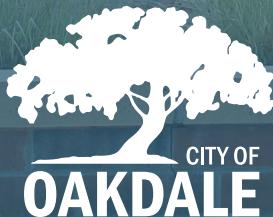


ANNUAL COMPREHENSIVE FINANCIAL REPORT

for fiscal year ending December 31, 2023



CITY OF OAKDALE, MINNESOTA

1584 Hadley Avenue North
Oakdale, MN 55128

651-739-5086

www.oakdalemn.gov

CITY OF OAKDALE
WASHINGTON COUNTY, MINNESOTA

Annual Comprehensive
Financial Report

for the Fiscal Year Ended
December 31, 2023

Kyle Stasica
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



May 31, 2024

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, Minnesota (the City) for the fiscal year ended December 31, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the 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, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent audit has issued an unmodified ("clean") opinion on the City's basic financial statements for the year ended December 31, 2023. 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. Policymaking and legislative authority are vested in a City Council, consisting of a mayor and four councilmembers, 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. 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 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 tax levy prior to September 30. According to Minnesota Statutes, this proposed 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 2022, the unemployment rate of the City was 2.6 percent, compared to the national rate of 3.3 percent. As of December 2023, the unemployment rate for the City decreased to 2.2 percent, compared to the national rate of 3.5 percent.

Unemployment Rate	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023
City of Oakdale	3.0%	5.0%	2.7%	2.6%	2.2%
Washington County	2.8%	4.4%	2.4%	2.5%	2.1%
State of Minnesota	3.4%	5.0%	2.9%	3.2%	2.6%
United States	3.4%	6.5%	3.7%	3.3%	3.5%

(Source: MN Dept. of Economic Development)

As of December 2022, the City's median income has risen for each type of household. The average increase was 10.1 percent across all categories, Married-Couple Families, Families, Households, and Nonfamily Households.

Median Income	Dec. 2018	Dec. 2019	Dec. 2020	Dec. 2021	Dec. 2022
Married-Couple Families	\$ 112,097	\$ 116,369	\$ 109,572	\$ 107,364	\$ 118,567
Families	92,957	96,176	95,137	95,000	105,496
Households	70,861	72,511	74,303	78,586	86,003
Nonfamily Households	41,931	41,092	45,216	48,401	52,979

(Source: US Census Bureau ACS 5-Year Survey Table S1901 - 2023 information not yet available)

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 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 completed a new 200,000 square foot light manufacturing building in 2023, that is being leased to Superior 3rd Party Logistics, and recently broke ground on a new Aldi and Starbucks. 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: Mo-Tech Corporation, RR Donnelley Publishing, Integrated Systems, Twin City Hardware, and Spartan Promotional Group, Inc.. 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

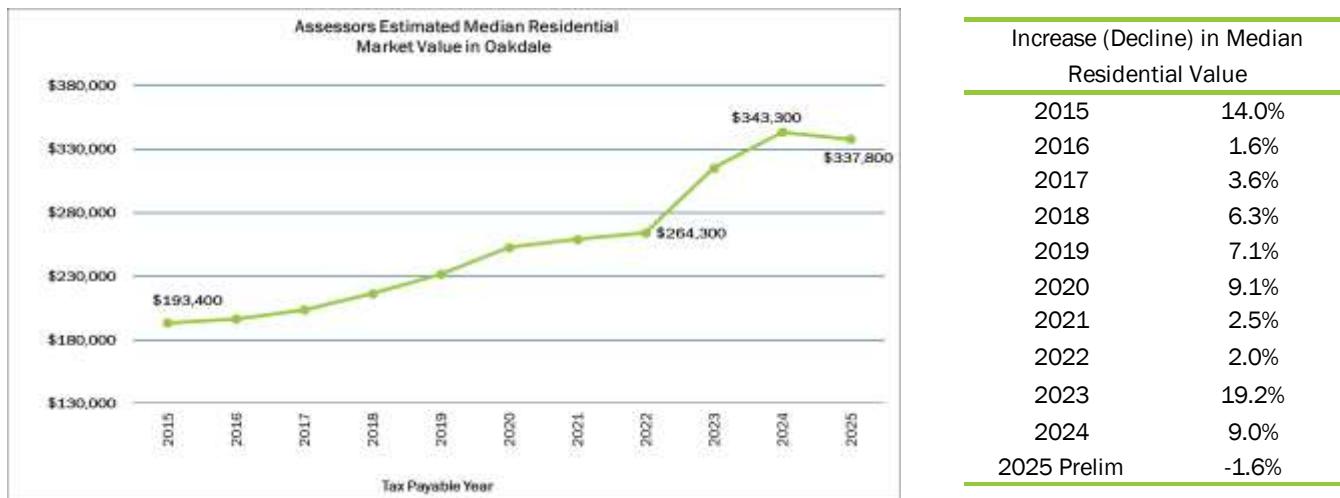
The City places a high priority on planning for future growth and redevelopment. City staff use many tools to examine and address the changes in the community: annual budgeting, a 5-year Capital Improvement Plan (CIP), and a 10-year financial forecast. Used in conjunction with the Comprehensive Plan, 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 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

The most recent Washington County Assessment Report reflects a 1.6 percent decrease in the City's median residential valued house. Note that total city-wide values increased 1.5 percent, due to almost 22.0 percent growth in apartment values. The 1.6 percent decrease is after a historic run from 2013 through 2024 for a cumulative 118.2 percent increase in the median valued residential house. The overall growth since 2013 has generally been a result of appreciation of existing housing stock, as the City has added 239 residential parcels over the last 10 years. With continued development planned throughout the City, significant growth in overall city-wide property valuation is expected. Note the tables below display the values by tax payable year. Actual market trend data used to develop each is from approximately a year and a quarter prior. For example, the 2025 Prelim is from market data from October 1, 2022 through September 30, 2023.



Market Values

The City consistently adds tax base each year. For the preliminary 2025 tax payable values, there is an estimated 1.49 percent, or \$62,133,400, increase in the City's value of taxable properties. Washington County as a whole decreased 0.23 percent. The City's value is expected to continue its growth with significant developments in the planning stages or currently underway. This growth is diversified amongst Residential, Apartments and Commercial/Industrial properties.

Property Type	2023 Parcels	2024 Parcels	Parcels % Change	Pay 2024 Total Value	Pay 2025 Total New Construction	Pay 2025 Total Appreciation	Pay 2025 Total Value	Total Value % Change
Residential*	9,690	9,749	0.61%	\$3,118,296,800	\$20,789,300	(\$50,756,200)	\$3,088,329,900	-0.96%
Agricultural	4	4	0.00%	\$8,823,000	\$0	(\$1,896,500)	\$6,926,500	-21.49%
Apartments	57	65	14.04%	\$378,694,000	\$83,656,500	(\$1,322,100)	\$461,028,400	21.74%
Commercial/Industrial	398	394	-1.01%	\$668,992,200	\$10,464,100	\$1,198,300	\$680,654,600	1.74%
Total	10,149	10,212	0.62%	\$4,174,806,000	\$114,909,900	(\$52,776,500)	\$4,236,939,400	1.49%

*Residential property includes single-family, duplexes, triplexes, condos, and townhomes

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 CIP. These policies, along with the established internal controls, contribute to greater financial accountability and transparency.

It is important for the financial stability of the City to maintain reserve fund balances for unanticipated expenditures or unforeseen emergencies, as well as to provide adequate working capital for current operations. The City's fund balance policy identifies that the unassigned fund balance in the General Fund be in a range between 5.5 and 6 months (45.83 percent and 50.00 percent) of the subsequent years budgeted expenditures for working capital. As of December 31, 2023, there was an unassigned fund balance of \$13.2 million, which was approximately 59.00 percent of the subsequent year's budgeted expenditures for working capital.

Cash temporarily idle during the year was invested in U.S. government 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, 2023 on city investments was 5.215 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 2024–2028 CIP identifies \$136 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 2023, over \$11.3 million was invested to maintain the infrastructure and included the following significant projects:

- Reconstruction of streets in the Cardinal Meadows, Helmo Avenue, and 15th Street neighborhoods
- Reconstruction of 40th Street from Ideal Avenue to I-694
- Relocation and rehabilitation of Lift Station #6 located at 7965 Stillwater Boulevard North
- The painting of Water Tower No. 2, located at 3888 Hadley Avenue North

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 700 units either under construction or recently completed. The first and largest of the three parks to be built within the Willowbrooke neighborhood, Willowbrooke Commons, is slated to begin construction in the spring of 2024, and be complete by the fall of 2024. The park will include a community gathering and play area shelter, a central seating node overlooking the pond, a restroom building, pre-K and K-5 playground, a challenge course, adult fitness equipment, and a hammock area for teens.

Two other housing facilities that broke ground in 2023 include Tartan Crossing and Oakdale Marketplace. The 168-unit affordable senior housing facility at Tartan Crossing development is well under way, and a 158-unit market rate apartment building at Oakdale Marketplace is anticipated to open the fall of 2024.

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 Station, 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 the fall of 2024. A new bridge connecting Helmo Avenue and Bielenberg Drive opened in late November 2023. The Gold Line BRT line will open March 2025.

The City has been planning for 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 significant expansion of 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. Currently, 3M is preparing the site and construction is expected to begin on the public works facility in June 2024. The City is in the process of selecting an architectural firm for the renovation and expansion of the police department with construction estimated to begin in 2026.

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 a 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 sales tax 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, 2022. This was the 33rd 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 finished ACFR to the GFOA for consideration.

On October 6, 2023, Moody's Investor Services reaffirmed the City's general obligation unlimited tax (GOULT) rating at Aa1. The Aa1 rating 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 Aa1 from Aa2 in June 2022.

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Oakdale
Minnesota**

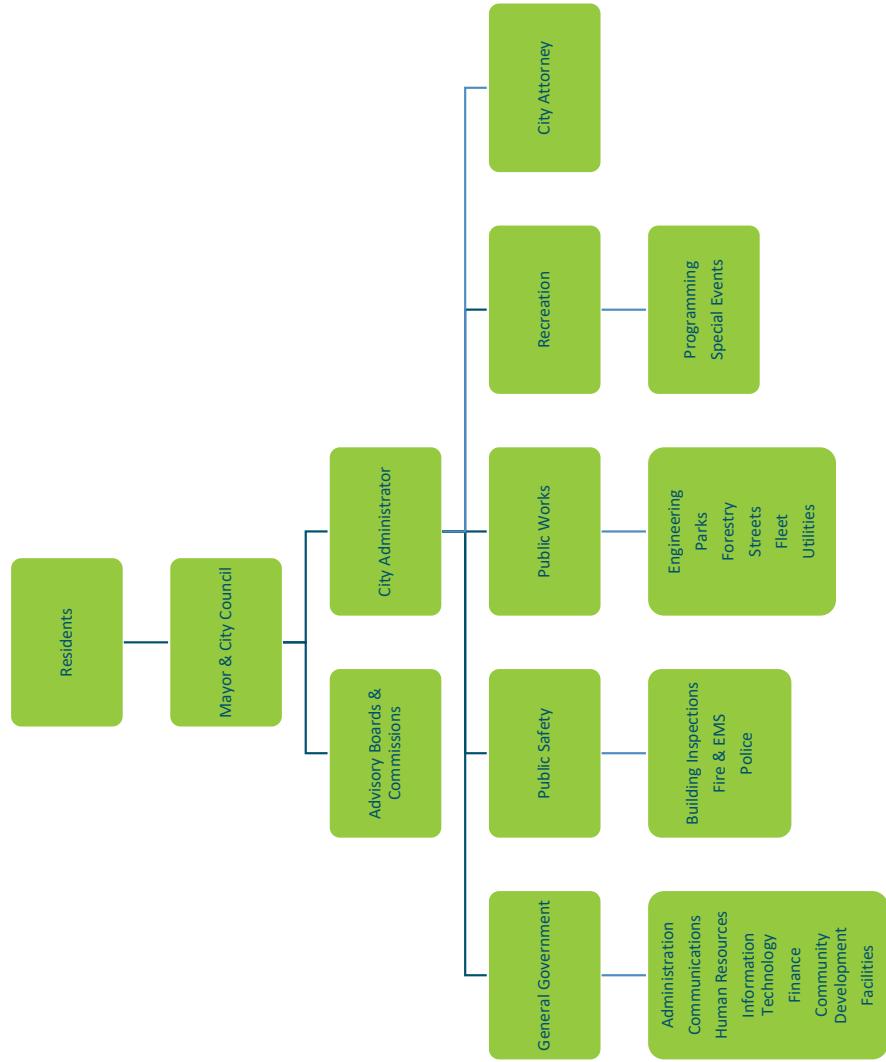
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Monell

Executive Director/CEO

City of Oakdale



CITY OF OAKDALE

Elected Officials and Appointed Personnel
December 31, 2023

ELECTED OFFICIALS

		<u>Term Expires</u>
Kevin Zabel	Mayor	December 31, 2026
Noah Her	Councilmember	December 31, 2024
Jake Ingebrigtsen	Councilmember	December 31, 2024
Andy Morcomb	Councilmember	December 31, 2026
Susan Willenbring	Councilmember	December 31, 2026

APPOINTED PERSONNEL

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary 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 of the notes to basic financial statements, in fiscal 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 accompanying 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 May 31, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
May 31, 2024

CITY OF OAKDALE

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

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, 2023. 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 \$106,634,433 (net position). Of this amount, \$27,953,552 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors; \$18,768,575 is restricted for specific purposes (*restricted net position*); and \$59,912,306 represents the net investment in capital assets. The City's total net position increased \$12,216,660 during the year ended December 31, 2023.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,430,602, an increase of \$4,545,476.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,191,993, or 59 percent, of total General Fund expenditures based on 2024 budgeted expenditure levels.
- As described in Note 1 of the notes to basic financial statements, the City implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), during the fiscal year ended December 31, 2023. This standard changed the way subscription 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 surface water.

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 four 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, \$5,915,000 Bonds of 2022A Debt Service Fund, Street Maintenance Capital Projects Fund, and 2023 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 surface water 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 surface water 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 \$106,634,433 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, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 58,775,279	\$ 51,576,241	\$ 14,329,495	\$ 12,433,019	\$ 73,104,774	\$ 64,009,260
Capital assets, net	45,208,618	49,065,656	35,941,864	26,143,757	81,150,482	75,209,413
Total assets	\$103,983,897	\$100,641,897	\$ 50,271,359	\$ 38,576,776	\$154,255,256	\$139,218,673
Deferred outflows of resources						
Pension plan deferments	\$ 14,113,925	\$ 14,477,981	\$ —	\$ —	\$ 14,113,925	\$ 14,477,981
OPEB plan deferments	338,319	354,971	—	—	338,319	354,971
Total deferred outflows of resources	\$ 14,452,244	\$ 14,832,952	\$ —	\$ —	\$ 14,452,244	\$ 14,832,952
Total assets and deferred outflows of resources	\$118,436,141	\$115,474,849	\$ 50,271,359	\$ 38,576,776	\$168,707,500	\$154,051,625
Liabilities						
Other liabilities	\$ 3,414,112	\$ 1,937,028	\$ 131,106	\$ 368,575	\$ 3,545,218	\$ 2,305,603
Noncurrent liabilities	41,003,437	52,328,154	152,724	122,612	41,156,161	52,450,766
Total liabilities	\$ 44,417,549	\$ 54,265,182	\$ 283,830	\$ 491,187	\$ 44,701,379	\$ 54,756,369
Deferred inflows of resources						
Lease revenue for subsequent years	\$ 965,472	\$ 1,215,626	\$ —	\$ —	\$ 965,472	\$ 1,215,626
Pension plan deferments	12,938,156	488,034	—	—	12,938,156	488,034
OPEB plan deferments	1,123,212	588,339	—	—	1,123,212	588,339
State aid received for subsequent years	2,344,848	2,585,484	—	—	2,344,848	2,585,484
Total deferred inflows of resources	\$ 17,371,688	\$ 4,877,483	\$ —	\$ —	\$ 17,371,688	\$ 4,877,483
Net position						
Net investment in capital assets	\$ 23,970,442	\$ 30,964,536	\$ 35,941,864	\$ 26,143,757	\$ 59,912,306	\$ 57,108,293
Restricted	18,768,575	13,731,573	—	—	18,768,575	13,731,573
Unrestricted	13,907,887	11,636,075	14,045,665	11,941,832	27,953,552	23,577,907
Total net position	\$ 56,646,904	\$ 56,332,184	\$ 49,987,529	\$ 38,085,589	\$106,634,433	\$ 94,417,773
Total liabilities, deferred inflows of resources, and net position	\$118,436,141	\$115,474,849	\$ 50,271,359	\$ 38,576,776	\$168,707,500	\$154,051,625

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 \$27,953,552 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 \$314,720 and an increase in the business-type activities of \$11,901,940, for a total increase of \$12,216,660 in net position. The decrease in governmental activities capital assets and increase in business-type activities capital assets is due to the transfer of storm sewer assets. 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, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 8,005,765	\$ 5,475,248	\$ 8,203,514	\$ 8,074,364	\$ 16,209,279	\$ 13,549,612
Operating grants and contributions	2,408,500	1,083,407	571,734	292,789	2,980,234	1,376,196
Capital grants and contributions	5,824,646	3,872,353	7,853	—	5,832,499	3,872,353
General revenues						
General property taxes	15,976,001	14,121,692	—	300,000	15,976,001	14,421,692
Tax increment taxes	779,683	1,024,908	—	—	779,683	1,024,908
Local option sales tax	1,806,007	—	—	—	1,806,007	—
Franchise fees	631,270	649,033	—	—	631,270	649,033
Grants and contributions not restricted to specific programs	215,772	456,504	—	—	215,772	456,504
Other general revenues	—	20,154	—	—	—	20,154
Investment earnings (charges)	1,862,143	(84,033)	468,697	(56,079)	2,330,840	(140,112)
Gain on disposal of capital assets	120,158	49,575	—	—	120,158	49,575
Total revenues	<u>37,629,945</u>	<u>26,668,841</u>	<u>9,251,798</u>	<u>8,611,074</u>	<u>46,881,743</u>	<u>35,279,915</u>
Expenses						
General government	4,953,282	4,912,123	—	—	4,953,282	4,912,123
Public safety	13,147,924	9,687,863	—	—	13,147,924	9,687,863
Public works	7,640,477	7,997,552	—	—	7,640,477	7,997,552
Community services and recreation	685,137	730,891	—	—	685,137	730,891
Interest and fiscal charges	593,487	541,822	—	—	593,487	541,822
Water	—	—	3,005,788	2,436,109	3,005,788	2,436,109
Sewer	—	—	3,847,314	3,588,282	3,847,314	3,588,282
Street lights	—	—	791,674	721,784	791,674	721,784
Ambulance	—	—	—	1,902,625	—	1,902,625
Total expenses	<u>27,020,307</u>	<u>23,870,251</u>	<u>7,644,776</u>	<u>8,648,800</u>	<u>34,665,083</u>	<u>32,519,051</u>
Increase (decrease) in net position before transfers	10,609,638	2,798,590	1,607,022	(37,726)	12,216,660	2,760,864
Transfers	<u>(10,294,918)</u>	<u>708,248</u>	<u>10,294,918</u>	<u>(708,248)</u>	<u>—</u>	<u>—</u>
Change in net position	314,720	3,506,838	11,901,940	(745,974)	12,216,660	2,760,864
Net position – beginning	<u>56,332,184</u>	<u>52,825,346</u>	<u>38,085,589</u>	<u>38,831,563</u>	<u>94,417,773</u>	<u>91,656,909</u>
Net position – ending	<u>\$ 56,646,904</u>	<u>\$ 56,332,184</u>	<u>\$ 49,987,529</u>	<u>\$ 38,085,589</u>	<u>\$ 106,634,433</u>	<u>\$ 94,417,773</u>

Governmental Activities – The City's net position for governmental activities increased by \$314,720, or 0.6 percent, after \$10,294,918 of net transfers to business-type activities. The transfer to business-type activities in the current year is for storm sewer assets and various utilities from street projects. Key elements of this increase are seen in the table above.

Revenues increased overall by \$10,961,104, or 41.1 percent.

