

annual comprehensive  
**financial  
report**  
for the fiscal year ended  
december 31, 2022

**BLOOMINGTON.**  
tomorrow. together.



# **Annual Comprehensive Financial Report**

of the City of  
Bloomington, Minnesota

For the Year Ended  
December 31, 2022

Prepared by the Finance Department

# CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report  
For the Year Ended December 31, 2022

## SECTION I

# INTRODUCTORY SECTION

**CITY OF BLOOMINGTON, MINNESOTA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2022**

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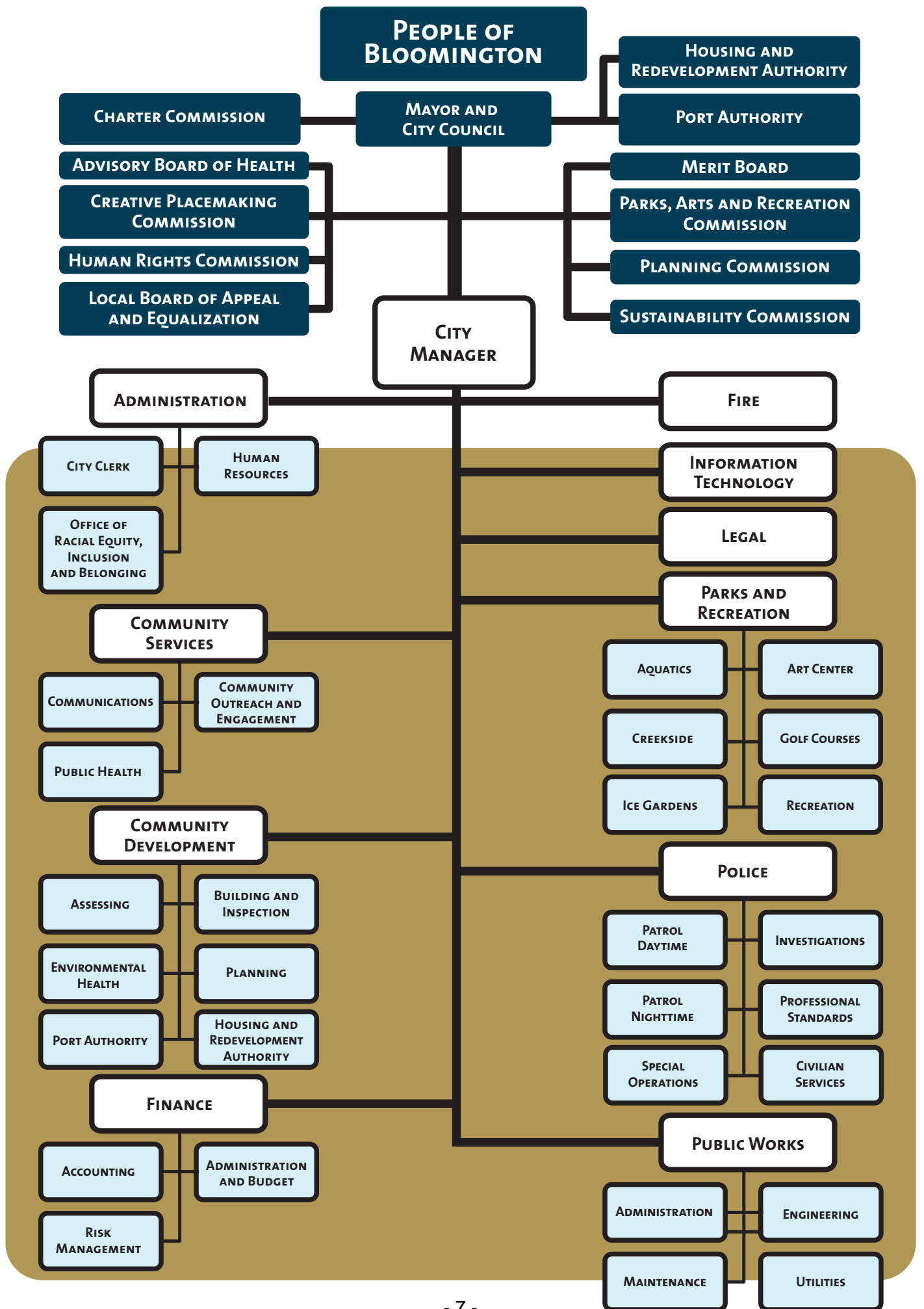
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CITY OF  
**BLOOMINGTON**  
MINNESOTA



**CITY OF BLOOMINGTON, MINNESOTA**

DECEMBER 31, 2022

PRINCIPAL OFFICIALS

TIM BUSSE, MAYOR

- JENNA CARTER ..... COUNCILMEMBER
- NATHAN COULTER ..... COUNCILMEMBER
- LONA DALLESANDRO..... COUNCILMEMBER
- DWAYNE LOWMAN ..... COUNCILMEMBER
- SHAWN NELSON ..... COUNCILMEMBER
- PATRICK MARTIN..... COUNCILMEMBER

JAMIE VERBRUGGE, CITY MANAGER



June 16, 2023

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, 2022 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 17 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, International Dairy Queen and Ziegler, Inc. Bloomington is home to the largest retail and entertainment destination in the United States, Mall of America®. More than 11,000 people work at Mall of America and it attracts over 32 million visitors each year. As the state's number one tourist attraction, Mall of America draws more visitors than all other Minnesota tourist destinations combined.

In addition, with many entertainment facilities and 9,393 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 2022 is composed of approximately 46.4% commercial/industrial, 42.5% residential, and 11.1% 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 2022 was \$549,375,264. 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 2022:

- 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 square foot 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 square foot 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 2022, Mall of America celebrated its 30<sup>th</sup> birthday and welcomed more than two dozen new tenants including ClimbZone, Ebisu, Karl's Fishing & Outdoors, Kura Sushi, TravisMathew, and Blasted Ink, to name a few.

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, onsite dining, fitness centers, and more.

Mall of America also features an extensive entertainment complex that includes Nickelodeon Universe®, a 7-acre indoor theme park. Attractions in the park include the longest indoor zipline 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 more than 32 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 continues to work on financing with a goal of construction starting in 2023.

## Major Initiatives

### Bloomington. Tomorrow. Together. Strategic Plan

Hundreds of community members and City staff have been involved in bringing the City's new five-year strategic plan, *Bloomington. Tomorrow. Together.*, to life over the last few years. More than half of the people involved in the planning process were community members, which exceeded the City's goal.

The BTT planning process started in fall 2021 with community events during which residents and stakeholders shared their vision for the future of Bloomington. There were also opportunities for people to share their feedback online. A core team of community members and City staff set the course for the plan. Action teams identified steps to take to achieve the goals.



The work resulted in a mission: “To cultivate an enduring and remarkable community where people want to be.”



Working from the mission, along with agreed upon core values and strategic objectives and strategies created by the community-based planning groups, City staff built a work plan in late 2022. The plan has three priority areas, nine desired outcomes and 27 initiatives.

**Priority: A connected, welcoming community**

Desired outcomes

- People can connect with their neighbors.
- People are welcomed by the City to the community.
- People are valued by the community.

**Priority: A healthy, resilient community**

Desired outcomes

- Improved environmental health.
- Improved human health.
- Increased safety and security.

**Priority: A community with equitable economic growth**

Desired outcomes

- Economic growth is more equitably distributed.
- Expanded diversity in business ownership.
- Equitable job growth.

An online dashboard will be up and running in summer 2023 so residents can view the City’s progress on the *Bloomington. Tomorrow. Together.* work plan.

Curbside Organics Recycling Program

The City of Bloomington began the curbside collection of organics for composting in March of 2022. Every week, all 22,000 households in the City’s residential solid waste program now have the opportunity to recycle organic material in a separate cart as easily as taking out other garbage and recyclable materials.

Organics are any item that comes from a plant or animal that will turn into compost. This includes:

- All food scraps, including meat and dairy products
- Pizza boxes
- Napkins and paper towels
- Certified compostable food service items like plates, cups and takeout containers
- Other compostable household items like coffee grounds, paper tea bags and paper egg cartons

After organics are collected from the curb, they are taken to a commercial composting facility where they are recycled and turned into compost, a nutrient rich soil amendment.

The collection of organic material at the curb is important to the City’s sustainability and overall solid waste reduction goals. These include the City Council’s Strategic Priorities related to reducing the citywide carbon footprint; reducing the volume of solid waste delivered to landfills and incinerators; improving water quality; and improving customer service for trash and recycling.



Adding organics collection will also help the City reach its overall goal to recycle 75% of our waste by 2030. Waste sort studies, like the one Hennepin County conducted in 2016, continue to show that organic materials are the largest proportion of our trash, making up about 25% of the trash stream. Keeping organic materials out of incinerators and landfills helps these facilities operate more efficiently, which is a benefit to the environment.

The launch of the program ensures that the City is in compliance with Hennepin County Ordinance 13 which requires cities with more than 10,000 residents within Hennepin County to make organics recycling available to residents.

All households in the City's solid waste program are charged for organics recycling, which is also true for regular recycling. This all-pay model ensures that the City is in compliance with MN State Statute 115A.93 that requires licensing authorities to require that residents who recycle are not charged more than residents who do not recycle. Programs that charge all households for organics recycling make the service available to all at a reasonable price and encourage participation. This has proven to be true in Bloomington where 26% of eligible households have requested organics carts, meeting the participation goal for the first year of the program.

### **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.

	<u>General Fund Budget Appropriations</u>	<u>Fund Balance Beginning of Year</u>	
		<u>Amount</u>	<u>% of Budget</u>
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
2023	94,161,711	44,898,089	47.7

The City’s General Fund working capital balance of \$52,064,365 at December 31, 2022 includes amounts committed for future projects, carryovers, and fair value adjustments for investments, which brings the total fund balance to \$44,898,089. The City anticipates that the 2023 year-end General Fund balance will remain constant based upon budgeted 2023 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, 2022 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</u>
General Obligation Bonded Debt	\$ 18,040,000			
Improvement Bonds	52,727,039			
General Obligation Tax Increment	<u>15,275,000</u>			
Net Total	86,042,039			
Less Debt Service Funds	<u>(18,217,700)</u>			
Total Net Bonded Debt	67,824,339	.45%	\$ 750	\$ 494
Overlapping Debt (1)	<u>262,527,905</u>	<u>1.75</u>	<u>2,903</u>	<u>2,718</u>
 Total – 2022 Year-End	 <u>\$ 330,352,244</u>	 <u>2.20%</u>	 <u>\$ 3,653</u>	
 Total - Prior Year-End	 <u>\$ 292,672,501</u>	 <u>1.99%</u>		 <u>\$ 3,212</u>

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

In 2022, the City retired \$460,000 of general obligation, \$6,100,000 of improvement, \$4,360,000 of tax increment, and \$835,000 of business-type G.O. bonds. The City issued \$11,975,000 of general obligation bonds, \$11,875,000 of improvement bonds, and \$5,551,460 of Taxable G.O. tax increment bonds 2022.

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
05/30/19	\$1,645,000	Taxable Charter Bonds	6.43 years	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
04/27/22	11,975,000	Capital Improvement	12.48	3.05	.43
09/08/22	11,875,000	Improvement	6.89	2.51	.33
12/20/22	5,551,460	Taxable Tax Increment	8.65	2.45	.26

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 2022 financial results 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 2023-2032:

<u>Project Category</u>	<u>Estimated Amount (in millions)</u>	<u>Approximate Sources of Funding</u>	
City Facilities, Parks and Park Development	\$ 355.7	Grants, Other	54%
		Bonds	38
		Cash on Hand	7
		Other Governments	1
Alternative/Surface Transportation	258.0	PIR Bonds	38%
		Franchise Fees	18
		Other Governments	17
		Municipal State Aid	11
		Cash on Hand	6
		Tax Abatement	4
		Federal Funds	3
		Grants, Other	3
Water, Sewer, and Stormwater Facilities	116.7	Cash on Hand	90%
		Grants/Other	5
		Tax Abatement	3
		Liquor/Lodging Tax	2
Economic Development and Redevelopment	16.1	Liquor/Lodging Tax	100%
Total	<u>\$ 746.5</u>		

### **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, 2021. 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 51 consecutive years. We believe this 2022 Annual Comprehensive Financial Report continues to conform to Certificate of Achievement Program requirements, and we will be submitting it to GFOA.

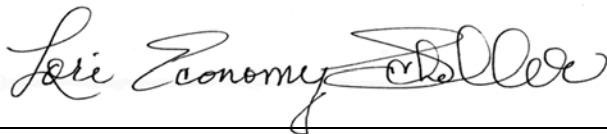
### Independent Audit

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, Amy Sevig, and Julie Vogel 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



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Amy Sevig, Deputy Finance Officer  
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, 2021

*Christopher P. Morill*

Executive Director/CEO





CITY OF  
**BLOOMINGTON**  
MINNESOTA

# CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report  
For The Year Ended December 31, 2022

## SECTION II

# FINANCIAL SECTION



CITY OF  
**BLOOMINGTON**  
MINNESOTA



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Bloomington, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bloomington, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Bloomington, Minnesota'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 of Bloomington, Minnesota, as of December 31, 2022, 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 of Bloomington, Minnesota 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 the 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 of Bloomington, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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 of Bloomington, Minnesota'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 of Bloomington, Minnesota'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.

