



# Popular Annual Financial Report 2023



CityofArdenHills.org



1245 W Hwy 96 Arden Hills, MN  
55112

# City of Arden Hills, Minnesota

## Popular Annual Financial Report

### To The Community

For the year ended December 31, 2023



1245 W Hwy 96  
Arden Hills, MN  
55112  
651-792-7800

[cityofardenhills.org](http://cityofardenhills.org)

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The City of Arden Hills is proud to present its Popular Annual Financial Report [PAFR]. The purpose of this report is to inform the community of the City's financial activity in a simple, easy-to-read format for the fiscal year ending December 31, 2023. These highlights are based upon the City's Annual Comprehensive Financial Report (Annual Report) which is a more inclusive, audited document.

In order for Arden Hills to manage the community finances smoothly, it divides various activities into several different funds.

- The **General Fund** accounts for revenues and expenditures that provide for *basic operations of the City*, i.e., administration, police & fire, street & park maintenance, recreation, community development and planning.
- **Special Revenue Funds** account for activities restricted to *specific purposes* like economic development.
- **Debt Service Funds** track revenues and expenses related to *repayment of long term debt*.
- The **Capital Funds** collect revenues from special assessments, state and county aids and allots them toward *construction or major capital expenses*.
- **Enterprise Funds** account for *activities that operate as public enterprises* which are paid for by user fees, i.e., water, recycling, sewer and surface water management.
- **Internal Service Funds** account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominately self-supported by user charges to other governmental funds.

### Dividing Up Your Property Tax Dollar



Ramsey County 47¢      City of Arden Hills 25¢      School District 19¢      Other Agencies 9¢

Your tax dollar is divided up between several governmental entities. Arden Hills collects 25 cents of every tax dollar for City services. The remaining portions are divided among Ramsey County, the school district and other agencies.

### Department Organizational Chart

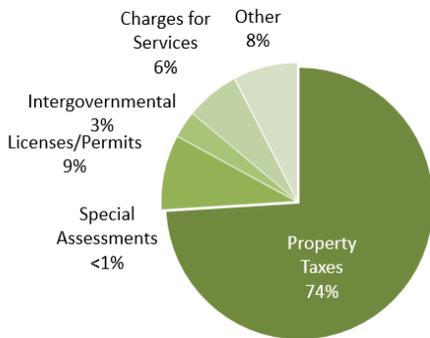


# General Fund

The City’s General Fund is the largest fund and is also one of the most vital to the City’s operation. The General Fund is the primary fund that accounts for everyday general expenditures like street and park maintenance, public safety, and administrative services. Like most funds, the General Fund relies on the inflow of cash, shown as revenues, and subsequently the outflow, listed as expenditures.

## Revenues

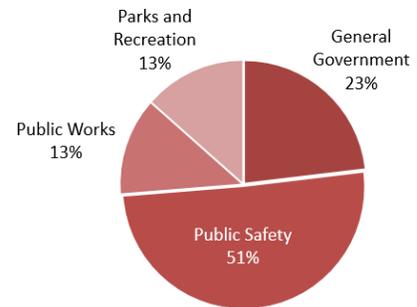
The primary revenue for the General Fund is property taxes. Intergovernmental revenues are items like state or county aids and grants. For year end 2023, the City’s revenue total was \$5,354,155 which was a \$47,719 (0.9%) increase from the previous year. Property taxes increased \$133,998 due to increased property tax levy in the current year. Licenses & permits decreased 359,124 due to decreased building activity. Investment earnings increased 396,533 due to market value fluctuations.



	<u>2021</u>	<u>2022</u>	<u>2023</u>
Property Taxes	\$3,763,384	\$3,829,079	\$3,963,077
Special Assessments	4,514	0	0
Licenses/Permits	752,532	830,866	471,742
Intergovernmental	160,279	174,405	167,376
Charges for Services	459,638	476,574	342,339
Other	164,243	(4,488)	409,621
<b>Total General Fund Revenues</b>	<b>\$5,304,590</b>	<b>\$5,306,436</b>	<b>\$5,345,155</b>

## Expenditures

The City’s total General Fund expenditures for 2023 were \$5,343,517 which was \$247,653 (4.4%) under the final budget. Overall, General Fund expenditures increased by \$140,505 (2.7%) from 2022. Public Safety costs increased \$157,961 (6.2%) and Public Works costs decreased by \$231,638 (25.3%). The chart below highlights the amount funded by each of the City’s functions.