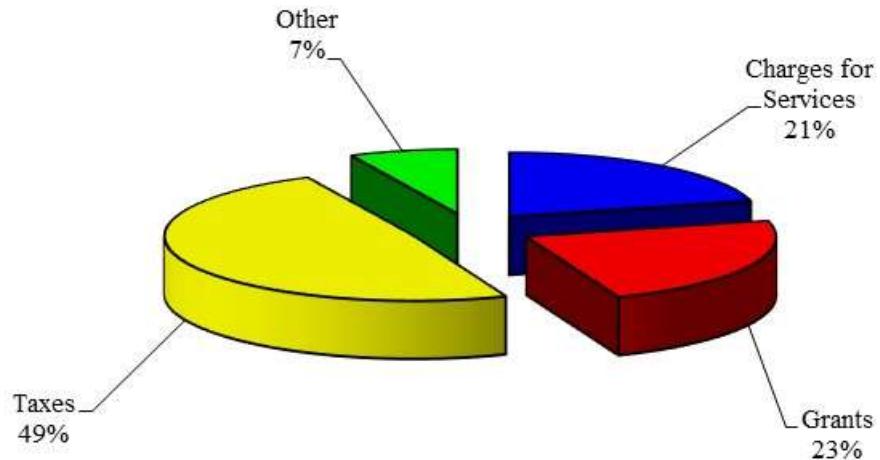
- The largest changes occurred in charges for services, capital grants and contributions, investment earnings, general property taxes, and local option sales tax. Charges for services increased with the ambulance operation being reported in the governmental activities in the current year. Capital grants increased with more funding for street projects. Investment earnings also increased, due to improved investment market performance and interest rates. The increase in general property taxes and local option sales tax is due to the increase in the levied amount approved by the City Council and the approval of the local option sales tax by residents of the City.

Expenses increased overall by \$3,150,056, or 13.2 percent.

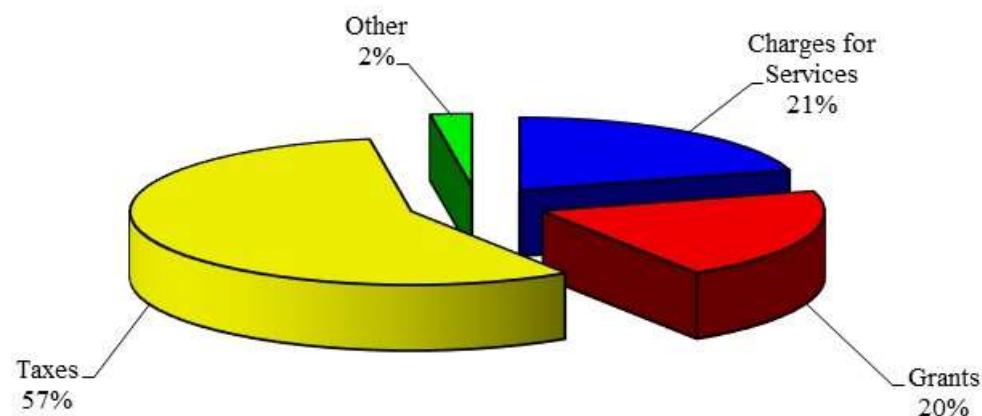
- The City experienced the largest increase within the public safety function, mainly due to staffing increases in the police department and with the change from a paid-on-call to full-time fire department and shift of ambulance operations to governmental activities.

As seen in the following graph, taxes make up about 49 percent of the total revenues for 2023. Grants (operating, capital, and unrestricted grants and contributions), including state aids such as local government aid, make up about 23 percent of the total. Charges for services make up about 21 percent of the total, and are followed by other at 7 percent of the total.

2023 Revenues by Source – Governmental Activities

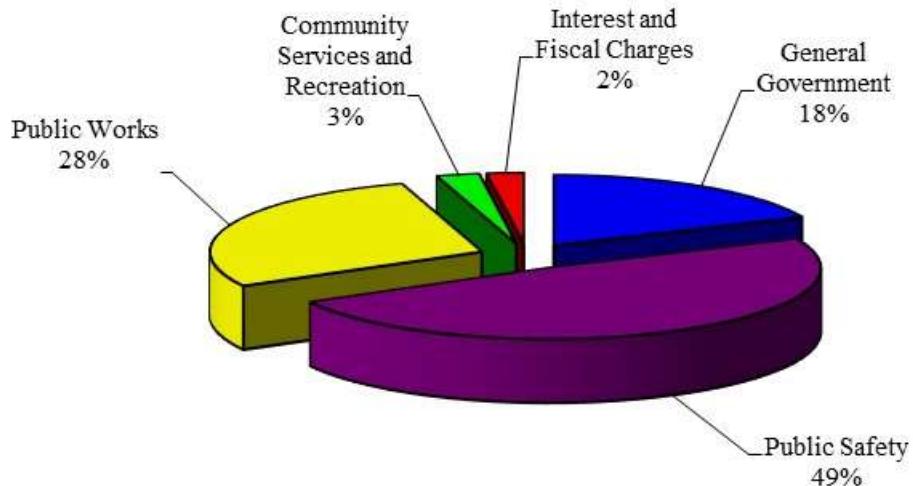


2022 Revenues by Source – Governmental Activities

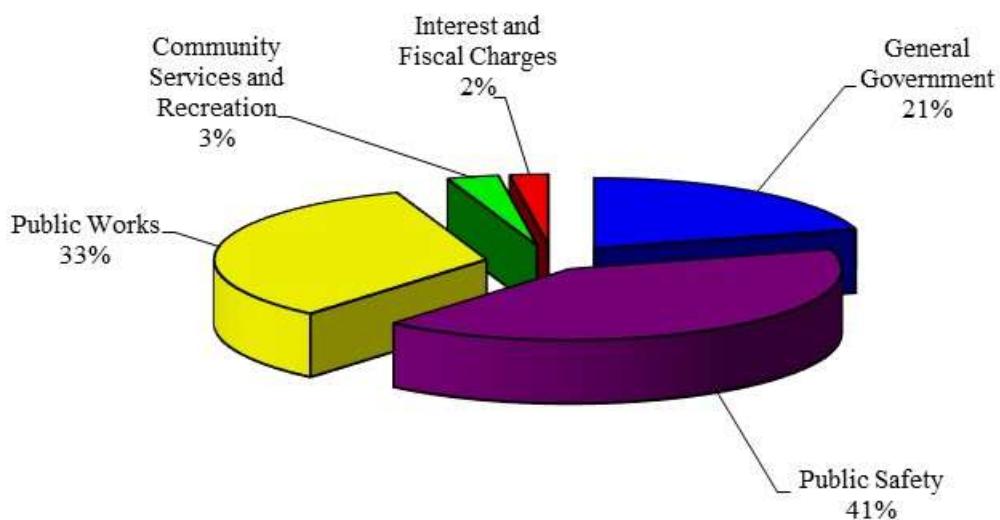


The expenses in the graphs below for governmental activities show the amounts spent on different activities for 2023 and 2022. Public safety increased to 49 percent, while public works and general government decreased to 28 percent and 18 percent, respectively, of total expenses. The other two categories: community service and recreation, and interest and fiscal charges, did not change as a percent of total expenses year over year.

2023 Expenses – Governmental Activities



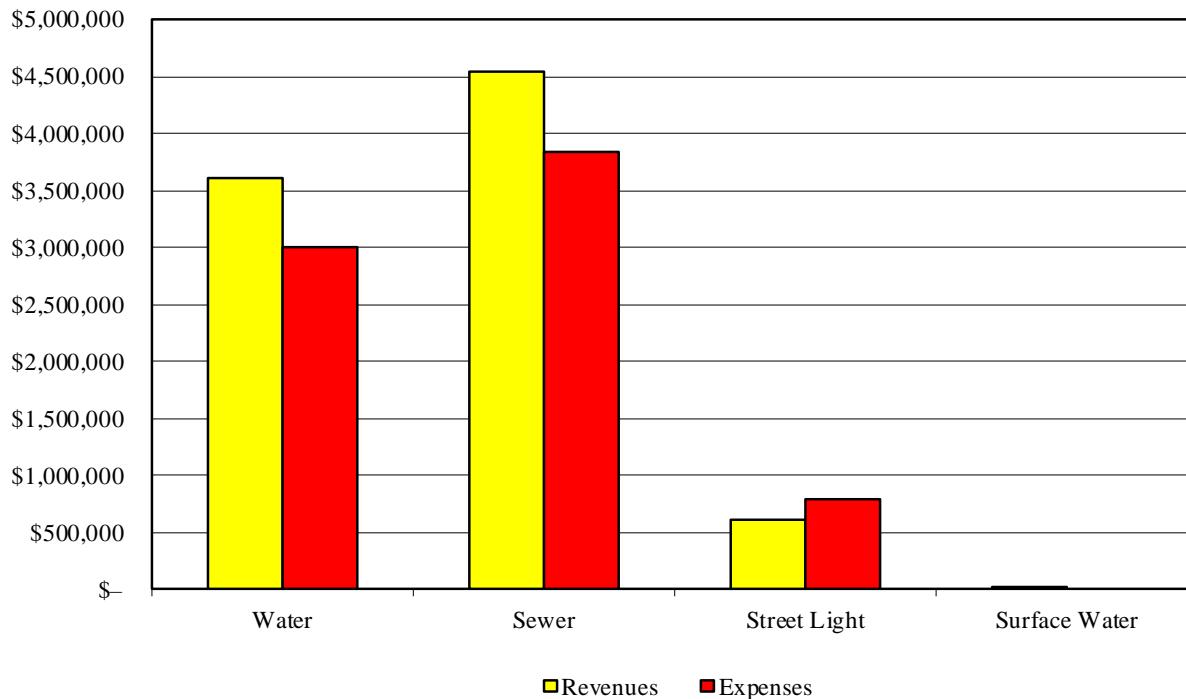
2022 Expenses – Governmental Activities



Business-Type Activities – Business-type activities increased the City's total net position by \$11,901,940. Key elements of the business-type activities are as follows:

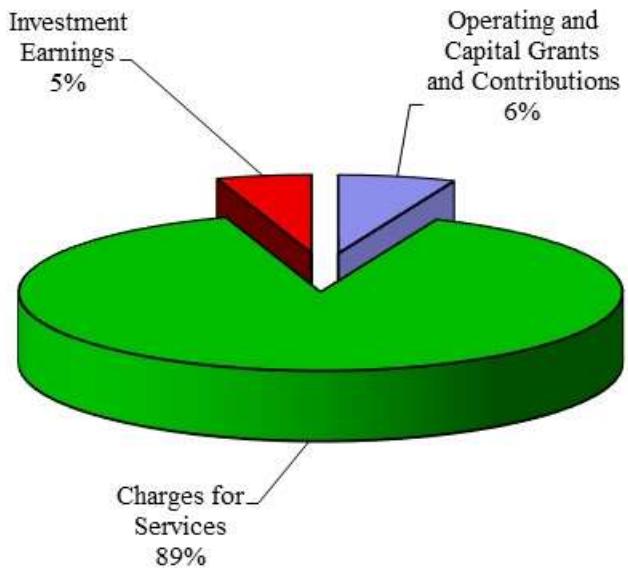
- Charges for services for business-type activities include charges for water, sewer, and street lights. The graph below shows the relationship between the program revenues and expenses for the various activities. Charges for services increased due to the rate increase in the current year offset by the ambulance operation being reclassified to the General Fund.
- Expenses increased \$569,679, \$259,032, and \$69,890 for the water, sewer, and street lights 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. The ambulance function decreased due to this operation being reclassified to the General Fund at the end of the prior year.
- Overall, business-type activities generated an increase in net position before transfers of \$1,607,022. After considering transfers from governmental activities totaling \$10,294,918, net position increased by \$11,901,940. The transfer from governmental activities in the current year is for storm sewer assets and various street and utility projects.

Revenues and Expenses – Business-Type Activities

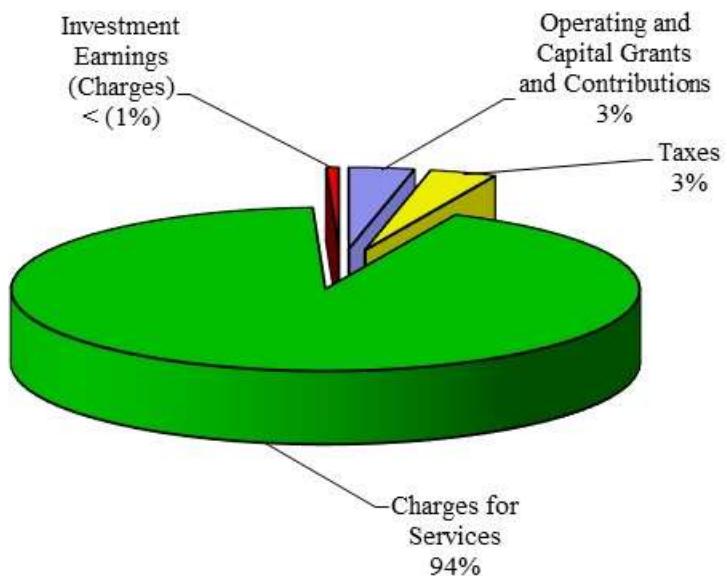


During fiscal 2023, the City Council approved a resolution to reclassify the Surface Water Fund from a governmental fund to an enterprise fund. As of December 31, 2023, the surface water operations and capital assets were transferred to the enterprise fund. In fiscal 2024, this fund will report charges for services and operating expenses in the enterprise fund similar to other utility operations.

2023 Revenues by Source – Business-Type Activities



2022 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 \$45,430,602, an increase of \$4,545,476 in comparison with the prior 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 \$15,266,050. 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 59.0 percent of the subsequent year budgeted expenditures.

Total fund balance for the City's General Fund increased by \$3,156,315 during 2023. 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 \$5,534,010 from the prior year. Tax revenues increased due to an increase in the property tax levy approved by the City Council. Charges for services increased due to the ambulance operation being reclassified to the General Fund at the end of the prior year. The increase in intergovernmental revenues is mainly due to the new public safety aid in the current year.
- General Fund expenditures increased \$3,906,686 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 and shift of ambulance operations to the General Fund.
- The City has a fund balance policy that will strive to maintain a minimum unassigned fund balance in a range between 5.50 and 6 months (45.83 percent and 50.00 percent) of the subsequent year's budgeted expenditures.

The \$5,915,000 Bonds of 2022A Debt Service Fund increased by \$829,675, due to revenues (mainly property taxes and special assessments) exceeding the debt service costs.

The Street Maintenance Capital Projects Fund decreased by \$1,471,303, due to expenditures and transfers out exceeding revenues and transfers in. This fund transferred \$1,907,644 to other funds for street construction projects.

The 2023 Street Improvements Capital Projects Fund increased by \$241,478. The increase was mainly due to the issuance of the 2023A General Obligation Improvement Bonds and transfers from other funds offset by spending for street construction projects.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. 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 \$130,113, mainly in licenses and permits and decreasing expenditures by \$64,656, mainly in personnel services. The transfers out budget was also amended, increasing by \$348,320 to fund projects and equipment.

Revenues were over budget by \$2,795,413, mainly in intergovernmental revenues and licenses and permits. Intergovernmental revenues were over budget due to the new public safety aid received in the current year. Licenses and permits were over budget with more building activity than anticipated. General Fund expenditures were under budget in each function, with total expenditures ending the year \$515,462, or 2.5 percent, under budget. 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 fund balance ended the year \$3,309,866 more than anticipated in the budget.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$81,150,482 (net of accumulated depreciation/amortization). 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, technology subscriptions, street lights, distribution system, and collection system.

City of Oakdale's Capital Assets

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 9,723,070	\$ 9,723,070	\$ 55,966	\$ 55,966	\$ 9,779,036	\$ 9,779,036
Construction in progress	8,144,058	15,336,517	–	–	8,144,058	15,336,517
Buildings and structures	2,619,920	3,030,569	4,522,027	623,091	7,141,947	3,653,660
Furniture and fixtures	212,515	235,225	–	–	212,515	235,225
Machinery and equipment	2,442,983	2,396,423	338,306	477,829	2,781,289	2,874,252
Other park improvements	919,240	1,057,714	–	–	919,240	1,057,714
Streets	20,603,296	13,904,770	–	–	20,603,296	13,904,770
Storm sewer	–	3,381,368	5,726,454	–	5,726,454	3,381,368
Technology subscriptions	543,536	–	–	–	543,536	–
Street lights	–	–	6,020,344	5,356,557	6,020,344	5,356,557
Distribution system	–	–	9,936,526	9,981,002	9,936,526	9,981,002
Collection system	–	–	9,342,241	9,649,312	9,342,241	9,649,312
Total capital assets, net of depreciation/amortization	<u>\$ 45,208,618</u>	<u>\$ 49,065,656</u>	<u>\$ 35,941,864</u>	<u>\$ 26,143,757</u>	<u>\$ 81,150,482</u>	<u>\$ 75,209,413</u>

The changes presented in the table above reflect the ongoing activity and completion of projects within the City during fiscal year 2023. The majority of the activity in construction in progress is for street and utility improvements, well, and lift station projects 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 \$23,165,000. 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 Long-Term Debt

Table 4
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 500,000	\$ 1,030,000	\$ –	\$ –	\$ 500,000	\$ 1,030,000
General obligation tax increment bonds	3,290,000	3,480,000	–	–	3,290,000	3,480,000
General obligation taxable housing bonds	400,000	430,000	–	–	400,000	430,000
General obligation improvement bonds	18,975,000	18,255,000	–	–	18,975,000	18,255,000
Unamortized bond premiums	1,536,616	1,643,531	–	–	1,536,616	1,643,531
Technology subscriptions	410,736	–	–	–	410,736	–
Compensated absences	1,591,246	1,492,566	152,724	122,613	1,743,970	1,615,179
Total OPEB liability	2,190,035	2,723,117	–	–	2,190,035	2,723,117
Net pension liability	12,109,804	23,273,940	–	–	12,109,804	23,273,940
Total	\$41,003,437	\$52,328,154	\$ 152,724	\$ 122,613	\$41,156,161	\$52,450,767

The City’s total bonded debt, excluding unamortized bond premiums, decreased by \$30,000, or 0.1 percent, during 2023. This decrease was due to the scheduled debt service payments offset by the City issuing \$2,860,000 in 2023A General Obligation Improvement Bonds.

The City reported a liability for subscription agreements, accounting for the change in this category, in accordance with guidance for SBITAs implemented in the current year.

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 2024 are at an all-time high at over \$4.1 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 2024, the estimated median value residential property is \$343,300, up 9.0 percent from 2023. 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 2.7 percent from 2022 to 2023. Nationally, the CPI increased 3.3 percent from 2022 to 2023. This index is a high-level measure of the change in the prices paid by consumers for goods and services.

The 2024 levy was set at a 12.45 percent increase from 2023. The levy supports the 2024 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 2024 budget include:

- Three newly funded full-time police officers
- Two new police squad vehicles to be deployed to the patrol division and one new unmarked unit
- One newly funded public works maintenance position
- Replacement of playground equipment at one park
- Planning for two parks, walking paths, and open space at the Willowbrooke development
- Internal funding of all vehicles and equipment, eliminating the need for equipment certificate debt
- Reduction of the City's debt levy for the fourth 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 2024 version can be found on the City's website. To fund current repairs and future capital improvements, rates increased 10.0 percent for water, 6.5 percent for sewer, 3.5 percent for street lights, and 1.5 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.