### ***Change in Accounting Principle***

As described in Note 3 to the financial statements, the City of Bloomington, Minnesota adopted new accounting guidance for the year ended December 31, 2022, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules of OPEB and pension information, 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomington, Minnesota's basic financial statements. The accompanying supplementary information and other supplementary information – component units, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2023 on our consideration of the City of Bloomington, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 of Bloomington, Minnesota'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 of Bloomington, Minnesota's internal control over financial reporting and compliance.

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 16, 2023

## 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, 2022. 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 2022 fiscal year by \$717.9 million (*net position*). Of this amount, \$131.3 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$28.9 million is restricted for debt service, \$31.5 million is restricted for fire pension, \$28.1 million is restricted for tax increment, \$6.4 million is restricted for abatement, \$3.5 million is restricted for other purposes, and \$488.2 million is the City's net investment in capital assets.
- The City's net position increased by \$11.6 million. The general revenues overall increase of \$3.2 million included several factors. Business taxes increased \$5.5 million as a result of the continued positive rebounding effects on the hotel and amusement industries as the pandemic came to an end. Property taxes increased \$2.2 million as the levy slightly increased and market values continued to rise in the residential arena. Grants and contributions not restricted increased \$3.9 million due to funding from the American Rescue Plan grant. Investment earnings decreased \$8.1 million as interest rates increased widely; this resulted in a decrease of \$11.6 million in the fair value adjustment of investments.
- As of December 31, 2022, the City's governmental funds had combined fund balances of \$171.2 million, an increase of \$17.5 million in comparison with the prior year. Including committed, assigned, and unassigned fund balances, approximately 60% of the total fund balances are available to meet the City's current and future needs. The remaining 40% is restricted mostly for grants, debt service, and capital projects.
- At the end of the current fiscal year, total fund balance in the General Fund was \$44.9 million, or 53.7% of actual total General Fund expenditures. This compares to \$42.6 million from the prior year, an increase of \$2.3 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, 2022, the fund balance of the General Fund was within or above this range. \$6.1 million of this positive performance has been committed for budgeted carryover amounts unspent in 2022 and future projects open purchase order contracts at the end of 2022 that were carried over to the 2023 budget.



# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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- In 2022 the Net Pension liability increased \$61,898,237 due to changes in actuarial assumptions with the General Employee Retirement Fund (GERF) and Public Employees Police and Fire Fund (PEPFF) in addition to lower than anticipated investment returns. The pension related net deferred inflows and outflows decreased in the GERF while the net deferred inflows also decreased in the PEPFF but net deferred outflows increased in the PEPFF as a result of changes in actuarial assumptions.
- The estimated market value for all taxable property is at \$15.0 billion for assessment year 2021 (payable in 2022). 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 27.1%. This growth trend accelerated for assessment year 2022 payable 2023 reflecting continued strength in residential and multi-family markets along with growth in commercial value following prior losses due to COVID19.
- Entity-wide, the City recorded \$23.0 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 that of 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, and contractual police.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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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. 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 two categories: governmental funds and proprietary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 thirteen 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

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

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, solid waste, and contractual police (which are considered to be major funds of the City). 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.

### **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 68-126 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 D-3 of this report.

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

### **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.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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 \$717,944,932 at December 31, 2022, as compared to \$705,460,681 at the end of 2021.

### CITY OF BLOOMINGTON'S NET POSITION

	Governmental activities		Business-type activities		Total		Total Percentage Change
	2022	2021	2022	2021	2022	2021	
<b>Assets:</b>							
Current and other assets	\$ 311,235,648	\$ 333,050,303	\$ 45,093,320	\$ 42,597,510	\$ 356,328,968	\$ 375,647,813	(5.1)%
Capital assets	451,868,089	430,989,768	107,642,818	102,750,072	559,510,907	533,739,840	4.8%
Total assets	<u>763,103,737</u>	<u>764,040,071</u>	<u>152,736,138</u>	<u>145,347,582</u>	<u>915,839,875</u>	<u>909,387,653</u>	0.7%
<b>Deferred outflows:</b>							
Deferred outflows of resources	68,532,102	38,120,047	-	-	68,532,102	38,120,047	79.8%
Total assets and deferred outflows	<u>831,635,839</u>	<u>802,160,118</u>	<u>152,736,138</u>	<u>145,347,582</u>	<u>984,371,977</u>	<u>947,507,700</u>	3.9%
<b>Liabilities:</b>							
Current and other liabilities	33,328,704	37,004,925	3,275,038	3,941,866	36,603,742	40,946,791	(10.6)%
Noncurrent liabilities	202,617,402	116,467,493	10,896,959	11,824,466	213,514,361	128,291,959	66.4%
Total liabilities	<u>235,946,106</u>	<u>153,472,418</u>	<u>14,171,997</u>	<u>15,766,332</u>	<u>250,118,103</u>	<u>169,238,750</u>	47.8%
<b>Deferred inflows:</b>							
Deferred inflows of resources	14,229,864	72,808,269	2,079,078	-	16,308,942	72,808,269	(77.6)%
Total liabilities and deferred inflows	<u>250,175,970</u>	<u>226,280,687</u>	<u>16,251,075</u>	<u>15,766,332</u>	<u>266,427,045</u>	<u>242,047,019</u>	10.1%
<b>Net position:</b>							
Net investment in capital assets	392,399,308	380,801,226	95,781,572	90,090,606	488,180,880	470,891,832	3.7%
Restricted	98,424,556	102,118,044	-	-	98,424,556	102,118,044	(3.6)%
Unrestricted	90,636,005	92,960,161	40,703,491	39,490,644	131,339,496	132,450,805	(0.8)%
Total net position	<u>\$ 581,459,869</u>	<u>\$ 575,879,431</u>	<u>\$ 136,485,063</u>	<u>\$ 129,581,250</u>	<u>\$ 717,944,932</u>	<u>\$ 705,460,681</u>	1.8%

As of December 31, 2022 the City had a positive net position balance for the government as a whole. The decrease in current and other assets is mostly related to a decrease in the net pension asset of \$39.7 million. The deferred outflows increased \$30.4 million due to changes in actuarial assumptions. Current and other liabilities decreased roughly \$4.3 million mainly due to a decrease of \$3.1 million for due within one year.

By far, the largest portion of the City's net position, \$488,180,880 (approximately 68%), 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. 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, \$98,424,556 (approximately 14%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$131,339,496 (approximately 18%), may be used to meet the government's ongoing obligation to citizens and creditors.

**CITY OF BLOOMINGTON, MINNESOTA**

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

The following schedule provides a summary of the City's operations for the year ended December 31, 2022:

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

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2022	2021	2022	2021	2022	2021	
<b>REVENUES:</b>							
Program revenues:							
Charges for services	\$ 13,114,190	\$ 11,704,433	\$ 54,757,196	\$ 51,274,414	\$ 67,871,386	\$ 62,978,847	7.8 %
Operating grants and contributions	9,139,218	10,044,034	421,866	191,494	9,561,084	10,235,528	(6.6)%
Capital grants and contributions	18,074,024	22,665,316	77,327	1,630,181	18,151,351	24,295,497	(25.3)%
General revenues:							
Property taxes	65,582,826	63,340,502	2,140,941	2,148,695	67,723,767	65,489,197	3.4 %
Business taxes	16,457,285	10,996,191	-	-	16,457,285	10,996,191	49.7 %
Grants and contributions not restricted	5,489,909	1,559,116	-	-	5,489,909	1,559,116	252.1 %
Gain on sale of capital assets	92,939	410,144	-	-	92,939	410,144	(77.3)%
Interest and investment earnings (losses)	(8,103,016)	(1,048,948)	(1,209,357)	(141,924)	(9,312,373)	(1,190,872)	682.0 %
Total revenues	<u>119,847,375</u>	<u>119,670,788</u>	<u>56,187,973</u>	<u>55,102,860</u>	<u>176,035,348</u>	<u>174,773,648</u>	<u>0.7 %</u>
<b>EXPENSES:</b>							
General services	8,618,788	6,237,112	-	-	8,618,788	6,237,112	38.2 %
Development services	16,971,960	17,472,571	-	-	16,971,960	17,472,571	(2.9)%
Public works	29,655,103	19,689,961	-	-	29,655,103	19,689,961	50.6 %
Public safety	40,674,767	24,983,228	-	-	40,674,767	24,983,228	62.8 %
Community services	14,933,791	17,883,591	-	-	14,933,791	17,883,591	(16.5)%
Interest on long-term debt	1,531,010	1,211,756	-	-	1,531,010	1,211,756	26.3 %
Water/wastewater utility	-	-	28,364,112	25,246,844	28,364,112	25,246,844	12.3 %
Storm water utility	-	-	5,940,682	5,136,183	5,940,682	5,136,183	15.7 %
Recreational facilities	-	-	6,435,366	5,109,193	6,435,366	5,109,193	26.0 %
Solid waste management	-	-	10,272,387	8,215,273	10,272,387	8,215,273	25.0 %
Contractual police	-	-	1,021,027	696,612	1,021,027	696,612	46.6 %
Motor vehicle	-	-	-	229,911	-	229,911	(100.0)%
Total expenses	<u>112,385,419</u>	<u>87,478,219</u>	<u>52,033,574</u>	<u>44,634,016</u>	<u>164,418,993</u>	<u>132,112,235</u>	<u>24.5 %</u>
Change in net position before transfers	7,461,956	32,192,569	4,154,399	10,468,844	11,616,355	42,661,413	(72.8)%
Transfers	(1,881,518)	(285,780)	1,881,518	285,780	-	-	- %
Change in net position	5,580,438	31,906,789	6,035,917	10,754,624	11,616,355	42,661,413	(72.8)%
Net position - January 1	575,879,431	543,972,642	129,581,250	118,826,626	705,460,681	662,799,268	6.4 %
Prior period adjustment	-	-	867,896	-	867,896	-	(100.0)%
Net position - January 1, as restated	<u>575,879,431</u>	<u>543,972,642</u>	<u>130,449,146</u>	<u>118,826,626</u>	<u>706,328,577</u>	<u>662,799,268</u>	<u>6.6 %</u>
Net position - December 31	<u>\$ 581,459,869</u>	<u>\$ 575,879,431</u>	<u>\$ 136,485,063</u>	<u>\$ 129,581,250</u>	<u>\$ 717,944,932</u>	<u>\$ 705,460,681</u>	<u>1.8 %</u>

Expenses above include \$18,463,119 of depreciation expense for governmental activities and \$4,493,653 for business type activities under the full accrual basis of accounting.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

### Governmental activities

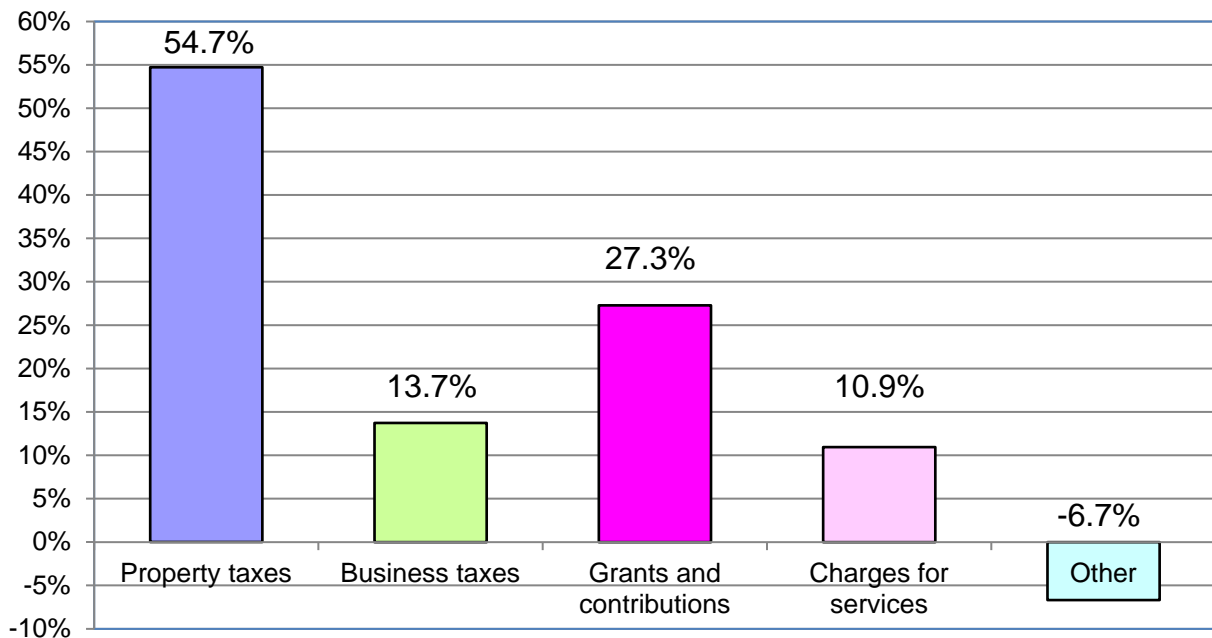
Internal service fund charges for services (program revenues of \$43,889,678) and expenses (\$48,532,133) were allocated to all the governmental and business-type activities. A comparison of revenue and expense changes from 2021 to 2022 follows:

Overall, governmental activities net position increased by \$5.6 million. Within this increase, general revenues increased overall by \$2.7 million in 2022 due to a combination of the following factors. Property taxes increased by \$2.2 million as a result of levy and market value increases, business taxes increased by \$5.5 million as the hospitality industry experienced an increase in activity compared to 2021 when the effects of the pandemic were still impactful, grants and contributions increased by \$3.9 million due to the American Rescue Plan federal grant funding, and interest and investment earnings decreased by \$7.0 million due to fair value adjustments.

