437,048</u> | <u>541,822</u> | |
| <u>20,853,363</u> | <u>20,499,724</u> | <u>20,008,557</u> | <u>20,109,210</u> | <u>19,328,068</u> | <u>23,870,251</u> | |
| 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 | |
| <u>566,893</u> | <u>552,104</u> | <u>521,727</u> | <u>542,891</u> | <u>624,858</u> | <u>721,784</u> | |
| <u>7,374,583</u> | <u>7,611,965</u> | <u>7,946,497</u> | <u>8,205,110</u> | <u>8,207,809</u> | <u>8,648,800</u> | |
| <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 | |
| <u>1,933,030</u> | <u>1,913,242</u> | <u>4,466,687</u> | <u>1,956,503</u> | <u>5,963,072</u> | <u>3,872,353</u> | |
| <u>5,952,027</u> | <u>5,438,563</u> | <u>7,878,848</u> | <u>7,793,729</u> | <u>12,678,098</u> | <u>10,431,008</u> | |
| 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 | |
| <u>7,560,456</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | |
| <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)

| | Fiscal Year | | | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2013 | 2014 | 2015 | 2016 |
| Net (expense) revenue | | | | |
| Governmental activities | \$ (15,122,276) | \$ (14,558,498) | \$ (12,967,989) | \$ (16,733,356) |
| Business-type activities | <u>72,581</u> | <u>12,828</u> | <u>31,309</u> | <u>(155,446)</u> |
| Total primary government net expense | <u><u>\$ (15,049,695)</u></u> | <u><u>\$ (14,545,670)</u></u> | <u><u>\$ (12,936,680)</u></u> | <u><u>\$ (16,888,802)</u></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 | <u>(232,597)</u> | <u>129,336</u> | <u>752,257</u> | <u>950,975</u> |
| 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 | <u>232,597</u> | <u>(129,336)</u> | <u>(752,257)</u> | <u>(950,975)</u> |
| Total business-type activities | <u>2,845</u> | <u>486,596</u> | <u>(441,787)</u> | <u>(622,930)</u> |
| Total primary government | <u><u>\$ 9,722,364</u></u> | <u><u>\$ 12,368,958</u></u> | <u><u>\$ 10,946,754</u></u> | <u><u>\$ 11,967,176</u></u> |
| Change in net position | | | | |
| Governmental activities | \$ (5,402,757) | \$ (2,676,136) | \$ (1,579,448) | \$ (4,143,250) |
| Business-type activities | <u>75,426</u> | <u>519,424</u> | <u>(410,478)</u> | <u>(778,376)</u> |
| Total primary government | <u><u>\$ (5,327,331)</u></u> | <u><u>\$ (2,156,712)</u></u> | <u><u>\$ (1,989,926)</u></u> | <u><u>\$ (4,921,626)</u></u> |

Table 2
Page 2 of 2

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

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 | <u>6,549,727</u> | <u>7,015,678</u> | <u>7,043,546</u> | <u>7,535,464</u> |
| 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 | <u>(93,316)</u> | <u>(131,784)</u> | <u>(127,991)</u> | <u>(247,674)</u> |
| 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 |
| <u>7,616,540</u> | <u>8,634,522</u> | <u>8,652,921</u> | <u>10,994,899</u> | <u>9,347,225</u> | <u>10,829,285</u> |
| <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 | 2016 | Fiscal Year |
|--|---------------------|-----------------------|---------------------|-----------------------|-------------|
| 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 |
| <u>21,362,525</u> | <u>19,261,182</u> | <u>22,795,501</u> | <u>23,062,572</u> | <u>27,907,646</u> | <u>25,673,927</u> |
| 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 |
| — | — | — | — | — | — |
| <u>4,411,023</u> | <u>3,980,116</u> | <u>9,545,222</u> | <u>5,074,283</u> | <u>—</u> | <u>—</u> |
| <u>23,276,515</u> | <u>24,114,718</u> | <u>28,738,629</u> | <u>25,773,260</u> | <u>26,628,952</u> | <u>30,281,897</u> |
| (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) |
| <u>33,841</u> | <u>2,810</u> | <u>13,643</u> | <u>89,964</u> | <u>261,180</u> | <u>49,575</u> |
| <u>5,446,560</u> | <u>3,785,204</u> | <u>6,037,277</u> | <u>5,556,890</u> | <u>5,534,940</u> | <u>9,001,850</u> |
| <u>\$ 3,532,570</u> | <u>\$ (1,068,332)</u> | <u>\$ 94,149</u> | <u>\$ 2,846,202</u> | <u>\$ 6,813,634</u> | <u>\$ 4,393,880</u> |
| <u>23.5%</u> | <u>23.5%</u> | <u>23.5%</u> | <u>20.6%</u> | <u>22.3%</u> | <u>22.8%</u> |

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 | | Percentage of Taxable Capacity Value | | Taxable Capacity Value | | Percentage of Taxable Capacity Value | |
| | | Rank | | Rank | | Rank | | Rank |
| 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 | \$ 3,159,482 | | 8.72 % | | \$ 3,619,796 | | 15.83 % | |

Source: Washington County

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CITY OF OAKDALE

Table 8Property 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 10Direct and Overlapping Governmental Activities Debt
as of December 31, 2022

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|-------------------------------------|------------------|-------------------------------------|-------------------------------------|
| 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 | <u>2,665,031</u> | <u>2,674,353</u> | <u>2,748,521</u> | <u>3,543,401</u> |
| Legal debt margin | <u><u>\$ 58,665,832</u></u> | <u><u>\$ 61,781,163</u></u> | <u><u>\$ 67,327,096</u></u> | <u><u>\$ 68,062,879</u></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><u>\$ 94,835,336</u></u> |

CITY OF OAKDALE

Pledged Revenue Coverage
Last Ten Fiscal Years

| Fiscal Year | HRA Revenue Bonds* | | | | Special Assessment Collections | Improvement Bonds | | | | |
|-------------|--------------------|----------|----------|--------------|--------------------------------|-------------------|----------|------|----------|--|
| | Debt Service | | Coverage | Principal | | 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 | | | | |
| | Principal | Interest | Coverage | | |
| \$ | \$ | \$ | | – | % |
| 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

Demographic and Economic Statistics
Last Ten Fiscal Years

Table 13

| Fiscal Year | Population (1) | Median Household Income (2) | Per Capita Personal Income (2) | Unemployment Rate (3) |
|--------------------|-----------------------|------------------------------------|---------------------------------------|------------------------------|
| 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 15Full-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

| Function | Fiscal Year | | | |
|---|-------------|-------|-------|-------|
| | 2013 | 2014 | 2015 | 2016 |
| 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

| Function | Fiscal Year | | | |
|--|-------------|-----------|-----------|-----------|
| | 2013 | 2014 | 2015 | 2016 |
| 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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