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BASIC FINANCIAL STATEMENTS

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CITY OF OAKDALE

Statement 1

Statement of Net Position
as of December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 46,926,406	\$ 11,489,653	\$ 58,416,059
Receivables			
Interest	288,684	71,643	360,327
Accounts	1,501,869	1,870,269	3,372,138
Loan	225,975	—	225,975
Taxes	242,343	—	242,343
Special assessments	5,377,373	144,456	5,521,829
Due from other governments	37,230	571,734	608,964
Lease	965,472	—	965,472
Internal balances	363,224	(363,224)	—
Inventory	—	94,896	94,896
Prepaid items	436,022	450,068	886,090
Assets held for resale	2,410,681	—	2,410,681
Capital assets			
Not depreciated/amortized	17,867,128	55,966	17,923,094
Depreciated/amortized	27,341,490	35,885,898	63,227,388
Total capital assets, net of depreciation/amortization	<u>45,208,618</u>	<u>35,941,864</u>	<u>81,150,482</u>
Total assets	103,983,897	50,271,359	154,255,256
Deferred outflows of resources			
Pension plan deferrals	14,113,925	—	14,113,925
OPEB plan deferrals	338,319	—	338,319
Total deferred outflows of resources	<u>14,452,244</u>	<u>—</u>	<u>14,452,244</u>
Total assets and deferred outflows of resources	<u>\$ 118,436,141</u>	<u>\$ 50,271,359</u>	<u>\$ 168,707,500</u>
Liabilities			
Accounts and contracts payable	\$ 2,229,418	\$ 104,932	\$ 2,334,350
Accrued salaries and employee benefits payable	413,162	17,944	431,106
Accrued interest payable	311,208	—	311,208
Deposits payable	376,645	8,230	384,875
Unearned revenue	83,679	—	83,679
Net pension liability			
Due in more than one year	12,109,804	—	12,109,804
Total OPEB liability			
Due within one year	78,843	—	78,843
Due in more than one year	2,111,192	—	2,111,192
Long-term liabilities (bonds, subscriptions, and compensated absences)			
Due within one year	3,857,779	49,226	3,907,005
Due in more than one year	22,845,819	103,498	22,949,317
Total liabilities	<u>44,417,549</u>	<u>283,830</u>	<u>44,701,379</u>
Deferred inflows of resources			
Lease revenue for subsequent years	965,472	—	965,472
Pension plan deferrals	12,938,156	—	12,938,156
OPEB plan deferrals	1,123,212	—	1,123,212
State aid received for subsequent years	2,344,848	—	2,344,848
Total deferred inflows of resources	<u>17,371,688</u>	<u>—</u>	<u>17,371,688</u>
Net position			
Net investment in capital assets	23,970,442	35,941,864	59,912,306
Restricted for			
Debt service	11,718,254	—	11,718,254
Public safety	1,383,750	—	1,383,750
Recreation and community events	361,364	—	361,364
Tax increment purposes	2,641,207	—	2,641,207
Capital improvements	1,180,761	—	1,180,761
Park development	1,483,239	—	1,483,239
Unrestricted	13,907,887	14,045,665	27,953,552
Total net position	<u>56,646,904</u>	<u>49,987,529</u>	<u>106,634,433</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 118,436,141</u>	<u>\$ 50,271,359</u>	<u>\$ 168,707,500</u>

CITY OF OAKDALE

Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,953,282	\$ 689,505	\$ 267,909	\$ 88,635
Public safety	13,147,924	4,512,659	2,140,591	—
Public works	7,640,477	2,549,817	—	4,850,309
Community services and recreation	685,137	253,784	—	885,702
Interest and fiscal charges	593,487	—	—	—
Total governmental activities	27,020,307	8,005,765	2,408,500	5,824,646
Business-type activities				
Water	3,005,788	3,037,185	571,734	—
Sewer	3,847,314	4,554,099	—	—
Street lights	791,674	612,230	—	—
Surface water	—	—	—	7,853
Total business-type activities	7,644,776	8,203,514	571,734	7,853
Total governmental and business-type activities	\$ 34,665,083	\$ 16,209,279	\$ 2,980,234	\$ 5,832,499

General revenues
 General property taxes
 Tax increment taxes
 Local option sales tax
 Franchise fees
 Grants and contributions not restricted
 to specific programs
 Investment earnings
 Gain on disposal of capital assets
 Transfers
 Total general revenues and transfers

Change in net position

Net position – beginning

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>
\$ (3,907,233)	\$ —	\$ (3,907,233)
(6,494,674)	—	(6,494,674)
(240,351)	—	(240,351)
454,349	—	454,349
<u>(593,487)</u>	<u>—</u>	<u>(593,487)</u>
<u>(10,781,396)</u>	<u>—</u>	<u>(10,781,396)</u>
—	603,131	603,131
—	706,785	706,785
—	(179,444)	(179,444)
—	<u>7,853</u>	<u>7,853</u>
<u>—</u>	<u>1,138,325</u>	<u>1,138,325</u>
(10,781,396)	1,138,325	(9,643,071)
15,976,001	—	15,976,001
779,683	—	779,683
1,806,007	—	1,806,007
631,270	—	631,270
215,772	—	215,772
1,862,143	468,697	2,330,840
120,158	—	120,158
<u>(10,294,918)</u>	<u>10,294,918</u>	<u>—</u>
<u>11,096,116</u>	<u>10,763,615</u>	<u>21,859,731</u>
314,720	11,901,940	12,216,660
<u>56,332,184</u>	<u>38,085,589</u>	<u>94,417,773</u>
<u>\$ 56,646,904</u>	<u>\$ 49,987,529</u>	<u>\$ 106,634,433</u>

CITY OF OAKDALE

Balance Sheet
Governmental Funds
as of December 31, 2023

	100	476	506	699
		\$5,915,000 Bonds of 2022A	Street Maintenance	2023 Street Improvements
	General		Street Maintenance	
Assets				
Cash and investments	\$ 15,944,184	\$ 1,096,690	\$ 1,270,015	\$ 374,165
Receivables				
Interest	96,892	6,837	6,802	774
Accounts	895,588	257,000	-	-
Loan	-	-	-	-
Taxes				
Current	92,509	-	-	-
Delinquent	149,834	-	-	-
Special assessments				
Current	-	344	-	-
Delinquent	1,111	-	-	-
Deferred	-	1,878,590	-	-
Special deferred	-	-	-	-
Due from other governments	37,230	-	-	-
Lease	965,472	-	-	-
Prepaid items	404,022	-	-	-
Assets held for resale	-	-	-	-
Total assets	<u>\$ 18,586,842</u>	<u>\$ 3,239,461</u>	<u>\$ 1,276,817</u>	<u>\$ 374,939</u>
Liabilities				
Accounts and contracts payable	\$ 766,659	\$ 200	\$ 181,810	\$ 186,050
Accrued salaries and employee benefits payable	413,162	-	-	-
Deposits payable	376,645	-	-	-
Unearned revenue	83,679	-	-	-
Total liabilities	<u>1,640,145</u>	<u>200</u>	<u>181,810</u>	<u>186,050</u>
Deferred inflows of resources				
Unavailable revenue – loan receivable	-	-	-	-
Unavailable revenue – taxes	149,834	-	-	-
Unavailable revenue – special assessments	1,111	1,878,590	-	-
Unavailable revenue – ambulance receivables	564,230	-	-	-
Unavailable revenue – long-term receivable	-	257,000	-	-
Lease revenue for subsequent years	965,472	-	-	-
State aid received for subsequent years	-	-	2,344,848	-
Total deferred inflows of resources	<u>1,680,647</u>	<u>2,135,590</u>	<u>2,344,848</u>	<u>–</u>
Fund balances (deficits)				
Nonspendable	404,022	-	-	-
Restricted	1,231,196	1,103,671	-	-
Committed	-	-	-	-
Assigned	438,839	-	-	188,889
Unassigned	13,191,993	-	(1,249,841)	–
Total fund balances (deficits)	<u>15,266,050</u>	<u>1,103,671</u>	<u>(1,249,841)</u>	<u>188,889</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,586,842</u>	<u>\$ 3,239,461</u>	<u>\$ 1,276,817</u>	<u>\$ 374,939</u>

Statement 3

<u>Nonmajor</u>	<u>Total</u>
\$ 28,241,352	\$ 46,926,406
177,379	288,684
349,281	1,501,869
225,975	225,975
—	92,509
—	149,834
5,839	6,183
12,824	13,935
3,360,301	5,238,891
118,364	118,364
—	37,230
—	965,472
32,000	436,022
<u>2,410,681</u>	<u>2,410,681</u>
<u>\$ 34,933,996</u>	<u>\$ 58,412,055</u>
\$ 1,094,699	\$ 2,229,418
—	413,162
—	376,645
—	83,679
<u>1,094,699</u>	<u>3,102,904</u>
225,975	225,975
—	149,834
3,491,489	5,371,190
—	564,230
—	257,000
—	965,472
—	2,344,848
<u>3,717,464</u>	<u>9,878,549</u>
32,000	436,022
14,728,321	17,063,188
279,860	279,860
15,117,661	15,745,389
(36,009)	11,906,143
<u>30,121,833</u>	<u>45,430,602</u>
<u>\$ 34,933,996</u>	<u>\$ 58,412,055</u>

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CITY OF OAKDALE

Statement 4

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

Total fund balances – governmental funds \$ 45,430,602

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	206,994,759
Less accumulated depreciation/amortization	(161,786,141)

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

Bonds	(23,165,000)
Technology subscriptions	(410,736)
Unamortized bond premiums	(1,536,616)
Compensated absences	(1,591,246)

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. (311,208)

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	(13,908,963)
Internal balances for internal services used by business-type activities	363,224

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	6,568,229
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Total net position – governmental activities \$ 56,646,904

CITY OF OAKDALE

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

	100	476	506	699
	General	\$5,915,000 Bonds of 2022A	Street Maintenance	2023 Street Improvements
Revenues				
General property taxes	\$ 12,512,621	\$ 335,398	\$ 225,000	\$ —
Tax increment taxes	—	—	—	—
Local option sales tax	—	—	—	—
Special assessments	2,262	751,569	—	250,000
Franchise fees	631,270	—	—	—
Licenses and permits	3,012,375	—	—	—
Intergovernmental	2,715,416	—	71,575	—
Charges for services	2,168,841	—	—	—
Fines and forfeits	121,587	—	—	—
Investment earnings	564,514	26,058	15,166	4,497
Refunds and reimbursements	16,890	—	—	—
Contributions and donations	3,900	—	—	—
Other	51,135	—	—	—
Total revenues	21,800,811	1,113,025	311,741	254,497
Expenditures				
Current				
General government	4,559,834	—	—	—
Public safety	11,121,793	—	—	—
Public works	3,456,566	—	170	—
Community services and recreation	451,169	—	—	—
Capital outlay				
General government	23,175	—	—	—
Public safety	56,243	—	—	—
Public works	9,590	—	870,441	4,467,245
Community services and recreation	8,556	—	—	—
Debt service				
Principal	73,000	—	—	—
Interest and fiscal charges	—	283,350	—	73,330
Total expenditures	19,759,926	283,350	870,611	4,540,575
Excess (deficiency) of revenues over expenditures	2,040,885	829,675	(558,870)	(4,286,078)
Other financing sources (uses)				
Bonds issued	—	—	—	2,860,000
Premium on bonds issued	—	—	—	164,941
Transfers in	1,463,602	—	995,211	2,382,675
Transfers out	(348,320)	—	(1,907,644)	(880,060)
Sale of capital assets	148	—	—	—
Total other financing sources (uses)	1,115,430	—	(912,433)	4,527,556
Net change in fund balances	3,156,315	829,675	(1,471,303)	241,478
Fund balances (deficits)				
Beginning of year	12,109,735	273,996	221,462	(52,589)
End of year	\$ 15,266,050	\$ 1,103,671	\$ (1,249,841)	\$ 188,889

Statement 5

Nonmajor	Total
\$ 2,872,647	\$ 15,945,666
779,683	779,683
1,806,007	1,806,007
900,803	1,904,634
—	631,270
—	3,012,375
1,035,196	3,822,187
3,037,020	5,205,861
90,244	211,831
1,251,908	1,862,143
379,368	396,258
101,289	105,189
150,163	201,298
<hr/> 12,404,328	<hr/> 35,884,402
195,580	4,755,414
4,040	11,125,833
335,739	3,792,475
—	451,169
38,045	61,220
823,518	879,761
4,729,971	10,077,247
457,479	466,035
2,949,800	3,022,800
536,928	893,608
<hr/> 10,071,100	<hr/> 35,525,562
2,333,228	358,840
—	2,860,000
—	164,941
6,248,673	11,090,161
(6,912,600)	(10,048,624)
120,010	120,158
<hr/> (543,917)	<hr/> 4,186,636
1,789,311	4,545,476
<hr/> 28,332,522	<hr/> 40,885,126
<hr/> \$ 30,121,833	<hr/> \$ 45,430,602

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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, 2023

Total net change in fund balances – governmental funds \$ 4,545,476

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/amortization expense.

Capital outlay	11,365,623
Transfer to business-type activities	(11,336,455)
Depreciation/amortization expense	(4,429,742)

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	(2,860,000)
Principal payments for bonds	2,890,000
Principal payments for technology subscriptions	132,800
Unamortized bond premiums	106,915
Compensated absences	(98,680)

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.

28,265

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	1,602,562
--	-----------

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	(1,668,485)
Internal balances for internal service activity for business-type activities	36,441

Change in net position – governmental activities	\$ 314,720
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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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenues				
General property taxes	\$ 12,735,162	\$ 12,735,162	\$ 12,512,621	\$ (222,541)
Special assessments	—	—	2,262	2,262
Franchise fees	579,095	579,095	631,270	52,175
Licenses and permits	2,349,056	2,386,056	3,012,375	626,319
Intergovernmental	1,184,380	1,224,980	2,715,416	1,490,436
Charges for services	1,818,755	1,852,755	2,168,841	316,086
Fines and forfeits	100,000	100,000	121,587	21,587
Investment earnings	61,237	79,750	564,514	484,764
Refunds and reimbursements	15,000	15,000	16,890	1,890
Contributions and donations	5,000	5,000	3,900	(1,100)
Other	27,600	27,600	51,135	23,535
Total revenues	18,875,285	19,005,398	21,800,811	2,795,413
Expenditures				
Current				
General government	4,666,860	4,626,286	4,559,834	(66,452)
Public safety	11,083,773	11,154,173	11,121,793	(32,380)
Public works	3,893,101	3,770,731	3,456,566	(314,165)
Community services and recreation	497,344	501,474	451,169	(50,305)
Capital outlay				
General government	77,466	61,546	23,175	(38,371)
Public safety	29,000	66,600	56,243	(10,357)
Public works	2,000	13,250	9,590	(3,660)
Community services and recreation	17,500	8,328	8,556	228
Debt Service				
Principal	73,000	73,000	73,000	—
Total expenditures	20,340,044	20,275,388	19,759,926	(515,462)
Excess (deficiency) of revenues over expenditures	(1,464,759)	(1,269,990)	2,040,885	3,310,875
Other financing sources (uses)				
Transfers in	1,461,259	1,461,259	1,463,602	2,343
Transfers out	—	(348,320)	(348,320)	—
Sale of capital assets	3,500	3,500	148	(3,352)
Total other financing sources (uses)	1,464,759	1,116,439	1,115,430	(1,009)
Net change in fund balances	\$ —	\$ (153,551)	3,156,315	\$ 3,309,866
Fund balances				
Beginning of year			12,109,735	
End of year			\$ 15,266,050	

CITY OF OAKDALE

Statement of Net Position
Proprietary Funds
as of December 31, 2023

	Business-Type Activities – Enterprise Funds			
	700 Water	725 Sewer	750 Street Lights	775 Surface Water
Assets				
Current assets				
Cash and investments	\$ 6,056,085	\$ 3,279,066	\$ 1,091,437	\$ 1,063,065
Receivables				
Interest	38,782	19,498	6,763	6,600
Accounts	490,369	997,875	164,974	217,051
Special assessments				
Current	296	–	–	–
Delinquent	64,264	62,042	10,001	7,853
Due from other governments	571,734	–	–	–
Prepaid items	116,866	329,473	–	3,729
Inventory	40,845	–	54,051	–
Total current assets	7,379,241	4,687,954	1,327,226	1,298,298
Noncurrent assets				
Capital assets				
Land	55,966	–	–	–
Buildings and structures	7,746,878	1,453,357	–	–
Machinery and equipment	1,067,512	1,402,279	8,740	–
Infrastructure	22,542,903	23,199,500	11,169,092	18,850,552
Less accumulated depreciation	(18,130,620)	(15,151,450)	(5,148,747)	(13,124,098)
Total capital assets (net of accumulated depreciation)	13,282,639	10,903,686	6,029,085	5,726,454
Total noncurrent assets	13,282,639	10,903,686	6,029,085	5,726,454
Total assets	20,661,880	15,591,640	7,356,311	7,024,752
Deferred outflows of resources				
OPEB plan deferrals	–	–	–	–
Pension plan deferrals	–	–	–	–
Total deferred outflows of resources	–	–	–	–
Total assets and deferred outflows of resources	\$ 20,661,880	\$ 15,591,640	\$ 7,356,311	\$ 7,024,752
Liabilities				
Current liabilities				
Accounts and contracts payable	\$ 63,688	\$ 18,487	\$ 21,744	\$ 1,013
Accrued salaries and employee benefits payable	9,312	5,459	2,415	758
Deposits payable	8,230	–	–	–
Compensated absences payable – current	24,613	24,613	–	–
Other post-employment benefits	–	–	–	–
Total current liabilities	105,843	48,559	24,159	1,771
Noncurrent liabilities				
Compensated absences payable	51,749	51,749	–	–
Total OPEB liability	–	–	–	–
Net pension liability	–	–	–	–
Total noncurrent liabilities	51,749	51,749	–	–
Total liabilities	157,592	100,308	24,159	1,771
Deferred inflows of resources				
OPEB plan deferrals	–	–	–	–
Pension plan deferrals	–	–	–	–
Total deferred inflows of resources	–	–	–	–
Net position				
Investment in capital assets	13,282,639	10,903,686	6,029,085	5,726,454
Unrestricted	7,221,649	4,587,646	1,303,067	1,296,527
Total net position	20,504,288	15,491,332	7,332,152	7,022,981
Total liabilities, deferred inflows of resources, and net position	\$ 20,661,880	\$ 15,591,640	\$ 7,356,311	\$ 7,024,752

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
-------	--

\$ 11,489,653	\$ –
71,643	–
1,870,269	–
296	–
144,160	–
571,734	–
450,068	–
94,896	–
<hr/>	<hr/>
14,692,719	–

55,966	–
9,200,235	–
2,478,531	–
75,762,047	–
(51,554,915)	–
<hr/>	<hr/>
35,941,864	–
<hr/>	<hr/>
35,941,864	–
<hr/>	<hr/>
50,634,583	–
<hr/>	<hr/>
–	338,319
–	14,113,925
<hr/>	<hr/>
–	14,452,244
<hr/>	<hr/>
\$ 50,634,583	\$ 14,452,244

\$ 104,932	\$ –
17,944	–
8,230	–
49,226	–
<hr/>	<hr/>
180,332	78,843
<hr/>	<hr/>
180,332	78,843

103,498	–
–	2,111,192
–	12,109,804
<hr/>	<hr/>
103,498	14,220,996
<hr/>	<hr/>

283,830 14,299,839

–	1,123,212
–	12,938,156
<hr/>	<hr/>
–	14,061,368

35,941,864	–
14,408,889	(13,908,963)
<hr/>	<hr/>
50,350,753	(13,908,963)
<hr/>	<hr/>
\$ 50,634,583	\$ 14,452,244
<hr/>	<hr/>

\$ 50,350,753

 (363,224)

 \$ 49,987,529

CITY OF OAKDALE

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

	Business-Type Activities – Enterprise Funds			
	700 Water	725 Sewer	750 Street Lights	775 Surface Water
Operating revenue				
Charges for services	\$ 3,014,426	\$ 4,554,099	\$ 612,230	\$ —
Intergovernmental revenue	—	—	—	—
Other operating revenue	21,886	—	—	—
Total operating revenue	<u>3,036,312</u>	<u>4,554,099</u>	<u>612,230</u>	<u>—</u>
Operating expenses				
Personal services	706,704	493,459	107,183	—
Materials and supplies	702,501	23,453	14,325	—
Contractual services	562,076	284,031	27,138	—
MCES – sewer service charge	—	2,413,264	—	—
Utilities	283,416	82,675	189,162	—
Repairs and maintenance	21,787	39,314	16,537	—
Collected for other agencies	87,231	—	—	—
Depreciation	622,123	498,352	433,604	—
Total operating expenses	<u>2,985,838</u>	<u>3,834,548</u>	<u>787,949</u>	<u>—</u>
Operating income (loss)	50,474	719,551	(175,719)	—
Nonoperating revenues				
Investment earnings	281,484	140,584	46,629	—
Intergovernmental revenue	571,734	—	—	—
Special assessments	873	—	—	—
Total nonoperating revenues	<u>854,091</u>	<u>140,584</u>	<u>46,629</u>	<u>—</u>
Income (loss) before capital contributions and transfers	904,565	860,135	(129,090)	—
Capital contributions	3,068,526	1,444,084	1,097,391	5,734,307
Transfers in	—	—	—	1,288,674
Transfers out	<u>(1,075,000)</u>	<u>(1,115,000)</u>	<u>(140,211)</u>	<u>—</u>
Change in net position	2,898,091	1,189,219	828,090	7,022,981
Net position	<u>17,606,197</u>	<u>14,302,113</u>	<u>6,504,062</u>	<u>—</u>
Beginning of year	<u>\$ 20,504,288</u>	<u>\$ 15,491,332</u>	<u>\$ 7,332,152</u>	<u>\$ 7,022,981</u>
End of year				

Change in net position – total enterprise funds

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

Change in net position – business-type activities

Statement 9

Governmental Activities – Internal Service	
Total	
\$ 8,180,755	\$ 1,624,140
–	22,823
<u>21,886</u>	<u>–</u>
<u>8,202,641</u>	<u>1,646,963</u>
1,307,346	3,315,448
740,279	–
873,245	–
2,413,264	–
555,253	–
77,638	–
87,231	–
<u>1,554,079</u>	<u>–</u>
<u>7,608,335</u>	<u>3,315,448</u>
594,306	(1,668,485)
468,697	–
571,734	–
<u>873</u>	<u>–</u>
<u>1,041,304</u>	<u>–</u>
1,635,610	(1,668,485)
11,344,308	–
1,288,674	–
<u>(2,330,211)</u>	<u>–</u>
11,938,381	(1,668,485)
<u>38,412,372</u>	<u>(12,240,478)</u>
<u>\$ 50,350,753</u>	<u>\$ (13,908,963)</u>
\$ 11,938,381	
<u>(36,441)</u>	
<u>\$ 11,901,940</u>	