Program revenues decreased by \$4.1 million in 2022. Charges for services increased \$1.4 million as a result of increased permit revenue. Operating grants and contributions decreased by \$.9 million. Capital grants and contributions decreased by \$4.6 million due to a decrease in public works capital projects and the related special assessments.

Governmental activities expenses increased by \$24.9 million in 2022. Public works expenses increased \$10.0 million and public safety expenses increased \$15.7 million. The increases in both these areas are primarily attributable to capital improvement projects.

**City of Bloomington  
2022 Revenue Sources - Governmental Activities**



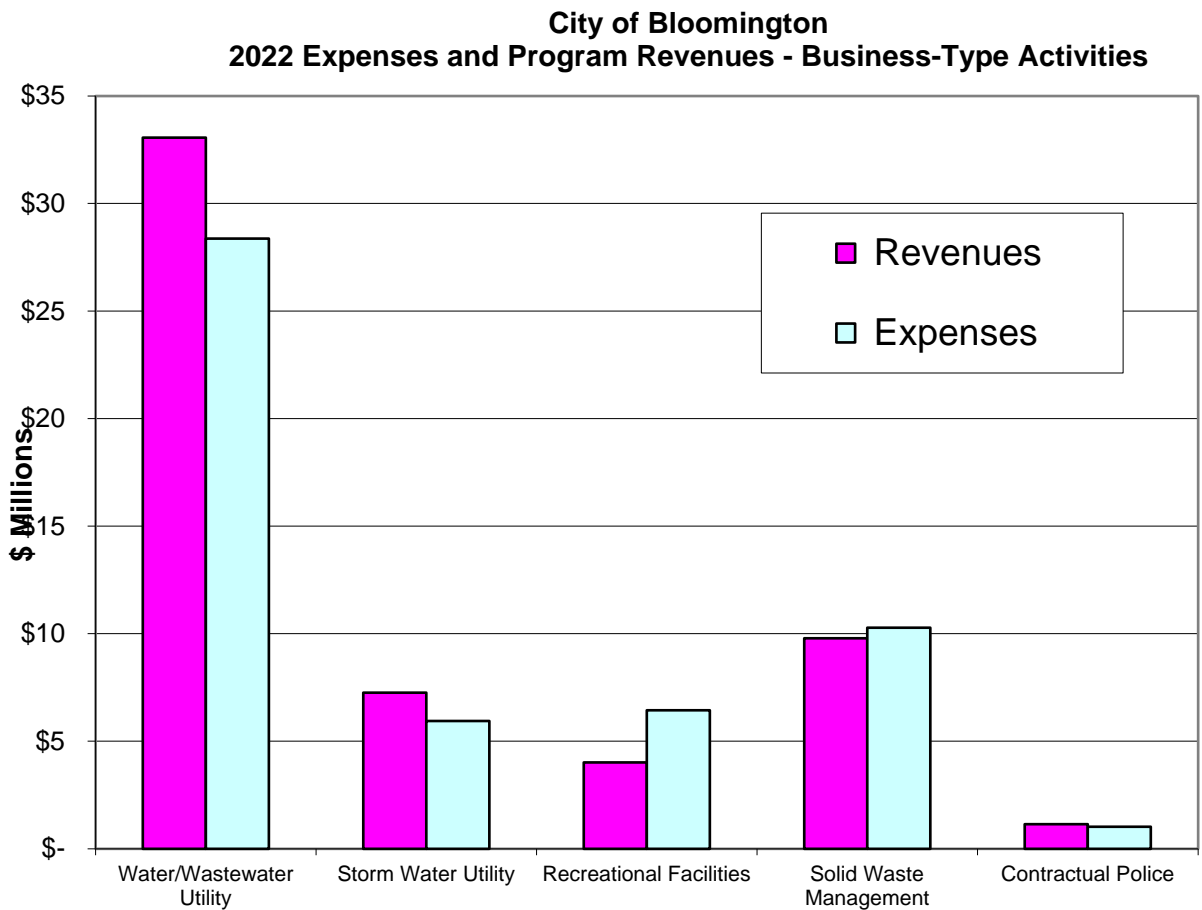
# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

### Business-type activities

Business-type charges for services revenue increased \$2.2 million in 2022. The majority of this increase is due to increased revenue in water/wastewater utility revenue of \$1.3 million due to higher water rates. In addition, the solid waste management fund increased charges for services revenue by \$1.4 million primarily due to the rollout of the new organics recycling program.

Business-type expenses increased in 2022 by about \$7.4 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. The Solid Waste Management fund had the largest increase of \$2.1 million due to increased refuse hauling costs and the curbside cleanup costs in 2022.



CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

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

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

**Governmental Funds.** The 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, 2022, the City’s governmental funds reported combined ending fund balances of \$171,221,859 an increase of \$17.5 million in comparison with the prior year. Fund balance of \$68.7 million is *restricted* due to externally enforceable legal restrictions (creditors, grantors, contributors, and by law through constitutional provisions or enabling regulations).

Approximately, \$102.5 million or 60% 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 Non-Major Funds). The following presents the amounts of unrestricted fund balance by various fund types:

<u>Fund Type</u>	<u>Unrestricted Fund Balance</u>
General fund	\$ 44,898,089
Special revenue funds	6,811,018
Debt service funds	(1,390)
Capital projects funds	<u>50,827,074</u>
Total	<u>\$ 102,534,791</u>



**CITY OF BLOOMINGTON, MINNESOTA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

**Revenues by Source  
Governmental Funds**

	2022		2021		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Revenues by source:					
Taxes	\$ 81,816,967	67.2%	\$ 74,412,571	66.5%	\$ 7,404,396
Special assessments	3,949,809	3.2	3,691,535	3.3	258,274
Business licenses and permits	8,082,182	6.6	6,021,564	5.4	2,060,618
Fines	389,887	0.3	445,686	0.4	(55,799)
Intergovernmental	21,407,196	17.5	16,017,184	14.3	5,390,012
Program income	2,268,552	1.9	2,191,342	2.0	77,210
Interest and investment income	(6,335,128)	(5.2)	(859,209)	(0.8)	(5,475,919)
Franchise fees	7,404,601	6.1	6,345,252	5.7	1,059,349
Contractual component unit	213,114	0.2	212,927	0.2	187
Other	2,629,257	2.2	3,379,727	3.0	(750,470)
<b>Total</b>	<b>\$ 121,826,437</b>	<b>100.0%</b>	<b>\$ 111,858,579</b>	<b>100.0%</b>	<b>\$ 9,967,858</b>

Taxes increased by \$7.4 million from 2021 due to increased lodging and admission tax revenue. Intergovernmental revenue increased \$5.4 million from 2021 due to the American Rescue Plan federal grant funding in 2022. Interest and investment income decreased by \$5.5 million due to fair value adjustments for investments.

**Expenditures by Function  
Governmental Funds**

	2022		2021		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Expenditures by Function					
General services	\$ 7,489,571	5.6%	\$ 6,530,378	6.0%	\$ 959,193
Development services	13,187,975	9.9	11,674,375	10.7	1,513,600
Public works	18,814,333	14.1	12,573,666	11.5	6,240,667
Public safety	37,105,476	27.7	34,392,291	31.4	2,713,185
Parks and recreation	4,105,296	3.1	9,477,874	8.6	(5,372,578)
Community services	9,801,255	7.3	8,845,792	8.1	955,463
Debt service	12,636,318	9.4	9,380,817	8.5	3,255,501
Capital outlay	30,579,352	22.9	16,674,944	15.2	13,904,408
<b>Total</b>	<b>\$ 133,719,576</b>	<b>100.0%</b>	<b>\$ 109,550,137</b>	<b>100.0%</b>	<b>\$ 24,169,439</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 \$44,898,089 which was comprised of \$6,068,345 of committed fund balance and \$38,829,744 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 46.4% of total General Fund expenditures. It is important to note that the majority of the General Fund unassigned fund balance of \$38,829,744 is deemed necessary for a working capital goal of \$37,664,684. The committed amount of \$6,068,345 consists of a budget carryover amount of \$4,970,719 and future projects rollover amount of \$1,097,626. The budget carryover represents 2022 budgeted amounts that were unspent in 2022 and were carried over to the 2023 budget. The future projects rollover amount represents open purchase order contracts at the end of 2022 that were carried over to the 2023 budget for future projects.

Overall, General Fund revenues increased from \$78.2 million in 2021 to \$83.2 million in 2022, an increase of \$5.0 million. Lodging and admissions tax revenue increased \$3.2 million as a result of the hospitality industry recovering since the start of the pandemic. General Fund expenditures increased from \$75.9 million in 2021 to \$83.7 million in 2022.

The \$13.9 million increase in capital outlay in the governmental funds is primarily due to Public Works street project expenditures.

The Community Development Block Grant fund balance had a net increase of \$155,169 due to unspent loan repayments as a result of a continued hold on the program in 2022 for the purpose of a comprehensive and coordinated review, assessment and update to the policies, procedures and process.

The Improvement Bonds fund balance had a net decrease of \$442,539. The decrease was due to the transfer out to other funds in the Improvement Construction fund to support the costs of the pavement management program projects.

The Capital Projects fund balance had a net increase of \$9.0 million. The increase was due to the issuance of debt of \$11.9 million for the Fire Station 4 project.

The Improvement Construction fund balance had a net increase of \$7.6 million due to the issuance of debt in 2022 for pavement management program projects in 2022 and 2023.

**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 \$6.7 million during the current fiscal year. Key factors in this change include:

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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- The Water/Wastewater Utility Fund had an increase in net position of \$6.1 million, or 8.8%, due to an increase in service charges.
- The Storm Water Utility Fund had an increase in net position of \$1.0 million, or 2.0%, due to an increase in service charges.

The net position of the internal service funds decreased by \$5.2 million during the current fiscal year. Key factors in this change include:

- The Benefit Accrual fund had a decrease of \$1.1 million due to accrual payouts to employees.
- The PERA Pension Fund had a decrease of \$3.2 million due to changes in actuarial valuations of pension liabilities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a \$7.4 million increase in appropriations and can be briefly summarized as follows:

- After factoring in the General Fund's required working capital requirements of 40% of the following year's revenues, the City Council approved a transfer out to the Strategic Priorities Fund in the amount of \$6.3 million. This included positive budget variance from both 2020 and 2021. These funds, in addition to other reserves in the Strategic Priorities fund, will be used to reduce pressure on future tax levies as well as fund future initiatives as directed by Council.
- The Council approved increases in expenditures in the amount of \$1.1 million that were funded by a transfer from the Strategic Priorities Fund for the following:
  - New Equity and Inclusion Specialist position in the Office of Racial Equity, Inclusion, and Belonging (OREIB) Division
  - New City-wide performance management software that is tracking progress on the *Bloomington.Tomorrow.Together* strategic plan initiatives on a dashboard on the City's website
  - Two new compliance positions in the Legal Department
  - Multiple park improvement projects
  - Police shared values organizational initiative
  - New body scanner for the jail

Despite having to record negative revenue of \$2.3 million because of the end of year fair value adjustment for investments, the actual net results compared to the final budget resulted in a \$4.6 million favorable variance. Significant details are as follows:

- Lodging and admissions tax revenue exceeded budget by \$1.6 million as the hospitality industry recovered from the pandemic.
- Business license and permit revenue exceeded forecasted projections by \$2.4 million.
- Public Works, Legal, Public Safety, Parks and Recreation and Community Development all had less than budgeted expenditures totaling more than \$1.9 million.

# 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, 2022 amount to \$559,510,907 (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 \$8.0 million.
- The 2022 Pavement Management Program (PMP) expended \$16,044,430. These improvements included 3.32 miles of reconstructed streets and 9.36 miles of overlaid streets.
- The City's Improvement Construction Fund spent nearly \$17.8 million on street improvement projects in 2022 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 4.

#### **Long-term Debt**

At the end of the current fiscal year, the City had total bonded debt outstanding (excluding unamortized premiums) of \$91,515,000 as compared to \$73,868,540 in the prior year. This amount is comprised of \$80,325,000 related to governmental activities and \$11,190,000 in debt related to business-type activities.

In 2022, the City issued \$11,875,000 of General Obligation Permanent Improvement Revolving (PIR) Bonds. The City also issued \$11,975,000 in Capital Improvement Plan Bonds. In addition, the City drew an additional \$5,551,460 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. In 2022 the City retired a total of \$11,755,000 resulting in \$91,515,000 in bonds payable as of December 31, 2022.

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 33 cities nationwide to hold this "Triple A" bond ratings combination. Additional information on the City's long-term debt can be found in Note 7.

