



# HOPE ON THE HORIZON

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2021



# **Annual Comprehensive Financial Report**

of the City of  
Bloomington, Minnesota

For the Year Ended  
December 31, 2021

Prepared by the Finance Department

# CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report  
For the Year Ended December 31, 2021

## SECTION I

# INTRODUCTORY SECTION

**CITY OF BLOOMINGTON, MINNESOTA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2021**

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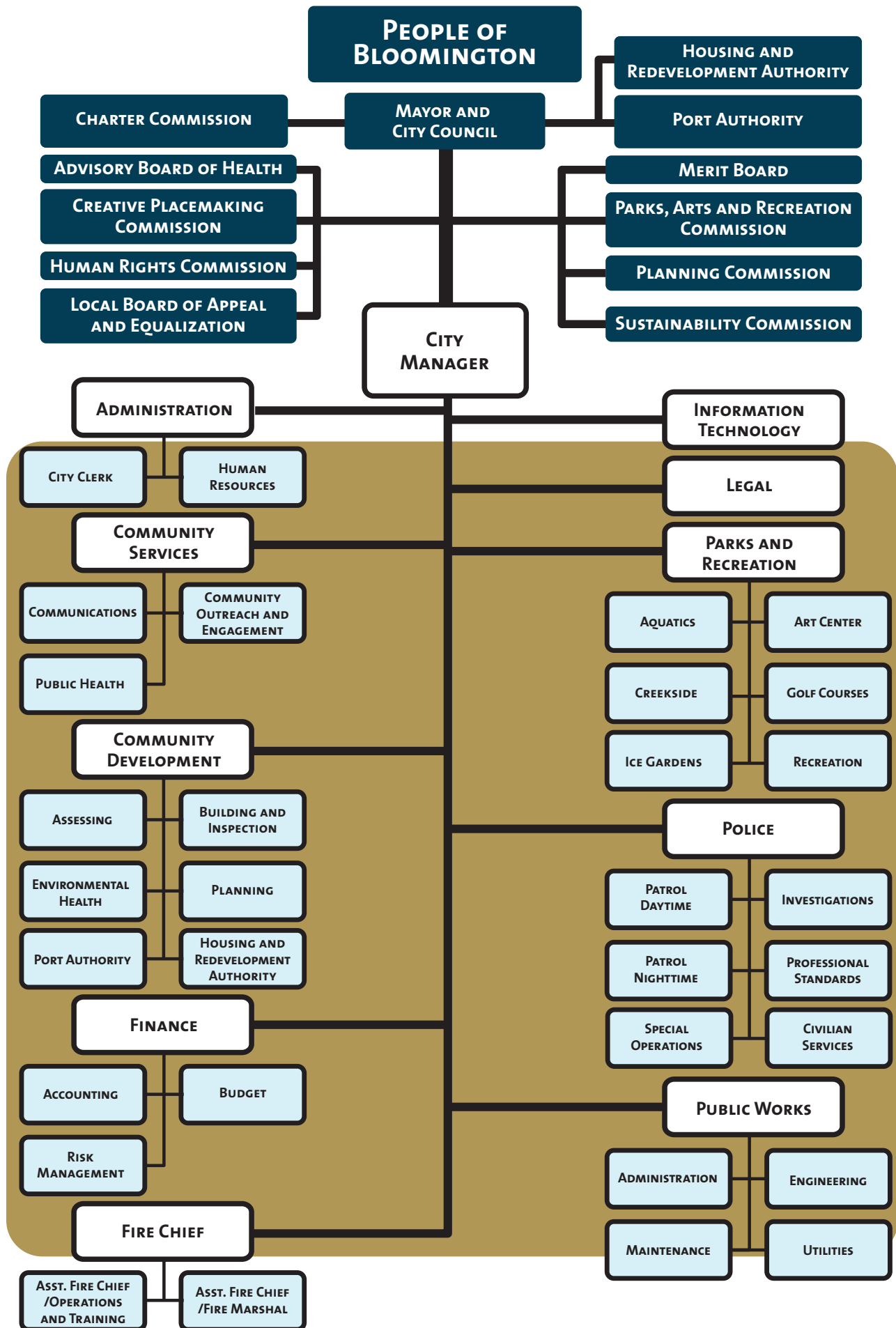
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CITY OF  
**BLOOMINGTON**  
MINNESOTA





**CITY OF BLOOMINGTON, MINNESOTA**

DECEMBER 31, 2021

PRINCIPAL OFFICIALS

TIM BUSSE, MAYOR

JACK BALOGA..... COUNCILMEMBER

JENNA CARTER..... COUNCILMEMBER

NATHAN COULTER ..... COUNCILMEMBER

DWAYNE LOWMAN ..... COUNCILMEMBER

SHAWN NELSON..... COUNCILMEMBER

PATRICK MARTIN..... COUNCILMEMBER

JAMIE VERBRUGGE, CITY MANAGER



June 21, 2022

To the Citizens of the City of Bloomington,  
Mayor, Council Members, and City Manager

The Annual Comprehensive Financial Report of the City of Bloomington, Minnesota (the City) for the fiscal year ended December 31, 2021 is hereby submitted. The purpose of this report is to provide the Mayor, City Council, City staff, citizens, bondholders, and other interested parties with useful information concerning the City's operations and financial position.

This report was prepared by the City's Finance Department. Management assumes full responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables contained in this report, based upon a comprehensive framework of internal controls that has been established for that purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We believe the data, as presented, is accurate in all material respects; that it fairly sets forth the financial position and results of City operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Bloomington's MD&A can be found immediately following the Independent Auditors' Report.

The organization, form and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the Minnesota Office of the State Auditor, and the City Charter.

The City and the City's Housing and Redevelopment Authority (HRA), a discrete component unit of the City, are required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, independent auditor's report on compliance and on internal control over financial reporting based upon the audit of the basic financial statements performed in accordance with Government Auditing Standards, and independent auditor's report on compliance and internal control over compliance applicable to each major federal award program, are included in a separate single audit report.

### **Other Reporting Entity Components**

In accordance with GASB pronouncements, the City's financial statements include all funds and departments of the City (the primary government) and its component units. Component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. As a result of applying the entity definition criteria of GASB, the following organizations have been included in the City's financial statements:

1. The Port Authority of the City of Bloomington (Port Authority)
2. Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

Note 1 to the financial statements gives further information about the component units included in the financial statements. Note 15 to the financial statements presents disclosure information for each of the discretely presented component units. The financial schedules of the Port Authority and the HRA are included within the City's Annual Comprehensive Financial Report in the Other Supplementary Information section under the Component Units tab.

### **Economic Condition and Outlook**

Bloomington covers an area of 38.3 square miles and is situated completely within Hennepin County. In six decades, Bloomington has grown from a rural village beyond the developing edge of Minneapolis to its current status as one of Minnesota's largest cities and the region's hospitality and retail hub. This growth was spurred by freeways reaching out from the metropolitan downtowns and further enhanced by its proximity to the Minneapolis/St. Paul International Airport. The Minnesota River meanders along as a southern border to the city. Residents enjoy miles of scenic hiking and biking paths while exploring nature areas overlooking the Minnesota Valley National Wildlife Refuge.

Bloomington is also the terminus for the 12-mile METRO Blue Line (Hiawatha) which opened in 2004. This light rail transit (LRT) line connects four Bloomington stations with several popular Twin Cities destinations along the Blue and Green light rail lines including the Minneapolis/St. Paul International Airport, Minneapolis Veteran's Administration Health Care System, University of Minnesota, Downtown Minneapolis, the State Capitol, and Downtown St. Paul. The line also connects with numerous LRT and bus rapid transit (BRT) lines including

the Red and Orange BRT Lines and the A Line BRT along with countless bus lines and several planned LRT and BRT routes.

The city has many well-known national and international corporations within its boundaries, including HealthPartners, Seagate Technology, Toro Company, Donaldson Company, Express Scripts, Thermo King, Skywater Technology, Ceridian Corporation, Polar Semiconductors, Hewlett Packard, SICK Inc. and Ziegler, Inc. Bloomington is home to the largest retail and entertainment destination in the United States, Mall of America. It employs approximately 13,000 and attracts nearly 40 million visitors each year. As the state's number one tourist attraction, Mall of America attracts more visitors than all other Minnesota tourist destinations combined.

In addition, with many entertainment facilities and 9,377 hotel/motel rooms, Bloomington is a major regional and national business and meeting center, employing thousands of workers in the hospitality industry.

Housing is well-maintained throughout the city and Bloomington is fortunate to have a diversified tax base, which for payable 2021 is composed of approximately 50.2% commercial/industrial, 39.8% residential, and 10.0% apartments. Shopping areas are efficiently distributed, and Bloomington businesses provide two jobs for every Bloomington resident in the workforce. Bloomington also has plenty of room for new development and is experiencing additional growth, especially in the multi-family sector.

### Current City Development

Total project valuation for all building permits issued in 2021 was \$389,171,071. The majority of new development continues to focus on the I-494 corridor, where excellent access to employment, improving transit service, and focused land use plans position the City well for future growth. The following development projects in Bloomington were under construction or were completed in 2021:

- Friendship Village expansion with 93 independent senior units and a 140-bed senior health center
- Luther Subaru, a new 37,000-square-foot, two-story auto dealership
- The District, a four-story, 248-unit apartment building
- Hayden Grove Senior Living, a four-story, 166-unit senior living facility
- Walser Collision Addition, a 4,200 sq. ft. addition
- Cherrywood Pointe, a 118 unit assisted living facility
- Amira Senior Apartments, 133 units for independent seniors
- Lyndale Flats, an 81 unit apartment building.
- U-Haul Self Storage, a four-story, 115,000 sq. ft. self-storage facility
- Blooming Meadows Apartments, 172 units
- Risor Senior Apartments, 146 units
- 8102 Old Cedar Apartments, 68 units

- SICK Inc., office and distribution facility
- Bank of America, 4,200 square foot bank

### Mall of America Development

Mall of America (MOA), the largest retail and entertainment destination in the country, opened its doors in August 1992 and has become one of the most visited tourist destinations in the world.

Mall of America has two anchor department stores: Macy's and Nordstrom, as well as more than 50 eateries and nearly 500 retailers. In 2021, Mall of America welcomed more than 30 new tenants including Fair on 4, Warby Parker, and Psycho Bunny, to name a few, and announced the opening of M&M's Experiential Retail Store which opened in 2021.

Two connected luxury hotels, the 500-room Radisson Blu on the south side and the 342-room JW Marriott hotel on the north side, offer outstanding amenities such as meeting rooms, on-site dining, fitness centers and more.

Mall of America also features an extensive entertainment complex that includes Nickelodeon Universe, a 7-acre indoor theme park. Newer attractions in the park include the longest indoor zip line in North America, flying thrill-seeking guests 405 feet across Nickelodeon Universe, and Shredders Mutant Masher, a giant pendulum ride that spins and swings riders more than 50 feet in the air.

Other attractions at the mall include a nightly lightshow called "Universe of Light" that takes place in Nickelodeon Universe every evening, LEGO Imagination Center featuring a LEGO Robot towering over 34 feet tall, several destination restaurants, as well as SEALIFE, a 1.2 million-gallon walk-through aquarium featuring four different lake and sea environments. Free parking is provided in two, 6,000-space, seven-level public parking facilities.

Mall of America is a regional asset, attracting nearly 40 million visitors a year and generating significant income and more than \$2 billion in economic impact for the State of Minnesota. The Port Authority of the City of Bloomington financed the initial land acquisition and public infrastructure improvements. The total Phase I project was \$744 million, of which the Port Authority provided approximately \$108 million in public improvements for site work, parking facilities, structural roadway and bridge work, and land acquisition.

The mall is expanding in phases. Both the south side (Radisson Blu) and north side (Phase 1C) have seen expansions. The 500-room Radisson Blu opened in 2013 with a total project cost of \$137 million. In 2015, the \$292 million Phase 1C expansion opened on the north side, increasing total project area of Mall of America to 5.6 million square feet. The Phase 1C expansion added 735,000 square feet including a 342-room JW Marriott hotel, a ten-story office building anchored by the supercomputing company Hewlett Packard, and 161,000 square feet of additional retail, restaurants, and a large gathering space.

Mall of America anticipates several additional expansion phases on both the north and east sides of MOA. The City has completed significant infrastructure improvements, such as the lowering of Lindau Lane, to facilitate further expansion of the mall. The most likely next phase is a \$400 million waterpark, which would be the largest in North America. The Port Authority and City Council approved key development documents on March 9, 2022 to facilitate this development. Currently, the project is scheduled to close financing in the summer of 2022 and be open two years later.

## **Major Initiatives**

### **Outsourcing Parts and Warehouse Operations**

The City's Fleet division underwent a review of all operations and procedures in 2019. Matrix Consulting performed the review and identified the vehicle parts counter and warehouse operations as areas for potential savings. Based on their recommendations, the City made the decision to combine both operations and hired NAPA Auto Parts (NAPA) to manage them utilizing a Sourcewell cooperative contract.

NAPA began providing service in July of 2020. They purchased all existing on-hand inventory, writing a check to the City for \$292,848. 2021 was the first full year of vendor managed inventory. In a year filled with instability and supply change issues, City staff was able to focus on its service operations, maintain the efficient turnaround time on services, and realize an impressive net savings of \$266,395. In addition to the hard cost savings, there have been soft cost savings from managing a single vendor and purchase order instead of managing dozens. NAPA maintains constant staffing in the parts operation; this allows City fleet technicians to continue their skilled production duties rather than shifting efforts to procurement processing to cover vacation and sick days. The City expects continued financial and efficiency success with its outsourcing of parts and warehouse operations.

### **Park System Master Plan**

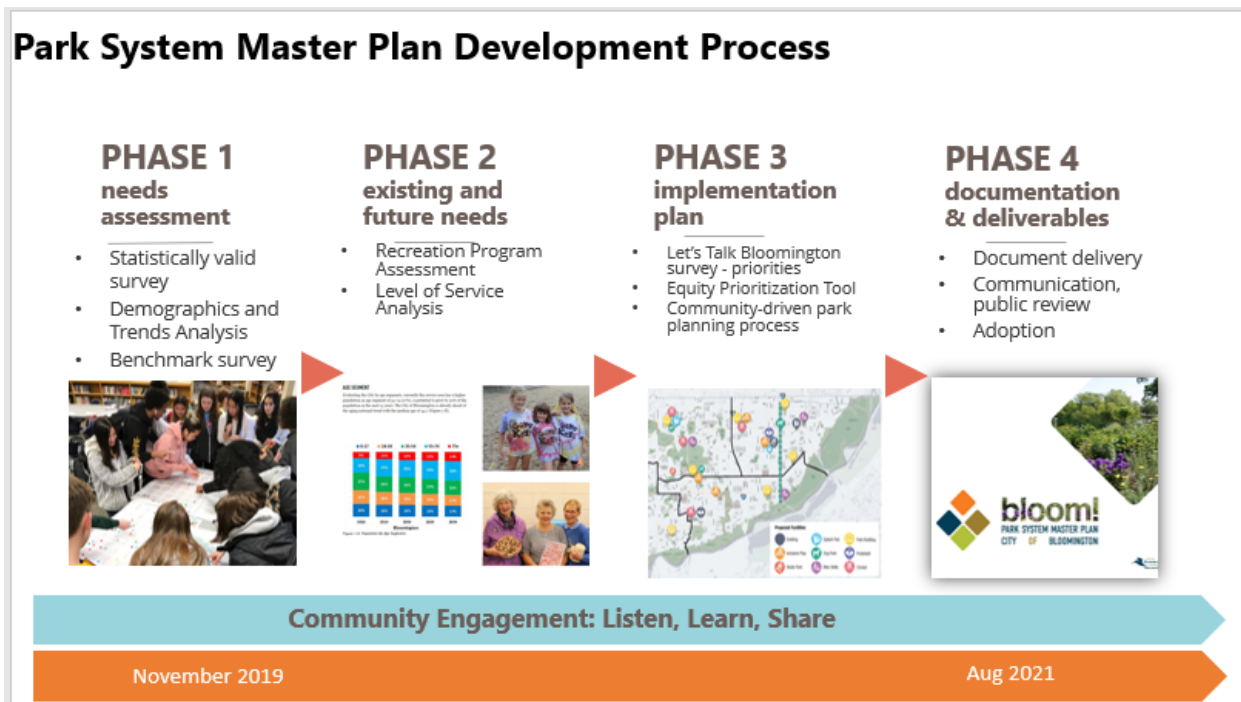
The Park System Master Plan is a roadmap that establishes a clear multi-year vision for Bloomington's parks, trails, recreation and open space systems. 2008 was the last year that the City had updated its Park System Master Plan. At that time, the City focused on identifying and categorizing park property, facilities, and features as inventory assets. In November 2019, the City began a new strategic effort to develop a comprehensive Park System Master Plan that will more effectively meet the needs and expectations of the community. This major undertaking that filled 2020 and took the greater part of 2021 involved a thorough assessment of the City's existing infrastructure, analysis of the current parks organization, existing strategic planning guidance, and extensive stakeholder and community engagement.

Bloomington's park and recreation system is extensive including 97 parks, 45 playgrounds, 2 golf courses, regional parks, cultural resources, and special use facilities including the Bloomington Ice Garden, Center for the Arts, and Family Aquatic Center. These parks and facilities have been identified by over 80% of city residents as contributing highly to their quality

of life. Neighborhood and community parks are distributed throughout the City so that 87% of residents are within a 10-minute walk from parks or green space. Parks, open spaces, and facilities are a critical part of everyday resident’s lives and make up 36% of Bloomington’s land.

Key areas of focus for the Park System Master Plan included:

- Evaluation of existing park system features, amenities and services related to comparable communities and accepted national standards to identify where changes are warranted
- Development of a prioritization strategy to guide decision-making and investments in the park system
- Identifying and prioritizing park system needs, desires and interests of the community for the next 20 years based on demographic, economic and social changes and input from a community needs assessment
- Establishing a detailed implementation program for achieving the plan vision including the identification of funding opportunities and high-level cost estimates for high-priority actions
- Identifying best practices to ensure the park system is managed and maintained in a sustainable and equitable manner
- Involving a robust community and stakeholder engagement



The process was purposeful and robust, capturing the voices of Bloomington residents while completing several studies to understand how Bloomington could provide new park amenities and experiences. Natural resources, trails, new park amenities and equity were all priority themes that were addressed in the development of the new plan.



Park System Master Plan - Priority Park Elements and Action Plan			2021		2022				2023			
Priority Park Element	Park Master Plan Findings	Key Recommendations in Progress	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Natural Resources	restoring and preserving natural resources are important	Natural Resources Management Plan										
Park System Needs	Facilities are old and outdated and improved maintenance is needed	Community-driven park planning process for nine parks										
		Operations and Maintenance Plan for Park Maintenance - creating maintenance standards and aligning staff and financial resources with standards										
	Residents desire new park amenities and updated parks	Renovation of Bryant Park and Tretbaugh Park in 2024 - totaling \$5M investment										
	Capital investment has not kept up with needs, additional funding is proposed	Geographic Information System Project which includes a parks condition assessment, integration with existing asset management program, internal and external user interface										
	The park system is overserved with some amenities including diamond fields and tennis courts, while lacking in some amenities such as indoor recreation space and pickleball courts	Mini business plans for programs and facilities to align with cost recovery framework										
Trails and Mobility	Support for natural surface hiking trails and the addition of mountain bike amenities such as single track and skills park	Bike skills park planning for Tretbaugh park beginning										
	Desire for internal loop trails for parks	Loops will be incorporated into concept planning of nine parks										
Equity	The northeast portion of the city has the least acres of parkland per person, highest density, highest amount of poverty and lowest access to natural areas	Geographic Information System Project collect needed information and create a system to operationalize Equity Prioritization Tool proposed in Plan. This tool will inform annual Capital Improvement Plan										
	Accessibility is lacking for many outdated parks and playgrounds	The City's first fully accessible playground is being planned for Bryant Park - 2024 construction										

Following many months of assessment, identifying needs, creating solutions, implementation planning, and thorough review, a new Park System Master Plan was developed and completed. At its August 30, 2021 meeting, the City Council formally adopted the new Park System Master Plan.

The new plan promotes city-wide solutions, but also drills down to neighborhood issues and parks. It includes recommendations for improving equity, accessibility, natural resource protection and access, operations and maintenance, use and park experiences that are distinct to Bloomington.

Capital Improvement Project planning is on-going. Individual park concept plans for nine parks which includes major new facilities have started. These plans will be used to inform financial planning for these substantial capital investments, bringing system updates and new concept changes to life.

### **Relevant Financial Policies**

In accordance with the City's Budgetary and Financial Control Policy, the City strives to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures. The City also reviews and updates the schedule of fund balances, reserves, and working capital in all other operating funds and determines adequacy of those money balances, using specified guidelines and criteria in conjunction with the budgets set annually.

The City's Debt Policy confines long-term borrowing to capital improvements, equipment or projects that have a life of more than four years and cannot be financed from current revenues. The City endeavors to keep the total maturity length of general obligation bonds below twenty years and to have at least 50% of the principal retired within ten years. Total net general obligation debt (after deducting sinking funds and reserves net of any portion supported by utilities or others such as the State) shall not exceed 75% of the dollar per capita debt limit per year.

### **Budget Process**

The City Council is required to adopt a final budget no later than December 31 for the next year. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, enterprise funds, and internal service funds. The general fund, special revenue funds, enterprise funds, and internal service funds have legally adopted annual budgets. All appropriation changes that occur during the year are approved by the City Council. Capital projects are approved on a project-by-project basis.

### **Liquidity**

The following table shows previous year-end fund balances for the General Fund, as compared to original budget appropriations for the following year.

	General Fund Budget <u>Appropriations</u>	Fund Balance Beginning of Year	
		<u>Amount</u>	<u>% of Budget</u>
2018	\$ 72,553,238	\$ 30,942,840	42.6%
2019	75,280,716	34,668,847	46.1
2020	79,432,258	36,539,448	46.0
2021	79,453,928	39,064,038	49.2
2022	85,301,172	42,565,870	49.9

The City’s General Fund working capital balance of \$44,300,196 at December 31, 2021 includes amounts committed for future projects, carryovers, and fair value adjustments for investments, which brings the total fund balance to \$42,565,870. The City anticipates that the 2022 year-end General Fund balance will remain constant based upon budgeted 2022 revenues and expenditures and one-time transfers of fund balance to other funds for specific projects.

**Debt Administration**

General obligation bond debt statistics for the City of Bloomington at December 31, 2021 are as follows (primary government only):

	<u>Amount</u>	<u>% Market Value</u>	<u>Bonded Debt per Capita</u>	
			<u>Current Year</u>	<u>Prior Year (2)</u>
General Obligation Bonded Debt	\$ 6,525,000			
Improvement Bonds	45,018,787			
General Obligation Tax Increment	<u>14,083,540</u>			
Net Total	65,627,327			
Less Debt Service Funds	<u>(20,664,346)</u>			
Total Net Bonded Debt	44,962,981	.31%	\$ 494	\$ 501
Overlapping Debt (1)	<u>247,291,684</u>	<u>1.68</u>	<u>2,718</u>	<u>2,929</u>
Total – 2021 Year-End	<u>\$ 292,254,665</u>	<u>1.99%</u>	<u>\$ 3,212</u>	
Total - Prior Year-End	<u>\$ 308,672,501</u>	<u>2.15%</u>		<u>\$ 3,430</u>

(1) School, County, and other local taxing entities - see Table 11 in the Statistical Section.

(2) Prior year per capita figures were revised for final 2020 US Census Bureau count.

In 2021, the City retired \$1,460,000 of general obligation, \$6,275,000 of improvement, \$560,000 of tax increment, and \$805,000 of business-type G.O. bonds. The City issued \$4,540,000 of improvement bonds, \$975,00 of Taxable G.O. tax increment bonds and \$2,005,000 of G.O. charter bonds in 2021. Included in the G.O. tax increment bonds is the ability of the City to draw an additional \$5,551,460 in proceeds within the next year for use in the affordable housing revolving loan fund that is administered by the HRA.

The following table presents general obligation bonds issued during the recent fiscal years:

Date of Issue	Amount	Type	Average Life	Net Interest Rate	Interest Cost Per Borrowed Dollar
06/21/18	\$ 920,000	Housing Improvement	9.20 years	3.93%	\$.35
06/21/18	1,020,000	Charter Bonds	6.36	2.68	.20
12/05/18	5,270,000	Improvement	6.05	2.93	.26
12/05/18	10,805,000	Storm Water Utility	8.93	3.39	.37
05/30/19	1,645,000	Taxable Charter Bonds	6.43	2.71	.19
11/26/19	4,095,000	Improvement	6.08	1.83	.26
11/26/19	2,105,000	Charter Bonds	6.17	1.84	.26
12/27/19	7,100,000	Taxable Tax Increment	10.64	3.10	.33
12/10/20	5,385,000	Improvement	5.94	.94	.12
12/10/20	1,975,000	Tax Increment Refunding	6.64	1.41	.09
12/16/20	1,573,540	Taxable Tax Increment	12.39	2.45	.30
06/29/21	975,000	Taxable Tax Increment	10.04	2.45	.25
09/09/21	2,005,000	Charter Bonds	6.36	.98	.25
11/23/21	4,540,000	Improvement	6.07	1.31	.21

The City’s bonds are rated Aaa by Moody’s Investors Service (Moody’s highest rating, upgraded from Aa1 in November 1998), AAA by Standard and Poor’s (S&P’s highest rating, upgraded in October 2000), and AAA by Fitch Ratings (Fitch’s highest rating, awarded in October 2004). These “Triple Triple A” bond ratings were reaffirmed at the most recent bond issuance. The City believes that its 2021 financial results, combined with its ability to navigate the challenges of COVID-19, will result in continued excellent bond ratings. These excellent ratings have had a positive effect on the sale of the City’s bonds, by broadening the City’s market and lowering the interest rates for borrowing.

### **10-Year Capital Improvement Plan**

The proceeds of general obligation bond issues; federal, state and local grants; and other local funding sources for capital projects are accounted for in capital projects funds until the particular projects are completed.

The City utilizes a ten-year Capital Improvement Plan, outlining projected costs and sources of funding for proposed capital improvement projects. Any unrestricted fund balances of the Park Development fund and the Facilities and Parks Maintenance Fund are identified for use as proposed in the Capital Improvement Plan, when and if such projects are ordered by the City Council.

The City's latest ten-year Capital Improvement Plan indicated the following financing or spending totals for the ten-year period of 2022-2031:

Project Category	Estimated Amount (in millions)	Approximate Sources of Funding	
City Facilities, Parks and Park Development	\$ 285.6	Bonds	78%
		Cash on Hand	15
		Other Governments	5
		Grants, Other	2
Alternative/Surface Transportation	236.8	PIR Bonds	39%
		Other Governments	18
		Franchise Fees	18
		Municipal State Aid	9
		Federal Funds	7
		Tax Abatement	3
		Grants, Other	3
Water, Sewer, and Stormwater Facilities	125.3	Cash on Hand	88%
		Liquor/Lodging Tax	4
		Grants/Other	5
		Tax Abatement	3
Economic Development and Redevelopment	27.7	Liquor/Lodging Tax	100%
Total	\$ 675.4		

### **Certificate of Achievement**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bloomington, Minnesota, for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Bloomington has received a Certificate of Achievement for the last 50 consecutive years. We believe this 2021 Annual Comprehensive Financial Report continues to conform to Certificate of Achievement Program requirements, and we will be submitting it to GFOA.

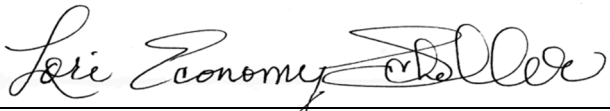
### **Independent Audit**

State law provides that the City may arrange for examination of its books, records, accounts and affairs, or any part thereof, by the state auditor, or by certified public accountants. It has been a long-standing policy of the City to provide for a complete annual audit of City records by certified public accountants. The Independent Auditors' Report is included in the Financial Section of this report.

### **Acknowledgments**

We wish to express our appreciation to the Finance Department staff, in particular Rose Ackerman, Jan Almquist, Mary Kay Heinen, Mary Lee, and Amy Sevig, for their diligent work in preparing this report. We appreciate the cooperation and support from other City departments both in the preparation of this report and in budget management throughout the year. We also wish to thank the Mayor, members of the City Council, and the City Manager for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



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Lori Economy-Scholler, Chief Financial Officer  
Finance Department



---

Juliana H. Vogel, Finance Manager  
Finance Department



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bloomington  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO



CITY OF  
**BLOOMINGTON**  
MINNESOTA



# CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report  
For The Year Ended December 31, 2021

## SECTION II

# FINANCIAL SECTION



CITY OF  
**BLOOMINGTON**  
MINNESOTA



**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 Bloomington, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bloomington, Minnesota (the City) as of and for the year ended December 31, 2021, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021, 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.

**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 within 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

(continued)

## 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.

### 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.

(continued)

## **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 supplementary information and other supplementary information – component units, as listed in the table of contents, are presented for purpose of additional analysis and are not required parts 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 and other supplementary information – component units are 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.

## **Prior Year Comparative Information**

We have previously audited the City's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated June 14, 2021. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Minneapolis, Minnesota  
June 21, 2022



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Bloomington (the City), we offer readers of the City's financial statements a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2021. This discussion and analysis should be read in conjunction with the transmittal letter, which can be found on pages 9 - 20 of this report, and the City's basic financial statements following this section.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the 2021 fiscal year by \$705.5 million (*net position*). Of this amount, \$132.5 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$32.5 million is restricted for debt service, \$33.4 million is restricted for fire pension, \$24.3 million is restricted for tax increment, \$1.5 million is restricted for street reconstruction, \$10.4 million is restricted for other purposes, and \$470.9 million is the City's net investment in capital assets.
- The City's net position increased by \$42.7 million. The general revenues overall decrease of \$5.4 million included several factors. Business taxes increased \$5.1 million as a result of the slow ending of the pandemic and the positive rebounding effects on the hotel and amusement industries, property taxes increased \$755,000 as the levy slightly increased and market values rose sharply in the residential arena. Grants and contributions not restricted decreased as a result of the \$6.8 million of Coronavirus Aid, Relief, and Economic Security Act (CARES) funding in 2020, investment earnings decreased \$5.2 million as interest rates decreased widely and the fair value adjustment of investments was a decrease of \$2.6 million.
- As of December 31, 2021, the City's governmental funds had combined fund balances of \$153.7 million, an increase of \$13.1 million in comparison with the prior year. Including committed, assigned, and unassigned fund balances, approximately 63% of the total fund balances are available to meet the City's current and future needs. The remaining 37% is a combination of nonspendable and restricted for mostly grants, debt service, and capital projects.
- At the end of the current fiscal year, total fund balance for the General Fund was \$42.6 million, or 56.1% of actual total General Fund expenditures. This compares to \$39.1 million from the prior year, an increase of \$3.5 million. The General Fund working capital goal policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures. As of December 31, 2021, the fund balance of the General Fund was within or above this range. \$2.1 million of this positive performance has been committed for budgeted carryover amounts unspent in 2021 and future projects open purchase order contracts at the end of 2021 that were carried over to the 2022 budget.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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- In 2021 the Net Pension liability decreased \$16,211,355 due to changes in actuarial assumptions with the General Employee Retirement Fund (GERF) and Public Employees Police and Fire Fund (PEPFF) in addition to overall good investment returns. The pension related net deferred inflows and outflows increased in both the GERF and PEPFF funds as a result of changes in actuarial assumptions.
- The estimated market value for all taxable property is at \$14.7 billion for assessment year 2020 (payable in 2021). After fifteen years of steadily increasing market values peaking in 2008 at \$11.8 billion, values declined as a result of the worldwide "Great Recession" before bottoming in assessment years 2012 and 2013 at \$9.9 billion. Total market value has been growing since and has now surpassed the 2008 peak by 24.6%. This growth trend continued for assessment year 2021 payable 2022 as continued strength in residential and multi-family markets more than offset commercial value losses due to COVID-19.
- Entity-wide, the City recorded \$22.3 million in depreciation expense on its capital assets.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the 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, deferred outflows, liabilities, and deferred inflows with the difference between them 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 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 these 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 services, development services, public works, public safety, and community services. The business-type activities of the City include water/wastewater utility, storm water utility, recreational facilities, solid waste management, contractual police, and motor vehicle operations.

The government-wide financial statements include not only the City (*known as the primary government*), but also two legally separate entities for which the City is financially accountable.



# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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The *component units* are the Housing and Redevelopment Authority in and for the City of Bloomington (HRA) and the Bloomington Port Authority. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on Exhibits 1 and 2 of 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 finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City externally reports five major and twelve nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Community Development Block Grant, Improvement Bonds, Capital Projects, and Improvement Construction Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits 3 through 6 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds: enterprise and internal service.

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/wastewater utility, storm water utility, recreational facilities, solid waste management, contractual police, and motor vehicle operations.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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Internal service funds are used to allocate costs internally among the City's various functions. The City uses internal service funds to account for its information technology, fleet, support services, public safety equipment, self-insurance, benefit accrual, insured benefits, facilities and parks maintenance, and PERA pension. Because these services predominately benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements; however, some allocations have been made to business-type activities. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements provide separate information for water/wastewater, storm water, recreational facilities, and solid waste (which are considered to be major funds of the City). Contractual police and motor vehicle operations are combined and presented as nonmajor funds. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements (except for internal service fund amounts which are allocated to both the governmental and business-type activities) but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found on Exhibits 7 through 9 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits 10 and 11 of this report.

### **Notes to the basic financial statements**

The notes 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 the basic financial statements can be found on pages 70-127 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on Exhibits A-1 through A-9 of this report.

The combining statements referred to earlier in connection with nonmajor funds and internal service funds are presented in the *supplementary information* section. Combining and individual fund statements and schedules can be found on Exhibits B-1 through E-3 of this report.

The *other supplementary information* section includes additional information on the two component units.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

### 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 therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth, and new regulations.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$705,460,681 at December 31, 2021, as compared to \$662,799,268 at the end of 2020.

#### CITY OF BLOOMINGTON'S NET POSITION

	Governmental activities		Business-type activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	
<b>Assets:</b>							
Current and other assets	\$ 333,050,303	\$ 302,710,977	\$ 42,597,510	\$ 33,646,531	\$ 375,647,813	\$ 336,357,508	11.7%
Capital assets	430,989,768	428,512,083	102,750,072	101,797,537	533,739,840	530,309,620	0.6%
Total assets	<u>764,040,071</u>	<u>731,223,060</u>	<u>145,347,582</u>	<u>135,444,068</u>	<u>909,387,653</u>	<u>866,667,128</u>	4.9%
<b>Deferred outflows:</b>							
Deferred outflows of resources	<u>38,120,047</u>	<u>16,873,781</u>	<u>-</u>	<u>-</u>	<u>38,120,047</u>	<u>16,873,781</u>	125.9%
Total assets and deferred outflows	<u>802,160,118</u>	<u>748,096,841</u>	<u>145,347,582</u>	<u>135,444,068</u>	<u>947,507,700</u>	<u>883,540,909</u>	7.2%
<b>Liabilities:</b>							
Current and other liabilities	37,004,925	28,440,195	3,941,866	3,905,469	40,946,791	32,345,664	26.6%
Noncurrent liabilities	116,467,493	132,781,026	11,824,466	12,711,973	128,291,959	145,492,999	(11.8)%
Total liabilities	<u>153,472,418</u>	<u>161,221,221</u>	<u>15,766,332</u>	<u>16,617,442</u>	<u>169,238,750</u>	<u>177,838,663</u>	(4.8)%
<b>Deferred inflows:</b>							
Deferred inflows of resources	<u>72,808,269</u>	<u>42,902,978</u>	<u>-</u>	<u>-</u>	<u>72,808,269</u>	<u>42,902,978</u>	69.7%
Total liabilities and deferred inflows	<u>226,280,687</u>	<u>204,124,199</u>	<u>15,766,332</u>	<u>16,617,442</u>	<u>242,047,019</u>	<u>220,741,641</u>	9.7%
<b>Net position:</b>							
Net investment in capital assets	380,801,226	376,333,750	90,090,606	88,280,564	470,891,832	464,614,314	1.4%
Restricted	102,118,044	91,916,843	-	-	102,118,044	91,916,843	11.1%
Unrestricted	<u>92,960,161</u>	<u>75,722,049</u>	<u>39,490,644</u>	<u>30,546,062</u>	<u>132,450,805</u>	<u>106,268,111</u>	24.6%
Total net position	<u>\$ 575,879,431</u>	<u>\$ 543,972,642</u>	<u>\$ 129,581,250</u>	<u>\$ 118,826,626</u>	<u>\$ 705,460,681</u>	<u>\$ 662,799,268</u>	6.4%

As of December 31, 2021 the City had a positive net position balance for the government as a whole. The increase in current and other assets is mostly related to an increase in the net pension asset of \$9.0 million and cash increased \$24.7 million from reduced project expenses. The deferred outflows increased \$21.2 million due to changes in actuarial assumptions. Current and other liabilities increased roughly \$8.6 million due to an increase of \$5.1 million in unearned revenue due to the American Rescue Plan funds received in 2021 but not yet spent. The other contributing factor was the \$2.7 million increase in the due within one year.

By far, the largest portion of the City's net position, \$470,891,832 (approximately 67%), reflects the City's net investment in capital assets (e.g., land, buildings and structures, machinery and equipment, distribution system, improvements, and infrastructure) less any related debt used to acquire those assets. The City uses these capital assets as an integral part of providing services to citizens; consequently, these are not "liquid" assets and are *not* available for future spending.

**CITY OF BLOOMINGTON, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

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.

An additional portion of the City's net position, \$102,118,044 (approximately 14%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$132,450,805 (approximately 19%), may be used to meet the government's ongoing obligation to citizens and creditors.

The following schedule provides a summary of the City's operations for the year ended December 31, 2021:

**CITY OF BLOOMINGTON'S CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2021	2020	2021	2020	2021	2020	
<b>REVENUES:</b>							
Program revenues:							
Charges for services	\$ 11,704,433	\$ 12,258,497	\$ 51,274,414	\$ 45,696,963	\$ 62,978,847	\$ 57,955,460	8.7 %
Operating grants and contributions	10,044,034	8,739,753	191,494	175,616	10,235,528	8,915,369	14.8 %
Capital grants and contributions	22,665,316	11,509,693	1,630,181	673,632	24,295,497	12,183,325	99.4 %
General revenues:							
Property taxes	63,340,502	61,604,489	2,148,695	3,129,286	65,489,197	64,733,775	1.2 %
Business taxes	10,996,191	5,898,986	-	-	10,996,191	5,898,986	86.4 %
Grants and contributions not restricted	1,559,116	7,825,710	-	-	1,559,116	7,825,710	(80.1)%
Gain on sale of capital assets	410,144	164,583	-	-	410,144	164,583	149.2 %
Interest and investment earnings (losses)	(1,048,948)	3,505,797	(141,924)	543,908	(1,190,872)	4,049,705	(129.4)%
Total revenues	<u>119,670,788</u>	<u>111,507,508</u>	<u>55,102,860</u>	<u>50,219,405</u>	<u>174,773,648</u>	<u>161,726,913</u>	<u>8.1 %</u>
<b>EXPENSES:</b>							
General services	6,237,112	7,903,844	-	-	6,237,112	7,903,844	(21.1)%
Development services	17,472,571	17,595,162	-	-	17,472,571	17,595,162	(0.7)%
Public works	19,689,961	18,028,831	-	-	19,689,961	18,028,831	9.2 %
Public safety	24,983,228	27,056,760	-	-	24,983,228	27,056,760	(7.7)%
Community services	17,883,591	18,011,586	-	-	17,883,591	18,011,586	(0.7)%
Interest on long-term debt	1,211,756	1,283,662	-	-	1,211,756	1,283,662	(5.6)%
Water/wastewater utility	-	-	25,246,844	26,158,381	25,246,844	26,158,381	(3.5)%
Storm water utility	-	-	5,136,183	5,023,648	5,136,183	5,023,648	2.2 %
Recreational facilities	-	-	5,109,193	5,408,414	5,109,193	5,408,414	(5.5)%
Solid waste management	-	-	8,215,273	8,025,278	8,215,273	8,025,278	2.4 %
Contractual police	-	-	696,612	490,593	696,612	490,593	42.0 %
Motor vehicle	-	-	229,911	729,750	229,911	729,750	(68.5)%
Total expenses	<u>87,478,219</u>	<u>89,879,845</u>	<u>44,634,016</u>	<u>45,836,064</u>	<u>132,112,235</u>	<u>135,715,909</u>	<u>(2.7)%</u>
Change in net position before transfers	32,192,569	21,627,663	10,468,844	4,383,341	42,661,413	26,011,004	64.0 %
Transfers	(285,780)	(62,922)	285,780	62,922	-	-	- %
Change in net position	31,906,789	21,564,741	10,754,624	4,446,263	42,661,413	26,011,004	64.0 %
Net position - January 1	543,972,642	522,407,901	118,826,626	114,380,363	662,799,268	636,788,264	4.1 %
Net position - December 31	<u>\$ 575,879,431</u>	<u>\$ 543,972,642</u>	<u>\$ 129,581,250</u>	<u>\$ 118,826,626</u>	<u>\$ 705,460,681</u>	<u>\$ 662,799,268</u>	<u>6.4 %</u>

Expenses above include \$17,883,524 of depreciation expense for governmental activities and \$4,379,885 for business type activities under the full accrual basis of accounting.

