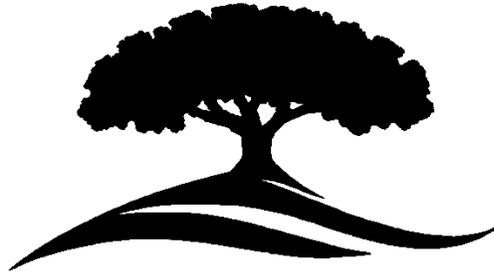


CITY OF



ARDEN HILLS

ARDEN HILLS, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

CITY OF ARDEN HILLS
RAMSEY COUNTY, MINNESOTA

Annual Comprehensive Financial Report
Year Ended
December 31, 2023

REPORT PREPARED BY
FINANCE DEPARTMENT

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CITY OF ARDEN HILLS
RAMSEY COUNTY, MINNESOTA

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CITY OF ARDEN HILLS
RAMSEY COUNTY, MINNESOTA

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**INTRODUCTORY SECTION
(TAB)**



May 6, 2024

To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Arden Hills, Minnesota

State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Malloy, Montague, Karnowski, Radosevich & Co., P.A. (MMKR), Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Arden Hills, Minnesota’s (the City) 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.

The management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City, incorporated in 1951, is a northern suburb of the Minneapolis/St. Paul metropolitan area, situated in Ramsey County. The City occupies 9.65 square miles and serves an estimated population of 9,706. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the “Optional Plan A” form of government as defined in Minnesota Statutes. Under this plan, the government of the City is directed by a City Council composed of an elected mayor and four elected councilmembers. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. Councilmembers serve four-year terms, with two members elected every two years. The mayor is elected for a four-year term. The mayor and members of the City Council are elected at large.

The City provides a full range of services: the construction and maintenance of streets and other infrastructure; recreational and cultural activities; water, sewer, surface water management, and recycling systems; community development, building inspection, and planning; and general government operations, including administration, finance/accounting, community information (newsletter), and general government buildings. The City contracts with Ramsey County for police services, Lake Johanna Fire Department for fire services, and Metro-INET for information services.

The City Council is required to adopt a final budget by late December for the subsequent year. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Transfers of appropriations between funds require the approval of the City Council. The legal level of budgetary control is the fund level. Budgeted amounts may be amended by the City Council. Governmental funds with annually adopted budgets include the General Fund and most special revenue funds. A budget was not legally adopted for the two special revenue funds established for specific short-term projects: Karth Lake Improvement District and American Rescue Plan Act Funds.

The City's capital improvement program (covering five years), the pavement management plan (covering five years), and the Twin Cities Army Ammunition Plant (TCAAP) development plan, along with the annual budget, serve as the foundation for the City's financial planning, and the annual budget serves as the budget control.

LOCAL ECONOMY

A number of high-profile leaders in the medical, technology, and business sectors, including Boston Scientific, Land O'Lakes, Intricon, Delkor, Venture Solutions, Colder Products Company, and Presbyterian Homes, are located within the City. These leaders of industry provide high-paying jobs to skilled employees, which in turn creates a strong base for economic diversity, quality housing, and an involved citizenry.

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past 10 years, the unemployment rate has fluctuated from a high of 7.0 percent in 2020, to a low of 2.6 percent in 2022. The current rate is 2.7 percent.

During the past 10 years, property taxes have remained a stable and significant source of total General Fund and special revenue fund revenues. Intergovernmental makes up approximately 2.9 percent of total revenues in the General Fund and special revenue funds for the current fiscal year.

LONG-TERM FINANCIAL PLANNING

The unassigned General Fund balance of \$2,878,628 (47.4 percent of total subsequent year General Fund expenditures budgeted) does not meet the 50.0 percent target set by the City Council for budgetary and planning purposes. The total General Fund balance also includes \$39,554 of nonspendable equity for prepaid items, \$105,483 of assigned equity for compensated absences, and \$182,070 assigned equity for the subsequent year's budget.

The City's five-year capital improvement program and pavement management plan serve as the foundation for the City's long-term financial planning. To ensure the timely replacement of infrastructure, the City prepares long-term cost projections for the replacement of all city assets. Funding needs for capital replacements are reflected in tax levies and special assessments for capital assets, and are reflected in user fees established for the Water, Sewer, Surface Water Management, and Recycling Funds.

Projections for the next 10 years indicate that property tax contributions, user fees, and investment income will need to be reevaluated to support scheduled replacements. In 2012, the City entered into a Joint Powers Agreement with Ramsey County to form a Joint Development Authority to acquire and develop a portion of the Army property, formerly known as TCAAP. Ramsey County officially acquired this property April 15, 2013, and has cleaned it to residential standards. The City completed the TCAAP Redevelopment Code in late 2016, which guides the land use on the site. In 2019, Ramsey County brought litigation against the City; however, that litigation was resolved in 2021 in the City's favor. The land remains shovel ready, pending future development agreements; any future development on the site is expected to add to the City's tax base and could include commercial/industrial, residential, and civic uses. The site is approximately 430 acres.

RELEVANT FINANCIAL POLICIES

The City utilizes various financial and budget policies to guide the City Council and staff when making financial decisions. The primary objective of these policies is to guarantee effective delivery of city services to residents and businesses, and to ensure protection of the City's financial strength and flexibility through a revenue structure and long-term planning effort that is consistent with City Council goals and working capital targets. The City uses a conservative approach in making ongoing revenue assumptions by utilizing growth patterns and knowledge of the developing areas. As part of the annual budget process, the City reviews its financial and budget policies. There have been no significant changes to these policies from the previous year.

MAJOR INITIATIVES

The largest initiative on the City's horizon is the TCAAP project, as previously mentioned. This project is a joint effort between the City, Ramsey County, and a master developer. When completed, this project will represent almost a 40 percent population increase to the City, as well as a significant increase to the commercial and industrial sectors. City representatives are working hard to ensure the development is a long-term, sustainable project that adds to the City's diverse residents, businesses, and open space without burdening the existing city taxpayer. The TCAAP project is expected to be a destination site for the region and serve as a model for future developments.

ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2022. This is the 17th year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department, and through the helpful guidance and assistance from our auditing firm, MMKR. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Dave Perrault
City Administrator



Jua Yang
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Arden Hills
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

RAMSEY COUNTY, MINNESOTA

City Council and Appointed Officials
December 31, 2023

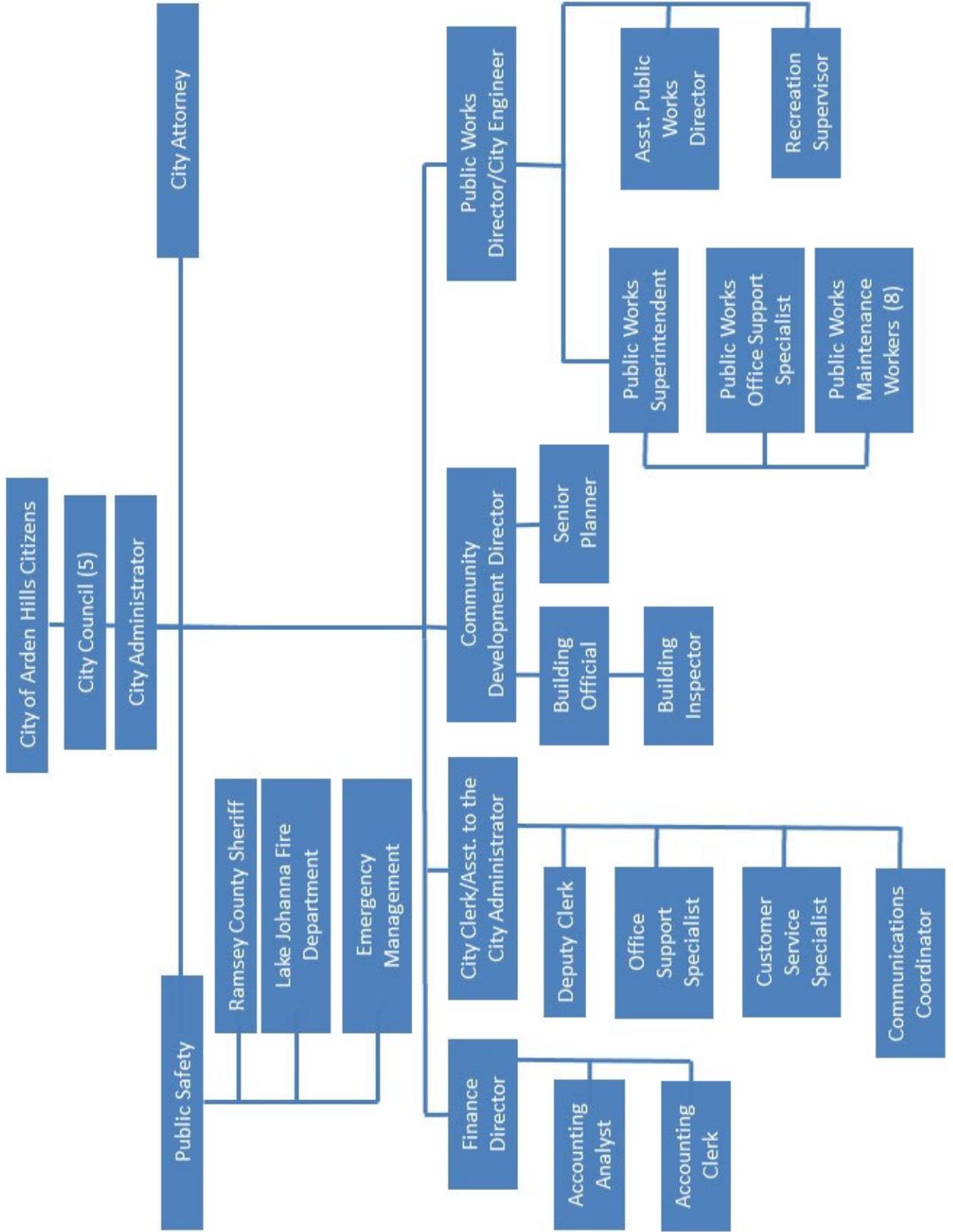
CITY COUNCIL

| | | <u>Term Expires</u> |
|----------------|---------------|---------------------|
| David Grant | Mayor | December 31, 2026 |
| Thomas Fabel | Councilmember | December 31, 2024 |
| Brenda Holden | Councilmember | December 31, 2024 |
| Tena Monson | Councilmember | December 31, 2026 |
| Emily Rousseau | Councilmember | December 31, 2026 |

APPOINTED OFFICIALS

| | |
|---------------|--------------------|
| Dave Perrault | City Administrator |
| Joua Yang | Finance Director |
| Julie Hanson | City Clerk |
| Joel Jamnik | City Attorney |

2023 City of Arden Hills Organization Chart



**FINANCIAL SECTION
(TAB)**



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 Arden Hills, 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 Arden Hills, 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, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for the 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 6, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota
May 6, 2024

CITY OF ARDEN HILLS

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

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$65,816,555 (*net position*). Of this amount, \$16,578,594 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,192,189 in 2023.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,164,527. Of this total amount, \$43,847 is nonspendable and \$2,103,255 is restricted, leaving an unrestricted (committed, assigned, and unassigned) balance of \$10,017,425.
- At the end of the current fiscal year, the General Fund has a total fund balance of \$3,205,735. At December 31, 2023, the unassigned fund balance of the General Fund was \$2,878,628, or 47.4 percent, of the subsequent year's budgeted expenditures.

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 include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents 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 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, parks and recreation, and economic development. The business-type activities of the City include water, sewer, surface water management, and recycling.

The government-wide financial statements can be found in the financial section following this report.

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 funds 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 city's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 reports two individual major governmental funds. Information is presented separately in the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Permanent Improvement Revolving Fund, which are considered to be major funds.

Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and most special revenue funds. A budget was not legally adopted for the two special revenue funds established for specific short-term projects: Karth Lake Improvement District and American Rescue Plan Act Funds. A budgetary comparison schedule has been provided for these remaining special revenue funds to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found in the financial section of this report immediately following the government-wide financial statements.

Proprietary Funds – The City maintains two different types of proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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, surface water management, and recycling operations. Water, sewer, and surface water management are considered to be major funds of the City.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains internal service funds for risk management, engineering, central garage, and technology. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements can be found in the financial section of this report immediately following the governmental funds 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. The notes to basic financial statements can be found following the proprietary funds statements within the financial section of this report.

Other Information – In addition to the basic financial statements and accompanying notes, 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 and internal service funds, which are presented immediately following the basic financial statements.

Further, a statistical section has been included as part of the ACFR to facilitate additional analysis, and is the third and final section of the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes in net position. It should be noted that the financial position can also be affected by nonfinancial factors, including economic conditions, population growth, and new regulations.

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. As presented in the following condensed version of the Statement of Net Position, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$65,816,555 at December 31, 2023.

The largest portion of the City's net position, \$47,134,671, or 71.6 percent, reflects its net investment in capital assets (e.g., land, construction in progress, buildings and structures, infrastructure and improvements, distribution and collection systems, machinery and equipment, office furniture and equipment, and vehicles) 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 investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources; since the capital assets themselves cannot be used to liquidate these liabilities.

The following table provides the City's Summary of Net Position:

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Assets | | | | | | |
| Current and other assets | \$ 16,187,151 | \$ 17,097,598 | \$ 7,147,691 | \$ 5,696,668 | \$ 23,334,842 | \$ 22,794,266 |
| Capital assets | 28,274,898 | 28,400,370 | 20,526,445 | 20,840,566 | 48,801,343 | 49,240,936 |
| Total assets | <u>\$ 44,462,049</u> | <u>\$ 45,497,968</u> | <u>\$ 27,674,136</u> | <u>\$ 26,537,234</u> | <u>\$ 72,136,185</u> | <u>\$ 72,035,202</u> |
| Deferred outflows of resources | <u>\$ 260,510</u> | <u>\$ 320,433</u> | <u>\$ 199,510</u> | <u>\$ 245,804</u> | <u>\$ 460,020</u> | <u>\$ 566,237</u> |
| Liabilities | | | | | | |
| Other liabilities | \$ 1,620,818 | \$ 3,155,831 | \$ 376,534 | \$ 356,573 | \$ 1,997,352 | \$ 3,512,404 |
| Long-term liabilities outstanding | 903,488 | 1,142,549 | 2,314,462 | 2,758,202 | 3,217,950 | 3,900,751 |
| Total liabilities | <u>\$ 2,524,306</u> | <u>\$ 4,298,380</u> | <u>\$ 2,690,996</u> | <u>\$ 3,114,775</u> | <u>\$ 5,215,302</u> | <u>\$ 7,413,155</u> |
| Deferred inflows of resources | <u>\$ 1,348,321</u> | <u>\$ 1,536,301</u> | <u>\$ 216,027</u> | <u>\$ 27,617</u> | <u>\$ 1,564,348</u> | <u>\$ 1,563,918</u> |
| Net position | | | | | | |
| Net investment in capital assets | \$ 28,247,394 | \$ 28,318,503 | \$ 18,887,277 | \$ 18,960,842 | \$ 47,134,671 | \$ 47,279,345 |
| Restricted | 2,103,290 | 1,641,206 | - | - | 2,103,290 | 1,641,206 |
| Unrestricted | 10,499,248 | 10,024,011 | 6,079,346 | 4,679,804 | 16,578,594 | 14,703,815 |
| Total net position | <u>\$ 40,849,932</u> | <u>\$ 39,983,720</u> | <u>\$ 24,966,623</u> | <u>\$ 23,640,646</u> | <u>\$ 65,816,555</u> | <u>\$ 63,624,366</u> |

Restricted net position of \$2,103,290 comprises 3.2 percent of net position at the close of the fiscal year ended December 31, 2023. These resources are subject to external restrictions on how they may be used.

The balance of unrestricted net position, \$16,578,594, or approximately 25.2 percent, may be used to meet the City's ongoing obligations to citizens and creditors. Certain balances within unrestricted net position may have internally imposed commitments or limitations, which may further limit the purpose for which such net position may be used.

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

Both governmental activities and business-type activities experienced changes in deferred outflows of resources, deferred inflows of resources, and long-term liabilities as a result of the City's participation in a state-wide defined benefit pension plan. Positive operating results in the City's utility operations also increased current and other assets in the current year. Other liabilities were down compared to the prior year, primarily due to less ongoing construction in the current year and a reduction in both contract-related payables and escrow deposits.

The following table provides a condensed version of the Statement of Activities for the year ended December 31, 2023, with comparative amounts for the year ended December 31, 2022:

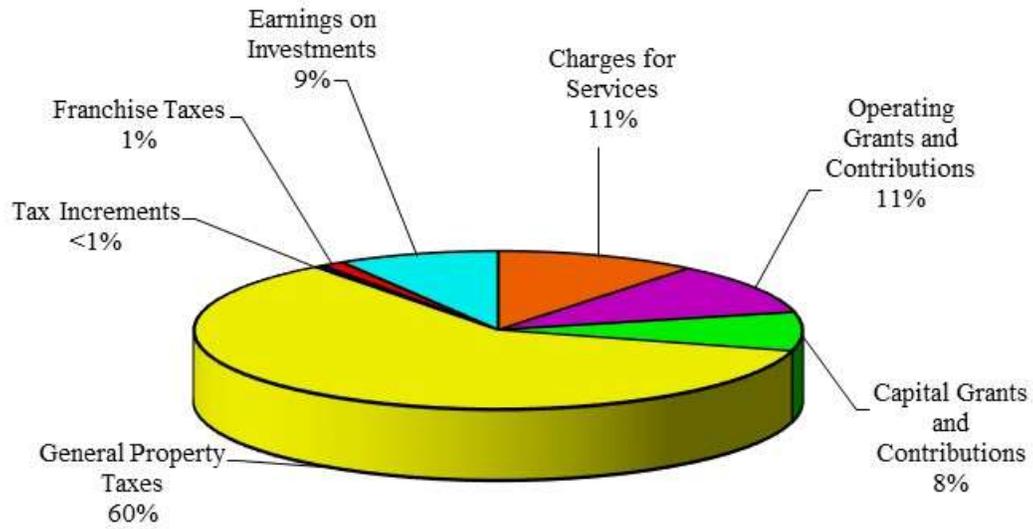
| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 814,081 | \$ 1,307,456 | \$ 6,559,319 | \$ 6,140,224 | \$ 7,373,400 | \$ 7,447,680 |
| Operating grants and contributions | 805,615 | 375,965 | 29,253 | 30,323 | 834,868 | 406,288 |
| Capital grants and contributions | 597,246 | 902,926 | 129,949 | 651,490 | 727,195 | 1,554,416 |
| General revenues | | | | | | |
| General property taxes | 4,570,332 | 4,404,477 | – | – | 4,570,332 | 4,404,477 |
| Tax increments | 36,365 | 338,899 | – | – | 36,365 | 338,899 |
| Franchise taxes | 92,096 | 94,320 | – | – | 92,096 | 94,320 |
| Earnings on investments (charges) | 649,693 | (460,213) | 277,586 | (100,660) | 927,279 | (560,873) |
| Gain on sale of capital assets | – | 197,910 | – | – | – | 197,910 |
| Total revenues | <u>7,565,428</u> | <u>7,161,740</u> | <u>6,996,107</u> | <u>6,721,377</u> | <u>14,561,535</u> | <u>13,883,117</u> |
| Expenses | | | | | | |
| General government | 1,505,270 | 1,299,419 | – | – | 1,505,270 | 1,299,419 |
| Public safety | 2,889,826 | 2,663,521 | – | – | 2,889,826 | 2,663,521 |
| Public works | 1,327,617 | 1,796,184 | – | – | 1,327,617 | 1,796,184 |
| Parks and recreation | 1,136,248 | 1,013,507 | – | – | 1,136,248 | 1,013,507 |
| Economic development | 140,255 | 199,988 | – | – | 140,255 | 199,988 |
| Water | – | – | 2,677,247 | 2,473,906 | 2,677,247 | 2,473,906 |
| Sewer | – | – | 1,864,808 | 1,817,972 | 1,864,808 | 1,817,972 |
| Surface water management | – | – | 673,556 | 610,730 | 673,556 | 610,730 |
| Recycling | – | – | 154,519 | 173,092 | 154,519 | 173,092 |
| Total expenses | <u>6,999,216</u> | <u>6,972,619</u> | <u>5,370,130</u> | <u>5,075,700</u> | <u>12,369,346</u> | <u>12,048,319</u> |
| Increase in net position before transfers | 566,212 | 189,121 | 1,625,977 | 1,645,677 | 2,192,189 | 1,834,798 |
| Transfers | 300,000 | 300,000 | (300,000) | (300,000) | – | – |
| Increase in net position | 866,212 | 489,121 | 1,325,977 | 1,345,677 | 2,192,189 | 1,834,798 |
| Net position – beginning | <u>39,983,720</u> | <u>39,494,599</u> | <u>23,640,646</u> | <u>22,294,969</u> | <u>63,624,366</u> | <u>61,789,568</u> |
| Net position – ending | <u>\$ 40,849,932</u> | <u>\$ 39,983,720</u> | <u>\$ 24,966,623</u> | <u>\$ 23,640,646</u> | <u>\$ 65,816,555</u> | <u>\$ 63,624,366</u> |

Governmental Activities – Current year operating results of governmental activities increased net position by \$866,212, compared to an increase of \$489,121 in the prior year. Revenues were up in the current year, largely with more operating grants for public safety and improved investment earnings. These favorable results more than offset the revenue reductions in other areas with a decline in development projects this year. Expenses were up slightly over the prior year with shifts in expense levels between program activities.