	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government	\$1,014,282	\$1,077,037	\$1,235,704
Public Safety	2,708,137	2,546,051	2,704,012
Public Works	618,236	914,148	682,510
Parks & Recreation	626,629	665,776	721,291
<b>Total General Fund Expenditures</b>	<b>\$4,967,284</b>	<b>\$5,203,012</b>	<b>\$5,343,517</b>

## Net Position

The City’s total Net Position increased by 2,192,189 in 2023 over 2022, which indicates positive financial results.

### City Departments

**Administration:** This department provides the overall direction for the City as determined by the City Council. It is responsible for maintaining City records, issuing licenses, administering Council policies, and overseeing election procedures.

**Finance:** This department conducts the financial affairs of the City of Arden Hills in accordance with the Governmental Accounting Standards Board (GASB) and the Generally Accepted Accounting Principles (GAAP).

**Community Development:** This department is responsible for ensuring that laws, ordinances, and zoning codes are enforced. It is also responsible for economic development within the City.

**Public Works:** This department manages the City’s infrastructure as it relates to roadways, water, sewer, and surface water management.

**Parks & Recreation:** This department is responsible for providing recreational activities in the City and maintaining the City’s parks and trails.

## Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. They are required by statute to finance particular functions, activities, or governments. The City of Arden Hills has the following recurring Special Revenue Funds:

- **Cable TV** accounts for revenue and expenditures related to cable TV, internet and other forms of communication. Revenue for this fund comes primarily from cable owner franchise fees.

- **EDA Operations** accounts for general administration activities that are not specific to any individual Tax Increment Financing (TIF) District, as well as activities associated with the Economic Development Commission and Economic Development Authority.

- **EDA TIF Districts** account for revenues derived from tax increments and expenditures for developer reimbursements and administrative expenses. The City had three districts at the end of 2023.

The City also established an American Rescue Plan Act Fund to administer the ARPA funds and a Karth Lake Improvement District Fund to manage a pump replacement project. These are short-term funds.

## Long Term Debt

Arden Hills received a “AAA” rating from Standard and Poor’s Global on its 2018 bond issue. This is the highest possible rating you can receive. A high bond rating translates into lower future borrowing costs. It shows that the City is able to meet its financial commitments and has the lowest risk of default. This rating is based on the City’s:

- Very Strong economy, with access to a broad and diverse metropolitan statistical area.
- Very strong management, with strong financial policies and practices.
- Very strong budgetary performance and liquidity.
- Very strong debt and contingent liability position.
- Strong institutional framework.



The goal of the PAFR is to supplement—not replace—the Annual Report.

Similar to the Annual Report, information in the PAFR conforms to Generally Accepted Accounting Principles (GAAP). For more detailed information and copies of the PAFR or Annual Report, visit the city’s website at [www.cityofardenhills.org](http://www.cityofardenhills.org).

## Internal Service Funds

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. The combined totals for these funds are:

Beginning Net Position	\$178,179
Revenues	\$570,686
Expenses	\$563,679
Ending Net Position	\$185,186



### About this Report

The City of Arden Hills reports financial year-end results in the Annual Comprehensive Financial Report (Annual Report). The Popular Annual Financial Report (PAFR) is an unaudited report that summarizes the most significant data from the Annual Report, and is consistent with Generally Accepted Accounting Principles.

For a complete review of the City’s financial position for 2023, consult the 2023 Annual Report available on the City’s website at [www.cityofardenhills.org](http://www.cityofardenhills.org), or from the Finance Department at 651.792.7800.

## Capital Funds

**Permanent Improvement Revolving Fund:** The Pavement Management Program (PMP) identifies, inventories, and tracks street conditions to ensure that maintenance is completed at the appropriate time. The results are prolonged pavement life and reduced costs to property owners. The most recent projects occurred in 2022, which consisted of the Arden Oaks neighborhood and Snelling Avenue. Year end fund balance was \$5,605,205.