# 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 2022, the unemployment rate in Bloomington was 2.9%, up from a rate of 2.4% from a year ago. This is less than the state's December unemployment rate of 3.2% and compares favorably to the national rate of 3.5%.
- For 2022, residential and multifamily property values continued to benefit from supply/demand factors. Also, the continuation of flexible work policies maintained the demand for living spaces for reasons beyond simple historical sheltering to actually becoming an extension of work. 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 values approximately 17% and multi-family total value just under 22%, including value gain from new construction.
- Bloomington has a diverse tax base with approximately half commercial and half residential and multi-family. As of January 2022, the assessor's estimated market value for Bloomington turned up an additional 14.9% on top of 2.2% growth in 2021 to a total of \$17.1 billion. This is a 136.5% increase in total city market value since 2000, and the total is now 27.1% above the previous peak in 2008.
- 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.
- The projected Public Employees Retirement Association (PERA) pension costs to the City for 2023 are estimated at roughly \$6.1 million on a pay-as-you-go basis.
- On December 5, 2022, the City Council approved the 2023 budget and the 2023 property tax levy of \$74.5 million, which was an increase of 9.15% over the 2022 property tax levy. The 2023 budget focused on the City's *Bloomington. Tomorrow. Together.* strategic plan by investing in City priorities to cultivate an enduring and remarkable community where people want to be.
- A major theme from the 2023 budget was that it was a significant investment in Public Safety. 85% of the tax levy increase was an investment in Police and Fire services. The 2023 budget added three full-time Firefighters in addition to the 18 Firefighters recently added with a Federal Staffing for Adequate Fire and Emergency Response (SAFER) grant to address critical staffing issues and begin the transformation from a mainly paid-on-call, part-time Fire department to a hybrid model of full-time and part-time Firefighters. The 2023 budget also added four Police officers that will decrease the amount of overtime officers are expected to work to meet basic staffing needs. It also added a new position in Dispatch.

# CITY OF BLOOMINGTON, MINNESOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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- The 2023 City property tax dollar is split out with half or 50 cents going to Police and Fire, 25 cents going to Public Works, and 16 cents going to Community Development, Community Services, and Parks and Recreation, with the remaining 9 cents going to debt payments for capital projects like road infrastructure and facility improvements.

### The 2023 City property tax dollar



### 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, 2022

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	\$ 215,098,559	\$ 33,032,640	\$ 248,131,199	\$ 112,931,602	\$ 19,648,189
Receivables, net	55,379,161	14,390,896	69,770,057	149,852	22,973,759
Prepaid items	1,171,259	687,079	1,858,338	1,594	-
Due from primary government	-	-	-	-	5,654,271
Due from component units	13,057,455	-	13,057,455	-	-
Inventory and land held for resale	7,477,884	-	7,477,884	17,150,000	1,747,941
Internal balances	3,017,295	(3,017,295)	-	-	-
Net fire pension asset	16,034,035	-	16,034,035	-	-
Capital assets:					
Capital assets - nondepreciable	112,689,623	5,684,824	118,374,447	-	1,600,300
Capital assets - net of accumulated depr	339,178,466	101,957,994	441,136,460	-	612,989
Net capital assets	<u>451,868,089</u>	<u>107,642,818</u>	<u>559,510,907</u>	<u>-</u>	<u>2,213,289</u>
Total assets	<u>763,103,737</u>	<u>152,736,138</u>	<u>915,839,875</u>	<u>130,233,048</u>	<u>52,237,449</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources	<u>68,532,102</u>	<u>-</u>	<u>68,532,102</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>831,635,839</u>	<u>152,736,138</u>	<u>984,371,977</u>	<u>130,233,048</u>	<u>52,237,449</u>
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	8,978,387	2,172,970	11,151,357	265,084	685,048
Accrued interest payable	1,013,353	190,025	1,203,378	77,725	68,113
Due to other governments	-	-	-	-	21,580
Unearned revenue	8,090,378	37,043	8,127,421	-	308,949
Due to component units	5,654,271	-	5,654,271	-	-
Due to primary government	-	-	-	10,936	1,122,940
Due to primary government - bonds	-	-	-	-	190,000
Noncurrent liabilities:					
Due to primary government -					
Loans payable due in more than one year	-	-	-	-	9,852,833
Bonds payable due in more than one year	-	-	-	-	1,791,733
Accrued interest payable	-	-	-	-	89,013
Due within one year	9,592,315	875,000	10,467,315	410,000	7,041,645
Due in more than one year	98,281,416	10,896,959	109,178,375	5,175,000	980,270
Net pension/OPEB liability	<u>104,335,986</u>	<u>-</u>	<u>104,335,986</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>235,946,106</u>	<u>14,171,997</u>	<u>250,118,103</u>	<u>5,938,745</u>	<u>22,152,124</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow of resources	<u>14,229,864</u>	<u>2,079,078</u>	<u>16,308,942</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>250,175,970</u>	<u>16,251,075</u>	<u>266,427,045</u>	<u>5,938,745</u>	<u>22,152,124</u>
<b>NET POSITION</b>					
Net investment in capital assets	392,399,308	95,781,572	488,180,880	-	634,641
Restricted for:					
Debt service	28,885,843	-	28,885,843	502,619	1,545,930
Fire pension	31,571,106	-	31,571,106	-	-
Tax increment	28,092,475	-	28,092,475	123,718,517	6,522,627
Abatement	6,416,028	-	6,416,028	-	-
Restricted - other	3,459,104	-	3,459,104	-	-
Unrestricted	<u>90,636,005</u>	<u>40,703,491</u>	<u>131,339,496</u>	<u>73,167</u>	<u>21,382,127</u>
Total net position	<u>\$ 581,459,869</u>	<u>\$ 136,485,063</u>	<u>\$ 717,944,932</u>	<u>\$ 124,294,303</u>	<u>\$ 30,085,325</u>

See notes to the basic financial statements.

**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Activities  
Year Ended December 31, 2022

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	\$ 8,618,788	\$ 3,503,237	\$ 292,767	\$ 197,089	\$ (4,625,695)	\$ -	\$ (4,625,695)	\$ -	\$ -
Development Services	16,971,960	7,076,511	1,049,964	267,216	(8,578,269)	-	(8,578,269)	-	-
Public Works	29,655,103	89,626	78,086	16,546,235	(12,941,156)	-	(12,941,156)	-	-
Public Safety	40,674,767	228,256	1,886,303	-	(38,560,208)	-	(38,560,208)	-	-
Community Services	14,933,791	2,216,560	5,832,098	1,063,484	(5,821,649)	-	(5,821,649)	-	-
Interest on long-term debt	1,531,010	-	-	-	(1,531,010)	-	(1,531,010)	-	-
Total governmental activities	112,385,419	13,114,190	9,139,218	18,074,024	(72,057,987)	-	(72,057,987)	-	-
Business-type activities:									
Water/Wastewater Utility	28,364,112	33,011,125	50,000	-	-	4,697,013	4,697,013	-	-
Storm Water Utility	5,940,682	7,191,477	12,000	52,507	-	1,315,302	1,315,302	-	-
Recreational Facilities	6,435,366	3,960,871	23,459	24,820	-	(2,426,216)	(2,426,216)	-	-
Solid Waste Management	10,272,387	9,452,134	336,407	-	-	(483,846)	(483,846)	-	-
Contractual Police	1,021,027	1,141,589	-	-	-	120,562	120,562	-	-
Total business-type activities	52,033,574	54,757,196	421,866	77,327	-	3,222,815	3,222,815	-	-
Total primary government	\$ 164,418,993	\$ 67,871,386	\$ 9,561,084	\$ 18,151,351	(72,057,987)	3,222,815	(68,835,172)	-	-
<b>Component units:</b>									
Port Authority	\$ 9,574,777	\$ -	\$ 880,000	\$ -	-	-	-	(8,694,777)	-
Housing and Redevelopment Authority	17,830,236	1,227,410	6,242,852	7,716,460	-	-	-	-	(2,643,514)
Total component units	\$ 27,405,013	\$ 1,227,410	\$ 7,122,852	\$ 7,716,460	-	-	-	(8,694,777)	(2,643,514)
<b>General revenues:</b>									
Property taxes					65,582,826	2,140,941	67,723,767	13,596,169	5,386,416
Business taxes					16,457,285	-	16,457,285	-	-
Grants and contributions not restricted					5,489,909	-	5,489,909	-	-
Gain on sale of capital assets					92,939	-	92,939	-	-
Interest and investment earnings					(8,103,016)	(1,209,357)	(9,312,373)	(3,368,681)	734,344
Transfers					(1,881,518)	1,881,518	-	-	-
<b>Total general revenues and transfers</b>					<b>77,638,425</b>	<b>2,813,102</b>	<b>80,451,527</b>	<b>10,227,488</b>	<b>6,120,760</b>
<b>Change in net position</b>					<b>5,580,438</b>	<b>6,035,917</b>	<b>11,616,355</b>	<b>1,532,711</b>	<b>3,477,246</b>
<b>Net position - January 1</b>					<b>575,879,431</b>	<b>129,581,250</b>	<b>705,460,681</b>	<b>122,761,592</b>	<b>26,608,079</b>
<b>Prior period adjustment - see Note 14</b>					<b>-</b>	<b>867,896</b>	<b>867,896</b>	<b>-</b>	<b>-</b>
<b>Net position - January 1, as restated</b>					<b>575,879,431</b>	<b>130,449,146</b>	<b>706,328,577</b>	<b>122,761,592</b>	<b>26,608,079</b>
<b>Net position - December 31</b>					<b>\$ 581,459,869</b>	<b>\$ 136,485,063</b>	<b>\$ 717,944,932</b>	<b>\$ 124,294,303</b>	<b>\$ 30,085,325</b>

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**

**MAJOR GOVERNMENTAL FUNDS**

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**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, 2022

	General Fund	Community Development Block Grant	Improvement Bonds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 43,965,435	\$ 630,047	\$ 17,943,890
Accrued interest receivable	351,037	2,253	64,599
Taxes receivable	845,157	-	30,946
Accounts receivable	2,141,556	-	-
Lease receivable	6,475,610	-	-
Mortgages and notes receivable	-	10,668,906	-
Land held for resale	-	-	-
Due from other funds	231,000	-	-
Due from component units	1,099,160	22,820	-
Due from other governments	727,350	238,007	-
Special assessments receivable	1,187,184	-	11,680,106
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u><u>\$ 57,023,489</u></u>	<u><u>\$ 11,562,033</u></u>	<u><u>\$ 29,719,541</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,309,830	\$ 194,531	\$ 4,200
Retainage payable	-	-	-
Due to component units	4,271	-	-
Unearned revenue	527,898	-	-
Deposits payable	17,972	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<u><u>3,859,971</u></u>	<u><u>194,531</u></u>	<u><u>4,200</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - mortgages	-	10,668,906	-
Deferred inflows - taxes	602,635	-	-
Deferred inflows - state aid	-	-	-
Deferred inflows - special assessments	1,187,184	-	11,680,106
Deferred inflows - leases	6,475,610	-	-
Deferred inflows - land held for resale	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total deferred inflows of resources</b>	<u><u>8,265,429</u></u>	<u><u>10,668,906</u></u>	<u><u>11,680,106</u></u>
<b>FUND BALANCES</b>			
Restricted	-	698,596	18,035,235
Committed	6,068,345	-	-
Assigned	-	-	-
Unassigned	38,829,744	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<u><u>44,898,089</u></u>	<u><u>698,596</u></u>	<u><u>18,035,235</u></u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 57,023,489</u></u>	<u><u>\$ 11,562,033</u></u>	<u><u>\$ 29,719,541</u></u>

See notes to the basic financial statements.