CITY OF OAKDALE

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

	Business-Type Activities – Enterprise Funds			
	700 Water	725 Sewer	750 Street Lights	775 Surface Water
Cash flows from operating activities				
Cash received from customers	\$ 2,618,871	\$ 4,464,006	\$ 616,302	\$ –
Cash receipts on interfund charges for pension benefits	–	–	–	–
Cash payments to suppliers	(1,927,119)	(2,874,359)	(235,787)	–
Cash payments to employees for services	(693,144)	(479,075)	(105,852)	–
Net cash flows from operating activities	(1,392)	1,110,572	274,663	–
Cash flows from noncapital financing activities				
Intergovernmental revenue	571,734	–	–	–
Transfers in	–	–	–	1,063,065
Transfers out	(1,075,000)	(1,115,000)	(140,211)	–
Net cash flows from noncapital financing activities	(503,266)	(1,115,000)	(140,211)	1,063,065
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(6,991)	–	(8,740)	–
Cash flows from investing activities				
Interest received (charged) on investments	275,486	137,065	44,581	–
Net change in cash and cash equivalents	(236,163)	132,637	170,293	1,063,065
Cash and investments				
Beginning of year	6,292,248	3,146,429	921,144	–
End of year	\$ 6,056,085	\$ 3,279,066	\$ 1,091,437	\$ 1,063,065
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ 50,474	\$ 719,551	\$ (175,719)	\$ –
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	622,123	498,352	433,604	–
Special assessments	873	–	–	–
Change in assets, deferred outflows, liabilities, and deferred inflows				
Accounts receivable	(52,991)	(73,241)	7,565	–
Special assessments receivable	(27,469)	(16,852)	(3,493)	–
Due from other governments	(345,284)	–	–	–
Prepaid items	(13,267)	(26,548)	–	–
Inventory	(12,424)	–	7,717	–
Deferred outflows of resources	–	–	–	–
Accounts and contracts payable	(244,417)	(5,074)	3,658	–
Net pension liability	–	–	–	–
Total other post employment benefits	–	–	–	–
Deferred inflows of resources	–	–	–	–
Accrued salaries and employee benefits payable	(1,496)	(672)	1,331	–
Deposits payable	7,430	–	–	–
Compensated absences payable	15,056	15,056	–	–
Net cash flows from operating activities	\$ (1,392)	\$ 1,110,572	\$ 274,663	\$ –
Noncash investing, capital, and financing activities				
Capital assets contributed by other funds	\$ 3,068,526	\$ 1,444,084	\$ 1,097,391	\$ 5,726,454
Assessments contributed from governmental activities	\$ –	\$ –	\$ –	\$ 7,853
Transfer in for balance sheet items moved from other funds	\$ –	\$ –	\$ –	\$ 225,609

Statement 10

Total	Governmental Activities – Internal Service
\$ 7,699,179	\$ –
–	1,646,963
(5,037,265)	–
(1,278,071)	(1,646,963)
<u>1,383,843</u>	<u>–</u>
571,734	–
1,063,065	–
(2,330,211)	–
<u>(695,412)</u>	<u>–</u>
<u>(15,731)</u>	<u>–</u>
<u>457,132</u>	<u>–</u>
1,129,832	–
10,359,821	–
<u>\$ 11,489,653</u>	<u>\$ –</u>
\$ 594,306	\$ (1,668,485)
1,554,079	–
873	–
(118,667)	–
(47,814)	–
(345,284)	–
(39,815)	–
(4,707)	–
–	380,708
(245,833)	–
–	(11,164,136)
–	(533,082)
–	12,984,995
(837)	–
7,430	–
<u>30,112</u>	<u>–</u>
<u>\$ 1,383,843</u>	<u>\$ –</u>
<u>\$ 11,336,455</u>	<u>\$ –</u>
<u>\$ 7,853</u>	<u>\$ –</u>
<u>\$ 225,609</u>	<u>\$ –</u>

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CITY OF OAKDALE

Notes to Basic Financial Statements December 31, 2023

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 and subscription-based information technology arrangements (SBITAs) 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.

\$5,915,000 Bonds of 2022A Debt Service Fund – This fund was established to account for the payment of principal, interest, and related costs on the 2022A General Obligation Improvement Bond.

Street Maintenance Capital Projects Fund – This fund was established to administer the resources needed to undertake projects identified in the City's Capital Improvement Plan.

2023 Street Improvements Capital Projects Fund – This fund was established to account for the construction costs associated with 2023 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.

Surface Water Fund – The Surface Water Fund accounts for the resources associated with storm and surface water management activities within the City. Primary revenues are generated through a fee collected from new development. This fund was transferred from governmental to enterprise at year-end.

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, ambulance receivable, and a long-term receivable from an outside developer.

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.

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. Subscription-Based Information Technology Arrangements (SBITAs)

A 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 or exchange-like transaction. The City has entered into certain SBITAs for financial and public safety technology. Capital assets associated with SBITAs are presented separately from other capital assets in Note 5 and are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. When applicable, a subscription liability is reported in Note 6 to include the terms and related disclosures associated with any subscription liability.

M. 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. SBITA capital assets are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. 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. SBITAs are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. Capital assets not being depreciated include land and construction in progress.

The estimated useful lives are as follows:

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

N. 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. 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, ambulance receivables, and a long-term receivable 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 Statement of Net Position and governmental funds Balance Sheet, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

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

Q. 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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.
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 is authorized to transfer appropriations within any department budget or fund budget. 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.

S. 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. 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.

U. Net Position Classifications and Flow Assumptions

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, 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.

V. 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **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.

W. 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 reinsurance 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.

X. 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.

Y. Change in Accounting Principle

During the year ended December 31, 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) 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 or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. Certain amounts necessary to fully restate fiscal year 2022 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the City reporting a new capital assets and long-term debt for technology subscriptions, but did not change beginning net position in the government-wide financial statements in the current year. See Notes 5 and 6 for additional details on this change in the current year.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$ 5,269,216
Investments	53,145,150
Cash on hand	<u>1,693</u>
 Total	 <u>\$ 58,416,059</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 \$5,269,216, while the balance on the bank records was \$6,013,661. At December 31, 2023, all deposits were fully covered by federal deposit insurance, surety bonds, or by collateral held by the City's agent in the City's name.

NOTE 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	Greater Than 10	
U.S. treasuries	N/A	N/A	Level 1	\$ 3,927,430	\$ 1,973,070	\$ –	\$ –	\$ 5,900,500
U.S. agency securities	AA	S&P	Level 2	4,808,245	4,095,752	–	242,107	9,146,104
Municipal securities	AAA	S&P	Level 2	–	1,518,766	–	–	1,518,766
Municipal securities	AA	S&P	Level 2	192,238	3,235,570	88,758	–	3,516,566
Municipal securities	AAA	Moody's	Level 2	–	419,024	–	–	419,024
Municipal securities	AA	Moody's	Level 2	1,589,840	2,573,180	97,165	–	4,260,185
Negotiable certificates of deposit	N/R	N/A	Level 2	6,608,698	7,693,527	–	–	14,302,225
				<u>\$ 17,126,451</u>	<u>\$ 21,508,889</u>	<u>\$ 185,923</u>	<u>\$ 242,107</u>	<u>39,063,370</u>
Investment pools/mutual funds								
First American Treasury Obligations Fund	AAA	S&P	Level 1	N/A	N/A	N/A	N/A	13,775,846
Federated Hermes Treasury Obligations Fund	AAA	S&P	Level 1	N/A	N/A	N/A	N/A	23
Minnesota Municipal Money Market Fund	N/R	N/A	Amortized Cost	N/A	N/A	N/A	N/A	<u>305,911</u>
Total investments								<u>\$ 53,145,150</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 5.00 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, 2023, the City's investment portfolio included the following percentages of specific issuers greater than 5.00 percent:

Federal National Mortgage Association	5.83%
Federal Farm Credit Bank	7.63%

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 20.00 percent of the total investment portfolio should extend beyond five years and in no circumstance should any investments extend beyond 10 years. At December 31, 2023, the City had \$242,107 in agency securities with maturities greater than 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 \$225,975.

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 \$226,922.

NOTE 4 – INTERFUND TRANSACTIONS

A. Interfund Transfers

Interfund transfers for the year were as follows:

Transfers Out	Transfers In					
	Governmental			Proprietary		
	General	Street Maintenance	2023 Street Improvements	Nonmajor	Surface Water	Total
Governmental						
General	\$ —	\$ —	\$ —	\$ 348,320	\$ —	\$ 348,320
Street Maintenance	—	—	300,000	1,607,644	—	1,907,644
2023 Street Improvements	—	300,000	—	580,060	—	880,060
Nonmajor	263,602	605,000	2,082,675	2,672,649	1,288,674	6,912,600
Proprietary						
Water	575,000	—	—	500,000	—	1,075,000
Sewer	575,000	—	—	540,000	—	1,115,000
Street Lights	50,000	90,211	—	—	—	140,211
Total	<u>\$ 1,463,602</u>	<u>\$ 995,211</u>	<u>\$ 2,382,675</u>	<u>\$ 6,248,673</u>	<u>\$ 1,288,674</u>	<u>\$ 12,378,835</u>

Transfers were made in accordance with budget appropriations or as approved by the City Council for the following purposes:

- The General Fund transferred \$348,320 to the nonmajor funds for municipal building expenditures and vehicle and equipment replacement expenditures.
- The Street Maintenance Capital Projects Fund transferred \$300,000 to the 2023 Street Improvements Capital Projects Fund for street reconstruction projects and \$1,607,644 to the nonmajor funds to close certain funds in the current year.
- The 2023 Street Improvements Capital Projects Fund transferred \$300,000 to the Street Maintenance Capital Projects Fund and \$580,060 to the nonmajor funds for street reconstruction projects.
- The nonmajor funds transferred \$6,912,600 to various funds in the current year to close certain funds, debt payments, capital-related projects, and to reclassify the Surface Water Fund from a special revenue fund to an enterprise fund.
- The Water Fund transferred \$575,000 to the General Fund to fund operations and transferred \$500,000 to the nonmajor funds for utility system replacement.
- The Sewer Fund transferred \$575,000 to the General Fund to fund operations and transferred \$540,000 to the nonmajor funds for utility system replacement.
- The Street Lights Fund transferred \$50,000 to the General Fund to fund operations and transferred \$90,211 to the Street Maintenance Fund for street light replacements.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

A. Changes in Capital Assets Used in Governmental Activities

	Beginning Balance	Change in Accounting Principle*	Additions	Deletions	Completed Construction	Transfers	Ending Balance
Capital assets, not being depreciated/amortized							
Land	\$ 9,723,070	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,723,070
Construction in progress	15,336,517	—	10,852,709	—	(12,435,167)	(5,610,001)	8,144,058
Total capital assets, not being depreciated/amortized	25,059,587	—	10,852,709	—	(12,435,167)	(5,610,001)	17,867,128
Capital assets, depreciated/amortized							
Buildings and structures	14,214,009	—	—	—	—	—	14,214,009
Furniture and fixtures	1,856,038	—	5,860	—	30,567	—	1,892,465
Machinery and equipment	10,902,557	—	507,054	(729,927)	118,670	—	10,798,354
Other park improvements	11,044,108	—	—	—	38,586	—	11,082,694
Streets	140,951,505	—	—	—	9,645,068	—	150,596,573
Storm sewers	16,248,276	—	—	—	2,602,276	(18,850,552)	—
Technology subscriptions	—	543,536	—	—	—	—	543,536
Total capital assets, depreciated/amortized	195,216,493	543,536	512,914	(729,927)	12,435,167	(18,850,552)	189,127,631
Less accumulated depreciation/amortization on							
Buildings and structures	11,183,440	—	410,649	—	—	—	11,594,089
Furniture and fixtures	1,620,813	—	59,137	—	—	—	1,679,950
Machinery and equipment	8,506,134	—	579,164	(729,927)	—	—	8,355,371
Other park improvements	9,986,394	—	177,060	—	—	—	10,163,454
Streets	127,046,735	—	2,946,542	—	—	—	129,993,277
Storm sewers	12,866,908	—	257,190	—	—	(13,124,098)	—
Technology subscriptions	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	171,210,424	—	4,429,742	(729,927)	—	(13,124,098)	161,786,141
Total capital assets, depreciated/amortized, net	24,006,069	543,536	(3,916,828)	—	12,435,167	(5,726,454)	27,341,490
Net capital assets	\$ 49,065,656	\$ 543,536	\$ 6,935,881	\$ —	\$ —	\$ (11,336,455)	\$ 45,208,618

* The change in accounting principle was for new SBITA standard requirements in the current year.

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	6,991	—	3,976,563	9,200,235
Machinery and equipment	2,469,791	8,740	—	—	2,478,531
Street lights	10,071,701	—	—	1,097,391	11,169,092
Distribution system	22,111,015	—	—	431,888	22,542,903
Collection system	23,095,341	—	—	104,159	23,199,500
Storm sewers	—	—	—	18,850,552	18,850,552
Total capital assets, depreciated	62,964,529	15,731	—	24,460,553	87,440,813
Less accumulated depreciation on					
Buildings and structures	4,593,590	84,618	—	—	4,678,208
Machinery and equipment	1,991,962	148,263	—	—	2,140,225
Street lights	4,715,144	433,604	—	—	5,148,748
Distribution system	12,130,013	476,364	—	—	12,606,377
Collection system	13,446,029	411,230	—	—	13,857,259
Storm sewer	—	—	—	13,124,098	13,124,098
Total accumulated depreciation	36,876,738	1,554,079	—	13,124,098	51,554,915
Total capital assets, depreciated, net	26,087,791	(1,538,348)	—	11,336,455	35,885,898
Net capital assets	\$ 26,143,757	\$ (1,538,348)	\$ —	\$ 11,336,455	\$ 35,941,864

NOTE 5 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Depreciation expense was charged to the following functions:

Governmental activities	
General government	\$ 60,861
Public safety	456,251
Public works	3,723,894
Community services and recreation	<u>188,736</u>
Total depreciation expense – governmental activities	<u>\$ 4,429,742</u>
Business-type activities	
Water	\$ 622,123
Sewer	498,352
Street lights	<u>433,604</u>
Total depreciation expense – business-type activities	<u>\$ 1,554,079</u>

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 2019B	\$ 845,000	5.00%	08/22/2019	11/01/2024	\$ 190,000
Equipment Certificates of 2020B	\$ 715,000	5.00%	09/10/2020	11/01/2025	<u>310,000</u>
Total G.O. bonds					<u>500,000</u>
G.O. tax increment bonds					
Tax Increment Revenue Bonds of 2016D	\$ 4,315,000	2.00–3.10%	08/11/2016	02/01/2037	3,290,000
G.O. taxable housing bonds					
Taxable Housing Bonds of 2016C	\$ 550,000	2.00–3.10%	08/11/2016	02/01/2035	400,000
G.O. improvement bonds					
Improvement Bonds of 2013A	\$ 2,365,000	2.00–2.45%	11/01/2013	02/01/2024	240,000
Improvement Bonds of 2014B	\$ 2,330,000	2.00–2.50%	12/01/2014	02/01/2025	470,000
Improvement Bonds of 2015A	\$ 2,555,000	2.25–3.00%	08/27/2015	02/01/2026	795,000
Improvement Bonds of 2016A	\$ 1,920,000	2.00%	08/11/2016	02/01/2027	760,000
Improvement Bonds of 2017A	\$ 2,700,000	2.00–2.10%	10/26/2017	02/01/2028	1,365,000
Improvement Bonds of 2018A	\$ 840,000	3.00%	09/13/2018	02/01/2029	520,000
Improvement Bonds of 2019A	\$ 2,630,000	3.00–5.00%	08/22/2019	02/01/2030	1,960,000
Improvement Bonds of 2020A	\$ 1,690,000	1.00–5.00%	09/10/2020	02/01/2031	1,380,000
Improvement Refunding Bonds of 2020A	\$ 650,000	5.00%	09/10/2020	02/01/2027	375,000
Improvement Bonds of 2021A	\$ 2,535,000	1.00–5.00%	08/12/2021	02/01/2032	2,335,000
Improvement Bonds of 2022A	\$ 5,915,000	3.10–5.00%	08/01/2022	02/01/2033	5,915,000
Improvement Bonds of 2023A	\$ 2,860,000	5.00%	11/22/2023	02/01/2034	<u>2,860,000</u>
Total G.O. improvement bonds					<u>18,975,000</u>
Unamortized bond premiums					1,536,616
Technology subscriptions					410,736
Compensated absences					<u>1,591,246</u>
Total governmental activities					<u>\$ 26,703,598</u>
Business-type activities					
Compensated absences					<u>\$ 152,724</u>
Total government-wide activities					<u>\$ 26,856,322</u>

NOTE 6 – LONG-TERM DEBT (CONTINUED)

B. Changes in Long-Term Debt

	Beginning Balance	Change in Accounting Principle*	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities						
G.O. bonds	\$ 1,030,000	\$ –	\$ –	\$ 530,000	\$ 500,000	\$ 340,000
G.O. tax increment bonds	3,480,000	–	–	190,000	3,290,000	195,000
G.O. taxable housing bonds	430,000	–	–	30,000	400,000	30,000
G.O. improvement bonds	18,255,000	–	2,860,000	2,140,000	18,975,000	2,600,000
Unamortized bond premiums	1,643,531	–	164,941	271,856	1,536,616	–
Total bonds	24,838,531	–	3,024,941	3,161,856	24,701,616	3,165,000
Technology subscriptions	–	543,536	–	132,800	410,736	108,363
Compensated absences	1,492,566	–	1,106,193	1,007,513	1,591,246	584,416
Total governmental activities	26,331,097	543,536	4,131,134	4,302,169	26,703,598	3,857,779
Business-type activities						
Compensated absences	122,612	–	82,598	52,486	152,724	49,226
Total government-wide	\$ 26,453,709	\$ 543,536	\$ 4,213,732	\$ 4,354,655	\$ 26,856,322	\$ 3,907,005

* The change in accounting principle was for new SBITA standard requirements in the current year.

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		Technology Subscriptions	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 340,000	\$ 25,000	\$ 195,000	\$ 86,928	\$ 30,000	\$ 10,990	\$ 2,600,000	\$ 667,241	\$ 108,363	\$ 16,553
2025	160,000	8,000	200,000	82,828	30,000	10,345	2,725,000	608,605	115,275	12,186
2026	–	–	205,000	78,371	30,000	9,603	2,540,000	502,449	123,185	7,540
2027	–	–	210,000	73,598	30,000	8,778	2,320,000	400,243	63,913	2,576
2028	–	–	215,000	68,496	30,000	7,952	2,080,000	302,955	–	–
2029–2033	–	–	1,180,000	251,490	170,000	25,570	6,380,000	520,511	–	–
2034–2037	–	–	1,085,000	68,060	80,000	2,480	330,000	8,250	–	–
Total	\$ 500,000	\$ 33,000	\$ 3,290,000	\$ 709,771	\$ 400,000	\$ 75,718	\$ 18,975,000	\$ 3,010,254	\$ 410,736	\$ 38,855

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.

NOTE 6 – LONG-TERM DEBT (CONTINUED)

- **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.
- **Technology Subscriptions** – The City entered into agreements to finance the use of software, which calls for annual principal and interest payments through December 2027. These agreements are paid by the General and Forfeited Proceeds Special Revenue Funds. The total amount of the underlying subscription assets and the related accumulated amortization is presented in Note 5 of the notes to basic financial statements.

Subscription Description	Interest Rate	Date	Final Maturity	Principal Outstanding
Open Gov	4.03%	01/01/2023	12/31/2026	\$ 175,565
Neo Gov	4.03%	01/01/2023	12/12/2027	45,701
Motorola Solutions	4.03%	01/01/2023	11/18/2027	<u>189,470</u>
				<u>\$ 410,736</u>

- **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.

NOTE 6 – LONG-TERM DEBT (CONTINUED)

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	\$ 242,940	\$ 248,580	\$ 194,972
2014B G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2015–2025	\$ 481,750	\$ 244,625	\$ 219,167
2015A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2016–2026	\$ 823,819	\$ 284,438	\$ 206,474
2016A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2018–2027	\$ 790,400	\$ 207,100	\$ 155,212
2016C Taxable G.O. Housing	Housing rehabilitation	Assessments	100%	2018–2035	\$ 475,718	\$ 41,605	\$ 37,531
2016D Tax Increment Revenue	Oakdale Mall project	TIF	100%	2015–2037	\$ 3,999,771	\$ 280,778	\$ 282,000
2017A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2019–2028	\$ 1,434,788	\$ 300,275	\$ 239,875
2018A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2020–2029	\$ 567,400	\$ 101,875	\$ 90,636
2019A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2020–2030	\$ 2,242,850	\$ 337,025	\$ 303,121
2020A G.O. Improvement	Refund 2006A/Street and site improvements	Assessments/property tax	100%	2021–2031	\$ 1,944,325	\$ 318,875	\$ 298,847
2021A G.O. Improvement	Street and site improvements	Assessments/property tax	100%	2021–2032	\$ 2,633,749	\$ 289,293	\$ 254,374
2022A G.O. Improvement	Street improvement projects	Assessments/property tax	100%	2022–2033	\$ 7,108,825	\$ 282,450	\$ 1,086,967
2023A G.O. Improvement	Street improvement projects	Assessments/property tax	100%	2023–2034	\$ 3,714,408	\$ —	\$ 344,669

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	\$ 4,098,854	\$ 1,294,509	\$ 1,379,212	\$ 695,411
PERA – PEPFF	<u>\$ 8,010,950</u>	<u>12,819,416</u>	<u>11,558,944</u>	<u>2,553,338</u>
Total – all pensions	<u><u>\$ 12,109,804</u></u>	<u><u>\$ 14,113,925</u></u>	<u><u>\$ 12,938,156</u></u>	<u><u>\$ 3,248,749</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.