**Public Safety Projects:** This fund accounts for the City’s share of capital equipment costs for police and fire. Year end fund balance was \$801,046.

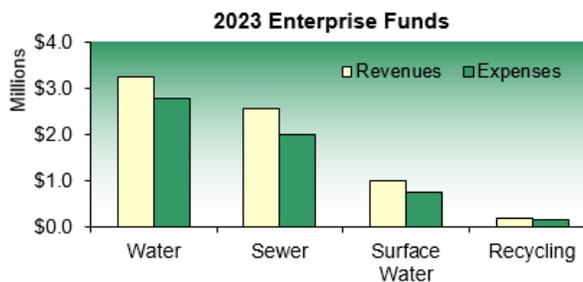
**Equipment/Building Maintenance & Repair:** City equipment and buildings are monitored regularly and replaced/repaired when needed. Transfers are made from various funds to fund these expenditures. Year end fund balance was \$383,682.

**Parks:** This fund was established for park/trail acquisition, maintenance and development. Revenue for this fund comes from developer park dedication fees, contributions, state grants and investment interest. Year end fund balance was \$197,648.

## Enterprise Funds

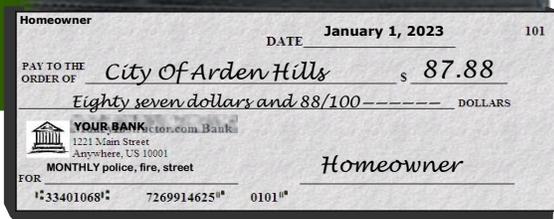
The Enterprise Funds are run like a business in that they rely on fees and charges for revenue to cover expenses. These funds consist of utility services provided to the community by the City such as water, sewer, surface water and recycling. A rate study was completed in 2018 and projected infrastructure improvements will require annual user rate increases for the foreseeable future. User rates are evaluated each year during the budget cycle.

	Revenues	Expenses
Water	3,250,822	2,777,247
Sewer	2,557,486	1,990,808
Surface Water	999,356	747,556
Recycling	188,443	154,519
	<u>6,996,107</u>	<u>5,670,130</u>



Based on an average usage of 4,800 gallons per month, the 2023 monthly cost of utilities for a home in Arden Hills was \$93.64 (Arden Hills bills on a quarterly basis).

Description of Transaction	Balance
Public Safety	\$ 39.84
General Government	\$ 18.21
Parks and Recreation	\$ 10.63
Public Works	\$ 10.06
Capital /EDA	\$ 9.14