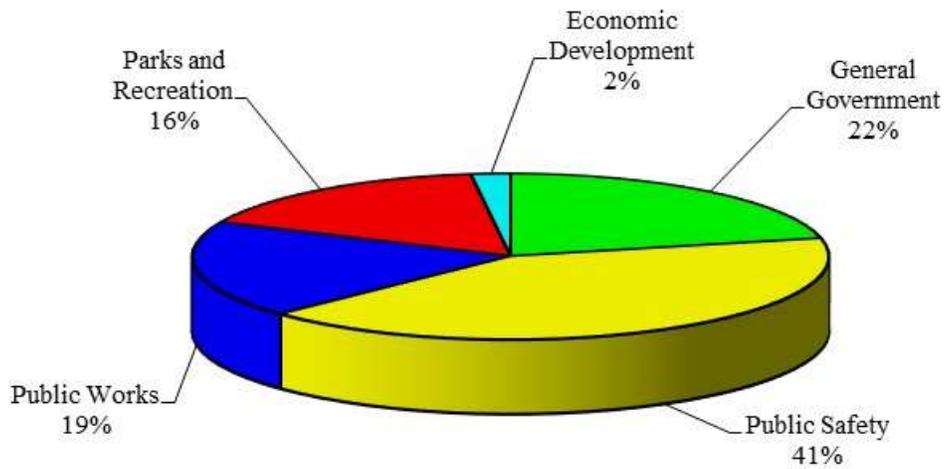
Business-Type Activities – Current year operating results of business-type activities increased net position by \$1,325,977, due to positive results of the utility operations of the City. Program revenues exceeded program expenses for each of the City’s business-type activities. A decrease in federal funding utilized for water and sewer improvements reduced capital grants and contributions in the business-type activities in the current year. Improved investment earnings also benefited business-type activities in fiscal 2023. Expenses increased over the prior year with the largest increase in purchased water costs for the water utility.

Below are specific graphs that provide comparisons of the governmental activities' revenue and expenses:

Governmental Activities – Revenue

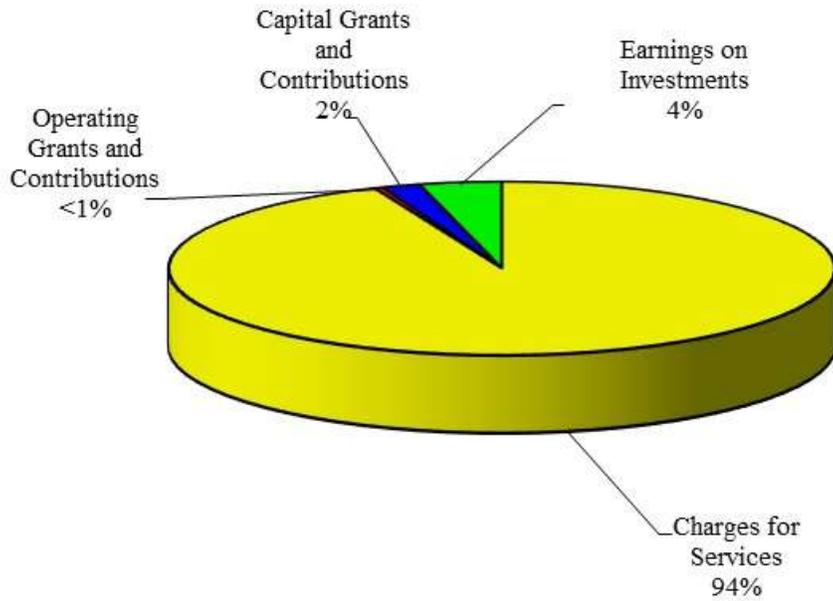


Governmental Activities – Expenses

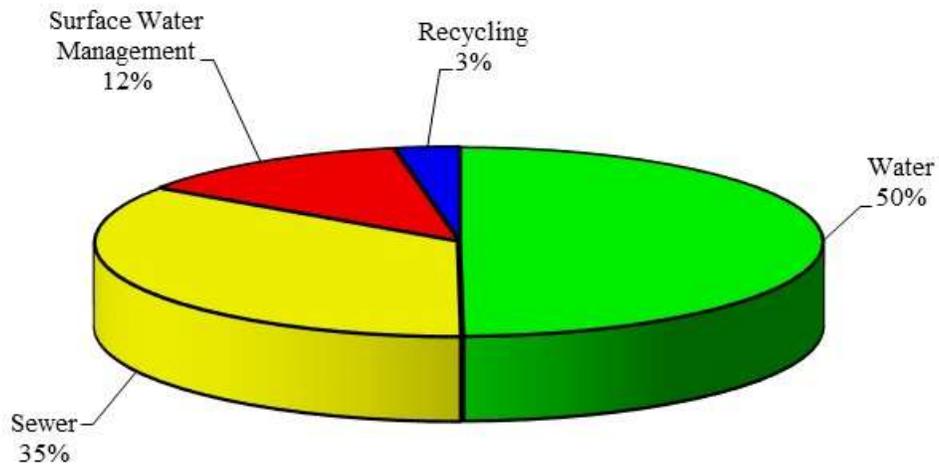


Below are specific graphs that provide comparisons of the business-type activities' revenue and expenses:

Business-Type Activities – Revenue



Business-Type Activities – Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 \$12,164,527, an increase of \$1,500,822 in comparison with the prior year. Committed, assigned, and unassigned fund balance, which are available for spending at the government's discretion, have a total balance of \$10,017,425 at year-end. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been obligated: 1) for cable TV purposes (\$806), 2) for tax increment purposes (\$1,471,705), 3) for park improvements (\$197,648), 4) for public safety (\$433,096), or 5) is not in spendable form for prepaid items (\$43,847).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,878,628, while total fund balance equaled \$3,205,735. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to expenditures. Unassigned fund balance represents 47.4 percent of the total subsequent year's General Fund expenditures.

General Fund revenues slightly exceeded current year expenditures. The City Council approved a transfer to the Permanent Improvement Revolving Fund of \$171,140 for capital purposes. After making this transfer in the current year, fund balance of the City's General Fund decreased by \$160,502. A discussion of these actual results, compared to budget, is presented later in this report.

Fund balance in the Permanent Improvement Revolving Fund increased by \$903,178 in the current year. The expenditures in this fund will fluctuate based on the timing and completion of street and trail projects. Revenues tend to be more consistent from year to year, as the City utilizes an annual levy and other sources that are accumulated over several years, along with other funding sources to complete larger capital-related projects. The transfer from the General Fund, as previously discussed, along with current year revenues of taxes, grants, and investments, exceeded current year capital spending for public works and parks and recreation. The City was in a transition period in the current year with wrapping up several larger projects and in the planning process for upcoming capital projects of the City. The tax levy and capital plan allow the City to continue to complete larger capital street, park, and trail projects without requiring significant debt.

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

Unrestricted net position in the respective proprietary funds includes: \$3,426,902 for water, \$1,623,212 for sewer, \$788,809 for surface water management, and \$240,423 for recycling. Water net position increased \$473,575, sewer net position increased \$566,678, surface water management net position increased \$251,800, and recycling net position increased \$33,924 during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total General Fund revenues were \$15,265 less than estimated in the budget. An increase in abatements and less tax collections than anticipated caused general property taxes to come in less than projected in the budget. Licenses and permits, along with charges for services, were under budget as development activity was less than anticipated in the current year. Improved investment earnings and conservative budgeting for this source nearly offset the negative variances in the previously mentioned sources. Conservative assumptions, active budget management, and open positions all contributed to expenditures coming in less than anticipated. Larger savings in areas of planning and zoning, street maintenance, and recreation all contributed to the spending variance in the current year.

During the year, the City Council approved budget amendments, which increased expenditures by \$60,990 and transfers out by \$171,140, providing supplemental appropriations and moving available resources to other funds.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets – The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$48,801,343 (net of accumulated depreciation). This investment in capital assets includes items such as land, construction in progress, buildings and structures, infrastructure and improvements, distribution and collection systems, machinery and equipment, office furniture and equipment, and vehicles.

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 2,669,467 | \$ 2,669,467 | \$ – | \$ – | \$ 2,669,467 | \$ 2,669,467 |
| Construction in progress | 1,624,492 | 2,090,423 | 614,676 | 735,625 | 2,239,168 | 2,826,048 |
| Buildings and structures | 3,327,046 | 3,564,010 | 455,517 | 497,060 | 3,782,563 | 4,061,070 |
| Infrastructure and improvements | 19,318,012 | 18,697,408 | – | – | 19,318,012 | 18,697,408 |
| Distribution and collection systems | – | – | 19,204,518 | 19,331,477 | 19,204,518 | 19,331,477 |
| Machinery and equipment | 319,016 | 299,262 | 251,734 | 276,404 | 570,750 | 575,666 |
| Office furniture and equipment | 3,909 | 8,857 | – | – | 3,909 | 8,857 |
| Vehicles | 1,012,956 | 1,070,943 | – | – | 1,012,956 | 1,070,943 |
| Total | <u>\$ 28,274,898</u> | <u>\$ 28,400,370</u> | <u>\$ 20,526,445</u> | <u>\$ 20,840,566</u> | <u>\$ 48,801,343</u> | <u>\$ 49,240,936</u> |

Increases in the current year included ongoing projects for park improvements, pedestrian trails, streets, and related utility infrastructure contributing to the changes in the table above as of year-end.

Additional information on the City’s capital assets can be found in Note 4 of the notes to basic financial statements.

Long-Term Liabilities – At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,560,000, which is secured by specified revenue sources.

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Utility revenue bonds | \$ – | \$ – | \$ 1,560,000 | \$ 1,785,000 | \$ 1,560,000 | \$ 1,785,000 |
| Premium | – | – | 79,168 | 94,724 | 79,168 | 94,724 |
| Compensated absences | 105,483 | 98,255 | 64,143 | 77,404 | 169,626 | 175,659 |
| Net pension liability | 798,005 | 1,044,294 | 611,151 | 801,074 | 1,409,156 | 1,845,368 |
| Total | \$ 903,488 | \$ 1,142,549 | \$ 2,314,462 | \$ 2,758,202 | \$ 3,217,950 | \$ 3,900,751 |

State statutes limit the amount of net debt a Minnesota city may issue to 3 percent of total estimated market value.

Outstanding debt for utility revenue bonds was anticipated with scheduled bond payments as approved at the time of originally issuing these obligations.

The decrease in the net pension liability, compared to the prior year, was due to the change in the City’s proportionate share of pension obligations for the Public Employees Retirement Association – General Employees Retirement Fund state-wide pension plan.

Additional information on the City’s long-term liabilities can be found in Note 5 of the notes to basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Dramatic increases in local government aids and other state sources are not anticipated based on legislation at the time of writing this report.
- Property tax collection rates are expected to remain strong, at or near the 2023 level.
- The 2024 budget approved for the General Fund anticipates expenditures and other financing uses to exceed revenues and other financing sources by \$182,070, which is included in assigned fund balance at December 31, 2023.
- All of these factors were considered in preparing the City’s budget for the 2024 fiscal year.

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 report, or requests for additional financial information, should be addressed to the finance department, 1245 West Highway 96, Arden Hills, Minnesota 55112.

**BASIC FINANCIAL STATEMENTS
TAB**

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CITY OF ARDEN HILLS

Statement of Net Position
as of December 31, 2023

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| Assets | | | |
| Cash and investments | \$ 13,927,277 | \$ 5,371,781 | \$ 19,299,058 |
| Accrued interest receivable | 64,748 | 28,435 | 93,183 |
| Accounts receivable | 51,155 | 1,711,362 | 1,762,517 |
| Taxes receivable | 103,553 | – | 103,553 |
| Special assessments receivable | 1,169,505 | – | 1,169,505 |
| Leases receivable | 779,183 | – | 779,183 |
| Due from other governmental units | 46,790 | – | 46,790 |
| Prepaid items | 44,940 | 23,022 | 67,962 |
| Inventory | – | 13,091 | 13,091 |
| Capital assets | | | |
| Nondepreciable | 4,293,959 | 614,676 | 4,908,635 |
| Depreciable, net of accumulated depreciation | 23,980,939 | 19,911,769 | 43,892,708 |
| Total assets | <u>44,462,049</u> | <u>27,674,136</u> | <u>72,136,185</u> |
| Deferred outflows of resources | | | |
| Pension plan deferments – PERA | 260,510 | 199,510 | 460,020 |
| Liabilities | | | |
| Accounts payable | 203,087 | 73,673 | 276,760 |
| Salaries payable | 95,770 | – | 95,770 |
| Deposits payable | 974,885 | – | 974,885 |
| Due to other governmental units | 150,895 | 279,194 | 430,089 |
| Accrued interest payable | – | 23,667 | 23,667 |
| Unearned revenue | 196,181 | – | 196,181 |
| Long-term liabilities (bonds and compensated absences) | | | |
| Due within one year | 79,112 | 282,940 | 362,052 |
| Due in more than one year | 26,371 | 1,420,371 | 1,446,742 |
| Net pension liability | | | |
| Due in more than one year | 798,005 | 611,151 | 1,409,156 |
| Total liabilities | <u>2,524,306</u> | <u>2,690,996</u> | <u>5,215,302</u> |
| Deferred inflows of resources | | | |
| Pension plan deferments – PERA | 282,074 | 216,027 | 498,101 |
| Lease revenues for subsequent years | 779,183 | – | 779,183 |
| State aid received for subsequent years | 287,064 | – | 287,064 |
| Total deferred inflows of resources | <u>1,348,321</u> | <u>216,027</u> | <u>1,564,348</u> |
| Net position | | | |
| Net investment in capital assets | 28,247,394 | 18,887,277 | 47,134,671 |
| Restricted for | | | |
| Cable TV | 841 | – | 841 |
| Tax increment purposes | 1,471,705 | – | 1,471,705 |
| Park improvements | 197,648 | – | 197,648 |
| Public safety | 433,096 | – | 433,096 |
| Unrestricted | 10,499,248 | 6,079,346 | 16,578,594 |
| Total net position | <u>\$ 40,849,932</u> | <u>\$ 24,966,623</u> | <u>\$ 65,816,555</u> |

See notes to basic financial statements

CITY OF ARDEN HILLS

Balance Sheet
Governmental Funds
as of December 31, 2023

| | General | Permanent Improvement Revolving | Other Governmental Funds | Intra-Activity Eliminations | Total Governmental Funds |
|---|---------------------|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Assets | | | | | |
| Cash and investments | \$ 4,253,316 | \$ 5,815,975 | \$ 3,659,448 | \$ - | \$ 13,728,739 |
| Accrued interest receivable | 22,369 | 28,089 | 13,420 | - | 63,878 |
| Accounts receivable | 21,478 | - | 29,677 | - | 51,155 |
| Taxes receivable | 102,803 | - | 750 | - | 103,553 |
| Special assessments receivable | 3,628 | 1,165,877 | - | - | 1,169,505 |
| Interfund receivable | - | 194,879 | 38,941 | (233,820) | - |
| Leases receivable | 779,183 | - | - | - | 779,183 |
| Due from other governmental units | 46,790 | - | - | - | 46,790 |
| Prepaid items | 39,554 | - | 4,293 | - | 43,847 |
| Total assets | \$ 5,269,121 | \$ 7,204,820 | \$ 3,746,529 | \$ (233,820) | \$ 15,986,650 |
| Liabilities | | | | | |
| Accounts payable | \$ 110,610 | \$ 67,519 | \$ 21,277 | \$ - | \$ 199,406 |
| Salaries payable | 95,770 | - | - | - | 95,770 |
| Deposits payable | 974,885 | - | - | - | 974,885 |
| Interfund payable | - | - | 233,820 | (233,820) | - |
| Due to other governmental units | 17,051 | 121,551 | 659 | - | 139,261 |
| Unearned revenue | 59,745 | - | 136,436 | - | 196,181 |
| Total liabilities | 1,258,061 | 189,070 | 392,192 | (233,820) | 1,605,503 |
| Deferred inflows of resources | | | | | |
| Unavailable revenue – taxes | 22,514 | - | 750 | - | 23,264 |
| Unavailable revenue – special assessments | 3,628 | 1,123,481 | - | - | 1,127,109 |
| Lease revenues for subsequent years | 779,183 | - | - | - | 779,183 |
| State aid received for subsequent years | - | 287,064 | - | - | 287,064 |
| Total deferred inflows of resources | 805,325 | 1,410,545 | 750 | - | 2,216,620 |
| Fund balances (deficits) | | | | | |
| Nonspendable | 39,554 | - | 4,293 | - | 43,847 |
| Restricted | - | - | 2,103,255 | - | 2,103,255 |
| Committed | - | - | 713,987 | - | 713,987 |
| Assigned | 287,553 | 5,605,205 | 751,632 | - | 6,644,390 |
| Unassigned | 2,878,628 | - | (219,580) | - | 2,659,048 |
| Total fund balances | 3,205,735 | 5,605,205 | 3,353,587 | - | 12,164,527 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 5,269,121 | \$ 7,204,820 | \$ 3,746,529 | \$ (233,820) | \$ 15,986,650 |
| Fund balances reported above | | | | | \$ 12,164,527 |
| 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 the funds. | | | | | |
| Nondepreciable | | | | | 4,293,959 |
| Depreciable, net of accumulated depreciation | | | | | 23,980,939 |
| Internal service funds are used to allocate costs to individual funds. Net position is included in governmental activities in the Statement of Net Position. | | | | | |
| | | | | | 185,186 |
| Certain long-term obligations are not payable with current financial resources and, therefore, are not reported in governmental funds. | | | | | |
| Compensated absences | | | | | (105,483) |
| Net pension liability | | | | | (798,005) |
| The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements. | | | | | |
| Deferred outflows of resources – pension plans | | | | | 260,510 |
| Deferred inflows of resources – pension plans | | | | | (282,074) |
| Deferred inflows of resources – unavailable revenues (taxes, special assessments, and long-term receivable) | | | | | 1,150,373 |
| Net position of governmental activities | | | | | \$ 40,849,932 |

CITY OF ARDEN HILLS

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

| | General | Permanent Improvement Revolving | Other Governmental Funds | Intra-Activity Eliminations | Total Governmental Funds |
|---|---------------------|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | |
| Property taxes | | | | | |
| General property taxes | \$ 3,963,077 | \$ 250,000 | \$ 370,000 | \$ – | \$ 4,583,077 |
| Tax increments | – | – | 36,365 | – | 36,365 |
| Special assessments | – | 358,438 | – | – | 358,438 |
| Licenses and permits | 471,742 | – | – | – | 471,742 |
| Intergovernmental | 167,376 | 496,444 | 433,096 | – | 1,096,916 |
| Charges for services | 342,339 | – | – | – | 342,339 |
| Fines and forfeits | 24,681 | – | – | – | 24,681 |
| Earnings on investments | 209,901 | 286,248 | 146,704 | – | 642,853 |
| Franchise taxes | – | – | 92,096 | – | 92,096 |
| Antenna lease rental fees | 143,305 | – | – | – | 143,305 |
| Miscellaneous reimbursements | 24,076 | – | – | – | 24,076 |
| Other | 7,658 | 150,000 | 34,151 | – | 191,809 |
| Total revenues | 5,354,155 | 1,541,130 | 1,112,412 | – | 8,007,697 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 1,235,704 | – | 148,475 | – | 1,384,179 |
| Public safety | 2,704,012 | – | – | – | 2,704,012 |
| Public works | 682,510 | – | – | – | 682,510 |
| Parks and recreation | 721,291 | – | – | – | 721,291 |
| Economic development | – | – | 81,788 | – | 81,788 |
| Capital outlay | | | | | |
| General government | – | – | 47,249 | – | 47,249 |
| Public safety | – | – | 168,558 | – | 168,558 |
| Public works | – | 289,823 | 128,403 | – | 418,226 |
| Parks and recreation | – | 519,269 | 91,518 | – | 610,787 |
| Total expenditures | 5,343,517 | 809,092 | 665,991 | – | 6,818,600 |
| Revenues over expenditures | 10,638 | 732,038 | 446,421 | – | 1,189,097 |
| Other financing sources (uses) | | | | | |
| Sale of capital assets | – | – | 11,725 | – | 11,725 |
| Transfers in | – | 171,140 | 300,000 | (171,140) | 300,000 |
| Transfers out | (171,140) | – | – | 171,140 | – |
| Total other financing sources (uses) | (171,140) | 171,140 | 311,725 | – | 311,725 |
| Net changes in fund balances | (160,502) | 903,178 | 758,146 | – | 1,500,822 |
| Fund balances – beginning | 3,366,237 | 4,702,027 | 2,595,441 | – | 10,663,705 |
| Fund balances – ending | <u>\$ 3,205,735</u> | <u>\$ 5,605,205</u> | <u>\$ 3,353,587</u> | <u>\$ –</u> | <u>\$ 12,164,527</u> |