**CITY OF BLOOMINGTON, MINNESOTA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**

**Governmental activities**

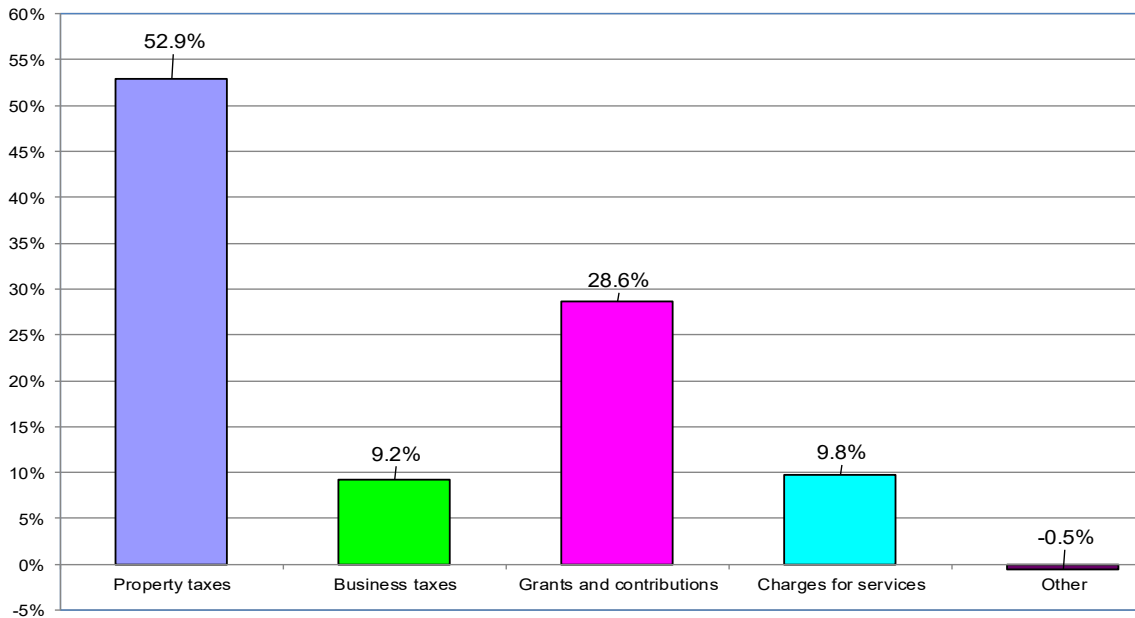
Internal service fund charges for services (program revenues of \$42,989,329) and expenses (\$35,932,480) were allocated to all the governmental and business-type activities. A comparison of revenue and expense changes from 2020 to 2021 follows:

Overall, governmental activities net position increased by \$31.9 million. Within this increase, general revenues decreased overall by \$3.7 million in 2021 due to a combination of the following factors. Property taxes increased by \$1.7 million as a result of levy and market value increases, business taxes increased by \$5.1 million as the hospitality industry experienced an increase in activity compared to 2020 when the pandemic began, grants and contributions decreased by \$6.3 million due to the receipt of CARES funding in 2020, and interest and investment earnings decreased by \$4.6 million due to fair value adjustments.

Program revenues increased by \$11.9 million in 2021. Charges for services decreased \$0.6 million as a result of decreased permit revenue. Operating grants and contributions increased by \$1.3 million. Capital grants and contributions increased by \$11.2 million due to an increase in public works capital projects and property development in the South Loop district.

Governmental activities expenses decreased by \$2.4 million in 2021. General services expenses decreased \$1.7 million and public safety expenses decreased \$2.1 million. These decreases are due to positive investment performance in the pension plan. Public works expenses increased by \$1.7 million due to an increase in street maintenance.

**City of Bloomington  
2021 Revenue Sources - Governmental Activities**



**CITY OF BLOOMINGTON, MINNESOTA**

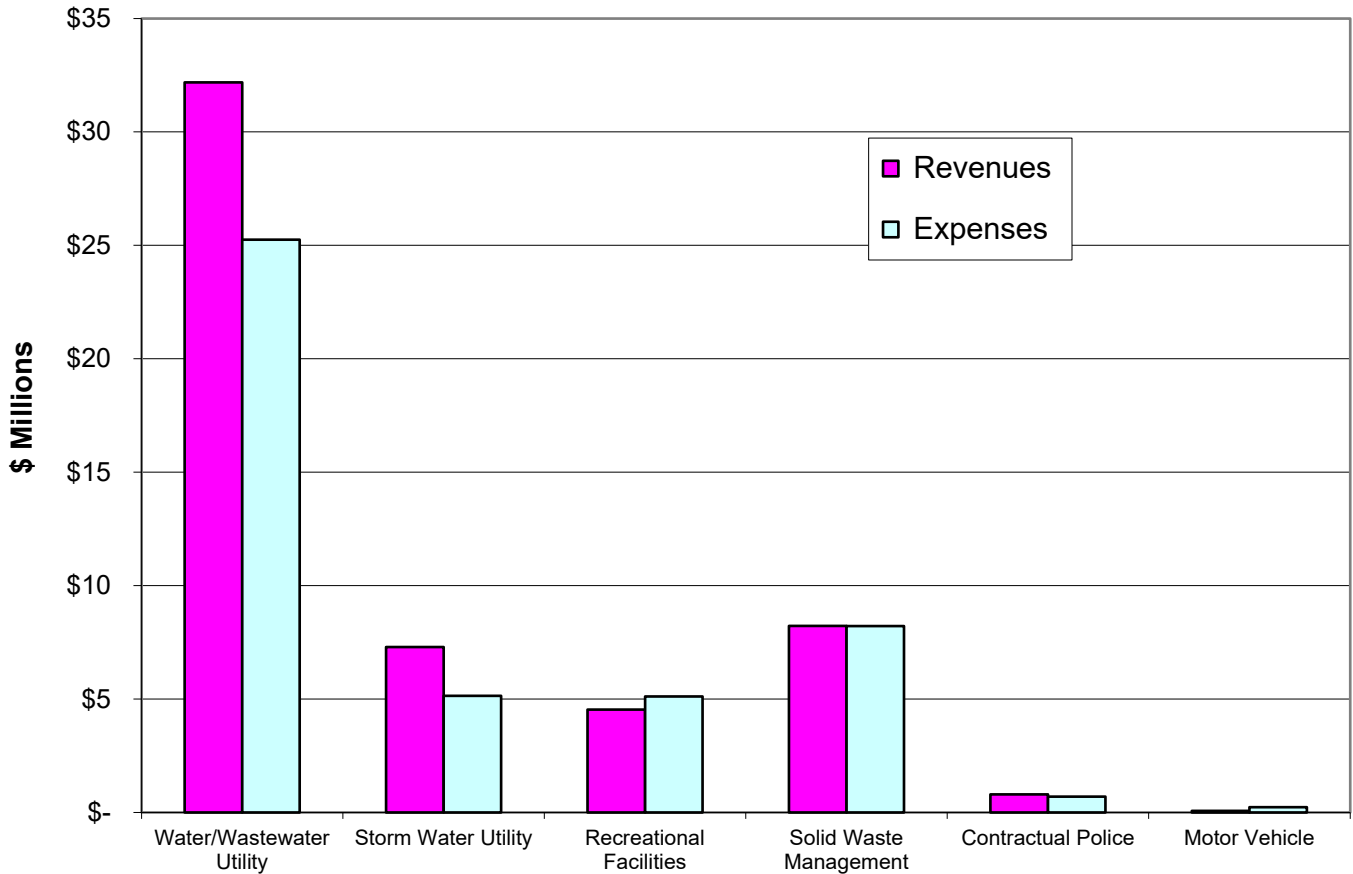
**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**

**Business-type activities**

Business-type charges for services revenue increased \$5.6 million in 2021. The majority of this increase, \$4.0 million, is due to increased revenue in water/wastewater utility revenue. Primarily due to a higher water rates, dry conditions during the summer of 2021, and the increase of water usage of the hospitality industry after closures in 2020 due to COVID. In addition, recreational facilities saw increased charges for services revenue of \$1.2 million as many facilities had closures during 2020 due to COVID.

Business-type expenses decreased in 2021 by about \$1.2 million. These expenses include depreciation of capital assets that were funded in prior years. Where expenses exceeded revenues, there was a planned spend-down of net position.

**City of Bloomington  
2021 Expenses and Program Revenues - Business-Type Activities**



**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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**Governmental Funds.** The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Projects 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 financial requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available at the end of the fiscal year.

At December 31, 2021, the City's governmental funds reported combined ending fund balances of \$153,687,843, an increase of \$13.1 million in comparison with the prior year. Fund balance of \$56.9 million is *restricted* due to externally enforceable legal restrictions (creditors, grantors, contributors, and by law through constitutional provisions or enabling regulations).

Approximately, \$96.7 million or 63% of total fund balance constitutes *unrestricted fund balance* which is the total of *committed fund balance* (amounts that can be used only for the specific purposes by a formal action of the City Council), *assigned fund balance* (amounts that are to be used for a specific purpose as expressed by an official that has been delegated authority from the City Council), and *unassigned fund balance* (amounts that are available for any purpose in the General Fund and Capital Projects Fund). The following presents the amounts of unrestricted fund balance by various fund types:

Fund Type	Unrestricted Fund Balance
General fund	\$ 42,553,870
Special revenue funds	5,434,289
Capital projects funds	48,708,715
Total	<u>\$ 96,696,874</u>

The following tables provide an overview of revenues by source and expenditures by function for all governmental funds:

**CITY OF BLOOMINGTON, MINNESOTA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**Revenues by Source  
Governmental Funds**

	2021		2020		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Revenues by source:					
Taxes	\$ 74,412,571	66.5%	\$ 67,449,190	60.8%	\$ 6,963,381
Special assessments	3,691,535	3.3	4,004,688	3.6	(313,153)
Business licenses and permits	6,021,564	5.4	6,536,353	5.9	(514,789)
Fines	445,686	0.4	457,090	0.4	(11,404)
Intergovernmental	16,017,184	14.3	18,820,880	17.0	(2,803,696)
Program income	2,191,342	2.0	1,605,827	1.4	585,515
Interest and investment income	(859,209)	(0.8)	2,446,981	2.2	(3,306,190)
Franchise fees	6,345,252	5.7	6,326,954	5.7	18,298
Contractual component unit	212,927	0.2	20,644	0.1	192,283
Other	3,379,727	3.0	3,199,689	2.9	180,038
<b>Total</b>	<b>\$ 111,858,579</b>	<b>100.0%</b>	<b>110,868,296</b>	<b>100.0%</b>	<b>\$ 990,283</b>

Taxes increased by \$7.0 million from 2020 due to increased lodging and admission tax revenue. Intergovernmental revenue decreased \$2.8 million from 2020 due to the CARES funding received in 2020. Interest and investment income decreased by \$3.3 million due to fair value adjustment for investments.

**Expenditures by Function  
Governmental Funds**

	2021		2020		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Expenditures by Function					
General services	\$ 6,530,378	6.0%	\$ 7,628,013	6.6%	\$ (1,097,635)
Development services	11,674,375	10.7	13,647,728	11.8	(1,973,353)
Public works	12,573,666	11.5	11,243,353	9.7	1,330,313
Public safety	34,392,291	31.3	35,583,266	30.7	(1,190,975)
Parks and recreation	9,477,874	8.7	9,047,173	7.8	430,701
Community services	8,845,792	8.1	9,049,118	7.8	(203,326)
Debt service	9,380,817	8.5	9,181,496	7.9	199,321
Capital outlay	16,674,944	15.2	20,448,256	17.7	(3,773,312)
<b>Total</b>	<b>\$ 109,550,137</b>	<b>100.0%</b>	<b>\$ 115,828,403</b>	<b>100.0%</b>	<b>\$ (6,278,266)</b>

Please note that the governmental fund information shown above is presented on the modified accrual basis of accounting. The information on the government-wide statements is presented on the full accrual basis. The two formats are prepared differently as required by generally accepted accounting principles (GAAP). See the reconciliations of these statements on Exhibits 4 and 6.



# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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Following is a discussion of the major governmental funds that had large increases or decreases of fund balances:

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, fund balance of the General Fund was \$42,565,870 which was comprised of \$2,112,433 of committed fund balance, \$12,000 of nonspendable and \$40,441,437 of unassigned fund balance. As a measure of the General Fund's liquidity it is useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 53.3% of total General Fund expenditures. It is important to note that the majority of the General Fund unassigned fund balance of \$40,441,437 is deemed necessary for a working capital goal of \$36,232,902. The committed amount of \$2,112,433 consists of a budget carryover amount of \$1,303,733, and future projects rollover amount of \$808,700. The budget carryover represents 2021 budgeted amounts that were unspent in 2021 and were carried over to the 2022 budget. The future projects rollover amount represents future projects' open purchase order contracts at the end of 2021 that were carried over to the 2022 budget for future projects.

Overall, General Fund revenues increased from \$71.4 million in 2020 to \$78.2 million in 2021, an increase of \$6.8 million. Lodging and admissions tax revenue increased \$3.1 million as a result of the hospitality industry recovering since the start of the pandemic. In addition, property tax revenue increased \$2.8 million due to an increase in the levy and intergovernmental revenue increased \$1.2 million. General Fund expenditures increased from \$74.6 million in 2020 to \$75.9 million in 2021.

The \$3.8 million decrease in capital outlay in the governmental funds is primarily due to work on Fire Station #3 during 2020 and decreased expenditures in the Improvement Construction Fund for street improvements.

The Community Development Block Grant fund balance had a net increase of \$543,000 due to unspent loan repayments as a result of a temporary hold on the program in 2021, for the purpose of a comprehensive and coordinated review, assessment and update to the policies, procedures and process.

The Capital Projects fund balance had a net increase of \$4.6 million. The increase was due to the sale of land for \$1.8 million, and an increase of lodging and admissions tax revenue of \$2.0 million.

The Improvement Construction fund balance had a net increase of \$5.1 million due to the issuance of debt in 2021.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

As discussed earlier, the City reports two types of proprietary funds: enterprise funds and internal service funds. The following sections describe the key balances and transactions for the different fund types.

The net position of the enterprise funds increased by \$9.7 million during the current fiscal year. Key factors in this change include:

- The Water/Wastewater Utility Fund had an increase in net position of \$7.1 million, or 11.3%, due to an increase in service charges.
- The Storm Water Utility Fund had an increase in net position of \$2.0 million, or 4.3%, due to an increase in service charges.

The net position of the internal service funds increased by \$6.6 million during the current fiscal year. Key factors in this change include:

- The Public Safety Equipment Fund had an increase of \$1.6 million and the Fleet Fund had a decrease of \$0.8 million due to the transfer of Fire equipment.
- The PERA Pension Fund had an increase of \$6.5 million due to actuarial valuations of pension liabilities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a \$4.7 million increase in appropriations and can be briefly summarized as follows:

- The council approved transfers out to other funds in the amount of \$3.8 million, which includes \$3.0 million as the result of 2020 positive budget variance, \$0.6 million for engineering overhead costs, and \$0.2 million of other smaller Council approved adjustments.
- The council approved an increase in Community Services expenditures in the amount of \$1.9 million. The majority of this increase, \$1.4 million, was for Women, Infants, and Children Program debit cards. This increase in expenditures was offset by an increase of \$1.4 million in intergovernmental revenue.

The actual results compared to the final budget showed a \$5.7 million favorable variance. Significant details are as follows:

- Lodging and admissions tax revenue was over budget by \$1.6 million as the hospitality industry recovered from the pandemic.
- The net change in fair value of investments had negative revenue of \$0.5 million as a result of the fair value adjustment for investments
- Public works expenditures were under budget by \$1.2 million, mostly due to street maintenance costs being under budget.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2021 amount to \$533,739,840 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and structures, machinery and equipment, construction in progress, improvements, and distribution systems. Major capital asset additions during the fiscal year include the following:

- The City's Utilities Division improved the water, wastewater, and storm water distribution systems at a cost of \$5.6 million.
- The 2021 Pavement Management Program (PMP) expended \$9,628,228. These improvements included 4.08 miles of reconstructed streets and 9.63 miles of overlaid streets.
- The City's Improvement Construction Fund spent nearly \$11.1 million on street improvement projects in 2021 for PMP Reconstruction, PMP Overlay, and State Aid funded street projects.

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements. Additional information on the City's capital assets can be found in Note 3.

#### Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding (excluding unrestricted premiums) of \$73,868,540 as compared to \$75,448,540 in the prior year. This amount is comprised of \$61,843,540 related to governmental activities and \$12,025,000 in debt related to business-type activities.

In 2021, the City issued \$4,540,000 of General Obligation Permanent Improvement Revolving (PIR) Bonds. In addition, the City drew an additional \$975,000 of the 2019 Taxable General Obligation Tax Increment Bonds for use in the affordable housing revolving loan program administered by the City's Housing and Redevelopment Authority. Included in the 2019 Taxable General Obligation Tax Increment Bonds is the ability of the City to draw an additional \$5,551,460 in proceeds within the next year. In 2021 the City retired a total of \$9,100,000 resulting in \$73,868,540 in bonds payable as of December 31, 2021.

The City maintains an "Aaa" rating from Moody's, an "AAA" rating from Standard & Poor's, and an "AAA" rating from Fitch Ratings. The City is one of only 40 cities nationwide to hold this "Triple A" bond ratings combination. Additional information on the City's long-term debt can be found in Note 6.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following key indicators provide highlights of the City's economic outlook and future budget impact:

- At December 2021, the unemployment rate in Bloomington was 2.4%, down from a rate of 2.5% from a year ago. This is less than the state's December unemployment rate of 2.6% and compares favorably to the national rate of 3.9%.
- As of January 2021, the assessor's estimated market value for Bloomington turned up an additional 2.1% on top of 2.4% growth in 2020 to a total of \$14.7 billion. This is a 104% increase in total City market value since 2000, and the total is now 24.6% above the previous peak in 2008. Bloomington has a diverse tax base with approximately half commercial and half residential and multi-family.
- The City uses a ten-year General Fund financial model to determine levels of service and to respond to short-term economic and financial changes to make good decisions for the long term. Other funds are modeled for ten to fifteen years to moderate fee increases and to plan for pay-as-you-go capital improvements.
- In 2022, the City switched health insurance providers from PEIP (Public Employees Insurance Program) to the Minnesota Healthcare Consortium/Medica (MHC). In the months prior, the City worked with its benefit advisors to solicit competitive bids for medical health insurance and received a total of seven responses to its request. The City's Employee Benefits Committee, comprised of staff from Human Resources, Finance, and members of the various collective bargaining units, met to discuss the responses. PEIP proposed an increase in premiums of over 9%. Respondents offered a variety of pricing models that ranged from 0.4% - 12.3% increases. Other considerations and factors included caps on future rate increases and access to fitness and wellness programs. After a thorough evaluation of the proposals, the Employee Benefits Committee recommended entering into a three-year contract for medical insurance with MHC for 2022-2024. The switch to MHC benefited both the employees and the City in premium reductions.
- The projected Public Employees Retirement Association (PERA) pension costs to the City for 2022 are estimated at roughly \$5.6 million on a pay-as-you-go basis.
- The COVID-19 global pandemic had significant impacts on real estate markets, but they were very uneven and divergent. Commerce disruptions and high rates of unemployment fell especially hard on industries related to travel, hospitality and retail. Accordingly, value losses were realized in the 2021 assessment for several commercial property types, most notably hotel and retail. The presence of multiple vaccines in 2021 brought back consumer confidence and started the road to recovery for our tourism and hospitality industry. Commercial assessed values for 2022 recovered approximately half of what was lost in 2021.
- Residential and multi-family property values for 2021 were not adversely affected by COVID-19, and the value growth for these properties has intensified for the 2022 assessment. These markets were already benefiting from supply/demand factors prior to the pandemic. Flexible work policies and distance learning further increased the demand for living spaces, oftentimes for reasons beyond just the need for historical sheltering, to actually become an extension of work and school. As land availability and prices limit the ability for single-family new construction, there continues to be strong development of new multi-family units to meet housing needs. These factors served to increase single-family home

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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values approximately 17% and multi-family total value just under 22%, including value gain from new construction.

- The strength in real estate markets over the past year has led to a total assessed market value increase of nearly 14% for 2022 to approximately \$17 billion.

### **SUBSEQUENT ECONOMIC IMPACT**

In April 2022, the City issued \$11,975,000 of General Obligation Capital Improvement Plan bonds. The proceeds of the bonds will be used to finance certain capital improvements, including, but not limited to, construction of improvements to fire stations and construction of a new equipment maintenance garage, as described in the City's capital improvement plan approved on December 20, 2021.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or the requests for additional financial information should be addressed to the Chief Financial Officer, Bloomington Civic Plaza, 1800 West Old Shakopee Road, Bloomington, Minnesota, 55431.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

# BASIC FINANCIAL STATEMENTS

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Net Position

December 31, 2021

EXHIBIT 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 202,536,703	\$ 32,619,656	\$ 235,156,359	\$ 111,492,606	\$ 15,658,578
Receivables, net	49,287,904	11,643,607	60,931,511	152,322	22,383,152
Prepaid items	1,655,480	634,014	2,289,494	-	-
Due from primary government	-	-	-	105,000	5,156,225
Due from component units	12,177,830	7,164	12,184,994	-	-
Inventory and land held for resale	7,479,264	-	7,479,264	17,150,000	1,747,941
Restricted cash - temporarily restricted	1,902,462	-	1,902,462	-	-
Internal balances	2,306,931	(2,306,931)	-	-	-
Net fire pension asset	55,703,729	-	55,703,729	-	-
Capital assets:					
Capital assets - nondepreciable	102,087,806	4,978,403	107,066,209	-	1,600,300
Capital assets - net of accumulated depr	328,901,962	97,771,669	426,673,631	-	711,160
Net capital assets	430,989,768	102,750,072	533,739,840	-	2,311,460
Total assets	764,040,071	145,347,582	909,387,653	128,899,928	47,257,356
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources	38,120,047	-	38,120,047	-	-
Total assets and deferred outflows of resources	802,160,118	145,347,582	947,507,700	128,899,928	47,257,356
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	12,310,223	1,934,186	14,244,409	57,489	338,372
Accrued interest payable	614,495	205,899	820,394	81,269	68,113
Unearned revenue	6,040,901	966,781	7,007,682	-	50,266
Due to component units	5,261,225	-	5,261,225	-	-
Due to primary government	-	-	-	9,578	29,723
Due to primary government - bonds	-	-	-	-	570,000
Noncurrent liabilities:					
Due to primary government -					
Loans payable due in more than one year	-	-	-	-	9,532,913
Bonds payable due in more than one year	-	-	-	-	1,911,439
Accrued interest payable	-	-	-	-	131,341
Due within one year	12,778,081	835,000	13,613,081	405,000	-
Due in more than one year	73,407,374	11,824,466	85,231,840	5,585,000	8,017,110
Net pension/OPEB liability	43,060,119	-	43,060,119	-	-
Total liabilities	153,472,418	15,766,332	169,238,750	6,138,336	20,649,277
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow of resources	72,808,269	-	72,808,269	-	-
Total liabilities and deferred inflows of resources	226,280,687	15,766,332	242,047,019	6,138,336	20,649,277
<b>NET POSITION</b>					
Net investment in capital assets	380,801,226	90,090,606	470,891,832	-	722,911
Restricted for:					
Debt service	32,489,351	-	32,489,351	513,372	656,632
Fire pension	33,362,085	-	33,362,085	-	-
Tax increment	24,353,990	-	24,353,990	122,232,201	5,023,951
Street reconstruction	1,542,230	-	1,542,230	-	-
Restricted - other	10,370,388	-	10,370,388	-	-
Unrestricted	92,960,161	39,490,644	132,450,805	16,019	20,204,585
Total net position	\$ 575,879,431	\$ 129,581,250	\$ 705,460,681	\$ 122,761,592	\$ 26,608,079

See notes to the basic financial statements.



**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Activities  
Year Ended December 31, 2021

EXHIBIT 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
<b>Primary Government:</b>									
Governmental activities:									
General Services	\$ 6,237,112	\$ 3,561,331	\$ 429,156	\$ 224,533	\$ (2,022,092)	\$ -	\$ (2,022,092)	\$ -	\$ -
Development Services	17,472,571	4,994,766	879,766	2,090,864	(9,507,175)	-	(9,507,175)	-	-
Public Works	19,689,961	624,686	502,412	20,292,541	1,729,678	-	1,729,678	-	-
Public Safety	24,983,228	375,677	1,764,255	-	(22,843,296)	-	(22,843,296)	-	-
Community Services	17,883,591	2,147,973	6,468,445	57,378	(9,209,795)	-	(9,209,795)	-	-
Interest on long-term debt	1,211,756	-	-	-	(1,211,756)	-	(1,211,756)	-	-
Total governmental activities	<u>87,478,219</u>	<u>11,704,433</u>	<u>10,044,034</u>	<u>22,665,316</u>	<u>(43,064,436)</u>	<u>-</u>	<u>(43,064,436)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water/Wastewater Utility	25,246,844	31,736,641	-	440,864	-	6,930,661	6,930,661	-	-
Storm Water Utility	5,136,183	7,074,381	45,491	171,782	-	2,155,471	2,155,471	-	-
Recreational Facilities	5,109,193	3,511,196	23,313	1,000,000	-	(574,684)	(574,684)	-	-
Solid Waste Management	8,215,273	8,084,185	122,690	17,535	-	9,137	9,137	-	-
Contractual Police	696,612	796,831	-	-	-	100,219	100,219	-	-
Motor Vehicle	229,911	71,180	-	-	-	(158,731)	(158,731)	-	-
Total business-type activities	<u>44,634,016</u>	<u>51,274,414</u>	<u>191,494</u>	<u>1,630,181</u>	<u>-</u>	<u>8,462,073</u>	<u>8,462,073</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 132,112,235</u>	<u>\$ 62,978,847</u>	<u>\$ 10,235,528</u>	<u>\$ 24,295,497</u>	<u>(43,064,436)</u>	<u>8,462,073</u>	<u>(34,602,363)</u>	<u>-</u>	<u>-</u>
<b>Component units:</b>									
Port Authority	\$ 2,396,963	\$ -	\$ 565,000	\$ -	-	-	-	(1,831,963)	-
Housing and Redevelopment Authority	10,980,721	2,017,939	5,450,344	1,325,857	-	-	-	-	(2,186,581)
Total component units	<u>\$ 13,377,684</u>	<u>\$ 2,017,939</u>	<u>\$ 6,015,344</u>	<u>\$ 1,325,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,831,963)</u>	<u>(2,186,581)</u>
<b>General revenues:</b>									
Property taxes					63,340,502	2,148,695	65,489,197	14,657,816	4,680,524
Business taxes					10,996,191	-	10,996,191	-	-
Grants and contributions not restricted					1,559,116	-	1,559,116	-	-
Gain on sale of capital assets					410,144	-	410,144	-	-
Interest and investment earnings					(1,048,948)	(141,924)	(1,190,872)	(704,660)	2,336
Transfers					(285,780)	285,780	-	-	-
<b>Total general revenues and transfers</b>					<u>74,971,225</u>	<u>2,292,551</u>	<u>77,263,776</u>	<u>13,953,156</u>	<u>4,682,860</u>
<b>Change in net position</b>					<u>31,906,789</u>	<u>10,754,624</u>	<u>42,661,413</u>	<u>12,121,193</u>	<u>2,496,279</u>
<b>Net position - January 1</b>					<u>543,972,642</u>	<u>118,826,626</u>	<u>662,799,268</u>	<u>110,640,399</u>	<u>24,111,800</u>
<b>Net position - December 31</b>					<u>\$ 575,879,431</u>	<u>\$ 129,581,250</u>	<u>\$ 705,460,681</u>	<u>\$ 122,761,592</u>	<u>\$ 26,608,079</u>

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### **MAJOR GOVERNMENTAL FUNDS**

---

#### **GENERAL FUND**

*This fund accounts for all unrestricted resources except those required to be accounted for in another fund.*

#### **SPECIAL REVENUE FUND**

*Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.*

Community Development Block Grant Fund - This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

#### **DEBT SERVICE FUND**

*Debt service funds account for the accumulation of resources for and payment of general long-term debt principal and interest.*

Improvement Bonds Fund – This fund is used to account for the accumulation of resources for payment of principal and interest on general obligation improvement bonds.

#### **CAPITAL PROJECTS FUNDS**

*Capital projects funds are used to account for the construction and financing of large capital projects.*

Capital Projects Fund – This fund accounts for funds and monies required for financing land acquisitions, park development, housing, and construction and equipment related to public facilities.

Improvement Construction Fund – This fund accounts for the proceeds of bonds sold for the purpose of street, trails, sewer, water, and state aid construction.

**CITY OF BLOOMINGTON, MINNESOTA**

Balance Sheet  
Governmental Funds  
December 31, 2021

	General Fund	Community Development Block Grant	Improvement Bonds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 47,032,306	\$ 488,600	\$ 18,626,670
Cash with fiscal agent	-	-	-
Accrued interest receivable	75,248	699	27,195
Taxes receivable	629,350	-	31,420
Accounts receivable	2,062,066	-	-
Lease receivable	-	-	-
Mortgages receivable	-	10,793,918	-
Prepaid items	12,000	-	-
Land held for resale	-	-	-
Due from other funds	217,000	-	-
Due from component units	32,137	-	-
Due from other governments	825,709	59,365	-
Special assessments receivable	1,397,714	-	12,439,500
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 52,283,530</u>	<u>\$ 11,342,582</u>	<u>\$ 31,124,785</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,285,310	\$ 5,237	\$ 207,511
Retainage payable	-	-	-
Due to component units	6,225	-	-
Unearned revenue	558,784	-	-
Deposits payable	88,877	-	-
Total liabilities	<u>7,939,196</u>	<u>5,237</u>	<u>207,511</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - mortgages	-	10,793,918	-
Deferred inflows - taxes	380,750	-	-
Deferred inflows - state aid	-	-	-
Deferred inflows - special assessments	1,397,714	-	12,439,500
Deferred inflows - land held for resale	-	-	-
Total deferred inflows of resources	<u>1,778,464</u>	<u>10,793,918</u>	<u>12,439,500</u>
<b>FUND BALANCES</b>			
Nonspendable	12,000	-	-
Restricted	-	543,427	18,477,774
Committed	2,112,433	-	-
Assigned	-	-	-
Unassigned	40,441,437	-	-
Total fund balances	<u>42,565,870</u>	<u>543,427</u>	<u>18,477,774</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 52,283,530</u>	<u>\$ 11,342,582</u>	<u>\$ 31,124,785</u>

See notes to the basic financial statements.

EXHIBIT 3

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 25,944,665	\$ 46,016,849	\$ 13,539,596	\$ 151,648,686
-	-	1,902,462	1,902,462
35,335	67,120	10,817	216,414
270	-	(153)	660,887
340,110	1,270,751	331,380	4,004,307
5,150,000	-	-	5,150,000
-	-	-	10,793,918
48,015	-	15,039	75,054
6,870,306	606,477	-	7,476,783
-	-	-	217,000
9,532,913	-	-	9,565,050
-	12,118,783	370,432	13,374,289
1,104,247	237,525	-	15,178,986
<u>\$ 49,025,861</u>	<u>\$ 60,317,505</u>	<u>\$ 16,169,573</u>	<u>\$ 220,263,836</u>
\$ 844,871	\$ 484,757	\$ 458,934	\$ 9,286,620
58,120	717,405	-	775,525
5,255,000	-	-	5,261,225
-	-	5,401,517	5,960,301
-	-	742,422	831,299
<u>6,157,991</u>	<u>1,202,162</u>	<u>6,602,873</u>	<u>22,114,970</u>
-	-	-	10,793,918
-	-	-	380,750
-	10,630,586	-	10,630,586
1,104,247	237,525	-	15,178,986
6,870,306	606,477	-	7,476,783
<u>7,974,553</u>	<u>11,474,588</u>	<u>-</u>	<u>44,461,023</u>
48,015	-	15,039	75,054
25,517,052	8,260,290	4,117,372	56,915,915
9,831,626	-	5,434,289	17,378,348
-	39,380,465	-	39,380,465
(503,376)	-	-	39,938,061
<u>34,893,317</u>	<u>47,640,755</u>	<u>9,566,700</u>	<u>153,687,843</u>
<u>\$ 49,025,861</u>	<u>\$ 60,317,505</u>	<u>\$ 16,169,573</u>	<u>\$ 220,263,836</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 December 31, 2021

EXHIBIT 4

**FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 153,687,843

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds:

Cost of capital assets	\$ 588,609,621	
Less accumulated depreciation	<u>(206,963,537)</u>	381,646,084

Governmental funds do not report a liability for accrued interest until due and payable. (614,495)

Internal service funds are used by management to charge the costs of various services provided to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Internal service fund net position per statements	35,871,765	
Add allocation to business-type activities	<u>2,089,926</u>	37,961,691

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (61,843,540)

A portion of other post employment benefits (OPEB) was not paid in the current period and, therefore, not reported in the governmental funds.

Total OPEB liability	(11,451,187)	
Deferred outflows of resources - OPEB plan deferments	1,675,567	
Deferred inflows of resources - OPEB plan deferments	<u>(1,641,440)</u>	(11,417,060)

Bond premiums are reported as other financing sources in the governmental funds at the time of issuance. In the Statement of Net Position, these costs are amortized over the life of the debt issue. (3,783,787)

Amounts due from component units-bonds payable are not reflected in the governmental funds and, therefore, must be added to reconcile to the total net position of governmental activities. 2,619,587

Amounts pertaining to the Bloomington Fire Relief Association pension plan are not current financial resources and, therefore, are not reported in governmental funds:

Net pension asset	55,703,729	
Deferred outflows of resources	3,247,439	
Deferred inflows of resources	<u>(25,589,083)</u>	33,362,085

Other long-term assets related to delinquent property taxes, land held for resale, and special assessments are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds. 44,261,023

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 575,879,431

See notes to the basic financial statements.

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2021

	General Fund	Community Development Block Grant	Improvement Bonds
<b>REVENUES</b>			
Property taxes	\$ 53,057,960	\$ -	\$ 4,893,086
Fiscal disparities	3,473,774	-	495,594
Special assessments	67,902	-	3,450,022
Lodging and admissions tax	6,414,535	-	-
Business licenses and permits	6,021,564	-	-
Fines	359,334	-	-
Intergovernmental	5,821,918	1,356,356	-
Program income	1,938,846	-	-
Interest	178,451	3,447	83,526
Net change in fair value of investments	(538,185)	(3,447)	(217,619)
Other	1,363,664	-	3,950
Franchise fees	-	-	-
Contractual payments from component unit	-	-	-
Total revenues	<u>78,159,763</u>	<u>1,356,356</u>	<u>8,708,559</u>
<b>EXPENDITURES</b>			
Current:			
General services	6,007,804	-	11,939
Development services	9,343,162	790,024	-
Public works	11,877,891	-	73,927
Public safety	32,591,961	-	-
Parks and recreation	9,085,610	-	-
Community services	6,918,858	-	39,685
Debt service:			
Interest	-	-	1,370,876
Principal retirement	-	-	6,670,000
Capital outlay:			
Development services	-	-	-
Public works	44,946	-	-
Public safety	-	-	-
Parks and recreation	-	-	-
Community services	-	-	-
Total expenditures	<u>75,870,232</u>	<u>790,024</u>	<u>8,166,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,289,531</u>	<u>566,332</u>	<u>542,132</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	5,003,001	-	193,570
Transfers to other funds	(3,790,700)	(22,974)	(468,779)
Proceeds on sale of capital assets	-	-	-
Issuance of debt	-	-	120,210
Premium on bonds issued	-	-	-
Total other financing sources (uses)	<u>1,212,301</u>	<u>(22,974)</u>	<u>(154,999)</u>
Net change in fund balance	3,501,832	543,358	387,133
Fund balance - January 1	<u>39,064,038</u>	<u>69</u>	<u>18,090,641</u>
Fund balance - December 31	<u>\$ 42,565,870</u>	<u>\$ 543,427</u>	<u>\$ 18,477,774</u>

Note: The General Fund is budgeted at the department level, as reported on Exhibit A-1, rather than by function. See notes to the basic financial statements.



EXHIBIT 5

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ (28,387)	\$ 300,000	\$ 1,224,353	\$ 59,447,012
-	-	-	3,969,368
146,147	27,464	-	3,691,535
4,581,656	-	-	10,996,191
-	-	-	6,021,564
-	-	86,352	445,686
412,174	6,298,580	2,128,156	16,017,184
-	-	252,496	2,191,342
155,524	314,903	51,421	787,272
(273,423)	(523,223)	(90,584)	(1,646,481)
955,871	251,232	805,010	3,379,727
-	5,043,127	1,302,125	6,345,252
212,927	-	-	212,927
<u>6,162,489</u>	<u>11,712,083</u>	<u>5,759,329</u>	<u>111,858,579</u>
17,055	34,633	458,947	6,530,378
1,122,749	11,443	406,997	11,674,375
600,000	21,848	-	12,573,666
-	-	1,800,330	34,392,291
334,638	-	57,626	9,477,874
-	-	1,887,249	8,845,792
212,909	-	142,032	1,725,817
-	-	985,000	7,655,000
2,939,433	58,985	166,400	3,164,818
-	11,018,918	-	11,063,864
-	-	388,138	388,138
1,969,783	-	-	1,969,783
-	-	88,341	88,341
<u>7,196,567</u>	<u>11,145,827</u>	<u>6,381,060</u>	<u>109,550,137</u>
<u>(1,034,078)</u>	<u>566,256</u>	<u>(621,731)</u>	<u>2,308,442</u>
4,236,252	1,075,479	721,772	11,230,074
(3,772,737)	(1,676,068)	(1,100,572)	(10,831,830)
1,841,454	-	-	1,841,454
2,933,819	4,465,971	-	7,520,000
380,066	636,391	-	1,016,457
<u>5,618,854</u>	<u>4,501,773</u>	<u>(378,800)</u>	<u>10,776,155</u>
4,584,776	5,068,029	(1,000,531)	13,084,597
<u>30,308,541</u>	<u>42,572,726</u>	<u>10,567,231</u>	<u>140,603,246</u>
<u>\$ 34,893,317</u>	<u>\$ 47,640,755</u>	<u>\$ 9,566,700</u>	<u>\$ 153,687,843</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 Year Ended December 31, 2021

EXHIBIT 6

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 13,084,597**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized (subject to the City's capitalization policy) and depreciated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 16,674,945	
Depreciation expense	(13,354,585)	
Loss on disposal of capital assets	<u>(45,648)</u>	3,274,712

The issuance of long-term debt (e.g., bonds payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt issued	(7,520,000)	
Principal paid	<u>7,655,000</u>	135,000

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (555,454)

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 the governmental funds. This includes the change in accrued interest payable, the total other post employment benefits (OPEB) obligation, and related deferred items. (674,081)

Internal service funds are used by management to charge the costs of various services provided to individual funds. The net revenues of certain activities of internal service funds are reported with governmental activities.

Change in internal service fund net position per statements	6,604,868	
Add allocation to business-type activities	<u>(1,058,707)</u>	5,546,161

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 2,872,603

Interest revenue on Due from Component Units is not recorded in the governmental funds until received but reported in the Statement of Activities when earned. 10,709

Governmental Funds report Fire Department pension contribution as expenditures, however pension expense is reported in the statement of activities. This is the amount by which pension expense exceeded pension contributions.

Pension Expense		8,772,542
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Repayments of Due from Component Units are treated as revenues in the governmental funds but reported as a reduction of the receivable in the Statement of Net Position. Bond proceeds loaned to the component unit are treated as expenditures in the governmental funds but reported as an increase in the receivable in the Statement of Net Position. (560,000)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 31,906,789**

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### **MAJOR PROPRIETARY FUNDS**

---

#### **ENTERPRISE FUNDS**

*Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.*

Water/Wastewater Utility Fund - This fund accounts for the operations of the City-owned water and sewer systems.

Storm Water Utility Fund - This fund accounts for the operations and improvements of the storm water drainage system.

Recreational Facilities Fund - This fund accounts for the operations of the City's ice garden, golf courses, aquatic recreation facilities and art center operations.

Solid Waste Management Fund - This fund accounts for the operations of the City's garbage and recycling program.