## Cost of City Services

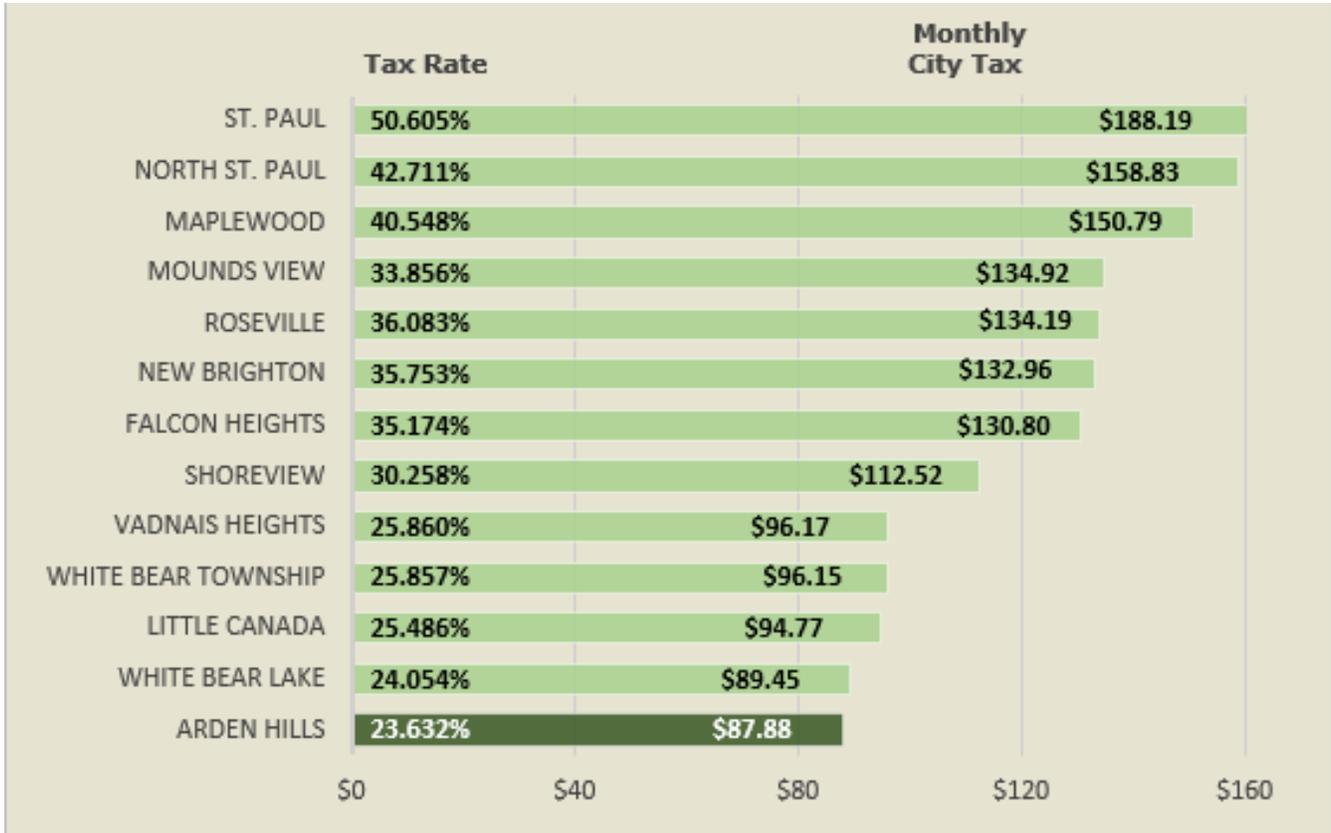
Residents receive a variety of City services at an affordable price. The cost of City services in 2023 for the owner of a single-family home in Arden Hills with an assessor’s market value of \$443,550 was \$87.88 per month.

The checkbook shows how the monthly cost of property tax-supported services was divided among City departments.

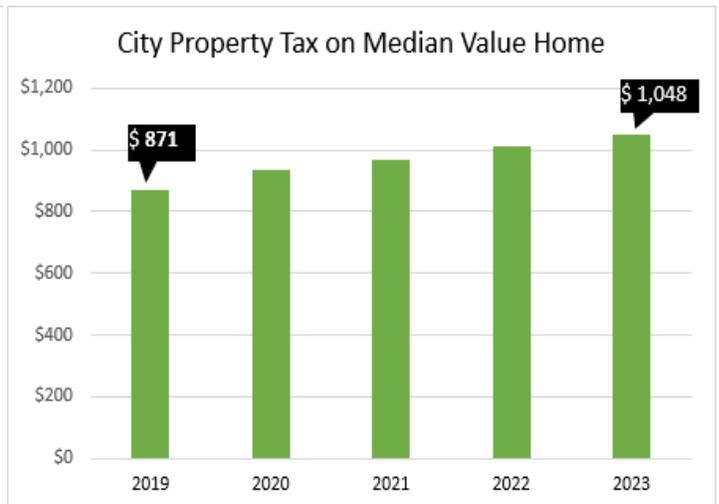
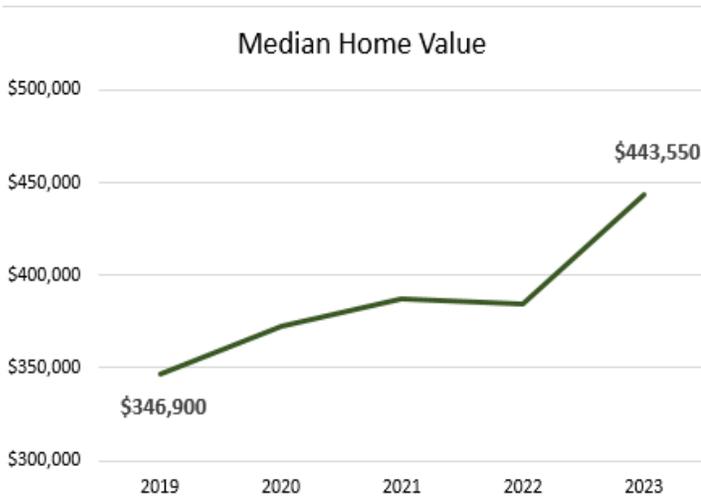
## 2023 City Property Taxes per Household per Month

In a 2023 comparison of twelve communities in Ramsey County, the average cost of services on a \$443,550 homestead, in terms of property taxes, showed Arden Hills ranking as the lowest.