1. General Employees Retirement Fund (GERF)

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

2. Public Employees Police and Fire Fund (PEPFF)

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

B. Benefits Provided

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

1. GERV 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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

2. PEPFF Benefits

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

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

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

C. Contributions

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

1. GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023, and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2023, were \$445,468. The City's contributions were equal to the required contributions as set by state statutes.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023, and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2023, were \$1,130,262. The City's contributions were equal to the required contributions as set by state statutes.

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

D. Pension Costs

1. GERF Pension Costs

At December 31, 2023, the City reported a liability of \$4,098,854 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 \$112,960. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.0733 percent at the end of the measurement period and 0.0687 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	\$ 4,098,854
State's proportionate share of the net pension liability associated with the City	<u>112,960</u>
Total	<u><u>\$ 4,211,814</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$694,903 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$508 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16.0 million to the GERF.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 132,580	\$ 27,042
Changes in actuarial assumptions	634,943	1,123,461
Net collective difference between projected and actual investment earnings	–	196,681
Changes in proportion	300,221	32,028
Contributions paid to the PERA subsequent to the measurement date	<u>226,765</u>	–
Total	<u><u>\$ 1,294,509</u></u>	<u><u>\$ 1,379,212</u></u>

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

A total of \$226,765 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 166,388
2025	\$ (542,771)
2026	\$ 153,832
2027	\$ (88,917)

2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$8,010,950 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.4639 percent at the end of the measurement period and 0.4098 percent for the beginning of the period.

The state of Minnesota contributed \$18.0 million to the PEPFF in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9.0 million in direct state aid that meets the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9.0 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9.0 million in supplemental state aid will continue until the fund is 90.0 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0 percent funded, whichever occurs later. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled \$322,696.

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	\$ 8,010,950
State's proportionate share of the net pension liability associated with the City	<u>322,696</u>
Total	<u><u>\$ 8,333,646</u></u>

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, 2023, the City recognized pension expense of \$2,572,774 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$19,436 as a reduction to grant revenue and pension expense for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9.0 million to the PEPFF.

The state of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9.0 million in supplemental state aid. The City recognized \$41,751 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the PEPFF.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,070,364	\$ –
Changes in actuarial assumptions	7,921,297	11,255,617
Net collective difference between projected and actual investment earnings	–	110,775
Changes in proportion	2,249,088	192,552
Contributions paid to the PERA subsequent to the measurement date	<u>578,667</u>	–
Total	<u>\$ 12,819,416</u>	<u>\$ 11,558,944</u>

A total of \$578,667 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2024	\$ 555,178
2025	\$ 265,563
2026	\$ 1,740,015
2027	\$ (283,756)
2028	\$ (1,595,195)

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

E. Long-Term Expected Return on Investments

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

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

F. Actuarial Methods and Assumptions

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

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

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

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

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

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

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

1. GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

2. PEPFF

CHANGES IN ACTUARIAL ASSUMPTIONS

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

CHANGES IN PLAN PROVISIONS

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

G. Discount Rate

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

NOTE 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City's proportionate share of the GERF net pension liability	\$ 7,251,202	\$ 4,098,854	\$ 1,505,928
City's proportionate share of the PEPFF net pension liability	\$ 15,894,680	\$ 8,010,950	\$ 1,529,469

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 \$78,843.

D. Membership

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

Retirees and beneficiaries receiving benefits	7
Active plan members	<u>123</u>
Total members	<u><u>130</u></u>

E. Total OPEB Liability of the City

The City's total OPEB liability of \$2,190,035 as of year-end was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, 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	4.05%
20-year municipal bond yield	4.05%
Inflation rate	2.50% per year
Healthcare cost trend rate	7.60% for 2023 gradually decreasing to an ultimate rate of 3.90% 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 Pub-2010 Public Safety Mortality Tables with projected mortality improvements based on Scale MP-2021, and other adjustments for the police and fire employees. Mortality rates for the General Employees Plan were based on Pub-2010 General Mortality Tables with projected mortality improvements based on Scale MP-2021, 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	\$ 2,723,117
Changes for the year	
Service cost	164,404
Interest	52,626
Differences between expected and actual experience	5,377
Changes of assumptions	(700,666)
Benefit payments	(54,823)
Total net changes	<u>(533,082)</u>
Ending balance	<u>\$ 2,190,035</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 1.84 percent to 4.05 percent.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan and July 1, 2020 PERA Police and Fire Plan valuations to the rates used in the July 1, 2022 valuations.
- The percent of future retirees assumed to elect coverage when the premium is not subsidized at retirement changed from 60 percent to 45 percent to reflect recent plan experience.
- The inflation assumption was changed from 2.25 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.
- The payroll growth assumption was changed from 3.00 percent to 3.25 percent based on the July 1, 2022 PERA valuations.

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	3.05%	4.05%	5.05%
Total OPEB liability	\$ 2,402,442	\$ 2,190,035	\$ 1,997,333

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

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:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB healthcare cost trend rate	6.60% decreasing to 2.90% over 52 years	7.60% decreasing to 3.90% over 52 years	8.60% decreasing to 4.90% over 52 years
Total OPEB liability	\$ 1,923,778	\$ 2,190,035	\$ 2,503,596

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 \$97,286. 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	\$ 4,804	\$ 365,728
Changes in actuarial assumptions	254,672	757,484
Contributions subsequent to the measurement date	78,843	—
Total	\$ 338,319	\$ 1,123,212

A total of \$78,843 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	OPEB Expense Amount
2024	\$ (119,744)
2025	\$ (119,744)
2026	\$ (119,744)
2027	\$ (120,999)
2028	\$ (131,861)
Thereafter	\$ (251,644)

NOTE 10 – NET POSITION/FUND BALANCE

A. Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets			
Capital assets			
Nondepreciable	\$ 17,867,128	\$ 55,966	\$ 17,923,094
Depreciable, net of accumulated depreciation/amortization	27,341,490	35,885,898	63,227,388
Less capital-related long-term debt outstanding	(20,433,665)	–	(20,433,665)
Less capital-related accounts/contracts payable	(804,511)	–	(804,511)
Total net investment in capital assets	<u>\$ 23,970,442</u>	<u>\$ 35,941,864</u>	<u>\$ 59,912,306</u>

B. Governmental Fund Balance Classifications

At December 31, 2023, the City had the following governmental fund balances:

	General	\$5,915,000 Bonds of 2022A	Street Maintenance	2023 Street Improvements	Nonmajor	Total
Nonspendable						
Prepaid items	\$ 404,022	\$ –	\$ –	\$ –	\$ 32,000	\$ 436,022
Restricted						
Tax increment	–	–	–	–	5,562,436	5,562,436
Public safety	1,231,196	–	–	–	152,554	1,383,750
Debt service	–	1,103,671	–	–	5,987,967	7,091,638
Capital improvements	–	–	–	–	1,180,761	1,180,761
Recreation and community events	–	–	–	–	361,364	361,364
Park development	–	–	–	–	1,483,239	1,483,239
Total restricted	<u>1,231,196</u>	<u>1,103,671</u>	<u>–</u>	<u>–</u>	<u>14,728,321</u>	<u>17,063,188</u>
Committed						
Wellness	–	–	–	–	4,865	4,865
Recovery loans	–	–	–	–	274,995	274,995
Total committed	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>279,860</u>	<u>279,860</u>
Assigned						
Budget carryover/uncompleted projects	438,839	–	–	–	–	438,839
Capital improvements	–	–	–	188,889	4,165,552	4,354,441
Debt service	–	–	–	–	947,459	947,459
Future buildings	–	–	–	–	3,687,414	3,687,414
Parks and recreation	–	–	–	–	2,393,138	2,393,138
Utility system replacements	–	–	–	–	3,924,098	3,924,098
Total assigned	<u>438,839</u>	<u>–</u>	<u>–</u>	<u>188,889</u>	<u>15,117,661</u>	<u>15,745,389</u>
Unassigned	<u>13,191,993</u>	<u>–</u>	<u>(1,249,841)</u>	<u>–</u>	<u>(36,009)</u>	<u>11,906,143</u>
Total	<u><u>\$ 15,266,050</u></u>	<u><u>\$ 1,103,671</u></u>	<u><u>\$ (1,249,841)</u></u>	<u><u>\$ 188,889</u></u>	<u><u>\$ 30,121,833</u></u>	<u><u>\$ 45,430,602</u></u>

NOTE 10 – NET POSITION/FUND BALANCE (CONTINUED)

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 City will strive to maintain a minimum unassigned General Fund balance in a range between five and a half and six months (45.83 percent and 50.00 percent) of the subsequent year's budgeted expenditures for working capital, which will avoid issuing short-term debt to meet the cash flow needs of the current operating budget during the time between significant collection of major revenue sources, such as property taxes. At December 31, 2023, the unassigned fund balance for the General Fund was 59.00 percent of the subsequent year's budgeted expenditures.

D. Deficit Fund Balances/Net Position

The following funds have a deficit fund equity at December 31, 2023:

	<u>Amount</u>
Governmental	
Capital Projects Fund	
Street Maintenance	\$ 1,249,841
Nonmajor Funds	
Capital Projects Fund	
2024 Street Improvements	\$ 36,009
Proprietary	
Internal Service Fund	
Employee Benefit	\$ 13,908,963

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

The deficit in the 2024 Street Improvements Capital Projects Fund will be reduced and eliminated with future bond proceeds.

The deficit in the Employee Benefit 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.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2023 is \$3,374,025.

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, 2023, there were four series of rental housing revenue bonds outstanding. The aggregate issued amount was \$55,150,000, including: 2012 refunding issue of \$10,040,000; 2016 issue of \$19,950,000; 2023 issue of \$22,000,000; 2023 issue of \$3,160,000. The balance outstanding at December 31, 2023 is unavailable.

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, 2023

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the State of Minnesota's 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%	
12/31/2023	06/30/2023	0.0733%	\$ 4,098,854	\$ 112,960	\$ 4,211,814	\$ 5,826,429	70.35%	83.10%	

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

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
					Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 301,636	\$ 301,636	\$ —	\$ 4,025,698	7.49%
12/31/2016	\$ 316,100	\$ 316,100	\$ —	\$ 4,214,659	7.50%
12/31/2017	\$ 326,799	\$ 326,799	\$ —	\$ 4,357,322	7.50%
12/31/2018	\$ 351,531	\$ 351,531	\$ —	\$ 4,687,075	7.50%
12/31/2019	\$ 366,587	\$ 366,587	\$ —	\$ 4,887,817	7.50%
12/31/2020	\$ 367,895	\$ 367,895	\$ —	\$ 4,905,283	7.50%
12/31/2021	\$ 381,763	\$ 381,763	\$ —	\$ 5,091,321	7.50%
12/31/2022	\$ 400,437	\$ 400,437	\$ —	\$ 5,334,898	7.51%
12/31/2023	\$ 445,468	\$ 445,468	\$ —	\$ 5,939,577	7.50%

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

CITY OF OAKDALE

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

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	Minnesota's Proportion of the Net Pension Liability	Minnesota's Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's 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 Share of the State of Minnesota's Net Pension Liability as a Percentage of the Total Pension Liability	
								City's Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Net Pension Liability	City's Proportionate Share of the Net Pension Liability as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.3550%	\$ 4,033,631	\$ —	\$ 4,033,631	\$ 3,233,354	124.75%	86.60%	
12/31/2016	06/30/2016	0.3570%	\$ 14,327,031	\$ —	\$ 14,327,031	\$ 3,565,277	401.85%	63.90%	
12/31/2017	06/30/2017	0.3540%	\$ 4,779,421	\$ —	\$ 4,779,421	\$ 3,634,022	131.52%	85.40%	
12/31/2018	06/30/2018	0.3591%	\$ 3,827,636	\$ —	\$ 3,827,636	\$ 3,639,288	105.18%	88.80%	
12/31/2019	06/30/2019	0.3971%	\$ 4,227,531	\$ —	\$ 4,227,531	\$ 4,185,998	100.99%	89.30%	
12/31/2020	06/30/2020	0.3954%	\$ 5,211,795	\$ 122,776	\$ 5,334,571	\$ 4,461,545	116.82%	87.20%	
12/31/2021	06/30/2021	0.3671%	\$ 2,833,623	\$ 127,390	\$ 2,961,013	\$ 4,345,128	65.21%	93.70%	
12/31/2022	06/30/2022	0.4098%	\$ 17,832,877	\$ 779,035	\$ 18,611,912	\$ 4,970,662	358.76%	70.50%	
12/31/2023	06/30/2023	0.4639%	\$ 8,010,950	\$ 322,696	\$ 8,333,646	\$ 6,092,952	131.48%	86.50%	

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

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll		
					Contribution Deficiency (Excess)	Covered Payroll	Percentage of Covered Payroll
12/31/2015	\$ 543,624	\$ 543,624	\$ —	\$ 3,355,704		16.20%	
12/31/2016	\$ 571,063	\$ 571,063	\$ —	\$ 3,525,077		16.20%	
12/31/2017	\$ 597,604	\$ 597,604	\$ —	\$ 3,688,916		16.20%	
12/31/2018	\$ 639,589	\$ 639,589	\$ —	\$ 3,948,083		16.20%	
12/31/2019	\$ 740,973	\$ 740,973	\$ —	\$ 4,371,523		16.95%	
12/31/2020	\$ 785,957	\$ 785,957	\$ —	\$ 4,440,437		17.70%	
12/31/2021	\$ 833,333	\$ 833,333	\$ —	\$ 4,708,098		17.70%	
12/31/2022	\$ 946,446	\$ 946,446	\$ —	\$ 5,340,909		17.72%	
12/31/2023	\$ 1,130,262	\$ 1,130,262	\$ —	\$ 6,385,657		17.70%	

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

CITY OF OAKDALE

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

	Fiscal Year					
	2018	2019	2020	2021	2022	2023
	2017	2018	2019	2020	2021	2022
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	\$ 164,404
Interest	91,707	90,675	85,838	73,292	53,116	52,626
Differences between expected and actual experience	–	(337,938)	–	(287,259)	(2,270)	5,377
Changes of assumptions	138,015	(263,661)	150,436	108,045	46,520	(700,666)
Benefit payments	(60,629)	(69,296)	(51,755)	(57,709)	(60,138)	(54,823)
Net change in total OPEB liability	<u>315,039</u>	<u>(412,549)</u>	<u>330,240</u>	<u>6,271</u>	<u>192,745</u>	<u>(533,082)</u>
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>	<u>2,723,117</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>	<u>\$ 2,190,035</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>	<u>\$ 11,115,300</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>	<u>19.7%</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, 2023

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN PLAN PROVISIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

CITY OF OAKDALE

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN PLAN PROVISIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN PLAN PROVISIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

CITY OF OAKDALE

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

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2017 CHANGES IN PLAN PROVISIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

CITY OF OAKDALE

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

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN PLAN PROVISIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

CITY OF OAKDALE

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

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

CITY OF OAKDALE

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

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2015 CHANGES IN PLAN PROVISIONS

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

CITY OF OAKDALE

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 1.84 percent to 4.05 percent.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan and July 1, 2020 PERA Police and Fire Plan valuations to the rates used in the July 1, 2022 valuations.
- The percent of future retirees assumed to elect coverage when the premium is not subsidized at retirement changed from 60.00 percent to 45.00 percent to reflect recent plan experience.
- The inflation assumption was changed from 2.25 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.
- The payroll growth assumption was changed from 3.00 percent to 3.25 percent based on the July 1, 2022 PERA valuations.

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.

CITY OF OAKDALE

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

OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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 75.00 percent to 60.00 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.

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, 2023

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and investments	\$ 783,668	\$ 6,889,411	\$ 20,568,273	\$ 28,241,352
Receivables				
Interest	4,855	43,528	128,996	177,379
Accounts	5,255	—	344,026	349,281
Loan	225,975	—	—	225,975
Special assessments				
Current	—	5,839	—	5,839
Delinquent	—	12,824	—	12,824
Deferred	—	3,354,134	6,167	3,360,301
Special deferred	—	118,364	—	118,364
Prepaid items	—	—	32,000	32,000
Assets held for resale	—	—	2,410,681	2,410,681
Total assets	\$ 1,019,753	\$ 10,424,100	\$ 23,490,143	\$ 34,933,996
Liabilities				
Accounts and contracts payable	\$ —	\$ 3,352	\$ 1,091,347	\$ 1,094,699
Deferred inflows of resources				
Unavailable revenue – loan receivable	225,975	—	—	225,975
Unavailable revenue – special assessments	—	3,485,322	6,167	3,491,489
Total deferred inflows of resources	225,975	3,485,322	6,167	3,717,464
Fund balances (deficits)				
Nonspendable	—	—	32,000	32,000
Restricted	513,918	5,987,967	8,226,436	14,728,321
Committed	279,860	—	—	279,860
Assigned	—	947,459	14,170,202	15,117,661
Unassigned	—	—	(36,009)	(36,009)
Total fund balances	793,778	6,935,426	22,392,629	30,121,833
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,019,753	\$ 10,424,100	\$ 23,490,143	\$ 34,933,996

CITY OF OAKDALE

Statement 12

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

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenue				
General property taxes	\$ —	\$ 1,954,301	\$ 918,346	\$ 2,872,647
Tax increment taxes	—	—	779,683	779,683
Local option sales tax	—	—	1,806,007	1,806,007
Special assessments	4,400	894,874	1,529	900,803
Intergovernmental	13,798	—	1,021,398	1,035,196
Charges for services	754,202	—	2,282,818	3,037,020
Forfeited property	90,244	—	—	90,244
Investment earnings	77,421	252,523	921,964	1,251,908
Refunds and reimbursements	135,013	—	244,355	379,368
Contributions and donations	73,789	—	27,500	101,289
Other	50,163	—	100,000	150,163
Total revenue	1,199,030	3,101,698	8,103,600	12,404,328
Expenditures				
Current				
General government	131,250	—	64,330	195,580
Public safety	4,040	—	—	4,040
Public works	335,739	—	—	335,739
Capital outlay				
General government	—	—	38,045	38,045
Public safety	1,984	—	821,534	823,518
Public works	—	—	4,729,971	4,729,971
Community services and recreation	—	—	457,479	457,479
Debt service				
Principal	59,800	2,890,000	—	2,949,800
Interest and fiscal charges	—	536,928	—	536,928
Total expenditures	532,813	3,426,928	6,111,359	10,071,100
Excess (deficiency) of revenues over expenditures	666,217	(325,230)	1,992,241	2,333,228
Other financing sources (uses)				
Transfers in	—	691,085	5,557,588	6,248,673
Transfers out	(1,510,017)	(409,084)	(4,993,499)	(6,912,600)
Sale of capital assets	—	—	120,010	120,010
Total other financing sources (uses)	(1,510,017)	282,001	684,099	(543,917)
Net change in fund balances	(843,800)	(43,229)	2,676,340	1,789,311
Fund balances				
Beginning of year	1,637,578	6,978,655	19,716,289	28,332,522
End of year	\$ 793,778	\$ 6,935,426	\$ 22,392,629	\$ 30,121,833

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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.