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Fund Net Position

Proprietary Funds

December 31, 2021

Business-type Activities - Enterprise Funds

	Water/Wastewater Utility	Storm Water Utility	Recreational Facilities
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 15,370,992	\$ 13,318,357	\$ 3,491,166
Accrued interest receivable	21,967	19,745	5,190
Taxes receivable	421,988	867,927	802
Accounts receivable	6,149,271	1,896,801	144,681
Prepaid items	634,014	-	-
Due from component units	7,164	-	-
Due from other governments	-	-	-
Inventory	-	-	-
<b>Total current assets</b>	<b>22,605,396</b>	<b>16,102,830</b>	<b>3,641,839</b>
Noncurrent assets:			
Land	2,280,001	478,858	1,955,757
Buildings and structures	18,935,207	791,498	19,297,366
Machinery and equipment	1,771,818	179,571	1,736,902
Improvements	3,095,212	1,844,511	2,816,940
Distribution system and infrastructure	104,322,481	65,901,461	-
Construction in progress	263,787	-	-
Accumulated depreciation	(81,732,795)	(24,955,244)	(16,233,259)
<b>Total noncurrent assets</b>	<b>48,935,711</b>	<b>44,240,655</b>	<b>9,573,706</b>
<b>Total assets</b>	<b>71,541,107</b>	<b>60,343,485</b>	<b>13,215,545</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - related to pensions	-	-	-
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,063,612	143,706	158,136
Estimated claims payable	-	-	-
Benefits payable	-	-	-
Due to other funds	-	-	-
Retainage payable	4,116	4,418	-
Unearned revenue	70,232	867,896	28,653
Bonds payable	110,000	580,000	145,000
Accrued interest payable	9,633	176,172	20,094
Deposits payable	18,533	-	6,816
<b>Total current liabilities</b>	<b>1,276,126</b>	<b>1,772,192</b>	<b>358,699</b>
Noncurrent liabilities:			
Benefits payable	-	-	-
Bonds payable	630,000	9,834,466	1,360,000
Estimated claims payable	-	-	-
Net pension liability	-	-	-
<b>Total noncurrent liabilities</b>	<b>630,000</b>	<b>9,834,466</b>	<b>1,360,000</b>
<b>Total liabilities</b>	<b>1,906,126</b>	<b>11,606,658</b>	<b>1,718,699</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - related to pensions	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	48,195,711	33,826,189	8,068,706
Unrestricted	21,439,270	14,910,638	3,428,140
<b>Total net position</b>	<b>\$ 69,634,981</b>	<b>\$ 48,736,827</b>	<b>\$ 11,496,846</b>

See notes to the basic financial statements.

EXHIBIT 7

Solid Waste Management	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
\$ 438,281	\$ 860	\$ 32,619,656	\$ 50,888,017
1,606	-	48,508	77,986
22,237	-	1,312,954	-
1,850,912	240,473	10,282,138	18,227
-	-	634,014	1,580,426
-	-	7,164	-
-	-	-	6,088
-	-	-	2,480
<u>2,313,036</u>	<u>241,333</u>	<u>44,904,434</u>	<u>52,573,224</u>
-	-	4,714,616	11,478,762
-	-	39,024,071	43,392,784
24,229	-	3,712,520	45,685,395
-	-	7,756,663	3,097,800
-	-	170,223,942	139,719
-	-	263,787	979,354
(24,229)	-	(122,945,527)	(55,430,130)
-	-	102,750,072	49,343,684
<u>2,313,036</u>	<u>241,333</u>	<u>147,654,506</u>	<u>101,916,908</u>
-	-	-	33,197,041
509,606	25,241	1,900,301	1,416,642
-	-	-	938,554
-	-	-	919,527
-	217,000	217,000	-
-	-	8,534	-
-	-	966,781	80,600
-	-	835,000	-
-	-	205,899	-
-	-	25,349	136
<u>509,606</u>	<u>242,241</u>	<u>4,158,864</u>	<u>3,355,459</u>
-	-	-	17,471,007
-	-	11,824,466	-
-	-	-	1,229,040
-	-	-	31,608,932
-	-	11,824,466	50,308,979
<u>509,606</u>	<u>242,241</u>	<u>15,983,330</u>	<u>53,664,438</u>
-	-	-	45,577,746
-	-	90,090,606	49,343,684
1,803,430	(908)	41,580,570	(13,471,919)
<u>\$ 1,803,430</u>	<u>\$ (908)</u>	<u>131,671,176</u>	<u>\$ 35,871,765</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.  
 Net position of business-type activities

(2,089,926)  
\$ 129,581,250

**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds		
	Water/Wastewater Utility	Storm Water Utility	Recreational Facilities
Operating revenues:			
Charges for services	\$ 31,717,103	\$ 7,069,200	\$ 3,497,379
Other	19,538	5,183	7,313
Total operating revenues	31,736,641	7,074,383	3,504,692
Operating expenses:			
Salaries and benefits	5,652,614	1,653,949	2,278,630
Materials, supplies and service	6,826,810	1,100,559	2,568,393
Depreciation	1,699,869	2,033,751	646,265
Water purchased	4,219,476	-	-
Wastewater disposal cost	7,315,820	-	-
Total operating expenses	25,714,589	4,788,259	5,493,288
Operating income (loss)	6,022,052	2,286,124	(1,988,596)
Nonoperating revenues (expenses):			
Taxes	-	-	1,944,649
Fiscal disparities	-	-	19,046
Intergovernmental	-	45,491	23,124
Interest income (charges)	85,702	95,348	20,497
Net change in fair value of investments	(151,954)	(155,115)	(34,289)
Gain (loss) on sale of capital assets	-	-	638
Other	-	-	6,692
Interest expense	(23,394)	(372,618)	(48,693)
Total nonoperating revenues (expenses)	(89,646)	(386,894)	1,931,664
Income (loss) before capital contributions and transfers	5,932,406	1,899,230	(56,932)
Transfers and capital contributions:			
Capital contributions from private sources	440,864	119,275	1,000,000
Transfers from other funds	695,000	-	-
Transfers to other funds	-	-	-
Change in net position	7,068,270	2,018,505	943,068
Total net position - January 1	62,566,711	46,718,322	10,553,778
Total net position - December 31	\$ 69,634,981	\$ 48,736,827	\$ 11,496,846

See notes to the basic financial statements.



EXHIBIT 8

Solid Waste Management	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
\$ 8,065,044	\$ 867,654	\$ 51,216,380	\$ 42,936,773
19,140	360	51,534	52,556
<u>8,084,184</u>	<u>868,014</u>	<u>51,267,914</u>	<u>42,989,329</u>
279,584	910,401	10,775,178	14,657,658
7,962,124	47,906	18,505,792	16,745,883
-	-	4,379,885	4,528,939
-	-	4,219,476	-
-	-	7,315,820	-
<u>8,241,708</u>	<u>958,307</u>	<u>45,196,151</u>	<u>35,932,480</u>
<u>(157,524)</u>	<u>(90,293)</u>	<u>6,071,763</u>	<u>7,056,849</u>
185,000	-	2,129,649	-
-	-	19,046	-
122,690	-	191,305	30,759
9,839	220	211,606	384,564
(10,307)	(1,866)	(353,531)	(613,395)
-	-	638	392,033
-	-	6,692	39,469
-	-	(444,705)	(1,387)
<u>307,222</u>	<u>(1,646)</u>	<u>1,760,700</u>	<u>232,043</u>
149,698	(91,939)	7,832,463	7,288,892
17,535	-	1,577,674	-
-	-	695,000	2,599,699
<u>(309,000)</u>	<u>(100,220)</u>	<u>(409,220)</u>	<u>(3,283,723)</u>
(141,767)	(192,159)	9,695,917	6,604,868
<u>1,945,197</u>	<u>191,251</u>	<u>29,266,897</u>	<u>29,266,897</u>
<u>\$ 1,803,430</u>	<u>\$ (908)</u>	<u>\$ 35,871,765</u>	<u>\$ 35,871,765</u>

Adjustment to reflect the consolidation of internal  
service fund activities related to enterprise funds.  
Change in net position of business-type activities (Exh. 2)

1,058,707  
\$ 10,754,624

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds		
	Water/Wastewater Utility	Stormwater Utility	Recreational Facilities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	30,986,655	7,018,627	3,452,988
Cash payments to other funds	(3,376,987)	(1,323,362)	(1,271,398)
Payments to employees	(5,637,535)	(1,268,118)	(2,267,992)
Payments to suppliers	(14,985,655)	(267,790)	(1,191,828)
Net cash provided by (used in) operating activities	6,986,478	4,159,357	(1,278,230)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants	-	55,491	23,124
Transfers from other funds	695,000	-	-
Transfers to other funds	-	-	-
Subsidy from endowment fund	-	-	6,503
Other	-	-	189
Taxes	-	-	1,963,695
Net cash provided by noncapital financing activities	695,000	55,491	1,993,511
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Bond payments	(110,000)	(555,000)	(140,000)
Interest and other payments	(24,769)	(436,688)	(51,026)
Capital grants and contributions from private sources	440,864	119,275	1,000,000
Proceeds from sale of capital assets	-	-	638
Purchase of capital assets	(2,679,336)	(2,538,799)	(114,285)
Net cash provided by (used in) capital and related financing activities	(2,373,241)	(3,411,212)	695,327
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (charges)	(66,252)	(59,767)	(13,792)
Net increase (decrease) in cash and cash equivalents	5,241,985	743,869	1,396,816
Cash and cash equivalents - January 1	10,129,007	12,574,488	2,094,350
Cash and cash equivalents - December 31	\$ 15,370,992	\$ 13,318,357	\$ 3,491,166
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 6,022,052	\$ 2,286,124	\$ (1,988,596)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,699,869	2,033,751	646,265
Changes in assets and liabilities:			
Accounts receivable	(750,419)	(62,218)	(51,189)
Other current assets	436	6,463	(516)
Inventory	-	-	-
Accounts payable	16,050	(32,438)	98,986
Unearned revenue	(1,510)	(72,325)	16,820
Net pension liability	-	-	-
Benefits payable	-	-	-
Deferred outflows of resources	-	-	-
Deferred inflows of resources	-	-	-
Net cash provided by (used in) operating activities	\$ 6,986,478	\$ 4,159,357	\$ (1,278,230)

See notes to the basic financial statements.

EXHIBIT 9

Solid Waste Management	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
\$ -	\$ -	\$ -	\$ 42,637,075
8,033,212	858,712	50,350,194	-
(531,909)	(95,587)	(6,599,243)	(5,245,298)
(278,999)	(906,207)	(10,358,851)	(20,709,366)
(7,389,824)	(2,407)	(23,837,504)	(10,829,838)
<u>(167,520)</u>	<u>(145,489)</u>	<u>9,554,596</u>	<u>5,852,573</u>
122,690	-	201,305	26,470
-	-	695,000	855,245
(309,000)	(100,220)	(409,220)	(1,539,269)
-	-	6,503	-
-	-	189	39,469
185,000	-	2,148,695	-
<u>(1,310)</u>	<u>(100,220)</u>	<u>2,642,472</u>	<u>(618,085)</u>
-	-	(805,000)	(640,000)
-	-	(512,483)	(1,387)
17,535	-	1,577,674	-
-	-	638	410,519
<u>-</u>	<u>-</u>	<u>(5,332,420)</u>	<u>(3,750,399)</u>
17,535	-	(5,071,591)	(3,981,267)
<u>(468)</u>	<u>(1,646)</u>	<u>(141,925)</u>	<u>(228,830)</u>
<u>(151,763)</u>	<u>(247,355)</u>	<u>6,983,552</u>	<u>1,024,391</u>
<u>590,044</u>	<u>248,215</u>	<u>25,636,104</u>	<u>49,863,626</u>
<u>\$ 438,281</u>	<u>\$ 860</u>	<u>\$ 32,619,656</u>	<u>\$ 50,888,017</u>
\$ (157,524)	\$ (90,293)	\$ 6,071,763	\$ 7,056,849
-	-	4,379,885	4,528,939
(51,621)	(9,879)	(925,326)	(375,546)
650	579	7,612	23,294
-	-	-	(401)
40,975	(45,896)	77,677	666,414
-	-	(57,015)	5,600
-	-	-	(16,211,355)
-	-	-	478,784
-	-	-	(20,760,217)
-	-	-	30,440,212
<u>\$ (167,520)</u>	<u>\$ (145,489)</u>	<u>\$ 9,554,596</u>	<u>\$ 5,852,573</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**

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**FIDUCIARY FUNDS**

*Fiduciary funds are used to account for resources held by the City as trustee for the benefit of parties outside of the government.*

Private-Purpose Trust Fund – This fund was established with the receipt of a \$1,000,000 donation to the City. The interest earnings from this endowment fund are to be used to offset operating costs of the Bloomington Center for the Arts. This fund was closed in 2021 per the grant agreement.

**City of Bloomington**  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2021

EXHIBIT 10

	<u>Private-Purpose Trust</u>
<b>ASSETS</b>	
<b>Total Assets</b>	<u>\$ -</u>
<b>NET POSITION</b>	
Restricted for trust purposes	<u>\$ -</u>

See notes to the basic financial statements.

**City of Bloomington**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
Year Ended December 31, 2021

EXHIBIT 11

	Private-Purpose Trust
<b>ADDITIONS</b>	
Investment earnings - Interest	\$ 218
<b>DEDUCTIONS</b>	
Current:	
General services	6,503
Donations	1,000,000
Total deductions	1,006,503
Change in net position	(1,006,285)
Net position - January 1	1,006,285
Net position - December 31	\$ -

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA



# NOTES TO THE BASIC FINANCIAL STATEMENTS

## CITY OF BLOOMINGTON, MINNESOTA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bloomington, Minnesota (the City) operates pursuant to applicable Minnesota laws and statutes. The governing body (the City Council) consists of six council members and the Mayor. Four of the council members are elected by district and two of the council members and the Mayor are elected at large. All serve four-year staggered terms, subject to redistricting every ten years, which results in two 2-year terms through that transition. The City Manager, the chief administrative officer, is selected by the City Council to serve an indefinite term. The City Manager controls and directs the administration of the City's affairs and supervises all departments and divisions.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

#### A. REPORTING ENTITY

In accordance with GASB pronouncements and generally accepted accounting principles, the City's financial statements include all funds, organizations, and departments of the City and the City's component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body, and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the entity definition criteria established by GASB, certain organizations have been included with the City's financial statements, as follows:

Discretely Presented Component Units - Entails reporting the component unit financial data in columns separate from the financial data of the City:

## **Port Authority of the City of Bloomington (Port Authority)**

The Port Authority was created by the City in 1981 to provide a coordinated, cost-effective approach for private and public development within various development districts that may be established throughout the City. This goal is accomplished in many cases through the use of Tax Increment Financing, to be issued as needed to effect orderly development. The Port Authority is governed by commissioners appointed by the Mayor and confirmed by the City Council, and its boundaries encompass the entire City of Bloomington. The Port Authority has limited taxing powers, but extensive authority to issue bonds or notes for public improvements and land development. These are subject to approval by the City Council prior to issuance. The City Council appoints the Port Authority board, guarantees certain Port Authority debt, and contractually provides staff to manage the Port Authority's day-to-day operations; it is, therefore, considered a discretely presented component unit of the City.

## **Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

The HRA is a statutory organization established in 1971 to provide housing and redevelopment assistance to Bloomington citizens. Assistance is provided through the administration of various programs. The HRA's boundaries encompass the entire City of Bloomington. The City Council appoints the members of the HRA board, and City employees on contract to the HRA manage the HRA's day-to-day operations; it is, therefore, considered a discretely presented component unit of the City.

Financial information for the Port Authority and HRA is provided in the Other Supplementary Information section of the City's annual comprehensive financial report. Separate financial statements are not issued for the component units.

## **B. GOVERNMENT-WIDE AND FUND ACCOUNTING**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

The government-wide statement of net position is designed to display the financial position of the primary government in the two categories of governmental and business-type activities. In this statement, both the governmental and business-type activities columns are reflected on a full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governments report all capital assets, including infrastructure, in the government-wide statement of net position and report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of the government is broken down into three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's activities. This statement 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

The operating grants and contributions column includes operating-specific and discretionary (either operating or capital) grants while the capital grants and contributions column includes capital-specific grants.

The governmental funds' major fund statements in the fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental column, reconciliations are presented which briefly explain the adjustments necessary to reconcile both the ending net position and the change in net position.

The focus of the government-wide and fund accounting reporting model is on the City as a whole and the City's major funds, including both governmental funds and proprietary funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities, deferred inflows of resources, and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Major governmental funds - The City reports the following major governmental funds:

- *General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and interest earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.
- *Community Development Block Grant Fund* - This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974. Revenues of the fund are restricted for housing and development purposes.
- *Improvement Bonds Fund* - This fund is used to account for the accumulation of resources for payment of principal and interest on general obligation improvement bonds.
- *Capital Projects Fund* - This fund accounts for funds and monies required for financing land acquisitions, construction, park development, and equipment related to public facilities. This fund also accounts for the state allotment of gasoline tax collections for road construction and for transitional costs for capital construction.
- *Improvement Construction Fund* - This fund accounts for the proceeds of bonds sold for the purpose of street, sewer, water, and state aid construction.

Major proprietary funds - The City reports the following major proprietary funds:

- *Water/Wastewater Utility Fund* - This fund accounts for the operations of the City-owned water and sewer systems.
- *Storm Water Utility Fund* - This fund accounts for the operations and improvements of the storm water drainage system.
- *Recreational Facilities Fund* - This fund accounts for the operations of the City's ice garden, golf courses, aquatic recreation facilities, and art center operations.
- *Solid Waste Management* - This fund accounts for the operations of the City's garbage and recycling program.

Other funds - The City reports the following other funds:

*Internal Service Funds* - The Internal Service Funds are used to account for information technology, fleet, support services, public safety equipment, self-insurance, benefit accruals, insured benefits, facilities and parks maintenance, and PERA pension, all provided by one department to other departments of the City on a cost-reimbursement basis. The City has allocated the statement of fund net position and the statement of revenues, expenses, and changes in fund net position between various governmental and business-type activities in the government-wide statements.

*Private-Purpose Trust Fund* - The Private-Purpose Trust Fund is used to report the trust activity with the Bloomington Arts Center which benefits from the income earned on the principal of the endowment. This fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the City's programs. This private-purpose trust agreement matured February of 2021. The \$1 million that had been held in trust was properly and timely donated to the Art Center operating fund in 2021 for capital purposes.

## C. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus.

### Governmental Funds:

*Measurement Focus* - Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on the balance sheet. Reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

*Basis of Accounting* - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become 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 government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

*Revenues* - Major revenues that are susceptible to accrual include property taxes (excluding delinquent taxes received over 60 days after year-end), special assessments, intergovernmental revenues, charges for services, and interest on investments. Major revenues that are not susceptible to accrual include fees and miscellaneous revenues; such revenues are recorded only as received because they are not measurable until collected.

*Unavailable Revenues* – Unavailable revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Such amounts are classified as deferred inflows of resources within governmental funds.

*Unearned Revenues* – Unearned revenues arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when all revenue recognition criteria are met, the liability for unearned revenue is removed and revenue is recognized.

*Expenditures* - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt and other long-term liabilities which are recognized when due.

#### Proprietary and Fiduciary Funds:

*Measurement Focus* - Proprietary funds and private-purpose trust funds are accounted for on a flow of economic resources measurement focus. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the statement of net position. The net position of the fund is broken down into three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

*Basis of Accounting* - All proprietary funds and fiduciary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. Unbilled utility service receivables are recorded at year-end.

*Operating versus Non-operating Items* - Proprietary funds distinguish operating revenues and expenses from non-operating 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 revenue of the City’s enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General and the following special revenue funds: Community Development Block Grant, Public Health, Public Safety, Communications, Park Grants, South Loop Revolving Development Services, Creative Placemaking, Federal Relief, and Cemetery.

Budgeted amounts are reported as originally adopted and, if such action was taken, amended by the City Council. In the case of the Community Development Block Grant budget, it is a Housing and Urban Development (HUD) fiscal year program. The budget for this program is not yet available from HUD when original budgets are adopted by the City. Therefore, no amounts are in the original budget and only a final budget is presented. Budgeted expenditure appropriations lapse at year-end. During the year, several supplementary appropriations are approved by the City Council.

Future projects represent purchase commitments. Future projects outstanding at year-end are reported as committed fund balances for future projects.

Carryovers of prior-year budget appropriations are allowed when projects have been approved, but not completed, and funding has not been provided in the following year's budget. Budget carryovers at year-end are reported as committed fund balances.

#### Legal Compliance - Budgets

The City follows the procedures below in establishing the budget reflected in the accompanying financial statements:

1. The City Manager 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. The General and special revenue funds are legally adopted through the budgetary process as documented herein.
2. Public hearings are conducted to obtain taxpayer comments.
3. Both the General Fund and special revenue fund budgets are legally enacted through passage of resolutions.
4. Monitoring of budgets is maintained at the expenditure category level within each activity. Budgetary monitoring, by department, division, and by category is required by the City Charter. Management may alter the budget within a department but cannot exceed the total budgeted expenditures for that department unless approved by the City Council. The City Council may authorize transfers of budgeted amounts between departments or funds. These budget amendments must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for capital projects funds is accomplished through the use of project controls.
6. General Fund expenditures may not legally exceed budgeted appropriations at the departmental level. Special revenue fund expenditures may not legally exceed budgeted appropriations at the fund level.

#### E. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in authorized investments (see Note 2). Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are stated at fair value, based upon quoted market prices at the reporting date, except for investments in money market investments and external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits, and highly liquid investments with an original maturity date at the time of purchase of three months or less. The City accounts for its investments in an entity-wide cash management pool, which is used essentially as a demand deposit account.

Certain resources set aside for future use, such as the construction of a fire station, are classified as restricted assets on the Statement of Net Position, because their use is limited by outside agreements. Interest on these investments is allocated to the respective fund.

## F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds and between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due from primary government/component unit” and “due to other funds” or “due to primary government/component unit,” respectively, on the balance sheet (see Note 8). Any interfund balances are eliminated on the entity-wide financial statements.

## G. INVENTORIES AND PREPAID ITEMS

Inventory is valued at average cost based on physical counts for all fund types. In the General Fund, inventory is not significant and is recorded as an expenditure at the time of purchase. In the proprietary funds, inventory is recorded as an expense when consumed.

Assets held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. During the year ended December 31, 2021 management has reviewed the cost value reported for these assets and has indicated the properties are fairly presented for financial reporting purposes.

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

## H. CAPITAL ASSETS

Capital outlays are recorded as expenditures in the City’s governmental fund financial statements, which use the modified accrual basis of accounting. Capital outlays are capitalized in the City’s government-wide and proprietary funds statements of net position, which use the full accrual basis of accounting. Infrastructure has been capitalized retroactively to 1980. The carrying value of prior infrastructure assets is considered to be insignificant to the overall value of capital assets of the City. Depreciation on the City’s capital assets (including infrastructure) is recorded on a government-wide basis and in the proprietary funds. All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at the acquisition value as of the date received. The City’s policy is to only capitalize capital assets exceeding \$10,000.

Depreciation has been provided over the estimated useful lives using the straight-line method. Land and construction in progress are not depreciated. The estimated useful lives are as follows:

	<b>Years</b>
Land improvements	20-50
Buildings, structures, and improvements	15-95
Distribution system	36
Machinery and equipment	3-15
Infrastructure	5-48



## I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

The City reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide and internal service funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, difference between projected and actual earnings on pension plan investments, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Unavailable revenue arises only under a modified accrual basis of accounting and, therefore, is only reported in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from five sources: mortgages, taxes, state aid, special assessments and land held for resale. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## J. COMPENSATED ABSENCES

The City compensates all employees upon termination for unused vacation up to a maximum range of 432 to 480 hours based upon length of service. The City also compensates employees for unused personal time up to a maximum of 1,000 hours. Personal leave balances in excess of 600 hours upon termination are converted to a tax deferred health care retirement account with the State Board of Investments. In addition, police officers comp time balances and vacation balances in excess of 300 hours along with police supervisors vacation balances in excess of 350 hours are also converted to the tax deferred health care retirement account with the State Board of Investments. Such pay is accrued as an expenditure/expense as it is earned in all funds. The liability for all compensated absences is recorded in the Benefit Accrual Fund within the internal service funds.

## K. LONG-TERM OBLIGATIONS

Long-term obligations are recorded in the City's government-wide statement of net position when they become a liability of the City. Long-term obligations are recognized as a liability of a governmental fund only when due, or when resources have been accumulated in a debt service fund for payment early in the following year. Long-term obligations expected to be financed from proprietary funds are accounted for in those funds.

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

## L. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial and Housing Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, housing, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. A bank or financing institution finances this transaction, and the terms and conditions are contracted between the lender and the borrower. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, there were three series of Industrial and Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$66.4 million.

## M. NET POSITION

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

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

*Restricted Net Position*- consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

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

## N. FUND BALANCE CLASSIFICATIONS

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.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints for a specific purpose. In accordance with City Charter the City Council is the City’s highest level of decision making authority and can, by legal resolution prior to the end of a fiscal year, approve to establish, modify or rescind a fund balance commitment.

*Assigned* – consists of internally imposed constraints for the specific purpose of the City’s intended use. Pursuant to the City’s Fund Balance Classification Policy, intent can be expressed by the government body or by an official or body to which the governing body delegates the authority. At this time the City Council has not delegated the authority to assign fund balance.

*Unassigned* – is the residual classification for the general fund and 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, and 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.

#### O. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances captioned on the government-wide statement of net position represents interfund receivables or payables between the two types of activities: governmental and business-type.

#### P. PROPERTY TAXES

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County (the County) for collection in the following year. In the state of Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Property taxes are accrued and recognized as revenue in the fund financial statements for collections within 60 days after year-end, net of delinquencies.

Real property taxes are required by state statute to be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are required to be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts in July, December, and January.

Taxes levied which remain unpaid at December 31 are classified as taxes receivable and are fully offset by deferred inflows in the governmental fund financial statements because they are not known to be available to finance current expenditures. Delinquent property taxes are recorded as earned in the government-wide statements, less a \$200,000 allowance for uncollectible accounts.

#### Q. RECLASSIFICATIONS

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications did not have an effect on fund net position or change in net position, as previously reported.

#### R. DEFICIT NET POSITION AND FUND BALANCE

The PERA Pension internal service fund had a negative net position balance of \$(43,989,637) on December 31, 2021 as a result of following accounting required by GASB 68. Future pension contributions and investment earnings will reduce the negative net position in the PERA Pension internal service fund. The Benefit Accrual internal service fund had a negative net position balance of \$(4,135,916) on December 31, 2021. This fund accounts for the compensated personal and vacation leave balances. Over the next few years, the City plans to increase internal charges and transfer funds to eliminate the deficit in this fund. The Contractual Police enterprise fund had a deficit net position of \$(908).

## S. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported on the financial statements during the reporting period. Actual results could differ from such estimates.

## T. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

*Pensions.* 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 PERA's fiduciary net position have been determined on the same basis as they are reported by 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.

## 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

### A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at national or state banks within the state, as authorized by the City Council.

At December 31, 2021, the carrying amount of the City's deposits with financial institutions was \$29,728 and the bank balances totaled \$743,948.

*Custodial Credit Risk-Deposits* – Custodial credit risk is the risk that in event of a bank failure, the City's deposits may not be returned to it. Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral. City policy does not further add any restrictions to address custodial credit risk. As of December 31, 2021, the bank balance of the City's deposits was covered by federal depository insurance or covered by collateral pledged and held in the City's name.

### B. INVESTMENTS

The City may also invest funds as authorized by Minnesota Statutes and its investment policy as follows:

- U.S. Treasury obligations including bonds, notes, Treasury bills, or other securities which are direct obligations of the United States. Instruments sold and issued by the U.S. Government carry the full faith guarantee of the U.S. Government. These instruments provide the highest quality available to purchase and are highly liquid.
- U.S. Agency securities Government Sponsored Enterprises (GSE's) are instrumentalities, or organizations created by an act of Congress. GSE securities have the implied guarantee of the United States Government and are privileged to certain access to capital and support of government programs. The most common GSE issuers are Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Agriculture Mortgage Corporation (FAMC), Federal Farm Credit Bureau (FFCB), and Federal National Mortgage Association (FNMA).
- General obligation bonds of state or local governments must have a taxing power rating of A, AA, or AAA. Tax exempt or taxable bonds qualify as long as they meet the rating standards.

- Banker’s acceptances of United States banks, eligible for purchase by the Federal Reserve System, that mature in 270 days or less. Evaluation of the financial strength of the accepting bank is necessary through purchasing acceptances only from banks with a minimum A (very strong bank) rating by a nationally recognized rating agency.
- Money market mutual funds (excluding the 4M Fund) are rated Aa or higher by at least one nationally recognized statistical rating organization, invests in securities with a final maturity no longer than 13 months and for which the Investment Committee has obtained and reviewed the fund prospectus.
- Savings/demand deposits. A financial institution that is qualified as a “depository” of public funds of government entities. The City may hold balances in qualified bank deposits. Funds may be held in savings accounts at approved depository banks. If balances are greater than the FDIC limit, collateral of 110 percent will be held for the excess balances.
- Commercial paper is short term unsecured debt which has been issued by a United States corporation or their Canadian subsidiaries and is not a limited liability corporation (LLC) to fund their day-to-day operational needs. Maturities typically range from one day to 270 days. The City may only buy paper that meets the Minnesota Statute 118A requirements with the exception that no Asset Backed or Structured Investment Vehicle (SIV) Commercial Paper are allowed. Only commercial paper with the highest quality rating of A1, P1, F1 and the underlying issuer of the commercial paper must have a long-term debt rating of AAA to be utilized.
- The City may enter into repurchase agreements and reverse repurchase agreements consisting of collateral allowable in Minnesota Statute, Chapter 118A.
- Investment products that are considered as derivatives are specifically excluded from approved direct investment purchases at this time.

As of December 31, 2021, the City had the following investments and maturities:

Investment Type	Fair Value	Less than One Year	One Year to Five Years	Five Years to Ten Years
Money Market	\$ 29,552,518	\$ 29,552,518	\$ -	\$ -
Commercial Paper Sweep	701,537	701,537	-	-
4M Term Series	7,500,000	7,500,000		
Treasury Notes	7,998,280	5,028,400	2,969,880	-
Treasury Securities	1,902,462	1,902,462		
Federal Farm Credit Bank	40,199,947	20,381,147	19,818,800	-
Federal Home Loan Bank	50,332,500	1,004,050	49,328,450	-
Federal Agriculture Mortgage Corporation	21,134,542	-	21,134,542	-
Federal Home Loan Mortgage Corporation	24,495,350	-	19,658,500	4,836,850
Federal National Mortgage Association	19,261,328	-	19,261,328	-
Municipal Bonds	<u>33,950,629</u>	<u>9,210,572</u>	<u>16,174,045</u>	<u>8,566,012</u>
Total investments	<u>237,029,093</u>	<u>\$ 75,280,686</u>	<u>\$148,345,545</u>	<u>\$ 13,402,862</u>
Total deposits	<u>29,728</u>			
Total investments and deposits	<u>\$ 237,058,821</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2021:

Investments by fair value level	12/31/21	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 701,537	\$ -	\$ 701,537	\$ -
Treasury Notes	7,998,280	7,998,280	-	-
Treasury Securities	1,902,462	1,902,462	-	-
Federal Farm Credit Bank	40,199,947	-	40,199,947	-
Federal Home Loan Bank	50,332,500	-	50,332,500	-
Federal Home Loan Mortgage Corporation	24,495,350	-	24,495,350	-
Federal Agriculture Mortgage Corporation	21,134,542	-	21,134,542	-
Federal National Mortgage Association	19,261,328	-	19,261,328	-
First American Money Market	10,527,002	10,527,002	-	-
Municipal Bonds	33,950,629	-	33,950,629	-
Subtotal	<u>210,503,577</u>	<u>\$ 20,427,744</u>	<u>\$ 190,075,833</u>	<u>\$ -</u>
Investments not categorized:				
External investment pools -				
4M Fund Money Market	19,025,516			
4M Term Series	7,500,000			
Bank Deposits	29,728			
Total	<u>\$ 237,058,821</u>			

*Custodial Credit Risk-Investments* – For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2021, all investments of the City were insured, registered, and held by the City or its agent in the City’s name. Investments in money market accounts are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk. The City has no policy for credit risk beyond what is provided by Minnesota state law.

*Interest Rate Risk* – The City’s investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. The policy also states the City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City will attempt to match its investment maturities with anticipated cash flow liquidity demands (static liquidity). The portfolio will be structured so that the liquid component, a minimum of 5% of total investments, will be invested in short term securities maturing in less than thirty days. Reserve funds may be invested in securities exceeding 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. The City has two types of portfolios: a short term portfolio with no less than 85% of the portfolio with maturities of five years or less and a long term portfolio with no more than 15% of the portfolio with maturities greater than five years. In no event does the City invest in securities with maturities exceeding 10 years. Total weighted average maturity of total funds will not exceed 3.5 years for the short term portfolio. Maturities will be diversified to avoid undue concentration of assets in a specific sector. An exception to this policy is made for maturities that may be placed in a reserve fund (per bond indentures), whereby maturities dates will coincide with expected use of funds.

Another exception is allowed if the City purchases Component Unit bonds with a long duration, up to 20 years, with City Council approval.

*Credit Risk* – State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The City’s investments in money market funds, Federal Farm Credit, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, and Federal National Mortgage Association Notes were all rated AA+ by Standard & Poor’s and Aaa by Moody’s Investors Service and the municipal investments are all rated A+ or better by Standard & Poor’s and Moody’s Investors Service. The City does not have a policy on credit risk beyond State law.

The City’s external investment pool is with the 4M fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn. The 4M Term Series has a specific maturity date which allows us to lock in current interest rates. 4M Term Series Portfolios are intended to be held until maturity; a participant’s withdrawal prior to maturity will require seven days’ notice of redemption and will likely carry a penalty which could be substantial in that it would be intended to allow the Term Series Portfolio to recoup any associated penalties, charges, losses or other costs associated with the early redemption of the investments therein.

*Concentration of Credit Risk* – The City’s investment policy allows for diversification with the following thresholds: 50% in Money Market funds, 20% in Savings/Demand deposits, 10% in Bankers Acceptances, 20% in Commercial Paper, 100% in US Treasury obligations, 100% in GSE-Agency securities, 55% in Municipal securities (35% with component units and 20% with non-component units), 10% in Repurchase Agreements, and Guaranteed Investment Contracts varying by project. The City diversifies its investments to substantially reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, institution, or class of securities, with the exception of U.S. Treasury securities, and authorized pools. Due to fluctuations in the value of the portfolio, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio but consideration will be given for future purchases. More than 5% of the City’s investments are in the following governmental agencies: Federal Farm Credit Bank (17%), Federal Home Loan Bank (21%), Federal Home Loan Mortgage Corporation (10%), Federal Agricultural Mortgage Corporation (9%), and Federal National Mortgage Association (8%).

Given the smaller portfolios of the Port Authority and the HRA, the above restrictions may be waived for specific project needs.

The following table reconciles cash, cash equivalents, and investments to the basic financial statements at December 31, 2021:

Governmental funds	\$ 153,551,148
Proprietary funds:	
Enterprise	32,619,656
Internal service	50,888,017
Total cash, cash equivalents, and investment	<u>\$ 237,058,821</u>

### 3. CAPITAL ASSETS

During 2021 the City's capitalization threshold was \$10,000. Capital asset activity for the year ended December 31, 2021 was as follows:

	Primary Government			Balance at 12/31/21
	Balance at 1/1/21	Additions	Retirements	
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 99,868,677	\$ 46,500	\$ -	\$ 99,915,177
Construction in progress	2,754,265	2,113,743	(2,695,379)	2,172,629
Total capital assets not being depreciated	<u>102,622,942</u>	<u>2,160,243</u>	<u>(2,695,379)</u>	<u>102,087,806</u>
Capital assets being depreciated:				
Buildings and structures	82,745,194	2,209,005	(1,423)	84,952,776
Machinery and equipment	51,850,023	3,403,796	(1,963,792)	53,290,027
Improvements	21,011,181	1,334,557	-	22,345,738
Infrastructure	416,693,960	14,013,128	-	430,707,088
Total capital assets being depreciated	<u>572,300,358</u>	<u>20,960,486</u>	<u>(1,965,215)</u>	<u>591,295,629</u>
Less accumulated depreciation for:				
Buildings and structures	(44,214,333)	(2,172,017)	1,186	(46,385,164)
Machinery and equipment	(37,377,199)	(3,518,392)	1,899,888	(38,995,703)
Improvements	(9,218,132)	(965,459)	-	(10,183,591)
Infrastructure	(155,601,553)	(11,227,656)	-	(166,829,209)
Total accumulated depreciation	<u>(246,411,217)</u>	<u>(17,883,524)</u>	<u>1,901,074</u>	<u>(262,393,667)</u>
Total capital assets being depreciated, net	<u>325,889,141</u>	<u>3,076,962</u>	<u>(64,141)</u>	<u>328,901,962</u>
Governmental capital assets, net	<u>\$ 428,512,083</u>	<u>\$ 5,237,205</u>	<u>\$ (2,759,520)</u>	<u>\$ 430,989,768</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 4,714,616	\$ -	\$ -	\$ 4,714,616
Construction in progress	1,107,951	263,787	(1,107,951)	263,787
Total capital assets not being depreciated	<u>5,822,567</u>	<u>263,787</u>	<u>(1,107,951)</u>	<u>4,978,403</u>
Capital assets being depreciated:				
Buildings and structures	38,659,526	364,545	-	39,024,071
Machinery and equipment	3,566,246	256,734	(110,460)	3,712,520
Distribution system	164,668,637	5,555,305	-	170,223,942
Improvements	7,756,663	-	-	7,756,663
Total capital assets being depreciated	<u>214,651,072</u>	<u>6,176,584</u>	<u>(110,460)</u>	<u>220,717,196</u>
Less accumulated depreciation for:				
Buildings and structures	(19,100,316)	(735,186)	-	(19,835,502)
Machinery and equipment	(2,411,548)	(229,705)	110,460	(2,530,793)
Distribution system	(92,692,466)	(3,266,087)	-	(95,958,553)
Improvements	(4,471,772)	(148,907)	-	(4,620,679)
Total accumulated depreciation	<u>(118,676,102)</u>	<u>(4,379,885)</u>	<u>110,460</u>	<u>(122,945,527)</u>
Total capital assets being depreciated, net	<u>95,974,970</u>	<u>1,796,699</u>	<u>-</u>	<u>97,771,669</u>
Business-type activities capital assets, net	<u>\$ 101,797,537</u>	<u>\$ 2,060,486</u>	<u>\$ (1,107,951)</u>	<u>\$ 102,750,072</u>



Depreciation expense was charged to governmental functions and proprietary funds at December 31, 2021 as follows:

Function	Governmental	Fund	Proprietary
General services	\$ 38,173	Water/Wastewater	\$ 1,699,869
Development services	2,816,686	Storm Water	2,033,751
Public works	8,688,639	Recreational Facilities	646,265
Public safety	784,892		
Community services	1,026,195		
Internal Service funds	4,528,939		
Total depreciation expense	\$ 17,883,524		\$ 4,379,885

#### 4. COMMITMENTS

At December 31, 2021, future projects totaled \$808,700 and are reported as a committed fund balance within the General Fund. At December 31, 2021, the City had commitments for thirteen uncompleted construction contracts with a remaining balance of \$11,766,958.

In early 2021, the City entered into an agreement with New Energy Equity, LLC for a solar subscription contract not to exceed \$14,333,555. The solar subscription contract is the final part of the Energy Efficiency Project that was developed and implemented by Apex Facility Solutions, SBC. New Energy Equity, LLC is the solar garden owner and the \$14,333,555 is the cost of the total energy purchased from them over the contract term of 25 years. Once the solar project is operating, Xcel Energy will send the City guaranteed credits based on per kilowatt hour generated by solar garden.

#### 5. RISK MANAGEMENT

The City acts as a self-insurer for workers' compensation claims. Property, casualty, and automobile insurance coverage are provided through a pooled insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. The risk management activities of the City are accounted for by the Self-Insurance Fund, an internal service fund that charges its costs to user departments. There were no significant reductions in insurance coverages from coverage in the prior year. No settlement amounts exceeded insurance coverage for the past three fiscal years.

The liability recorded in the Self-Insurance Fund includes estimated settlements for claims reported but not settled as of year-end, as well as an estimate of claims incurred but not reported. When a new claim is filed with the City, the League of Minnesota Cities Insurance Trust establishes an estimated loss reserve. This reserve is expensed at year end and then increased or decreased annually.