A \$443,550 homestead in Arden Hills paid \$87.88 per month in property taxes to the City.



The median home value has increased from \$346,900 in 2019 to \$443,550 in 2023, a 27.9% increase. During that same period, the city tax on a median value home has increased from \$871 to \$1,048, a 20.3% increase. The city’s tax capacity, which is the maximum amount of taxes that can be charged to the city, increased by \$4,143,020 (29.2%) in 2023 compared to 2019, which contributed to the decrease in the city tax rate from 25.55% in 2019 to 23.63% in 2023, a 1.9% decrease.



## Awards & Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) has given an **Award for Outstanding Achievement in Popular Annual Financial Reporting** to the City of Arden Hills for its Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Arden Hills has received the Popular Award for the last 17 years.

The City of Arden Hills also received the **Certificate of Achievement for Excellence in Financial Reporting** from the Government Finance Officer's Association for the City's Comprehensive Annual Financial Report. The City has received this award annually since 2006.

The City received a **AAA Bond Rating** from Standard & Poor's in 2018, which is the highest rating the City can receive.

**Arden Hills is a strong community that values its unique environmental setting, strong residential neighborhoods, vital business community, well-maintained infrastructure, fiscal soundness and our long-standing tradition as a desirable city in which to live, work and play.**



Government Finance Officers Association

### Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

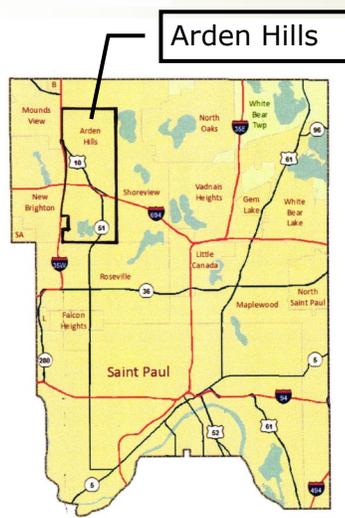
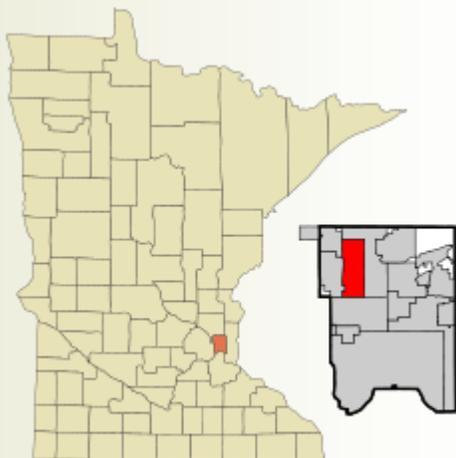
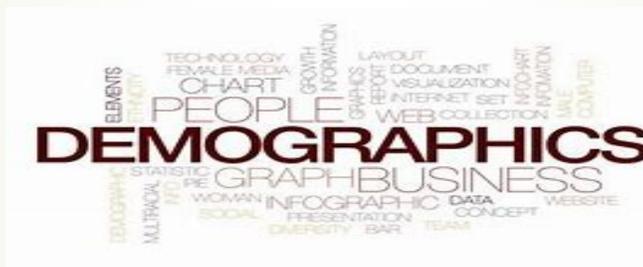
**City of Arden Hills  
Minnesota**

For its Annual Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



**Median Home Value—\$443,550**

**3,115 Households**



**Persons per Household—2.62**

**\$1,891—median gross rent**

<b>BUILDING PERMITS</b>	<b>\$14.3M</b>	<b>\$12.0M</b>	<b>1,388</b>
	Commercial Valuations	Residential Valuations	Permits Issued

**9,706 Population**



**Median Age—36.1**