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CITY OF ARDEN HILLS

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

| | |
|---|-------------------|
| Net changes in fund balances – total governmental funds | \$ 1,500,822 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | |
| Capital outlay | 927,911 |
| Depreciation expense | (1,045,469) |
| A gain or loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balance. | |
| | (7,914) |
| Adjustments are made between the governmental funds and the Statement of Activities for the long-term liability activity of the net pension liability. | |
| | 246,289 |
| The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements. | |
| Deferred outflows of resources – pension plans | (59,923) |
| Deferred inflows of resources – pension plans | (246,074) |
| Deferred inflows of resources – unavailable revenues | (449,209) |
| Internal service funds are used to allocate costs to individual funds. The net revenue of the internal service funds is reported with governmental activities in the government-wide financial statements. | |
| | 7,007 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | |
| Compensated absences | (7,228) |
| Change in net position of governmental activities | <u>\$ 866,212</u> |

CITY OF ARDEN HILLS

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

| | Business-Type Activities – Enterprise Funds | | | | Totals | Internal Service Funds |
|---|---|---------------------|--------------------------------|-----------------------|----------------------|------------------------------|
| | Water | Sewer | Surface Water Management | Nonmajor Recycling | | |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and investments | \$ 3,197,732 | \$ 1,223,383 | \$ 706,162 | \$ 244,504 | \$ 5,371,781 | \$ 198,538 |
| Accrued interest receivable | 16,089 | 6,871 | 4,281 | 1,194 | 28,435 | 870 |
| Accounts receivable | | | | | | |
| Customers | 720,018 | 639,966 | 257,882 | – | 1,617,866 | – |
| Customer accounts certified to county | 39,719 | 43,407 | 5,434 | 4,936 | 93,496 | – |
| Prepaid items | 7,674 | 7,674 | 7,674 | – | 23,022 | 1,093 |
| Inventory | 13,091 | – | – | – | 13,091 | – |
| Total current assets | 3,994,323 | 1,921,301 | 981,433 | 250,634 | 7,147,691 | 200,501 |
| Noncurrent assets | | | | | | |
| Capital assets | | | | | | |
| Construction in progress | 188,371 | 170,889 | 255,416 | – | 614,676 | – |
| Buildings and structures | 818,476 | 16,564 | – | – | 835,040 | – |
| Distribution and collection systems | 13,560,356 | 11,122,807 | 6,164,970 | – | 30,848,133 | – |
| Machinery and equipment | 301,210 | 337,852 | – | – | 639,062 | – |
| Total capital assets | 14,868,413 | 11,648,112 | 6,420,386 | – | 32,936,911 | – |
| Less accumulated depreciation | (6,052,470) | (4,939,764) | (1,418,232) | – | (12,410,466) | – |
| Total capital assets (net of accumulated depreciation) | 8,815,943 | 6,708,348 | 5,002,154 | – | 20,526,445 | – |
| Total assets | 12,810,266 | 8,629,649 | 5,983,587 | 250,634 | 27,674,136 | 200,501 |
| Deferred outflows of resources | | | | | | |
| Pension plan deferments – PERA | 66,979 | 76,823 | 55,708 | – | 199,510 | – |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable | 53,253 | 10,950 | 414 | 9,056 | 73,673 | 3,681 |
| Due to other governmental units | 261,799 | 17,395 | – | – | 279,194 | 11,634 |
| Accrued interest payable | 20,479 | 3,188 | – | – | 23,667 | – |
| Bonds payable | 205,000 | 30,000 | – | – | 235,000 | – |
| Compensated absences payable | 15,879 | 18,650 | 12,712 | 699 | 47,940 | – |
| Total current liabilities | 556,410 | 80,183 | 13,126 | 9,755 | 659,474 | 15,315 |
| Noncurrent liabilities | | | | | | |
| Bonds payable (net of premium) | 1,213,485 | 190,683 | – | – | 1,404,168 | – |
| Compensated absences payable | 5,293 | 6,217 | 4,237 | 456 | 16,203 | – |
| Net pension liability | 205,173 | 235,329 | 170,649 | – | 611,151 | – |
| Total noncurrent liabilities | 1,423,951 | 432,229 | 174,886 | 456 | 2,031,522 | – |
| Total liabilities | 1,980,361 | 512,412 | 188,012 | 10,211 | 2,690,996 | 15,315 |
| Deferred inflows of resources | | | | | | |
| Pension plan deferments – PERA | 72,524 | 83,183 | 60,320 | – | 216,027 | – |
| Net position | | | | | | |
| Net investment in capital assets | 7,397,458 | 6,487,665 | 5,002,154 | – | 18,887,277 | – |
| Unrestricted | 3,426,902 | 1,623,212 | 788,809 | 240,423 | 6,079,346 | 185,186 |
| Total net position | \$ 10,824,360 | \$ 8,110,877 | \$ 5,790,963 | \$ 240,423 | \$ 24,966,623 | \$ 185,186 |

See notes to basic financial statements

CITY OF ARDEN HILLS

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

| | Business-Type Activities – Enterprise Funds | | | | Totals | Internal Service Funds |
|--|---|---------------------|--------------------------------|-----------------------|----------------------|------------------------------|
| | Water | Sewer | Surface Water Management | Nonmajor Recycling | | |
| Operating revenues | | | | | | |
| Charges for services | \$ 3,043,265 | \$ 2,388,625 | \$ 940,981 | \$ 150,564 | \$ 6,523,435 | \$ 561,413 |
| Permit fees | 4,160 | 2,640 | – | – | 6,800 | – |
| Miscellaneous | 7,249 | 3,233 | 17,826 | 776 | 29,084 | 2,433 |
| Total operating revenues | <u>3,054,674</u> | <u>2,394,498</u> | <u>958,807</u> | <u>151,340</u> | <u>6,559,319</u> | <u>563,846</u> |
| Operating expenses | | | | | | |
| Personal services | 400,475 | 472,190 | 342,440 | 31,739 | 1,246,844 | – |
| Supplies and maintenance | 42,435 | 24,081 | 12,336 | – | 78,852 | 117,843 |
| Other services and charges | 341,235 | 187,145 | 127,025 | 6,900 | 662,305 | 74,125 |
| Rent | 30,503 | 30,963 | 13,761 | – | 75,227 | – |
| Insurance | 23,083 | 40,065 | 4,122 | 605 | 67,875 | – |
| Utilities | 15,642 | 23,025 | – | – | 38,667 | – |
| Purchased services | 30,200 | 14,752 | 10,435 | 6,648 | 62,035 | 371,711 |
| Purchased water | 1,380,690 | – | – | – | 1,380,690 | – |
| Recycling charges | – | – | – | 108,627 | 108,627 | – |
| Sewer charges | – | 845,369 | – | – | 845,369 | – |
| Depreciation | 376,642 | 221,567 | 163,437 | – | 761,646 | – |
| Total operating expenses | <u>2,640,905</u> | <u>1,859,157</u> | <u>673,556</u> | <u>154,519</u> | <u>5,328,137</u> | <u>563,679</u> |
| Operating income (loss) | 413,769 | 535,341 | 285,251 | (3,179) | 1,231,182 | 167 |
| Nonoperating revenues (expenses) | | | | | | |
| Intergovernmental revenue | 2,533 | 29 | 21 | 26,670 | 29,253 | – |
| Earnings on investments | 157,530 | 69,095 | 40,528 | 10,433 | 277,586 | 6,840 |
| Interest and fiscal charges | (36,342) | (5,651) | – | – | (41,993) | – |
| Total nonoperating revenues (expenses) | <u>123,721</u> | <u>63,473</u> | <u>40,549</u> | <u>37,103</u> | <u>264,846</u> | <u>6,840</u> |
| Income before contributions and transfers | 537,490 | 598,814 | 325,800 | 33,924 | 1,496,028 | 7,007 |
| Capital contributions – connection fees | 36,085 | 26,003 | – | – | 62,088 | – |
| Capital contributions – capital grants | – | 67,861 | – | – | 67,861 | – |
| Transfers out | (100,000) | (126,000) | (74,000) | – | (300,000) | – |
| Change in net position | 473,575 | 566,678 | 251,800 | 33,924 | 1,325,977 | 7,007 |
| Net position | | | | | | |
| Beginning of year | <u>10,350,785</u> | <u>7,544,199</u> | <u>5,539,163</u> | <u>206,499</u> | <u>23,640,646</u> | <u>178,179</u> |
| End of year | <u>\$ 10,824,360</u> | <u>\$ 8,110,877</u> | <u>\$ 5,790,963</u> | <u>\$ 240,423</u> | <u>\$ 24,966,623</u> | <u>\$ 185,186</u> |

CITY OF ARDEN HILLS

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

| | Business-Type Activities – Enterprise Funds | | | | Totals | Internal Service Funds |
|--|---|---------------------|--------------------------|--------------------|---------------------|------------------------|
| | Water | Sewer | Surface Water Management | Nonmajor Recycling | | |
| Cash flows from operating activities | | | | | | |
| Receipts from customers and users | \$ 2,952,232 | \$ 2,326,483 | \$ 945,818 | \$ 150,816 | \$ 6,375,349 | \$ 563,846 |
| Payments to suppliers | (1,734,768) | (1,106,706) | (113,666) | (115,588) | (3,070,728) | (568,902) |
| Payments to employees | (395,696) | (469,714) | (316,613) | (33,301) | (1,215,324) | – |
| Payments for interfund services used | (74,923) | (77,443) | (54,201) | (6,900) | (213,467) | – |
| Net cash flows from operating activities | 746,845 | 672,620 | 461,338 | (4,973) | 1,875,830 | (5,056) |
| Cash flows from noncapital financing activities | | | | | | |
| Cash received from other funds | – | – | – | – | – | 150 |
| Cash paid to other funds | – | – | – | – | – | (150) |
| Grants received | 2,533 | 29 | 21 | 26,670 | 29,253 | – |
| Transfers out | (100,000) | (126,000) | (74,000) | – | (300,000) | – |
| Net cash flows from noncapital financing activities | (97,467) | (125,971) | (73,979) | 26,670 | (270,747) | – |
| Cash flows from capital and related financing activities | | | | | | |
| Acquisition and construction of capital assets | (14,257) | (375,298) | (57,970) | – | (447,525) | – |
| Capital contributions – connection fees received | 36,085 | 26,003 | – | – | 62,088 | – |
| Capital contributions – capital grants received | – | 67,861 | – | – | 67,861 | – |
| Principal payments on bonds | (195,000) | (30,000) | – | – | (225,000) | – |
| Interest paid | (53,049) | (8,250) | – | – | (61,299) | – |
| Net cash flows from capital and related financing activities | (226,221) | (319,684) | (57,970) | – | (603,875) | – |
| Cash flows from investing activities | | | | | | |
| Earnings on investments | 151,348 | 65,116 | 37,652 | 10,120 | 264,236 | 6,705 |
| Net change in cash and cash equivalents | 574,505 | 292,081 | 367,041 | 31,817 | 1,265,444 | 1,649 |
| Cash and cash equivalents – beginning | 2,623,227 | 931,302 | 339,121 | 212,687 | 4,106,337 | 196,889 |
| Cash and cash equivalents – ending | <u>\$ 3,197,732</u> | <u>\$ 1,223,383</u> | <u>\$ 706,162</u> | <u>\$ 244,504</u> | <u>\$ 5,371,781</u> | <u>\$ 198,538</u> |
| Reconciliation of operating income (loss) to net cash flows from operating activities | | | | | | |
| Operating income (loss) | \$ 413,769 | \$ 535,341 | \$ 285,251 | \$ (3,179) | \$ 1,231,182 | \$ 167 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities | | | | | | |
| Depreciation | 376,642 | 221,567 | 163,437 | – | 761,646 | – |
| Decrease (increase) in accounts receivables | (98,442) | (68,015) | (12,989) | (524) | (179,970) | – |
| Decrease (increase) in prepaid items | (367) | (367) | (367) | – | (1,101) | (330) |
| Decrease (increase) in inventory | 8,842 | – | – | – | 8,842 | – |
| Decrease (increase) in deferred outflows | 17,957 | 22,042 | 6,295 | – | 46,294 | – |
| Increase (decrease) in accounts payable | 33,101 | (1,161) | 179 | 292 | 32,411 | (536) |
| Increase (decrease) in deposits payable | (4,000) | – | – | – | (4,000) | – |
| Increase (decrease) in due to other governments | 12,521 | (17,221) | – | – | (4,700) | (4,357) |
| Increase (decrease) in compensated absences payable | (4,527) | (4,769) | (2,403) | (1,562) | (13,261) | – |
| Increase (decrease) in net pension liability | (71,632) | (86,872) | (31,419) | – | (189,923) | – |
| Increase (decrease) in deferred inflows | 62,981 | 72,075 | 53,354 | – | 188,410 | – |
| Total adjustments | 333,076 | 137,279 | 176,087 | (1,794) | 644,648 | (5,223) |
| Net cash flows from operating activities | <u>\$ 746,845</u> | <u>\$ 672,620</u> | <u>\$ 461,338</u> | <u>\$ (4,973)</u> | <u>\$ 1,875,830</u> | <u>\$ (5,056)</u> |
| Noncash investing, capital, and financing activities | | | | | | |
| Due from other governmental units | | | | | | |
| Amortization of bond premium/discount | \$ 13,457 | \$ 2,099 | \$ – | \$ – | \$ 15,556 | \$ – |

See notes to basic financial statements

CITY OF ARDEN HILLS

Notes to Basic Financial Statements
December 31, 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Arden Hills, Minnesota (the City) was incorporated in 1951 and operates under the “Optional Plan A” form of government as defined in Minnesota Statutes. Under this plan, the government of the City is directed by a council composed of an elected mayor and four elected councilmembers. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City.

The City provides the following municipal services: public safety (police, fire, civil defense, protective inspections, and animal control), highways and streets, sanitation and health, parks and recreation, public improvements, community development, and general administrative services.

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 unit. 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.

Blended component units, although legally separate entities, are, in substance, part of the City’s operations; therefore, data from these units are combined with data of the City. The City’s blended component unit has a December 31 year-end. The City has the following component unit:

Arden Hills Economic Development Authority (EDA) – The EDA of the City was created pursuant to Minnesota Statutes § 469.090–469.108 to carryout economic and industrial development and redevelopment consistent with policies established by the City Council. It is composed of the members of the City Council and the City has operational responsibility for the component unit. The EDA’s activities are blended and reported in separate special revenue funds. Separate financial statements are not issued for this component unit.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, when applicable, are reported as other financing sources.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds 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.

Aggregated information for the internal service funds 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 funds are 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 – The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Permanent Improvement Revolving Fund – The Permanent Improvement Revolving Fund (capital project fund) accounts for the acquisition of capital assets or construction for major capital projects not being financed by proprietary funds.

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 operations.

Sewer Fund – The Sewer Fund accounts for the sewer service charges, which are used to finance the sanitary sewer system operations.

Surface Water Management Fund – The Surface Water Management Fund accounts for the surface water charges, which are used to finance the surface water system operations.

The City reports the following nonmajor enterprise fund:

Recycling Fund – The Recycling Fund accounts for the recycling service charges, which are used to finance the City's recycling operations.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the City reports the following fund type:

Internal Service Funds – The internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost-reimbursement basis. The City’s internal service funds account for risk management, engineering, central garage, and technology services.

E. Budgets and Budgetary Accounting

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and most special revenue funds. A budget was not legally adopted for the two special revenue funds established for specific short-term projects: Karth Lake Improvement District and American Rescue Plan Act Funds. Budgeted expenditure appropriations lapse at year-end, but may be adopted in the subsequent year.

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

1. The city administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution. The appropriated budget is prepared by fund, function, and department. The City’s department heads, with the approval of the city administrator, may make transfers of appropriations within a department. Transfers of appropriations between funds require the approval of the City Council. The legal level of budgetary control is the fund level. Budgeted amounts are as amended by the City Council.
4. The city administrator is authorized to transfer appropriations within any fund budget. Adjustments to appropriations between funds, and budget additions and deletions must be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Fund (if necessary). 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.
7. 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. Budgetary control for capital projects funds is accomplished through the use of project controls, not legally enacted budgets. The appropriations are not reflected in the financial statements.

For the year ended December 31, 2023, actual expenditures exceeded budgeted expenditures in the Cable Special Revenue Fund by \$5,715. This variance was financed by available fund balance.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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.

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.

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. 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.

G. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "interfund receivables/payables." All short-term interfund receivables and payables at year-end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "advances receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Receivables

Property taxes and special assessments receivable have been reported net of estimated uncollectible accounts (see Note 1 I. and J.). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported. The only receivables not expected to be collected within one year are taxes, special assessments, leases, and the long-term receivable in the Permanent Improvement Revolving Fund.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property Taxes

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

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.

J. 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.

K. Inventories

The original cost of materials and supplies has been recorded as expenses/expenditures at the time of purchase for both the governmental and proprietary funds, with the exception of water meters in the Water Fund. These funds do not maintain material amounts of materials and supplies. The water meter inventory in the Water Fund is stated at the lower of cost or market on the first-in, first-out method.

L. 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 expenses/expenditures at the time of consumption.

M. Capital Assets

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include items dating back to June 30, 1980. These assets are reported at historical cost. The City estimated historical cost for the initial reporting of these assets through back trending (estimating the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost.

Capital assets are recorded in the government-wide and proprietary fund financial statements, but are not reported in the governmental fund financial statements. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| | |
|-------------------------------------|-------------|
| Buildings and structures | 7–40 years |
| Infrastructure and improvements | 15–50 years |
| Distribution and collection systems | 15–50 years |
| Machinery and equipment | 5–15 years |
| Office furniture and equipment | 5–10 years |
| Vehicles | 7–20 years |

Land and construction in progress are not depreciated.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused annual leave and sick pay benefits called personal time off (PTO). All PTO is accrued when incurred in the government-wide and proprietary fund financial statements. PTO is payable when used or upon termination of employment. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. A liability is recognized for that portion of accumulated PTO benefits that is vested as severance pay. PTO is payable when used and, in some cases, upon termination of employment. For regular employees, PTO is payable upon retirement or involuntary termination up to the amount accrued, not to exceed 240 hours, who have served at least 12 consecutive months prior to separation, and have given the City at least two weeks' notice prior to the effective date of such separation. The recorded portion of PTO (compensated absences) represents the estimated amount expected, based on previous years' history and those eligible for retirement, to be paid at separation.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. State-Wide Pension Plans

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

Q. Deferred Outflows/Inflows of Resources

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

The City reported deferred outflows and inflows of resources related to pensions in the government-wide and proprietary funds 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 standards.

Imposed nonexchange revenue transactions, state aid received for subsequent years, is deferred and recognized as an inflow of resources in the period that the resources are appropriated. This item is reported both in the governmental funds Balance Sheet and the government-wide Statement of Net Position as a deferred inflow of resources.

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

Unavailable revenue arises only under the modified accrual basis of accounting and, therefore, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

R. Net Position Classifications and Flow Assumptions

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

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or enabling legislation.
- **Unrestricted Net Position** – All other elements of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

S. 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 where there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or enabling legislation.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **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 restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to City Council resolution, the finance director and/or the city administrator is authorized to establish assignments of fund balance.
- **Unassigned** – The residual classification for the General Fund which also reflects negative residual amounts in other funds.