EXHIBIT 3

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 35,250,614	\$ 54,578,250	\$ 16,513,844	\$ 168,882,080
56,724	177,076	28,585	680,274
-	-	89	876,192
14,054	1,568,943	327,180	4,051,733
-	-	-	6,475,610
5,150,000	-	-	15,818,906
6,870,306	606,477	-	7,476,783
-	-	-	231,000
9,852,832	-	11,896	10,986,708
808,919	11,503,420	329,882	13,607,578
1,004,260	-	-	13,871,550
<u>\$ 59,007,709</u>	<u>\$ 68,434,166</u>	<u>\$ 17,211,476</u>	<u>\$ 242,958,414</u>
\$ 1,089,293	\$ 517,054	\$ 325,395	\$ 5,440,303
526,886	1,074,955	-	1,601,841
5,650,000	-	-	5,654,271
-	-	7,487,479	8,015,377
-	-	921,837	939,809
<u>7,266,179</u>	<u>1,592,009</u>	<u>8,734,711</u>	<u>21,651,601</u>
-	-	-	10,668,906
-	-	-	602,635
-	10,989,470	-	10,989,470
1,004,260	-	-	13,871,550
-	-	-	6,475,610
6,870,306	606,477	-	7,476,783
<u>7,874,566</u>	<u>11,595,947</u>	<u>-</u>	<u>50,084,954</u>
32,862,086	15,424,014	1,667,137	68,687,068
11,004,878	-	6,815,320	23,888,543
-	39,822,196	-	39,822,196
-	-	(5,692)	38,824,052
<u>43,866,964</u>	<u>55,246,210</u>	<u>8,476,765</u>	<u>171,221,859</u>
<u>\$ 59,007,709</u>	<u>\$ 68,434,166</u>	<u>\$ 17,211,476</u>	<u>\$ 242,958,414</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**CITY OF BLOOMINGTON, MINNESOTA**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 December 31, 2022

EXHIBIT 4

**FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 171,221,859

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	\$ 617,860,424	
Less accumulated depreciation	<u>(219,081,928)</u>	398,778,496

Governmental funds do not report a liability for accrued interest until due and payable. (1,013,353)

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	30,624,175	
Add allocation to business-type activities	<u>2,786,295</u>	33,410,470

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (80,325,000)

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	(10,828,815)	
Deferred outflows of resources - OPEB plan deferments	1,518,188	
Deferred inflows of resources - OPEB plan deferments	<u>(2,633,024)</u>	(11,943,651)

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. (5,717,039)

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. 2,067,636

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	16,034,035	
Deferred outflows of resources	18,144,844	
Deferred inflows of resources	<u>(2,607,773)</u>	31,571,106

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. 43,409,345

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 581,459,869

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, 2022

	General Fund	Community Development Block Grant	Improvement Bonds	Capital Projects
<b>REVENUES</b>				
Property taxes	\$ 53,189,587	\$ -	\$ 5,219,600	\$ 600,000
Fiscal disparities	4,314,509	-	391,719	-
Special assessments	55,783	-	3,494,919	149,704
Lodging and admissions tax	9,625,118	-	-	6,832,167
Business licenses and permits	8,082,182	-	-	-
Fines	317,773	-	-	-
Intergovernmental	6,173,201	886,499	-	1,500,288
Program income	1,834,067	-	-	-
Interest	303,564	33,577	163,911	303,879
Net change in fair value of investments	(2,258,372)	(33,577)	(930,923)	(1,566,887)
Other	1,554,264	-	-	133,369
Franchise fees	-	-	-	-
Contractual payments from component unit	-	-	-	213,114
Total revenues	83,191,676	886,499	8,339,226	8,165,634
<b>EXPENDITURES</b>				
Current:				
General services	7,225,065	-	20,939	2,996
Development services	9,891,223	712,333	-	2,055,495
Public works	18,411,866	-	101,650	-
Public safety	35,571,425	-	59,225	6,987
Parks and recreation	3,902,314	-	-	63,106
Community services	7,882,827	-	-	-
Debt service:				
Interest	-	-	1,435,219	213,114
Principal retirement	-	-	6,560,000	1,900,000
Capital outlay:				
General services	-	-	-	-
Development services	-	-	-	3,264,238
Public works	675,703	-	-	-
Public safety	112,488	-	-	6,170,634
Parks and recreation	-	-	-	2,005,714
Total expenditures	83,672,911	712,333	8,177,033	15,682,284
Excess (deficiency) of revenues over (under) expenditures	(481,235)	174,166	162,193	(7,516,650)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	9,412,954	-	341,606	6,300,000
Transfers to other funds	(6,599,500)	(18,997)	(1,106,898)	(7,868,150)
Issuance of debt	-	-	160,560	17,467,350
Premium on bonds issued	-	-	-	591,097
Total other financing sources (uses)	2,813,454	(18,997)	(604,732)	16,490,297
Net change in fund balance	2,332,219	155,169	(442,539)	8,973,647
Fund balance - January 1	42,565,870	543,427	18,477,774	34,893,317
Fund balance - December 31	\$ 44,898,089	\$ 698,596	\$ 18,035,235	\$ 43,866,964

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

Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 300,000	\$ 1,344,267	\$ 60,653,454
-	-	4,706,228
249,403	-	3,949,809
-	-	16,457,285
-	-	8,082,182
-	72,114	389,887
7,378,431	5,468,777	21,407,196
-	434,485	2,268,552
565,976	85,900	1,456,807
(2,584,866)	(417,310)	(7,791,935)
190,933	750,691	2,629,257
6,169,420	1,235,181	7,404,601
-	-	213,114
<u>12,269,297</u>	<u>8,974,105</u>	<u>121,826,437</u>
14,283	226,288	7,489,571
-	528,924	13,187,975
300,817	-	18,814,333
-	1,467,839	37,105,476
-	139,876	4,105,296
-	1,918,428	9,801,255
-	67,985	1,716,318
-	2,460,000	10,920,000
-	21,521	21,521
118,105	45,650	3,427,993
17,807,773	-	18,483,476
-	357,526	6,640,648
-	-	2,005,714
<u>18,240,978</u>	<u>7,234,037</u>	<u>133,719,576</u>
<u>(5,971,681)</u>	<u>1,740,068</u>	<u>(11,893,139)</u>
1,346,898	1,249,539	18,650,997
(1,521,875)	(4,079,542)	(21,194,962)
11,773,550	-	29,401,460
1,978,563	-	2,569,660
<u>13,577,136</u>	<u>(2,830,003)</u>	<u>29,427,155</u>
7,605,455	(1,089,935)	17,534,016
<u>47,640,755</u>	<u>9,566,700</u>	<u>153,687,843</u>
<u>\$ 55,246,210</u>	<u>\$ 8,476,765</u>	<u>\$ 171,221,859</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, 2022

EXHIBIT 6

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 17,534,016**

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	\$ 30,579,352	
Capital contribution from internal service funds	375,162	
Depreciation expense	(13,814,048)	
Loss on disposal of capital assets	<u>(8,056)</u>	17,132,410

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	(29,401,460)	
Principal paid	<u>10,920,000</u>	(18,481,460)

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. (1,933,252)

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. (925,449)

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	(5,247,590)	
Add allocation to business-type activities	<u>696,369</u>	(4,551,221)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (759,205)

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. (74,422)

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. (1,790,979)

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. (570,000)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 5,580,438**

See notes to the basic financial statements.



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## CITY OF BLOOMINGTON, MINNESOTA

### MAJOR PROPRIETARY 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.*

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.

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

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Fund Net Position

Proprietary Funds

December 31, 2022

Business-type Activities - Enterprise Funds

	<u>Water/Wastewater Utility</u>	<u>Storm Water Utility</u>	<u>Recreational Facilities</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 19,598,429	\$ 10,222,102	\$ 3,209,710
Accrued interest receivable	136,225	35,408	10,832
Taxes receivable	546,413	795,572	748
Accounts receivable	6,173,186	1,846,928	224,852
Prepaid items	687,079	-	-
Due from other funds	-	25,000	-
Due from other governments	50,000	-	-
Inventory	-	-	-
Total current assets	<u>27,191,332</u>	<u>12,925,010</u>	<u>3,446,142</u>
Noncurrent assets:			
Lease receivable	2,079,078	-	-
Land	2,280,001	478,858	1,955,757
Buildings and structures	18,973,707	791,498	19,470,330
Machinery and equipment	1,763,995	179,571	2,200,076
Improvements	3,105,212	1,844,511	2,816,940
Distribution system and infrastructure	106,725,877	71,482,455	-
Construction in progress	970,208	-	-
Accumulated depreciation	(83,399,074)	(27,084,393)	(16,912,711)
Total noncurrent assets	<u>52,499,004</u>	<u>47,692,500</u>	<u>9,530,392</u>
<b>Total assets</b>	<u>79,690,336</u>	<u>60,617,510</u>	<u>12,976,534</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - related to pensions	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,089,876	41,359	200,934
Estimated claims payable	-	-	-
Benefits payable	-	-	-
Due to other funds	-	-	-
Retainage payable	57,006	32,281	-
Unearned revenue	5,527	-	31,516
Bonds payable	115,000	610,000	150,000
Accrued interest payable	8,258	164,089	17,678
Deposits payable	7,321	-	6,717
Total current liabilities	<u>1,282,988</u>	<u>847,729</u>	<u>406,845</u>
Noncurrent liabilities:			
Benefits payable	-	-	-
Bonds payable	515,000	9,171,959	1,210,000
Estimated claims payable	-	-	-
Net pension liability	-	-	-
Total noncurrent liabilities	<u>515,000</u>	<u>9,171,959</u>	<u>1,210,000</u>
<b>Total liabilities</b>	<u>1,797,988</u>	<u>10,019,688</u>	<u>1,616,845</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - related to leases	2,079,078	-	-
Deferred inflows - related to pensions	-	-	-
Total deferred inflows of resources	<u>2,079,078</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	49,732,920	37,878,260	8,170,392
Unrestricted	26,080,350	12,719,562	3,189,297
<b>Total net position</b>	<u>\$ 75,813,270</u>	<u>\$ 50,597,822</u>	<u>\$ 11,359,689</u>

See notes to the basic financial statements.

EXHIBIT 7

Solid Waste Management	Contractual Police	Total	Governmental Activities - Internal Service Funds
\$ 2,364	\$ 35	\$ 33,032,640	\$ 46,216,479
2,179	-	184,644	161,734
22,547	-	1,365,280	-
2,202,601	264,328	10,711,895	38,393
-	-	687,079	1,171,259
-	-	25,000	-
-	-	50,000	300
-	-	-	1,100
<u>2,229,691</u>	<u>264,363</u>	<u>46,056,538</u>	<u>47,589,265</u>
-	-	2,079,078	-
-	-	4,714,616	14,504,240
-	-	39,235,535	45,652,416
-	-	4,143,642	45,777,054
-	-	7,766,663	3,098,382
-	-	178,208,332	139,719
-	-	970,208	1,056,929
-	-	(127,396,178)	(57,139,146)
-	-	<u>109,721,896</u>	<u>53,089,594</u>
<u>2,229,691</u>	<u>264,363</u>	<u>155,778,434</u>	<u>100,678,859</u>
-	-	-	48,869,070
-	-	-	<u>48,869,070</u>
703,206	34,271	2,069,646	996,314
-	-	-	1,854,947
-	-	-	917,368
25,000	231,000	256,000	-
-	-	89,287	-
-	-	37,043	75,000
-	-	875,000	-
-	-	190,025	-
-	-	14,038	124
<u>728,206</u>	<u>265,271</u>	<u>3,531,039</u>	<u>3,843,753</u>
-	-	-	17,429,989
-	-	10,896,959	-
-	-	-	1,629,388
-	-	-	<u>93,507,169</u>
-	-	<u>10,896,959</u>	<u>112,566,546</u>
<u>728,206</u>	<u>265,271</u>	<u>14,427,998</u>	<u>116,410,299</u>
-	-	2,079,078	-
-	-	-	2,513,455
-	-	<u>2,079,078</u>	<u>2,513,455</u>
-	-	95,781,572	53,089,594
1,501,485	(908)	43,489,786	(22,465,419)
<u>\$ 1,501,485</u>	<u>\$ (908)</u>	<u>139,271,358</u>	<u>\$ 30,624,175</u>

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

(2,786,295)  
\$ 136,485,063



**CITY OF BLOOMINGTON, MINNESOTA**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds		
	Water/Wastewater Utility	Storm Water Utility	Recreational Facilities
Operating revenues:			
Charges for services	\$ 32,987,472	\$ 7,189,569	\$ 3,960,132
Other	23,653	1,908	739
Total operating revenues	33,011,125	7,191,477	3,960,871
Operating expenses:			
Salaries and benefits	6,048,445	1,601,436	2,421,234
Materials, supplies and service	8,258,646	1,763,091	2,986,616
Depreciation	1,685,054	2,129,147	679,452
Water purchased	4,420,658	-	-
Wastewater disposal cost	7,608,169	-	-
Total operating expenses	28,020,972	5,493,674	6,087,302
Operating income (loss)	4,990,153	1,697,803	(2,126,431)
Nonoperating revenues (expenses):			
Taxes	-	-	1,955,941
Intergovernmental	50,000	12,000	22,990
Interest income (charges)	185,297	115,694	31,257
Net change in fair value of investments	(879,147)	(488,676)	(153,295)
Gain (loss) on disposal of capital assets	-	-	-
Other	-	-	25,290
Interest expense	(20,094)	(343,722)	(42,909)
Total nonoperating revenues (expenses)	(663,944)	(704,704)	1,839,274
Income (loss) before capital contributions and transfers	4,326,209	993,099	(287,157)
Transfers and capital contributions:			
Transfers from other funds	1,852,080	-	150,000
Transfers to other funds	-	-	-
Change in net position	6,178,289	993,099	(137,157)
Total net position - January 1, as previously reported	69,634,981	48,736,827	11,496,846
Prior period adjustment - see Note 14	-	867,896	-
Total net position - January 1	69,634,981	49,604,723	11,496,846
Total net position - December 31	\$ 75,813,270	\$ 50,597,822	\$ 11,359,689

See notes to the basic financial statements.