CITY OF OAKDALE

Nonmajor Special Revenue Funds
 Combining Balance Sheet
 as of December 31, 2023

	206	282	202	204	220	
	Surface Water Management	Charitable Gambling	Forfeited Proceeds	Wellness		Community and Economic Development
Assets						
Cash and investments	\$ —	\$ 353,903	\$ 151,609	\$ 4,865	\$ 237,532	
Receivables						
Interest	—	2,206	945	—	1,481	
Accounts	—	5,255	—	—	—	
Loan	—	—	—	—	133,744	
Total assets	\$ —	\$ 361,364	\$ 152,554	\$ 4,865	\$ 372,757	
Deferred inflows of resources						
Unavailable revenue – loan receivable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 133,744
Fund balances						
Restricted	—	361,364	152,554	—	—	—
Committed	—	—	—	4,865	239,013	
Total fund balances	—	361,364	152,554	4,865	239,013	
Total deferred inflows of resources and fund balances	\$ —	\$ 361,364	\$ 152,554	\$ 4,865	\$ 372,757	

Statement 13

290	203	
Pandemic Business Recovery Loan	Neighborhood Strategic Planning	Total
\$ 35,759	\$ —	\$ 783,668
223	—	4,855
—	—	5,255
<u>92,231</u>	<u>—</u>	<u>225,975</u>
<u><u>\$ 128,213</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 1,019,753</u></u>
\$ 92,231	\$ —	\$ 225,975
—	—	513,918
<u>35,982</u>	<u>—</u>	<u>279,860</u>
<u><u>35,982</u></u>	<u><u>—</u></u>	<u><u>793,778</u></u>
<u><u>\$ 128,213</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 1,019,753</u></u>

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

	206	282	202	204	220	
	Surface Water Management	Charitable Gambling	Forfeited Proceeds	Wellness		Community and Economic Development
Revenues						
Special assessments	\$ 4,400	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	13,798	—	—	—	—	—
Charges for services						
Surface water management fees	754,202	—	—	—	—	—
Forfeited property	—	—	90,244	—	—	—
Investment earnings	43,316	14,535	6,332	—	10,691	
Refunds and reimbursements	49,707	—	1,848	47,180	36,278	
Contributions and donations	—	73,789	—	—	—	—
Other	3,611	—	—	—	11,395	
Total revenues	869,034	88,324	98,424	47,180	58,364	
Expenditures						
Current						
General government	—	16,000	—	42,315	72,935	
Public safety	—	—	4,040	—	—	
Public works	335,739	—	—	—	—	
Capital outlay						
Public safety	—	—	1,984	—	—	
Debt Service						
Principal	—	—	59,800	—	—	
Total expenditures	335,739	16,000	65,824	42,315	72,935	
Excess (deficiency) of revenues over expenditures	533,295	72,324	32,600	4,865	(14,571)	
Other financing sources (uses)						
Transfers out	(1,388,674)	—	—	—	—	
Net change in fund balances	(855,379)	72,324	32,600	4,865	(14,571)	
Fund balances						
Beginning of year	855,379	289,040	119,954	—	253,584	
End of year	\$ —	\$ 361,364	\$ 152,554	\$ 4,865	\$ 239,013	

Statement 14

290	203	
Pandemic Business Recovery Loan	Neighborhood Strategic Planning	Total
\$ —	\$ —	\$ 4,400
—	—	13,798
		754,202
		90,244
825	1,722	77,421
—	—	135,013
—	—	73,789
35,157	—	50,163
35,982	1,722	1,199,030
		131,250
—	—	4,040
—	—	335,739
—	—	1,984
—	—	59,800
—	—	532,813
35,982	1,722	666,217
—	(121,343)	(1,510,017)
35,982	(119,621)	(843,800)
—	119,621	1,637,578
\$ 35,982	\$ —	\$ 793,778

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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, 2023

	440	318	317	316	455	454
	Closed Bond Sinking Fund	2018B Equipment Certificates	2019B Equipment Certificates	2020B Equipment Certificates	\$2,365,000 Bonds of 2013A	\$2,330,000 Bonds of 2014A
Assets						
Cash and investments	\$ 941,788	\$ —	\$ 38,022	\$ 24,010	\$ 274,982	\$ 666,273
Receivables						
Interest	5,871	—	150	150	1,714	4,153
Special assessments						
Current	—	—	—	—	258	198
Delinquent	5,582	—	—	—	112	252
Deferred	211,067	—	—	—	387	51,196
Special deferred	66,301	—	—	—	10,028	3,300
Total assets	\$ 1,230,609	\$ —	\$ 38,172	\$ 24,160	\$ 287,481	\$ 725,372
Liabilities						
Accounts and contracts payable	\$ 200	\$ —	\$ 200	\$ 200	\$ 200	\$ 750
Deferred inflows of resources						
Unavailable revenue – special assessments	282,950	—	—	—	10,527	54,748
Fund balances						
Restricted	—	—	37,972	23,960	276,754	669,874
Assigned	947,459	—	—	—	—	—
Total fund balances	947,459	—	37,972	23,960	276,754	669,874
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,230,609	\$ —	\$ 38,172	\$ 24,160	\$ 287,481	\$ 725,372

453	461	451	352	349	452	468	469
	\$1,645,000						
\$2,555,000	Refunding	\$1,920,000	\$550,000	\$4,315,000	\$2,700,000	\$840,000	\$2,630,000
Bonds of	Bonds of	Bonds of	2016C	Tax Increment	Bonds of	Bonds of	Bonds of
2015A	2015C	2016A	HIA Bonds	Bonds of 2016D	2017A	2018A	2019A
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 498,748	\$ —	\$ 524,598	\$ 290,454	\$ 999	\$ 667,438	\$ 232,620	\$ 715,747
3,109	—	3,270	1,811	6	3,270	1,450	4,462
186	—	616	424	—	758	20	564
797	—	1,866	1,222	—	558	—	993
103,800	—	124,447	421,627	—	191,270	115,331	295,493
8,955	—	10,948	—	—	—	3,840	10,192
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\$ 615,595	\$ —	\$ 665,745	\$ 715,538	\$ 1,005	\$ 863,294	\$ 353,261	\$ 1,027,451
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\$ 200	\$ —	\$ 200	\$ 201	\$ 200	\$ 199	\$ 201	\$ 200
113,552	—	137,261	422,849	—	191,828	119,171	306,678
501,843	—	528,284	292,488	805	671,267	233,889	720,573
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\$ 615,595	\$ —	\$ 665,745	\$ 715,538	\$ 1,005	\$ 863,294	\$ 353,261	\$ 1,027,451
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CITY OF OAKDALE

Statement 15
2 of 2

Nonmajor Debt Service Funds
 Combining Balance Sheet (continued)
 as of December 31, 2023

	470	475	477	
	\$2,340,000	\$2,535,000	\$2,860,000	
	Refunding Bonds of	Bonds of	Bonds of	
	2020A	2021A	2023A	Total
Assets				
Cash and investments	\$ 681,648	\$ 1,232,554	\$ 99,530	\$ 6,889,411
Receivables				
Interest	4,249	7,684	2,179	43,528
Special assessments				
Current	552	2,263	–	5,839
Delinquent	956	486	–	12,824
Deferred	376,320	649,167	814,029	3,354,134
Special deferred	4,800	–	–	118,364
Total assets	<u>\$ 1,068,525</u>	<u>\$ 1,892,154</u>	<u>\$ 915,738</u>	<u>\$ 10,424,100</u>
Liabilities				
Accounts and contracts payable	\$ 200	\$ 201	\$ –	\$ 3,352
Deferred inflows of resources				
Unavailable revenue – special assessments	382,076	649,653	814,029	3,485,322
Fund balances				
Restricted	686,249	1,242,300	101,709	5,987,967
Assigned	–	–	–	947,459
Total fund balances	<u>686,249</u>	<u>1,242,300</u>	<u>101,709</u>	<u>6,935,426</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,068,525</u>	<u>\$ 1,892,154</u>	<u>\$ 915,738</u>	<u>\$ 10,424,100</u>

CITY OF OAKDALE

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

	440	318	317	316	455	454
	Closed Bond Sinking Fund	2018B Equipment Certificates	2019B Equipment Certificates	2020B Equipment Certificates	\$2,365,000 Bonds of 2013A	\$2,330,000 Bonds of 2014B
Revenues						
General property taxes	\$ —	\$ 226,012	\$ 208,425	\$ 176,138	\$ 145,453	\$ 156,737
Special assessments	143,722	—	—	—	49,519	62,430
Investment earnings	17,509	3,449	2,102	1,522	7,512	23,868
Total revenues	161,231	229,461	210,527	177,660	202,484	243,035
Expenditures						
Debt service						
Principal	—	205,000	180,000	145,000	240,000	230,000
Interest and fiscal charges	200	11,200	19,400	23,650	9,530	15,575
Total expenditures	200	216,200	199,400	168,650	249,530	245,575
Excess (deficiency) of revenues over expenditures	161,031	13,261	11,127	9,010	(47,046)	(2,540)
Other financing sources (uses)						
Transfers in	409,085	—	—	—	—	—
Transfers out	—	(65,156)	—	—	—	—
Total other financing sources (uses)	409,085	(65,156)	—	—	—	—
Net change in fund balances	570,116	(51,895)	11,127	9,010	(47,046)	(2,540)
Fund balances						
Beginning of year	377,343	51,895	26,845	14,950	323,800	672,414
End of year	\$ 947,459	\$ —	\$ 37,972	\$ 23,960	\$ 276,754	\$ 669,874

453	461	451	352	349	452	468	469
\$2,555,000 Bonds of 2015A	\$1,645,000 Refunding Bonds of 2015C	\$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
\$ 140,395 66,079 17,075 223,549	\$ — — 14,087 14,087	\$ 99,818 55,394 19,163 174,375	\$ — 37,531 11,932 49,463	\$ — — 7 7	\$ 171,446 68,429 20,809 260,684	\$ 55,492 35,144 8,124 98,760	\$ 219,895 83,226 24,685 327,806
260,000 25,388 285,388	175,000 2,059 177,059	190,000 18,000 208,000	30,000 12,505 42,505	190,000 91,678 281,678	270,000 31,175 301,175	85,000 17,825 102,825	245,000 92,925 337,925
(61,839)	(162,972)	(33,625)	6,958	(281,671)	(40,491)	(4,065)	(10,119)
— — —	— — —	— — —	— — —	282,000 — 282,000	— — —	— — —	— — —
(61,839)	(506,900)	(33,625)	6,958	329	(40,491)	(4,065)	(10,119)
563,682	506,900	561,909	285,530	476	711,758	237,954	730,692
\$ 501,843	\$ —	\$ 528,284	\$ 292,488	\$ 805	\$ 671,267	\$ 233,889	\$ 720,573

CITY OF OAKDALE

Statement 16
2 of 2

 Nonmajor Debt Service Funds
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances (continued)
 Year Ended December 31, 2023

	470	475	477	
	\$2,340,000 Refunding Bonds of 2020A	\$2,535,000 Bonds of 2021A	\$2,860,000 Bonds of 2023A	
				Total
Revenues				
General property taxes	\$ 213,713	\$ 140,777	\$ —	\$ 1,954,301
Special assessments	85,134	113,597	94,669	894,874
Investment earnings	24,165	48,624	7,890	252,523
Total revenues	323,012	302,998	102,559	3,101,698
Expenditures				
Debt service				
Principal retirement	245,000	200,000	—	2,890,000
Interest and fiscal charges	74,775	90,193	850	536,928
Total expenditures	319,775	290,193	850	3,426,928
Excess (deficiency) of revenues over expenditures	3,237	12,805	101,709	(325,230)
Other financing sources (uses)				
Transfers in	—	—	—	691,085
Transfers out	—	—	—	(409,084)
Total other financing sources (uses)	—	—	—	282,001
Net change in fund balances	3,237	12,805	101,709	(43,229)
Fund balances				
Beginning of year	683,012	1,229,495	—	6,978,655
End of year	\$ 686,249	\$ 1,242,300	\$ 101,709	\$ 6,935,426

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.
- **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.
- **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.
- **40th Street Reconstruction Fund** – Administers the resources for the construction costs associated with the 40th Street reconstruction project.
- **2022 Street Improvements Fund** – Administers the resources for the construction costs associated with 2022 street improvements.
- **Ideal Avenue Reconstruction Fund** – Administers the resources for the construction costs associated with the Ideal Avenue reconstruction project.
- **2024 Street Improvements Fund** – Administers the resources for the construction costs associated with 2024 street improvements.
- **Public Works Facility** – Administers the resources (local option sales tax) for the construction of a new public works facility.
- **Police Expansion** – Administers the resources (local option sales tax) for the expansion and remodel of the existing police building.

CITY OF OAKDALE

Nonmajor Capital Projects Funds
Combining Balance Sheet
as of December 31, 2023

	500	502	517	522	504
	Park Improvements	Vehicle and Equipment Replacement	Utility System Replacement	Municipal Building	Water Availability Reserve
Assets					
Cash and investments	\$ 3,751,890	\$ 1,464,730	\$ 3,953,329	\$ 1,270,734	\$ 808,915
Receivables					
Interest	23,366	8,756	19,857	5,999	5,042
Accounts	54,847	23,044	—	—	—
Special assessments					
Deferred	—	—	6,167	—	—
Prepaid items	—	—	—	—	—
Assets held for resale	—	—	—	2,410,681	—
Total assets	\$ 3,830,103	\$ 1,496,530	\$ 3,979,353	\$ 3,687,414	\$ 813,957
Liabilities					
Accounts and contracts payable	\$ 43,816	\$ 772,380	\$ 49,088	\$ —	\$ —
Deferred inflows of resources					
Unavailable revenue – special assessments	—	—	6,167	—	—
Fund balances (deficit)					
Nonspendable	—	—	—	—	—
Restricted	1,393,149	—	—	—	—
Assigned	2,393,138	724,150	3,924,098	3,687,414	813,957
Unassigned	—	—	—	—	—
Total fund balances (deficit)	3,786,287	724,150	3,924,098	3,687,414	813,957
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,830,103	\$ 1,496,530	\$ 3,979,353	\$ 3,687,414	\$ 813,957

505	530	538	537	539	560	563	525
Sewer Availability Reserve	Special Projects	Tax Increment #6	Tax Increment #2-11	Tax Increment #2-12	TIF Transfer Authority	Escrow for Park Tool Land Purchase Proceeds	Willowbrooke Open Space
\$ 658,445	\$ 1,898,228	\$ 2,903,131	\$ 541,347	\$ 295	\$ 2,083,203	\$ —	\$ 93,903
4,105	12,033	18,098	3,375	—	12,987	—	585
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	32,000	—	—	—	—	—	—
—	—	—	—	—	—	—	—
\$ 662,550	\$ 1,942,261	\$ 2,921,229	\$ 544,722	\$ 295	\$ 2,096,190	\$ —	\$ 94,488
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	32,000	—	—	—	—	—	—
—	—	2,921,229	544,722	295	2,096,190	—	90,090
662,550	1,910,261	—	—	—	—	—	4,398
—	—	—	—	—	—	—	—
662,550	1,942,261	2,921,229	544,722	295	2,096,190	—	94,488
\$ 662,550	\$ 1,942,261	\$ 2,921,229	\$ 544,722	\$ 295	\$ 2,096,190	\$ —	\$ 94,488

CITY OF OAKDALE

Nonmajor Capital Projects Funds
Combining Balance Sheet (continued)
as of December 31, 2023

	689	693	695	697	680
	Highway 36 Realignment	40th Street Reconstruction	2022 Street Improvements	Ideal Avenue Reconstruction	2024 Street Improvements
Assets					
Cash and investments	\$ 109,910	\$ —	\$ —	\$ —	\$ 69,813
Receivables					
Interest	685	—	—	—	6,618
Accounts	—	—	—	—	—
Special assessments					
Deferred	—	—	—	—	—
Prepaid items	—	—	—	—	—
Assets held for resale	—	—	—	—	—
Total assets	\$ 110,595	\$ —	\$ —	\$ —	\$ 76,431
Liabilities					
Accounts and contracts payable	\$ —	\$ —	\$ —	\$ —	\$ 112,440
Deferred inflows of resources					
Unavailable revenue – special assessments	—	—	—	—	—
Fund balances (deficit)					
Nonspendable	—	—	—	—	—
Restricted	60,359	—	—	—	—
Assigned	50,236	—	—	—	—
Unassigned	—	—	—	—	(36,009)
Total fund balances (deficit)	110,595	—	—	—	(36,009)
Total liabilities, deferred inflows of resources, and fund balances	\$ 110,595	\$ —	\$ —	\$ —	\$ 76,431

Statement 17
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580 **581**

Public Works Facility	Police Expansion	Total
\$ 239,699	\$ 720,701	\$ 20,568,273
7,490	—	128,996
263,099	3,036	344,026
—	—	6,167
—	—	32,000
—	—	2,410,681
<u>\$ 510,288</u>	<u>\$ 723,737</u>	<u>\$ 23,490,143</u>
\$ 113,623	\$ —	\$ 1,091,347
—	—	6,167
—	—	32,000
396,665	723,737	8,226,436
—	—	14,170,202
—	—	(36,009)
<u>396,665</u>	<u>723,737</u>	<u>22,392,629</u>
<u>\$ 510,288</u>	<u>\$ 723,737</u>	<u>\$ 23,490,143</u>

CITY OF OAKDALE

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

	500	502	517	522	504
	Park Improvements	Vehicle and Equipment Replacement	Utility System Replacement	Municipal Building	Water Availability Reserve
Revenues					
General property taxes	\$ 170,000	\$ 688,346	\$ —	\$ 60,000	\$ —
Tax increment taxes	—	—	—	—	—
Local option sales tax	—	—	—	—	—
Special assessments	—	—	1,529	—	—
Intergovernmental	—	23,044	7,981	—	—
Charges for services	943,768	—	—	—	773,600
Investment earnings	148,848	52,979	147,653	41,069	30,981
Refunds and reimbursements	—	—	242,265	—	—
Contributions and donations	27,500	—	—	—	—
Other	—	—	100,000	—	—
Total revenues	1,290,116	764,369	499,428	101,069	804,581
Expenditures					
Current					
General government	—	—	—	—	—
Capital outlay					
General government	—	—	—	—	—
Public safety	—	805,154	—	—	—
Public works	—	434,750	1,404,081	—	—
Community services and recreation	457,479	—	—	—	—
Total expenditures	457,479	1,239,904	1,404,081	—	—
Excess (deficiency) of revenues over expenditures	832,637	(475,535)	(904,653)	101,069	804,581
Other financing sources (uses)					
Transfers in	998,660	40,000	2,483,060	308,320	—
Transfers out	—	—	(1,202,616)	—	(345,000)
Sale of capital assets	—	120,010	—	—	—
Total other financing sources (uses)	998,660	160,010	1,280,444	308,320	(345,000)
Net change in fund balances	1,831,297	(315,525)	375,791	409,389	459,581
Fund balances (deficit)					
Beginning of year	1,954,990	1,039,675	3,548,307	3,278,025	354,376
End of year	\$ 3,786,287	\$ 724,150	\$ 3,924,098	\$ 3,687,414	\$ 813,957

505	530	538	537	539	560	563	525
Sewer Availability Reserve	Special Projects	Tax Increment #6	Tax Increment #2-11	Tax Increment #2-12	TIF Transfer Authority	Escrow for Park Tool Land Purchase Proceeds	Willowbrooke Open Space
\$ —	\$ —	\$ 436,700	\$ 342,846	\$ 137	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	88,635	—	—	—	—	—	—
565,450	—	—	—	—	—	—	—
25,757	92,404	119,032	26,286	8	91,409	—	4,398
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
591,207	181,039	555,732	369,132	145	91,409	—	4,398
—	63,080	600	525	—	125	—	—
—	38,045	—	—	—	—	—	—
—	—	—	—	—	—	—	—
115,000	—	—	—	—	—	—	23,667
—	—	—	—	—	—	—	—
115,000	101,125	600	525	—	125	—	23,667
476,207	79,914	555,132	368,607	145	91,284	—	(19,269)
—	—	—	—	—	—	—	—
(230,000)	(667,259)	—	(282,000)	—	—	(473,660)	—
—	—	—	—	—	—	—	—
(230,000)	(667,259)	—	(282,000)	—	—	(473,660)	—
246,207	(587,345)	555,132	86,607	145	91,284	(473,660)	(19,269)
416,343	2,529,606	2,366,097	458,115	150	2,004,906	473,660	113,757
\$ 662,550	\$ 1,942,261	\$ 2,921,229	\$ 544,722	\$ 295	\$ 2,096,190	\$ —	\$ 94,488

CITY OF OAKDALE

Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (continued)
Year Ended December 31, 2023

	689	693	695	697	680
	Highway 36 Realignment	40th Street Reconstruction	2022 Street Improvements	Ideal Avenue Reconstruction	2024 Street Improvements
Revenues					
General property taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Tax increment taxes	—	—	—	—	—
Local option sales tax	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	45,347	—	856,391	—	—
Charges for services	—	—	—	—	—
Investment earnings (charges)	4,889	67,781	35,869	1,734	—
Refunds and reimbursements	—	—	—	2,090	—
Contributions and donations	—	—	—	—	—
Other	—	—	—	—	—
Total revenues	50,236	67,781	892,260	3,824	—
Expenditures					
Current					
General government	—	—	—	—	—
Capital outlay					
General government	—	—	—	—	—
Public safety	—	—	—	—	—
Public works	15,095	1,718,245	229,497	450	89,094
Community services and recreation	—	—	—	—	—
Total expenditures	15,095	1,718,245	229,497	450	89,094
Excess (deficiency) of revenues over expenditures	35,141	(1,650,464)	662,763	3,374	(89,094)
Other financing sources (uses)					
Transfers in	—	—	1,674,463	—	53,085
Transfers out	—	(946,879)	(793,000)	(53,085)	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	(946,879)	881,463	(53,085)	53,085
Net change in fund balances	35,141	(2,597,343)	1,544,226	(49,711)	(36,009)
Fund balances (deficit)					
Beginning of year	75,454	2,597,343	(1,544,226)	49,711	—
End of year	\$ 110,595	\$ —	\$ —	\$ —	\$ (36,009)

Statement 18
2 of 2

580 **581**

Public Works Facility	Police Expansion	Total
\$ –	\$ –	\$ 918,346
–	–	779,683
1,073,842	732,165	1,806,007
–	–	1,529
–	–	1,021,398
–	–	2,282,818
22,915	7,952	921,964
–	–	244,355
–	–	27,500
–	–	100,000
<hr/> 1,096,757	<hr/> 740,117	<hr/> 8,103,600
–	–	64,330
–	–	38,045
–	16,380	821,534
700,092	–	4,729,971
–	–	457,479
<hr/> 700,092	<hr/> 16,380	<hr/> 6,111,359
396,665	723,737	1,992,241
–	–	5,557,588
–	–	(4,993,499)
–	–	120,010
<hr/> –	<hr/> –	<hr/> 684,099
396,665	723,737	2,676,340
–	–	19,716,289
<hr/> \$ 396,665	<hr/> \$ 723,737	<hr/> \$ 22,392,629

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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.