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

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

T. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

The City had the following cash and investments at year-end:

| Investment Type | Credit Risk | | Fair Value Measurements Using | Interest Risk – Maturity Duration in Years | | | | Total |
|------------------------------------|-------------|---------|-------------------------------------|---|---------------------|---------------------|--------------------------|---------------------|
| | Rating | Agency | | Less Than 1 Year | 1 to 5 Years | 6 to 10 Years | Greater Than 10 Years | |
| U.S. government agency securities | | | | | | | | |
| Federal Home Loan Bank | AA | S&P | Level 2 | \$ – | \$ 902,432 | \$ 1,117,183 | \$ – | \$ 2,019,615 |
| Federal Farm Credit Bank | AA | S&P | Level 2 | – | 285,471 | 1,386,327 | – | 1,671,798 |
| Municipal bonds | AAA | S&P | Level 2 | – | 606,512 | 425,834 | – | 1,032,346 |
| Municipal bonds | AAA | Moody's | Level 2 | – | 232,115 | – | – | 232,115 |
| Municipal bonds | AA | S&P | Level 2 | – | 1,053,227 | 3,082,461 | 376,796 | 4,512,484 |
| Municipal bonds | AA | Moody's | Level 2 | – | 616,803 | 1,381,916 | – | 1,998,719 |
| Municipal bonds | A | Moody's | Level 2 | – | 521,978 | 314,468 | – | 836,446 |
| Negotiable certificates of deposit | N/R | N/A | Level 2 | – | 1,686,058 | 240,833 | – | 1,926,891 |
| Investment pools/mutual funds | | | | | | | | |
| 4M Fund | N/R | N/A | N/A | 4,557,507 | – | – | – | 4,557,507 |
| 4M Term Series | N/R | N/A | N/A | 500,000 | – | – | – | 500,000 |
| Wells Fargo Money Market Advantage | AAA | S&P | Level 1 | 10,637 | – | – | – | 10,637 |
| Total investments | | | | <u>\$ 5,068,144</u> | <u>\$ 5,904,596</u> | <u>\$ 7,949,022</u> | <u>\$ 376,796</u> | <u>19,298,558</u> |
| Petty cash | | | | | | | | <u>500</u> |
| Total cash and investments | | | | | | | | <u>\$19,299,058</u> |

N/R – Not Rated
N/A – Not Applicable

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 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 and the bank balance was \$0, with the use of a depository sweep account. Any bank balance during the year was 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

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.

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 policies do not mandate a limit on the duration of investments.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5.0 percent or more) in the securities of a single issuer, excluding United States guaranteed investments (such as treasuries), investment pools, and mutual funds. The City’s investment policies state that no more than 5.0 percent of the overall portfolio may be invested in the securities of a single issuer, except for the securities of the United States government, or a maximum of 25.0 percent with any individual counterparty in an external investment pool. At December 31, 2023, the City’s investment in Federal Home Loan Bank and Federal Farm Credit bank represented 10.5 percent and 8.7 percent, respectively, of the total investments of the City.

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 3 – LEASE RECEIVABLE

The City has entered into lease receivable agreements for cell tower rental space on city property. The leases are reported using an incremental rate of 3.25 percent with a final maturity through fiscal 2030. During the current year, the City received principal and interest payments on these leases of \$143,305.

NOTE 4 – CAPITAL ASSETS

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

A. Governmental Activities

| | Beginning Balance | Increases | Decreases | Completed Construction | Ending Balance |
|--|----------------------|---------------------|-------------------|---------------------------|----------------------|
| Primary government | | | | | |
| Governmental activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 2,669,467 | \$ – | \$ – | \$ – | \$ 2,669,467 |
| Construction in progress | 2,090,423 | 735,865 | – | (1,201,796) | 1,624,492 |
| Total capital assets, not being depreciated | 4,759,890 | 735,865 | – | (1,201,796) | 4,293,959 |
| Capital assets, being depreciated | | | | | |
| Buildings and structures | 7,583,468 | – | – | – | 7,583,468 |
| Infrastructure and improvements | 24,492,134 | – | – | 1,201,796 | 25,693,930 |
| Machinery and equipment | 1,017,462 | 63,621 | – | – | 1,081,083 |
| Office furniture and equipment | 153,553 | – | – | – | 153,553 |
| Vehicles | 2,272,053 | 128,425 | (39,572) | – | 2,360,906 |
| Total capital assets, being depreciated | 35,518,670 | 192,046 | (39,572) | 1,201,796 | 36,872,940 |
| Less accumulated depreciation for | | | | | |
| Buildings and structures | 4,019,458 | 236,964 | – | – | 4,256,422 |
| Infrastructure and improvements | 5,794,726 | 581,192 | – | – | 6,375,918 |
| Machinery and equipment | 718,200 | 43,867 | – | – | 762,067 |
| Office furniture and equipment | 144,696 | 4,948 | – | – | 149,644 |
| Vehicles | 1,201,110 | 178,498 | (31,658) | – | 1,347,950 |
| Total accumulated depreciation | 11,878,190 | 1,045,469 | (31,658) | – | 12,892,001 |
| Total capital assets being depreciated – net | 23,640,480 | (853,423) | (7,914) | 1,201,796 | 23,980,939 |
| Governmental activities capital assets – net | <u>\$ 28,400,370</u> | <u>\$ (117,558)</u> | <u>\$ (7,914)</u> | <u>\$ –</u> | <u>\$ 28,274,898</u> |

B. Business-Type Activities

| | Beginning Balance | Increases | Decreases | Completed Construction | Ending Balance |
|---|----------------------|---------------------|-------------|---------------------------|----------------------|
| Primary government | | | | | |
| Business-type activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Construction in progress | \$ 735,625 | \$ 447,525 | \$ – | \$ (568,474) | \$ 614,676 |
| Capital assets, being depreciated | | | | | |
| Buildings and structures | 835,040 | – | – | – | 835,040 |
| Distribution and collection systems | 30,279,659 | – | – | 568,474 | 30,848,133 |
| Machinery and equipment | 639,062 | – | – | – | 639,062 |
| Total capital assets, being depreciated | 31,753,761 | – | – | 568,474 | 32,322,235 |
| Less accumulated depreciation for | | | | | |
| Buildings and structures | 337,980 | 41,543 | – | – | 379,523 |
| Distribution and collection systems | 10,948,182 | 695,433 | – | – | 11,643,615 |
| Machinery and equipment | 362,658 | 24,670 | – | – | 387,328 |
| Total accumulated depreciation | 11,648,820 | 761,646 | – | – | 12,410,466 |
| Total capital assets, being depreciated – net | 20,104,941 | (761,646) | – | 568,474 | 19,911,769 |
| Business-type activities capital assets – net | <u>\$ 20,840,566</u> | <u>\$ (314,121)</u> | <u>\$ –</u> | <u>\$ –</u> | <u>\$ 20,526,445</u> |

NOTE 4 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Depreciation expense was charged to the following functions:

| | |
|--------------------------|---------------------|
| Governmental activities | |
| General government | \$ 108,921 |
| Public safety | 6,562 |
| Public works | 628,947 |
| Parks and recreation | 242,867 |
| Economic development | 58,172 |
| | <u>\$ 1,045,469</u> |
| Business-type activities | |
| Water | \$ 376,642 |
| Sewer | 221,567 |
| Surface water management | 163,437 |
| | <u>\$ 761,646</u> |

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

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

| | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Interest Rate</u> | <u>Authorized and Issued</u> | <u>Balance – End of Year</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|----------------------------------|----------------------------------|
| Business-type activities | | | | | |
| General Obligation Bonds | | | | | |
| Utility Revenue Bonds of 2018A | 07/18/2018 | 02/01/2029 | 3.00–4.00 % | \$ 2,415,000 | \$ 1,560,000 |

These bonds were issued to finance acquisition, construction, and/or improvements of capital facilities. Water and Sewer Enterprise Fund revenues will be used to repay this debt. The liability is recorded in the applicable enterprise fund.

B. Other Long-Term Liabilities

- **Compensated Absences** – This liability represents vested benefits earned by employees through the end of the year, which will be paid or used in future periods. The General, special revenue, enterprise, and internal service funds will be used to liquidate this liability.
- **Net Pension Liability** – This liability represents the City’s pension benefit obligations as further described later in these notes. The General, special revenue, Water, Sewer, and Surface Water Management Funds will be used to liquidate this liability.

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

C. Changes in General Obligation Bonds and Compensated Absences Payable

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|--------------------------------|----------------------|-------------------|-------------------|---------------------|------------------------|
| Governmental activities | | | | | |
| Compensated absences | \$ 98,255 | \$ 145,712 | \$ 138,484 | \$ 105,483 | \$ 79,112 |
| Business-type activities | | | | | |
| Utility revenue bonds | 1,785,000 | – | 225,000 | 1,560,000 | 235,000 |
| Premium | 94,724 | – | 15,556 | 79,168 | – |
| Total bonds | 1,879,724 | – | 240,556 | 1,639,168 | 235,000 |
| Compensated absences | 77,404 | 104,878 | 118,139 | 64,143 | 47,940 |
| Total business-type activities | 1,957,128 | 104,878 | 358,695 | 1,703,311 | 282,940 |
| Total government-wide | <u>\$ 2,055,383</u> | <u>\$ 250,590</u> | <u>\$ 497,179</u> | <u>\$ 1,808,794</u> | <u>\$ 362,052</u> |

D. Minimum Debt Payments

Minimum annual payments required to retire bonds are as follows:

| Year Ending December 31, | Business-Type Activities | |
|-----------------------------|--------------------------|-------------------|
| | Utility Revenue Bonds | |
| | Principal | Interest |
| 2024 | \$ 235,000 | \$ 52,100 |
| 2025 | 245,000 | 42,500 |
| 2026 | 255,000 | 32,500 |
| 2027 | 265,000 | 22,100 |
| 2028 | 275,000 | 12,675 |
| 2029 | 285,000 | 4,275 |
| Total | <u>\$ 1,560,000</u> | <u>\$ 166,150</u> |

E. 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 |
| Utility Revenue Bonds of 2018A | Utility improvements | Utility charges | 100% | 2018–2029 | \$ 1,726,150 | \$ 286,299 | \$ 5,511,260 |

NOTE 6 – NET POSITION/FUND BALANCES

A. Net Investment in Capital Assets

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

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Net investment in capital assets | | | |
| Capital assets | | | |
| Nondepreciable | \$ 4,293,959 | \$ 614,676 | \$ 4,908,635 |
| Depreciable, net of accumulated depreciation | 23,980,939 | 19,911,769 | 43,892,708 |
| Less capital-related long-term debt outstanding | – | (1,639,168) | (1,639,168) |
| Less capital-related accounts/contracts payable | (27,504) | – | (27,504) |
| | <u>\$ 28,247,394</u> | <u>\$ 18,887,277</u> | <u>\$ 47,134,671</u> |

B. Governmental Fund Balance Classifications

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

| | General | Permanent Improvement Revolving | Other Governmental Funds | Total |
|---------------------------------|---------------------|---------------------------------------|--------------------------------|----------------------|
| Nonspendable | | | | |
| Prepaid items | \$ 39,554 | \$ – | \$ 4,293 | \$ 43,847 |
| Restricted for | | | | |
| Cable TV | – | – | 806 | 806 |
| Tax increment purposes | – | – | 1,471,705 | 1,471,705 |
| Park improvements | – | – | 197,648 | 197,648 |
| Public safety | – | – | 433,096 | 433,096 |
| Total restricted | <u>–</u> | <u>–</u> | <u>2,103,255</u> | <u>2,103,255</u> |
| Committed for | | | | |
| Economic development authority | – | – | 713,987 | 713,987 |
| Assigned for | | | | |
| Compensated absences | 105,483 | – | – | 105,483 |
| Subsequent year’s budget | 182,070 | – | – | 182,070 |
| Capital improvements | – | 5,605,205 | 383,682 | 5,988,887 |
| Public safety capital equipment | – | – | 367,950 | 367,950 |
| Total assigned | <u>287,553</u> | <u>5,605,205</u> | <u>751,632</u> | <u>6,644,390</u> |
| Unassigned | <u>2,878,628</u> | <u>–</u> | <u>(219,580)</u> | <u>2,659,048</u> |
| Total | <u>\$ 3,205,735</u> | <u>\$ 5,605,205</u> | <u>\$ 3,353,587</u> | <u>\$ 12,164,527</u> |

C. Minimum Unassigned Fund Balance Policy

The City Council has formally adopted a fund balance policy regarding the minimum unassigned fund balance for the General Fund. The policy establishes the City will strive to maintain an unassigned General Fund balance of 50.0 percent of the subsequent year’s General Fund budgeted expenditures. At December 31, 2023, the unassigned fund balance of the General Fund was 47.4 percent of the subsequent year’s budgeted expenditures.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – STATE-WIDE

A. Plan Description

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

General Employees Retirement Fund (GERF)

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

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.

GERF Benefits

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

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN – STATE-WIDE (CONTINUED)

C. Contributions

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

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 \$154,657. The City’s contributions were equal to the required contributions as set by state statutes.

D. Pension Costs

GERF Pension Costs

At December 31, 2023, the City reported a liability of \$1,409,156 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 \$38,854. 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 0.0252 percent at the end of the measurement period and 0.0233 percent for the beginning of the period.

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

| | |
|---|----------------------------|
| City’s proportionate share of the net pension liability | \$ 1,409,156 |
| State’s proportionate share of the net pension liability associated with the City | <u>38,854</u> |
| Total | <u><u>\$ 1,448,010</u></u> |

For the year ended December 31, 2023, the City recognized pension expense of \$259,313 for its proportionate share of the GERF’s pension expense. In addition, the City recognized an additional \$175 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$16.0 million to the GERF.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – STATE-WIDE (CONTINUED)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 45,439 | \$ 9,399 |
| Changes in actuarial assumptions | 220,484 | 386,238 |
| Net collective difference between projected and actual investment earnings | – | 78,977 |
| Changes in proportion | 117,357 | 23,487 |
| Contributions paid to the PERA subsequent to the measurement date | 76,740 | – |
| Total | <u>\$ 460,020</u> | <u>\$ 498,101</u> |

A total of \$76,740 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:

| Year Ending December 31, | Pension Expense Amount |
|-----------------------------|------------------------------|
| 2024 | \$ 50,457 |
| 2025 | \$ (191,622) |
| 2026 | \$ 56,912 |
| 2027 | \$ (30,568) |

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>100.00 %</u> | |

NOTE 7 – DEFINED BENEFIT PENSION PLAN – STATE-WIDE (CONTINUED)

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. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees 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.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. 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 following change in actuarial assumptions and plan provisions occurred in 2023:

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.

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 was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

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

| | 1% Decrease in Discount Rate (6.00%) | Current Discount Rate (7.00%) | 1% Increase in Discount Rate (8.00%) |
|---|--|-------------------------------------|--|
| City’s proportionate share of the GERF net pension liability | \$ 2,492,910 | \$ 1,409,156 | \$ 517,727 |

I. Pension Plan Fiduciary Net Position

Detailed information about the 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 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Receivable and Payable

Interfund receivable and payable balances at December 31, 2023 are as follows:

| Fund | Receivable | Payable |
|---------------------------------|------------------|------------------|
| Governmental funds | | |
| Permanent Improvement Revolving | \$ 194,879 | \$ – |
| Nonmajor – other governmental | 38,941 | 233,820 |
| Intra-activity eliminations | <u>(233,820)</u> | <u>(233,820)</u> |
| Total governmental funds | <u>\$ –</u> | <u>\$ –</u> |

Interfund receivables and payables are used for temporary cash deficits. These balances will be eliminated with park dedication fees, future charges for services, grants, and other internal fund transfers, if needed.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

B. Transfers In and Transfers Out

| Transfers Out | Transfers In | | Total |
|--------------------------|---------------------------------------|-------------------------------------|-------------------|
| | Governmental Funds | | |
| | Permanent Improvement Revolving | Nonmajor – Other Governmental | |
| Governmental funds | | | |
| General | \$ 171,140 | \$ – | \$ 171,140 |
| Proprietary funds | | | |
| Water | – | 100,000 | 100,000 |
| Sewer | – | 126,000 | 126,000 |
| Surface Water Management | – | 74,000 | 74,000 |
| Total | <u>\$ 171,140</u> | <u>\$ 300,000</u> | <u>\$ 471,140</u> |

Transfers are made in accordance with budget appropriations or as approved by the City Council for special funding of city activities. All of the transfers presented above were approved by the City Council.

Transfers out of proprietary funds were made to finance current and future capital equipment, building, and replacement expenditures of the City. The General Fund transferred \$171,140 of available resources to the Permanent Improvement Revolving Fund to support future capital projects as authorized by the City Council.

Interfund receivables, payables, and transfers are eliminated to the extent possible with the government-wide financial statement presentation.

NOTE 9 – DEFICIT FUND BALANCES

The City had deficit fund balances at December 31, 2023 as follows:

| | Amount |
|-----------------------------------|-------------------|
| Governmental funds | |
| Nonmajor – EDA TIF District No. 5 | \$ 24,701 |
| Nonmajor – TCAAP | 194,879 |
| Total | <u>\$ 219,580</u> |

These fund deficits will be eliminated with future contributions, grants, and internal fund transfers, if needed.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk-sharing pool with other governmental units. The City pays an annual premium to the LMCIT for its workers' compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. There were no significant reductions in insurance from the previous year or settled claims in excess of insurance coverage for any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred, but not reported. The City's management is not aware of any incurred, but unreported claims.

B. Litigation

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

C. Federal and State Funds

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.

D. 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.

E. Lake Johanna Volunteer Fire Department, Inc.

The City receives fire protection under a contract with the Lake Johanna Volunteer Fire Department, Inc. The contract calls for annual payments and expires December 31, 2023, with an extension option through December 31, 2038. The contract cost will be based on the budget submitted by the fire department and approved by the City. Capital costs are billed separately, in addition to the contract rate. The amount expended under the contract was \$751,177 in 2023. The City also made capital contributions in the current year totaling \$168,558.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**F. Construction Contract Commitments**

At year-end, the City had the following construction contract commitments:

| Project | Amount |
|--------------------------------------|-------------------|
| Permanent Improvement Revolving Fund | |
| 2022 pavement management program | \$ 87,011 |
| Lexington Avenue project | <u>432,529</u> |
| Total | <u>\$ 519,540</u> |

NOTE 11 – CONDUIT DEBT OBLIGATION

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

| Bond | Description | Amount Outstanding |
|---|-------------------|-----------------------|
| Commercial Facilities Revenue Note, Series 2008 | Office facilities | \$ 1,964,136 |
| Housing Facility Revenue Note, Series 2011A | Senior housing | 6,924,253 |
| Housing Facility Revenue Note, Series 2012A | Senior housing | 6,924,253 |
| Housing Facility Revenue Note, Series 2015 | Senior housing | <u>7,639,753</u> |
| Total | | <u>\$ 23,452,395</u> |

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**REQUIRED SUPPLEMENTARY INFORMATION
TAB**

CITY OF ARDEN HILLS

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 Minnesota’s Proportionate Share of the Net Pension Liability | Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability | City’s Covered Payroll | City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------------------------------|---|--|---|---|--|------------------------------|---|--|
| 12/31/2015 | 06/30/2015 | 0.0283% | \$ 1,466,653 | \$ – | \$ 1,466,653 | \$ 1,662,826 | 88.20% | 78.20% |
| 12/31/2016 | 06/30/2016 | 0.0267% | \$ 2,167,909 | \$ 28,367 | \$ 2,196,276 | \$ 1,669,147 | 129.88% | 68.90% |
| 12/31/2017 | 06/30/2017 | 0.0230% | \$ 1,468,305 | \$ 18,435 | \$ 1,486,740 | \$ 1,479,483 | 99.24% | 75.90% |
| 12/31/2018 | 06/30/2018 | 0.0218% | \$ 1,209,375 | \$ 39,819 | \$ 1,249,194 | \$ 1,467,987 | 82.38% | 79.50% |
| 12/31/2019 | 06/30/2019 | 0.0218% | \$ 1,205,274 | \$ 37,332 | \$ 1,242,606 | \$ 1,540,669 | 78.23% | 80.20% |
| 12/31/2020 | 06/30/2020 | 0.0241% | \$ 1,444,905 | \$ 44,478 | \$ 1,489,383 | \$ 1,715,236 | 84.24% | 79.10% |
| 12/31/2021 | 06/30/2021 | 0.0244% | \$ 1,041,989 | \$ 31,890 | \$ 1,073,879 | \$ 1,758,683 | 59.25% | 87.00% |
| 12/31/2022 | 06/30/2022 | 0.0233% | \$ 1,845,368 | \$ 53,913 | \$ 1,899,281 | \$ 1,741,886 | 105.94% | 76.70% |
| 12/31/2023 | 06/30/2023 | 0.0252% | \$ 1,409,156 | \$ 38,854 | \$ 1,448,010 | \$ 2,003,871 | 70.32% | 83.10% |

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

| City Fiscal Year-End Date | Statutorily Required Contributions | Contributions in Relation to the Statutorily Required Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------------------------------|--|---|--|--------------------|--|
| 12/31/2015 | \$ 129,774 | \$ 129,774 | \$ – | \$ 1,730,320 | 7.50% |
| 12/31/2016 | \$ 115,814 | \$ 115,814 | \$ – | \$ 1,544,187 | 7.50% |
| 12/31/2017 | \$ 106,513 | \$ 106,513 | \$ – | \$ 1,420,174 | 7.50% |
| 12/31/2018 | \$ 111,628 | \$ 111,628 | \$ – | \$ 1,488,376 | 7.50% |
| 12/31/2019 | \$ 121,063 | \$ 121,063 | \$ – | \$ 1,614,175 | 7.50% |
| 12/31/2020 | \$ 134,798 | \$ 134,798 | \$ – | \$ 1,797,307 | 7.50% |
| 12/31/2021 | \$ 123,572 | \$ 123,572 | \$ – | \$ 1,647,630 | 7.50% |
| 12/31/2022 | \$ 143,623 | \$ 143,623 | \$ – | \$ 1,914,968 | 7.50% |
| 12/31/2023 | \$ 154,657 | \$ 154,657 | \$ – | \$ 2,062,098 | 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.