## EXHIBIT 8

Solid Waste Management	Contractual Police	Total	Governmental Activities - Internal Service Funds
\$ 9,437,979	\$ 1,141,589	\$ 54,716,741	\$ 43,166,861
14,155	-	40,455	722,817
<u>9,452,134</u>	<u>1,141,589</u>	<u>54,757,196</u>	<u>43,889,678</u>
212,887	1,005,713	11,289,715	28,634,999
10,042,112	15,314	23,065,779	15,248,063
-	-	4,493,653	4,649,071
-	-	4,420,658	-
-	-	7,608,169	-
<u>10,254,999</u>	<u>1,021,027</u>	<u>50,877,974</u>	<u>48,532,133</u>
<u>(802,865)</u>	<u>120,562</u>	<u>3,879,222</u>	<u>(4,642,455)</u>
185,000	-	2,140,941	-
336,407	-	421,397	761,906
7,838	-	340,086	531,661
(28,325)	-	(1,549,443)	(2,286,499)
-	-	-	(283,782)
-	-	25,290	9,132
-	-	(406,725)	-
<u>500,920</u>	<u>-</u>	<u>971,546</u>	<u>(1,267,582)</u>
(301,945)	120,562	4,850,768	(5,910,037)
-	-	2,002,080	1,424,219
-	(120,562)	(120,562)	(761,772)
<u>(301,945)</u>	<u>-</u>	<u>6,732,286</u>	<u>(5,247,590)</u>
1,803,430	(908)	131,671,176	35,871,765
-	-	867,896	-
<u>1,803,430</u>	<u>(908)</u>	<u>132,539,072</u>	<u>35,871,765</u>
<u>\$ 1,501,485</u>	<u>\$ (908)</u>	<u>\$ 139,271,358</u>	<u>\$ 30,624,175</u>
Change in net position reported above		\$ 6,732,286	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		(696,369)	
Change in net position of business-type activities (Exh. 2)		<u>\$ 6,035,917</u>	

**CITY OF BLOOMINGTON, MINNESOTA**

Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2022

Business-type Activities - Enterprise Funds

	<u>Water/Wastewater Utility</u>	<u>Stormwater Utility</u>	<u>Recreational Facilities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	32,702,625	7,298,045	3,875,115
Cash payments to other funds	(3,545,226)	(1,467,652)	(1,257,345)
Payments to employees	(6,040,211)	(1,598,045)	(2,422,827)
Payments to suppliers	(16,747,243)	(398,313)	(1,682,118)
Net cash provided by (used in) operating activities	<u>6,369,945</u>	<u>3,834,035</u>	<u>(1,487,175)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants	-	12,000	22,990
Transfers from other funds	1,852,080	-	150,000
Transfers to other funds	-	-	-
Other	-	-	469
Taxes	-	-	1,955,941
Net cash provided by noncapital financing activities	<u>1,852,080</u>	<u>12,000</u>	<u>2,129,400</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Bond payments	(110,000)	(580,000)	(145,000)
Insurance proceeds	-	-	24,821
Interest and other payments	(21,469)	(408,314)	(45,326)
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	(3,169,269)	(5,580,994)	(636,138)
Net cash provided by (used in) capital and related financing activities	<u>(3,300,738)</u>	<u>(6,569,308)</u>	<u>(801,643)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (charges)	(693,850)	(372,982)	(122,038)
Net cash provided by investing activities	<u>(693,850)</u>	<u>(372,982)</u>	<u>(122,038)</u>
Net increase (decrease) in cash and cash equivalents	<u>4,227,437</u>	<u>(3,096,255)</u>	<u>(281,456)</u>
Cash and cash equivalents - January 1	<u>15,370,992</u>	<u>13,318,357</u>	<u>3,491,166</u>
Cash and cash equivalents - December 31	<u>\$ 19,598,429</u>	<u>\$ 10,222,102</u>	<u>\$ 3,209,710</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 4,990,153	\$ 1,697,803	\$ (2,126,431)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation	1,685,054	2,129,147	679,452
Changes in assets and liabilities:			
Receivables	(2,273,319)	122,232	(80,118)
Other current assets	(114,257)	(15,663)	(5,641)
Inventory	-	-	-
Accounts payable	67,941	(74,484)	42,700
Unearned revenue	(64,705)	-	2,863
Interfund payables	-	(25,000)	-
Net pension liability	-	-	-
Benefits payable	-	-	-
Deferred outflows of resources	-	-	-
Deferred inflows of resources	2,079,078	-	-
Net cash provided by (used in) operating activities	<u>\$ 6,369,945</u>	<u>\$ 3,834,035</u>	<u>\$ (1,487,175)</u>
Noncash transfer of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the basic financial statements.

EXHIBIT 9

Solid Waste Management	Contractual Police	Total	Governmental Activities - Internal Service Funds
\$ -	\$ -	\$ -	\$ 44,194,931
9,099,562	1,118,972	54,094,319	-
(611,078)	(1,314)	(6,882,615)	(2,921,995)
(212,959)	(997,921)	(11,271,963)	(25,520,017)
(9,212,362)	-	(28,040,036)	(11,430,130)
<u>(936,837)</u>	<u>119,737</u>	<u>7,899,705</u>	<u>4,322,789</u>
336,407	-	371,397	767,694
-	-	2,002,080	1,424,219
-	(120,562)	(120,562)	(761,772)
-	-	469	9,132
185,000	-	2,140,941	-
<u>521,407</u>	<u>(120,562)</u>	<u>4,394,325</u>	<u>1,439,273</u>
-	-	(835,000)	-
-	-	24,821	-
-	-	(475,109)	-
-	-	-	270,148
-	-	(9,386,401)	(8,948,912)
-	-	(10,671,689)	(8,678,764)
(20,487)	-	(1,209,357)	(1,754,836)
<u>(20,487)</u>	<u>-</u>	<u>(1,209,357)</u>	<u>(1,754,836)</u>
(435,917)	(825)	412,984	(4,671,538)
438,281	860	32,619,656	50,888,017
<u>\$ 2,364</u>	<u>\$ 35</u>	<u>\$ 33,032,640</u>	<u>\$ 46,216,479</u>
\$ (802,865)	\$ 120,562	\$ 3,879,222	\$ (4,642,455)
-	-	4,493,653	4,649,071
(351,998)	(22,617)	(2,605,820)	389,003
(573)	-	(136,134)	(83,747)
-	-	-	1,380
193,599	7,792	237,548	899,437
-	-	(61,842)	(5,600)
25,000	14,000	14,000	-
-	-	-	61,898,237
-	-	-	(46,217)
-	-	-	(15,672,029)
-	-	2,079,078	(43,064,291)
<u>\$ (936,837)</u>	<u>\$ 119,737</u>	<u>\$ 7,899,705</u>	<u>\$ 4,322,789</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (375,162)</u>



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, 2022

#### 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 contractually provides City employees to 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.
- *Contractual Police Fund* - This fund accounts for the operations of police contractual services acquired by various establishments.

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.

## 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 Funds:

*Measurement Focus* - Proprietary 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 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, Opioid Settlement, 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 Statement No. 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 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 9). 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, 2022 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. LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue/the lessee's usage levels. These variable payments are excluded from the lease receivable.

A deferred inflow of resources is reported relating to the lease receivable. The deferred inflow of resources is recorded at an amount equal to the lease receivable and is recognized as revenue over the lease term.

## I. 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

#### J. 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.

The City also reports deferred inflows of resources relating to leases in the government-wide Statement of Net Position, the proprietary funds Statement of Fund Net Position and the governmental funds Balance Sheet. Deferred inflows of resources relating to leases are recognized as revenue over the lease term.

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.

#### K. 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.

## L. 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.

## M. 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, 2022, there were three series of Industrial and Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$36.3 million.

## N. 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 caption 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 \$(47,151,554) on December 31, 2022 as a result of following accounting required by GASB Statement No. 68. Future pension contributions and investment earnings will reduce the negative net position in the PERA Pension internal service fund. The Opioid Settlement special revenue fund had a deficit fund balance of \$(4,302) which is expected to be eliminated with future investment earnings. The Benefit Accrual internal service fund had a negative net position balance of \$(5,265,994) on December 31, 2022. 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, 2022, the carrying amount of the City's deposits with financial institutions was \$(1,771,439) and the bank balances totaled \$560,702.

*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, 2022, 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, 2022, 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	\$ 38,056,158	\$ 38,056,158	\$ -	\$ -
Commercial Paper Sweep	852,030	852,030	-	-
Treasury Notes	2,838,750	-	2,838,750	-
Federal Farm Credit Bank	28,518,450	14,532,500	13,985,950	-
Federal Home Loan Bank	69,307,085	14,527,050	54,780,035	-
Federal Agriculture Mortgage Corporation	24,856,438	14,746,950	10,109,488	-
Federal Home Loan Mortgage Corporation	28,224,237	10,304,087	17,920,150	-
Federal National Mortgage Association	17,791,509	-	17,791,509	-
Municipal Bonds	39,457,981	8,857,694	23,573,676	7,026,611
Total investments	249,902,634	\$ 101,876,469	\$140,999,558	\$ 7,026,611
Total deposits	(1,771,439)			
Total investments and deposits	\$ 248,131,199			

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, 2022:

Investments by fair value level	12/31/22	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 852,030	\$ -	\$ 852,030	\$ -
Treasury Notes	2,838,750	2,838,750	-	-
Federal Farm Credit Bank	28,518,450	-	28,518,450	-
Federal Home Loan Bank	69,307,085	-	69,307,085	-
Federal Home Loan Mortgage Corporation	28,224,237	-	28,224,237	-
Federal Agriculture Mortgage Corporation	24,856,438	-	24,856,438	-
Federal National Mortgage Association	17,791,509	-	17,791,509	-
First American Money Market	398,462	398,462	-	-
Municipal Bonds	39,457,981	-	39,457,981	-
Subtotal	212,244,942	\$ 3,237,212	\$209,007,730	\$ -
Investments not categorized:				
External investment pools -				
4M Fund Money Market	37,657,696			
Bank Deposits	(1,771,439)			
Total	\$ 248,131,199			

*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, 2022, 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 (11%), Federal Home Loan Bank (28%), Federal Home Loan Mortgage Corporation (11%), Federal Agricultural Mortgage Corporation (10%), and Federal National Mortgage Association (7%).

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, 2022:

Governmental funds	\$ 168,882,080
Proprietary funds:	
Enterprise	33,032,640
Internal service	46,216,479
Total cash, cash equivalents, and investment	<u>\$ 248,131,199</u>

3. LEASE RECEIVABLE

The City implemented GASB Statement No. 87 for the year ended December 31, 2022. As a result, lease receivables and related deferred inflows of resources are reported on the statement of net position, the governmental funds balance sheet, and the proprietary funds statement of fund net position. Implementation of the standard had no effect on fund balance or net position.

The City leases a portion of its water towers, sirens and light poles for cellular tower antenna sites. The leases have initial terms of five years with the option to renew five or six additional five year periods. The City considers the likelihood of these options being exercised to be greater than 50%. The annual payments on these leases range from \$8,552 - \$135,685 in 2022 with increases ranging from 4% - 7%. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 4% which is based on the rate available to finance acquisitions over similar time periods. At December 31, 2022, the City recorded \$8,554,688 in lease receivables and deferred inflows of resources for these arrangements. Total revenue recognized in relation to these leases for the year ended December 31, 2022 is as follows:

	For the year ended 12/31/22
Amortization of lease-related deferred inflows	
Cell tower leases	\$ 691,470
Variable lease revenue	-
Interest revenue	313,672
Total revenue recognized in relation to leased assets	<u>\$ 1,005,142</u>

#### 4. CAPITAL ASSETS

During 2022 the City's capitalization threshold was \$10,000. Capital asset activity for the year ended December 31, 2022 was as follows:

	Primary Government			Balance at 12/31/2022
	Balance at 1/1/2022	Additions	Retirements	
<b>Governmental activities:</b>				
Capital assets not being depreciated -				
Land	99,915,177.00	3,114,302.00	-	103,029,479.00
Construction in progress	2,172,629.00	9,633,396.00	(2,145,881.00)	9,660,144.00
Total capital assets not being depreciated	<u>102,087,806.00</u>	<u>12,747,698.00</u>	<u>(2,145,881.00)</u>	<u>112,689,623.00</u>
Capital assets being depreciated:				
Buildings and structures	84,952,776.00	2,286,734.00	(1,073,642.00)	86,165,868.00
Machinery and equipment	53,290,027.00	3,877,434.00	(3,700,457.00)	53,467,004.00
Improvements	22,345,738.00	1,879,931.00	(48,437.00)	24,177,232.00
Infrastructure	430,707,088.00	20,882,349.00	-	451,589,437.00
Total capital assets being depreciated	<u>591,295,629.00</u>	<u>28,926,448.00</u>	<u>(4,822,536.00)</u>	<u>615,399,541.00</u>
Less accumulated depreciation for:				
Buildings and structures	(46,385,164.00)	(2,261,146.00)	1,066,795.00	(47,579,515.00)
Machinery and equipment	(38,995,703.00)	(3,632,701.00)	3,532,323.00	(39,096,081.00)
Improvements	(10,183,591.00)	(1,024,195.00)	36,593.00	(11,171,193.00)
Infrastructure	(166,829,209.00)	(11,545,077.00)	-	(178,374,286.00)
Total accumulated depreciation	<u>(262,393,667.00)</u>	<u>(18,463,119.00)</u>	<u>4,635,711.00</u>	<u>(276,221,075.00)</u>
Total capital assets being depreciated, net	<u>328,901,962.00</u>	<u>10,463,329.00</u>	<u>(186,825.00)</u>	<u>339,178,466.00</u>
Governmental capital assets, net	<u>430,989,768.00</u>	<u>23,211,027.00</u>	<u>(2,332,706.00)</u>	<u>451,868,089.00</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated -				
Land	4,714,616.00	-	-	4,714,616.00
Construction in progress	263,787.00	706,421.00	-	970,208.00
Total capital assets not being depreciated	<u>4,978,403.00</u>	<u>706,421.00</u>	<u>-</u>	<u>5,684,824.00</u>
Capital assets being depreciated:				
Buildings and structures	39,024,071.00	211,464.00	-	39,235,535.00
Machinery and equipment	3,712,520.00	474,124.00	(43,002.00)	4,143,642.00
Distribution system	170,223,942.00	7,984,390.00	-	178,208,332.00
Improvements	7,756,663.00	10,000.00	-	7,766,663.00
Total capital assets being depreciated	<u>220,717,196.00</u>	<u>8,679,978.00</u>	<u>(43,002.00)</u>	<u>229,354,172.00</u>
Less accumulated depreciation for:				
Buildings and structures	(19,835,502.00)	(745,225.00)	-	(20,580,727.00)
Machinery and equipment	(2,530,793.00)	(261,830.00)	43,002.00	(2,749,621.00)
Distribution system	(95,958,553.00)	(3,337,441.00)	-	(99,295,994.00)
Improvements	(4,620,679.00)	(149,157.00)	-	(4,769,836.00)
Total accumulated depreciation	<u>(122,945,527.00)</u>	<u>(4,493,653.00)</u>	<u>43,002.00</u>	<u>(127,396,178.00)</u>
Total capital assets being depreciated, net	<u>97,771,669.00</u>	<u>4,186,325.00</u>	<u>-</u>	<u>101,957,994.00</u>
Business-type activities capital assets, net	<u>102,750,072.00</u>	<u>4,892,746.00</u>	<u>-</u>	<u>107,642,818.00</u>