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, 2023
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023		2022	
	Final Budget	Actual	Over (Under) Budget	Actual
Revenues				
General property taxes				
Current	\$ 12,633,812	\$ 12,437,494	\$ (196,318)	\$ 10,720,810
Delinquent	15,350	12,219	(3,131)	63,085
Penalties, interest, and other	86,000	62,908	(23,092)	100,662
Total general property taxes	12,735,162	12,512,621	(222,541)	10,884,557
Special assessments	–	2,262	2,262	1,050
Franchise fees	579,095	631,270	52,175	649,033
Licenses and permits	2,386,056	3,012,375	626,319	2,742,510
Intergovernmental				
Local government aid	2,133	2,133	–	262,721
State aid police	290,000	343,017	53,017	315,518
State aid fire	229,400	247,610	18,210	–
Public safety aid	–	1,231,196	1,231,196	–
Municipal state aid	280,000	324,438	44,438	334,170
Other state aids	297,447	242,166	(55,281)	160,993
Federal grants	–	44,296	44,296	8,852
Other grants	126,000.00	280,560	154,560	126,808
Total intergovernmental	1,224,980	2,715,416	1,490,436	1,209,062
Charges for services				
Public works	500	76	(424)	592
Engineering and planning	35,000	62,297	27,297	66,408
Police	15,000	19,379	4,379	35,954
Fire and ambulance	1,266,501	1,299,498	32,997	–
Recreation	71,254	83,072	11,818	73,732
Rent – antenna	255,000	234,932	(20,068)	273,855
Rent – interfund	150,000	150,000	–	150,000
Other	59,500	319,587	260,087	8,654
Total charges for services	1,852,755	2,168,841	316,086	609,195
Fines and forfeits	100,000	121,587	21,587	107,286
Investment earnings (charges)	79,750	564,514	484,764	(3,990)
Refunds and reimbursements	15,000	16,890	1,890	8,674
Contributions and donations	5,000	3,900	(1,100)	150
Other	27,600	51,135	23,535	59,274
Total revenues	19,005,398	21,800,811	2,795,413	16,266,801

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, 2023
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023		2022	
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures				
General government				
City Council				
Personal services	41,095	40,714	(381)	40,744
Materials and supplies	3,000	3,627	627	1,713
Contractual services	12,000	6,155	(5,845)	31,096
Total City Council	56,095	50,496	(5,599)	73,553
Community development				
Personal services	489,279	453,581	(35,698)	381,606
Materials and supplies	5,320	6,354	1,034	6,886
Contractual services	50,288	58,133	7,845	121,988
Total community development	544,887	518,068	(26,819)	510,480
Legal				
Personal services	266,450	265,636	(814)	250,439
Materials and supplies	1,000	485	(515)	585
Contractual services	225,150	225,868	718	205,024
Total legal	492,600	491,989	(611)	456,048
Administration				
Personal services	491,923	499,649	7,726	475,976
Materials and supplies	15,650	8,210	(7,440)	12,257
Contractual services	106,270	92,505	(13,765)	134,041
Total administration	613,843	600,364	(13,479)	622,274
Finance				
Personal services	727,868	715,521	(12,347)	587,227
Materials and supplies	2,000	1,067	(933)	1,941
Contractual services	238,600	221,307	(17,293)	198,005
Total finance	968,468	937,895	(30,573)	787,173
Information technology				
Personal services	116,825	135,040	18,215	119,505
Materials and supplies	4,000	663	(3,337)	4,347
Contractual services	491,546	510,610	19,064	359,976
Capital outlay	44,046	15,983	(28,063)	21,164
Total information technology	656,417	662,296	5,879	504,992

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, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023		2022	
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
General government (continued)				
Building maintenance				
Materials and supplies	11,400	8,912	(2,488)	8,308
Contractual services	181,887	184,581	2,694	184,958
Capital outlay	17,500	7,192	(10,308)	4,483
Total building maintenance	<u>210,787</u>	<u>200,685</u>	<u>(10,102)</u>	<u>197,749</u>
Communications				
Personal services	236,429	226,633	(9,796)	150,531
Materials and supplies	–	2,120	2,120	713
Contractual services	36,900	22,927	(13,973)	31,174
Total communications	<u>273,329</u>	<u>251,680</u>	<u>(21,649)</u>	<u>182,418</u>
Human resources				
Personal services	378,006	377,909	(97)	334,030
Materials and supplies	2,000	937	(1,063)	2,247
Contractual services	3,000	2,938	(62)	8,465
Capital outlay	–	–	–	200
Total human resources	<u>383,006</u>	<u>381,784</u>	<u>(1,222)</u>	<u>344,942</u>
Risk management				
Personal services	305,000	325,335	20,335	209,561
Contractual services	183,400	162,417	(20,983)	158,244
Total risk management	<u>488,400</u>	<u>487,752</u>	<u>(648)</u>	<u>367,805</u>
Total general government	4,687,832	4,583,009	(104,823)	4,047,434
Public safety				
Police protection				
Personal services	5,874,642	5,871,637	(3,005)	5,440,715
Materials and supplies	184,745	182,894	(1,851)	170,033
Contractual services	357,415	340,048	(17,367)	293,489
Capital outlay	50,600	40,499	(10,101)	21,916
Total police protection	<u>6,467,402</u>	<u>6,435,078</u>	<u>(32,324)</u>	<u>5,926,153</u>
Fire				
Personal services	3,606,012	3,611,807	5,795	828,445
Materials and supplies	161,400	160,197	(1,203)	67,120
Contractual services	213,650	207,203	(6,447)	598,498
Capital outlay	16,000	15,744	(256)	16,239
Total fire	<u>3,997,062</u>	<u>3,994,951</u>	<u>(2,111)</u>	<u>1,510,302</u>

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, 2023
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023		2022	
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Public safety (continued)				
Inspections				
Personal services	581,529	560,770	(20,759)	548,843
Materials and supplies	1,500	150	(1,350)	1,704
Contractual services	173,280	187,087	13,807	169,904
Total inspections	<u>756,309</u>	<u>748,007</u>	<u>(8,302)</u>	<u>720,451</u>
Total public safety	11,220,773	11,178,036	(42,737)	8,156,906
Public works				
Engineering				
Personal services	431,752	251,293	(180,459)	311,961
Materials and supplies	2,800	915	(1,885)	–
Contractual services	<u>(28,600)</u>	<u>146,516</u>	<u>175,116</u>	<u>231,749</u>
Total engineering	<u>405,952</u>	<u>398,724</u>	<u>(7,228)</u>	<u>543,710</u>
Street maintenance				
Personal services	845,402	702,260	(143,142)	586,857
Materials and supplies	231,200	192,334	(38,866)	170,798
Contractual services	59,250	55,469	(3,781)	48,160
Total street maintenance	<u>1,135,852</u>	<u>950,063</u>	<u>(185,789)</u>	<u>805,815</u>
Forestry				
Personal services	340,107	330,223	(9,884)	302,370
Materials and supplies	63,827	51,513	(12,314)	37,307
Contractual services	93,336	80,489	(12,847)	57,749
Capital outlay	<u>11,250</u>	<u>9,590</u>	<u>(1,660)</u>	<u>–</u>
Total forestry	<u>508,520</u>	<u>471,815</u>	<u>(36,705)</u>	<u>397,426</u>
Parks operation and maintenance				
Personal services	775,353	758,637	(16,716)	697,578
Materials and supplies	64,228	33,302	(30,926)	23,795
Contractual services	121,739	95,440	(26,299)	99,550
Capital outlay	<u>2,000</u>	<u>–</u>	<u>(2,000)</u>	<u>1,352</u>
Total parks operation and maintenance	<u>963,320</u>	<u>887,379</u>	<u>(75,941)</u>	<u>822,275</u>
Fleet services				
Personal services	211,733	218,145	6,412	172,011
Materials and supplies	220,400	210,133	(10,267)	207,350
Contractual services	40,335	36,859	(3,476)	46,268
Capital outlay	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,019</u>
Total fleet services	<u>472,468</u>	<u>465,137</u>	<u>(7,331)</u>	<u>426,648</u>

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STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Oakdale, Minnesota'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)

	2014	2015	2016	2017	Fiscal Year
Governmental activities					
Net investment in capital assets	\$ 28,608,756	\$ 25,138,406	\$ 23,580,449	\$ 21,948,627	
Restricted	15,493,529	17,481,305	14,185,787	13,908,053	
Unrestricted	<u>2,609,399</u>	<u>2,512,525</u>	<u>3,222,750</u>	<u>3,229,209</u>	
Total governmental activities net position	<u>\$ 46,711,684</u>	<u>\$ 45,132,236</u>	<u>\$ 40,988,986</u>	<u>\$ 39,085,889</u>	
Business-type activities					
Net investment in capital assets	\$ 28,987,356	\$ 28,391,604	\$ 27,734,752	\$ 27,145,251	
Unrestricted	11,728,040	11,913,314	11,791,790	12,199,312	
Total business-type activities net position	<u>\$ 40,715,396</u>	<u>\$ 40,304,918</u>	<u>\$ 39,526,542</u>	<u>\$ 39,344,563</u>	
Primary government					
Net investment in capital assets	\$ 57,596,112	\$ 53,530,010	\$ 51,315,201	\$ 49,093,878	
Restricted	15,493,529	17,481,305	14,185,787	13,908,053	
Unrestricted	<u>14,337,439</u>	<u>14,425,839</u>	<u>15,014,540</u>	<u>15,428,521</u>	
Total primary government net position	<u>\$ 87,427,080</u>	<u>\$ 85,437,154</u>	<u>\$ 80,515,528</u>	<u>\$ 78,430,452</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

2018	2019	2020	2021	2022	2023
\$ 22,195,786	\$ 25,184,283	\$ 25,141,926	\$ 27,834,959	\$ 30,964,536	\$ 23,970,442
11,810,105	12,221,453	12,235,096	13,241,430	13,731,573	18,768,575
<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>	<u>13,907,887</u>
\$ 37,488,693	\$ 40,025,370	\$ 43,336,484	\$ 53,873,202	\$ 56,332,184	\$ 56,646,904
\$ 27,032,339	\$ 27,350,451	\$ 26,999,874	\$ 25,979,558	\$ 26,143,757	\$ 35,941,864
12,926,186	13,066,666	12,696,751	12,852,005	11,941,832	14,045,665
<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>	<u>\$ 49,987,529</u>
\$ 49,228,125	\$ 52,534,734	\$ 52,141,800	\$ 53,814,517	\$ 57,108,293	\$ 59,912,306
11,810,105	12,221,453	12,235,096	13,241,430	13,731,573	18,768,575
<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>	<u>27,953,552</u>
\$ 77,447,218	\$ 80,442,487	\$ 83,033,109	\$ 92,704,765	\$ 94,417,773	\$ 106,634,433

CITY OF OAKDALE

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

	2014	2015	2016	2017	Fiscal Year
Expenses					
Governmental activities					
General government	\$ 3,970,198	\$ 4,056,020	\$ 4,291,430	\$ 4,532,274	
Public safety	6,464,749	6,573,857	8,281,879	7,814,989	
Public works	7,521,795	6,861,475	8,730,525	6,751,446	
Community services and recreation	1,333,313	1,328,454	1,446,972	1,257,036	
Economic development	—	—	201,582	—	
Interest and fiscal charges	<u>563,006</u>	<u>528,343</u>	<u>529,740</u>	<u>497,618</u>	
Total governmental activities expenses	<u>19,853,061</u>	<u>19,348,149</u>	<u>23,482,128</u>	<u>20,853,363</u>	
Business-type activities					
Water	2,116,038	1,914,017	2,072,540	2,032,649	
Sewer	3,131,461	3,392,344	3,340,132	3,619,322	
Ambulance (1)	799,197	994,465	1,338,486	1,155,719	
Street lights	476,211	488,572	574,236	566,893	
Total business-type activities expenses	<u>6,522,907</u>	<u>6,789,398</u>	<u>7,325,394</u>	<u>7,374,583</u>	
Total primary government expenses	<u><u>\$ 26,375,968</u></u>	<u><u>\$ 26,137,547</u></u>	<u><u>\$ 30,807,522</u></u>	<u><u>\$ 28,227,946</u></u>	
Program revenues					
Governmental activities					
Charges for services					
Licenses and permits	\$ 659,935	\$ 806,193	\$ 932,784	\$ 814,906	
Surface water management fees	346,437	344,954	346,593	445,010	
Park dedication fees	491	99,757	1,522	—	
Other activities	1,457,334	1,637,558	1,755,222	1,921,113	
Operating grants and contributions	612,753	913,510	761,377	837,968	
Capital grants and contributions	<u>2,217,613</u>	<u>2,578,188</u>	<u>2,951,274</u>	<u>1,933,030</u>	
Total governmental activities program revenues	<u>5,294,563</u>	<u>6,380,160</u>	<u>6,748,772</u>	<u>5,952,027</u>	
Business-type activities					
Charges for services					
Water	2,089,105	2,137,696	2,269,956	2,468,262	
Sewer	3,312,124	3,350,920	3,566,620	3,690,346	
Other activities	1,134,506	1,279,576	1,304,434	1,401,848	
Operating grants and contributions	—	—	—	—	
Capital grants and contributions	—	<u>52,515</u>	<u>28,938</u>	—	
Total business-type activities program revenues	<u>6,535,735</u>	<u>6,820,707</u>	<u>7,169,948</u>	<u>7,560,456</u>	
Total primary government program revenues	<u><u>\$ 11,830,298</u></u>	<u><u>\$ 13,200,867</u></u>	<u><u>\$ 13,918,720</u></u>	<u><u>\$ 13,512,483</u></u>	

(1) Ambulance operations were reclassified from business-type activities to governmental activities starting in 2023.

Table 2
Page 1 of 2

2018	2019	2020	2021	2022	2023
\$ 4,629,620	\$ 4,708,747	\$ 4,149,340	\$ 3,964,045	\$ 4,912,123	\$ 4,953,282
7,072,727	7,280,339	7,584,153	7,004,086	9,687,863	13,147,924
7,220,285	6,533,252	6,928,423	7,263,966	7,997,552	7,640,477
1,111,275	942,126	929,587	658,923	730,891	685,137
—	—	—	—	—	—
<u>465,817</u>	<u>544,093</u>	<u>517,707</u>	<u>437,048</u>	<u>541,822</u>	<u>593,487</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>	<u>27,020,307</u>
2,115,819	2,135,180	2,260,406	2,232,207	2,436,109	3,005,788
3,643,966	3,519,978	3,537,017	3,448,749	3,588,282	3,847,314
1,300,076	1,769,612	1,864,796	1,901,995	1,902,625	—
552,104	521,727	542,891	624,858	721,784	791,674
<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>7,644,776</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>	<u>\$ 34,665,083</u>
\$ 839,413	\$ 862,205	\$ 1,215,355	\$ 1,012,488	\$ 2,742,510	\$ 3,012,375
450,396	449,984	447,339	611,028	682,361	754,202
2,886	—	—	57,649	—	—
1,432,620	1,192,965	1,080,009	1,148,068	2,050,377	4,239,188
800,006	907,007	3,094,523	3,885,793	1,083,407	2,408,500
1,913,242	4,466,687	1,956,503	5,963,072	3,872,353	5,824,646
<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>	<u>16,238,911</u>
2,447,687	2,332,706	2,398,578	2,760,062	2,720,823	3,037,185
3,973,512	4,015,582	3,911,315	4,160,810	4,298,701	4,554,099
1,585,997	1,492,020	1,315,169	1,853,573	1,054,840	612,230
98,702	87,227	160,712	96,847	292,789	571,734
—	—	—	—	—	7,853
<u>8,105,898</u>	<u>7,927,535</u>	<u>7,785,774</u>	<u>8,871,292</u>	<u>8,367,153</u>	<u>8,783,101</u>
<u>\$ 13,544,461</u>	<u>\$ 15,806,383</u>	<u>\$ 15,579,503</u>	<u>\$ 21,549,390</u>	<u>\$ 18,798,161</u>	<u>\$ 25,022,012</u>

CITY OF OAKDALE

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

	2014	2015	2016	2017	Fiscal Year
Net (expense) revenue					
Governmental activities	\$ (14,558,498)	\$ (12,967,989)	\$ (16,733,356)	\$ (14,901,336)	
Business-type activities	<u>12,828</u>	<u>31,309</u>	<u>(155,446)</u>	<u>185,873</u>	
Total primary government net expense	<u><u>\$ (14,545,670)</u></u>	<u><u>\$ (12,936,680)</u></u>	<u><u>\$ (16,888,802)</u></u>	<u><u>\$ (14,715,463)</u></u>	
General revenues and other changes in net position					
Governmental activities					
General property taxes	\$ 9,876,804	\$ 9,303,933	\$ 9,999,148	\$ 10,595,705	
Tax increment collections	411,624	419,597	571,911	645,410	
Local option sales tax	–	–	–	–	
Franchise fees	483,779	492,424	490,438	491,645	
Unrestricted grants and contributions	121,034	172,727	162,562	159,260	
Other general revenues	–	–	–	–	
Investment earnings (charges)	859,060	238,620	281,118	276,721	
Gain on disposal of capital assets	725	8,983	133,954	33,841	
Transfers	<u>129,336</u>	<u>752,257</u>	<u>950,975</u>	<u>795,657</u>	
Total governmental activities	<u>11,882,362</u>	<u>11,388,541</u>	<u>12,590,106</u>	<u>12,998,239</u>	
Business-type activities					
General property taxes	98,074	183,304	243,364	248,233	
Unrestricted grants and contributions	–	–	–	12	
Investment earnings (charges)	517,858	127,166	84,681	156,060	
Gain on disposal of capital assets	–	–	–	23,500	
Transfers	<u>(129,336)</u>	<u>(752,257)</u>	<u>(950,975)</u>	<u>(795,657)</u>	
Total business-type activities	<u>486,596</u>	<u>(441,787)</u>	<u>(622,930)</u>	<u>(367,852)</u>	
Total primary government	<u><u>\$ 12,368,958</u></u>	<u><u>\$ 10,946,754</u></u>	<u><u>\$ 11,967,176</u></u>	<u><u>\$ 12,630,387</u></u>	
Change in net position					
Governmental activities	\$ (2,676,136)	\$ (1,579,448)	\$ (4,143,250)	\$ (1,903,097)	
Business-type activities	<u>519,424</u>	<u>(410,478)</u>	<u>(778,376)</u>	<u>(181,979)</u>	
Total primary government	<u><u>\$ (2,156,712)</u></u>	<u><u>\$ (1,989,926)</u></u>	<u><u>\$ (4,921,626)</u></u>	<u><u>\$ (2,085,076)</u></u>	

Table 2
Page 2 of 2

2018	2019	2020	2021	2022	2023
\$ (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)	\$ (10,781,396) 1,138,325
<u>\$ (14,567,228)</u>	<u>\$ (12,148,671)</u>	<u>\$ (12,734,817)</u>	<u>\$ (5,986,487)</u>	<u>\$ (13,720,890)</u>	<u>\$ (9,643,071)</u>
 \$ 11,344,210 839,413	\$ 11,989,811 902,206	\$ 12,595,493 995,115	\$ 13,237,393 946,180	\$ 14,121,692 1,024,908	\$ 15,976,001 779,683
—	—	—	—	—	1,806,007
495,206	496,085	496,372	665,512	649,033	631,270
208,182	211,465	237,139	262,874	456,504	215,772
—	—	—	—	20,154	—
294,033	814,055	410,978	62,283	(84,033)	1,862,143
5,441	13,643	89,964	157,896	49,575	120,158
<u>277,480</u>	<u>239,121</u>	<u>801,534</u>	<u>1,854,550</u>	<u>708,248</u>	<u>(10,294,918)</u>
<u>13,463,965</u>	<u>14,666,386</u>	<u>15,626,595</u>	<u>17,186,688</u>	<u>16,946,081</u>	<u>11,096,116</u>
 246,770	298,836	299,245	300,000	300,000	—
—	—	—	—	—	—
199,051	417,839	201,133	26,005	(56,079)	468,697
—	—	—	—	—	—
<u>(277,480)</u>	<u>(239,121)</u>	<u>(801,534)</u>	<u>(1,854,550)</u>	<u>(708,248)</u>	<u>10,294,918</u>
<u>168,341</u>	<u>477,554</u>	<u>(301,156)</u>	<u>(1,528,545)</u>	<u>(464,327)</u>	<u>10,763,615</u>
 <u>\$ 13,632,306</u>	<u>\$ 15,143,940</u>	<u>\$ 15,325,439</u>	<u>\$ 15,658,143</u>	<u>\$ 16,481,754</u>	<u>\$ 21,859,731</u>
 \$ (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)	\$ 314,720 11,901,940
 <u>\$ (934,922)</u>	<u>\$ 2,995,269</u>	<u>\$ 2,590,622</u>	<u>\$ 9,671,656</u>	<u>\$ 2,760,864</u>	<u>\$ 12,216,660</u>