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CITY OF ARDEN HILLS

Required Supplementary Information
 Budgetary Comparison Schedule – General Fund
 Year Ended December 31, 2023

| | Original Budget | Final Budget | Actual Amounts | Variance With Final Budget |
|------------------------------|--------------------|------------------|-------------------|-------------------------------|
| Revenues | | | | |
| General property taxes | \$ 4,078,390 | \$ 4,078,390 | \$ 3,963,077 | \$ (115,313) |
| Special assessments | 3,350 | 3,350 | – | (3,350) |
| Licenses and permits | | | | |
| Business | 76,990 | 76,990 | 83,519 | 6,529 |
| Nonbusiness | 434,740 | 434,740 | 388,223 | (46,517) |
| Total licenses and permits | <u>511,730</u> | <u>511,730</u> | <u>471,742</u> | <u>(39,988)</u> |
| Intergovernmental | | | | |
| State | | | | |
| Road maintenance | 111,700 | 111,700 | 106,355 | (5,345) |
| Police aid | 59,670 | 59,670 | 59,666 | (4) |
| Local performance aid | – | – | 1,355 | 1,355 |
| Total intergovernmental | <u>171,370</u> | <u>171,370</u> | <u>167,376</u> | <u>(3,994)</u> |
| Charges for services | | | | |
| General government | 17,600 | 17,600 | 17,708 | 108 |
| Public safety | 146,350 | 146,350 | 79,439 | (66,911) |
| Parks and recreation | 104,550 | 104,550 | 88,372 | (16,178) |
| Administrative charges | 113,740 | 113,740 | 156,820 | 43,080 |
| Total charges for services | <u>382,240</u> | <u>382,240</u> | <u>342,339</u> | <u>(39,901)</u> |
| Fines and forfeits | 23,190 | 23,190 | 24,681 | 1,491 |
| Earnings on investments | 42,500 | 42,500 | 209,901 | 167,401 |
| Antenna lease rental fees | 143,310 | 143,310 | 143,305 | (5) |
| Miscellaneous reimbursements | 10,260 | 10,260 | 24,076 | 13,816 |
| Other | 3,080 | 3,080 | 7,658 | 4,578 |
| Total revenues | <u>5,369,420</u> | <u>5,369,420</u> | <u>5,354,155</u> | <u>(15,265)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| City Council | | | | |
| Personal services | 37,230 | 37,230 | 37,231 | (1) |
| Materials and supplies | – | – | 123 | (123) |
| Other services and charges | 19,620 | 36,280 | 34,693 | 1,587 |
| Total City Council | <u>56,850</u> | <u>73,510</u> | <u>72,047</u> | <u>1,463</u> |
| Elections | | | | |
| Other services and charges | 33,200 | 33,200 | 31,056 | 2,144 |
| Administration | | | | |
| Personal services | 262,340 | 275,730 | 264,951 | 10,779 |
| Materials and supplies | 650 | 650 | – | 650 |
| Other services and charges | 157,850 | 157,850 | 172,456 | (14,606) |
| Total administration | <u>420,840</u> | <u>434,230</u> | <u>437,407</u> | <u>(3,177)</u> |

CITY OF ARDEN HILLS

Required Supplementary Information
 Budgetary Comparison Schedule – General Fund (continued)
 Year Ended December 31, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|------------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| General government (continued) | | | | |
| Finance | | | | |
| Personal services | 79,630 | 79,630 | 73,620 | 6,010 |
| Materials and supplies | 16,500 | 16,500 | 11,505 | 4,995 |
| Other services and charges | 95,420 | 95,420 | 75,915 | 19,505 |
| Total finance | <u>191,550</u> | <u>191,550</u> | <u>161,040</u> | <u>30,510</u> |
| TCAAP | | | | |
| Personal services | 39,450 | 39,450 | 39,431 | 19 |
| Other services and charges | 51,000 | 51,000 | 38,227 | 12,773 |
| Total TCAAP | <u>90,450</u> | <u>90,450</u> | <u>77,658</u> | <u>12,792</u> |
| Planning and zoning | | | | |
| Personal services | 233,470 | 236,120 | 190,620 | 45,500 |
| Other services and charges | 44,960 | 44,960 | 37,062 | 7,898 |
| Total planning and zoning | <u>278,430</u> | <u>281,080</u> | <u>227,682</u> | <u>53,398</u> |
| General government buildings | | | | |
| Personal services | 37,360 | 37,360 | 38,712 | (1,352) |
| Materials and supplies | 9,500 | 9,500 | 10,786 | (1,286) |
| Other services and charges | 177,050 | 177,050 | 179,316 | (2,266) |
| Total general government buildings | <u>223,910</u> | <u>223,910</u> | <u>228,814</u> | <u>(4,904)</u> |
| Total general government | 1,295,230 | 1,327,930 | 1,235,704 | 92,226 |
| Public safety | | | | |
| Police and animal control | | | | |
| Other services and charges | 1,453,280 | 1,453,280 | 1,491,764 | (38,484) |
| Dispatch | | | | |
| Other services and charges | 68,740 | 68,740 | 68,737 | 3 |
| Fire protection | | | | |
| Other services and charges | 751,180 | 751,180 | 751,177 | 3 |
| Emergency management | | | | |
| Personal services | 5,280 | 5,280 | 5,165 | 115 |
| Other services and charges | 1,550 | 1,550 | 3,424 | (1,874) |
| Total emergency management | <u>6,830</u> | <u>6,830</u> | <u>8,589</u> | <u>(1,759)</u> |
| Protective inspections | | | | |
| Personal services | 305,030 | 305,030 | 279,459 | 25,571 |
| Materials and supplies | 1,250 | 1,250 | 662 | 588 |
| Other services and charges | 69,490 | 69,490 | 103,624 | (34,134) |
| Total protective inspections | <u>375,770</u> | <u>375,770</u> | <u>383,745</u> | <u>(7,975)</u> |
| Total public safety | 2,655,800 | 2,655,800 | 2,704,012 | (48,212) |

CITY OF ARDEN HILLS

Required Supplementary Information
 Budgetary Comparison Schedule – General Fund (continued)
 Year Ended December 31, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|------------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| Public works | | | | |
| Street maintenance | | | | |
| Personal services | 347,360 | 360,010 | 337,708 | 22,302 |
| Materials and supplies | 55,250 | 70,250 | 59,540 | 10,710 |
| Other services and charges | 393,820 | 393,820 | 285,262 | 108,558 |
| Total public works | <u>796,430</u> | <u>824,080</u> | <u>682,510</u> | <u>141,570</u> |
| Parks and recreation | | | | |
| Park maintenance | | | | |
| Personal services | 358,410 | 358,410 | 349,403 | 9,007 |
| Materials and supplies | 43,350 | 43,350 | 77,980 | (34,630) |
| Other services and charges | 143,830 | 143,830 | 117,254 | 26,576 |
| Total park maintenance | <u>545,590</u> | <u>545,590</u> | <u>544,637</u> | <u>953</u> |
| Recreation | | | | |
| Personal services | 156,690 | 157,330 | 126,476 | 30,854 |
| Materials and supplies | 23,250 | 23,250 | 15,360 | 7,890 |
| Other services and charges | 57,190 | 57,190 | 34,818 | 22,372 |
| Total recreation | <u>237,130</u> | <u>237,770</u> | <u>176,654</u> | <u>61,116</u> |
| Total parks and recreation | <u>782,720</u> | <u>783,360</u> | <u>721,291</u> | <u>62,069</u> |
| Total expenditures | <u>5,530,180</u> | <u>5,591,170</u> | <u>5,343,517</u> | <u>247,653</u> |
| Revenues over (under) expenditures | (160,760) | (221,750) | 10,638 | 232,388 |
| Other financing sources (uses) | | | | |
| Transfers out | <u>–</u> | <u>(171,140)</u> | <u>(171,140)</u> | <u>–</u> |
| Net change in fund balance | <u>\$ (160,760)</u> | <u>\$ (392,890)</u> | <u>(160,502)</u> | <u>\$ 232,388</u> |
| Fund balance – beginning | | | <u>3,366,237</u> | |
| Fund balance – ending | | | <u>\$ 3,205,735</u> | |

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CITY OF ARDEN HILLS

Notes to Required Supplementary Information
December 31, 2023

NOTE 1 – LEGAL COMPLIANCE – BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level. Budgeted appropriations lapse at year-end.

NOTE 2 – 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.

CITY OF ARDEN HILLS

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

NOTE 2 – PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN PLAN PROVISIONS

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

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.

CITY OF ARDEN HILLS

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

NOTE 2 – PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

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.

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.

CITY OF ARDEN HILLS

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

NOTE 2 – PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

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.

**SUPPLEMENTARY INFORMATION
TAB**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds – Special revenue funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statutes, local ordinance, and/or resolution to finance particular functions, activities, or governments.

Capital Project Funds – Capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

CITY OF ARDEN HILLS

Nonmajor Governmental Funds
 Combining Balance Sheet
 as of December 31, 2023

| | <u>Special Revenue</u> | <u>Capital Project</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|-----------------------------|-----------------------------|--|
| Assets | | | |
| Cash and investments | \$ 2,272,508 | \$ 1,386,940 | \$ 3,659,448 |
| Accrued interest receivable | 10,356 | 3,064 | 13,420 |
| Accounts receivable | 22,781 | 6,896 | 29,677 |
| Taxes receivable | 750 | - | 750 |
| Interfund receivable | 38,941 | - | 38,941 |
| Prepaid items | 4,293 | - | 4,293 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 2,349,629</u> | <u>\$ 1,396,900</u> | <u>\$ 3,746,529</u> |
| Liabilities | | | |
| Accounts payable | \$ 7,412 | \$ 13,865 | \$ 21,277 |
| Interfund payable | 38,941 | 194,879 | 233,820 |
| Due to other governmental units | - | 659 | 659 |
| Unearned revenue | 136,436 | - | 136,436 |
| Total liabilities | <u>182,789</u> | <u>209,403</u> | <u>392,192</u> |
| Deferred inflows of resources | | | |
| Unavailable revenue – taxes | 750 | - | 750 |
| Fund balances (deficits) | | | |
| Nonspendable | 4,293 | - | 4,293 |
| Restricted | 1,472,511 | 630,744 | 2,103,255 |
| Committed | 713,987 | - | 713,987 |
| Assigned | - | 751,632 | 751,632 |
| Unassigned | (24,701) | (194,879) | (219,580) |
| Total fund balances | <u>2,166,090</u> | <u>1,187,497</u> | <u>3,353,587</u> |
| Total liabilities, deferred inflows of resources, and fund balances | | | |
| | <u>\$ 2,349,629</u> | <u>\$ 1,396,900</u> | <u>\$ 3,746,529</u> |

CITY OF ARDEN HILLS

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

| | <u>Special Revenue</u> | <u>Capital Project</u> | <u>Total Nonmajor Governmental Funds</u> |
|--------------------------------|------------------------|------------------------|--|
| Revenues | | | |
| Property taxes | | | |
| General property taxes | \$ 100,000 | \$ 270,000 | \$ 370,000 |
| Tax increments | 36,365 | - | 36,365 |
| Intergovernmental | - | 433,096 | 433,096 |
| Earnings on investments | 105,505 | 41,199 | 146,704 |
| Franchise taxes | 92,096 | - | 92,096 |
| Other | 323 | 33,828 | 34,151 |
| Total revenues | <u>334,289</u> | <u>778,123</u> | <u>1,112,412</u> |
| Expenditures | | | |
| Current | | | |
| General government | 148,475 | - | 148,475 |
| Economic development | 81,788 | - | 81,788 |
| Capital outlay | | | |
| General government | - | 47,249 | 47,249 |
| Public safety | - | 168,558 | 168,558 |
| Public works | - | 128,403 | 128,403 |
| Parks and recreation | - | 91,518 | 91,518 |
| Total expenditures | <u>230,263</u> | <u>435,728</u> | <u>665,991</u> |
| Revenues over expenditures | 104,026 | 342,395 | 446,421 |
| Other financing sources | | | |
| Sale of capital assets | - | 11,725 | 11,725 |
| Transfers in | - | 300,000 | 300,000 |
| Total other financing sources | <u>-</u> | <u>311,725</u> | <u>311,725</u> |
| Net change in fund balances | 104,026 | 654,120 | 758,146 |
| Fund balances – beginning | <u>2,062,064</u> | <u>533,377</u> | <u>2,595,441</u> |
| Fund balances – ending | <u>\$ 2,166,090</u> | <u>\$ 1,187,497</u> | <u>\$ 3,353,587</u> |

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NONMAJOR SPECIAL REVENUE FUNDS

The City had the following nonmajor special revenue funds during the year:

Cable Fund – This fund was established to account for transactions associated with cable television in the City. Revenues are franchise fees from Comcast. Expenditures include the operation of the North Suburban Cable Commission and other costs relating to cable television activity, internet, and other forms of communication.

EDA Operating Fund – The EDA Operating Fund accounts for revenue sources, including tax increments and other sources, that are legally restricted or committed to expenditures for specified purposes (not including major capital projects).

EDA TIF District No. 3 Fund – This fund was established as a Housing District in 1993. The revenue is derived from tax increment and expenditures are for developer reimbursements and administrative expenditures. This tax increment district was decertified in 2019.

EDA TIF District No. 4 Fund – This fund was established as a redevelopment plan for Presbyterian Homes of Arden Hills, Inc. in 2010. The revenue is derived from tax increment and expenditures are for developer reimbursements and administrative expenditures.

EDA TIF District No. 5 Fund – This fund was established as a redevelopment district in 2019 pursuant to special legislation for the TCAAP property. The revenue is derived from tax increment and expenditures are for economic development and administrative expenditures.

Karth Lake Improvement District Fund – This fund accounts for revenue sources, including taxes, that are restricted to finance capital and other improvements within the Karth Lake Improvement District.

American Rescue Plan Act Fund – This fund was established in 2021. The funding is derived from federal appropriations distributed to the City for lost public sector revenue, investments in water, sewer, broadband infrastructure, and other purposes identified in the act.

CITY OF ARDEN HILLS

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

| | Cable | EDA Operating | EDA TIF District No. 3 | EDA TIF District No. 4 | EDA TIF District No. 5 |
|--|------------------|-------------------|------------------------------|------------------------------|------------------------------|
| Assets | | | | | |
| Cash and investments | \$ - | \$ 696,019 | \$ 792,571 | \$ 647,482 | \$ - |
| Accrued interest receivable | - | 3,405 | 3,878 | 3,073 | - |
| Accounts receivable | 22,458 | 323 | - | - | - |
| Taxes receivable | - | - | - | - | - |
| Interfund receivable | - | 14,240 | 24,701 | - | - |
| Prepaid items | 35 | 4,258 | - | - | - |
| Total assets | \$ 22,493 | \$ 718,245 | \$ 821,150 | \$ 650,555 | \$ - |
| Liabilities | | | | | |
| Accounts payable | \$ 7,412 | \$ - | \$ - | \$ - | \$ - |
| Interfund payable | 14,240 | - | - | - | 24,701 |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | 21,652 | - | - | - | 24,701 |
| Deferred inflows of resources | | | | | |
| Unavailable revenue – taxes | - | - | - | - | - |
| Fund balances (deficits) | | | | | |
| Nonspendable | 35 | 4,258 | - | - | - |
| Restricted | 806 | - | 821,150 | 650,555 | - |
| Committed | - | 713,987 | - | - | - |
| Unassigned | - | - | - | - | (24,701) |
| Total fund balances (deficits) | 841 | 718,245 | 821,150 | 650,555 | (24,701) |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 22,493 | \$ 718,245 | \$ 821,150 | \$ 650,555 | \$ - |

| Karth Lake Improvement District | American Rescue Plan Act | Total Nonmajor Special Revenue Funds |
|---------------------------------------|--------------------------------|--|
| \$ - | \$ 136,436 | \$ 2,272,508 |
| - | - | 10,356 |
| - | - | 22,781 |
| 750 | - | 750 |
| - | - | 38,941 |
| - | - | 4,293 |
| \$ 750 | \$ 136,436 | \$ 2,349,629 |
| | | |
| \$ - | \$ - | \$ 7,412 |
| - | - | 38,941 |
| - | 136,436 | 136,436 |
| - | 136,436 | 182,789 |
| | | |
| 750 | - | 750 |
| - | - | 4,293 |
| - | - | 1,472,511 |
| - | - | 713,987 |
| - | - | (24,701) |
| - | - | 2,166,090 |
| | | |
| \$ 750 | \$ 136,436 | \$ 2,349,629 |

CITY OF ARDEN HILLS

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

| | Cable | EDA Operating | EDA TIF District No. 3 | EDA TIF District No. 4 | EDA TIF District No. 5 |
|--------------------------------------|----------------|-------------------|------------------------------|------------------------------|------------------------------|
| Revenues | | | | | |
| Property taxes | | | | | |
| General property taxes | \$ - | \$ 100,000 | \$ - | \$ - | \$ - |
| Tax increments | - | - | - | 36,365 | - |
| Earnings on investments | 585 | 33,945 | 39,693 | 31,282 | - |
| Franchise taxes | 92,096 | - | - | - | - |
| Other | - | 323 | - | - | - |
| Total revenues | <u>92,681</u> | <u>134,268</u> | <u>39,693</u> | <u>67,647</u> | <u>-</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 148,475 | - | - | - | - |
| Economic development | - | 78,537 | 1,084 | 1,083 | 1,084 |
| Total expenditures | <u>148,475</u> | <u>78,537</u> | <u>1,084</u> | <u>1,083</u> | <u>1,084</u> |
| Net changes in fund balances | (55,794) | 55,731 | 38,609 | 66,564 | (1,084) |
| Fund balances (deficits) – beginning | <u>56,635</u> | <u>662,514</u> | <u>782,541</u> | <u>583,991</u> | <u>(23,617)</u> |
| Fund balances (deficits) – ending | <u>\$ 841</u> | <u>\$ 718,245</u> | <u>\$ 821,150</u> | <u>\$ 650,555</u> | <u>\$ (24,701)</u> |

| Karth Lake Improvement District | American Rescue Plan Act | Total Nonmajor Special Revenue Funds |
|---------------------------------------|--------------------------------|--|
| \$ — | \$ — | \$ 100,000 |
| — | — | 36,365 |
| — | — | 105,505 |
| — | — | 92,096 |
| — | — | 323 |
| — | — | <u>334,289</u> |
| — | — | 148,475 |
| — | — | 81,788 |
| <u>—</u> | <u>—</u> | <u>230,263</u> |
| — | — | 104,026 |
| — | — | 2,062,064 |
| <u>\$ —</u> | <u>\$ —</u> | <u>\$ 2,166,090</u> |

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NONMAJOR CAPITAL PROJECT FUNDS

The City had the following nonmajor capital project funds during the year:

Equipment, Building, and Replacement Fund – This fund was established for resources designated to be used for the purchase of capital equipment and building repairs.

Parks Fund – This fund was established for park/trail acquisition and development. Revenue for this fund comes from developer park dedication fees, contributions, state grants, and investment interest.

Public Safety Capital Equipment Fund – This fund was established to account for resources designated to be used for the City's share of public safety equipment through contracts with the Lake Johanna Volunteer Fire Department, Inc. and Ramsey County Sheriff's Department.

TCAAP Fund – This fund was established to account for resources designated to be used for the City's share of capital costs related to the approximately 430-acre TCAAP site purchased by Ramsey County.