	2021	2020
Unpaid claims at beginning of year	\$1,790,378	\$1,960,036
Claims paid	(1,335,797)	(541,310)
New claims	1,713,013	371,652
Unpaid claims at end of year	\$2,167,594	\$1,790,378

## 6. LONG-TERM LIABILITIES

The long-term debt obligations outstanding at year-end are summarized as follows:

Type of Bonds	Maturities	Rates	Balance at 12/31/21
Governmental activities:			
Governmental funds:			
General obligation (G.O.) bonds	2022-2034	2.00 - 5.00%	\$ 6,525,000
G.O. improvement bonds	2022-2037	1.00 - 5.00	41,235,000
G.O. tax increment bonds	2022-2038	1.00 - 4.35	14,083,540
Total governmental bonds			61,843,540
Business-type activities			
General Obligation (G.O.) bonds	2022-2034	2.00 - 5.00	12,025,000
Total bonds			\$ 73,868,540

Changes in long-term liabilities during 2021 are summarized as follows:

	Balance at 01/01/21	Additions	Retirements	Balance at 12/31/21	Due Within One Year
Governmental activities:					
G.O. bonds	\$ 5,980,000	\$ 2,005,000	\$ 1,460,000	\$ 6,525,000	\$ 460,000
G.O. improvement bonds	42,970,000	4,540,000	6,275,000	41,235,000	6,100,000
G.O. tax increment bonds	13,668,540	975,000	560,000	14,083,540	4,360,000
Unamortized bond prems.	3,228,333	1,016,457	461,003	3,783,787	-
Benefits payable	17,904,553	2,956,869	2,470,888	18,390,534	919,527
Estimated claims payable	1,790,378	1,713,013	1,335,797	2,167,594	938,554
Total OPEB liability	9,489,121	2,303,647	341,581	11,451,187	-
Net pension liability	47,820,287	41,407,001	57,618,356	31,608,932	-
Total governmental	142,851,212	56,916,987	70,522,625	129,245,574	12,778,081
Business-type activities -					
G.O. bonds	12,830,000	-	805,000	12,025,000	835,000
Unamortized bond premiums	686,973	-	52,507	634,466	-
Total business-type	13,516,973	-	857,507	12,659,466	835,000
Total	\$156,368,185	\$56,916,987	\$71,380,132	\$ 141,905,040	\$ 13,613,081

The benefits payable are generally liquidated by the Benefit Accrual Internal Service Fund. It is not practicable to determine the specific year for payment of benefits payable. The OPEB liability is generally liquidated by the Insured Benefits Internal Service Fund. Net pension liability is generally liquidated by all funds in the City with salary-related expenditures/expenses.

Long-term debt maturities (including interest of \$11,779,783) are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ 10,920,000	\$ 1,716,317	\$ 835,000	\$ 475,107	\$ 13,946,424
2023	6,820,000	1,489,341	875,000	434,932	9,619,273
2024	6,594,430	1,253,075	910,000	391,832	9,149,337
2025	6,497,339	1,019,583	960,000	348,632	8,825,554
2026	5,430,322	807,851	990,000	306,707	7,534,880
2027-2031	18,779,115	1,887,460	4,770,000	951,021	26,387,596
2032-2036	6,591,002	529,795	2,685,000	163,500	9,969,297
2037-2038	211,332	4,630	-	-	215,962
Total	<u>\$ 61,843,540</u>	<u>\$ 8,708,052</u>	<u>\$12,025,000</u>	<u>\$ 3,071,731</u>	<u>\$ 85,648,323</u>

On September 9, 2021, the City issued \$2,005,000 of General Obligation charter Bonds, Series 2021A with an effective rate of .98%, the proceeds of which were used to provide funding for various park and recreation improvements within the City. Also on November 23, 2021, the City issued \$4,540,000 of Permanent Improvement Revolving Fund Bonds, Series 55 with an effective rate of 1.31%, the proceeds of which were used to provide funding for public improvements.

In addition, on June 29, 2021, the City drew an additional \$975,000 on the 2019 Taxable General Obligation Tax Increment Revenue Bonds with an effective rate of 2.45%; the proceeds were used as part of the revolving loan fund for affordable housing options within the City. The balance available to draw on the 2019 Taxable General Obligation Tax Increment Revenue Bonds is \$5,551,460 within the next year for use in the affordable housing revolving loan fund.

\$1,975,000 of Taxable General Obligation Tax Increment Refunding Bonds were issued on December 10, 2020 as an advanced refunding with an effective rate of 1.41%. The actual savings to the City regarding this refunding issue is \$224,640 which is a present value savings of \$205,616. The funds for the refunding are being held at US Bank until the refunding date of February 1, 2022, whereby they will refund the 2011B Refunding Tax Increment bonds.

The following is a schedule of bonds payable at December 31, 2021:

Type of Bonds	Original Amount	Maturities	Rates	Balance at 12/31/21
<b>Governmental Activities:</b>				
General Obligation (G.O.) Bonds:				
2017A Charter Bonds	\$ 1,420,000	2022-2027	2.00 - 5.00%	\$ 880,000
2018A Charter Bonds	1,020,000	2022-2029	3.00 - 4.00%	840,000
2018B Housing Improvement Bonds	920,000	2022-2034	3.20 - 4.00%	820,000
2019B Charter Bonds	2,105,000	2022-2030	3.00 - 5.00%	1,980,000
2021A Charter Bonds	2,005,000	2023-2032	2.00 - 5.00%	2,005,000
Total G.O. Bonds	<u>7,470,000</u>			<u>6,525,000</u>
General Obligation (G.O.) Improvement Bonds:				
2011 PIR, Forty-Five Series	7,545,000	2022-2031	2.50 - 3.375%	1,240,000
2012 PIR Refunding, Thirty-Nine Series	5,900,000	2022-2025	3.00%	2,055,000
2012 PIR, Forty-Six Series	5,615,000	2022-2023	2.00 - 3.00%	1,105,000
2013 PIR Refunding, Forty-Three Series	5,135,000	2022-2030	2.40 - 3.25%	1,455,000
2013 PIR, Forty-Seven Series	4,180,000	2022-2024	2.10 - 2.40%	1,365,000
2014 PIR, Forty-Eight Series	7,465,000	2022-2025	2.00 - 2.50%	2,750,000
2015 PIR, Forty-Nine Series	5,355,000	2022-2036	2.00 - 3.00%	3,015,000
2016 PIR, Fifty Series	6,115,000	2022-2037	2.00 - 3.00%	4,050,000
2016 PIR, Refunding, Forty-One and Forty-Two Series	3,730,000	2022-2029	2.00 - 3.00%	2,355,000
2017 PIR, Fifty-One Series	4,970,000	2022-2028	2.00 - 5.00%	3,705,000
2018 PIR, Fifty-Two Series	5,270,000	2022-2029	3.00 - 5.00%	4,425,000
2019 PIR, Fifty-Three Series	4,095,000	2022-2030	3.00 - 5.00%	3,790,000
2020 PIR, Fifty-Four Series	5,385,000	2022-2031	1.00 - 5.00%	5,385,000
2021 PIR, Fifty-Five Series	4,540,000	2023-2032	1.38 - 5.00%	4,540,000
Total G.O. Improvement Bonds	<u>75,300,000</u>			<u>41,235,000</u>
General Obligation (G.O.) Tax Increment Bonds:				
2011B Serial Refunding Bonds	3,095,000	2022-2032	3.25 - 4.35%	2,040,000
2016A Serial Bonds	2,045,000	2022	1.60%	420,000
2019C Taxable Revenue Bonds	9,648,540	2022-2038	2.45%	9,648,540
2020B Serial Refunding Bonds	1,975,000	2023-2032	1.00 - 1.75%	1,975,000
Total G.O. Tax Increment Bonds	<u>16,763,540</u>			<u>14,083,540</u>
Total governmental activities	<u>\$ 99,533,540</u>			<u>\$ 61,843,540</u>
<b>Business-type Activities:</b>				
General Obligation (G.O.) Bonds:				
2017B Water Utility Bonds	\$ 1,170,000	2022-2027	2.00 - 5.00%	\$ 740,000
2018D Storm Water Utility Green Bonds	10,805,000	2022-2034	3.00 - 5.00%	9,780,000
2019A Taxable Charter Bonds	1,645,000	2022-2030	2.53 - 4.00%	1,505,000
Total G.O. Bonds	<u>13,620,000</u>			<u>12,025,000</u>
Total bonds payable	<u>\$ 113,153,540</u>			<u>\$ 73,868,540</u>

PIR = Permanent Improvement Revolving

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects and facilities. General obligation bonds have been issued for both general government and business-type activities. Bonds issued for business-type activities are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Revenues pledged are as follows:

Bond Issue	Use of Proceeds	Type	Revenue Pledged			Remaining Principal and Interest
			Percent of total debt service	Debt service as a % of net revenues	Term of Pledge	
<b>Governmental Activities:</b>						
<b>General Obligation (G.O.) Bonds:</b>						
2017A G.O. Charter Bonds May-17	Park improvements	Debt Service Tax Levy	100%	n/a	2018 - 2027	\$953,425
2018A G.O. Charter Bonds Jun-18	Park improvements	Debt Service Tax Levy	100%	n/a	2020 - 2029	950,900
2018B G.O. Taxable Housing Improvmt Jun-18	Housing improvements	Special Assessments	100%	n/a	2020 - 2034	1,039,105
2019B G.O. Charter Bonds Nov-19	Park improvements	Debt Service Tax Levy	100%	n/a	2021 - 2030	2,373,800
2021A G.O. Charter Bonds Nov-19	Park improvements	Debt Service Tax Levy	100%	n/a	2023 - 2032	2,498,754
<b>General Obligation (G.O.) Improvement Bonds:</b>						
2011 PIR Bonds, Forty-Five Series Nov-11	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	28% 72%	n/a n/a	2013 - 2031	1,343,109
2012 PIR Refunding, Thirty-Nine Srs Jun-12	Refunding 2004 PIR Bonds Infrastructure Improvements	Special Assessments Debt Service Tax Levy	57% 43%	n/a n/a	2015 - 2025	2,177,775
2012 PIR Bonds, Forty-Six Srs Jun-12	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	48% 52%	n/a n/a	2014 - 2023	1,138,375
2013 PIR Refunding, Forty-Three Srs Nov-13	Refunding 2009 PIR Bonds Current Refunding	Special Assessments Debt Service Tax Levy	90% 10%	n/a n/a	2015 - 2030	1,633,416
2013 PIR Bonds, Forty-Seven Srs Nov-13	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	24% 76%	n/a n/a	2015 - 2024	1,412,929
2014 PIR Bonds, Forty-Eight Srs Dec-14	Infrastructure Improvements & Refunding 2006 PIR Bonds	Special Assessments Debt Service Tax Levy	32% 68%	n/a n/a	2016-2025	2,877,263
2015 PIR Bonds, Forty-Nine Srs Oct-15	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	43% 57%	n/a n/a	2017 - 2036	3,298,087
2016 PIR Bonds, Fifty Srs Dec-16	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	41% 59%	n/a n/a	2018 - 2037	4,535,950
2016 PIR Refunding Bonds, Forty-One and Forty-Two Srs Dec-16	Refunding 2007 PIR and 2008 PIR bonds Advanced Refunding	Special Assessments	100%	n/a	2019 - 2029	2,604,450
2017 PIR Bonds, Fifty-One Srs Dec-17	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2018 - 2028	4,095,069
2018 PIR Bonds, Fifty-Two Srs Dec-18	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2019 - 2029	5,209,337
2019 PIR Bonds, Fifty-Three Srs Nov-19	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2020 - 2030	4,542,200
2020 PIR Bonds, Fifty-Four Srs Nov-20	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	22% 78%	n/a n/a	2021 - 2031	5,931,775
2021 PIR Bonds, Fifty-Five Srs Nov-21	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2023 - 2032	5,501,722

**General Obligation (G.O.) Tax Increment Bonds:**

2011B Serial G.O. TIF Refunding Bds Nov-11	Refund 2003 & 2004 TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2013 - 2032	2,534,303
2016A Serial G.O. TIF Bonds Dec-16	Housing developments	TIF Revenue	100%	n/a	2018 - 2022	423,360
2019C Serial G.O. TIF Bonds Dec-19	Housing developments	TIF Revenue/Tax Levy Developer Loan Revenue	16%/3% 81%	n/a	2020 - 2038	11,799,232
2020B Serial G.O. TIF Refunding Bds Dec-20	Refund 2011B TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2021 - 2032	2,130,726

Business-type activities:

**Enterprise Bonds:**

2017B Water Utility May-17	Water system improvements	Utility revenues	100%	n/a	2018-2027	801,853
2018D Storm Water Utility Dec-18	Storm water utility	Special Assessments Utility revenues	10% 90%	n/a	2020-2034	12,583,706
2019A Charter Bonds May-19	Ice Garden improvements	Debt Service Tax Levy	100%	n/a	2021-2030	1,711,172

**General Obligation (G.O.) Bonds:**

- 2017A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$1,420,000 bonds issued in May 2017. Proceeds from the bonds were used to replace playground equipment in parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$953,425, payable through February 2027. For the current year, principal and interest paid and total tax levy revenues were \$159,500 and \$159,500, respectively.
- 2018A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$1,020,000 bonds issued in June 2018. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$950,900, payable through February 2029. For the current year, principal and interest paid and total tax levy revenues were \$117,650 and \$117,650, respectively.
- 2018B Taxable Housing Improvement Bonds. The City has pledged special assessment revenue to repay the \$920,000 bonds issued in June 2018. Proceeds from the bonds were used to finance various improvements within the Housing Improvement Area. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,039,105, payable through February 2034. For the current year, principal and interest paid and total special assessment revenues were \$81,235 and \$81,235, respectively.
- 2019B Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$2,105,000 bonds issued in November 2019. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,373,800, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$216,925 and \$216,925, respectively.

- 2021A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$2,005,000 bonds issued in September 2021. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,498,754, payable through February 2032. For the current year, principal and interest paid and total tax levy revenues were \$0 and \$0, respectively.

General Obligation (G.O.) Improvement Bonds:

- 2011 PIR, Forty-Five Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$7,545,000 bonds issued in November 2011. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 72% and special assessments were projected to produce 28% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,343,109, payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$738,022 and \$738,022, respectively.
- 2012 PIR Refunding, Thirty-Nine Series. The City has pledged future tax ad valorem levies and special assessments to repay the \$5,900,000 bonds issued in June 2012. Proceeds from the bonds refunded the 2004 PIR, 39 Series Bonds on February 1, 2014. Tax levies were projected to produce 43% and special assessments were projected to produce 57% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,177,775 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$589,450 and \$589,450, respectively.
- 2012 PIR, Forty-Six Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,615,000 bonds issued in June 2012. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 52% and special assessments were projected to produce 48% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,138,375, payable through February 2023. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$586,325 and \$586,325, respectively.
- 2013 PIR Refunding, Forty-Three Series. The City has pledged future tax ad valorem levies and special assessments to repay the \$5,135,000 bonds issued in November 2013. Proceeds from the bonds refunded the 2009 PIR, 43 Series Bonds on February 1, 2014. Tax levies were projected to produce 10% and special assessments were projected to produce 90% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,633,416, payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$239,884 and \$239,884, respectively.
- 2013 PIR, Forty-Seven Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,180,000 bonds issued in November 2013. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 76% and special assessments were projected to produce 24% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,412,929, payable through February 2024. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$472,267 and \$472,267, respectively.

- 2014 PIR, Forty-Eight Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$7,465,000 bonds issued in December 2014. Proceeds from the bonds partially refunded the 2006 PIR, 40 Series Bonds on February 1, 2015 and provided financing for various infrastructure improvements. Tax levies were projected to produce 68% and special assessments were projected to produce 32% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,877,263 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$736,925 and \$736,925 respectively.
- 2015 PIR, Forty-Nine Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,355,000 bonds issued in October 2015. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 57% and special assessments were projected to produce 43% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,298,087 payable through February 2036. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$586,550 and \$586,550, respectively.
- 2016 PIR, Fifty Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$6,115,000 bonds issued in December 2016. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 59% and special assessments were projected to produce 41% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$4,535,950, payable through February 2037. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$648,050 and \$648,050, respectively.
- 2016 PIR Refunding, Forty-One Series and Forty-Two Series. The City has pledged future special assessments to repay the \$3,730,000 bonds issued in December 2016. Available cash and proceeds from the bonds refunded the 2007 PIR, 41 Series Bonds and the 2008 PIR, 42 Series Bonds on February 1, 2018. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,604,450, payable through February 2029. For the current year, principal and interest paid and total special assessment revenues were \$363,100 and \$363,100, respectively.
- 2017 PIR, Fifty-One Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,970,000 bonds issued in December 2017. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$4,095,069, payable through February 2028. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$591,938 and \$591,938, respectively.
- 2018 PIR, Fifty-Two Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,270,000 bonds issued in December 2018. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$5,209,337 payable through February 2029. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$660,575 and \$660,575, respectively.



- 2019 PIR, Fifty-Three Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,095,000 bonds issued in November 2019. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$4,542,200 payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$482,725 and \$482,725, respectively.
- 2020 PIR, Fifty-Four Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,385,000 bonds issued in December 2020. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 78% and special assessments were projected to produce 22% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$5,931,775 payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$97,565 and \$97,565, respectively.
- 2021 PIR, Fifty-Five Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,540,000 bonds issued in November 2021. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$5,501,722 payable through February 2032. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$0 and \$0, respectively.

General Obligation (G.O.) Tax Increment Bonds:

- 2011B Serial Refunding Bonds. The City has pledged tax increment revenue to repay the \$3,095,000 bonds issued in November 2011. Proceeds from the bonds refunded the 2003 G.O. TIF Bonds and the 2004 G.O. TIF Bonds on February 1, 2013. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$2,534,303, payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were \$228,840 and \$228,840, respectively.
- 2016A Serial Bonds. The City has pledged tax increment revenue to repay the \$2,045,000 bonds issued in December 2016. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$423,360, payable through February 2022. For the current year, principal and interest paid and total tax increment revenues were \$424,625 and \$424,625, respectively.
- 2019C Serial Bonds. The City has pledged tax increment revenue to repay the \$9,648,540 bonds issued in December 2019. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 16%, tax levies were projected to produce 3%, and developer loan revenues of 81% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$11,799,232 payable through February 2036. For the current year, principal and interest paid and total tax increment, tax levy and developer loan revenues were \$212,909 and \$212,909, respectively.

- 2020B Serial Refunding Bonds. The City has pledged tax increment revenue to repay the \$1,975,000 bonds issued in December 2020. Proceeds from the bonds will refund the 2011B Serial Refunding Bonds on February 1, 2022. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$2,130,726, payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were \$15,267 and \$15,267, respectively.

Enterprise Bonds:

- 2017B Water Utility. The City has pledged future water utility revenues to repay the \$1,170,000 bonds issued in May 2017. Utility revenues were projected to produce 100% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for various water system improvements. Total principal and interest remaining on the bonds is \$801,853, payable through February 2027. For the current year, principal and interest paid and total water utility revenues were \$134,769 and \$134,769, respectively.
- 2018D Storm Water Utility. The City has pledged future storm water utility revenues and special assessments to repay the \$10,805,000 bonds issued in December 2018. Utility revenues were projected to produce 90% and special assessments were projected to produce 10% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for storm water system improvements. Total principal and interest remaining on the bonds is \$12,583,706, payable through February 2034. For the current year, principal and interest paid and total water utility and special assessment revenues were \$991,688 and \$991,688, respectively.
- 2019A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$1,645,000 bonds issued in May 2019. Proceeds from the bonds were used for improvement to the Bloomington Ice Garden. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. The City expects to use money available in the Bloomington Ice Garden enterprise fund to make the debt service payments due on the bonds; however, these funds are not pledged to the repayment of the bonds. Total principal and interest remaining on the bonds is \$1,711,172, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$191,026 and \$191,026, respectively.

7. NET POSITION/FUND BALANCES

A. NET INVESTMENT IN CAPITAL ASSETS

The government-wide statement of net position at December 31, 2021 includes the City's net investment in capital assets, calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net investment in capital assets:			
Capital assets			
Nondepreciable	\$ 102,087,806	\$ 4,978,403	\$ 107,066,209
Depreciable, net of accumulated depreciation	328,901,962	97,771,669	426,673,631
Less capital related long-term debt outstanding	(51,543,787)	(12,659,466)	(64,203,253)
Unspent bond proceeds	<u>1,355,245</u>	<u>-</u>	<u>1,355,245</u>
Total net investment in capital assets	<u>\$ 380,801,226</u>	<u>\$ 90,090,606</u>	<u>\$ 470,891,832</u>

## B. GOVERNMENTAL CLASSIFICATIONS

At December 31, 2021, a summary of the governmental fund balance classifications is as follows:

	General Fund	Community Development Block Grant	Improvement Bonds	Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ 12,000	\$ -	\$ -	\$ 48,015	\$ -	\$ 15,039	\$ 75,054
Restricted for:							
Debt service	-	-	18,477,774	-	-	2,186,572	20,664,346
Abatement purposes	-	-	-	-	6,472,798	-	6,472,798
Tax increment purposes	-	-	-	14,600,188	245,262	-	14,845,450
Capital purposes	-	-	-	-	-	9,714	9,714
Park development	-	-	-	1,400,224	-	80,280	1,480,504
Public safety	-	-	-	-	-	1,041,093	1,041,093
Housing development	-	543,427	-	9,513,363	-	-	10,056,790
Art center	-	-	-	3,277	-	-	3,277
Cemetery	-	-	-	-	-	450,748	450,748
Communication	-	-	-	-	-	348,965	348,965
Street reconstruction	-	-	-	-	1,542,230	-	1,542,230
Total restricted	-	543,427	18,477,774	25,517,052	8,260,290	4,117,372	56,915,915
Committed:							
Budget carryovers	1,303,733	-	-	-	-	-	1,303,733
Capital purposes	-	-	-	33,509	-	405,061	438,570
Creative placemaking	-	-	-	-	-	598,007	598,007
Park development	-	-	-	2,676,544	-	-	2,676,544
Public safety	-	-	-	-	-	4,386,308	4,386,308
Future projects	808,700	-	-	7,121,573	-	-	7,930,273
Community landscape	-	-	-	-	-	13,163	13,163
Communications	-	-	-	-	-	31,750	31,750
Total committed	2,112,433	-	-	9,831,626	-	5,434,289	17,378,348
Assigned for:							
Street reconstruction	-	-	-	-	39,380,465	-	39,380,465
Unassigned							
	40,441,437	-	-	(503,376)	-	-	39,938,061
Total fund balances	\$ 42,565,870	\$ 543,427	\$ 18,477,774	\$ 34,893,317	\$ 47,640,755	\$ 9,566,700	\$153,687,843

## C. WORKING CAPITAL FUND BALANCE POLICY

The City Council has formally adopted a policy regarding the working capital fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes, the second largest is typically lodging and admission taxes.

The policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures.

At December 31, 2021, the fund balance of the General Fund was \$42,565,870 which sufficiently meets the working capital goal described above.

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of December 31, 2021:

<u>Fund/Component Unit</u>		<u>Receivable</u>	<u>Payable</u>
General Fund	(1)	\$ 217,000	\$ -
Nonmajor Proprietary Fund	(1)	-	217,000
Total		<u>\$ 217,000</u>	<u>\$ 217,000</u>
 Primary Government:			
General Fund		\$ 32,137	\$ 6,225
Capital Projects Fund		9,532,913	5,255,000
Water/Wastewater Utility Fund		7,164	-
Bonds receivable – due:			
Within one year		570,000	-
In more than one year		1,911,439	-
Accrued interest receivable		131,341	-
Total		<u>\$ 12,184,994</u>	<u>\$ 5,261,225</u>
 Component Units:			
Port Authority		<u>\$ 105,000</u>	<u>\$ 9,578</u>
Housing and Redevelopment Authority:			
Primary government		\$ 5,156,225	\$ 9,562,636
Bonds payable – due:			
Within one year		-	570,000
In more than one year		-	1,911,439
Accrued interest payable		-	131,341
Total		<u>\$ 5,261,225</u>	<u>\$ 12,184,994</u>
Total primary and component units	(2,3)	<u>\$ 17,446,219</u>	<u>\$ 17,446,219</u>

Interfund receivables and payables represent (1) lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year, (2) lag between the date that good or services are provided or reimbursable expenditures, (3) payments between the primary government and component units are made.

The following is a schedule of interfund transfers for the year ended December 31, 2021:

Fund Transferred To		Fund Transferred From	Amount
General	*	Community Dev. Block Grant	\$ 22,974
	(1)	Capital Projects	3,262,737
	(2)	Improvement Construction	1,482,498
	*	Nonmajor Enterprise	100,220
	*	Nonmajor Governmental	134,572
Total General			<u>5,003,001</u>
Improvement Bonds	*	Improvement Construction	<u>193,570</u>
Capital Projects	(3)	General Fund	3,000,000
	*	Internal Service	1,236,252
Total Capital Projects			<u>4,236,252</u>
Improvement Construction	*	General Fund	606,700
	*	Improvement Bonds	468,779
Total Improvement Construction			<u>1,075,479</u>
Nonmajor Governmental	*	Internal Service	211,772
	*	Capital Projects	510,000
Total Nonmajor Governmental			<u>721,772</u>
Enterprise			
Water/Wastewater Utility	*	Solid Waste	309,000
Water/Wastewater Utility	*	Nonmajor Governmental	386,000
Total Enterprise			<u>695,000</u>
Internal Service	*	Nonmajor Governmental	580,000
	*	General Fund	184,000
	(4)	Internal Service	1,835,699
Total Internal Service			<u>2,599,699</u>
Total			<u>\$ 14,524,773</u>

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them. In the year ended December 31, 2021, transfers include (1) a one-time transfer of \$1,165,000 to the General Fund from the Capital Projects Fund for tax levy stabilization, annual transfers of \$1,947,737 to help support the cost of police services at the Mall of America, and \$150,000 in one-time transfers for City Council initiatives (2) an annual transfer of \$1,482,498 for franchise fees from the Improvement Construction Fund to the General Fund for the pavement management program, (3) a one-time transfer of \$3,000,000 to the Strategic Priorities Capital Projects Fund due to a positive budget variance in the General Fund, (4) a one-time transfer of fire trucks and vehicles with a book value of \$1,744,454 from the Fleet Fund to the Public Safety Equipment Fund, and \$91,245 in annually budgeted transfers, and other items denoted with an asterick (\*) were approved by City Council as annually budgeted transfers.

## 9. SEGMENT INFORMATION

The City maintains six enterprise funds that account for the water/wastewater utilities, storm water utilities, recreational facilities, solid waste management, contractual police services, and motor vehicle services. The City considers each of its enterprise funds to be a segment. Since the required segment information is already included in the City's proprietary funds' statement of net position and statement of revenues, expenses, and changes in net position (and combining statements thereof), this information has not been repeated in the notes to the basic financial statements.

## 10. CONTINGENCIES

### A. LEGAL CONTINGENCIES

There are several lawsuits pending in which the City is involved. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

### B. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and it is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2021.

### C. TAX INCREMENT DISTRICTS

The City's tax increment districts are subject to review by the Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Based on external legal advice management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

## 11. DEFINED PENSION BENEFIT PLANS

### A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

#### *PLAN DESCRIPTIONS*

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

#### 1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

## 2. Public Employees Police and Fire Fund (PEPFF)

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

### *BENEFITS PROVIDED*

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

#### 1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for 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% for each of the first 10 years of service, and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% 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 66.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0% of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

#### 2. PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

*CONTRIBUTIONS*

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

1. GERF Contributions

Coordinated plan members were required to contribute 6.50% of their annual covered salary in calendar year 2021. The City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2021 were \$2,795,857. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2021, and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2021 were \$2,544,783. The City's contributions were equal to the required contributions as set by state statute.

*PENSION COSTS*

1. GERF Pension Costs

At December 31, 2021, the City reported a liability of \$22,167,896 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .5191% at the end of the measurement period and .5213% for the beginning of the period.

The City's net pension liability reflected a reduction due to the State of Minnesota's (State) contribution of \$16 million to the fund in 2021. The State is considered a nonemployer contributing entity and the State's contribution meets the definition of a special funding situation. 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 net pension liability	\$ 22,167,896
State's proportionate share of the net pension liability associated with the City	\$ 676,896

For the year ended December 31, 2021, the City recognized negative pension expense of (\$105,250) for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$54,615 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.



At December 31, 2021, the City reported its proportionate share of the GERS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 131,785	\$ 678,732
Changes in actuarial assumptions	13,535,257	486,738
Difference between projected and actual investment earnings	-	19,179,723
Changes in proportion	525,234	187,686
Contributions paid to PERA subsequent to the measurement date	<u>1,516,155</u>	<u>-</u>
Total	<u>\$ 15,708,431</u>	<u>\$ 20,532,880</u>

Deferred outflows of resources reported \$1,516,155 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 ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2022	\$ (799,316)
2023	(102,435)
2024	(202,464)
2025	<u>(5,236,389)</u>
Total	<u>\$ (6,340,604)</u>

## 2. PEPFF Pension Costs

At December 31, 2021, the City reported a liability of \$9,441,036 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 1.2231% at the end of the measurement period and 1.2568% for the beginning of the period.

The state of Minnesota also contributed \$18.0 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9.0 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$9.0 million direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9.0 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9.0 million in fire state aid will continue until the fund is 90.0 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0 percent funded, whichever occurs later. Strong asset returns for fiscal year ended 2021 will accelerate the phasing out of these state contributions, although

we do not anticipate them to be phased out during the fiscal year ended 2022.

As a result, the state of Minnesota is included as a nonemployer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9.0 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the state of Minnesota’s pension expense (and grant revenue) under GASB Statement No. 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2021, the City recognized negative pension expense of (\$959,862) for its proportionate share of the Police and Fire Plan’s pension expense. In addition, the City recognized an additional \$77,298 as grant revenues for its proportionate share of the state of Minnesota’s contribution of \$9.0 million to the Police and Fire Fund.

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 net pension liability	\$ 9,441,036
State’s proportionate share of the net pension liability associated with the City	\$ 424,447

The State of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9.0 million in fire state aid. The City also recognized \$110,078 for the year ended December 31, 2021, as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota’s on-behalf contributions to the Police and Fire Fund.

At December 31, 2021, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,836,993	\$ -
Changes in actuarial assumptions	13,875,849	5,420,695
Difference between projected and actual investment earnings	-	18,000,284
Changes in proportion	386,127	1,623,887
Contributions paid to PERA subsequent to the measurement date	<u>1,389,641</u>	<u>-</u>
Total	<u>\$ 17,488,610</u>	<u>\$ 25,044,866</u>

Deferred outflows of resources reported \$1,389,641 related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2022	\$(7,258,056)
2023	(1,264,875)
2024	(1,280,937)
2025	(2,105,685)
2026	2,963,656
Total	<u>\$(8,945,897)</u>

### *ACTUARIAL ASSUMPTIONS*

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1.00% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.00% after 29 years of service, and 6.00% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.00% after 24 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020, adopted by the Board, and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

1. GERF

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

## 2. PEPFF

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

### *LONG-TERM EXPECTED RETURN ON INVESTMENTS*

The State Board of Investment, which manages the investments of 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	35.5%	5.10%
Private markets	25.0	5.90
Fixed income	25.0	0.75
International equity	16.5	5.30
Total	100%	

### *DISCOUNT RATE*

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota statutes. Based on these assumptions, the fiduciary net positions of the GERF and PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*PENSION LIABILITY SENSITIVITY*

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

	<u>1% Decrease in Discount Rate (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase in Discount Rate (7.5%)</u>
City’s proportionate share of the GERF net pension liability	\$ 45,211,191	\$ 22,167,896	\$ 3,259,465
	<u>1% Decrease in Discount Rate (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase in Discount Rate (7.5%)</u>
City’s proportionate share of the PEPF net pension liability	\$ 29,973,692	\$ 9,441,036	\$ (7,390,655)

*PENSION PLAN FIDUCIARY NET POSITION*

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at [www.mnpera.org](http://www.mnpera.org); by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

B. SINGLE EMPLOYER PLAN – BLOOMINGTON FIRE DEPARTMENT RELIEF ASSOCIATION

*SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

*Pensions.* For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Bloomington Fire Department Relief Association (Relief Association) and additions to deductions from the Relief Association’s fiduciary net position have been determined on the same basis as they were reported by the Relief Association. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*PLAN DESCRIPTION*

Volunteer firefighters of the Bloomington Fire Department are covered by a defined benefit plan administered by the Relief Association. The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 69.

*BENEFITS PROVIDED*

The Relief Association provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established in accordance with the State Statute. The defined retirement benefits are based on the most recent 3-year average salary rates of the highest paid non-officer police officer in the City. Benefit provisions can be amended by the Minnesota State Legislature.

Twenty Year Service Pension

Each member who is at least 50 years of age; has retained membership in the Relief Association for 10 years, and has served at least twenty (20) years of active service with the Bloomington Fire Department before retirement; shall be entitled to a full service monthly pension for the remainder of his or her life. Benefits are based on 33 1/3% of the average of the highest paid non-officer police officers pay over the last 3 years.

Disability Benefits

A member who becomes disabled will be eligible for a monthly disability benefit based on the most recent three year average salary rates of the highest paid non-officer police officer for the City. If the period of disability continues to the time when the member would qualify for a service pension, the member will be placed on the service pension rolls and disability benefits shall terminate.

Death Benefits

Upon the death of a Relief Association member, the Relief Association shall pay to the designated beneficiary or estate, the sum of \$500.

*EMPLOYEES COVERED BY BENEFIT TERMS*

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	221
Retired members entitled to benefits, but who have not received them	15
Current members:	
Fully vested (20 years or more)	2
Nonvested (less than 20 years)	112
	<hr/>
Total	350
	<hr/>

*CONTRIBUTIONS*

Minnesota Statutes Chapter 69.772 sets the minimum contribution requirement for the City and State aid on an annual basis. These statutes are established and amended by the state legislature. The Relief Association is comprised of volunteers; therefore, members have no contribution requirements. The City receives the State aid contribution and is required by state statutes to pass this through as payment to the Relief Association. The City’s contribution to the Relief Association for the year ended December 31, 2021, was \$706,774. The City’s contributions was equal to the required contribution as set by state statute. State aid contributions for the year ended December 31, 2021, were \$672,339. The actuary also compares the actual statutory contribution rate to an actuarial determined contribution rate. The actuarial determined contribution rate consists of: (a) normal costs based on entry age normal cost methods, (b) a supplemental contribution for amortizing any unfunded actuarial accrued liability, and (c) an allowance for administrative expenses.

## NET PENSION LIABILITY

The City's net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2022.

## ACTUARIAL ASSUMPTIONS

The total pension liability in the January 1, 2022 actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Measurement date	December 31, 2021
Investment rate of return	6.00%
Projected salary increases	4.00%
Inflation	4.00%
Cost-of-living adjustments	4.00%
Age of service retirement	50 with 20 years of service
Post-retirement benefit increase	None

The plan has not had a formal actuarial experience study performed.

The following mortality tables were used in 2021:

Pre-retirement – RP 2014 Employee Mortality projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017.

Post-retirement – RP 2014 annuitant mortality projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017. Male rates are adjusted by a factor of 0.96.

Post-disabled – RP 2014 annuitant mortality projected back to 2006 base year using Projection Scale MP 2014, and then projected forward using Projection Scale MP 2017. Male rates are adjusted by a factor of 0.96.

The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of January 1, 2022.

<u>Asset Class</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Cash	(0.26)%
US Core Fixed Income	0.99
US Equity	3.57
Foreign Developed Equity	4.52
Emerging Markets Equity	5.31
Real Estate	3.58
Private Equity	6.15

## DISCOUNT RATES

The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the actual statutory contribution rate. Based on those assumptions, the Relief Association's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the plan's long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset) liability.

## CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at December 31, 2020	\$ 167,869,894	\$ 214,574,924	\$ (46,705,030)
Charges for the year:			
Service cost	3,670,982	-	3,670,982
Interest on total pension liability	10,094,430	-	10,094,430
Effect of economic/demographic gains or losses	1,531,903	-	1,531,903
Benefit payments	(6,698,326)	(6,698,326)	-
Employer contributions – state aid and City	-	1,379,114	(1,379,114)
Net investment income	-	23,024,350	(23,024,350)
Administrative expense	-	(107,450)	107,450
Net changes	8,598,989	17,597,688	(8,998,699)
Balance at December 31, 2021	\$ 176,468,883	\$ 232,172,612	\$ (55,703,729)

## PENSION LIABILITY (ASSET) SENSITIVITY

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease in Discount Rate (5.00%)	Discount Rate (6.00%)	1% Increase in Discount Rate (7.00%)
Net pension liability (asset)	\$ (25,277,261)	\$ (55,703,729)	\$ (79,521,866)

## PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the separately issued Relief Association financial report. That report may be obtained by writing to Bloomington Fire Department Relief Association, 1800 West Old Shakopee Road, Bloomington, Minnesota, 55431, or by calling (952) 563-8700.



*PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS*

For the year ended December 31, 2021, the City recognized negative pension expense of \$(8,772,542). The City also recognized \$672,339 for the year ended December 31, 2021, as pension expense (and grant revenue) for the State of Minnesota’s on-behalf contribution to the plan. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,128,771	\$ 2,202,087
Changes in actuarial assumptions	2,118,668	-
Difference between projected and actual investment earnings	-	23,386,996
Total	<u>\$ 3,247,439</u>	<u>\$ 25,589,083</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2022	\$ (5,558,104)
2023	(9,561,532)
2024	(5,159,477)
2025	<u>(2,062,531)</u>
Total	<u>\$ (22,341,644)</u>

C. PENSION EXPENSE

Negative pension expense recognized by the City for the fiscal year ended December 31, 2021 is as follows:

GERF	\$ (50,635)
PEPFF	(882,564)
Fire Relief	<u>(8,100,203)</u>
Total	<u>\$ (9,033,402)</u>

12. POST-EMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

The City provides post-employment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

## B. BENEFITS PROVIDED

### *RETIREES*

All retirees of the City upon retirement have the option under state law to continue their medical insurance coverage through the City with retirees paying the full city premium rate for their coverage.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility. Consequently, participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City’s younger and statistically healthier active employees.

### *ACTIVE DEATH BENEFITS*

In the case of death of an employee whose dependents who were enrolled under the City’s plan, the City will pay 100% of the group health insurance premium for the employee’s dependents for two years after the employee’s death.

## C. CONTRIBUTIONS

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$440,287.

## D. MEMBERSHIP

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

Retirees and beneficiaries receiving benefits	59
Active plan members	<u>547</u>
Total	<u><u>606</u></u>

## E. TOTAL OPEB LIABILITY OF THE CITY

The City’s total OPEB liability of \$11,451,187 as of year-end was measured as of January 1, 2021 and was determined by an actuarial valuation as of January 1, 2021.

## F. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, using the entry-age normal cost method and following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	1.93%
20-year municipal bond yield	1.93%
Inflation rate	3.75%
Salary increases	3.75%
Medical trend rate	9.00% grading to 5.00% over 8 years

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota city employees. The state pension plans base their assumptions on periodic experience studies. Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 1.93%, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

Mortality rates were based on the SOA Scale MP-2019 Mortality Tables.

Future retirees electing coverage is assumed to be 75%.

Assumption changes in 2021 were (1) updated 20-Year AA municipal bond rate, (2) updated mortality tables to SOA Scale MP-2019 (3) updated married rates to represent most recent census.

#### G. CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Beginning balance – January 1, 2021	\$ 9,489,121
Changes for the year	
Service cost	972,689
Interest	221,012
Differences between expected and actual	702,073
Changes in assumptions	506,579
Contributions - employer	<u>(440,287)</u>
Total net changes	<u>1,962,066</u>
Ending balance – December 31, 2021	<u>\$ 11,451,187</u>

#### H. TOTAL OPEB LIABILITY SENSITIVITY TO DISCOUNT AND HEALTHCARE COST TREND RATE CHANGES

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	.93%	1.93%	2.93%
Total OPEB liability	\$ 11,966,907	\$ 11,451,187	\$ 10,926,752

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

	<u>1% Decrease in Medical Trend Rate</u>	<u>Medical Trend Rate</u>	<u>1% Increase in Medical Trend Rate</u>
Medical trend rate	8.00% decreasing to 4.00% over 8 years	9.00% decreasing to 5.00% over 8 years	10.00% decreasing to 6.00% over 8 years
Total OPEB liability	\$ 10,252,997	\$ 11,451,187	\$ 12,485,565

#### I. OPEB EXPENSE AND RELATED DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

For the current year ended, the City recognized OPEB expense of \$1,155,226. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,209,644	\$ 1,641,440
Changes in actuarial assumptions	25,636	-
City contributions subsequent to the measurement date	440,287	-
Total	<u>\$ 1,675,567</u>	<u>\$ 1,641,440</u>

A total of \$440,287 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2022	\$ (38,475)
2023	(38,475)
2024	(38,475)
2025	(38,475)
2026	(38,475)
Thereafter	<u>(213,785)</u>
Total	<u>\$ (406,160)</u>

#### 13. RECEIVABLES AND DEFERRED INFLOWS

Receivables not expected to be collected within one year are mortgages receivable of \$9,714,526 and deferred special assessments receivable of \$13,661,088. Ten percent of the listed receivables are estimated to be

collected within one year. The City has a lease receivable of \$5,150,000 that has a maturity date of August 1, 2023.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year the various components of deferred inflows reported in the governmental funds were as follows:

	<u>Property Taxes</u>	<u>State Aid</u>	<u>Special Assessments</u>	<u>Mortgages</u>	<u>Land Held For Resale</u>	<u>Total</u>
Major Funds:						
General Fund	\$ 380,750	\$ -	\$ 1,397,714	\$ -	\$ -	\$ 1,778,464
Community Development						
Block Grant	-	-	-	10,793,918	-	10,793,918
Improvement Bonds	-		12,439,500	-	-	12,439,500
Capital Projects	-	-	1,104,247	-	6,870,306	7,974,553
Improvement Construction	-	10,630,586	237,525	-	606,477	11,474,588
Total Deferred Inflows	<u>\$ 380,750</u>	<u>\$10,630,586</u>	<u>\$ 15,178,986</u>	<u>\$10,793,918</u>	<u>\$ 7,476,783</u>	<u>\$ 44,461,023</u>

#### 14. SUBSEQUENT EVENTS

##### A. Debt Issued

In April 2022, the City issued \$11,975,000 of General Obligation Capital Improvement Plan Bonds. The proceeds of the bonds will be used to finance certain capital improvements including, but not limited to, construction of improvements to fire stations in the city and construction of a new equipment maintenance garage, as described in the City’s capital improvement plan approved on December 20, 2021. The interest rates of these bonds range from 2.75 – 5.00% or a net interest cost of 3.02% overall. These bonds have maturities from 2024-2043.