CITY OF OAKDALE

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 254,379	\$ 232,741	\$ 155,397	\$ 182,621
Restricted	—	—	—	—
Committed	1,730,533	1,758,980	1,821,474	1,892,875
Assigned	—	—	—	—
Unassigned	<u>7,015,678</u>	<u>7,043,546</u>	<u>7,535,464</u>	<u>7,616,540</u>
Total General Fund	<u><u>\$ 9,000,590</u></u>	<u><u>\$ 9,035,267</u></u>	<u><u>\$ 9,512,335</u></u>	<u><u>\$ 9,692,036</u></u>
Other governmental funds				
Nonspendable	\$ 8,096	\$ 3,379	\$ 2,650	\$ 2,650
Restricted	7,729,096	9,638,209	5,995,336	8,548,909
Committed	776,204	1,234,071	1,469,510	1,145,564
Assigned	7,946,638	7,864,433	8,438,721	9,525,198
Unassigned	<u>(131,784)</u>	<u>(127,991)</u>	<u>(247,674)</u>	<u>(210,909)</u>
Total other governmental funds	<u><u>\$ 16,328,250</u></u>	<u><u>\$ 18,612,101</u></u>	<u><u>\$ 15,658,543</u></u>	<u><u>\$ 19,011,412</u></u>

Table 3

2018	2019	2020	2021	2022	2023
\$ 303,041	\$ 290,823	\$ 317,203	\$ 322,321	\$ 274,155	\$ 404,022
—	—	—	—	—	1,231,196
668,062	710,894	736,737	665,746	762,225	—
—	—	—	—	244,070	438,839
<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>13,191,993</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>	<u>\$ 15,266,050</u>
\$ 4,688	\$ 4,593	\$ 7,982	\$ 2,101	\$ 19,418	\$ 32,000
8,866,668	10,395,441	10,947,941	12,272,423	15,914,762	15,831,992
1,067,630	564,779	497,209	727,542	1,225,499	279,860
8,665,439	8,640,554	10,263,872	14,248,135	13,212,527	15,306,550
(424,933)	(1,380,739)	(3,040,375)	(46,391)	(1,596,815)	(1,285,850)
<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>	<u>\$ 30,164,552</u>

CITY OF OAKDALE

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

	2014	2015	2016	2017	Fiscal Year
Revenues					
Taxes	\$ 10,341,507	\$ 9,781,722	\$ 10,547,026	\$ 11,270,549	
Special assessments	2,175,501	1,934,747	2,447,251	4,069,611	
Franchise fees	483,779	492,424	490,438	491,645	
Licenses and permits	659,935	806,193	932,784	814,906	
Intergovernmental	1,264,383	1,782,425	1,112,090	1,163,777	
Charges for services	1,383,314	1,724,545	1,743,287	2,391,575	
Fines and forfeits	177,980	218,864	146,501	594,230	
Rents – interfund	150,000	150,000	150,000	150,000	
Investment earnings (charges)	859,060	238,620	281,118	276,721	
Refunds and reimbursements	30,194	12,618	43,301	23,322	
Contributions and donations	42,978	13,854	43,471	51,759	
Other	<u>161,052</u>	<u>115,183</u>	<u>140,849</u>	<u>64,430</u>	
Total revenues	<u>17,729,683</u>	<u>17,271,195</u>	<u>18,078,116</u>	<u>21,362,525</u>	
Expenditures					
Current					
General government	3,565,762	3,575,533	3,742,605	4,077,949	
Public safety	5,889,781	5,890,752	5,955,360	6,562,327	
Public works	2,767,981	2,588,341	3,421,550	2,449,351	
Community services and recreation	437,336	427,629	584,338	458,995	
Economic development	–	–	201,582	–	
Capital outlay					
General government	–	27,945	134,880	41,505	
Public safety	17,832	66,429	627,711	583,868	
Public works	584,774	842,460	508,002	451,905	
Community service and recreation	78,236	–	145,917	10,100	
Debt service					
Principal	13,576,760	3,266,360	11,671,360	3,581,360	
Interest	691,063	731,924	648,132	648,132	
Developer incentives	63,090	21,063	–	–	
Construction/acquisition costs	<u>3,607,268</u>	<u>4,358,471</u>	<u>2,640,272</u>	<u>4,411,023</u>	
Total expenditures	<u>31,279,883</u>	<u>21,796,907</u>	<u>30,281,709</u>	<u>23,276,515</u>	
Excess of revenues over (under) expenditures	(13,550,200)	(4,525,712)	(12,203,593)	(1,913,990)	
Other financing sources (uses)					
Equipment certificates issued	750,000	800,000	1,020,000	1,000,000	
Taxable tax increment bonds issued	6,720,000	–	4,315,000	–	
Bonds issued	2,330,000	2,555,000	2,470,000	2,700,000	
Refunding bonds issued	–	1,645,000	–	–	
Premium on debt issued	72,876	184,408	131,937	72,715	
Transfers in	1,539,996	1,609,988	1,740,004	1,640,004	
Transfers out	–	–	–	–	
Sale of capital assets	<u>725</u>	<u>8,983</u>	<u>133,954</u>	<u>33,841</u>	
Total other financing sources (uses)	<u>11,413,597</u>	<u>6,803,379</u>	<u>9,810,895</u>	<u>5,446,560</u>	
Net change in fund balances	<u>\$ (2,136,603)</u>	<u>\$ 2,277,667</u>	<u>\$ (2,392,698)</u>	<u>\$ 3,532,570</u>	
Debt service as a percentage of noncapital expenditures	<u>52.9%</u>	<u>23.7%</u>	<u>45.3%</u>	<u>23.5%</u>	

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

2018	2019	2020	2021	2022	2023
\$ 12,183,979	\$ 12,863,131	\$ 13,608,735	\$ 14,147,826	\$ 15,154,104	\$ 18,531,356
1,366,815	1,784,802	1,392,702	1,664,938	1,267,064	1,904,634
495,206	496,085	496,372	665,512	649,033	631,270
841,796	864,332	1,215,355	1,012,488	2,742,510	3,012,375
2,170,347	4,142,716	4,022,552	8,419,659	2,581,918	3,822,187
1,484,871	1,538,425	1,403,236	1,318,341	2,839,923	5,205,861
283,822	206,061	110,742	156,038	113,421	211,831
—	—	—	—	—	—
294,033	814,055	410,978	62,283	(84,033)	1,862,143
55,103	15,547	287,098	43,415	229,975	396,258
37,361	28,136	73,136	177,382	94,209	105,189
47,849	42,211	41,666	239,764	85,803	201,298
<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>	<u>35,884,402</u>
 4,230,363	 4,367,443	 3,796,660	 4,107,150	 4,527,462	 4,755,414
6,522,488	6,580,163	6,968,191	7,253,921	8,121,859	11,125,833
3,134,898	2,744,879	3,487,778	3,537,652	3,621,423	3,792,475
534,741	473,054	328,537	437,760	460,830	451,169
—	—	—	—	—	—
10,724	16,608	594,093	65,450	49,423	61,220
140,799	58,919	154,288	196,722	474,762	879,761
1,225,707	529,012	269,226	6,541,468	7,835,431	10,077,247
—	—	—	108,064	41,131	466,035
3,709,840	3,785,000	4,400,000	3,710,000	4,400,000	3,022,800
625,042	638,329	700,204	670,765	749,576	893,608
—	—	—	—	—	—
<u>3,980,116</u>	<u>9,545,222</u>	<u>5,074,283</u>	<u>—</u>	<u>—</u>	<u>—</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>	<u>35,525,562</u>
 (4,853,536)	 (5,943,128)	 (2,710,688)	 1,278,694	 (4,607,970)	 358,840
 940,000	 845,000	 715,000	 —	 —	 —
—	—	—	—	—	—
840,000	2,630,000	1,690,000	2,535,000	5,915,000	2,860,000
—	—	650,000	—	—	—
112,399	508,638	471,930	343,760	576,650	164,941
1,889,995	2,039,996	1,939,996	2,395,000	8,351,402	11,090,161
—	—	—	—	(5,890,777)	(10,048,624)
<u>2,810</u>	<u>13,643</u>	<u>89,964</u>	<u>261,180</u>	<u>49,575</u>	<u>120,158</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>4,186,636</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>\$ 4,545,476</u>
 <u>23.5%</u>	 <u>23.5%</u>	 <u>20.6%</u>	 <u>22.3%</u>	 <u>22.8%</u>	 <u>16.2%</u>

CITY OF OAKDALE

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

Fiscal Year	Tax Capacity				
	Real Property		All Other Property	Less Captured Tax Increment	Less Fiscal Disparities Contribution
	Residential Property	Commercial Property			
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)
2023	30,260,868	11,016,458	418,634	(1,055,330)	(4,279,766)

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
\$ 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
5,485,631	41,695,960	38.217	3,615,349,000	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	
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
2023	6.297	31.920	38.217	23.625	29.825	5.731	97.398

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	2023			2014		
	Taxable Capacity Value	Rank	Percentage of Taxable Capacity Value	Taxable Capacity Value	Rank	Percentage of Taxable Capacity Value
Hadley Estates of Minnesota, LLC	\$ 537,493	1	1.29 %	\$ 480,558	3	1.99 %
Larson Family Real Estate LLLP	389,416	2	0.93	—	—	—
STAG Industrial Holdings, LLC	351,560	3	0.84	—	—	—
Agree Limited Partnership	311,964	4	0.75	—	—	—
Oakdale Village, LLC	308,500	5	0.74	—	—	—
Xcel Energy	288,170	6	0.69	289,956	6	1.20
Family Resources Dev., Inc.	259,387	7	0.62	—	—	—
IRC Bergen Plaza LLC	253,934	8	0.61	—	—	—
Bigos Minnehaha Manor, LLC	252,139	9	0.60	—	—	—
Boomer Family, LLC	250,864	10	0.60	—	—	—
Imation Corporation	—	—	—	827,486	1	3.43
I & G Oakdale, LLC	—	—	—	494,806	2	2.05
Mills Properties	—	—	—	395,486	4	1.64
Inland Real Estate Trust	—	—	—	330,204	5	1.37
Menards	—	—	—	288,054	7	1.19
Target Corporation	—	—	—	180,538	8	0.75
GFI Investments	—	—	—	169,208	9	0.70
AP Oakdale Ltd. Partnership	—	—	—	159,210	10	0.66
Total	<u>\$ 3,203,427</u>		<u>7.68 %</u>	<u>\$ 3,615,506</u>		<u>14.99 %</u>

Source: Washington County

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CITY OF OAKDALE

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

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
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	5,092	10,733,894	99.1
2018	11,645,249	11,530,220	99.0	31,788	11,562,008	99.3
2019	12,245,295	12,143,534	99.2	46,336	12,189,870	99.5
2020	12,833,351	12,754,565	99.4	29,966	12,784,531	99.6
2021	13,532,996	13,384,976	98.9	66,009	13,450,985	99.4
2022	14,343,622	14,261,739	99.4	1,069	14,262,808	99.4
2023	16,064,857	15,867,201	98.8	—	15,867,201	98.8

CITY OF OAKDALE

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					
	G.O. Bonds	G.O. Improvement Bonds	G.O. Tax Increment Bonds	G.O. Taxable Housing Bonds	Other G.O. Temp Bonds	Finance Purchase
2014	\$ 2,273,083	\$ 19,350,159	\$ —	\$ 520,000	\$ 6,720,000	\$ 33,920
2015	2,419,278	21,090,656	—	485,000	6,720,000	27,560
2016	2,714,208	18,854,261	4,333,911	1,000,226	—	21,200
2017	2,872,934	18,834,371	4,332,969	965,213	—	21,200
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	—	—
2023	542,609	20,456,549	3,302,320	400,138	—	—

* 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

Technology Subscriptions	Less Amounts Restricted for Debt Service	Net	Percentage of Estimated Taxable Market Value	Percentage of Personal Income (1)	Per Capita (1)
\$ –	*	\$ 28,897,162	1.34 %	1.53 %	\$ 1,027
–	*	30,742,494	1.42	1.54	1,073
–	*	26,923,806	1.21	1.35	940
–	\$ 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
410,736	11,718,254	13,394,098	0.37	0.55	473

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CITY OF OAKDALE

Table 10Direct and Overlapping Governmental Activities Debt
as of December 31, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct debt			
City of Oakdale	\$ 25,112,352	100.00 %	\$ 25,112,352
Overlapping debt			
Washington County	90,860,000	9.10	8,268,260
Independent School District No. 622	438,010,000	30.60	134,031,060
Independent School District No. 832	45,355,000	1.30	589,615
Metropolitan Transit	230,580,000	0.90	2,075,220
Metropolitan Council	7,645,000	0.70	53,515
Total overlapping debt			<u>145,017,670</u>
Total direct and overlapping debt			<u>\$ 170,130,022</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

	2014	2015	2016	2017	Fiscal Year
Debt limit	\$ 64,455,516	\$ 70,075,617	\$ 71,606,280	\$ 73,241,085	
Total net debt applicable to the limit	<u>2,674,353</u>	<u>2,748,521</u>	<u>3,543,401</u>	<u>3,593,951</u>	
Legal debt margin	<u>\$ 61,781,163</u>	<u>\$ 67,327,096</u>	<u>\$ 68,062,879</u>	<u>\$ 69,647,134</u>	
Total net debt applicable to the limit as a percentage of debt limit	4.15%	3.92%	4.95%	4.91%	

Note: Under Minnesota state law, the City's net debt cannot exceed 3.00 percent of the estimated market value.

Table 11

2018	2019	2020	2021	2022	2023
\$ 78,519,153	\$ 83,799,375	\$ 90,161,058	\$ 93,334,188	\$ 95,968,242	\$ 111,709,920
<u>3,570,765</u>	<u>3,267,621</u>	<u>2,878,648</u>	<u>1,915,048</u>	<u>1,132,906</u>	<u>542,609</u>
<u><u>\$ 74,948,388</u></u>	<u><u>\$ 80,531,754</u></u>	<u><u>\$ 87,282,410</u></u>	<u><u>\$ 91,419,140</u></u>	<u><u>\$ 94,835,336</u></u>	<u><u>\$ 111,167,311</u></u>
4.55%	3.90%	3.19%	2.05%	1.18%	0.49%
<u>Legal Debt Margin Calculation for Fiscal Year 2023</u>					
Estimated market value					\$ 3,723,664,000
Debt limit (3.00 percent of market value)					111,709,920
Debt applicable to the limit					<u>542,609</u>
Legal debt margin					<u><u>\$ 111,167,311</u></u>

CITY OF OAKDALE

Pledged Revenue Coverage
Last Ten Fiscal Years

Table 12

Fiscal Year	Improvement Bonds				Tax Increment Bonds			
	Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2014	\$ 2,053,433	\$ 5,365,000	\$ 555,022	35 %	\$ 239,823	\$ 7,475,000	\$ 65,406	3 %
2015	1,821,407	2,570,000	468,864	60	239,823	—	108,621	221
2016	1,741,198	4,170,000	473,518	37	—	6,720,000	88,909	—
2017	3,641,115	2,700,000	422,374	117	150,000	—	106,339	141
2018	1,215,110	2,660,000	396,964	40	200,000	115,000	108,228	90
2019	1,649,735	2,655,000	365,008	55	250,000	175,000	105,328	89
2020	1,162,388	2,525,000	416,076	40	270,000	180,000	101,778	96
2021	1,220,353	2,580,000	461,252	40	279,000	180,000	98,178	100
2022	1,012,953	3,200,000	449,674	28	280,000	185,000	94,528	100
2023	1,066,676	2,140,000	651,394	38	282,000	190,000	90,778	100

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

CITY OF OAKDALE

Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Household Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
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
2023	28,303	86,003	43,460	2.3

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	2023		2014	
	Employees	Rank	Employees	Rank
3M Company	10,000	1	11,000	1
Independent School District No. 622	1,458	2	1,550	3
Slumberland (Corporate)	385	3	—	—
MnDOT	257	4	4,800	2
First Student Transportation	255	5	—	—
Hy-Vee	228	6	—	—
Fleet Farm	226	7	250	8
Carestream Health	199	8	—	—
Target Corporation	179	9	170	10
Canvas Health	150	10	—	—
Imation Corporation	—	—	1,500	4
Washington County	—	—	1,100	5
Educational Credit Management	—	—	450	6
Hartford Group	—	—	254	7
Human Services	—	—	175	9
Total	13,337		21,249	

Note: The percentage of total city employment is unavailable.

Source: Minnesota Department of Labor and Industry
Local Survey

CITY OF OAKDALE

Table 15

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary government										
General government	15.00	16.50	16.00	16.00	16.00	15.00	16.00	16.00	18.00	19.00
Public safety	48.00	48.50	48.50	48.50	48.00	48.50	48.50	50.00	69.00	74.00
Public works	22.00	21.50	23.00	23.00	22.00	24.00	24.00	24.00	21.00	22.00
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	4.00	4.00	4.00	4.50	4.50	4.50
Sewer	3.75	3.75	3.75	3.75	4.00	4.00	4.00	4.50	4.50	4.50
Ambulance	6.00	8.00	8.00	8.00	12.00	12.00	12.00	11.00	—	—
Total	101.50	105.00	106.00	106.00	109.00	110.50	111.50	113.00	120.00	127.00

Source: Various government departments

CITY OF OAKDALE

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2015	2016	2017
Police				
Physical arrests	680	680	630	647
Parking violations	1,137	1,140	937	955
Traffic violations	1,941	1,998	2,095	2,095
Felony offenses	1,257	1,250	450	450
Gross and minor misdemeanor offenses	1,341	1,350	2,080	2,080
Fire				
Emergency responses	2,196	2,335	2,583	2,762
Fires extinguished	43	61	64	71
Inspections	524	592	645	574
Building inspection				
Permits issued				
Residential	1,594	1,634	1,935	2,189
Commercial	414	413	377	443
Other public works				
Street resurfacing (miles)	3.4	4.0	4.0	3.1
Potholes repaired	275	275	275	260
Parks and recreation				
Athletic field permits issued	295	295	295	280
Program participants	—	—	—	—
Discovery Center rentals	—	—	—	—
Picnic shelter rentals	—	—	—	—
Water				
New connections	16	22	22	18
Water main breaks	13	3	3	7
Average daily consumption (thousands of gallons)	2,830	2,277	2,318	2,415
Peak daily consumptions (thousands of gallons)	5,062	4,810	4,840	5,276

Note: Indicators are not available for the general government function. For 2019 and 2020, the number of potholes repaired and athletic field permits issued were not tracked. New operating indicators were developed for parks and recreation beginning in 2019.

Source: Various city departments

Table 16

2018	2019	2020	2021	2022	2023
549	630	494	460	521	479
279	330	321	397	294	295
906	1,802	1,425	1,449	1,034	717
395	561	623	882	857	659
1,839	1,953	1,797	2,376	2,523	1,967
2,832	2,844	2,832	3,258	3,655	3,776
71	41	81	133	90	83
659	659	300	300	275	300
2,703	1,993	2,375	2,562	4,194	2,453
390	371	335	318	153	264
3.1	3.6	3.5	2.5	2.2	3.0
285	—	—	290	300	320
280	—	—	280	280	280
—	27,000	10,000	20,000	20,000	20,000
—	57	6	39	59	65
—	221	127	272	262	228
5	4	2	31	85	70
10	19	13	18	8	19
2,313	2,076	2,285	1,830	1,747	1,603
4,715	4,269	3,250	3,862	3,136	4,028

CITY OF OAKDALE

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2015	2016	2017
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

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
3	3	3	3	3	3
2	2	2	2	2	2
98	98	98	98	99	100
N/A	N/A	2,112	2,112	2,128	2,128
18	18	18	18	18	18
N/A	N/A	624	624	638	638
11	11	11	11	13	13
19	19	19	19	17	17
11	11	11	11	11	11
132	132	132	134	134	134
1,353	1,353	1,353	1,373	1,630	1,661
4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
103	103	103	105	110	111
57	57	57	58	64	65

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