CITY OF ARDEN HILLS

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

| | Equipment, Building, and Replacement | Parks | Public Safety Capital Equipment | TCAAP | Total Nonmajor Capital Project Funds |
|--|--|-------------------|---------------------------------------|------------------|---|
| Assets | | | | | |
| Cash and investments | \$ 395,344 | \$ 198,458 | \$ 793,138 | \$ - | \$ 1,386,940 |
| Accrued interest receivable | 452 | 941 | 1,671 | - | 3,064 |
| Accounts receivable | - | - | 6,896 | - | 6,896 |
| Total assets | \$ 395,796 | \$ 199,399 | \$ 801,705 | \$ - | \$ 1,396,900 |
| Liabilities | | | | | |
| Accounts payable | \$ 12,114 | \$ 1,751 | \$ - | \$ - | \$ 13,865 |
| Interfund payable | - | - | - | 194,879 | 194,879 |
| Due to other governmental units | - | - | 659 | - | 659 |
| Total liabilities | 12,114 | 1,751 | 659 | 194,879 | 209,403 |
| Fund balances (deficits) | | | | | |
| Restricted | - | 197,648 | 433,096 | - | 630,744 |
| Assigned | 383,682 | - | 367,950 | - | 751,632 |
| Unassigned | - | - | - | (194,879) | (194,879) |
| Total fund balances (deficits) | 383,682 | 197,648 | 801,046 | (194,879) | 1,187,497 |
| Total liabilities and fund balances | \$ 395,796 | \$ 199,399 | \$ 801,705 | \$ - | \$ 1,396,900 |

CITY OF ARDEN HILLS

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

| | Equipment, Building, and Replacement | Parks | Public Safety Capital Equipment | TCAAP | Total Nonmajor Capital Project Funds |
|---------------------------------------|--|-------------------|---------------------------------------|---------------------|---|
| Revenues | | | | | |
| Property taxes | | | | | |
| General property taxes | \$ 50,000 | \$ – | \$ 220,000 | \$ – | \$ 270,000 |
| Intergovernmental | – | – | 433,096 | – | 433,096 |
| Earnings on investments | 7,402 | 10,420 | 23,377 | – | 41,199 |
| Other | – | 5,000 | 28,828 | – | 33,828 |
| Total revenues | <u>57,402</u> | <u>15,420</u> | <u>705,301</u> | <u>–</u> | <u>778,123</u> |
| Expenditures | | | | | |
| Capital outlay | | | | | |
| General government | 47,249 | – | – | – | 47,249 |
| Public safety | – | – | 168,558 | – | 168,558 |
| Public works | 128,403 | – | – | – | 128,403 |
| Parks and recreation | 55,707 | 35,811 | – | – | 91,518 |
| Total expenditures | <u>231,359</u> | <u>35,811</u> | <u>168,558</u> | <u>–</u> | <u>435,728</u> |
| Revenues over (under) expenditures | (173,957) | (20,391) | 536,743 | – | 342,395 |
| Other financing sources | | | | | |
| Sale of capital assets | 11,725 | – | – | – | 11,725 |
| Transfers in | 300,000 | – | – | – | 300,000 |
| Total other financing sources | <u>311,725</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>311,725</u> |
| Net changes in fund balances | 137,768 | (20,391) | 536,743 | – | 654,120 |
| Fund balances (deficits) – beginning | <u>245,914</u> | <u>218,039</u> | <u>264,303</u> | <u>(194,879)</u> | <u>533,377</u> |
| Fund balances (deficits) – ending | <u>\$ 383,682</u> | <u>\$ 197,648</u> | <u>\$ 801,046</u> | <u>\$ (194,879)</u> | <u>\$ 1,187,497</u> |

CITY OF ARDEN HILLS

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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|-----------------------------|------------------------|---------------------|-----------------------|---------------------------------------|
| Revenues | | | | |
| Earnings on investments | \$ - | \$ - | \$ 585 | \$ 585 |
| Franchise taxes | 94,500 | 94,500 | 92,096 | (2,404) |
| Total revenues | <u>94,500</u> | <u>94,500</u> | <u>92,681</u> | <u>(1,819)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| Personal services | 51,220 | 57,910 | 56,712 | 1,198 |
| Other services and charges | 84,850 | 84,850 | 91,763 | (6,913) |
| Total expenditures | <u>136,070</u> | <u>142,760</u> | <u>148,475</u> | <u>(5,715)</u> |
| Net change in fund balances | <u>\$ (41,570)</u> | <u>\$ (48,260)</u> | <u>(55,794)</u> | <u>\$ (7,534)</u> |
| Fund balances – beginning | | | <u>56,635</u> | |
| Fund balances – ending | | | <u>\$ 841</u> | |

CITY OF ARDEN HILLS

Special Revenue Fund – EDA Operating Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended December 31, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|-----------------------------|------------------------|---------------------|-----------------------|---------------------------------------|
| Revenues | | | | |
| Property taxes | | | | |
| General property taxes | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ – |
| Earnings on investments | – | – | 33,945 | 33,945 |
| Other | – | – | 323 | 323 |
| Total revenues | <u>100,000</u> | <u>100,000</u> | <u>134,268</u> | <u>34,268</u> |
| Expenditures | | | | |
| Economic development | | | | |
| Current | | | | |
| Personal services | 59,330 | 59,330 | 57,230 | 2,100 |
| Materials and supplies | – | – | 480 | (480) |
| Other services and charges | <u>28,220</u> | <u>28,220</u> | <u>20,827</u> | <u>7,393</u> |
| Total expenditures | <u>87,550</u> | <u>87,550</u> | <u>78,537</u> | <u>9,013</u> |
| Net change in fund balances | <u>\$ 12,450</u> | <u>\$ 12,450</u> | 55,731 | <u>\$ 43,281</u> |
| Fund balance – beginning | | | <u>662,514</u> | |
| Fund balance – ending | | | <u>\$ 718,245</u> | |

CITY OF ARDEN HILLS

Special Revenue Fund – EDA TIF District No. 3 Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended December 31, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|-----------------------------|------------------------|------------------------|------------------------|---------------------------------------|
| Revenues | | | | |
| Earnings on investments | \$ – | \$ – | \$ 39,693 | \$ 39,693 |
| Expenditures | | | | |
| Current | | | | |
| Economic development | | | | |
| Other services and charges | <u> 1,900</u> | <u> 1,900</u> | <u> 1,084</u> | <u> 816</u> |
| Net change in fund balances | <u>\$ (1,900)</u> | <u>\$ (1,900)</u> | 38,609 | <u>\$ 40,509</u> |
| Fund balances – beginning | | | <u>782,541</u> | |
| Fund balances – ending | | | <u>\$ 821,150</u> | |

CITY OF ARDEN HILLS

Special Revenue Fund – EDA TIF District No. 4 Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended December 31, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|-----------------------------|------------------------|-----------------------|------------------------|---------------------------------------|
| Revenues | | | | |
| Property taxes | | | | |
| Tax increments | \$ – | \$ – | \$ 36,365 | \$ 36,365 |
| Earnings on investments | <u> –</u> | <u> –</u> | <u> 31,282</u> | <u> 31,282</u> |
| Total revenues | – | – | 67,647 | 67,647 |
| Expenditures | | | | |
| Current | | | | |
| Economic development | | | | |
| Other services and charges | <u> 1,900</u> | <u> 1,900</u> | <u> 1,083</u> | <u> 817</u> |
| Net change in fund balances | <u> \$ (1,900)</u> | <u> \$ (1,900)</u> | 66,564 | <u> \$ 68,464</u> |
| Fund balances – beginning | | | <u>583,991</u> | |
| Fund balances – ending | | | <u> \$ 650,555</u> | |

CITY OF ARDEN HILLS

Special Revenue Fund – EDA TIF District No. 5 Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended December 31, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|--------------------------------------|------------------------|---------------------|-----------------------|---------------------------------------|
| Revenues | \$ – | \$ – | \$ – | \$ – |
| Expenditures | | | | |
| Current | | | | |
| Economic development | | | | |
| Other services and charges | <u>1,900</u> | <u>1,900</u> | <u>1,084</u> | <u>816</u> |
| Net change in fund balances | <u>\$ (1,900)</u> | <u>\$ (1,900)</u> | <u>(1,084)</u> | <u>\$ 816</u> |
| Fund balances (deficits) – beginning | | | <u>(23,617)</u> | |
| Fund balances (deficits) – ending | | | <u>\$ (24,701)</u> | |

INTERNAL SERVICE FUNDS

The City had the following internal service funds during the year:

Risk Management Fund – This fund was established to account for the payment of property, liability, and workers' compensation insurance deductibles, and funds wellness activities for all departments.

Engineering Fund – This fund was established to account for the costs related to engineering services. All costs are compiled in this fund and charged out to the departments based on usage.

Central Garage Fund – This fund was established to account for certain public works department costs related to streets, parks, water, sanitary sewer, and surface water management. All costs are compiled in this fund and charged out to the departments based on usage.

Technology Fund – This fund was established to account for costs related to technology. All costs are compiled in this fund and charged out to the departments based on usage.

CITY OF ARDEN HILLS

Combining Statement of Net Position
Internal Service Funds
as of December 31, 2023

| | Risk Management | Engineering | Central Garage | Technology | Total Internal Service Funds |
|---------------------------------|--------------------|---------------|-------------------|-------------|------------------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and investments | \$ 183,223 | \$ 984 | \$ 13,580 | \$ 751 | \$ 198,538 |
| Accrued interest receivable | 870 | - | - | - | 870 |
| Prepaid items | - | 520 | 573 | - | 1,093 |
| Total assets | <u>184,093</u> | <u>1,504</u> | <u>14,153</u> | <u>751</u> | <u>200,501</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts payable | - | 985 | 2,696 | - | 3,681 |
| Due to other governmental units | - | - | 10,883 | 751 | 11,634 |
| Total liabilities | <u>-</u> | <u>985</u> | <u>13,579</u> | <u>751</u> | <u>15,315</u> |
| Net position | | | | | |
| Unrestricted | <u>\$ 184,093</u> | <u>\$ 519</u> | <u>\$ 574</u> | <u>\$ -</u> | <u>\$ 185,186</u> |

CITY OF ARDEN HILLS

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

| | Risk Management | Engineering | Central Garage | Technology | Total Internal Service Funds |
|----------------------------|--------------------|---------------|-------------------|----------------|------------------------------------|
| Operating revenues | | | | | |
| Charges for services | \$ 186,498 | \$ 4,447 | \$ 188,884 | \$ 181,584 | \$ 561,413 |
| Miscellaneous | 2,433 | - | - | - | 2,433 |
| Total operating revenues | <u>188,931</u> | <u>4,447</u> | <u>188,884</u> | <u>181,584</u> | <u>563,846</u> |
| Operating expenses | | | | | |
| Supplies and maintenance | - | - | 117,838 | 5 | 117,843 |
| Other services and charges | 2,395 | 1,399 | 69,611 | 720 | 74,125 |
| Purchased services | 187,462 | 2,529 | 861 | 180,859 | 371,711 |
| Total operating expenses | <u>189,857</u> | <u>3,928</u> | <u>188,310</u> | <u>181,584</u> | <u>563,679</u> |
| Operating income (loss) | (926) | 519 | 574 | - | 167 |
| Nonoperating revenues | | | | | |
| Earnings on investments | <u>6,840</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,840</u> |
| Change in net position | 5,914 | 519 | 574 | - | 7,007 |
| Net position – beginning | <u>178,179</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>178,179</u> |
| Net position – ending | <u>\$ 184,093</u> | <u>\$ 519</u> | <u>\$ 574</u> | <u>\$ -</u> | <u>\$ 185,186</u> |

CITY OF ARDEN HILLS

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2023

| | <u>Risk Management</u> | <u>Engineering</u> | <u>Central Garage</u> | <u>Technology</u> | <u>Total Internal Service Funds</u> |
|--|----------------------------|--------------------|---------------------------|-------------------|---|
| Cash flows from operating activities | | | | | |
| Receipts from customers and users | \$ 188,931 | \$ 4,447 | \$ 188,884 | \$ 181,584 | \$ 563,846 |
| Payments to suppliers | (189,857) | (3,313) | (194,078) | (181,654) | (568,902) |
| Net cash flows from operating activities | (926) | 1,134 | (5,194) | (70) | (5,056) |
| Cash flows from noncapital financing activities | | | | | |
| Cash received from other funds | 150 | - | - | - | 150 |
| Cash paid to other funds | - | (150) | - | - | (150) |
| Net cash flows from noncapital financing activities | 150 | (150) | - | - | - |
| Cash flows from investing activities | | | | | |
| Earnings on investments | 6,705 | - | - | - | 6,705 |
| Net change in cash and cash equivalents | 5,929 | 984 | (5,194) | (70) | 1,649 |
| Cash and cash equivalents – beginning | 177,294 | - | 18,774 | 821 | 196,889 |
| Cash and cash equivalents – ending | <u>\$ 183,223</u> | <u>\$ 984</u> | <u>\$ 13,580</u> | <u>\$ 751</u> | <u>\$ 198,538</u> |
| Reconciliation of operating income (loss) to net cash flows from operating activities | | | | | |
| Operating income (loss) | \$ (926) | \$ 519 | \$ 574 | \$ - | \$ 167 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | | | |
| Decrease (increase) in prepaid items | - | (35) | (295) | - | (330) |
| Increase (decrease) in accounts payable | - | 650 | (1,186) | - | (536) |
| Increase (decrease) in due to other governments | - | - | (4,287) | (70) | (4,357) |
| Total adjustments | - | 615 | (5,768) | (70) | (5,223) |
| Net cash flows from operating activities | <u>\$ (926)</u> | <u>\$ 1,134</u> | <u>\$ (5,194)</u> | <u>\$ (70)</u> | <u>\$ (5,056)</u> |

STATISTICAL SECTION (UNAUDITED)
TAB

STATISTICAL SECTION

(UNAUDITED)

This part of the City's 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 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 ARDEN HILLS

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

| | | | | Fiscal Year |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Governmental activities | | | | |
| Investment in capital assets | \$ 18,837,904 | \$ 24,909,453 | \$ 25,178,721 | \$ 22,750,377 |
| Restricted | 917,300 | 675,052 | 786,678 | 898,739 |
| Unrestricted | 11,472,102 | 8,765,793 | 8,249,560 | 10,678,219 |
| Total governmental activities net position | <u>\$ 31,227,306</u> | <u>\$ 34,350,298</u> | <u>\$ 34,214,959</u> | <u>\$ 34,327,335</u> |
| Business-type activities | | | | |
| Investment in capital assets | \$ 14,464,713 | \$ 16,167,536 | \$ 16,306,381 | \$ 16,292,000 |
| Unrestricted | 1,793,112 | 238,381 | 1,116,957 | 1,298,744 |
| Total business-type activities net position | <u>\$ 16,257,825</u> | <u>\$ 16,405,917</u> | <u>\$ 17,423,338</u> | <u>\$ 17,590,744</u> |
| Primary government | | | | |
| Investment in capital assets | \$ 33,302,617 | \$ 41,076,989 | \$ 41,485,102 | \$ 39,042,377 |
| Restricted | 917,300 | 675,052 | 786,678 | 898,739 |
| Unrestricted | 13,265,214 | 9,004,174 | 9,366,517 | 11,976,963 |
| Total primary government net position | <u>\$ 47,485,131</u> | <u>\$ 50,756,215</u> | <u>\$ 51,638,297</u> | <u>\$ 51,918,079</u> |

Note: 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, which decreased unrestricted net position. Prior year information has not been restated.

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 26,972,898 | \$ 26,988,912 | \$ 26,418,066 | \$ 27,474,959 | \$ 28,318,503 | \$ 28,247,394 |
| 1,010,521 | 1,096,698 | 1,137,740 | 1,220,301 | 1,641,206 | 2,103,290 |
| 8,736,913 | 9,070,332 | 10,534,206 | 10,799,339 | 10,024,011 | 10,499,248 |
| <u>\$ 36,720,332</u> | <u>\$ 37,155,942</u> | <u>\$ 38,090,012</u> | <u>\$ 39,494,599</u> | <u>\$ 39,983,720</u> | <u>\$ 40,849,932</u> |
| \$ 17,295,916 | \$ 17,452,137 | \$ 17,248,962 | \$ 18,373,335 | \$ 18,960,842 | \$ 18,887,277 |
| 1,329,268 | 2,025,812 | 3,000,493 | 3,921,634 | 4,679,804 | 6,079,346 |
| <u>\$ 18,625,184</u> | <u>\$ 19,477,949</u> | <u>\$ 20,249,455</u> | <u>\$ 22,294,969</u> | <u>\$ 23,640,646</u> | <u>\$ 24,966,623</u> |
| \$ 44,268,814 | \$ 44,441,049 | \$ 43,667,028 | \$ 45,848,294 | \$ 47,279,345 | \$ 47,134,671 |
| 1,010,521 | 1,096,698 | 1,137,740 | 1,220,301 | 1,641,206 | 2,103,290 |
| 10,066,181 | 11,096,144 | 13,534,699 | 14,720,973 | 14,703,815 | 16,578,594 |
| <u>\$ 55,345,516</u> | <u>\$ 56,633,891</u> | <u>\$ 58,339,467</u> | <u>\$ 61,789,568</u> | <u>\$ 63,624,366</u> | <u>\$ 65,816,555</u> |

CITY OF ARDEN HILLS

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

| | 2014 | 2015 | 2016 | Fiscal Year 2017 |
|------------------------------------|---------------------|---------------------|---------------------|----------------------|
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 1,294,830 | \$ 1,281,557 | \$ 1,384,908 | \$ 1,322,106 |
| Public safety | 1,887,877 | 1,978,210 | 2,047,961 | 2,158,835 |
| Public works | 852,109 | 194,667 | 800,157 | 3,512,218 |
| Parks and recreation | 711,174 | 711,181 | 751,910 | 759,737 |
| Economic development | 522,193 | 733,528 | 361,029 | 276,841 |
| Interest on long-term debt | 11,004 | 817 | - | - |
| Total governmental activities | <u>5,279,187</u> | <u>4,899,960</u> | <u>5,345,965</u> | <u>8,029,737</u> |
| Business-type activities | | | | |
| Water | 1,893,217 | 1,803,405 | 1,833,468 | 2,159,874 |
| Sewer | 1,506,927 | 1,587,808 | 1,513,219 | 1,780,260 |
| Surface water management | 432,788 | 489,377 | 468,965 | 481,026 |
| Recycling | 150,417 | 239,727 | 141,190 | 147,919 |
| Total business-type activities | <u>3,983,349</u> | <u>4,120,317</u> | <u>3,956,842</u> | <u>4,569,079</u> |
| Total primary government | <u>\$ 9,262,536</u> | <u>\$ 9,020,277</u> | <u>\$ 9,302,807</u> | <u>\$ 12,598,816</u> |
| Program revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | \$ 275,735 | \$ 271,991 | \$ 299,692 | \$ 314,166 |
| Public safety | 366,452 | 628,573 | 735,730 | 915,632 |
| Public works | 4,973 | 5,205 | 4,535 | 7,029 |
| Parks and recreation | 116,951 | 119,338 | 134,579 | 123,550 |
| Operating grants and contributions | 300,536 | 389,219 | 308,900 | 2,031,474 |
| Capital grants and contributions | 2,302,439 | 3,080,749 | 462,105 | 448,945 |
| Total governmental activities | <u>3,367,086</u> | <u>4,495,075</u> | <u>1,945,541</u> | <u>3,840,796</u> |
| Business-type activities | | | | |
| Charges for services | | | | |
| Water | 2,132,191 | 2,099,242 | 2,165,773 | 2,127,452 |
| Sewer | 1,857,272 | 1,855,802 | 1,989,066 | 1,796,144 |
| Surface water management | 762,884 | 782,501 | 812,044 | 834,973 |
| Recycling | 130,369 | 129,030 | 134,739 | 151,272 |
| Operating grants and contributions | 19,611 | 124,228 | 26,323 | 24,655 |
| Capital grants and contributions | - | - | 59,248 | - |
| Total business-type activities | <u>4,902,327</u> | <u>4,990,803</u> | <u>5,187,193</u> | <u>4,934,496</u> |
| Total primary government | <u>\$ 8,269,413</u> | <u>\$ 9,485,878</u> | <u>\$ 7,132,734</u> | <u>\$ 8,775,292</u> |