##### B. New Accounting Standards

A new standard has been issued by GASB that will result in significant changes in the reporting of leases once it becomes effective for governmental entities. This standard will be adopted by the City beginning in 2022 and may require the restatement of certain balances reported as of December 31, 2021. The effects of this change have not yet been determined and are not reflected in these financial statements.

##### C. COVID-19 Pandemic

The COVID-19 pandemic has had significant financial and operational impacts on the City for the last two fiscal years. Any potential impact it may have on the City’s future operations and financial condition cannot be determined at this time and has not been reflected in these financial statements.

#### 15. INDIVIDUAL COMPONENT UNIT DISCLOSURES

Discretely Presented Component Units - Notes 1 through 14 to the basic financial statements apply to the City and generally to its component units. The City’s two component units are reported in a separate column, or discretely presented, in the financial statements to emphasize that they are legally separate from the City. The following notes provide disclosures that are specific to each of the component units. Further detail regarding component units is provided under the Component Unit tab within the “Other Supplementary Information” section of the financial statements.

**Port Authority of the City of Bloomington (Port Authority)**

Cash, Cash Equivalents, and Investments

A. DEPOSITS

In accordance with Minnesota Statutes, the Port Authority maintains deposits at national or state banks within the state, all of which are members of the Federal Reserve System, as authorized by its Commissioners.

*Custodial Credit Risk-Deposits* – Custodial credit risk is the risk that in event of a bank failure, the Port Authority’s deposits may not be returned to it. Minnesota Statutes require that all Port Authority deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral.

At December 31, 2021, the carrying amount of the Port Authority’s deposits with financial institutions and the bank balances totaled \$0. As of December 31, 2021, the bank balance of the Port’s deposits was covered by federal depository insurance or covered by collateral pledged and held in the Port Authorities name.

B. INVESTMENTS

The Port Authority invests funds, as authorized by Minnesota Statutes and its investment policy is as follows:

See Note 2 of the City for a description of qualifying depositories, collateralization, qualifying investments, and investment categorization.

At December 31, 2021, the Port Authority had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>One Year to Five Years</u>	<u>Five Years to Ten Years</u>
Money Market	\$ 11,464,763	\$ 11,464,763	\$ -	\$ -
4M Term Series	10,000,000	10,000,000	-	-
Commercial Paper Sweep	53,775	53,775	-	-
US Treasury Notes	10,032,400	10,032,400	-	-
Farmer Agricultural Mortgage Corporation	12,837,890	-	12,837,890	-
Federal Farm Credit Bank	22,736,292	12,965,942	4,947,450	4,822,900
Federal Home Loan Bank	16,426,802	-	16,426,802	-
Federal Home Loan Mortgage Corporation	18,007,946	-	18,007,946	-
Federal National Mortgage Association	4,884,650	-	4,884,650	-
Municipal Bonds	5,048,088	330,000	4,718,088	-
Total investments	<u>111,492,606</u>	<u>\$ 44,846,880</u>	<u>\$ 61,822,826</u>	<u>\$ 4,822,900</u>
Total deposits	<u>-</u>			
Total investments and deposits	<u>\$ 111,492,606</u>			

**Port Authority of the City of Bloomington (Port Authority)**

The Port Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The Port Authority has the following recurring fair value measurements as of December 31, 2021:

Investments by fair value level	12/31/21	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 53,775	\$ -	\$ 53,775	\$ -
US Treasury Notes	10,032,400	10,032,400	-	-
Federal Agricultural Mortgage Corporation	12,837,890	-	12,837,890	-
Federal Farm Credit Bank	22,736,802	-	22,736,292	-
Federal Home Loan Bank	16,426,802	-	16,426,802	-
Federal Home Loan Mortgage Corporation	18,007,946	-	18,007,946	-
Federal National Mortgage Association	4,884,650	-	4,884,650	-
Municipal Bonds	5,048,088	-	5,048,088	-
Subtotal	90,027,843	\$ 10,032,400	\$ 79,995,443	\$ -
Investments not categorized				
External investment pools:				
4M Fund Money Market	11,464,763			
4M Term Series	10,000,000			
Total	\$ 111,492,606			

*Custodial Credit Risk-Investments* – For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the Port Authority will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2021, all investments of the Port Authority were insured, registered, and held by the Port Authority or its agent in the Port Authority’s name.

*Interest Rate Risk* - The Port Authority’s investment policy does not have limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* - State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The Port Authority’s investments in government securities, and the municipal investments are all rated AA or better by Standard & Poor’s and Moody’s Investors Service, the 4M fund is unrated.

*Concentration of Credit Risk* - The Port Authority places no limit on the amount the Port Authority may invest in any one issuer. More than 5% of the Port Authority’s investments are in the following governmental agencies: Federal Farm Credit Bank (20%), Federal Home Loan Bank (15%), Federal Agricultural Mortgage Corporation (12%) and Federal Home Loan Mortgage Corporation (16%).

**Port Authority of the City of Bloomington (Port Authority)**

Long-term Debt

The long-term debt obligations outstanding at year-end are summarized as follows:

Type of Bonds	<u>Original Issue</u>	<u>Maturities</u>	<u>Rates</u>	<u>Balance 12/31/21</u>
Governmental activities -				
Taxable G.O. Tax Increment Bonds	\$ 7,150,000	2022-2035	2.00 – 3.60%	\$ 5,990,000

On October 13, 2015, the Port Authority issued \$7,150,000 of Taxable General Obligation Tax Increment Bonds; the effective interest is 3.32%. The proceeds of the bonds were used to finance the construction of a 662-space parking ramp located in the IndiGO Development. A private party independently financed the apartment complex that was built in conjunction with the construction of the parking ramp.

Changes in long-term liabilities during 2021 are summarized as follows:

	<u>Balance 01/01/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
Governmental Activities:					
G.O. Tax Increment Bonds	<u>\$ 6,385,000</u>	<u>\$ -</u>	<u>\$ 395,000</u>	<u>\$ 5,990,000</u>	<u>\$ 405,000</u>

Long-term debt maturities (including interest of \$1,552,323) are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 405,000	\$ 109,793	\$ 595,793
2023	410,000	181,722	591,722
2024	360,000	172,315	532,315
2025	370,000	162,638	532,638
2026	380,000	151,945	531,945
2027-2031	2,100,000	548,100	2,648,100
2032-2035	1,965,000	144,810	2,109,810
Total	<u>\$ 5,990,000</u>	<u>\$ 1,552,323</u>	<u>\$ 7,542,323</u>

Due to City

At December 31, 2021, the Port Authority owed the City \$9,578 for services, facilities provided and payments made by the City that are Port Authority related.



*Port Authority of the City of Bloomington (Port Authority)*

Due to Port Authority

At December 31, 2021, the City owed \$105,000 to the Port Authority for purposes of funding the Port Authority's General Fund activities. On an annual basis the City's South Loop Development Fund contributes funds to the Port Authority's General Fund.

Tax Abatements-Pay-As-You-Go Tax Increment

The Port Authority provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The Port Authority has tax increment pay-as-you-go agreement relating to Bloomington Central Station District 1-I. Under the terms of the agreement, the developer was assessed \$8,853,505 (\$13,792,570 with interest). As the developer makes assessment payments to the City, the Port Authority reimburses the developer via the counted value formula.

The Port Authority has a tax increment pay-as-you-go note for the Fenley project in the Bloomington Central Station District 1-I. Under the terms of the agreement, the developer has paid for public improvements that are TIF eligible costs. The developer may be reimbursed up to \$10,664,100 plus interest at a rate of 5.50% as tax increment payments are received by the Port Authority.

The agreements are not general obligations of the Port Authority and are payable solely from available tax increment derived from the redevelopment property during the prior six months, less a 10% administrative fee. The Port Authority shall have no obligation to pay any unpaid balance that may remain after decertification of the district on December 31, 2031. Accordingly, the obligations are not reflected in the financial statements of the Port Authority.

Current year abatement (TIF payments) totaled \$1,365,839. At December 31, 2021, the total amount outstanding on the contracts, including interest, was \$15,232,342.

**Port Authority of the City of Bloomington (Port Authority)**

Governmental Classifications

At December 31, 2021, a summary of the governmental fund balance classifications is as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Restricted for:				
Debt service	\$ -	\$ 594,641	\$ -	\$ 594,641
Tax increment purposes	-	-	111,072,201	111,072,201
Unassigned	<u>16,019</u>	<u>-</u>	<u>-</u>	<u>16,019</u>
Total fund balances	<u>\$ 16,019</u>	<u>\$ 594,641</u>	<u>\$111,072,201</u>	<u>\$111,682,861</u>

Conduit Debt Obligations

From time to time, the Port Authority has issued Recovery Zone Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial, housing, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. A bank or financing institution finances this transaction, and the terms and conditions are contracted between the lender and the borrower. Neither the Port Authority, nor the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, there were no Recovery Zone Revenue Bonds outstanding. The prior years outstanding obligation was called in full in July of 2021.

**Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

Cash, Cash Equivalents, and Investments

See Note 2 for a description of qualifying depositories, collateralization, qualifying investments, and investment categorization.

Minnesota Statutes require that all HRA deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City treasury or in a financial institution other than that furnishing the collateral.

Authorized collateral includes the legal investments described as follows, as well as certain first mortgage notes, and certain other state or local government obligations.

Cash balances at December 31, 2021 were:

<u>Credit Risk Category</u>	<u>Bank Balances</u>	<u>Carrying Amount</u>
Insured or collateralized by securities held by the HRA or its agent in the HRA's name	<u>\$ 303,758</u>	<u>\$ 257,170</u>

Investment balances at December 31, 2021 were:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
4M Money Market	N/A	\$10,296,631	67%
4M Fund Term Series	09/22/2022	5,000,000	32%
Commercial Paper Sweep	N/A	104,777	1%
Total investments		15,401,408	
Total deposits		257,170	
Net cash, cash equivalents, and investments		<u>\$15,658,578</u>	

*Interest Rate Risk* - The HRA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* - State law limits investments in commercial paper to the top rating issued by at least two of the nationally recognized statistical rating organizations. The HRA's investments in commercial paper are rated at least two of the following: A1 by Standard & Poor's, F-1 by Fitch Ratings, or P-1 by Moody's Investors Service.

*Concentration of Credit Risk* - The HRA places no limit on the amount the HRA may invest in any one issuer.

**Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

Capital Assets and Land Held for Resale

Changes in capital assets during 2021 are summarized as follows (capitalization thresholds are the same as the City):

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21
<b>Governmental activities:</b>				
Capital assets not being depreciated - Land	\$ 130,300	\$ -	\$ -	\$ 130,300
Capital assets being depreciated - Machinery and equipment	18,201	-	-	18,201
Less accumulated depreciation for - Machinery and equipment	(18,201)	-	-	(18,201)
Total capital assets being depreciated, net	-	-	-	-
Governmental activities capital assets, net	<u>\$ 130,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,300</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated - Land	\$1,470,000	\$ -	\$ -	\$1,470,000
Capital assets being depreciated - Buildings and structures	3,285,617	-	-	3,285,617
Less accumulated depreciation for - Buildings and structures	(2,476,287)	( 98,170)	-	(2,574,457)
Total capital assets being depreciated, net	809,330	-	-	711,160
Business-type activities capital assets, net	<u>\$2,279,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,181,160</u>

Land held for resale activity for the year ended December 31, 2021 was as follows:

	Balance 01/01/21	Additions	Retirements	Balance 12/31/21
Land Held for Resale (Inventory)	<u>\$ 1,747,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,747,941</u>

**Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

Long-Term Debt and Obligations Due to Primary Government

There are default provisions in the Hennepin County-HOME Funds and Family Housing Fund such as; the properties remain affordable to very low income tenants and they remain single family rental housing.

The long-term debt obligations outstanding at year-end are summarized as follows:

	<u>Original Issue</u>	<u>Maturities</u>	<u>Rates</u>	<u>Balance 12/31/21</u>
Governmental activities -				
Due to primary government:				
2011B Crossover Refunding Bonds	\$ 3,095,000	2022-2032	3.00-4.35%	\$ 2,040,000
2016A GO Tax Increment Bonds	2,045,000	2022	1.40-1.60%	420,000
	<u>5,140,000</u>			<u>2,460,000</u>
Due in more than one year:				
2018C Taxable Lease Revenue Bonds	5,150,000	2023	3.00%	5,150,000
2020A Taxable Revenue Bonds	1,300,000	2023	3.45	1,300,000
	<u>6,450,000</u>			<u>6,450,000</u>
 Total	 <u>\$11,590,000</u>			 <u>\$ 8,910,000</u>
 Business-type activities:				
Family Housing Fund	\$ 175,000	2023	0.0%	\$ 175,000
Hennepin County-HOME Funds	419,450	2023	0.0%	419,450
Hennepin County-HOME Funds	730,270	2024	0.0%	730,270
Hennepin County-HOME Funds	250,000	2030	0.0%	250,000
	<u>1,574,720</u>			<u>1,574,720</u>
 Total	 <u>\$ 1,574,720</u>			 <u>\$ 1,574,720</u>

Changes in long-term debt during 2021 are summarized as follows:

	<u>Balance 01/01/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
Governmental Activities:					
Due to Primary Government-					
Bonds Payable	\$3,020,000	\$ -	\$ 560,000	\$2,460,000	\$ 570,000
Unamortized Bond Premium	23,566	-	2,127	21,439	-
Bonds Payable	6,450,000	-	-	6,450,000	-
Unamortized Bond Discount	(12,415)	-	(4,805)	(7,610)	-
Business-type Activities -					
Enterprise Fund Loan					
Agreements	1,574,720	-	-	1,574,720	-
Total	<u>\$ 11,055,871</u>	<u>\$ -</u>	<u>\$ 557,322</u>	<u>\$ 10,498,549</u>	<u>\$ 570,000</u>

**Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

**Debt Service Payments**

The following is a schedule of the total future debt service and tax increment payment requirements for the HRA:

Years ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ 570,000	\$ 281,937	\$ -	\$ -	\$ 851,937
2023	6,610,000	250,915	594,450	-	7,455,365
2024	165,000	68,137	730,270	-	963,407
2025	170,000	61,813	-	-	231,813
2026	180,000	54,940	-	-	234,940
2027-2031	1,045,000	152,498	250,000	-	1,447,498
2032	170,000	3,697	-	-	173,697
Total	<u>\$ 8,910,000</u>	<u>\$ 873,937</u>	<u>\$ 1,574,720</u>	<u>\$ -</u>	<u>\$ 11,358,657</u>

**Fund Balance Classifications**

At December 31, 2021 a summary of the governmental fund balance classifications is as follows:

	General Fund	Housing Develop.	Section 8 Vouchers	Housing Rehab.	Opportunity Housing	TIF Special Revenue	Debt Service	Capital Projects	Totals
Nonspendable:									
Long term receivables	\$ -	\$ 442,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442,016
Restricted for:									
Debt service	-	-	-	-	656,632	-	-	-	656,632
Tax increment purposes	-	-	-	-	-	5,023,951	-	-	5,023,951
Committed to:									
Development activities	-	7,188,646	-	-	-	-	-	-	7,188,646
Rehabilitation loans	-	-	-	1,709,558	-	-	-	-	1,709,558
Assigned for:									
Section 8 Vouchers	-	-	358,899	-	-	-	-	-	358,899
Capital projects	-	-	-	-	-	-	-	314,198	314,198
Unassigned	944,294	-	-	(74,921)	-	(1,873,921)	(352,467)	-	(1,357,015)
Total fund balances	<u>\$ 944,294</u>	<u>\$ 7,630,662</u>	<u>\$ 358,899</u>	<u>\$ 1,634,637</u>	<u>\$ 656,632</u>	<u>\$ 3,150,030</u>	<u>\$ (352,467)</u>	<u>\$ 314,198</u>	<u>\$ 14,336,885</u>

**Due to the City**

At December 31, 2021, the HRA owed the City \$29,723 for services and facilities provided to the HRA, \$131,341 for accrued interest, \$570,000 for the current portion, and \$1,911,439 for the long-term portion of the debt obligation. In addition, the HRA owes the City \$7,100,000 of Taxable General Obligation Tax Increment Revenue Bonds that was loaned to the HRA on December 27, 2019 and \$1,457,913 of Taxable General Obligation Tax Increment Revenue Bonds that was loaned to the HRA on December 16, 2020 to fund affordable housing. Both loans mature in 2036 with interest rate of 2.45% for each loan. In 2021, \$975,000 was loaned to the HRA on June 28, 2021 and was used to fund affordable housing within the City. The loan matures in 2038 with interest rate of 2.45%.

**Due to HRA**

At December 31, 2021, the City owed \$6,225 to the HRA for HRA rehabilitation loan program activities. In addition, \$5,150,000 is due from the City in 2023 for a lease receivable related to the Days Inn project. The City purchased the land at 7851 Normandale Boulevard in 2018 with bond proceeds and leased it to the City. The City is subleasing the property to a developer who plans on redeveloping the property.

**Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

Due to/Due from Other Funds

Interfund balances are a result of temporary interfund financing at year-end to cover deficit cash balances within the various funds. At December 31, 2021, the balance was \$2,488,100.

Deficit Fund Balance and Net Position

The HRA Debt Service fund had a negative fund balance of \$352,467 as of December 31, 2021. This fund accounts for debt service payments for two bond issues. The negative fund balance will be recovered with future tax allocations. The HRA Property Management fund had a negative net position of \$75,682 as of December 31, 2021, this is largely due to the long-term debt on the Hennepin County-HOME funds and Family Housing Fund. The negative net position will be recovered with future rent payments and payoff of the debt.

Conduit Debt Obligations

From time to time, the HRA has issued Housing Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The HRA, the State, or any other political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, there is one series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$800,000.

The following table shows the balance of the conduit debt obligations as of December 31, 2021:

	<u>Original Balance</u>	<u>Beginning Balance 01/01/21</u>	<u>Additions</u>	<u>Less Payments/ Refinance</u>	<u>Ending Balance 12/31/21</u>
Masonic Homes	\$ 4,000,000	\$ 1,000,000	\$ -	\$ 200,000	\$ 800,000

Mortgages Receivable

The Neighborhood Home Improvement Loan (Neighborhood) program is funded primarily by the HRA tax levy, loan repayments and occasionally from Strategic Initiative funds granted to the HRA by the City. The Neighborhood loans are to be repaid at such time as the related properties are transferred or sold. A lien is placed against the property by the HRA to ensure principal and interest is repaid. Proceeds for the Neighborhood loan principal and interest repayments will be recognized as revenue by the HRA when received. The Neighborhood loan balances outstanding, including interest, total \$9,238,259 as of December 31, 2021. The Neighborhood loans have been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA entered into an agreement with Hennepin County to match funds for a rehabilitation program specifically focusing on foreclosed single family homes in 2009. Each entity provided \$200,000 in funds for a program total of \$400,000 with a maximum \$20,000 per property. The HRA reapplied in 2010 and entered into another agreement with Hennepin County for an additional \$200,000 to continue this successful program. Half of the amount provided to the homeowner from Hennepin County will become a grant if the homeowner remains in the home for a minimum of five years. The other half of the amount provided to the homeowner from the HRA is a five percent interest rate loan with the accrual of interest ceasing after ten years. Therefore, the proceeds from repayments for the amount loaned from the HRA is recognized as revenue when received. The foreclosure home (FHIP) loan balances outstanding, including interest, total \$307,069 as of

## **Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

December 31, 2021. The outstanding balances are recognized on the balance sheet as mortgage receivable and deferred inflow.

In 2012, the HRA entered into another agreement with Hennepin County to match funds for the Community Enhancement Program II (CEPII). This program also provides funding for rehabilitation loans. The first round of funding in early 2012 provided \$250,000 each from the HRA and the County for loans. In late 2012, another agreement was entered into with \$200,000 being pledged from each entity. The third round of funding was committed in 2013 providing an additional \$233,934 from the HRA and the County. The HRA and County alternated the loans which were committed in terms of who is the mortgage holder. The CEPII loan balances outstanding, including interest, total \$676,792 as of December 31, 2021. The HRA loans are recognized as mortgage receivable and deferred inflow on the balance sheet.

In 2016, a new Curb Appeal Loan Program (CALP) was initiated by the HRA. This program provides up to a \$10,000 loan for income eligible homeowners to use towards exterior home improvements. These loans are 0% deferred loans that are required to be repaid when the properties are transferred or sold. The CALP loan balances outstanding, including interest, total \$453,180 as of December 31, 2021. These loans are recognized as mortgage receivable and deferred inflow on the balance sheet.

In 2005, the HRA entered into four mortgage note agreements for the Essex Knoll property. The funds were loaned to low-income families to allow them the ability to purchase a home at an affordable price. Each mortgage note receivable was for \$80,000, for a total of \$320,000. The interest rate on each loan is 0% and the term is 30 years. The mortgage note has been recognized on the balance sheet as mortgage receivable and deferred inflow.

The HRA has a \$406,000 mortgage note receivable dated December 17, 1990, from the sale of land to a developer, Bloomington Family Townhomes LP. The funds were loaned to the developer for the purpose of constructing townhouse projects. The note accrues interest at 3% simple interest per year until the adjustment date, as defined in the note. The accumulated interest and principal was amended in 2008 to be due in the year 2025, or upon sale of the property. In 2021, the mortgage note and interest totaling \$784,047 was recognized on the balance sheet as a mortgage note receivable and deferred inflow. Proceeds will be recognized as revenue by the HRA when received. If the townhomes are no longer used as affordable units, the note will bear an interest rate of 9% on the adjusted balance from the adjustment date to the year 2025, or upon sale of the property.

In 2002, the HRA entered into two loan agreements with Bloomington Southview Limited Partnership (BSLP). The funds were used to facilitate the development of affordable housing, site demolition, and abatement of environmental hazards. Under the terms of the loan agreements, the HRA provided BSLP with \$165,000 and \$150,000 loans, recognized on the balance sheet as notes receivable. There are no interim payments due; the compounded interest on the \$165,000 loan is calculated at 3% and is recognized as revenue by the HRA as it accrues. The balance of the loan is \$292,016 as of December 31, 2021. The \$150,000 loan has no interim payments due, the interest rate is 0%, and the term is 30 years. The HRA has not imputed interest on this loan.

The HRA entered into two loan agreements with Bloomington Leased Housing Associates III Limited Partnership in 2007. The funds were used solely to assist with the payment of the purchase price of real property located at 10140 Lyndale Avenue also known as Blooming Glen and to rehabilitate a fifty-unit residential rental facility for low-income housing located on that property. The amounts of the loans are \$200,000 accruing interest at 3% simple interest per year payable at maturity and \$290,000 with a 0% interest rate. The principal and accumulated interest is due at maturity, August 18, 2037, or upon sale of the property for each loan. The mortgage notes and interest has been recognized on the balance sheet as mortgage receivable and deferred inflow. The balance outstanding for the loan, including interest, total \$575,774 as of December 31, 2021.



**Housing and Redevelopment Authority in and for the City of Bloomington (HRA)**

In 2008, the HRA entered into a loan agreement with Crossings at Valley View Limited Partnership (Crossings). Crossings received a \$600,000 loan from the HRA to assist with the cost of acquiring property located in the northeast quadrant of Portland Avenue and 88<sup>th</sup> Street in Bloomington. This land was used to construct fifty low-income housing units. The interest rate on the \$600,000 loan is 0% and the term is 30 years.

**Value in Excess of Purchase Price (VEPP) Agreements**

The HRA owns one VEPP agreement with face values totaling \$5,000. The agreements defer payment for portions of property values that were underwritten by the HRA under various homeownership programs. Each agreement is secured by a promissory note and a second mortgage against the individual property. The notes are repaid when a property is sold, leased, or upon maturity of the note (31 years), whichever comes first. There are no interim installment payments required by the note. Proceeds will be recognized as revenue by the HRA when received.

The following table shows the balance of the mortgage loans receivable as of December 31, 2021:

	Balance 01/01/21	Additions	Interest	Payoffs	Balance 12/31/21
Neighborhood Loans	\$ 9,118,480	\$ 481,823	\$ 116,358	\$ 478,402	\$ 9,238,259
Foreclosure Loans	301,225	-	5,844	-	307,069
CEP II Loans	684,168	-	20,860	28,236	676,792
CALP Loans	475,714	-	-	22,534	453,180
Essex Knoll	320,000	-	-	-	320,000
Bloomington Family					
Townhomes	771,867	-	12,180	-	784,047
Bloomington Southview LP	150,000	-	-	-	150,000
Bloomington Southview LP	283,511	-	8,505	-	292,016
Blooming Glen	279,774	-	6,000	-	285,774
Blooming Glen	290,000	-	-	-	290,000
Crossings at Valley View	600,000	-	-	-	600,000
VEPP	1	-	-	-	1
Total	<u>\$13,274,740</u>	<u>\$ 481,823</u>	<u>\$ 169,747</u>	<u>\$ 529,172</u>	<u>\$ 13,397,138</u>

**Loans Receivable**

In 2019, the HRA entered into a loan agreement with Aeon VP Bloomington LLC. Aeon received a \$7,000,000 loan from the HRA to assist in the rehabilitation of Village Club Bloomington Apartments. The apartment contains 306 dwelling units recognized as naturally occurring affordable family housing. The interest rate on the \$7,000,000 loan is 3.375% and the term is 20 years. The principal amount outstanding on the loan is \$6,500,000 as of December 31, 2021. In 2021, the HRA made loans to Lyndale flats in the amount of \$1,457,913 and to 8012 Old Cedar in the amount of \$975,000 for development of affordable housing. The loans will be repaid through Tax Increment Financing.

## Housing and Redevelopment Authority in and for the City of Bloomington (HRA)

### Equity Participation/Contingent Repayment Agreements

The HRA has ten equity participation agreements with various developers of development sites in Bloomington. The developers are L.W. Fraser Independent Living Project II, Henry Court Inc., AHEPA/Penelope, NHHI/ASI Bloomington Inc. (Garfield Commons and the Meadows), NHHI/Catalpa, non-profit entities of the Presbyterian Homes of Bloomington Inc. (Newton Manor, Ridgeview Terrace, and Summer House), and Cornerstone Advocacy Services. The agreements contain equity-share provisions giving the HRA portions of certain proceeds upon subsequent sales of the development sites. Such proceeds, if any, will be recognized as revenue by the HRA when received. In 2008, the City increased its equity participation agreement with AHEPA/Penelope by contributing an additional \$50,000 to assist with construction of additional units of low income senior housing.

On April 11, 2001, the HRA entered into a contingent repayment agreement with Lyndale Avenue Townhomes, Limited Partnership for the purpose of constructing townhomes for low-income tenants. The townhomes are operated by a management company on behalf of the HRA.

### Tax Abatements-Pay-As-You-Go Tax Increment

The HRA provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The HRA has three tax increment pay-as-you-go agreements. The agreements are not a general obligation of the HRA and is payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the HRA.

Oxboro O-4 TIF District issued a pay-as-you-go note in 2008 in the principal sum of \$231,000 with an interest rate of 6% per annum. Principal and interest shall be paid on each February 1 and August 1, commencing February 1, 2009 and paid through August 1, 2035. The HRA shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on August 1, 2035. The current year abatement (TIF note payments) totaled \$22,928. At December 31, 2021, the principal amount outstanding on the note was \$205,050. The pay-as-you-go note provides for payment to the developer equal to 100% of tax increment received in the prior six months less the administrative fees charged by Hennepin County.

Portland Commons issued a pay-as-you-go note in 2021 in the principal sum of \$5,687,839 with an interest rate of 5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2021 and paid through August 1, 2043. At December 31, 2021, the principal amount outstanding on the note was \$5,687,836. The pay-as-you-go note provides for payment to the developer equal to 85% of tax increment received in the prior six months less the administrative fees charged by Hennepin County.

Knox & American issued a pay-as-you-go note in 2020 in the principal sum of \$6,849,531 with an interest rate of 5.5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2021 and paid through February 1, 2039. At December 31, 2021, the principal amount outstanding on the note was \$6,849,531. Payments are payable solely from available tax increment derived from the redeveloped property and paid to the HRA. The pay-as-you-go note provides for payment to the developer equal to 99.64% of tax increment received in the prior six months less the administrative fees charged by Hennepin County.

# REQUIRED SUPPLEMENTARY INFORMATION



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

EXHIBIT A-1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 General Fund  
 Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 56,782,093	\$ 56,782,093	\$ 53,057,960	\$ (3,724,133)
Fiscal disparities	-	-	3,473,774	3,473,774
Special assessments	-	-	67,902	67,902
Lodging and admissions tax	4,826,946	4,826,946	6,414,535	1,587,589
Business licenses and permits	5,724,523	5,724,523	6,021,564	297,041
Fines	501,000	501,000	359,334	(141,666)
Intergovernmental	3,638,043	5,851,108	5,821,918	(29,190)
Program income	2,238,842	2,219,162	1,938,846	(280,316)
Interest	150,000	150,000	178,451	28,451
Net change in fair value of investments	-	-	(538,185)	(538,185)
Other	982,245	996,230	1,363,664	367,434
Total revenues	<u>74,843,692</u>	<u>77,051,062</u>	<u>78,159,763</u>	<u>1,108,701</u>
<b>EXPENDITURES</b>				
General Government	530,068	527,274	494,081	33,193
Administration	2,542,461	2,569,753	2,486,919	82,834
Legal	1,874,627	1,913,863	1,864,714	49,149
Finance	1,118,795	1,162,192	1,162,090	102
Community Development	9,414,183	9,355,547	9,343,162	12,385
Parks and Recreation	9,898,838	9,635,879	9,085,610	550,269
Public Works	13,853,325	13,089,141	11,922,837	1,166,304
Public Safety	33,534,156	33,513,342	32,591,961	921,381
Community Services	5,999,574	7,915,738	6,918,858	996,880
Contingency/estimated unspent	687,901	687,901	-	687,901
Total expenditures	<u>79,453,928</u>	<u>80,370,630</u>	<u>75,870,232</u>	<u>4,500,398</u>
Excess (deficiency) of revenues over (under) expenditures	(4,610,236)	(3,319,568)	2,289,531	5,609,099
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	4,610,236	4,895,236	5,003,001	107,765
Transfers to other funds	-	(3,790,700)	(3,790,700)	-
Total other financing sources (uses)	<u>4,610,236</u>	<u>1,104,536</u>	<u>1,212,301</u>	<u>107,765</u>
Net change in fund balance	-	(2,215,032)	3,501,832	5,716,864
Fund balance - January 1	<u>39,064,038</u>	<u>39,064,038</u>	<u>39,064,038</u>	<u>-</u>
Fund balance - December 31	<u>\$ 39,064,038</u>	<u>\$ 36,849,006</u>	<u>\$ 42,565,870</u>	<u>\$ 5,716,864</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

EXHIBIT A-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Community Development Block Grant Fund  
 Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,396,441	\$ 1,356,356	\$ (40,085)
Interest	-	-	3,447	3,447
Net change in fair value of investments	-	-	(3,447)	(3,447)
<b>Total revenues</b>	<u>-</u>	<u>1,396,441</u>	<u>1,356,356</u>	<u>(40,085)</u>
<b>EXPENDITURES</b>				
Current -				
Development services	-	1,366,441	790,024	576,417
Excess of revenues over expenditures	-	30,000	566,332	536,332
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(30,000)	(22,974)	7,026
Net change in fund balance	-	-	543,358	543,358
Fund balance - January 1	<u>69</u>	<u>69</u>	<u>69</u>	<u>-</u>
Fund balance - December 31	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ 543,427</u>	<u>\$ 543,358</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Other Post-Employment Benefits Plan  
Schedule of Changes in the City's Total  
OPEB Liability and Related Ratios  
Year Ended December 31, 2021

EXHIBIT A-3

Fiscal Year Ending Measurement Date	Dec. 31, 2021 <u>Jan. 01, 2021</u>	Dec. 31, 2020 <u>Jan. 01, 2020</u>	Dec. 31, 2019 <u>Jan. 01, 2019</u>	Dec. 31, 2018 <u>Jan. 01, 2018</u>
Total OPEB liability				
Service cost	\$ 972,689	\$ 721,033	\$ 723,813	\$ 591,300
Interest	221,012	281,393	295,896	335,249
Contributions - employer	(440,287)	(341,581)	(344,129)	(299,661)
Differences between expected and actual experience	702,073	-	(1,157,501)	745,047
Changes in assumptions	<u>506,579</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	1,962,066	660,845	(481,921)	1,371,935
Total OPEB liability - beginning of year	<u>9,489,121</u>	<u>8,828,276</u>	<u>9,310,197</u>	<u>7,938,262</u>
Total OPEB liability - end of year	<u>\$ 11,451,187</u>	<u>\$ 9,489,121</u>	<u>\$ 8,828,276</u>	<u>\$ 9,310,197</u>
Covered employee payroll	<u>\$ 47,593,887</u>	<u>\$ 45,713,920</u>	<u>\$ 45,095,129</u>	<u>\$ 43,914,741</u>
Total OPEB liability as a percentage of covered employee payroll	<u>24%</u>	<u>21%</u>	<u>20%</u>	<u>21%</u>

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

Note: There are no assets in a trust to pay related benefits.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Proportionate Share of Net Pension Liability -  
General Employees Retirement Fund  
Year Ended December 31, 2021

EXHIBIT A-4

<u>Measurement Date</u>	<u>Fiscal Year Ending</u>	<u>Proportion (Percentage) of the Net Pension Liability</u>	<u>Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll (b)</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Jun. 30, 2015	Dec. 31, 2015	0.5389%	\$ 27,928,595	\$ -	\$ 31,663,355	88.2%	78.2%
Jun. 30, 2016	Dec. 31, 2016	0.5236%	\$ 42,513,723	\$ 555,205	\$ 32,489,268	130.9%	68.9%
Jun. 30, 2017	Dec. 31, 2017	0.5297%	\$ 33,815,698	\$ 425,166	\$ 34,121,425	99.1%	75.9%
Jun. 30, 2018	Dec. 31, 2018	0.5087%	\$ 28,220,590	\$ 925,710	\$ 34,192,349	82.5%	79.5%
Jun. 30, 2019	Dec. 31, 2019	0.5023%	\$ 27,771,041	\$ 863,129	\$ 35,546,391	78.1%	80.2%
Jun. 30, 2020	Dec. 31, 2020	0.5213%	\$ 31,254,316	\$ 963,817	\$ 37,171,953	84.1%	79.1%
Jun. 30, 2021	Dec. 31, 2021	0.5191%	\$ 22,167,896	\$ 676,896	\$ 37,368,926	59.3%	87.0%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.



**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Schedule of Pension Contributions -  
 General Employees Retirement Fund  
 Year Ended December 31, 2021

EXHIBIT A-5

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Dec. 31, 2015	\$ 2,414,889	\$ 2,414,889	\$ -	\$ 32,198,520	7.5%
Dec. 31, 2016	\$ 2,499,700	\$ 2,499,700	\$ -	\$ 33,329,333	7.5%
Dec. 31, 2017	\$ 2,553,026	\$ 2,553,026	\$ -	\$ 34,040,335	7.5%
Dec. 31, 2018	\$ 2,606,658	\$ 2,606,658	\$ -	\$ 34,755,384	7.5%
Dec. 31, 2019	\$ 2,736,989	\$ 2,736,989	\$ -	\$ 36,493,224	7.5%
Dec. 31, 2020	\$ 2,934,865	\$ 2,934,865	\$ -	\$ 39,131,542	7.5%
Dec. 31, 2021	\$ 2,795,857	\$ 2,795,857	\$ -	\$ 37,278,093	7.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Proportionate Share of Net Pension Liability -  
Public Employees Police and Fire Fund  
Year Ended December 31, 2021

EXHIBIT A-6

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Jun. 30, 2015	Dec. 31, 2015	1.2890%	\$ 14,646,056	\$ -	\$ 14,646,056	\$ 11,806,022	124.1%	86.6%
Jun. 30, 2016	Dec. 31, 2016	1.3650%	\$ 54,779,825	\$ -	\$ 54,779,825	\$ 13,147,924	416.6%	63.9%
Jun. 30, 2017	Dec. 31, 2017	1.2770%	\$ 17,241,020	\$ -	\$ 17,241,020	\$ 13,109,393	131.5%	85.4%
Jun. 30, 2018	Dec. 31, 2018	1.2831%	\$ 13,676,526	\$ -	\$ 13,676,526	\$ 13,522,504	101.1%	88.8%
Jun. 30, 2019	Dec. 31, 2019	1.3504%	\$ 14,376,373	\$ -	\$ 14,376,373	\$ 14,241,875	100.9%	89.3%
Jun. 30, 2020	Dec. 31, 2020	1.2568%	\$ 16,565,971	\$ 390,262	\$ 16,956,233	\$ 14,113,932	117.4%	87.2%
Jun. 30, 2021	Dec. 31, 2021	1.2231%	\$ 9,441,036	\$ 424,447	\$ 9,865,483	\$ 14,455,278	65.3%	93.7%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Schedule of Pension Contributions -  
 Public Employees Police and Fire Fund  
 Year Ended December 31, 2021

EXHIBIT A-7

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Dec. 31, 2015	\$ 1,995,234	\$ 1,995,234	\$ -	\$ 12,316,259	16.2%
Dec. 31, 2016	\$ 2,164,062	\$ 2,164,062	\$ -	\$ 13,147,924	16.5%
Dec. 31, 2017	\$ 2,131,306	\$ 2,131,306	\$ -	\$ 13,156,231	16.2%
Dec. 31, 2018	\$ 2,262,547	\$ 2,262,547	\$ -	\$ 13,966,353	16.2%
Dec. 31, 2019	\$ 2,435,417	\$ 2,435,417	\$ -	\$ 14,368,236	17.0%
Dec. 31, 2020	\$ 2,627,668	\$ 2,627,668	\$ -	\$ 14,845,588	17.7%
Dec. 31, 2021	\$ 2,544,783	\$ 2,544,783	\$ -	\$ 14,377,311	17.7%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios -  
Bloomington Fire Department Relief Association  
Year Ended December 31, 2021

Fiscal Year Ending Measurement Date	<u>Dec. 31, 2021</u> <u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u> <u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u> <u>Dec. 31, 2019</u>
Total pension liability:			
Service cost	\$3,670,982	\$3,516,374	\$3,869,840
Interest cost	10,094,430	9,824,558	9,212,131
Effect of economic/demographic gains or losses	1,531,903	(2,505,138)	(3,358,770)
Difference between expected and actual experience	-	-	-
Assumption changes	-	-	7,007,900
Benefit payments, including refunds of employee contributions	<u>(6,698,326)</u>	<u>(6,292,678)</u>	<u>(6,051,864)</u>
Net change in total pension liability	8,598,989	4,543,116	10,679,237
Total pension liability - beginning	167,869,894	163,326,778	152,647,541
Total pension liability - ending (a)	<u>\$176,468,883</u>	<u>\$167,869,894</u>	<u>\$163,326,778</u>
Plan fiduciary net position:			
Contributions - employer	\$ 706,774	\$ 1,891,670	\$ -
Contributions - State of Minnesota	672,339	649,689	609,799
Net investment income	23,024,351	28,386,105	30,774,778
Benefit payments, including refunds of employee contributions	(6,698,326)	(6,292,678)	(6,051,864)
Administrative expense	<u>(107,450)</u>	<u>(109,327)</u>	<u>(108,058)</u>
Net change in plan fiduciary net position	17,597,688	24,525,459	25,224,655
Plan fiduciary net position - beginning	214,574,924	190,049,465	164,824,810
Plan fiduciary net position - ending (b)	<u>\$232,172,612</u>	<u>\$214,574,924</u>	<u>\$190,049,465</u>
Net pension liability / (asset) - ending (a) - (b)	<u>(\$55,703,729)</u>	<u>(\$46,705,030)</u>	<u>(\$26,722,687)</u>
Plan fiduciary net position as a percentage of the total pension liability	131.57%	127.82%	116.36%
Covered payroll*	\$12,201,192	\$11,526,144	\$12,348,216
Net pension liability (asset) as a percentage of covered payroll	(456.54)%	(405.21)%	(216.41)%

GASB 68 was implemented in 2015. Information prior to 2014 is not available.