Depreciation expense was charged to governmental functions and proprietary funds at December 31, 2022 as follows:

Function	Governmental	Fund	Proprietary
General services	\$ 47,728	Water/Wastewater	\$ 1,685,054
Development services	2,825,661	Storm Water	2,129,147
Public works	8,999,054	Recreational Facilities	679,452
Public safety	832,479		
Community services	1,109,126		
Internal Service funds	4,649,071		
Total depreciation expense	\$ 18,463,119		\$ 4,493,653

#### 5. COMMITMENTS

At December 31, 2022, future projects totaled \$1,097,626 and are reported as a committed fund balance within the General Fund. At December 31, 2022, the City had commitments for twenty-four uncompleted construction contracts with a remaining balance of \$7,813,295.

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.

#### 6. 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.

	2022	2021
Unpaid claims at beginning of year	\$2,167,594	\$1,790,378
Claims paid	(2,374,097)	(1,335,797)
New claims	3,690,838	1,713,013
Unpaid claims at end of year	\$3,484,335	\$2,167,594



## 7. LONG-TERM LIABILITIES

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

Type of Bonds	Maturities	Rates	Balance at 12/31/22
Governmental activities:			
Governmental funds:			
General obligation (G.O.) bonds	2023-2043	2.00 - 5.00%	\$ 18,040,000
G.O. improvement bonds	2023-2037	1.00 - 5.00	47,010,000
G.O. tax increment bonds	2023-2038	1.00 - 2.45	<u>15,275,000</u>
Total governmental bonds			<u>80,325,000</u>
Business-type activities			
General Obligation (G.O.) bonds	2023-2034	2.00 - 5.00	<u>11,190,000</u>
Total bonds			<u>\$ 91,515,000</u>

Changes in long-term liabilities during 2022 are summarized as follows:

	Balance at 01/01/22	Additions	Retirements	Balance at 12/31/22	Due Within One Year
Governmental activities:					
G.O. bonds	\$ 6,525,000	\$ 11,975,000	\$ 460,000	\$ 18,040,000	\$ 605,000
G.O. improvement bonds	41,235,000	11,875,000	6,100,000	47,010,000	6,000,000
G.O. tax increment bonds	14,083,540	5,551,460	4,360,000	15,275,000	215,000
Unamortized bond prems.	3,783,787	2,569,659	636,407	5,717,039	-
Benefits payable	18,390,534	2,778,210	2,821,387	18,347,357	917,368
Estimated claims payable	<u>2,167,594</u>	<u>3,690,838</u>	<u>2,374,097</u>	<u>3,484,335</u>	<u>1,854,947</u>
Total governmental	<u>86,185,455</u>	<u>38,440,167</u>	<u>16,751,891</u>	<u>107,873,731</u>	<u>9,592,315</u>
Business-type activities -					
G.O. bonds	12,025,000	-	835,000	11,190,000	875,000
Unamortized bond					
premiums	<u>634,466</u>	<u>-</u>	<u>52,507</u>	<u>581,959</u>	<u>-</u>
Total business-type	<u>12,659,466</u>	<u>-</u>	<u>887,507</u>	<u>11,771,959</u>	<u>875,000</u>
Total	<u>\$ 98,844,921</u>	<u>\$ 38,440,167</u>	<u>\$ 17,639,398</u>	<u>\$ 119,645,690</u>	<u>\$ 10,467,315</u>

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.

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. See statistical Table 12 for more detail.

In 2022 the debt limit was \$450,319,371, the total net debt applicable to the limit was \$16,943,503, and the City could issue up to an additional \$433,375,868 of general obligation debt and still be in compliance with the above statute.

Long-term debt maturities (including interest of \$20,132,588) are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 6,820,000	\$ 2,664,402	\$ 875,000	\$ 434,932	\$ 10,794,334
2024	7,269,431	2,406,786	910,000	391,832	10,978,049
2025	7,902,340	2,121,294	960,000	348,632	11,332,266
2026	7,090,903	1,835,352	990,000	306,707	10,222,962
2027	6,853,705	1,577,035	1,035,000	264,189	9,729,929
2028-2032	25,390,407	4,792,566	4,600,000	776,931	35,559,904
2033-2037	14,498,214	1,694,952	1,820,000	73,400	18,086,566
2038-2042	3,695,000	430,497	-	-	4,125,497
2043	805,000	13,081	-	-	818,081
Total	<u>\$ 80,325,000</u>	<u>\$ 17,535,965</u>	<u>\$11,190,000</u>	<u>\$ 2,596,623</u>	<u>\$ 111,647,588</u>

On April 27, 2022, the City issued \$11,975,000 of General Obligation Capital Improvement Plan Bonds, Series 2022A with an effective rate of 3.02%, the proceeds of which were 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. Also on September 8, 2022, the City issued \$11,875,000 of Permanent Improvement Revolving Fund Bonds, Series 56 with an effective rate of 2.51%, the proceeds of which were and will be used to provide funding for public improvements. The City issued the bonds for two years of public improvements to take advantage of favorable interest rates. The City does not anticipate issuing Permanent Improvement Revolving Fund Bonds in 2023.

In addition, on December 20, 2022, the City drew the final \$5,551,460 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 following is a schedule of bonds payable at December 31, 2022:

Type of Bonds	Original Amount	Maturities	Rates	Balance at 12/31/22
<b>Governmental Activities:</b>				
General Obligation (G.O.) Bonds:				
2017A Charter Bonds	\$ 1,420,000	2023-2027	2.00 - 5.00%	\$ 745,000
2018A Charter Bonds	1,020,000	2023-2029	3.00 - 4.00%	745,000
2018B Housing Improvement Bonds	920,000	2023-2034	3.30 - 4.00%	770,000
2019B Charter Bonds	2,105,000	2023-2030	3.00 - 5.00%	1,800,000
2021A Charter Bonds	2,005,000	2023-2032	2.00 - 5.00%	2,005,000
2022 Capital Improvement Plan Bonds	11,975,000	2024-2043	2.75 - 5.00%	11,975,000
Total G.O. Bonds	<u>19,445,000</u>			<u>18,040,000</u>
General Obligation (G.O.) Improvement Bonds:				
2011 PIR, Forty-Five Series	7,545,000	2023-2031	2.50 - 3.375%	540,000
2012 PIR Refunding, Thirty-Nine Series	5,900,000	2023-2025	3.00%	1,535,000
2012 PIR, Forty-Six Series	5,615,000	2023	3.00%	560,000
2013 PIR Refunding, Forty-Three Series	5,135,000	2023-2030	2.40 - 3.25%	1,260,000
2013 PIR, Forty-Seven Series	4,180,000	2023-2024	2.25 - 2.40%	920,000
2014 PIR, Forty-Eight Series	7,465,000	2023-2025	2.00 - 2.50%	2,070,000
2015 PIR, Forty-Nine Series	5,355,000	2023-2036	2.00 - 3.00%	2,510,000
2016 PIR, Fifty Series	6,115,000	2023-2037	2.00 - 3.00%	3,510,000
2016 PIR, Refunding, Forty-One and Forty-Two Series	3,730,000	2023-2029	2.00 - 3.00%	2,055,000
2017 PIR, Fifty-One Series	4,970,000	2023-2028	2.00 - 5.00%	3,235,000
2018 PIR, Fifty-Two Series	5,270,000	2023-2029	3.00 - 5.00%	3,955,000
2019 PIR, Fifty-Three Series	4,095,000	2023-2030	3.00 - 5.00%	3,440,000
2020 PIR, Fifty-Four Series	5,385,000	2023-2031	1.00 - 5.00%	5,005,000
2021 PIR, Fifty-Five Series	4,540,000	2023-2032	1.38 - 5.00%	4,540,000
2022 PIR, Fifty-Six Series	11,875,000	2024-2034	4.00 - 5.00%	11,875,000
Total G.O. Improvement Bonds	<u>87,175,000</u>			<u>47,010,000</u>
General Obligation (G.O.) Tax Increment Bonds:				
2019C Taxable Revenue Bonds	15,200,000	2023-2038	2.45%	13,300,000
2020B Serial Refunding Bonds	1,975,000	2023-2032	1.00 - 1.75%	1,975,000
Total G.O. Tax Increment Bonds	<u>17,175,000</u>			<u>15,275,000</u>
Total governmental activities	<u>\$ 123,795,000</u>			<u>\$ 80,325,000</u>
<b>Business-type Activities:</b>				
General Obligation (G.O.) Bonds:				
2017B Water Utility Bonds	\$ 1,170,000	2023-2027	2.00 - 5.00%	\$ 630,000
2018D Storm Water Utility Green Bonds	10,805,000	2023-2034	3.00 - 5.00%	9,200,000
2019A Taxable Charter Bonds	1,645,000	2023-2030	2.53 - 4.00%	1,360,000
Total G.O. Bonds	<u>13,620,000</u>			<u>11,190,000</u>
Total bonds payable	<u>\$ 137,415,000</u>			<u>\$ 91,515,000</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	\$792,900
2018A G.O. Charter Bonds Jun-18	Park improvements	Debt Service Tax Levy	100%	n/a	2020 - 2029	831,025
2018B G.O. Taxable Housing Improvmt Jun-18	Housing improvements	Special Assessments	100%	n/a	2020 - 2034	959,445
2019B G.O. Charter Bonds Nov-19	Park improvements	Debt Service Tax Levy	100%	n/a	2021 - 2030	2,109,500
2021A G.O. Charter Bonds Nov-19	Park improvements	Debt Service Tax Levy	100%	n/a	2023 - 2032	2,422,100
2022A G.O. Capital Improvement Plan Apr-22	Fire station	Debt Service Tax Levy	100%	n/a	2024 - 2043	17,079,374
<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	617,091
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	1,603,925
2012 PIR Bonds, Forty-Six Srs Jun-12	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	48% 52%	n/a n/a	2014 - 2023	568,400
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	1,399,382
2013 PIR Bonds, Forty-Seven Srs Nov-13	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	24% 76%	n/a n/a	2015 - 2024	941,859
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	2,143,838
2015 PIR Bonds, Forty-Nine Srs Oct-15	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	43% 57%	n/a n/a	2017 - 2036	2,716,537
2016 PIR Bonds, Fifty Srs Dec-16	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	41% 59%	n/a n/a	2018 - 2037	3,893,950
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	2,248,850
2017 PIR Bonds, Fifty-One Srs Dec-17	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2018 - 2028	3,506,131
2018 PIR Bonds, Fifty-Two Srs Dec-18	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2019 - 2029	4,551,762
2019 PIR Bonds, Fifty-Three Srs Nov-19	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2020 - 2030	4,030,850
2020 PIR Bonds, Fifty-Four Srs Nov-20	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	22% 78%	n/a n/a	2021 - 2031	5,409,225

2021 PIR Bonds, Fifty-Five Srs Nov-21	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2023 - 2032	5,375,453
2022 PIR Bonds, Fifty-Six Srs Sep-22	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2024 - 2034	15,872,423
<b>General Obligation (G.O.) Tax Increment Bonds:</b>						
2019C Serial G.O. TIF Bonds Dec-19	Housing Developments	TIF Revenue/Tax Levy Developer Loan Revenue	16% / 3% 81%	n/a	2020 - 2036	16,680,012
2020B Serial G.O. TIF Refunding Bds Dec-20	Refund 2011B TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2021 - 2032	2,106,934
<u>Business-type activities:</u>						
<b>Enterprise Bonds:</b>						
2017B Water Utility May-17	Water system improvements	Utility revenues	100%	n/a	2018-2027	670,384
2018D Storm Water Utility Dec-18	Storm w ater utility	Special Assessments Utility revenues	10% 90%	n/a	2020-2034	11,595,394
2019A Charter Bonds May-19	Ice Garden Improvements	Debt Service Tax Levy	100%	n/a	2021-2030	1,520,846