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----|------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 1,286,845 | \$ 1,337,262 | \$ 1,460,627 | \$ 1,283,605 | \$ 1,299,419 | \$ 1,505,270 |
| | 2,248,540 | 2,471,567 | 2,737,348 | 2,804,933 | 2,663,521 | 2,889,826 |
| | 1,695,449 | 1,416,785 | 1,267,480 | 1,310,895 | 1,796,184 | 1,327,617 |
| | 765,843 | 798,717 | 634,195 | 883,155 | 1,013,507 | 1,136,248 |
| | 391,156 | 369,256 | 480,307 | 411,016 | 199,988 | 140,255 |
| | — | — | — | — | — | — |
| | 6,387,833 | 6,393,587 | 6,579,957 | 6,693,604 | 6,972,619 | 6,999,216 |
| | 2,147,359 | 2,295,820 | 1,996,083 | 2,166,362 | 2,473,906 | 2,677,247 |
| | 1,654,079 | 1,663,498 | 1,665,146 | 1,754,753 | 1,817,972 | 1,864,808 |
| | 499,049 | 513,209 | 546,365 | 599,084 | 610,730 | 673,556 |
| | 168,145 | 172,232 | 139,840 | 154,611 | 173,092 | 154,519 |
| | 4,468,632 | 4,644,759 | 4,347,434 | 4,674,810 | 5,075,700 | 5,370,130 |
| \$ | 10,856,465 | \$ 11,038,346 | \$ 10,927,391 | \$ 11,368,414 | \$ 12,048,319 | \$ 12,369,346 |
| \$ | 214,833 | \$ 250,643 | \$ 198,708 | \$ 189,138 | \$ 241,534 | \$ 270,989 |
| | 619,406 | 817,238 | 431,830 | 926,665 | 957,785 | 449,995 |
| | 6,150 | 5,250 | 3,900 | 5,735 | 7,040 | 4,725 |
| | 113,968 | 106,317 | 13,114 | 90,632 | 101,097 | 88,372 |
| | 840,634 | 347,823 | 409,403 | 565,106 | 375,965 | 805,615 |
| | 2,494,823 | 613,263 | 634,369 | 1,263,520 | 902,926 | 597,246 |
| | 4,289,814 | 2,140,534 | 1,691,324 | 3,040,796 | 2,586,347 | 2,216,942 |
| | 2,256,859 | 2,286,542 | 2,316,891 | 2,789,472 | 2,823,414 | 3,054,674 |
| | 1,769,466 | 1,892,740 | 1,870,850 | 2,110,766 | 2,209,253 | 2,394,498 |
| | 839,499 | 850,971 | 876,527 | 902,044 | 937,652 | 958,807 |
| | 134,228 | 140,149 | 136,865 | 177,057 | 169,905 | 151,340 |
| | 27,429 | 24,752 | 25,365 | 27,213 | 30,323 | 29,253 |
| | 735,220 | 332,092 | 60,661 | 1,024,414 | 651,490 | 129,949 |
| | 5,762,701 | 5,527,246 | 5,287,159 | 7,030,966 | 6,822,037 | 6,718,521 |
| \$ | 10,052,515 | \$ 7,667,780 | \$ 6,978,483 | \$ 10,071,762 | \$ 9,408,384 | \$ 8,935,463 |

CITY OF ARDEN HILLS

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

| | Fiscal Year | | | |
|--|---------------------|---------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Net (expense) revenue | | | | |
| Governmental activities | \$ (1,912,101) | \$ (404,885) | \$ (3,400,424) | \$ (4,188,941) |
| Business-type activities | 918,978 | 870,486 | 1,230,351 | 365,417 |
| Total primary government | <u>\$ (993,123)</u> | <u>\$ 465,601</u> | <u>\$ (2,170,073)</u> | <u>\$ (3,823,524)</u> |
| General revenues and other changes in net position | | | | |
| Governmental activities | | | | |
| General property taxes | \$ 3,182,331 | \$ 3,191,426 | \$ 3,278,287 | \$ 3,526,347 |
| Tax increments | 565,422 | 697,898 | 242,544 | 295,788 |
| Franchise taxes | 103,711 | 72,837 | 132,548 | 109,070 |
| Unrestricted grants and contributions | - | - | - | - |
| Earnings on investments (charges) | 450,261 | 245,540 | 155,191 | 139,347 |
| Gain on sale of capital assets | - | - | - | - |
| Transfers | 230,765 | 230,765 | 230,765 | 230,765 |
| Total governmental activities | <u>4,532,490</u> | <u>4,438,466</u> | <u>4,039,335</u> | <u>4,301,317</u> |
| Business-type activities | | | | |
| Earnings on investments (charges) | 54,360 | 35,857 | 17,835 | 32,754 |
| Transfers | <u>(230,765)</u> | <u>(230,765)</u> | <u>(230,765)</u> | <u>(230,765)</u> |
| Total business-type activities | <u>(176,405)</u> | <u>(194,908)</u> | <u>(212,930)</u> | <u>(198,011)</u> |
| Total primary government | <u>\$ 4,356,085</u> | <u>\$ 4,243,558</u> | <u>\$ 3,826,405</u> | <u>\$ 4,103,306</u> |
| Change in net position | | | | |
| Governmental activities | \$ 2,620,389 | \$ 4,033,581 | \$ 638,911 | \$ 112,376 |
| Business-type activities | <u>742,573</u> | <u>675,578</u> | <u>1,017,421</u> | <u>167,406</u> |
| Total primary government | <u>\$ 3,362,962</u> | <u>\$ 4,709,159</u> | <u>\$ 1,656,332</u> | <u>\$ 279,782</u> |

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ (2,098,019) | \$ (4,253,053) | \$ (4,888,633) | \$ (3,652,808) | \$ (4,386,272) | \$ (4,782,274) |
| <u>1,294,069</u> | <u>882,487</u> | <u>939,725</u> | <u>2,356,156</u> | <u>1,746,337</u> | <u>1,348,391</u> |
| <u>\$ (803,950)</u> | <u>\$ (3,370,566)</u> | <u>\$ (3,948,908)</u> | <u>\$ (1,296,652)</u> | <u>\$ (2,639,935)</u> | <u>\$ (3,433,883)</u> |
| \$ 3,578,894 | \$ 3,793,754 | \$ 4,100,177 | \$ 4,293,895 | \$ 4,404,477 | \$ 4,570,332 |
| 351,569 | 388,697 | 273,043 | 396,891 | 338,899 | 36,365 |
| 101,237 | 100,464 | 101,057 | 97,549 | 94,320 | 92,096 |
| – | – | 745,040 | – | – | – |
| 159,316 | 322,346 | 348,886 | (30,940) | (460,213) | 649,693 |
| – | – | 17,500 | – | 197,910 | – |
| <u>300,000</u> | <u>83,402</u> | <u>237,000</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| <u>4,491,016</u> | <u>4,688,663</u> | <u>5,822,703</u> | <u>5,057,395</u> | <u>4,875,393</u> | <u>5,648,486</u> |
| 40,371 | 53,680 | 68,781 | (10,642) | (100,660) | 277,586 |
| <u>(300,000)</u> | <u>(83,402)</u> | <u>(237,000)</u> | <u>(300,000)</u> | <u>(300,000)</u> | <u>(300,000)</u> |
| <u>(259,629)</u> | <u>(29,722)</u> | <u>(168,219)</u> | <u>(310,642)</u> | <u>(400,660)</u> | <u>(22,414)</u> |
| <u>\$ 4,231,387</u> | <u>\$ 4,658,941</u> | <u>\$ 5,654,484</u> | <u>\$ 4,746,753</u> | <u>\$ 4,474,733</u> | <u>\$ 5,626,072</u> |
| \$ 2,392,997 | \$ 435,610 | \$ 934,070 | \$ 1,404,587 | \$ 489,121 | \$ 866,212 |
| <u>1,034,440</u> | <u>852,765</u> | <u>771,506</u> | <u>2,045,514</u> | <u>1,345,677</u> | <u>1,325,977</u> |
| <u>\$ 3,427,437</u> | <u>\$ 1,288,375</u> | <u>\$ 1,705,576</u> | <u>\$ 3,450,101</u> | <u>\$ 1,834,798</u> | <u>\$ 2,192,189</u> |

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CITY OF ARDEN HILLS

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

| <u>Fiscal Year</u> | <u>General Property Taxes</u> | <u>Tax Increments</u> | <u>Franchise Taxes</u> | <u>Total</u> |
|--------------------|---------------------------------------|---------------------------|----------------------------|--------------|
| 2014 | \$ 3,182,331 | \$ 565,422 | \$ 103,711 | \$ 3,851,464 |
| 2015 | 3,191,426 | 697,898 | 72,837 | 3,962,161 |
| 2016 | 3,278,287 | 242,544 | 132,548 | 3,653,379 |
| 2017 | 3,526,347 | 295,788 | 109,070 | 3,931,205 |
| 2018 | 3,578,894 | 351,569 | 101,237 | 4,031,700 |
| 2019 | 3,793,754 | 388,697 | 100,464 | 4,282,915 |
| 2020 | 4,100,177 | 273,043 | 101,057 | 4,474,277 |
| 2021 | 4,293,895 | 396,891 | 97,549 | 4,788,335 |
| 2022 | 4,404,477 | 338,899 | 94,320 | 4,837,696 |
| 2023 | 4,570,332 | 36,365 | 92,096 | 4,698,793 |

CITY OF ARDEN HILLS

Fund Balances of Governmental Funds
Last Ten Fiscal Years

| | Fiscal Year | | | |
|------------------------------------|----------------------|---------------------|---------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| General Fund | | | | |
| Nonspendable | \$ 21,059 | \$ 23,983 | \$ 26,271 | \$ 288,519 |
| Assigned | 139,721 | 251,497 | 257,771 | 285,548 |
| Unassigned | <u>2,185,162</u> | <u>2,806,930</u> | <u>2,660,771</u> | <u>3,065,250</u> |
| Total General Fund | <u>\$ 2,345,942</u> | <u>\$ 3,082,410</u> | <u>\$ 2,944,813</u> | <u>\$ 3,639,317</u> |
| All other governmental funds | | | | |
| Nonspendable | \$ 395 | \$ 845 | \$ 214 | \$ 664 |
| Restricted | 917,300 | 675,052 | 786,678 | 898,739 |
| Committed | 471,161 | 449,898 | 450,433 | 471,996 |
| Assigned | 7,346,178 | 3,902,898 | 3,872,938 | 6,138,393 |
| Unassigned | <u>(150,893)</u> | <u>(216,521)</u> | <u>(217,607)</u> | <u>(439,147)</u> |
| Total all other governmental funds | <u>\$ 8,584,141</u> | <u>\$ 4,812,172</u> | <u>\$ 4,892,656</u> | <u>\$ 7,070,645</u> |
| Total all governmental funds | <u>\$ 10,930,083</u> | <u>\$ 7,894,582</u> | <u>\$ 7,837,469</u> | <u>\$ 10,709,962</u> |

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 25,482 | \$ 22,438 | \$ 28,782 | \$ 31,152 | \$ 34,508 | \$ 39,554 |
| 262,805 | 205,962 | 196,467 | 239,096 | 259,015 | 287,553 |
| <u>3,052,082</u> | <u>2,987,183</u> | <u>3,155,257</u> | <u>2,899,564</u> | <u>3,072,714</u> | <u>2,878,628</u> |
| <u>\$ 3,340,369</u> | <u>\$ 3,215,583</u> | <u>\$ 3,380,506</u> | <u>\$ 3,169,812</u> | <u>\$ 3,366,237</u> | <u>\$ 3,205,735</u> |
| \$ 214 | \$ 214 | \$ 3,680 | \$ 3,878 | \$ 4,071 | \$ 4,293 |
| 1,010,521 | 1,096,484 | 1,137,740 | 1,220,287 | 1,641,192 | 2,103,255 |
| 508,241 | 580,243 | 619,013 | 654,042 | 658,457 | 713,987 |
| 2,873,879 | 4,057,047 | 5,762,592 | 5,990,247 | 5,212,244 | 6,356,837 |
| <u>(189,404)</u> | <u>(227,892)</u> | <u>(230,101)</u> | <u>(223,538)</u> | <u>(218,496)</u> | <u>(219,580)</u> |
| <u>\$ 4,203,451</u> | <u>\$ 5,506,096</u> | <u>\$ 7,292,924</u> | <u>\$ 7,644,916</u> | <u>\$ 7,297,468</u> | <u>\$ 8,958,792</u> |
| <u>\$ 7,543,820</u> | <u>\$ 8,721,679</u> | <u>\$ 10,673,430</u> | <u>\$ 10,814,728</u> | <u>\$ 10,663,705</u> | <u>\$ 12,164,527</u> |

CITY OF ARDEN HILLS

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

| | Fiscal Year | | | |
|---|-------------------|-----------------------|-------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Revenues | | | | |
| Property taxes | | | | |
| General property taxes | \$ 3,210,025 | \$ 3,203,004 | \$ 3,260,537 | \$ 3,541,705 |
| Tax increments | 565,422 | 697,898 | 242,544 | 295,788 |
| Special assessments | 304,315 | 908,964 | 373,415 | 308,990 |
| Licenses and permits | 327,727 | 518,846 | 598,686 | 729,197 |
| Intergovernmental | 1,408,240 | 1,396,269 | 396,275 | 2,124,414 |
| Charges for services | 400,224 | 496,908 | 577,041 | 590,141 |
| Fines and forfeits | 29,569 | 32,792 | 31,868 | 29,989 |
| Earnings on investments (charges) | 433,402 | 236,947 | 148,679 | 133,231 |
| Franchise taxes | 103,711 | 72,837 | 132,548 | 109,070 |
| Antenna lease rental fees | 110,144 | 189,534 | 123,815 | 128,765 |
| Miscellaneous/other | 89,482 | 241,463 | 94,442 | 164,256 |
| Total revenues | <u>6,982,261</u> | <u>7,995,462</u> | <u>5,979,850</u> | <u>8,155,546</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 1,155,120 | 1,143,037 | 1,194,579 | 1,189,500 |
| Public safety | 1,826,098 | 1,920,280 | 1,981,506 | 2,058,037 |
| Public works | 580,872 | 336,398 | 479,814 | 443,633 |
| Parks and recreation | 648,214 | 573,587 | 621,832 | 618,614 |
| Economic development | 286,991 | 249,484 | 229,688 | 264,905 |
| Capital outlay | | | | |
| General government | 5,559 | - | - | - |
| Public safety | 66,079 | 52,936 | 47,880 | 100,215 |
| Public works | 1,833,535 | 6,198,264 | 786,873 | 734,411 |
| Parks and recreation | 18,883 | - | - | 337,808 |
| Economic development | 231,025 | 502,842 | 151,306 | 7,520 |
| Debt service | | | | |
| Principal | 270,000 | 280,000 | - | - |
| Interest and paying agent fees | 14,773 | 4,900 | - | - |
| Total expenditures | <u>6,937,149</u> | <u>11,261,728</u> | <u>5,493,478</u> | <u>5,754,643</u> |
| Revenues over (under) expenditures | 45,112 | (3,266,266) | 486,372 | 2,400,903 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | 230,765 | 230,765 | 230,765 | 471,590 |
| Total other financing sources (uses) | <u>230,765</u> | <u>230,765</u> | <u>230,765</u> | <u>471,590</u> |
| Net change in fund balances | <u>\$ 275,877</u> | <u>\$ (3,035,501)</u> | <u>\$ 717,137</u> | <u>\$ 2,872,493</u> |
| Debt service as a percentage of noncapital expenditures | <u>5.73%</u> | <u>6.20%</u> | <u>-%</u> | <u>-%</u> |

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| \$ 3,578,628 | \$ 3,795,624 | \$ 4,099,819 | \$ 4,289,994 | \$ 4,405,691 | \$ 4,583,077 |
| 351,569 | 388,697 | 273,043 | 396,891 | 338,899 | 36,365 |
| 735,369 | 828,487 | 329,781 | 660,411 | 432,885 | 358,438 |
| 526,444 | 714,530 | 431,628 | 752,532 | 830,866 | 471,742 |
| 1,003,685 | 603,966 | 1,231,252 | 505,585 | 542,973 | 1,096,916 |
| 427,905 | 440,616 | 215,918 | 459,638 | 476,574 | 342,339 |
| 37,080 | 34,512 | 13,581 | 21,500 | 22,662 | 24,681 |
| 154,369 | 310,607 | 338,444 | (29,384) | (454,163) | 642,853 |
| 101,237 | 100,464 | 101,057 | 97,549 | 94,320 | 92,096 |
| 57,067 | 134,505 | 140,707 | 146,101 | 139,304 | 143,305 |
| 249,322 | 157,122 | 432,118 | 474,889 | 239,414 | 215,885 |
| <u>7,222,675</u> | <u>7,509,130</u> | <u>7,607,348</u> | <u>7,775,706</u> | <u>7,069,425</u> | <u>8,007,697</u> |
| 1,164,657 | 1,195,335 | 1,201,143 | 1,137,188 | 1,204,619 | 1,384,179 |
| 2,088,345 | 2,399,296 | 2,435,773 | 2,708,137 | 2,546,051 | 2,704,012 |
| 579,535 | 632,531 | 675,739 | 618,236 | 914,148 | 682,510 |
| 653,977 | 679,589 | 547,787 | 626,629 | 665,776 | 721,291 |
| 324,548 | 300,052 | 415,839 | 349,341 | 138,251 | 81,788 |
| 13,770 | 115,924 | 107,865 | 290,193 | 210,148 | 47,249 |
| 233,301 | 69,666 | 299,107 | 111,065 | 98,396 | 168,558 |
| 2,916,604 | 713,156 | 204,169 | 1,993,539 | 1,708,553 | 418,226 |
| 2,783,238 | 549,812 | 22,675 | 133,150 | 273,197 | 610,787 |
| — | 3,300 | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| <u>10,757,975</u> | <u>6,658,661</u> | <u>5,910,097</u> | <u>7,967,478</u> | <u>7,759,139</u> | <u>6,818,600</u> |
| (3,535,300) | 850,469 | 1,697,251 | (191,772) | (689,714) | 1,189,097 |
| 69,158 | 27,390 | 17,500 | 33,070 | 238,691 | 11,725 |
| 300,000 | 300,000 | 237,000 | 300,000 | 300,000 | 300,000 |
| <u>369,158</u> | <u>327,390</u> | <u>254,500</u> | <u>333,070</u> | <u>538,691</u> | <u>311,725</u> |
| <u>\$ (3,166,142)</u> | <u>\$ 1,177,859</u> | <u>\$ 1,951,751</u> | <u>\$ 141,298</u> | <u>\$ (151,023)</u> | <u>\$ 1,500,822</u> |
| <u>—%</u> | <u>—%</u> | <u>—%</u> | <u>—%</u> | <u>—%</u> | <u>—%</u> |

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CITY OF ARDEN HILLS

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

| <u>Fiscal Year</u> | <u>General Property Taxes</u> | <u>Tax Increments</u> | <u>Franchise Taxes</u> | <u>Total</u> |
|--------------------|---------------------------------------|---------------------------|----------------------------|--------------|
| 2014 | \$ 3,210,025 | \$ 565,422 | \$ 103,711 | \$ 3,879,158 |
| 2015 | 3,203,004 | 697,898 | 72,837 | 3,973,739 |
| 2016 | 3,260,537 | 242,544 | 132,548 | 3,635,629 |
| 2017 | 3,541,705 | 295,788 | 109,070 | 3,946,563 |
| 2018 | 3,578,628 | 351,569 | 101,237 | 4,031,434 |
| 2019 | 3,795,624 | 388,697 | 100,464 | 4,284,785 |
| 2020 | 4,099,819 | 273,043 | 101,057 | 4,473,919 |
| 2021 | 4,289,994 | 396,891 | 97,549 | 4,784,434 |
| 2022 | 4,405,691 | 338,899 | 94,320 | 4,838,910 |
| 2023 | 4,583,077 | 36,365 | 92,096 | 4,711,538 |

CITY OF ARDEN HILLS

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

| <u>Fiscal Year Ended December 31,</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Total Tax Capacity</u> | <u>Less Tax Increment District</u> | <u>Less Fiscal Disparity Contribution</u> |
|---|--------------------------|------------------------------|-------------------------------|--|---|
| 2014 | \$ 13,413,316 | \$ 216,679 | \$ 13,629,995 | \$ 510,906 | \$ 2,375,745 |
| 2015 | 14,162,432 | 224,125 | 14,386,557 | 684,465 | 2,303,582 |
| 2016 | 14,364,828 | 236,271 | 14,601,099 | 207,526 | 2,280,682 |
| 2017 | 14,671,678 | 262,904 | 14,934,582 | 256,243 | 2,365,021 |
| 2018 | 15,751,958 | 276,244 | 16,028,202 | 308,152 | 2,141,470 |
| 2019 | 16,457,522 | 256,847 | 16,714,369 | 345,318 | 2,174,854 |
| 2020 | 17,592,301 | 268,599 | 17,860,900 | 273,444 | 2,627,733 |
| 2021 | 18,379,048 | 290,865 | 18,669,913 | 362,116 | 2,626,688 |
| 2022 | 18,571,778 | 126,061 | 18,697,839 | 367,689 | 2,932,378 |
| 2023 | 20,983,351 | 132,519 | 21,115,870 | – | 2,778,653 |