\* The Fire Relief Association is comprised of volunteers; therefore, there are no actual payroll expenditures. Covered payroll is based on the assumption that each active plan member earns the most recent salary rate of the highest paid non-office police officer in the City of Bloomington.

EXHIBIT A-8

<u>Dec. 31, 2018</u> <u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u> <u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u> <u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u> <u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u> <u>Dec. 31, 2014</u>
\$3,529,986	\$3,482,212	\$2,955,252	\$3,141,630	\$3,047,649
8,791,865	8,421,504	7,998,295	8,072,050	7,443,533
257,010	(152,691)	831,346	-	-
-	-	(5,046,951)	(7,292,468)	(1,567,433)
-	-	-	-	-
<u>(5,780,618)</u>	<u>(5,476,046)</u>	<u>-</u>	<u>(4,883,583)</u>	<u>(4,566,912)</u>
6,798,243	6,274,979	6,737,942	(962,371)	4,356,837
145,849,298	139,574,319	132,836,377	133,798,748	129,441,911
<u>\$152,647,541</u>	<u>\$145,849,298</u>	<u>\$139,574,319</u>	<u>\$132,836,377</u>	<u>\$133,798,748</u>
\$1,535,985	\$1,057,759	\$905,855	\$1,175,095	\$2,548,091
594,361	576,114	563,627	540,186	622,164
(7,266,532)	24,503,859	11,133,373	(1,023,994)	9,982,524
(5,780,618)	(5,476,046)	(5,046,951)	(4,883,583)	(4,566,912)
<u>(100,782)</u>	<u>(94,692)</u>	<u>(109,128)</u>	<u>(93,226)</u>	<u>(83,410)</u>
(11,017,586)	20,566,994	7,446,776	(4,285,522)	8,502,457
175,842,396	155,275,402	147,828,626	152,114,148	143,611,691
<u>\$164,824,810</u>	<u>\$175,842,396</u>	<u>\$155,275,402</u>	<u>\$147,828,626</u>	<u>\$152,114,148</u>
<u>(\$12,177,269)</u>	<u>(\$29,993,098)</u>	<u>(\$15,701,083)</u>	<u>(\$14,992,249)</u>	<u>(\$18,315,400)</u>
107.98%	120.56%	111.25%	111.29%	113.69%
\$11,486,832	\$10,513,294	\$11,003,580	\$10,773,375	\$10,110,384
(106.01)%	(285.29)%	(142.69)%	(139.16)%	(181.15)%

**CITY OF BLOOMINGTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Schedule of Pension Contributions -  
 Bloomington Fire Department Relief Association  
 Year Ended December 31, 2021

EXHIBIT A-9

Fiscal Year Ending	Actuarial Determined Contribution (a)	Contributions in Relation to the Actuarial Determined Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll* (b/c)
Dec. 31, 2015	\$ 1,396,485	\$ 1,715,281	\$ (318,796)	\$ 10,773,375	15.9%
Dec. 31, 2016	\$ 1,552,692	\$ 1,469,482	\$ 83,210	\$ 11,003,580	13.4%
Dec. 31, 2017	\$ 2,024,948	\$ 1,633,873	\$ 391,075	\$ 10,513,294	15.5%
Dec. 31, 2018	\$ 2,416,691	\$ 2,130,346	\$ 286,345	\$ 11,486,832	18.5%
Dec. 31, 2019	\$ 446,855	\$ 609,799	\$ (162,944)	\$ 12,348,216	4.9%
Dec. 31, 2020	\$ 2,416,691	\$ 2,541,359	\$ (124,668)	\$ 11,526,144	22.0%
Dec. 31, 2021	\$ 1,309,527	\$ 1,379,114	\$ (69,587)	\$ 12,201,192	11.3%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

\* The Fire Relief Association is comprised of volunteers; therefore, there are no actual payroll expenditures. Covered payroll is based on the assumption that each active plan member earns the most recent salary rate of the highest paid non-office police officer in the City of Bloomington.

## CITY OF BLOOMINGTON, MINNESOTA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

#### 1. BUDGETARY INFORMATION

Budgetary comparisons for the City's General Fund and the annually budgeted Community Development Block Grant Fund are required supplementary information.

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

The legal level of budgetary control for the General Fund is at the department level (such as General Government, Administration, Legal, and Finance) and at the fund level for the Community Development Block Grant Fund. Neither the General Fund nor the Community Development Block Grant Fund expenditures exceeded the legal level of budgetary control for fiscal year ended December 31, 2021.

#### 2. PENSION INFORMATION

##### A. PERA – GENERAL EMPLOYEES RETIREMENT FUND

###### **2021 CHANGES**

###### Changes in Actuarial Assumptions:

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

###### **2020 CHANGES**

###### Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- 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% 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 100.0% joint and survivor option changed from 35.0% to 45.0%. The assumed number of married female new retirees electing the 100.0% joint and survivor option changed from 15.0% to 30.0%. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% 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**

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

**2018 CHANGES**

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044, and 2.5% per year thereafter, to 1.25% per year.

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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0% 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% per year with a provision to increase to 2.5% upon attainment of 90.0% funding ratio to 50.0% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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**

### Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60.0% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044, and 2.5% per year thereafter.

### Changes in Plan Provisions:

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

## **2016 CHANGES**

### Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter, to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

## **2015 CHANGES**

### Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030, and 2.5% per year thereafter, to 1.0% per year through 2035, and 2.5% per year thereafter.

### Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 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.

## B. PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

### 2021 CHANGES

#### Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 Public Safety Mortality Table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality Table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality Table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25–44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

### 2020 CHANGES

#### Changes in Actuarial Assumptions:

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

### 2019 CHANGES

#### Changes in Actuarial Assumptions:

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

### 2018 CHANGES

#### Changes in Actuarial Assumptions:

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

#### Changes in Plan Provisions:

- Post-retirement benefit increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.0% funding, or July 1, 2048, if earlier.

- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019, and 17.7% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to zero %, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

## **2017 CHANGES**

### Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30.0% for vested and nonvested deferred members. The CSA has been changed to 33.0% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.0% to 60.0%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064, and 2.5% thereafter.
- The single discount rate changed from 5.6% to 7.5% per annum.

## **2016 CHANGES**

### Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037, and 2.5% thereafter, to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%.
- The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

## **2015 CHANGES**

### Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030, and 2.5% per year thereafter, to 1.0% per year through 2037, and 2.5% per year thereafter.

Changes in Plan Provisions:

- The post-retirement benefit increase to be paid after attainment of the 90.0% funding threshold was changed from inflation up to 2.5%, to a fixed rate of 2.5%.

C. FIRE RELIEF PENSION

The fire relief pension has not had a formal actuarial experience study performed.

**2019 CHANGES**

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018 for pre-retirement and post-retirement.

3. OPEB INFORMATION

**2021 CHANGES**

Changes in Actuarial Assumptions:

- The discount rate changed to 1.93%.
- The 20-year municipal bond yield changed to 1.93%.
- Updated mortality tables to SOA Scale MP-2019.
- Updated married rates to represent most recent census.

**2019 CHANGES**

Changes in Discount Rate:

- In 2019 the discount rate changed to 3.00%.

**2018 CHANGES**

Changes in Actuarial Assumptions:

- In 2018 the actuarial cost method was changed from entry age, level dollar to entry age, level percent of pay as prescribed by GASB 75.

# SUPPLEMENTARY INFORMATION



## CITY OF BLOOMINGTON, MINNESOTA

### NONMAJOR GOVERNMENTAL FUNDS

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#### **SPECIAL REVENUE FUNDS**

*Special revenue funds are established to account for taxes and other revenues set aside for a particular purpose.*

Public Health Fund – This fund was established to account for grant funds received for the operation of public health programs.

Public Safety Fund - This fund is used to account for the seized cash and/or forfeited property, enhanced 911 services, public safety and fire grant funds, the balance of police pension reimbursement proceeds, and designated fire pension obligation funds.

Communications Fund - This fund was established to account for funds received from the franchise fee of the local cable television service.

Park Grants Fund - This fund was established to account for grant funds received from the State's Natural Resources Fund to be used for operational and maintenance costs associated with the Hyland-Bush-Anderson Lakes Regional Park Reserve.

South Loop Revolving Development Services Fund - This fund was established to account for City funds for the Met Center Environmental Impact Statement (EIS) and Alternative Urban Areawide Review (AUAR) for South Loop development.

Creative Placemaking Fund – This fund was established to account for the use of funds designated for the purpose of building a vibrant, distinctive, and sustainable community through the use of arts.

Community Landscape Fund - This fund was established to account for fees collected and designated for landscape planting on public land in lieu of planting on constrained, private development sites.

Federal Relief Fund - This fund accounts for the money received as part of the American Rescue Plan Act, an economic stimulus bill passed by the federal government in 2021 to speed up the country's recovery from the economic and health effects of the ongoing COVID-19 pandemic.

Cemetery Fund - This fund was established to provide for the perpetual care, maintenance, and improvement of the City cemetery. A portion of the monies received from the sale of lots shall be used for acquisition of additional cemetery lands with the balance placed in a perpetual care account.

#### **DEBT SERVICE FUNDS**

*Debt service funds account for the accumulation of resources for and payment of general long-term debt principal and interest.*

G.O. Tax Increment Bonds Fund – This fund is used to account for the accumulation of resources for payment of tax increment general obligation bonds and interest thereon.

General Obligation Bonds Fund – This fund is used to account for the accumulation of resources for payment of general obligation bonds and interest thereon.

#### **CAPITAL PROJECTS FUND**

Developer Escrow Fund - This fund is used to account for various deposits (mainly contractors' deposits for park development and to guarantee payment of special assessments for water, sewer, streets, and other improvements) required by the City.

**CITY OF BLOOMINGTON, MINNESOTA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2021**

	Special Revenue					
	Public Health	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ -	\$ 5,408,410	\$ 118,591	\$ 299,164	\$ 405,584	\$ 754,121
Cash with fiscal agent	-	-	-	-	-	-
Accrued interest receivable	-	7,379	214	419	604	1,045
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	326,380	-	-	-
Prepaid items	-	15,039	-	-	-	-
Due from other governments	-	355,667	-	14,765	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 5,786,495</b>	<b>\$ 445,185</b>	<b>\$ 314,348</b>	<b>\$ 406,188</b>	<b>\$ 755,166</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 188,092	\$ 64,470	\$ 555	\$ 1,127	\$ 157,159
Unearned revenue	-	155,963	-	233,513	-	-
Deposits payable	-	-	-	-	-	-
Total liabilities	-	344,055	64,470	234,068	1,127	157,159
<b>FUND BALANCES</b>						
Nonspendable	-	15,039	-	-	-	-
Restricted	-	1,041,093	348,965	80,280	-	-
Committed	-	4,386,308	31,750	-	405,061	598,007
Total fund balances	-	5,442,440	380,715	80,280	405,061	598,007
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 5,786,495</b>	<b>\$ 445,185</b>	<b>\$ 314,348</b>	<b>\$ 406,188</b>	<b>\$ 755,166</b>



EXHIBIT B-1

Community Landscape	Federal Relief	Cemetery	Total	Debt Service			Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
				G.O. Tax Increment Bonds	General Obligation Bonds	Total		
\$ 13,163	\$ 5,012,041	\$ 450,102	\$ 12,461,176	\$ 23,283	\$ 260,470	\$ 283,753	\$ 794,667	\$ 13,539,596
-	-	-	-	1,902,462	-	1,902,462	-	1,902,462
-	-	646	10,307	100	410	510	-	10,817
-	-	-	-	-	(153)	(153)	-	(153)
-	-	-	326,380	-	-	-	5,000	331,380
-	-	-	15,039	-	-	-	-	15,039
-	-	-	370,432	-	-	-	-	370,432
<u>\$ 13,163</u>	<u>\$ 5,012,041</u>	<u>\$ 450,748</u>	<u>\$ 13,183,334</u>	<u>\$ 1,925,845</u>	<u>\$ 260,727</u>	<u>\$ 2,186,572</u>	<u>\$ 799,667</u>	<u>\$ 16,169,573</u>
\$ -	\$ -	\$ -	\$ 411,403	\$ -	\$ -	\$ -	\$ 47,531	\$ 458,934
-	5,012,041	-	5,401,517	-	-	-	-	5,401,517
-	-	-	-	-	-	-	742,422	742,422
-	5,012,041	-	5,812,920	-	-	-	789,953	6,602,873
-	-	-	15,039	-	-	-	-	15,039
-	-	450,748	1,921,086	1,925,845	260,727	2,186,572	9,714	4,117,372
13,163	-	-	5,434,289	-	-	-	-	5,434,289
13,163	-	450,748	7,370,414	1,925,845	260,727	2,186,572	9,714	9,566,700
<u>\$ 13,163</u>	<u>\$ 5,012,041</u>	<u>\$ 450,748</u>	<u>\$ 13,183,334</u>	<u>\$ 1,925,845</u>	<u>\$ 260,727</u>	<u>\$ 2,186,572</u>	<u>\$ 799,667</u>	<u>\$ 16,169,573</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2021

	Special Revenue					
	Public Health	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking
<b>REVENUES</b>						
Property taxes	\$ -	\$ 1,050,000	\$ 175,000	\$ -	\$ -	\$ -
Fines	-	86,352	-	-	-	-
Intergovernmental	-	1,384,778	-	57,378	-	-
Program income	-	2,350	1,000	-	39,151	-
Interest	412	34,937	729	2,347	2,915	5,708
Net change in fair value of investments	-	(61,184)	(2,229)	(2,633)	(4,804)	(8,049)
Other	-	43,435	82,383	-	-	-
Franchise fees	-	-	1,302,125	-	-	-
Total revenues	<u>412</u>	<u>2,540,668</u>	<u>1,559,008</u>	<u>57,092</u>	<u>37,262</u>	<u>(2,341)</u>
<b>EXPENDITURES</b>						
Current:						
General services	-	-	-	-	-	-
Development services	-	-	-	-	28,491	378,506
Public safety	-	1,800,330	-	-	-	-
Parks and recreation	-	-	-	57,626	-	-
Community services	-	-	1,837,249	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Capital outlay:						
Development services	-	-	-	-	-	166,400
Public safety	-	388,138	-	-	-	-
Community services	-	-	88,341	-	-	-
Total expenditures	<u>-</u>	<u>2,188,468</u>	<u>1,925,590</u>	<u>57,626</u>	<u>28,491</u>	<u>544,906</u>
Excess (deficiency) of revenues over (under) expenditures	<u>412</u>	<u>352,200</u>	<u>(366,582)</u>	<u>(534)</u>	<u>8,771</u>	<u>(547,247)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	-	211,772	-	-	510,000
Transfers to other funds	(134,572)	(580,000)	-	-	-	-
Total other financing sources (uses)	<u>(134,572)</u>	<u>(580,000)</u>	<u>211,772</u>	<u>-</u>	<u>-</u>	<u>510,000</u>
Net change in fund balance	(134,160)	(227,800)	(154,810)	(534)	8,771	(37,247)
Fund balance - January 1	134,160	5,670,240	535,525	80,814	396,290	635,254
Fund balance - December 31	<u>\$ -</u>	<u>\$ 5,442,440</u>	<u>\$ 380,715</u>	<u>\$ 80,280</u>	<u>\$ 405,061</u>	<u>\$ 598,007</u>

EXHIBIT B-2

Community Landscape	Federal Relief	Cemetery	Total	Debt Service			Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
				G.O. Tax Increment Bonds	General Obligation Bonds	Total		
\$ -	\$ -	\$ -	\$ 1,225,000	\$ -	\$ (647)	\$ (647)	\$ -	\$ 1,224,353
-	-	-	86,352	-	-	-	-	86,352
-	686,000	-	2,128,156	-	-	-	-	2,128,156
-	-	209,995	252,496	-	-	-	-	252,496
-	-	3,156	50,204	41	1,176	1,217	-	51,421
-	-	(5,277)	(84,176)	(737)	(5,671)	(6,408)	-	(90,584)
10,460	-	-	136,278	668,732	-	668,732	-	805,010
-	-	-	1,302,125	-	-	-	-	1,302,125
<u>10,460</u>	<u>686,000</u>	<u>207,874</u>	<u>5,096,435</u>	<u>668,036</u>	<u>(5,142)</u>	<u>662,894</u>	<u>-</u>	<u>5,759,329</u>
-	250,000	207,747	457,747	1,000	200	1,200	-	458,947
-	-	-	406,997	-	-	-	-	406,997
-	-	-	1,800,330	-	-	-	-	1,800,330
-	-	-	57,626	-	-	-	-	57,626
-	50,000	-	1,887,249	-	-	-	-	1,887,249
-	-	-	-	108,732	33,300	142,032	-	142,032
-	-	-	-	560,000	425,000	985,000	-	985,000
-	-	-	166,400	-	-	-	-	166,400
-	-	-	388,138	-	-	-	-	388,138
-	-	-	88,341	-	-	-	-	88,341
-	<u>300,000</u>	<u>207,747</u>	<u>5,252,828</u>	<u>669,732</u>	<u>458,500</u>	<u>1,128,232</u>	<u>-</u>	<u>6,381,060</u>
<u>10,460</u>	<u>386,000</u>	<u>127</u>	<u>(156,393)</u>	<u>(1,696)</u>	<u>(463,642)</u>	<u>(465,338)</u>	<u>-</u>	<u>(621,731)</u>
-	-	-	721,772	-	-	-	-	721,772
-	<u>(386,000)</u>	<u>-</u>	<u>(1,100,572)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,100,572)</u>
-	<u>(386,000)</u>	<u>-</u>	<u>(378,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(378,800)</u>
10,460	-	127	(535,193)	(1,696)	(463,642)	(465,338)	-	(1,000,531)
2,703	-	450,621	7,905,607	1,927,541	724,369	2,651,910	9,714	10,567,231
<u>\$ 13,163</u>	<u>\$ -</u>	<u>\$ 450,748</u>	<u>\$ 7,370,414</u>	<u>\$ 1,925,845</u>	<u>\$ 260,727</u>	<u>\$ 2,186,572</u>	<u>\$ 9,714</u>	<u>\$ 9,566,700</u>

**CITY OF BLOOMINGTON, MINNESOTA**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Public Health Special Revenue Fund  
Year Ended December 31, 2021

EXHIBIT C-1

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 412	\$ 412
EXPENDITURES	-	-	-	-
Excess of revenues over expenditures	-	-	412	412
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(135,000)	(134,572)	428
Net change in fund balance	-	(135,000)	(134,160)	840
Fund balance - January 1	134,160	134,160	134,160	-
Fund balance - December 31	\$ 134,160	\$ (840)	\$ -	\$ 840

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety Special Revenue Fund

Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000	\$ -
Fines	95,000	95,000	86,352	(8,648)
Intergovernmental	767,875	1,387,456	1,384,778	(2,678)
Program income	-	-	2,350	2,350
Interest	51,461	51,461	34,937	(16,524)
Net change in fair value of investments	-	-	(61,184)	(61,184)
Other	-	43,584	43,435	(149)
Total revenues	1,964,336	2,627,501	2,540,668	(86,833)
EXPENDITURES				
Current -				
Public safety	1,640,957	1,928,388	1,800,330	128,058
Capital outlay -				
Public safety	-	393,665	388,138	5,527
Total expenditures	1,640,957	2,322,053	2,188,468	133,585
Excess of revenues over expenditures	323,379	305,448	352,200	46,752
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(580,000)	(580,000)	(580,000)	-
Net change in fund balance	(256,621)	(274,552)	(227,800)	46,752
Fund balance - January 1	5,670,240	5,670,240	5,670,240	-
Fund balance - December 31	\$ 5,413,619	\$ 5,395,688	\$ 5,442,440	\$ 46,752

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-3

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Communications Special Revenue Fund  
 Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 175,000	\$ 175,000	\$ 175,000	\$ -
Program income	1,900	1,900	1,000	(900)
Interest	2,000	2,000	729	(1,271)
Net change in fair value of investments	-	-	(2,229)	(2,229)
Other	74,000	74,000	82,383	8,383
Franchise fees	1,315,000	1,315,000	1,302,125	(12,875)
Total revenues	<u>1,567,900</u>	<u>1,567,900</u>	<u>1,559,008</u>	<u>(8,892)</u>
<b>EXPENDITURES</b>				
Current -				
Community services	1,804,997	1,889,097	1,837,249	51,848
Capital outlay -				
Community services	116,000	127,541	88,341	39,200
Total expenditures	<u>1,920,997</u>	<u>2,016,638</u>	<u>1,925,590</u>	<u>91,048</u>
Excess (deficiency) of revenues over (under) expenditures	(353,097)	(448,738)	(366,582)	82,156
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>211,772</u>	<u>211,772</u>	<u>211,772</u>	<u>-</u>
Net change in fund balance	(141,325)	(236,966)	(154,810)	82,156
Fund balance - January 1	<u>535,525</u>	<u>535,525</u>	<u>535,525</u>	<u>-</u>
Fund balance - December 31	<u>\$ 394,200</u>	<u>\$ 298,559</u>	<u>\$ 380,715</u>	<u>\$ 82,156</u>

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-4

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Park Grants Special Revenue Fund

Year Ended December 31, 2021

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 92,615	\$ 126,115	\$ 57,378	\$ (68,737)
Interest	3,000	3,000	2,347	(653)
Net change in fair value of investments	-	-	(2,633)	(2,633)
Total revenues	<u>95,615</u>	<u>129,115</u>	<u>57,092</u>	<u>(72,023)</u>
<b>EXPENDITURES</b>				
Current -				
Parks and recreation	<u>160,707</u>	<u>194,207</u>	<u>57,626</u>	<u>136,581</u>
Net change in fund balance	(65,092)	(65,092)	(534)	64,558
Fund balance - January 1	<u>80,814</u>	<u>80,814</u>	<u>80,814</u>	<u>-</u>
Fund balance - December 31	<u>\$ 15,722</u>	<u>\$ 15,722</u>	<u>\$ 80,280</u>	<u>\$ 64,558</u>

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-5

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 South Loop Revolving Development Services Special Revenue Fund  
 Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 95,000	\$ 95,000	\$ 39,151	\$ (55,849)
Interest	2,550	2,550	2,915	365
Net change in fair value of investments	-	-	(4,804)	(4,804)
Total revenues	<u>97,550</u>	<u>97,550</u>	<u>37,262</u>	<u>(60,288)</u>
<b>EXPENDITURES</b>				
Current -				
Development services	<u>278,723</u>	<u>278,723</u>	<u>28,491</u>	<u>250,232</u>
Net change in fund balance	(181,173)	(181,173)	8,771	189,944
Fund balance - January 1	<u>396,290</u>	<u>396,290</u>	<u>396,290</u>	<u>-</u>
Fund balance - December 31	<u>\$ 215,117</u>	<u>\$ 215,117</u>	<u>\$ 405,061</u>	<u>\$ 189,944</u>



**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-6

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Creative Placemaking Special Revenue Fund  
 Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 5,708	\$ 5,708
Net change in fair value of investments	-	-	(8,049)	(8,049)
Total revenues	-	-	(2,341)	(2,341)
<b>EXPENDITURES</b>				
Current -				
Development services	324,000	385,500	378,506	6,994
Capital outlay -				
Development services	305,000	196,400	166,400	30,000
Total expenditures	629,000	581,900	544,906	36,994
Excess (deficiency) of revenues over (under) expenditures	(629,000)	(581,900)	(547,247)	34,653
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	510,000	510,000	510,000	-
Net change in fund balance	(119,000)	(71,900)	(37,247)	34,653
Fund balance - January 1	635,254	635,254	635,254	-
Fund balance - December 31	\$ 516,254	\$ 563,354	\$ 598,007	\$ 34,653

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-7

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Federal Relief Special Revenue Fund

Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 686,000	\$ 686,000	\$ -
<b>EXPENDITURES</b>				
Current -				
General services	-	250,000	250,000	-
Community services	-	50,000	50,000	-
Total expenditures	-	300,000	300,000	-
Excess of revenues over expenditures	-	386,000	386,000	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(386,000)	(386,000)	-
Net change in fund balance	-	-	-	-
Fund balance - January 1	-	-	-	-
Fund balance - December 31	\$ -	\$ -	\$ -	\$ -

**CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT C-8

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Cemetery Special Revenue Fund  
 Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 184,815	\$ 184,815	\$ 209,995	\$ 25,180
Interest	4,600	4,600	3,156	(1,444)
Net change in fair value of investments	-	-	(5,277)	(5,277)
Total revenues	<u>189,415</u>	<u>189,415</u>	<u>207,874</u>	<u>18,459</u>
<b>EXPENDITURES</b>				
Current -				
General services	<u>203,687</u>	<u>207,787</u>	<u>207,747</u>	<u>40</u>
Net change in fund balance	(14,272)	(18,372)	127	18,499
Fund balance - January 1	<u>450,621</u>	<u>450,621</u>	<u>450,621</u>	<u>-</u>
Fund balance - December 31	<u>\$ 436,349</u>	<u>\$ 432,249</u>	<u>\$ 450,748</u>	<u>\$ 18,499</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**

**NONMAJOR ENTERPRISE FUNDS**

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**ENTERPRISE FUNDS**

*Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs are to be recovered primarily through user charges.*

Contractual Police Fund - This fund accounts for the operations of police contractual services acquired by various establishments.

Motor Vehicle Fund - This fund accounts for the operations of the City's motor vehicle registration and licensing program. In March of 2021 the Motor Vehicle offices were permanently closed.

**CITY OF BLOOMINGTON, MINNESOTA**  
 Combining Statement of Fund Net Position  
 Nonmajor Enterprise Funds  
 December 31, 2021

EXHIBIT D-1

	<u>Contractual Police</u>	<u>Motor Vehicle</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 860	\$ -	\$ 860
Accounts receivable	240,473	-	240,473
<b>Total assets</b>	<u>241,333</u>	<u>-</u>	<u>241,333</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	25,241	-	25,241
Due to other funds	217,000	-	217,000
<b>Total liabilities</b>	<u>242,241</u>	<u>-</u>	<u>242,241</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ (908)</u>	<u>\$ -</u>	<u>\$ (908)</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Nonmajor Enterprise Funds  
Year Ended December 31, 2021

EXHIBIT D-2

	<u>Contractual Police</u>	<u>Motor Vehicle</u>	<u>Total</u>
Operating revenues -			
Charges for services	\$ 796,832	\$ 70,822	\$ 867,654
Other	-	360	360
Total operating revenues	<u>796,832</u>	<u>71,182</u>	<u>868,014</u>
Operating expenses:			
Salaries and benefits	681,298	229,103	910,401
Materials, supplies and service	15,314	32,592	47,906
Total operating expenses	<u>696,612</u>	<u>261,695</u>	<u>958,307</u>
Operating income (loss)	<u>100,220</u>	<u>(190,513)</u>	<u>(90,293)</u>
Nonoperating revenues:			
Interest income	-	220	220
Net change in fair value of investments	-	(1,866)	(1,866)
Total nonoperating revenues	<u>-</u>	<u>(1,646)</u>	<u>(1,646)</u>
Income (loss) before transfers	100,220	(192,159)	(91,939)
Transfers:			
Transfers to other funds	<u>(100,220)</u>	<u>-</u>	<u>(100,220)</u>
Change in net position	-	(192,159)	(192,159)
Total net position - January 1	<u>(908)</u>	<u>192,159</u>	<u>191,251</u>
Total net position - December 31	<u>\$ (908)</u>	<u>\$ -</u>	<u>\$ (908)</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended December 31, 2021

EXHIBIT D-3

	Contractual Police	Motor Vehicle	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 786,952	\$ 71,760	\$ 858,712
Cash payments to other funds	(16,314)	(79,273)	(95,587)
Payments to employees	(669,965)	(236,242)	(906,207)
Payments to suppliers	-	(2,407)	(2,407)
Net cash provided by (used in) operating activities	100,673	(246,162)	(145,489)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(100,220)	-	(100,220)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (charges)	-	(1,646)	(1,646)
Net increase (decrease) in cash and cash equivalents	453	(247,808)	(247,355)
Cash and cash equivalents - January 1	407	247,808	248,215
Cash and cash equivalents - December 31	\$ 860	\$ -	\$ 860
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 100,220	\$ (190,513)	\$ (90,293)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Changes in assets and liabilities:			
Customer receivables	(9,879)	-	(9,879)
Other current assets	-	579	579
Accounts payable	10,332	(8,372)	1,960
Accounts payable - supplier	-	(47,856)	(47,856)
Net cash provided by (used in) operating activities	\$ 100,673	\$ (246,162)	\$ (145,489)



## CITY OF BLOOMINGTON, MINNESOTA

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### **INTERNAL SERVICE FUNDS**

*Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.*

Information Technology Fund - This fund accounts for the acquisition and maintenance of computer software and hardware.

Fleet Fund - This fund accounts for costs related to the operations, maintenance, repair, and replacement of City vehicles. Departments are charged for vehicles used by their staff.

Support Services Fund - This fund accounts for printing, mailroom, and phone system activities. User charges are billed to various City departments.

Public Safety Equipment Fund - This fund accounts for the purchase and maintenance of public safety equipment. User charges are billed to various City departments.

Self-Insurance Fund - This fund accounts for payments of insurance premiums and claims and allocation of such costs to user departments.

Benefit Accrual Fund - This fund accounts for payment of unused vacation, personal leave and compensatory time, and allocation of such costs to respective departments.

Insured Benefits Fund – This fund accounts for the administration of employee benefits for insurance programs.

Facilities and Parks Maintenance Fund - This fund accounts for costs related to replacement and maintenance of the main City buildings and park structures.

PERA Pension – This fund accounts for payment of pension related benefits and allocation of such costs to respective departments.

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Fund Net Position  
Internal Service Funds  
December 31, 2021

	<u>Information Technology</u>	<u>Fleet</u>	<u>Support Services</u>	<u>Public Safety Equipment</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,325,025	\$ 5,816,858	\$ 252,375	\$ 3,248,057
Accrued interest receivable	3,661	8,877	382	4,720
Accounts receivable	65	13,072	242	-
Prepaid items	675,808	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	2,480	-
Total current assets	<u>3,004,559</u>	<u>5,838,807</u>	<u>255,479</u>	<u>3,252,777</u>
Noncurrent assets:				
Land	-	-	-	-
Buildings and structures	-	-	-	305,383
Machinery and equipment	2,176,124	28,715,533	30,538	9,420,741
Improvements	-	26,827	-	-
Distribution system and infrastructure	-	-	-	-
Construction in progress	-	-	-	485,698
Accumulated depreciation	(1,488,368)	(20,343,212)	(30,538)	(6,560,223)
Total noncurrent assets	<u>687,756</u>	<u>8,399,148</u>	<u>-</u>	<u>3,651,599</u>
<b>Total assets</b>	<u>3,692,315</u>	<u>14,237,955</u>	<u>255,479</u>	<u>6,904,376</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - related to pensions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	346,767	345,138	5,835	106,650
Estimated claims payable	-	-	-	-
Benefits payable	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total current liabilities	<u>346,767</u>	<u>345,138</u>	<u>5,835</u>	<u>106,650</u>
Noncurrent liabilities:				
Benefits payable	-	-	-	-
Estimated claims payable	-	-	-	-
Net pension liability	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>346,767</u>	<u>345,138</u>	<u>5,835</u>	<u>106,650</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - related to pensions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	687,756	8,399,148	-	3,651,599
Unrestricted	2,657,792	5,493,669	249,644	3,146,127
<b>Total net position</b>	<u>\$ 3,345,548</u>	<u>\$ 13,892,817</u>	<u>\$ 249,644</u>	<u>\$ 6,797,726</u>

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 6,511,083	\$ 14,286,636	\$ 3,064,705	\$ 15,383,278	\$ -	\$ 50,888,017
9,187	20,718	5,995	24,446	-	77,986
-	-	1,209	3,639	-	18,227
254,988	-	649,630	-	-	1,580,426
-	-	5,488	600	-	6,088
-	-	-	-	-	2,480
<u>6,775,258</u>	<u>14,307,354</u>	<u>3,727,027</u>	<u>15,411,963</u>	<u>-</u>	<u>52,573,224</u>
-	-	-	11,478,762	-	11,478,762
-	-	-	43,087,401	-	43,392,784
-	-	-	5,342,459	-	45,685,395
-	-	-	3,070,973	-	3,097,800
-	-	-	139,719	-	139,719
-	-	-	493,656	-	979,354
-	-	-	(27,007,789)	-	(55,430,130)
-	-	-	36,605,181	-	49,343,684
<u>6,775,258</u>	<u>14,307,354</u>	<u>3,727,027</u>	<u>52,017,144</u>	<u>-</u>	<u>101,916,908</u>
-	-	-	-	33,197,041	33,197,041
24,038	52,736	27,343	508,135	-	1,416,642
938,554	-	-	-	-	938,554
-	919,527	-	-	-	919,527
-	-	5,600	75,000	-	80,600
-	-	136	-	-	136
<u>962,592</u>	<u>972,263</u>	<u>33,079</u>	<u>583,135</u>	<u>-</u>	<u>3,355,459</u>
-	17,471,007	-	-	-	17,471,007
1,229,040	-	-	-	-	1,229,040
-	-	-	-	31,608,932	31,608,932
<u>1,229,040</u>	<u>17,471,007</u>	<u>-</u>	<u>-</u>	<u>31,608,932</u>	<u>50,308,979</u>
<u>2,191,632</u>	<u>18,443,270</u>	<u>33,079</u>	<u>583,135</u>	<u>31,608,932</u>	<u>53,664,438</u>
-	-	-	-	45,577,746	45,577,746
-	-	-	36,605,181	-	49,343,684
4,583,626	(4,135,916)	3,693,948	14,828,828	(43,989,637)	(13,471,919)
<u>\$ 4,583,626</u>	<u>\$ (4,135,916)</u>	<u>\$ 3,693,948</u>	<u>\$ 51,434,009</u>	<u>\$ (43,989,637)</u>	<u>\$ 35,871,765</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
Year Ended December 31, 2021

	Information Technology	Fleet	Support Services	Public Safety Equipment
Operating revenues:				
Charges for services	\$ 6,106,594	\$ 7,467,791	\$ 489,066	\$ 1,178,389
Other	5,579	29,276	6,048	921
Total operating revenues	<u>6,112,173</u>	<u>7,497,067</u>	<u>495,114</u>	<u>1,179,310</u>
Operating expenses:				
Salaries and benefits	2,175,493	1,343,676	219,272	106,579
Materials, supplies and service	3,367,293	3,604,347	240,222	881,300
Depreciation	282,165	1,890,036	1,559	594,370
Total operating expenses	<u>5,824,951</u>	<u>6,838,059</u>	<u>461,053</u>	<u>1,582,249</u>
Operating income (loss)	<u>287,222</u>	<u>659,008</u>	<u>34,061</u>	<u>(402,939)</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	-	-	18,594
Interest income	16,553	43,430	1,800	23,671
Net change in fair value of investments	(27,256)	(64,812)	(2,873)	(40,469)
Gain (loss) on sale of capital assets	-	337,690	-	50,954
Other	-	-	-	7,577
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>(10,703)</u>	<u>316,308</u>	<u>(1,073)</u>	<u>60,327</u>
Income (loss) before transfers	276,519	975,316	32,988	(342,612)
Transfers:				
Transfers from other funds	-	-	-	1,915,699
Transfers to other funds	(261,772)	(1,785,699)	-	-
Change in net position	14,747	(810,383)	32,988	1,573,087
Total net position - January 1	<u>3,330,801</u>	<u>14,703,200</u>	<u>216,656</u>	<u>5,224,639</u>
Total net position - December 31	<u>\$ 3,345,548</u>	<u>\$ 13,892,817</u>	<u>\$ 249,644</u>	<u>\$ 6,797,726</u>

## EXHIBIT E-2

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 2,240,711	\$ 1,978,438	\$ 10,569,218	\$ 12,664,566	\$ 242,000	\$ 42,936,773
-	-	9,388	1,344	-	52,556
<u>2,240,711</u>	<u>1,978,438</u>	<u>10,578,606</u>	<u>12,665,910</u>	<u>242,000</u>	<u>42,989,329</u>
-	2,956,868	10,023,349	4,121,781	(6,289,360)	14,657,658
2,160,806	-	192,775	6,299,140	-	16,745,883
-	-	-	1,760,809	-	4,528,939
<u>2,160,806</u>	<u>2,956,868</u>	<u>10,216,124</u>	<u>12,181,730</u>	<u>(6,289,360)</u>	<u>35,932,480</u>
<u>79,905</u>	<u>(978,430)</u>	<u>362,482</u>	<u>484,180</u>	<u>6,531,360</u>	<u>7,056,849</u>
-	-	10,965	1,200	-	30,759
48,058	105,343	26,298	119,411	-	384,564
(73,355)	(171,546)	(44,801)	(188,283)	-	(613,395)
-	-	-	3,389	-	392,033
-	-	-	31,892	-	39,469
-	-	-	(1,387)	-	(1,387)
<u>(25,297)</u>	<u>(66,203)</u>	<u>(7,538)</u>	<u>(33,778)</u>	<u>-</u>	<u>232,043</u>
54,608	(1,044,633)	354,944	450,402	6,531,360	7,288,892
-	-	-	684,000	-	2,599,699
-	-	-	(1,236,252)	-	(3,283,723)
54,608	(1,044,633)	354,944	(101,850)	6,531,360	6,604,868
<u>4,529,018</u>	<u>(3,091,283)</u>	<u>3,339,004</u>	<u>51,535,859</u>	<u>(50,520,997)</u>	<u>29,266,897</u>
<u>\$ 4,583,626</u>	<u>\$ (4,135,916)</u>	<u>\$ 3,693,948</u>	<u>\$ 51,434,009</u>	<u>\$ (43,989,637)</u>	<u>\$ 35,871,765</u>

**CITY OF BLOOMINGTON, MINNESOTA**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2021

	Information Technology	Fleet	Support Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from interfund services provided	\$ 6,017,703	\$ 7,786,569	\$ 496,024
Cash payments to other funds	(325,653)	(1,428,373)	(129,305)
Payments to employees	(2,167,678)	(1,338,358)	(219,481)
Payments to suppliers	(2,964,504)	(2,197,503)	(113,169)
Net cash provided by (used in) operating activities	<u>559,868</u>	<u>2,822,335</u>	<u>34,069</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(261,772)	(41,245)	-
Other	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(261,772)</u>	<u>(41,245)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Bond payments	-	-	-
Interest and other payments	-	-	-
Proceeds from sale of capital assets	-	337,690	-
Purchase of capital assets	(11,859)	(2,052,859)	-
Net cash provided by (used in) capital and related financing activities	<u>(11,859)</u>	<u>(1,715,169)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	(10,703)	(21,383)	(1,073)
Net increase (decrease) in cash and cash equivalents	<u>275,534</u>	<u>1,044,538</u>	<u>32,996</u>
Cash and cash equivalents - January 1	<u>2,049,491</u>	<u>4,772,320</u>	<u>219,379</u>
Cash and cash equivalents - December 31	<u>\$ 2,325,025</u>	<u>\$ 5,816,858</u>	<u>\$ 252,375</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 287,222	\$ 659,008	\$ 34,061
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation	282,165	1,890,036	1,559
Changes in assets and liabilities:			
Accounts receivable	(95,285)	288,855	838
Other current assets	816	647	72
Inventory	-	-	(401)
Accounts payable - other	(114,693)	107	-
Accounts payable - supplier	191,822	(21,636)	(1,851)
Unearned revenue	-	-	-
Net pension liability	-	-	-
Benefits payable	7,821	5,318	(209)
Deferred outflows of resources	-	-	-
Deferred inflows of resources	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 559,868</u>	<u>\$ 2,822,335</u>	<u>\$ 34,069</u>
Noncash transfer of capital assets	<u>\$ -</u>	<u>\$ (1,744,454)</u>	<u>\$ -</u>

Public Safety Equipment	Self- Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 1,208,675	\$ 2,214,883	\$ 1,987,863	\$ 9,943,116	\$ 12,740,242	\$ 242,000	\$ 42,637,075
(26,615)	(177,852)	-	-	(3,157,500)	-	(5,245,298)
(106,138)	-	(2,476,176)	(10,023,349)	(4,136,186)	(242,000)	(20,709,366)
(785,467)	(1,629,907)	-	(230,023)	(2,909,265)	-	(10,829,838)
<u>290,455</u>	<u>407,124</u>	<u>(488,313)</u>	<u>(310,256)</u>	<u>2,537,291</u>	<u>-</u>	<u>5,852,573</u>
18,594	-	-	5,476	2,400	-	26,470
171,245	-	-	-	684,000	-	855,245
-	-	-	-	(1,236,252)	-	(1,539,269)
7,577	-	-	-	31,892	-	39,469
<u>197,416</u>	<u>-</u>	<u>-</u>	<u>5,476</u>	<u>(517,960)</u>	<u>-</u>	<u>(618,085)</u>
-	-	-	-	(640,000)	-	(640,000)
-	-	-	-	(1,387)	-	(1,387)
69,440	-	-	-	3,389	-	410,519
(892,512)	-	-	-	(793,169)	-	(3,750,399)
<u>(823,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,431,167)</u>	<u>-</u>	<u>(3,981,267)</u>
(16,797)	(25,297)	(66,203)	(18,502)	(68,872)	-	(228,830)
<u>(351,998)</u>	<u>381,827</u>	<u>(554,516)</u>	<u>(323,282)</u>	<u>519,292</u>	<u>-</u>	<u>1,024,391</u>
3,600,055	6,129,256	14,841,152	3,387,987	14,863,986	-	49,863,626
<u>\$ 3,248,057</u>	<u>\$ 6,511,083</u>	<u>\$ 14,286,636</u>	<u>\$ 3,064,705</u>	<u>\$ 15,383,278</u>	<u>\$ -</u>	<u>\$ 50,888,017</u>
\$ (402,939)	\$ 79,905	\$ (978,430)	\$ 362,482	\$ 484,180	\$ 6,531,360	\$ 7,056,849
594,370	-	-	-	1,760,809	-	4,528,939
26,485	(28,743)	-	(636,586)	68,890	-	(375,546)
2,880	2,915	9,424	1,097	5,443	-	23,294
-	-	-	-	-	-	(401)
484	365,612	-	(792)	52,741	-	303,459
68,734	(12,565)	-	(42,057)	180,508	-	362,955
-	-	-	5,600	-	-	5,600
-	-	-	-	-	(16,211,355)	(16,211,355)
441	-	480,693	-	(15,280)	-	478,784
-	-	-	-	-	(20,760,217)	(20,760,217)
-	-	-	-	-	30,440,212	30,440,212
<u>\$ 290,455</u>	<u>\$ 407,124</u>	<u>\$ (488,313)</u>	<u>\$ (310,256)</u>	<u>\$ 2,537,291</u>	<u>\$ -</u>	<u>\$ 5,852,573</u>
<u>\$ 1,744,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA



**OTHER  
SUPPLEMENTARY  
INFORMATION –  
  
COMPONENT  
UNITS**

**PORT AUTHORITY OF THE  
CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT F-1

Schedule of Assets, Liabilities, and Fund Balances  
December 31, 2021

(with partial comparative information as of December 31, 2020)

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	2021	2020
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 2,446	\$ 593,819	\$ 110,896,342	\$ 111,492,606	\$ 99,545,974
Taxes receivable	-	-	1,706	1,706	-
Accrued interest receivable	-	822	149,613	150,435	114,841
Accounts receivable	-	-	181	181	424,077
Due from other funds	-	-	65,000	65,000	-
Due from primary government	105,000	-	-	105,000	10,000
Loans receivable	-	-	-	-	213,948
Land held for resale	-	-	17,150,000	17,150,000	17,150,000
<b>Total assets</b>	<b>\$ 107,446</b>	<b>\$ 594,641</b>	<b>\$ 128,262,842</b>	<b>\$ 128,964,928</b>	<b>\$ 117,458,840</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 18,952	\$ -	\$ 38,539	\$ 57,489	\$ 128,170
Due to other funds	65,000	-	-	65,000	-
Due to primary government	7,475	-	2,102	9,578	220,711
Total liabilities	91,427	-	40,641	132,067	348,881
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow - land held for resale	-	-	17,150,000	17,150,000	17,150,000
<b>FUND BALANCES</b>					
Restricted	-	594,641	111,072,201	111,666,842	99,954,973
Unassigned	16,019	-	-	16,019	4,986
Total fund balances	16,019	594,641	111,072,201	111,682,861	99,959,959
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 107,446</b>	<b>\$ 594,641</b>	<b>\$ 128,262,842</b>	<b>\$ 128,964,928</b>	<b>\$ 117,458,840</b>
<b>Reconciliation of Governmental Funds to the Statement of Net Position</b>					
<b>Total Fund Balances-Port Authority</b>				\$ 111,682,861	\$ 99,959,959
Interest Payable				(81,269)	(84,560)
Bonds Payable				(5,990,000)	(6,385,000)
Deferred Inflows				17,150,000	17,150,000
<b>Total Net Position-Port Authority</b>				<b>\$ 122,761,592</b>	<b>\$ 110,640,399</b>

**PORT AUTHORITY OF THE  
CITY OF BLOOMINGTON, MINNESOTA**

EXHIBIT F-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2021  
(with partial comparative information for the year ended December 31, 2020)

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	2021	2020
<b>REVENUES</b>					
Property tax increment	\$ -	\$ 585,000	\$ 14,072,816	\$ 14,657,816	\$ 13,938,435
Interest	-	1,120	492,341	493,461	1,155,468
Net change in fair value of investments	-	(6,369)	(1,191,752)	(1,198,121)	(152,110)
City contribution	555,000	-	-	555,000	1,488,110
Other	-	-	10,000	10,000	290,000
Total revenues	<u>555,000</u>	<u>579,751</u>	<u>13,383,405</u>	<u>14,518,156</u>	<u>16,719,903</u>
<b>EXPENDITURES</b>					
Current:					
General services	543,967	400	270,847	815,214	1,776,925
Development services	-	-	1,385,344	1,385,344	1,330,373
Debt service:					
Principal retirement	-	395,000	-	395,000	385,000
Interest	-	198,995	701	199,696	221,704
Total expenditures	<u>543,967</u>	<u>594,395</u>	<u>1,656,892</u>	<u>2,795,254</u>	<u>3,714,002</u>
Net change in fund balance	11,033	(14,644)	11,726,513	11,722,902	13,005,901
Fund balance - January 1	<u>4,986</u>	<u>609,285</u>	<u>99,345,688</u>	<u>99,959,959</u>	<u>86,954,058</u>
Fund balance - December 31	<u>\$ 16,019</u>	<u>\$ 594,641</u>	<u>\$ 111,072,201</u>	<u>\$ 111,682,861</u>	<u>\$ 99,959,959</u>
<b>Change in Governmental Funds</b>				\$ 11,722,902	\$ 13,005,901
Debt Service				395,000	385,000
Accrued Interest Payable				<u>3,291</u>	<u>3,207</u>
<b>Change in Net Position of Governmental Activities</b>				<u>\$ 12,121,193</u>	<u>\$ 13,394,108</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Net Position  
December 31, 2021

EXHIBIT G-1

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,760,800	\$ 897,778	\$ 15,658,578
Accounts receivable	22,383,152	-	22,383,152
Due from primary government	5,156,225	-	5,156,225
Inventory - land held for resale	1,747,941	-	1,747,941
Capital assets:			
Capital assets - nondepreciable	130,300	1,470,000	1,600,300
Capital assets - net of accumulated depreciation	-	711,160	711,160
Net capital assets	<u>130,300</u>	<u>2,181,160</u>	<u>2,311,460</u>
<b>Total assets</b>	<u>44,178,418</u>	<u>3,078,938</u>	<u>47,257,356</u>
<b>LIABILITIES</b>			
Accounts payable	239,046	99,326	338,372
Accrued interest payable	68,113	-	68,113
Unearned revenue	48,904	1,362	50,266
Due to primary government	22,101	7,622	29,723
Due to primary government - bonds	570,000	-	570,000
Noncurrent liabilities:			
Due to primary government -			
Loans payable due in more than one year	9,532,913	-	9,532,913
Bonds payable due in more than one year	1,911,439	-	1,911,439
Accrued interest payable	131,341	-	131,341
Due in more than one year	<u>6,442,390</u>	<u>1,574,720</u>	<u>8,017,110</u>
<b>Total liabilities</b>	<u>18,966,247</u>	<u>1,683,030</u>	<u>20,649,277</u>
<b>NET POSITION</b>			
Net investment in capital assets	116,471	606,440	722,911
Restricted for:			
Debt service	656,632	-	656,632
Tax increment purposes	5,023,951	-	5,023,951
Unrestricted	<u>19,415,117</u>	<u>789,468</u>	<u>20,204,585</u>
<b>Total net position</b>	<u>\$ 25,212,171</u>	<u>\$ 1,395,908</u>	<u>\$ 26,608,079</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Activities  
For the Year Ended December 31, 2021

EXHIBIT G-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General services	\$ 5,833,279	\$ 45,784	\$ 5,184,087	\$ -	\$ (603,408)	\$ -	\$ (603,408)
Development services	3,935,037	1,438,527	266,257	1,325,857	(904,396)	-	(904,396)
Interest on long-term debt and amounts due to primary government - bonds payable	529,247	-	-	-	(529,247)	-	(529,247)
Total governmental activities	10,297,563	1,484,311	5,450,344	1,325,857	(2,037,051)	-	(2,037,051)
Business-type activities:							
Assisted rental	395,470	316,095	-	-	-	(79,375)	(79,375)
Property management	287,688	217,533	-	-	-	(70,155)	(70,155)
Total business-type activities	683,158	533,628	-	-	-	(149,530)	(149,530)
<b>Total</b>	<b>\$ 10,980,721</b>	<b>\$ 2,017,939</b>	<b>\$ 5,450,344</b>	<b>\$ 1,325,857</b>	<b>(2,037,051)</b>	<b>(149,530)</b>	<b>(2,186,581)</b>
General revenues:							
Property taxes					4,680,524	-	4,680,524
Interest and investment earnings					2,336	-	2,336
Total general revenues					4,682,860	-	4,682,860
Change in net position					2,645,809	(149,530)	2,496,279
Net position - January 1					22,566,362	1,545,438	24,111,800
Net position - December 31					\$ 25,212,171	\$ 1,395,908	\$ 26,608,079

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Assets, Liabilities, and Fund Balances  
Governmental Funds  
December 31, 2021

	General Fund	Housing Development	Section 8 Vouchers	Housing Rehabilitation
<b>ASSETS</b>				
Cash and cash equivalents	\$ 945,548	\$ 4,778,814	\$ 377,096	\$ 1,729,265
Taxes receivable	25,921	-	-	-
Accounts receivable	-	-	-	2,902
Mortgage receivable	-	1,546,064	-	10,675,300
Due from other funds	-	2,488,100	-	-
Due from primary government	-	6,225	-	-
Due from other governments	-	-	23,509	-
Inventory - land for resale	-	1,351,900	-	-
<b>Total assets</b>	<u>\$ 971,469</u>	<u>\$ 10,171,103</u>	<u>\$ 400,605</u>	<u>\$ 12,407,467</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,889	\$ 78,748	\$ 32,489	\$ 46,682
Due to other funds	-	-	-	-
Due to primary government	5,080	5,745	8,215	2,946
Unearned revenue	-	-	1,002	47,902
Total current liabilities	<u>11,969</u>	<u>84,493</u>	<u>41,706</u>	<u>97,530</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow-taxes	15,206	-	-	-
Deferred inflow-notes	-	-	-	-
Deferred inflow-mortgages	-	1,104,048	-	10,675,300
Deferred inflow-land held for resale	-	1,351,900	-	-
Total deferred inflows of resources	<u>15,206</u>	<u>2,455,948</u>	<u>-</u>	<u>10,675,300</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	442,016	-	-
Restricted	-	-	-	-
Committed	-	7,188,646	-	1,709,558
Assigned	-	-	358,899	-
Unassigned	944,294	-	-	(74,921)
Total fund balances (deficits)	<u>944,294</u>	<u>7,630,662</u>	<u>358,899</u>	<u>1,634,637</u>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<u>\$ 971,469</u>	<u>\$ 10,171,103</u>	<u>\$ 400,605</u>	<u>\$ 12,407,467</u>

EXHIBIT G-3

Opportunity Housing	TIF Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
\$ 1,256,632	\$ 5,084,099	\$ 275,033	\$ 314,313	\$ 14,760,800
-	769	-	-	26,690
-	-	-	-	2,902
8,932,913	-	-	1,175,774	22,330,051
-	-	-	-	2,488,100
-	-	-	5,150,000	5,156,225
-	-	-	-	23,509
-	-	-	396,041	1,747,941
<u>\$ 10,189,545</u>	<u>\$ 5,084,868</u>	<u>\$ 275,033</u>	<u>\$ 7,036,128</u>	<u>\$ 46,536,218</u>
\$ -	\$ 74,238	\$ -	\$ -	\$ 239,046
-	1,860,600	627,500	-	2,488,100
9,532,913	-	-	115	9,555,014
-	-	-	-	48,904
<u>9,532,913</u>	<u>1,934,838</u>	<u>627,500</u>	<u>115</u>	<u>12,331,064</u>
-	-	-	-	15,206
-	-	-	5,150,000	5,150,000
-	-	-	1,175,774	12,955,122
-	-	-	396,041	1,747,941
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,721,815</u>	<u>19,868,269</u>
-	-	-	-	442,016
656,632	5,023,951	-	-	5,680,583
-	-	-	-	8,898,204
-	-	-	314,198	673,097
<u>-</u>	<u>(1,873,921)</u>	<u>(352,467)</u>	<u>-</u>	<u>(1,357,015)</u>
<u>656,632</u>	<u>3,150,030</u>	<u>(352,467)</u>	<u>314,198</u>	<u>14,336,885</u>
<u>\$ 10,189,545</u>	<u>\$ 5,084,868</u>	<u>\$ 275,033</u>	<u>\$ 7,036,128</u>	<u>\$ 46,536,218</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Reconciliation of the Governmental Funds  
Schedule of Assets, Liabilities, and Fund Balances  
To the Schedule of Net Position  
December 31, 2021

EXHIBIT G-4

**FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 14,336,885

Amounts reported for governmental activities in the Schedule of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of capital assets	\$ 148,501	
Less accumulated depreciation	<u>(18,201)</u>	130,300

Some receivables that are not currently available are reported as deferred inflow in the fund financial schedules but are recognized as revenue when earned in the government-wide schedules.

19,868,269

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(8,910,000)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the government-wide schedules.

(13,829)

Accrued interest is not due and payable in the current period and, therefore, not reported in the fund schedules.

(199,454)

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 25,212,171





CITY OF  
**BLOOMINGTON**  
MINNESOTA

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended December 31, 2021

	General Fund	Housing Development	Section 8 Vouchers
<b>REVENUES</b>			
Taxes:			
Regular	\$ 362,074	\$ 1,803,253	\$ 104,871
Tax increment	-	-	-
Intergovernmental	-	350,857	5,184,087
Program Income	-	28,747	-
Interest	2,336	-	-
Other	5	6,225	39,304
Total revenues	<u>364,415</u>	<u>2,189,082</u>	<u>5,328,262</u>
<b>EXPENDITURES</b>			
Current:			
General services	421,967	-	5,411,312
Development services	-	1,819,434	-
Debt service:			
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>421,967</u>	<u>1,819,434</u>	<u>5,411,312</u>
Excess (deficiency) of revenues over expenditures	(57,552)	369,648	(83,050)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	-	(500,000)	-
Transfers from other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	(57,552)	(130,352)	(83,050)
Fund balance (deficit) - January 1	<u>1,001,846</u>	<u>7,761,014</u>	<u>441,949</u>
Fund balance (deficit) - December 31	<u>\$ 944,294</u>	<u>\$ 7,630,662</u>	<u>\$ 358,899</u>

EXHIBIT G-5

<u>Housing Rehabilitation</u>	<u>Opportunity Housing</u>	<u>TIF Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 524,356	\$ -	\$ -	\$ -	\$ -	\$ 2,794,554
-	-	1,888,380	-	-	1,888,380
264,158	-	-	-	-	5,799,102
1,138,546	-	-	-	-	1,167,293
-	-	-	-	-	2,336
2,099	975,000	-	-	157,590	1,180,223
<u>1,929,159</u>	<u>975,000</u>	<u>1,888,380</u>	<u>-</u>	<u>157,590</u>	<u>12,831,888</u>
-	-	-	-	-	5,833,279
992,743	975,000	141,128	400	6,332	3,935,037
-	212,909	108,732	199,350	-	520,991
-	-	560,000	-	-	560,000
<u>992,743</u>	<u>1,187,909</u>	<u>809,860</u>	<u>199,750</u>	<u>6,332</u>	<u>10,849,307</u>
936,416	(212,909)	1,078,520	(199,750)	151,258	1,982,581
-	-	-	-	-	(500,000)
<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
936,416	287,091	1,078,520	(199,750)	151,258	1,982,581
698,221	369,541	2,071,510	(152,717)	162,940	12,354,304
<u>\$ 1,634,637</u>	<u>\$ 656,632</u>	<u>\$ 3,150,030</u>	<u>\$ (352,467)</u>	<u>\$ 314,198</u>	<u>\$ 14,336,885</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Reconciliation of the Schedule of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Schedule of Activities  
For The Year Ended December 31, 2021

EXHIBIT G-6

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 1,982,581

Amounts reported for governmental activities in the Schedule of Activities are different because:

Revenues in the Schedule of Activities related to delinquent property taxes that do not provide current financial resources are not reported as revenues in the funds. (2,408)

Revenues in the Schedule of Activities related to mortgages receivable that do not provide current financial resources are not reported as revenues in the funds. 113,893

Repayment of principal on long-term debt (e.g., bonds, leases) is an expenditure in the governmental funds but does not affect the Schedule of Activities. 560,000

Governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Schedule of Activities. (2,678)

Change in accrued interest on general long-term debt is reported in the Schedule of Activities but does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. (5,579)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 2,645,809

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT G-7

Schedule of Fund Net Position  
Proprietary Funds  
December 31, 2021

	<u>Assisted Rental</u>	<u>Property Management</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 407,350	\$ 490,428	\$ 897,778
Noncurrent assets:			
Land	700,000	770,000	1,470,000
Buildings and structures	1,698,090	1,587,527	3,285,617
Accumulated depreciation	<u>(1,322,105)</u>	<u>(1,252,352)</u>	<u>(2,574,457)</u>
Total noncurrent assets	<u>1,075,985</u>	<u>1,105,175</u>	<u>2,181,160</u>
<b>Total assets</b>	<u>1,483,335</u>	<u>1,595,603</u>	<u>3,078,938</u>
 <b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	761	1,668	2,429
Deposits payable	6,035	90,862	96,897
Unearned Revenue	348	1,014	1,362
Due to primary government	<u>4,601</u>	<u>3,021</u>	<u>7,622</u>
Total current liabilities	<u>11,745</u>	<u>96,565</u>	<u>108,310</u>
Noncurrent liabilities -			
Long-term debt	<u>-</u>	<u>1,574,720</u>	<u>1,574,720</u>
<b>Total liabilities</b>	<u>11,745</u>	<u>1,671,285</u>	<u>1,683,030</u>
 <b>NET POSITION</b>			
Net investment in capital assets	1,075,985	(469,545)	606,440
Unrestricted	<u>395,605</u>	<u>393,863</u>	<u>789,468</u>
<b>Total net position</b>	<u>\$ 1,471,590</u>	<u>\$ (75,682)</u>	<u>\$ 1,395,908</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended December 31, 2021

EXHIBIT G-8

	Assisted Rental	Property Management	Total
<b>OPERATING REVENUES</b>			
Program income	\$ 303,222	\$ 213,858	\$ 517,080
Other	12,873	3,675	16,548
Total operating revenues	<u>316,095</u>	<u>217,533</u>	<u>533,628</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	179,173	94,166	273,339
Professional services	1,906	5,840	7,746
City support services	22,303	13,893	36,196
Purchased services	42,929	31,599	74,528
Home rehabilitation	99,222	93,957	193,179
Depreciation	49,937	48,233	98,170
Total operating expenses	<u>395,470</u>	<u>287,688</u>	<u>683,158</u>
Change in net position	(79,375)	(70,155)	(149,530)
Total net position - January 1	<u>1,550,965</u>	<u>(5,527)</u>	<u>1,545,438</u>
Total net position - December 31	<u>\$ 1,471,590</u>	<u>\$ (75,682)</u>	<u>\$ 1,395,908</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT G-9

Schedule of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2021

	Assisted Rental	Property Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 316,095	\$ 217,533	\$ 533,628
Payments to employees	(179,173)	(94,166)	(273,339)
Payments to suppliers	(192,476)	(115,192)	(307,668)
Net cash provided by operating activities	(55,554)	8,175	(47,379)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payments to primary government	(18,408)	(8,847)	(27,255)
Net increase in cash and cash equivalents	(73,962)	(672)	(74,634)
Cash and cash equivalents - January 1	481,312	491,100	972,412
Cash and cash equivalents - December 31	\$ 407,350	\$ 490,428	\$ 897,778
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (79,375)	\$ (70,155)	\$ (149,530)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	49,937	48,233	98,170
Changes in assets and liabilities:			
Accounts payable	(25,149)	(10,870)	(36,019)
Deposits payable	(1,315)	39,954	38,639
Unearned revenue	348	1,013	1,361
Net cash provided by operating activities	\$ (55,554)	\$ 8,175	\$ (47,379)

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT G-10

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund  
Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 335,039	\$ 335,039	\$ 362,074	\$ 27,035
Interest	20,000	20,000	2,336	(17,664)
Other	-	-	5	5
Total revenues	<u>355,039</u>	<u>355,039</u>	<u>364,415</u>	<u>9,376</u>
<b>EXPENDITURES</b>				
Current -				
General services	<u>355,039</u>	<u>445,679</u>	<u>421,967</u>	<u>23,712</u>
Net change in fund balance	-	(90,640)	(57,552)	33,088
Fund balance - January 1	<u>1,001,846</u>	<u>1,001,846</u>	<u>1,001,846</u>	-
Fund balance - December 31	<u>\$ 1,001,846</u>	<u>\$ 911,206</u>	<u>\$ 944,294</u>	<u>\$ 33,088</u>



**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT G-11

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Housing Development Special Revenue Fund  
Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 1,719,493	\$ 1,719,493	\$ 1,803,253	\$ 83,760
Intergovernmental	-	-	350,857	350,857
Sale of real property	110,000	110,000	-	(110,000)
Program Income	7,780	7,780	28,747	20,967
Other	6,225	6,225	6,225	-
Total revenues	<u>1,843,498</u>	<u>1,843,498</u>	<u>2,189,082</u>	<u>345,584</u>
<b>EXPENDITURES</b>				
Current -				
Development services	1,359,115	2,037,366	1,819,434	217,932
Capital outlay -				
Development services	484,383	-	-	-
Total expenditures	<u>1,843,498</u>	<u>2,037,366</u>	<u>1,819,434</u>	<u>217,932</u>
Excess (deficiency) of revenues over expenditures	-	(193,868)	369,648	563,516
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(500,000)	(500,000)	-
Net change in fund balance	-	(693,868)	(130,352)	563,516
Fund balance - January 1	<u>7,761,014</u>	<u>7,761,014</u>	<u>7,761,014</u>	-
Fund balance - December 31	<u>\$ 7,761,014</u>	<u>\$ 7,067,146</u>	<u>\$ 7,630,662</u>	<u>\$ 563,516</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT G-12

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Section 8 Vouchers Special Revenue Fund  
Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Regular	\$ 100,000	\$ 100,000	\$ 104,871	\$ 4,871
Intergovernmental	4,882,488	4,882,488	5,184,087	301,599
Other	29,000	29,000	39,304	10,304
Total revenues	<u>5,011,488</u>	<u>5,011,488</u>	<u>5,328,262</u>	<u>316,774</u>
<b>EXPENDITURES</b>				
Current -				
General services	<u>5,011,488</u>	<u>5,440,323</u>	<u>5,411,312</u>	<u>29,011</u>
Net change in fund balance	-	(428,835)	(83,050)	345,785
Fund balance - January 1	<u>441,949</u>	<u>441,949</u>	<u>441,949</u>	<u>-</u>
Fund balance - December 31	<u>\$ 441,949</u>	<u>\$ 13,114</u>	<u>\$ 358,899</u>	<u>\$ 345,785</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT G-13

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Housing Rehabilitation Special Revenue Fund  
Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 500,000	\$ 500,000	\$ 524,356	\$ 24,356
Intergovernmental	1,433,231	1,433,231	264,158	(1,169,073)
Program Income	300,000	900,000	1,138,546	238,546
Other	-	50,000	2,099	(47,901)
Total revenues	<u>2,233,231</u>	<u>2,883,231</u>	<u>1,929,159</u>	<u>(954,072)</u>
<b>EXPENDITURES</b>				
Current -				
Development services	<u>2,233,231</u>	<u>2,283,231</u>	<u>992,743</u>	<u>1,290,488</u>
Net change in fund balance	-	600,000	936,416	336,416
Fund balance - January 1	<u>698,221</u>	<u>698,221</u>	<u>698,221</u>	<u>-</u>
Fund balance - December 31	<u>\$ 698,221</u>	<u>\$ 1,298,221</u>	<u>\$ 1,634,637</u>	<u>\$ 336,416</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT G-14

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Opportunity Housing Special Revenue Fund  
Year Ended December 31, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Other	\$ -	\$ 975,000	\$ 975,000	\$ -
<b>EXPENDITURES</b>				
Current -				
Development services	-	975,000	975,000	-
Debt service:				
Interest	-	212,909	212,909	-
Total expenditures	-	1,187,909	1,187,909	-
Excess (deficiency) of revenues over expenditures	-	(212,909)	(212,909)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	500,000	500,000	-
Net change in fund balance	-	287,091	287,091	-
Fund balance - January 1	369,541	369,541	369,541	-
Fund balance - December 31	\$ 369,541	\$ 656,632	\$ 656,632	\$ -



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Combining Schedule of Assets, Liabilities, and Fund Balances  
TIF Special Revenue Fund  
December 31, 2021

	<u>Oxboro O-4</u>	<u>France &amp; Old Shakopee</u>	<u>Penn &amp; American</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,750	\$ 23	\$ 1,720,548
Taxes receivable	-	-	-
<b>Total assets</b>	<u>11,750</u>	<u>23</u>	<u>1,720,548</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 11,750	\$ 782	\$ 3,457
Due to other funds	-	123,800	-
<b>Total liabilities</b>	<u>11,750</u>	<u>124,582</u>	<u>3,457</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	-	1,717,091
Unassigned	-	(124,559)	-
Total fund balances	<u>-</u>	<u>(124,559)</u>	<u>1,717,091</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 11,750</u>	<u>\$ 23</u>	<u>\$ 1,720,548</u>

Portland Commons	Lyndale Green GO Tax Increment Bonds 2004A	Oxboro H-1 GO Tax Increment Bonds 2003A	Knox & American GO Tax Increment	Total
\$ 55,640	\$ 2,625,553	\$ 670,555	\$ 30	\$ 5,084,099
-	769	-	-	769
<u>55,640</u>	<u>2,626,322</u>	<u>670,555</u>	<u>30</u>	<u>5,084,868</u>
\$ 42,207	\$ 2,161	\$ 1,289	\$ 12,592	\$ 74,238
-	-	-	1,736,800	1,860,600
<u>42,207</u>	<u>2,161</u>	<u>1,289</u>	<u>1,749,392</u>	<u>1,934,838</u>
13,433	2,624,161	669,266	-	5,023,951
-	-	-	(1,749,362)	(1,873,921)
<u>13,433</u>	<u>2,624,161</u>	<u>669,266</u>	<u>(1,749,362)</u>	<u>3,150,030</u>
<u>\$ 55,640</u>	<u>\$ 2,626,322</u>	<u>\$ 670,555</u>	<u>\$ 30</u>	<u>\$ 5,084,868</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
TIF Special Revenue Fund  
Year Ended December 31, 2021

	<u>Oxboro O-4</u>	<u>France &amp; Old Shakopee</u>	<u>Penn &amp; American</u>
<b>REVENUES</b>			
Taxes -			
Tax increment	\$ 23,499	\$ 148,102	\$ 934,283
<b>EXPENDITURES</b>			
Current -			
Development services	23,499	782	5,077
Debt service:			
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>23,499</u>	<u>782</u>	<u>5,077</u>
Net change in fund balance	-	147,320	929,206
Fund balance (deficit) - January 1	<u>-</u>	<u>(271,879)</u>	<u>787,885</u>
Fund balance (deficit) - December 31	<u>\$ -</u>	<u>\$ (124,559)</u>	<u>\$ 1,717,091</u>



<u>Portland Commons</u>	<u>Lyndale Green GO Tax Increment Bonds 2004A</u>	<u>Oxboro H-1 GO Tax Increment Bonds 2003A</u>	<u>Knox &amp; American GO Tax Increment</u>	<u>Total</u>
\$ 97,706	\$ 519,113	\$ 141,606	\$ 24,071	\$ 1,888,380
83,733	2,161	1,289	24,587	141,128
-	77,457	21,650	9,625	108,732
-	105,000	40,000	415,000	560,000
<u>83,733</u>	<u>184,618</u>	<u>62,939</u>	<u>449,212</u>	<u>809,860</u>
13,973	334,495	78,667	(425,141)	1,078,520
(540)	2,289,666	590,599	(1,324,221)	2,071,510
<u>\$ 13,433</u>	<u>\$ 2,624,161</u>	<u>\$ 669,266</u>	<u>\$ (1,749,362)</u>	<u>\$ 3,150,030</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - Housing Choice Vouchers  
Balance Sheet  
December 31, 2021

EXHIBIT H-1

**ASSETS**

111	Cash - Unrestricted	\$ 377,096
121	Accounts Receivable - PHA Projects	23,509
290	Total Assets	<u>400,605</u>

**LIABILITIES**

312	Accounts Payable <= 90 Days	7,758
332	Accounts Payable - PHA Projects	24,731
333	Accounts Payable - Other Government	8,215
342	Unearned Revenue	1,002
300	Total Liabilities	<u>41,706</u>

**NET POSITION**

511.3	Assigned Fund Balance	358,899
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u><u>\$ 400,605</u></u>

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - Housing Choice Vouchers  
Income Statement  
Year Ended December 31, 2021

EXHIBIT H-2

**REVENUES**

70600	HUD PHA Operating Grants	\$ 5,150,925
71400	Fraud Recovery	449
71500	Other Revenue	737,443
70000	Total Revenue	<u>5,888,817</u>

**EXPENDITURES**

91100	Administrative Salaries	293,057
91200	Auditing Fees	6,934
91500	Employee Benefit contributions - Administrative	131,558
91700	Legal Expense	1,410
91900	Other	141,951
97300	Housing Assistance Payments	4,803,240
97350	HAP Portability-In	593,717
90000	Total Expenses	<u>5,971,867</u>

Excess (deficiency) of Revenues over (under) Expenses (83,050)

Net Position-Beginning 441,949

Net Position-Ending \$ 358,899

**Memo Account Information**

11170	Administrative Fee Equity	394,361
11180	Housing Assistance Payments Equity	(35,462)
11190	Unit Months Available	6,612
11210	Number of Unit Months Leased	6,374

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - Business Activities  
Balance Sheet  
December 31, 2021

EXHIBIT H-3

**ASSETS**

111	Cash - Unrestricted	\$ 401,315
114	Cash - Tenant Security Deposits	6,035
161	Land	700,000
162	Buildings	1,698,090
166	Accumulated Depreciation	(1,322,105)
290	Total Assets	<u>1,483,335</u>

**LIABILITIES**

312	Accounts Payable <= 90 Days	761
333	Accounts Payable - Other Government	4,601
341	Tenant Security Deposits	6,035
342	Unearned Revenue	348
300	Total Liabilities	<u>11,745</u>

**NET POSITION**

508.3	Net Investment in Capital Assets	1,075,985
511.3	Unrestricted	395,605
513	Total Equity - Net Position	<u>1,471,590</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u>\$ 1,483,335</u>

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT H-4

Financial Data Schedule - Business Activities

Income Statement

Year Ended December 31, 2021

**REVENUES**

70300	Net Tenant Rental Revenue	\$ 303,222
70400	Tenant Revenue - Other	12,873
70000	Total Revenue	316,095

**EXPENDITURES**

91100	Administrative Salaries	131,848
91500	Employee Benefit contributions - Administrative	47,325
91700	Legal	1,423
91900	Other	4,758
93100	Water	19,525
94300	Ordinary Maintenance and Operations Contracts	41,415
96140	All Other Insurance	17,877
96200	Other General Expenses	4,426
96300	Payments in Lieu of Taxes	19,129
97100	Extraordinary Maintenance	57,807
97400	Depreciation Expense	49,937
90000	Total Expenses	395,470

Excess (deficiency) of Revenues over (under) Expenses	(79,375)
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Net Position-Beginning	1,550,965
------------------------	-----------

Net Position-Ending	\$ 1,471,590
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**Memo Account Information**

11190	Unit Months Available	240
11210	Number of Unit Months Leased	218

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - CARES Act Funding  
Balance Sheet  
December 31, 2021

EXHIBIT H-5

<b>ASSETS</b>		
290	Total Assets	<u>\$ -</u>
<b>LIABILITIES</b>		
300	Total Liabilities	<u>-</u>
<b>NET POSITION</b>		
513	Total Equity - Net Assets / Position	<u>-</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u><u>\$ -</u></u>

The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - CARES Act Funding  
Income Statement  
Year Ended December 31, 2021

EXHIBIT H-6

**REVENUES**

70600	HUD PHA Operating Grants	\$	33,162
70000	Total Revenue		<u>33,162</u>

**EXPENDITURES**

91100	Administrative Salaries		29,757
91500	Employee Benefit contributions - Administrative		<u>3,405</u>
90000	Total Expenses		<u>33,162</u>

Excess (deficiency) of Revenues over (under) Expenses		-
---	--	---

Net Position-Beginning		<u>-</u>
------------------------	--	----------

Net Position-Ending		<u><u>\$ -</u></u>
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The notes to the financial data schedule are an integral part of this statement.

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**

**NOTES TO THE FINANCIAL DATA SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial data schedules are presented on a modified accrual or accrual basis of accounting as applicable. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing Real Estate Assessment Center and the Financial Assessment Subsystem-Public Housing (FASS-PH). Therefore, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.



# CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report  
For the Year Ended December 31, 2021

## SECTION III

### STATISTICAL SECTION (UNAUDITED)



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA  
STATISTICAL SECTION**

This part of the City of Bloomington’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<b>CONTENTS</b>	<b>PAGE</b>
<b>Financial Trends</b>	<b>210</b>
These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>218</b>
These tables contain information to help the reader assess the factors affecting the City’s ability to generate its property tax.	
<b>Debt Capacity</b>	<b>223</b>
These tables present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>230</b>
These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>232</b>
These tables contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Reports for the relevant year.

**CITY OF BLOOMINGTON, MINNESOTA**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

---

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$247,436,963	\$269,230,824	\$283,643,717	\$300,117,784
Restricted	82,269,101	91,045,904	67,294,971	68,599,352
Unrestricted	80,282,505	73,886,361	87,228,094	69,232,697
Total governmental activities net position	<u>\$409,988,569</u>	<u>\$434,163,089</u>	<u>\$438,166,782</u>	<u>\$437,949,833</u>
Business-type activities:				
Net investment in capital assets	\$84,300,863	\$84,457,359	\$86,185,438	\$85,388,894
Restricted	183,500	-	-	-
Unrestricted	14,968,340	14,056,641	11,782,412	12,401,673
Total business-type activities net position	<u>\$99,452,703</u>	<u>\$98,514,000</u>	<u>\$97,967,850</u>	<u>\$97,790,567</u>
Primary government:				
Net investment in capital assets	\$331,737,826	\$353,688,183	\$369,829,155	\$385,506,678
Restricted	82,452,601	91,045,904	67,294,971	68,599,352
Unrestricted	95,250,845	87,943,002	99,010,506	81,634,370
Total primary government net position	<u>\$509,441,272</u>	<u>\$532,677,089</u>	<u>\$536,134,632</u>	<u>\$535,740,400</u>

**Table 1**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$310,750,929	\$332,133,255	\$352,048,328	\$365,680,112	\$376,333,750	\$380,801,226
73,405,143	69,744,412	86,444,757	84,258,362	91,916,843	102,118,044
67,390,335	77,768,834	69,705,544	72,469,427	75,722,049	92,960,161
<u>\$451,546,407</u>	<u>\$479,646,501</u>	<u>\$508,198,629</u>	<u>\$522,407,901</u>	<u>\$543,972,642</u>	<u>\$575,879,431</u>
\$85,359,140	\$85,330,605	\$85,607,307	\$86,145,372	\$88,280,564	\$90,090,606
-	-	-	-	-	-
12,352,137	14,919,169	22,148,610	28,234,991	30,546,062	39,490,644
<u>\$97,711,277</u>	<u>\$100,249,774</u>	<u>\$107,755,917</u>	<u>\$114,380,363</u>	<u>\$118,826,626</u>	<u>\$129,581,250</u>
\$396,110,069	\$417,463,860	\$437,655,635	\$451,825,484	\$464,614,314	\$470,891,832
73,405,143	69,744,412	86,444,757	84,258,362	91,916,843	102,118,044
79,742,472	92,688,003	91,854,154	100,704,418	106,268,111	132,450,805
<u>\$549,257,684</u>	<u>\$579,896,275</u>	<u>\$615,954,546</u>	<u>\$636,788,264</u>	<u>\$662,799,268</u>	<u>\$705,460,681</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General services	\$7,185,895	\$7,527,901	\$7,702,188	\$7,574,572
Development services	9,686,546	12,006,241	23,261,857	11,120,055
Public works	14,229,217	15,162,908	15,620,844	15,922,887
Public safety	26,245,526	28,124,185	29,695,195	30,927,415
Community services	14,787,079	15,894,544	15,720,340	15,987,952
Interest on long-term debt	2,236,062	3,145,420	1,767,122	1,587,935
Total governmental activities expenses	<u>74,370,325</u>	<u>81,861,199</u>	<u>93,767,546</u>	<u>83,120,816</u>
Business-type activities:				
Water/wastewater utility	21,927,951	22,804,577	23,004,075	23,091,127
Storm water utility	3,181,680	3,229,686	3,446,390	3,453,095
Recreational facilities	5,372,380	5,459,451	5,781,663	5,620,253
Solid waste management	1,124,825	1,230,654	1,606,211	1,895,481
Other activities	1,169,611	1,248,728	1,245,356	2,390,195
Total business-type activities expenses	<u>32,776,447</u>	<u>33,973,096</u>	<u>35,083,695</u>	<u>36,450,151</u>
Total primary government expenses	<u>\$107,146,772</u>	<u>\$115,834,295</u>	<u>\$128,851,241</u>	<u>\$119,570,967</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General services	\$2,999,283	\$3,117,163	\$3,500,551	\$3,906,587
Development services	3,601,313	3,692,808	5,166,271	5,788,420
Public works	433,640	352,955	385,274	85,841
Public safety	564,118	664,015	511,613	559,691
Community services	2,378,476	2,294,859	2,150,551	2,084,066
Operating grants and contributions	5,407,043	6,277,517	6,524,865	7,103,296
Capital grants and contributions	14,166,562	32,781,014	16,172,833	17,377,334
Total governmental activities program revs	<u>29,550,435</u>	<u>49,180,331</u>	<u>34,411,958</u>	<u>36,905,235</u>
Business-type activities:				
Charges for services:				
Water/wastewater	20,954,786	20,575,176	20,578,287	21,412,966
Storm water	4,519,242	4,736,151	4,873,273	5,269,105
Recreational facilities	3,445,419	3,412,602	3,448,585	3,710,670
Solid waste management	1,075,445	855,350	892,769	1,013,611
Other activities	1,274,053	1,282,368	1,372,201	2,603,401
Operating grants and contributions	267,591	592,432	854,174	519,824
Capital grants and contributions	36	-	-	245,654
Total business-type activities program revs	<u>31,536,572</u>	<u>31,454,079</u>	<u>32,019,289</u>	<u>34,775,231</u>
Total primary government program revs	<u>\$61,087,007</u>	<u>\$80,634,410</u>	<u>\$66,431,247</u>	<u>\$71,680,466</u>
<b>Net (expense) revenue:</b>				
Governmental activities	(44,819,890)	(32,680,868)	(59,355,588)	(46,215,581)
Business-type activities	(1,239,875)	(2,519,017)	(3,064,406)	(1,674,920)
Total primary gov't net (expense) revenue	<u>(\$46,059,765)</u>	<u>(\$35,199,885)</u>	<u>(\$62,419,994)</u>	<u>(\$47,890,501)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$43,284,520	\$44,775,678	\$46,752,023	\$48,881,455
Business taxes	7,010,018	8,906,394	14,222,910	14,412,263
Unrestricted grants and contributions	1,232,810	1,202,154	1,850,619	2,877,947
Gain on sale of capital assets	58,760	70,765	4,275	163,564
Investment earnings	1,551,127	513,017	1,508,213	1,061,308
Transfers	(1,535,643)	(189,469)	(978,759)	(5,267)
Total governmental activities	<u>51,601,592</u>	<u>55,278,539</u>	<u>63,359,281</u>	<u>67,391,270</u>
Business-type activities:				
Taxes	1,253,288	1,366,798	1,451,140	1,414,133
Gain on sale of capital assets	-	-	-	-
Investment earnings	28,046	24,047	88,357	78,237
Transfers	1,535,643	189,469	978,759	5,267
Total business-type activities	<u>2,816,977</u>	<u>1,580,314</u>	<u>2,518,256</u>	<u>1,497,637</u>
Total primary government	<u>\$54,418,569</u>	<u>\$56,858,853</u>	<u>\$65,877,537</u>	<u>\$68,888,907</u>
<b>Change in net position:</b>				
Governmental activities	\$6,781,702	\$22,597,671	\$4,003,693	\$21,175,689
Business-type activities	1,577,102	(938,703)	(546,150)	(177,283)
Total primary government	<u>\$8,358,804</u>	<u>\$21,658,968</u>	<u>\$3,457,543</u>	<u>\$20,998,406</u>