Source: Ramsey County Assessor

| <u>Adjusted Tax Capacity (ATC) Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Market Value (EMV)</u> | <u>ATC as a Percentage of EMV</u> |
|--|----------------------------------|---|---|
| \$ 10,743,344 | 27.950 % | \$ 1,055,153,800 | 1.02 % |
| 11,398,510 | 27.294 | 1,122,428,000 | 1.02 |
| 12,112,891 | 26.539 | 1,144,221,600 | 1.06 |
| 12,313,318 | 27.211 | 1,173,397,600 | 1.05 |
| 13,578,580 | 25.532 | 1,260,228,800 | 1.08 |
| 14,194,197 | 25.555 | 1,313,244,900 | 1.08 |
| 14,959,723 | 25.414 | 1,406,207,500 | 1.06 |
| 15,681,109 | 25.089 | 1,460,289,500 | 1.07 |
| 15,397,772 | 26.543 | 1,463,478,400 | 1.05 |
| 18,337,217 | 23.632 | 1,655,788,100 | 1.11 |

CITY OF ARDEN HILLS

Property Tax Rates
Direct and Overlapping (1) Governments
Last Ten Fiscal Years

| Fiscal Year | Direct Rate | Overlapping Rates | | | Total |
|-------------|---------------------------|-------------------|--------------------|--------------------------------|-----------|
| | City Operating Rate | Ramsey County | School District | Special Taxing Districts | |
| 2014 | 27.950 % | 63.735 % | 29.734 % | 9.825 % | 131.244 % |
| 2015 | 27.294 | 58.922 | 27.378 | 9.179 | 122.773 |
| 2016 | 26.539 | 58.885 | 26.245 | 9.052 | 120.721 |
| 2017 | 27.211 | 55.850 | 25.305 | 8.558 | 116.924 |
| 2018 | 25.532 | 53.962 | 28.464 | 8.249 | 116.207 |
| 2019 | 25.555 | 52.879 | 26.330 | 8.265 | 113.029 |
| 2020 | 25.414 | 52.302 | 24.964 | 8.249 | 110.929 |
| 2021 | 25.089 | 47.760 | 23.863 | 7.822 | 104.534 |
| 2022 | 26.543 | 48.067 | 23.420 | 9.971 | 108.001 |
| 2023 | 23.632 | 44.901 | 25.533 | 8.740 | 102.806 |

(1) 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 (e.g., the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

Source: Ramsey County Assessor

CITY OF ARDEN HILLS

Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | 2023 | | | 2014 | | |
|--|------------------------|------|---|------------------------|------|---|
| | Taxable Capacity Value | Rank | Percentage of Total City Capacity Value | Taxable Capacity Value | Rank | Percentage of Total City Capacity Value |
| Cardiac Pacemakers, Inc. | \$ 1,112,470 | 1 | 6.07 % | \$ 1,599,250 | 1 | 14.89 % |
| Land O'Lakes, Inc. | 753,804 | 2 | 4.11 | 360,146 | 2 | 3.35 |
| St. Paul Fire and Marine Insurance Company | 620,204 | 3 | 3.38 | 350,784 | 3 | 3.27 |
| Space Center Arden Hills, LLC | 565,904 | 4 | 3.09 | 286,350 | 5 | 2.67 |
| Presbyterian Homes, Inc. | 501,376 | 5 | 2.73 | 200,000 | 9 | 1.86 |
| Caliber Lodging, Inc. | 299,038 | 6 | 1.63 | - | - | - |
| NSP | 266,904 | 7 | 1.46 | 313,103 | 4 | 2.91 |
| PNL Invest, LLC | 258,370 | 8 | 1.41 | - | - | - |
| Sup I Shannon Square, LLC | 221,508 | 9 | 1.21 | - | - | - |
| Northpark CC LLC | 217,882 | 10 | 1.19 | - | - | - |
| IRET Properties, LP | - | - | - | 280,030 | 6 | 2.61 |
| CSM Corporation | - | - | - | 251,496 | 7 | 2.34 |
| Pharmacia Deltec, Inc. | - | - | - | 203,214 | 8 | 1.89 |
| RAM Development, LLC | - | - | - | 162,654 | 10 | 1.51 |
| Total | <u>\$ 4,817,460</u> | | <u>26.27 %</u> | <u>\$ 4,007,027</u> | | <u>37.30 %</u> |
| Total capacity value | <u>\$ 18,337,217</u> | | | <u>\$ 10,743,344</u> | | |

Source: Ramsey County Assessor

CITY OF ARDEN HILLS

Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year Ended December 31, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Additions/ (Abatements) | Collections (Refunds) in Subsequent Years | Total Collections to Date | |
|--------------------------------------|---|---|--------------------|----------------------------|--|---------------------------|-----------------------|
| | | Amount | Percent of Levy | | | Amount | Percentage of Levy |
| 2014 | \$ 3,257,456 | \$ 3,219,641 | 98.84 % | \$ (20,640) | \$ 17,175 | \$ 3,257,456 | 100.00 % |
| 2015 | 3,359,775 | 3,295,723 | 98.09 | (75,019) | (10,967) | 3,359,775 | 100.00 |
| 2016 | 3,478,775 | 3,408,642 | 97.98 | (77,980) | (7,847) | 3,478,775 | 100.00 |
| 2017 | 3,641,290 | 3,562,166 | 97.83 | (66,924) | 12,200 | 3,641,290 | 100.00 |
| 2018 | 3,786,942 | 3,710,786 | 97.99 | (58,021) | 18,036 | 3,786,843 | 100.00 |
| 2019 | 3,938,420 | 3,871,967 | 98.31 | (86,658) | (20,205) | 3,938,420 | 100.00 |
| 2020 | 4,135,340 | 4,116,483 | 99.54 | (41,410) | (22,553) | 4,135,340 | 100.00 |
| 2021 | 4,280,080 | 4,218,186 | 98.55 | (49,422) | 12,472 | 4,280,080 | 100.00 |
| 2022 | 4,472,680 | 4,454,078 | 99.58 | (5,070) | 13,532 | 4,472,680 | 100.00 |
| 2023 | 4,718,680 | 4,616,384 | 97.83 | (87,994) | – | 4,704,378 | 99.70 |

Source: Ramsey County Assessor

CITY OF ARDEN HILLS

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|------------------------------------|--------------------------|---------|-----------|--------------------------------|---|-------------------|
| | General Obligation TIF Bonds | Revenue Bonds | Premium | Total | | | |
| 2014 | \$ 280,000 | \$ - | \$ - | \$ - | \$ 280,000 | 0.08 % | \$ 29 |
| 2015 | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - |
| 2018 | - | 2,415,000 | 156,952 | 2,571,952 | 2,571,952 | 0.71 | 260 |
| 2019 | - | 2,415,000 | 141,394 | 2,556,394 | 2,556,394 | 0.69 | 255 |
| 2020 | - | 2,215,000 | 125,838 | 2,340,838 | 2,340,838 | 0.62 | 236 |
| 2021 | - | 2,005,000 | 110,281 | 2,115,281 | 2,115,281 | 0.53 | 214 |
| 2022 | - | 1,785,000 | 94,724 | 1,879,724 | 1,879,724 | 0.42 | 194 |
| 2023 | - | 1,560,000 | 79,168 | 1,639,168 | 1,639,168 | 0.36 | 169 |

(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.

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CITY OF ARDEN HILLS

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

| Governmental Unit | Net Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|-------------------------------------|-------------------------|---|---|
| Debt repaid with property taxes | | | |
| Ramsey County | \$ 124,547,787 | 2.43 % | \$ 3,026,102 |
| County library | 18,110,027 | 4.79 | 868,035 |
| Independent School District No. 621 | 168,431,292 | 13.02 | 21,937,180 |
| Independent School District No. 623 | 148,813,796 | 0.74 | 1,100,970 |
| Metropolitan Council | 1,581,725,568 | 0.34 | <u>5,324,122</u> |
| Total overlapping debt | | | 32,256,409 |
| City of Arden Hills | - | 100.00 | <u>-</u> |
| Total direct and overlapping debt | | | <u><u>\$ 32,256,409</u></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 county's taxable assessed value that is within the City's boundaries and dividing it by the county'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: Assessed value data used to estimate applicable percentages provided by the Ramsey County Assessor. Debt outstanding data provided by the county.

CITY OF ARDEN HILLS

Legal Debt Margin Information
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 |
| Debt limit | \$ 31,654,614 | \$ 33,672,840 | \$ 34,326,648 | \$ 35,201,928 |
| Total net debt applicable to limit | - | - | - | - |
| Legal debt margin | <u>\$ 31,654,614</u> | <u>\$ 33,672,840</u> | <u>\$ 34,326,648</u> | <u>\$ 35,201,928</u> |
| Total net debt applicable to the limit as a percentage of debt limit | - | - | - | - |

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

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 37,806,864 | \$ 39,397,347 | \$ 42,186,225 | \$ 43,808,685 | \$ 43,904,352 | 49,673,643 |
| - | - | - | - | - | - |
| <u>\$ 37,806,864</u> | <u>\$ 39,397,347</u> | <u>\$ 42,186,225</u> | <u>\$ 43,808,685</u> | <u>\$ 43,904,352</u> | <u>\$ 49,673,643</u> |

- - - - -

Legal Debt Margin Calculation for Fiscal Year 2023

| | |
|---|----------------------|
| Total estimated market value | \$1,655,788,100 |
| Debt limit (3% of market value) | 49,673,643 |
| Debt applicable to limit | |
| General obligation bonds | - |
| Less amount set aside for repayment of general obligation debt | <u>-</u> |
| Total net debt applicable to the limit | <u>-</u> |
| Legal debt margin | <u>\$ 49,673,643</u> |

CITY OF ARDEN HILLS

Pledged Revenue Coverage
Last Six Fiscal Years

| Fiscal Year | Operating Revenues | Less Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|--------------------|-------------------------|-----------------------|--------------|-----------|----------|
| | | | | Principal | Interest | |
| 2018 | \$ 4,026,325 | \$ 3,279,800 | \$ 746,525 | \$ - | \$ 52,333 | 14.3 |
| 2019 | 4,179,282 | 3,387,940 | 791,342 | - | 94,288 | 8.4 |
| 2020 | 4,187,741 | 3,085,624 | 1,102,117 | 200,000 | 86,998 | 3.8 |
| 2021 | 4,900,238 | 3,301,491 | 1,598,747 | 210,000 | 78,800 | 5.5 |
| 2022 | 5,032,667 | 3,678,576 | 1,354,091 | 220,000 | 70,200 | 4.7 |
| 2023 | 5,449,172 | 3,901,853 | 1,547,319 | 225,000 | 61,299 | 5.4 |

Note 1: Includes Water and Sewer Funds. Operating expenses do not include depreciation.

Note 2: Fiscal year 2018 represents the first year the City pledged revenue for utility revenue bonds.

CITY OF ARDEN HILLS

Demographic and Economic Statistics
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Per Capita Personal Income (3)</u> | <u>Arden Hills Total Personal Income (4)</u> | <u>Median Age (6)</u> | <u>School Enrollment (5)</u> | <u>Unemployment Rate (2)</u> |
|--------------------|-----------------------|---|--|---------------------------|----------------------------------|----------------------------------|
| 2014 | 9,652 | \$ 34,481 | \$332,810,612 | 36.9 | 10,734 | 4.1 % |
| 2015 | 9,847 | 35,222 | 346,831,034 | 36.0 | 11,011 | 3.6 |
| 2016 | 9,966 | 35,994 | 358,716,204 | 36.0 | 11,401 | 3.6 |
| 2017 | 9,969 | 37,723 | 376,060,587 | 36.3 | 11,556 | 3.3 |
| 2018 | 9,889 | 36,553 | 361,472,617 | 36.3 | 11,647 | 2.8 |
| 2019 | 10,008 | 36,989 | 370,185,912 | 36.4 | 11,957 | 3.0 |
| 2020 | 9,939 | 37,932 | 377,006,148 | 36.2 | 12,061 | 7.0 |
| 2021 | 9,897 | 40,539 | 401,214,483 | 36.2 | 11,806 | 4.2 |
| 2022 | 9,682 | 46,623 | 451,403,886 | 36.2 | 11,747 | 2.6 |
| 2023 | 9,706 | 46,623 | 452,532,396 | 36.1 | 11,792 | 2.7 |

Sources:

- (1) Population data is obtained from the Metropolitan Council website. Fiscal year 2023 is estimated by city staff.
- (2) Unemployment rate information is from DEED for Ramsey County.
- (3) Per capita personal income prior to 2022 is obtained from the Metropolitan Council website. Per capita personal income for 2022 and 2023 is the 2022 data obtained from www.census.gov.
- (4) Personal income is calculated based on the population and per capita personal income.
- (5) Enrollment numbers are based off of Independent School District No. 621, Mounds View from the Minnesota Department of Education website.
- (6) Median age is from www.city-data.com website.

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CITY OF ARDEN HILLS

Principal Employers
Current Year and Nine Years Ago

| Employer | 2023 Employees | 2014 (1) Employees |
|------------------------------------|-------------------|-----------------------|
| Boston Scientific | 3,000–3,500 | 2,400 |
| Land O’Lakes, Inc. | 1,250–1,750 | 800 |
| University of Northwestern | 1,000–1,500 | – |
| Bethel University | 750–1,250 | 970 |
| Presbyterian Homes of Arden Hills | 450–550 | 493 |
| Delkor | 300–350 | – |
| IntriCon | 250–300 | – |
| Venture Solutions, Inc. | 175–225 | – |
| Gradient Financial | 150–200 | – |
| National Recoveries | 150–200 | – |
| Ulteig Engineers, Inc. | 150–200 | – |
| Health Partners Arden Hills Clinic | 150–200 | – |
| Smiths Medical M.D., Inc. | – | 525 |
| Country and MSI Insurance | – | 236 |
| Total employees in the City | 9,182 (2) | 14,173 |

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

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

Note: This does not purport to be a comprehensive list and is based on available data from the City’s 2018 Official Statement and updates received since then through a survey of individual employers. Some employers do not respond to inquiries for employment data.

Source: City staff research; business license renewals; Metropolitan Council

CITY OF ARDEN HILLS

Operating Indicators by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | |
|---|-------------|----------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 |
| Police (see Note 2) | | | | |
| Towed vehicles | 1 | N/A | N/A | N/A |
| Traffic accidents | 144 | N/A | N/A | N/A |
| Driving impaired/alcohol | 18 | N/A | N/A | N/A |
| Traffic stops | 20 | N/A | N/A | N/A |
| Traffic investigations | 40 | N/A | N/A | N/A |
| Total calls for service | N/A | 4,892.00 | 4,413 | 5,152 |
| Fire | | | | |
| Number of calls answered | 651 | 804.00 | 930 | 986 |
| Highways and streets | | | | |
| Street resurfacing (miles) | – | 2.84 | 0.25 | 0.20 |
| Potholes repaired | 250 | 600.00 | 600 | 700 |
| Sanitation (residential) – (see Note 3) | | | | |
| Refuse collected (tons/day) | 8.65 | 8.76 | 8.75 | 8.80 |
| Recyclables collected (tons/day) | 2.21 | 2.16 | 2.06 | 2.22 |
| Recycling clean up days | N/A | N/A | N/A | N/A |
| Tons collected during clean up days | N/A | N/A | N/A | N/A |
| Parks and recreation | | | | |
| Athletic field permits issued | 22 | 22 | 22 | 30 |
| Water | | | | |
| New connections | 2 | 7 | 8 | 8 |
| Water main breaks | 2 | 10 | 6 | 7 |
| Average daily consumption (thousands of gallons) | 983 | 857 | 812 | 853 |

N/A – Not Applicable

Note 1: Indicators are not available for the general city functions.

Note 2: Information provided by the Ramsey County Sheriff’s Department. Starting in 2015, the Sheriff changed reporting standards, and information is no longer easily broken down. Total number of calls is now provided.

Note 3: Recyclables – numbers based off of yearly tonnage total divided into 365 days in the year. Starting in 2018, the refuse collected information is no longer being provided as it is not readily available. Instead, information on recycling clean up days is being provided.

Note 4: Fire information provided by Lake Johanna Fire Department, which is contracted out by the City.

Source: Various city departments

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------|-------|-------|-------|-------|-------|
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 5,331 | 5,253 | 3,924 | 4,232 | 4,102 | 4,468 |
| 1,039 | 1,138 | 1,044 | 1,178 | 1,077 | 1,255 |
| 1.00 | 0.30 | 2.32 | 4.42 | 7.10 | 0.65 |
| 800 | 750 | 1,000 | 700 | 600 | 350 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 2.17 | 2.20 | 2.19 | 2.71 | 1.85 | 1.76 |
| 2 | 2 | – | 1 | 1 | 1 |
| 73.7 | 44.8 | – | 7.3 | 7.4 | 4.6 |
| 25 | 20 | 2 | 8 | 6 | 5 |
| 8 | 2 | 3 | 7 | 1 | 2 |
| 8 | 4 | 2 | 3 | 6 | 9 |
| 869 | 841 | 855 | 914 | 981 | 1,051 |

CITY OF ARDEN HILLS

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

| Function | Fiscal Year | | | |
|--------------------------|-------------|-------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 |
| General government | 6.45 | 6.37 | 4.56 | 4.10 |
| Public safety | 2.60 | 2.70 | 2.47 | 2.19 |
| Public works | 4.20 | 4.22 | 3.47 | 2.70 |
| Parks and recreation | 6.70 | 6.74 | 6.09 | 5.58 |
| Water | 3.75 | 3.69 | 3.46 | 3.42 |
| Sewer | 4.60 | 4.43 | 4.24 | 4.21 |
| Recycling | 0.20 | 0.18 | 0.16 | 0.15 |
| Surface water management | 2.65 | 2.64 | 2.64 | 2.43 |
| Total | 31.15 | 30.97 | 27.09 | 24.78 |

Note: Seasonal staff are calculated by total hours worked (2,080 hours per year), added together to total an equivalent. Seasonal hours fluctuate throughout the year.

Source: Finance and Administration

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 4.61 | 5.10 | 5.61 | 4.46 | 4.82 | 5.43 |
| 2.39 | 2.34 | 2.66 | 1.85 | 2.63 | 2.52 |
| 3.08 | 2.86 | 2.64 | 2.54 | 3.03 | 2.78 |
| 5.96 | 6.13 | 5.14 | 5.30 | 5.11 | 4.77 |
| 3.24 | 3.39 | 3.54 | 3.37 | 3.66 | 3.45 |
| 3.99 | 4.11 | 4.20 | 4.04 | 4.48 | 4.12 |
| 0.23 | 0.32 | 0.29 | 0.27 | 0.27 | 0.24 |
| 2.30 | 2.35 | 2.53 | 2.31 | 2.48 | 2.69 |
| <u>25.80</u> | <u>26.60</u> | <u>26.61</u> | <u>24.14</u> | <u>26.48</u> | <u>26.00</u> |

CITY OF ARDEN HILLS

Capital Asset Statistics by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | |
|--|-------------|-------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 |
| Highways and streets | | | | |
| Streets (miles) | 57 | 57 | 57 | 57 |
| Streetlights | 250 | 250 | 250 | 252 |
| Traffic signals | 18 | 18 | 18 | 18 |
| Parks and recreation* | | | | |
| Parks acreage | 111 | 111 | 111 | 111 |
| Parks | 14 | 14 | 14 | 14 |
| Trails acreage | 54 | 54 | 54 | 54 |
| Trails (miles) | 21 | 21 | 21 | 21 |
| Tennis courts | 6 | 6 | 5 | 4 |
| Softball/baseball fields | 8 | 8 | 8 | 7 |
| Basketball courts | 10 | 10 | 10 | 10 |
| Hockey/skating rinks | 6 | 6 | 6 | 6 |
| Permanent restrooms | 3 | 3 | 3 | 3 |
| Water | | | | |
| Water mains (miles) | 43 | 43 | 43 | 43 |
| Fire hydrants | 537 | 537 | 537 | 537 |
| Maximum daily capacity (thousands of gallons) | 1,500 | 1,500 | 1,500 | 1,500 |
| Sewer | | | | |
| Sanitary sewers (miles) | 52 | 52 | 52 | 52 |
| Storm sewers (miles) | 25 | 25 | 25 | 25 |

* Information used for the parks and recreation section was taken from the *Arden Hills Parks and Trails Guide* from the Parks and Recreation Department.

Note: No capital asset indicators are available for the general city functions.

Source: Various city departments

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------|-------|-------|-------|-------|-------|
| 57 | 57 | 57 | 57 | 57 | 57 |
| 252 | 254 | 254 | 254 | 254 | 254 |
| 18 | 18 | 18 | 18 | 19 | 19 |
| 111 | 111 | 111 | 111 | 111 | 115 |
| 14 | 14 | 14 | 14 | 14 | 15 |
| 54 | 54 | 54 | 54 | 55 | 55 |
| 22 | 22 | 22 | 22 | 23 | 23 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 3 | 4 | 4 | 4 | 4 | 4 |
| 44 | 44 | 44 | 44 | 44 | 44 |
| 537 | 537 | 537 | 540 | 540 | 540 |
| 1,500 | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 |
| 52 | 52 | 52 | 52 | 52 | 52 |
| 25 | 25 | 25 | 25 | 25 | 25 |

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