Table 2

2016	2017	2018	2019	2020	2021
\$9,615,471	\$8,683,447	\$9,659,744	\$6,106,221	\$7,903,844	\$6,237,112
18,533,117	16,976,729	15,245,431	21,866,534	17,595,162	17,472,571
19,389,393	16,680,711	18,613,129	19,401,325	18,028,831	19,689,961
35,429,025	29,006,295	32,937,726	35,290,965	27,056,760	24,983,228
18,455,451	17,298,796	16,800,345	17,804,474	18,011,586	17,883,591
1,537,926	1,553,254	1,183,925	1,165,137	1,283,662	1,211,756
102,960,383	90,199,232	94,440,300	101,634,656	89,879,845	87,478,219
24,967,519	25,078,431	24,838,208	25,562,896	26,158,381	25,246,844
3,693,302	3,691,245	3,867,530	4,827,637	5,023,648	5,136,183
6,269,405	6,178,658	5,811,867	6,004,555	5,408,414	5,109,193
3,263,225	6,974,219	7,283,298	7,654,546	8,025,278	8,215,273
2,524,831	1,445,658	1,884,065	1,602,820	1,220,343	926,523
40,718,282	43,368,211	43,684,968	45,652,454	45,836,064	44,634,016
\$143,678,665	\$133,567,443	\$138,125,268	\$147,287,110	\$135,715,909	\$132,112,235
\$3,084,579	\$3,441,225	\$3,849,226	\$3,938,006	\$3,433,002	\$3,561,331
4,551,060	4,675,889	6,570,742	5,776,101	6,538,321	4,994,766
216,346	149,818	142,735	178,416	315,432	624,686
578,786	636,330	455,900	351,555	329,683	375,677
2,178,829	2,018,744	2,016,578	2,294,621	1,642,059	2,147,973
7,838,532	7,405,866	6,016,557	6,853,350	8,739,753	10,044,034
27,077,936	24,802,770	26,869,409	14,079,165	11,509,693	22,665,316
45,526,068	43,130,642	45,921,147	33,471,214	32,507,943	44,413,783
23,562,178	25,149,599	27,907,362	27,082,382	27,661,415	31,736,641
5,528,944	5,854,164	6,292,929	6,646,738	6,956,150	7,074,381
3,749,856	3,707,859	3,544,045	3,548,689	2,373,122	3,511,196
2,496,610	6,813,378	7,128,905	7,403,797	7,806,382	8,084,185
2,745,703	1,434,432	1,983,486	1,661,551	899,894	868,011
335,884	371,202	213,200	725,376	175,616	191,494
584,363	306,382	768,452	663,546	673,632	1,630,181
39,003,538	43,637,016	47,838,379	47,732,079	46,546,211	53,096,089
\$84,529,606	\$86,767,658	\$93,759,526	\$81,203,293	\$79,054,154	\$97,509,872
(57,434,315)	(47,068,590)	(48,519,153)	(68,163,442)	(57,371,902)	(43,064,436)
(1,714,744)	268,805	4,153,411	2,079,625	710,147	8,462,073
(\$59,149,059)	(\$46,799,785)	(\$44,365,742)	(\$66,083,817)	(\$56,661,755)	(\$34,602,363)
\$51,260,264	\$53,080,612	\$55,864,418	\$58,885,357	\$61,604,489	\$63,340,502
16,936,341	16,274,658	18,042,869	17,945,320	5,898,986	10,996,191
1,977,371	3,825,860	1,188,665	1,237,962	7,825,710	1,559,116
87,942	195,169	39,997	197,190	164,583	410,144
901,701	1,815,321	2,548,752	4,439,564	3,505,797	(1,048,948)
(132,730)	(21,936)	(613,420)	(332,679)	(62,922)	(285,780)
71,030,889	75,169,684	77,071,281	82,372,714	78,936,643	74,971,225
1,427,984	2,112,584	2,489,325	2,957,606	3,129,286	2,148,695
21,000	-	-	-	-	-
53,740	135,172	249,987	659,725	543,908	(141,924)
132,730	21,936	613,420	332,679	62,922	285,780
1,635,454	2,269,692	3,352,732	3,950,010	3,736,116	2,292,551
\$72,666,343	\$77,439,376	\$80,424,013	\$86,322,724	\$82,672,759	\$77,263,776
\$13,596,574	\$28,101,094	\$28,552,128	\$14,209,272	\$21,564,741	\$31,906,789
(79,290)	2,538,497	7,506,143	6,029,635	4,446,263	10,754,624
\$13,517,284	\$30,639,591	\$36,058,271	\$20,238,907	\$26,011,004	\$42,661,413

**CITY OF BLOOMINGTON, MINNESOTA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:				
Fund balance:				
Nonspendable	\$ -	\$ -	\$3,952	\$ -
Committed	712,554	571,066	1,250,496	1,259,003
Unassigned	19,979,183	20,344,235	23,388,858	26,700,761
Total general fund	<u>\$20,691,737</u>	<u>\$20,915,301</u>	<u>\$24,643,306</u>	<u>\$27,959,764</u>
All other governmental funds:				
Fund balance:				
Nonspendable	\$ -	\$ -	\$ -	\$20,585
Restricted	63,348,535	73,455,034	49,590,387	51,864,823
Committed	12,621,177	11,155,740	6,375,212	6,494,362
Assigned	17,996,032	16,211,514	19,649,729	21,353,926
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$93,965,744</u>	<u>\$100,822,288</u>	<u>\$75,615,328</u>	<u>\$79,733,696</u>



**Table 3**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$4,337	\$222	\$ -	\$ -	\$14,000	\$12,000
1,179,421	1,799,132	2,069,126	1,852,370	1,269,780	2,112,433
<u>27,625,954</u>	<u>29,143,486</u>	<u>32,599,721</u>	<u>34,687,078</u>	<u>37,780,258</u>	<u>40,441,437</u>
<u>\$28,809,712</u>	<u>\$30,942,840</u>	<u>\$34,668,847</u>	<u>\$36,539,448</u>	<u>\$39,064,038</u>	<u>\$42,565,870</u>
\$17,000	\$18,000	\$18,500	\$18,500	\$32,500	\$63,054
56,454,794	54,067,300	52,516,968	55,227,759	54,005,752	56,915,915
7,376,666	8,676,191	9,222,730	11,957,795	13,198,323	15,265,915
25,620,010	29,103,813	30,070,485	32,908,059	34,304,407	39,380,465
-	(63,731)	(5,051)	(1,880)	(1,774)	(503,376)
<u>\$89,468,470</u>	<u>\$91,801,573</u>	<u>\$91,823,632</u>	<u>\$100,110,233</u>	<u>\$101,539,208</u>	<u>\$111,121,973</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	2012	2013	2014	2015
<b>Revenues:</b>				
Taxes	\$43,092,371	\$45,485,284	\$46,756,493	\$48,852,186
Lodging and admissions taxes	7,010,018	8,906,395	14,222,909	14,412,263
Business licenses and permits	4,648,260	4,679,509	5,864,807	6,241,921
Fines	1,283,725	1,493,871	1,216,254	1,251,693
Charges for services	2,961,413	2,771,138	3,021,925	3,116,814
Special assessments	4,438,899	3,738,367	3,645,884	4,469,106
Intergovernmental	10,125,744	14,575,098	14,745,267	17,553,679
Investment earnings	1,239,085	448,813	1,250,209	833,337
Other revenues	8,077,401	21,432,708	8,612,823	9,870,031
<b>Total revenues</b>	<b>82,876,916</b>	<b>103,531,183</b>	<b>99,336,571</b>	<b>106,601,030</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General services	5,741,888	6,301,804	6,804,893	6,741,110
Development services	11,742,179	9,548,984	19,400,112	8,479,242
Public works	9,362,745	10,007,731	10,464,616	9,989,225
Public safety	25,733,989	27,490,143	28,984,753	29,692,500
Parks and recreation	-	-	-	-
Community services	13,979,633	14,983,442	14,709,288	15,396,539
<b>Debt service:</b>				
Paying agent fees	281,170	136,333	43,887	-
Interest	2,074,532	2,342,029	1,973,965	1,697,056
Principal retirement	7,765,000	8,720,000	17,645,000	7,895,000
<b>Capital outlay:</b>				
General services	-	-	238,249	-
Development services	2,735,526	17,709,054	12,057,284	14,577,484
Public works	11,225,868	8,076,371	11,681,648	9,044,239
Public safety	269,002	607,105	80,704	510,613
Parks and recreation	-	-	-	-
Community services	964,706	750,975	1,779,496	979,392
<b>Total expenditures</b>	<b>91,876,238</b>	<b>106,673,971</b>	<b>125,863,895</b>	<b>105,002,400</b>
Revenues over (under) expenditures	(8,999,322)	(3,142,788)	(26,527,324)	1,598,630
<b>Other financing sources (uses):</b>				
Transfers in	5,748,790	6,205,652	4,213,697	7,268,816
Transfers out	(7,836,949)	(7,351,067)	(6,808,000)	(7,188,369)
Proceeds on sale of capital assets	-	-	-	-
Bonds issued	11,515,000	9,315,000	7,465,000	5,355,000
Refunded bonds paid from escrow	-	-	-	-
Bond premiums	882,240	476,462	177,674	400,749
<b>Total other financing sources (uses)</b>	<b>10,309,081</b>	<b>8,646,047</b>	<b>5,048,371</b>	<b>5,836,196</b>
Net change in fund balance	\$1,309,759	\$5,503,259	(\$21,478,953)	\$7,434,826
Debt service as a percentage of noncapital expenditures	12.8%	13.8%	19.4%	12.0%
Debt service as percentage of total expenditures	10.7%	10.4%	15.6%	9.1%

**Table 4**

2016	2017	2018	2019	2020	2021
\$51,277,151	\$53,202,530	\$55,702,232	\$58,922,678	\$61,550,204	\$63,416,380
16,936,352	16,274,658	18,042,869	17,945,320	5,898,986	10,996,191
4,743,748	5,191,270	6,354,508	6,875,207	6,536,353	6,021,564
1,057,518	1,243,454	885,262	758,081	457,090	445,686
2,908,551	2,385,511	2,161,498	2,391,552	1,605,827	2,191,342
3,943,212	3,820,155	4,166,801	3,697,939	4,004,688	3,691,535
14,435,816	21,480,304	20,939,959	12,130,865	18,820,880	16,017,184
701,235	1,396,754	1,872,255	3,242,671	2,446,981	(859,209)
16,056,456	10,369,189	9,809,885	9,521,012	9,547,287	9,937,906
<u>112,060,039</u>	<u>115,363,825</u>	<u>119,935,269</u>	<u>115,485,325</u>	<u>110,868,296</u>	<u>111,858,579</u>
7,431,274	7,487,434	8,103,825	6,594,273	7,628,013	6,530,378
14,926,374	10,987,159	11,952,854	17,574,031	13,647,728	11,674,375
10,778,986	11,333,270	12,222,664	12,575,661	11,243,353	12,573,666
32,045,686	31,496,674	33,071,958	33,525,568	35,583,266	34,392,291
-	-	-	9,747,086	9,047,173	9,477,874
16,131,465	16,410,862	16,749,515	7,380,426	9,049,118	8,845,792
-	-	-	-	-	-
1,680,180	1,746,775	1,518,071	1,484,983	1,716,496	1,725,817
6,975,000	8,950,000	7,705,000	7,285,000	7,465,000	7,655,000
278,450	-	-	-	-	-
10,555,736	4,365,969	2,147,303	8,422,424	521,130	3,164,818
12,314,905	21,983,079	23,366,023	13,685,921	14,790,476	11,063,864
90,429	125,739	521,315	246,070	3,276,476	388,138
-	-	-	755,856	1,842,074	1,969,783
496,599	3,305,609	1,382,549	36,115	18,100	88,341
<u>113,705,084</u>	<u>118,192,570</u>	<u>118,741,077</u>	<u>119,313,414</u>	<u>115,828,403</u>	<u>109,550,137</u>
<u>(1,645,045)</u>	<u>(2,828,745)</u>	<u>1,194,192</u>	<u>(3,828,089)</u>	<u>(4,960,107)</u>	<u>2,308,442</u>
8,063,372	9,075,643	8,566,040	7,644,763	13,144,063	11,230,074
(7,925,954)	(8,698,959)	(9,121,654)	(7,909,867)	(13,575,382)	(10,831,830)
-	-	-	-	-	1,841,454
11,455,000	6,390,000	7,210,000	13,300,000	6,958,540	7,520,000
-	-	(4,615,000)	-	1,975,000	-
637,349	528,292	514,488	950,395	411,451	1,016,457
<u>12,229,767</u>	<u>7,294,976</u>	<u>2,553,874</u>	<u>13,985,291</u>	<u>8,913,672</u>	<u>10,776,155</u>
<u>\$10,584,722</u>	<u>\$4,466,231</u>	<u>\$3,748,066</u>	<u>\$10,157,202</u>	<u>\$3,953,565</u>	<u>\$13,084,597</u>
9.6%	12.1%	10.1%	9.1%	9.6%	10.1%
7.6%	9.1%	7.8%	7.4%	7.9%	8.6%

**CITY OF BLOOMINGTON, MINNESOTA**

**TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property <sup>(a)</sup>	Commercial/Industrial Property	All Other <sup>(b)</sup>	Total Tax Capacity <sup>(c)</sup>	Less: Fiscal Disparity Contribution <sup>(d)</sup>
2012	\$ 63,662,004	\$ 66,632,744	\$ 1,616,795	\$ 131,911,543	\$ 19,235,462
2013	60,099,901	69,646,814	1,792,190	131,538,905	18,610,390
2014	59,132,614	70,232,985	2,004,039	131,369,638	15,255,532
2015	64,894,848	70,943,301	2,072,962	137,911,111	11,956,404
2016	70,536,480	81,279,393	2,113,468	153,929,341	12,505,688
2017	75,259,992	85,280,733	2,165,600	162,706,325	14,137,440
2018	81,653,574	87,864,419	2,316,715	171,834,708	14,293,380
2019	87,297,785	91,040,654	2,242,278	180,580,717	14,430,978
2020	95,303,027	94,095,128	2,101,633	191,499,788	15,510,119
2021	97,714,251	97,194,989	1,474,008	196,383,248	15,823,985

Source: City of Bloomington Assessing Division

By State Statute, property taxes are calculated and collected based on the prior year's assessor market value. For example, the tax capacity and market value figures for payable 2020 above relate to the January 2, 2019 assessment.

- <sup>(a)</sup> Includes single-family homes, condominiums, townhouses, cooperatives, apartments and residential vacant land.
- <sup>(b)</sup> Includes personal property accounts and utilities/machinery classification.
- <sup>(c)</sup> Includes properties in tax increment financing (TIF) districts, the majority of which are commercial/industrial.
- <sup>(d)</sup> Figure represents fiscal disparities contribution net of fiscal disparities distribution.
- <sup>(e)</sup> Figure represents total tax capacity less net fiscal disparities. Note that total direct tax rate in the next column is calculated based on total tax capacity less fiscal disparities contribution and less tax capacity in TIF districts.

**Table 5**

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<u>Adjusted Tax Capacity Value <sup>(e)</sup></u>	<u>Total Direct Tax Rate</u>	<u>Estimated Market Value (EMV)</u>	<u>Tax Capacity as a Percent of EMV</u>
\$ 112,676,081	42.94	\$ 10,111,784,800	1.11%
112,928,515	45.48	9,927,891,400	1.14%
116,114,106	48.68	9,874,797,100	1.18%
125,954,707	45.67	10,435,859,700	1.21%
141,423,653	44.29	11,463,977,000	1.23%
148,568,885	40.93	12,080,139,600	1.23%
157,541,328	40.57	12,802,264,000	1.23%
166,149,739	40.05	13,472,272,600	1.23%
175,989,669	39.56	14,348,825,000	1.23%
180,559,263	39.74	14,695,644,300	1.23%

**CITY OF BLOOMINGTON, MINNESOTA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
 Last Ten Fiscal Years

**Table 6**

Fiscal Year	Direct Rate - City of Bloomington			Overlapping Rates*			Total
	Operating	Debt	Total	School District	County	Other Districts	
2012	39.48	3.46	42.94	22.46	48.23	12.75	126.38
2013	41.68	3.80	45.48	26.76	49.46	13.21	134.91
2014	44.42	4.26	48.68	28.18	49.96	13.92	140.74
2015	41.98	3.69	45.67	25.74	46.40	12.76	130.57
2016	40.95	3.34	44.29	24.25	45.36	12.38	126.28
2017	37.88	3.05	40.93	20.63	44.09	12.13	117.77
2018	37.70	2.87	40.57	20.76	42.81	11.73	115.87
2019	36.95	3.10	40.05	20.13	41.86	11.25	113.29
2020	36.20	3.35	39.56	19.86	41.08	10.86	111.35
2021	36.47	3.28	39.74	20.25	38.21	10.43	108.63

Sources: Hennepin County and City of Bloomington Assessing Division

\*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. Although County property tax rates apply to all City property owners, the Other Districts rates apply only to property owners whose property is located within certain geographic boundaries.

For example, a small percentage of Bloomington taxpayers pay school district taxes to schools in neighboring communities. Also, the Other Districts rates include Watershed taxing districts, of which there are four different rates depending on location of parcels in Bloomington.

**CITY OF BLOOMINGTON, MINNESOTA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago

**Table 7**

Taxpayer	Payable 2021			Payable 2012		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Mall of America	\$19,762,598	1	10.06%	\$11,822,560	1	8.96%
Metropolitan Life Insurance	6,495,200 <sup>(a)</sup>	2	3.31%	-	-	-
Kraus-Anderson	2,292,432	3	1.17%	1,770,530	4	1.34%
Xcel Energy	1,817,092	4	0.93%	-	-	-
Carlson Companies	1,735,794	5	0.88%	-	-	-
Workspace Property Trust	1,608,416 <sup>(b)</sup>	6	0.82%	-	-	-
HealthPartners	1,478,802 <sup>(c)</sup>	7	0.75%	-	-	-
Mdewakanton Sioux	1,158,000	8	0.59%	-	-	-
DRA Advisors	1,127,560	9	0.58%	-	-	-
KBS Capital Advisors	1,116,400	10	0.57%	-	-	-
Equity Group Investments JV	-	-	-	4,544,240 <sup>(a)</sup>	2	3.44%
United Properties	-	-	-	2,500,020	3	1.90%
Liberty Property LP	-	-	-	1,232,552 <sup>(b)</sup>	5	0.93%
CB Richard Ellis	-	-	-	964,016	6	0.73%
Gateway Lake Properties	-	-	-	895,580	7	0.68%
Bloomington Central Station	-	-	-	859,766 <sup>(c)</sup>	8	0.65%
WSI	-	-	-	725,760	9	0.55%
IRET Properties	-	-	-	681,158	10	0.52%
<b>Total</b>	<b><u>\$38,592,294</u></b>		<b><u>19.66%</u></b>	<b><u>\$25,996,182</u></b>		<b><u>19.71%</u></b>
<b>Total All Property</b>	<b><u>\$196,383,248</u></b>			<b><u>\$131,911,543</u></b>		

Source: City of Bloomington Assessing Division

Note: Tax capacity values above relate to the prior year's assessment.

<sup>(a)</sup> Normandale Lake Office Park sold by Teachers Insurance to Equity Group in August 2012, who then sold to Metropolitan Life in October 2014.

<sup>(b)</sup> Liberty Property Trust properties sold to Workspace Property Trust in October 2016.

<sup>(c)</sup> HealthPartners corporate headquarters building is the anchor tenant for the Bloomington Central Station development.

**CITY OF BLOOMINGTON, MINNESOTA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

**Table 8**

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Delinquent Collections in Subsequent Years <sup>(a)</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 44,441,371	\$ 44,134,422	99.31%	\$ (224,425)	\$ 43,909,997	98.80%
2013	46,641,219	46,450,282	99.59%	(86,072)	46,364,210	99.41%
2014	48,049,784	47,836,890	99.56%	(156,495)	47,680,395	99.23%
2015	49,971,775	49,888,157	99.83%	(25,883)	49,862,274	99.78%
2016	52,845,452	52,561,489	99.46%	(336,619)	52,224,870	98.83%
2017	55,883,748	55,477,456	99.27%	(562,215)	54,915,241	98.27%
2018	58,398,517	58,069,379	99.44%	(341,739)	57,727,640	98.85%
2019	61,756,432	61,429,758	99.47%	(13,979)	61,415,779	99.45%
2020	64,689,863	64,078,788	99.06%	154,607	64,233,395	99.29%
2021	66,468,834	65,703,985	98.85%	(110,666)	65,593,319	98.68%

Source: City of Bloomington Finance Department

<sup>(a)</sup> Negative amounts in the "Collection in Subsequent Years" column reflect reductions of assessed property values.



**CITY OF BLOOMINGTON, MINNESOTA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

**Table 9**

Fiscal Year	Governmental Activities			Total Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>(a)</sup>	Per Capita <sup>(a)</sup>
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds		Revenue Bonds			
2012	\$ 11,335,000	\$ 56,668,281	\$ 6,175,000	\$74,178,281	\$ 150,000	\$ 74,328,281	1.9%	\$ 864
2013	9,940,000	61,570,377	3,095,000	74,605,377	-	74,605,377	1.8%	864
2014	8,515,000	52,451,706	2,970,000	63,936,706	-	63,936,706	1.5%	741
2015	7,055,000	51,139,974	2,850,000	61,044,974	-	61,044,974	1.4%	707
2016	7,180,000	55,489,159	4,770,000	67,439,159	-	67,439,159	1.5%	790
2017	5,520,000	54,392,867	4,635,000	64,547,867	1,170,000	65,717,867	1.4%	765
2018	6,320,000	48,597,893	4,105,000	59,022,893	12,656,987	71,679,880	1.5%	838
2019	7,290,000	47,079,614	10,660,000	65,029,614	14,144,480	79,174,094	1.6%	932
2020	5,980,000	46,198,333	13,668,540	65,846,873	13,516,973	79,363,846	1.4%	882
2021	6,525,000	45,018,787	14,083,540	65,627,327	12,659,466	78,286,793	1.3%	861

Source: City of Bloomington Finance Department

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

<sup>(a)</sup> See Table 14 for personal income and population data.

**CITY OF BLOOMINGTON, MINNESOTA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years

**Table 10**

Fiscal Year	General Obligation Debt			Total	Less Debt Service Fund Balance	Net Bonded Debt	Percentage of Estimated Market Value of Property <sup>(a)</sup>	Net Bonded Debt Per Capita <sup>(b)</sup>
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds					
2012	\$ 11,335,000	\$ 56,668,281	\$ 6,175,000	\$74,178,281	\$ 23,572,558	\$ 50,605,723	0.50%	\$ 588
2013	9,940,000	61,570,377	3,095,000	74,605,377	27,682,370	46,923,007	0.47%	544
2014	8,515,000	52,451,706	2,970,000	63,936,706	17,590,028	46,346,678	0.47%	537
2015	7,055,000	51,139,974	2,850,000	61,044,974	18,208,674	42,836,300	0.41%	496
2016	7,180,000	55,489,159	4,770,000	67,439,159	23,725,327	43,713,832	0.38%	512
2017	5,520,000	54,392,867	4,635,000	64,547,867	21,701,505	42,846,362	0.35%	499
2018	6,320,000	48,597,893	4,105,000	59,022,893	17,109,882	41,913,011	0.33%	490
2019	7,290,000	47,079,614	10,660,000	65,029,614	17,580,823	47,448,791	0.35%	559
2020	5,980,000	46,198,333	13,668,540	65,846,873	20,742,551	45,104,322	0.31%	501
2021	6,525,000	45,018,787	14,083,540	65,627,327	20,664,346	44,962,981	0.31%	494

Source: City of Bloomington Finance Department

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

<sup>(a)</sup> See Table 5 for estimated market value data.

<sup>(b)</sup> See Table 14 for population data.

**CITY OF BLOOMINGTON, MINNESOTA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 December 31, 2021

**Table 11**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>(a)</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
School Districts:			
ISD No. 271	\$149,335,000	99.98%	\$149,305,133
ISD No. 272	98,665,000	0.38%	\$374,927
ISD No. 273	190,765,000	1.10%	\$2,098,415
Other debt:			
Hennepin County	1,053,595,000	7.27%	\$76,596,357
Hennepin County Park District	52,890,000	10.34%	\$5,468,826
Hennepin Regional RR Authority	90,580,000	7.27%	\$6,585,166
Metropolitan Council	193,320,000	3.55%	\$6,862,860
Subtotal - overlapping debt			\$247,291,684
City direct debt <sup>(b)</sup>	65,627,327	100.00%	\$65,627,327
Total direct and overlapping debt			\$312,919,011

Source: Hennepin County

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.

<sup>(a)</sup> The percentage of overlapping debt applicable is estimated using the taxable market values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable market value that is within the City's boundaries.

<sup>(b)</sup> Excludes revenue bonded indebtedness.

**CITY OF BLOOMINGTON, MINNESOTA**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$303,353,544	\$297,836,742	\$296,243,913	\$313,075,791
Total net debt applicable to limit	<u>9,493,644</u>	<u>8,047,547</u>	<u>6,557,605</u>	<u>5,039,777</u>
Legal debt margin	<u>\$293,859,900</u>	<u>\$289,789,195</u>	<u>\$289,686,308</u>	<u>\$308,036,014</u>
Total net debt applicable to the limit as a percentage of debt limit	3.13%	2.70%	2.21%	1.61%

Source: City of Bloomington Finance Department

Note: Under State finance law, Minnesota Statute 475.53, the City's outstanding general obligation debt should not exceed 3% of total assessed market value. The general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

For example, in 2021 the debt limit was \$440,869,329, the total net debt applicable to the limit was \$5,796,236, and the City could issue up to an additional \$435,073,093 of general obligation debt and still be in compliance with the above statute.

**Table 12**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$343,919,310	\$362,404,188	\$384,067,920	\$404,168,178	\$430,464,750	\$440,869,329
<u>3,884,062</u>	<u>4,114,836</u>	<u>4,895,008</u>	<u>5,720,003</u>	<u>4,129,028</u>	<u>5,796,236</u>
<u>\$340,035,248</u>	<u>\$358,289,352</u>	<u>\$379,172,912</u>	<u>\$398,448,175</u>	<u>\$426,335,722</u>	<u>\$435,073,093</u>
1.13%	1.14%	1.27%	1.42%	0.96%	1.31%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Market value	<u>\$14,695,644,300</u>
Debt limit (3% of market value)	<u>440,869,329</u>
Debt applicable to limit:	
General obligation bonds	6,525,000
Less: Amount set aside for repayment of general obligation debt	<u>(728,764)</u>
Total net debt applicable to limit	<u>5,796,236</u>
Legal debt margin	<u>\$435,073,093</u>

**CITY OF BLOOMINGTON, MINNESOTA**

**PLEDGED-REVENUE COVERAGE**

Last Ten Fiscal Years

Fiscal Year	Enterprise Revenue Bonds <sup>(a)</sup>					Coverage
	Pledged Service Charges	Less Operating Expenses <sup>(c)</sup>	Net Available Revenue	Debt Service		
				Principal	Interest	
2012	\$1,344,365	\$1,135,713	\$208,652	\$150,000	\$3,188	1.36
2013	-	-	-	-	-	0.00
2014	-	-	-	-	-	0.00
2015	-	-	-	-	-	0.00
2016	-	-	-	-	-	0.00
2017	25,149,599	22,781,314	2,368,285	-	23,746	99.73
2018	34,227,654	25,444,879	8,782,775	110,000	43,073	57.38
2019	33,727,328	26,553,698	7,173,630	105,000	341,918	16.05
2020	34,617,565	27,581,704	7,035,861	575,000	553,253	6.24
2021	38,811,024	26,769,228	12,041,796	805,000	512,483	9.14

Source: City of Bloomington Finance Department

<sup>(a)</sup> In 2012 the remaining enterprise bonds had pledged revenues from the Ice Garden activity in the Recreational Facilities Fund. From 2017 to present, the enterprise bonds have pledged revenues from the water utility, storm water utility, and special assessments.

<sup>(b)</sup> Both improvement bonds and tax increment bonds are general obligation bonds and have tax levy authority to cover all debt requirements. In both 2014 and 2018 the City had advanced refunding bonds that refunded the original issue.

<sup>(c)</sup> Operating expenses do not include depreciation.

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

**Table 13**

Special Assessment Collections	Improvement Bonds <sup>(b)</sup>			Tax Increment Collections	Tax Increment Bonds <sup>(b)</sup>		
	Debt Service		Coverage		Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$4,420,188	\$6,335,000	\$1,562,573	0.56	\$827,103	\$620,000	\$181,475	1.03
3,718,701	4,810,000	1,805,825	0.56	455,351	165,000	139,573	1.50
3,440,152	16,660,000	1,576,016	0.19	723,577	125,000	111,440	3.06
4,278,664	6,890,000	1,329,972	0.52	885,766	120,000	107,765	3.89
3,752,488	5,940,000	1,320,498	0.52	1,179,405	125,000	104,090	5.15
3,617,854	6,330,000	1,355,018	0.47	1,486,003	135,000	116,415	5.91
3,978,335	11,420,000	1,360,135	0.31	1,626,230	530,000	119,629	2.50
3,457,212	6,340,000	1,331,524	0.45	1,641,424	545,000	111,859	2.50
3,780,307	6,510,000	1,414,097	0.48	1,696,122	540,000	103,119	2.64
3,450,022	6,670,000	1,370,876	0.43	1,888,380	560,000	108,732	2.82

**CITY OF BLOOMINGTON, MINNESOTA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

**Table 14**

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	
					Bloomington	Metropolitan Area
2012	86,033	\$3,977,047,491	46,227	10,228	4.9	5.1
2013	86,319	\$4,130,882,064	47,856	10,030	4.1	4.3
2014	86,314	\$4,204,441,254	48,711	10,005	3.0	3.2
2015	86,435	\$4,368,511,335	50,541	9,980	2.9	3.2
2016	85,319	\$4,446,570,323	52,117	10,273	3.4	3.6
2017	85,866	\$4,554,590,238	53,043	10,136	2.8	2.9
2018	85,578	\$4,824,374,172	56,374	10,171	2.7	2.8
2019	84,943	\$5,069,653,069	59,683	10,182	2.8	3.0
2020	89,987	\$5,537,799,980	61,540	10,009	4.9	4.5
2021	90,974	\$5,957,523,364	65,486	9,622	2.4	2.4

Sources: (1) U.S. Census estimates were used for 2012 through 2019. 2020 U.S. Census figures were released after the publishing of the 2020 report; thus the 2020 population was estimated to be the same as 2019. Subsequently, actual 2020 population and per capital figures have been restated on the 2021 report. Metropolitan Council estimates will be used from the 2021 report and going forward.

(2) Minnesota per capita income, as published by Bureau of Economic Analysis

(3) Bloomington School District #271

(4) Minnesota Department of Employment and Economic Development, based on December rates



**CITY OF BLOOMINGTON, MINNESOTA**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

**Table 15**

Employer	2021			2012		
	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment
Mall of America Tenants	13,000	1	16%	13,000	1	15%
HealthPartners	3,075	2	4%	2,366	2	3%
Bloomington School District #271	1,900	3	2%	1,865	3	2%
Seagate Technology	1,465	4	2%	1,725	4	2%
Donaldson Company	1,098	5	1%	1,255	7	1%
Toro Company	1,073	6	1%	942	9	1%
General Dynamics	836	7	1%	-	-	-
NCS Pearson	737	8	1%	1,500	6	2%
GN Resound	638	9	1%	675	10	1%
Normandale Community College	582	10	1%	-	-	-
Wells Fargo Bank	-	-	-	1,531	5	2%
Express Scripts	-	-	-	1,119	8	1%
<b>Total</b>	<b>24,404</b>		<b>30%</b>	<b>25,978</b>		<b>30%</b>
<b>Total City Employment <sup>(2)</sup></b>	<b>83,655</b>			<b>87,580</b>		

Sources: <sup>(1)</sup> City of Bloomington Finance Department

<sup>(2)</sup> Minnesota Department of Employment and Economic Development (average annual City employment)

**CITY OF BLOOMINGTON, MINNESOTA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

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Function/Program	2012	2013	2014	2015
Governmental activities:				
General services	80	80	80	80
Development services	72	74	74	69
Public works	118	117	117	117
Public safety	152	155	155	160
Community services	62	60	60	60
Total governmental activities	484	486	486	486
Business-type activities:				
Water/wastewater	54	54	54	54
Storm water	11	12	12	12
Recreational facilities	16	18	18	18
Solid waste management	1	1	1	1
Motor vehicle	5	5	5	6
Total business-type activities	87	90	90	91
Total	571	576	576	577

Source: City of Bloomington Finance Department

Table 16

Full-Time Equivalent Employees as of December 31						
2016	2017	2018	2019	2020	2021	
82	84	82	92	97	93	
69	71	71	74	74	72	
118	121	122	121	117	113	
165	165	165	162	164	163	
59	55	52	50	50	46	
493	496	492	499	502	487	
54	54	54	52	52	52	
12	12	12	7	11	11	
18	18	18	14	13	11	
1	1	1	1	1	1	
6	6	6	6	6	-	
91	91	91	80	83	75	
584	587	583	579	585	562	

**CITY OF BLOOMINGTON, MINNESOTA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
<b>Governmental activities:</b>				
General services:				
New full-time employees hired	43	44	44	51
Criminal case scheduled appearances	16,000	20,000	18,000	20,000
Purchase orders issued	1,875	1,457	1,382	1,026
Development services:				
Permits issued	11,362	16,119	14,413	12,313
Estimated value of permits	\$198,432,583	\$201,614,610	\$342,190,790	\$485,208,914
Fire inspections	2,111	2,643	2,724	2,851
Fire investigations	152	152	117	105
Public works:				
Street resurfacing (miles)	43	31	36	40
Street sweeping (tons of material)	4,263	3,477	3,834	2,635
Public safety:				
Bookings	2,262	2,349	2,350	2,218
DWI's	512	451	425	362
Part 1 crimes <sup>(b)</sup>	3,443	3,524	3,423	3,118
Group A crimes <sup>(c)</sup>	-	-	-	-
Fire emergency responses	1,161	1,221	1,317	1,510
Fires extinguished	177	159	149	184
Recreation services:				
Community services:				
City website pageviews	1,814,332	1,948,674	1,911,818	1,468,653
Number of E-Subscribers	7,565	9,706	12,191	14,593
Influenza immunizations	3,506	4,488	3,851	3,216
<b>Business-type activities:</b>				
Water/wastewater utility:				
Average daily consumption (gallons)	11,700,000	11,202,000	10,700,000	10,300,000
Average daily sewage treatment (gallons)	8,130,000	8,078,000	8,175,000	7,920,000
Storm water utility:				
Storm mains inspected (miles)	8	8	9	11
Recreational facilities:				
Golf course rounds played	62,852	51,658	61,355	62,392
Ice garden hours	9,206	9,635	9,440	9,793
Solid waste management:				
Annual trash clean-up (tons)	1,497	1,300	1,789	1,758
Contractual police:				
Overtime hours billed	9,399	9,270	7,739	23,481
Motor vehicle:				
DNR transactions	2,879	2,876	2,641	2,581
Drivers license transactions	21,610	20,439	20,727	20,092
Motor vehicle transactions	64,265	61,835	66,061	66,569

Sources: Various City of Bloomington departments.

<sup>(a)</sup> Due to pandemic impacts, several City areas experienced significant closures and service reductions.

<sup>(b)</sup> Part 1 crimes include homicide, rape, robbery, aggravated assault, burglary, theft, auto theft, and arson - serious offenses, as classified by the FBI using the Summary Reporting System (SRS).

<sup>(c)</sup> In September 2020, the City changed to the National Incident-Based Reporting System (NIBRS).

Group A crimes include an expanded classification of serious offenses.

**Table 17**

Fiscal Year						
2016	2017	2018	2019	2020	2021	
46	40	40	48	31	49	
22,000	20,000	20,876	20,750	18,177	18,441	
995	878	767	779	577	553	
11,856	10,859	10,568	10,600	9,880	10,502	
\$185,368,384	\$304,605,776	\$391,619,950	\$411,122,855	\$420,614,800	\$389,171,071	
2,219	3,024	2,955	3,274	2,323	1,846	
115	62	47	67	69	54	
38	41	40	41	13 <sup>(a)</sup>	43	
2,850	3,475	2,950	3,150	3,525	3,675	
2,320	2,256	2,112	2,454	1,829 <sup>(a)</sup>	1,673 <sup>(a)</sup>	
363	423	371	474	212	187	
3,035	2,812	2,775	3,115	1,590 <sup>(b)</sup>	- <sup>(b)</sup>	
-	-	-	-	2,328 <sup>(c)</sup>	6,267 <sup>(c)</sup>	
1,769	1,802	1,692	2,451 <sup>(d)</sup>	3,195 <sup>(d)</sup>	4,781 <sup>(d)</sup>	
166	175	209	255	229	206	
1,629,355	1,846,618	1,965,802	2,841,638	3,492,462	3,620,912	
21,464	23,750	25,515	28,583	29,200	32,118	
2,795	2,666	2,808	2,803	2,348	1,762	
10,360,000	9,990,000	10,100,000	9,436,000	9,246,000	10,300,000	
8,100,000	7,520,000	7,879,000	7,360,000	7,410,000	7,036,000	
12	8	8	8	8	8	
57,599	53,373	55,885	53,675	45,027 <sup>(a)</sup>	50,501	
9,752	9,838	9,103	9,722	4,967 <sup>(a)</sup>	9,148	
1,949	1,807	1,425	1,536	1,894	1,538	
25,666 <sup>(f)</sup>	10,284	14,924	10,033	6,587 <sup>(a)</sup>	7,717 <sup>(a)</sup>	
2,370	1,891	2,433	2,137	1,156 <sup>(a)</sup>	191 <sup>(g)</sup>	
21,157	20,551	19,828	20,868	15,943 <sup>(a)</sup>	3,880 <sup>(g)</sup>	
64,821	59,159	54,626	54,732	28,488 <sup>(a)</sup>	5,349 <sup>(g)</sup>	

<sup>(d)</sup> Firefighters began training as EMTs and responding to medical calls in 2019, increasing emergency response totals.

<sup>(e)</sup> In 2015 the City launched a redesigned website with dramatically fewer pages.

<sup>(f)</sup> In 2015 and 2016, Mall of America Security significantly increased their use of police contractual services.

<sup>(g)</sup> Motor Vehicle operations were discontinued on March 31, 2021.

**CITY OF BLOOMINGTON, MINNESOTA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
<b>Governmental activities:</b>				
Public works:				
Streets (miles)	342	342	342	342
Streetlights	4,339	4,339	4,339	4,361
Traffic signals	147	144	144	143
Emergency vehicle pre-emption systems	121	121	121	122
Emergency outdoor warning sirens	22	22	22	22
Public safety:				
Police stations	1	1	1	1
Patrol units - marked and unmarked	37	37	37	37
Police admin and investigative vehicles	27	27	27	27
Fire stations	6	6	6	6
Community services:				
Community center	1	1	1	1
Skate park	1	1	1	1
Playgrounds/playlots	54	54	54	54
Baseball/softball diamonds	61	61	62	62
Soccer/football fields	22	22	22	22
Tennis courts	50	49	49	50
Picnic shelters/gazebos	22	22	22	22
<b>Business-type activities:</b>				
Water/wastewater utility:				
Water mains (miles)	495	496	496	498
Fire hydrants	4,589	4,617	4,617	4,665
Storage capacity (gallons)	44,000,000	44,000,000	44,000,000	44,000,000
Sanitary sewers (miles)	384	384	384	385
Storm water utility:				
Storm sewers (miles)	253	253	251	252
Recreational facilities:				
Swimming beaches	1	1	1	1
Swimming pools	1	1	1	1
Golf courses	2	2	2	2
Indoor ice rinks	3	3	3	3

Sources: Various City of Bloomington departments.

Note: No capital asset indicators are available for the general services, development services, solid waste, contractual police, or motor vehicle functions.

Table 18

Fiscal Year					
2016	2017	2018	2019	2020	2021
342	342	342	342	342	342
4,361	4,380	4,456	4,456	4,456	4,138
143	143	143	143	143	143
122	122	122	122	122	122
22	22	22	22	22	22
1	1	1	1	1	1
37	37	38	38	38	38
27	29	30	30	30	30
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
54	53	53	53	53	53
61	61	60	60	60	60
22	22	22	22	22	22
50	50	50	50	50	50
22	22	23	23	23	23
498	501	503	505	505	508
4,676	4,677	4,712	4,737	4,773	4,787
44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
385	385	384	385	385	385
252	237	241	262	235	226
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3



CITY OF  
**BLOOMINGTON**  
MINNESOTA