#### 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 \$792,900, payable through February 2027. For the current year, principal and interest paid and total tax levy revenues were \$160,525 and \$160,525, 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 \$831,025, payable through February 2029. For the current year, principal and interest paid and total tax levy revenues were \$119,875 and \$119,875, 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 \$959,445, payable through February 2034. For the current year, principal and interest paid and total special assessment revenues were \$79,660 and \$79,660, 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 \$2,109,500, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$264,300 and \$264,300, 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 \$2,422,100, payable through February 2032. For the current year, principal and interest paid and total tax levy revenues were \$76,654 and \$76,654, respectively.
- 2022A Capital Improvement Plan. The City has pledged future tax ad valorem revenue to repay the \$11,975,000 bonds issued in April 2022. Proceeds from the bonds were used for 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. Tax levies are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$17,079,374, payable through February 2043. 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 \$617,091, payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$726,019 and \$726,019, 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 \$1,603,925 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$573,850 and \$573,850, 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 \$568,400, payable through February 2023. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$569,975 and \$569,975, 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 \$1,399,382, payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$234,034 and \$234,034, 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 \$941,859, payable through February 2024. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$471,070 and \$471,070, 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 \$2,143,838 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$733,425 and \$733,425 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 \$2,716,537 payable through February 2036. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$581,550 and \$581,550, 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 \$3,893,950, payable through February 2037. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$642,000 and \$642,000, 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 \$2,248,850, payable through February 2029. For the current year, principal and interest paid and total special assessment revenues were \$355,600 and \$355,600, 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 \$3,506,131, payable through February 2028. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$588,938 and \$588,938, 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 \$4,551,762 payable through February 2029. For the current year,

principal and interest paid and total tax levy and special assessment revenues were \$657,575 and \$657,575, 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 \$4,030,850 payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$511,350 and \$511,350, 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 \$5,409,225 payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$522,550 and \$522,550, 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 \$5,375,453 payable through February 2032. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$126,269 and \$126,269, respectively.
- 2022 PIR, Fifty-Six Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$11,875,000 bonds issued in September 2022. Proceeds from the bonds provide 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 \$15,872,423 payable through February 2034. 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:

- 2019C Serial Bonds. The City has pledged tax increment revenue to repay the \$15,200,000 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 \$16,680,012 payable through February 2036. For the current year, principal and interest paid and total tax increment, tax levy and developer loan revenues were \$2,113,114 and \$2,113,114, 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 \$2,106,934 payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were \$23,792 and \$23,792, 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 \$670,384, payable through February 2027. For the current year, principal and interest paid and total water utility revenues were \$131,469 and \$131,469, 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 \$11,595,394, payable through February 2034. For the current year, principal and interest paid and total water utility and special assessment revenues were \$988,312 and \$988,312, 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 \$1,520,846, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$190,326 and \$190,326, respectively.

8. NET POSITION/FUND BALANCES

A. NET INVESTMENT IN CAPITAL ASSETS

The government-wide statement of net position at December 31, 2022 includes the City's net investment in capital assets, calculated as follows:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets:			
Capital assets			
Nondepreciable	\$ 112,689,623	\$ 5,684,824	\$ 118,374,447
Depreciable, net of accumulated depreciation	339,178,466	101,957,994	441,136,460
Less capital related long-term debt outstanding	(70,767,039)	(11,771,959)	(82,538,998)
Retainage payable	(1,601,841)	(89,287)	(1,691,128)
Unspent bond proceeds	12,900,099	-	12,900,099
Total net investment in capital assets	<u>\$ 392,399,308</u>	<u>\$ 95,781,572</u>	<u>\$ 488,180,880</u>

## B. GOVERNMENTAL CLASSIFICATIONS

At December 31, 2022, 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:							
Debt service	-	-	18,035,235	-	-	183,855	18,219,090
Abatement purposes	-	-	-	-	6,416,028	-	6,416,028
Tax increment purposes	-	-	-	14,047,748	484,726	-	14,532,474
Capital purposes	-	-	-	5,646,525	-	9,714	5,656,239
Park development	-	-	-	-	-	70,169	70,169
Public safety	-	-	-	-	-	743,118	743,118
Housing development	-	698,596	-	13,164,652	-	-	13,863,248
Art center	-	-	-	3,161	-	-	3,161
Cemetery	-	-	-	-	-	382,861	382,861
Communication	-	-	-	-	-	277,420	277,420
Street reconstruction	-	-	-	-	8,523,260	-	8,523,260
Total restricted	-	698,596	18,035,235	32,862,086	15,424,014	1,667,137	68,687,068
Committed:							
Budget carryovers	4,970,719	-	-	-	-	-	4,970,719
Capital purposes	-	-	-	29,458	-	589,872	619,330
Creative placemaking	-	-	-	-	-	740,246	740,246
Park development	-	-	-	2,411,725	-	-	2,411,725
Public safety	-	-	-	-	-	5,472,039	5,472,039
Future projects	1,097,626	-	-	8,563,695	-	-	9,661,321
Community landscape	-	-	-	-	-	13,163	13,163
Communications	-	-	-	-	-	-	-
Total committed	6,068,345	-	-	11,004,878	-	6,815,320	23,888,543
Assigned for:							
Street reconstruction	-	-	-	-	39,822,196	-	39,822,196
Unassigned							
	38,829,744	-	-	-	-	(5,692)	38,824,052
Total fund balances	\$ 44,898,089	\$ 698,596	\$ 18,035,235	\$ 43,866,964	\$ 55,246,210	\$ 8,476,765	\$ 171,221,859

## 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, 2022, the fund balance of the General Fund was \$44,898,089 which sufficiently meets the working capital goal described above.

9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of December 31, 2022:

<u>Fund/Component Unit</u>		<u>Receivable</u>	<u>Payable</u>
General Fund	(1)	\$ 231,000	\$ -
Contractual Police	(1)	-	231,000
Storm Water	(1)	25,000	
Solid Waste	(1)	-	25,000
Total		<u>\$ 256,000</u>	<u>\$ 256,000</u>
 Primary Government:			
General Fund		\$ 1,099,160	\$ 4,271
Nonmajor Governmental		22,820	
Improvement Bonds		11,896	
Capital Projects Fund		9,852,833	5,650,000
Bonds receivable – due:			
Within one year		190,000	
In more than one year		1,791,733	-
Accrued interest receivable		89,013	-
Total		<u>\$ 13,057,455</u>	<u>\$ 5,654,271</u>
 Component Units:			
Port Authority		<u>\$ -</u>	<u>\$ 10,936</u>
Housing and Redevelopment Authority:			
Primary government		\$ 5,654,271	\$ 10,975,773
Bonds payable – due:			
Within one year		-	190,000
In more than one year		-	1,791,733
Accrued interest payable		-	89,013
Total		<u>\$ 5,654,271</u>	<u>\$ 13,057,455</u>
Total primary and component units	(2,3)	<u>\$ 18,711,726</u>	<u>\$ 18,711,726</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, 2022:

Fund Transferred To		Fund Transferred From	Amount
General	*	Community Dev. Block Grant	\$ 18,997
	(1)	Capital Projects	6,238,143
	(2)	Improvement Construction	1,521,875
	*	Contractual Police	120,562
	*	Nonmajor Governmental	1,513,377
Total General			<u>9,412,954</u>
Improvement Bonds	*	Nonmajor Governmental	<u>341,606</u>
Capital Projects	(3)	General Fund	<u>6,300,000</u>
Improvement Construction	*	General Fund	240,000
	*	Improvement Bonds	1,106,898
Total Improvement Construction			<u>1,346,898</u>
Nonmajor Governmental	*	General Fund	15,500
	*	Capital Projects	430,000
	*	Nonmajor Governmental	92,267
	*	Internal Service	711,772
Total Nonmajor Governmental			<u>1,249,539</u>
Enterprise			
Water/Wastewater Utility	*	Nonmajor Governmental	1,852,080
Art Center	*	Capital Projects	150,000
Total Enterprise			<u>2,002,080</u>
Internal Service	*	General Fund	44,000
	*	Nonmajor Governmental	280,212
	(4)	Capital Projects	1,050,007
	*	Internal Service	50,000
Total Internal Service			<u>1,424,219</u>
Total			<u>\$ 22,077,296</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, 2022, transfers include (1) a one-time transfer of \$1,100,000 to the General Fund from the Capital Projects Fund for tax levy stabilization, annual transfers of \$1,959,107 to help support the cost of police services at the Mall of America, and \$3,179,036 in one-time transfers for City Council initiatives, (2) an annual transfer of \$1,521,874 for franchise fees from the improvement Construction Fund to the General Fund for the pavement management program, (3) a one-time transfer of \$6,300,000 to the Strategic Priorities Capital Projects Fund due to a positive budget variance in the General Fund, (4) a one-time transfer of vehicles with a book value of \$350,000, Fleet Space Planning Study of \$150,000, and jail remodel of \$175,000 from the Strategic Priorities Fund to the Fleet Fund, and other items denoted with an asterisk (\*) were approved by City Council as annually budgeted transfers.

## 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, 2022.

### 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 2022. 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, 2022 were \$3,021,207. 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 2022, 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, 2022 were \$2,836,477. The City's contributions were equal to the required contributions as set by state statute.

## *PENSION COSTS*

### 1. GERF Pension Costs

At December 31, 2022, the City reported a liability of \$40,883,210 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's (State) contribution of \$16 million. The State is considered a nonemployer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$1,198,724.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .5162% at the end of the measurement period and .5191% for the beginning of the period.

City's proportionate share of net pension liability	\$ 40,883,210
State's proportionate share of the net pension liability associated with the City	\$ 1,198,724

For the year ended December 31, 2022, the City recognized pension expense of \$5,493,537 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$179,117 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, 2022, the City reported its proportionate share of the GERS' s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 341,487	\$ 436,620
Changes in actuarial assumptions	9,252,611	165,813
Difference between projected and actual investment earnings	706,016	-
Changes in proportion	261,995	178,439
Contributions paid to PERA subsequent to the measurement date	<u>1,637,497</u>	<u>-</u>
Total	<u>\$ 12,199,606</u>	<u>\$ 780,871</u>

Deferred outflows of resources reported \$1,637,497 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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2023	\$ 3,765,948
2024	3,663,021
2025	(1,345,007)
2026	3,697,276
2027	<u>-</u>
Total	<u>\$ 9,781,238</u>

## 2. PEPFF Pension Costs

At December 31, 2022, the City reported a liability of \$52,623,959 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 1.2093% at the end of the measurement period and 1.2231% 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, 2022. The contribution consisted of \$9.0 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in 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, 2021. 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 supplemental state aid will continue until the fund is 90.0 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0 percent funded, whichever occurs later.



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, 2022, the City recognized pension expense of \$3,635,101 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$445,918 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	\$ 52,623,959
State's proportionate share of the net pension liability associated with the City	\$ 2,298,854

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 \$108,836 for the year ended December 31, 2022, as revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2022, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 3,210,399	\$ -
Changes in actuarial assumptions	30,977,303	310,002
Difference between projected and actual investment earnings	699,209	-
Changes in proportion	156,596	1,422,582
Contributions paid to PERA subsequent to the measurement date	<u>1,625,956</u>	<u>-</u>
Total	<u>\$ 36,669,464</u>	<u>\$ 1,732,584</u>

Deferred outflows of resources reported \$1,625,956 related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2023	\$ 5,928,268
2024	6,509,684
2025	5,754,503
2026	10,766,203
2027	4,352,265
Total	<u>\$33,310,923</u>

### *ACTUARIAL ASSUMPTIONS*

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of 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.

Benefit increases after retirement are assumed to be 1.25% for the GERF. The PEPFF benefit increase is fixed at 1.00% per year and that increase was used in the valuation.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% 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 2022:

1. GERF

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

2. PEPFF

- The single discount rates were changed from 6.50% to 5.40%
- The mortality improvement scale was changed from MP-2020 to MP-2021.

*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 for the GERF used to measure the total pension liability in 2022 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 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.

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40% for the PEPFF was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

*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:

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City’s proportionate share of the GERF net pension liability	\$ 64,577,172	\$ 40,883,210	\$ 21,450,505
	1% Decrease in Discount Rate (4.4%)	Discount Rate (5.4%)	1% Increase in Discount Rate (6.4%)
City’s proportionate share of the PEPFF net pension liability	\$ 79,639,612	\$ 52,623,959	\$ 30,783,421

*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, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	227
Retired members entitled to benefits, but who have not received them	12
Current members:	
Fully vested (20 years or more)	5
Nonvested (less than 20 years)	98
	<hr/>
Total	342
	<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, 2022, was \$0. The City’s contributions was equal to the required contribution as set by state statute. State aid contributions for the year ended December 31, 2022, were \$719,546. 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, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2023.

## ACTUARIAL ASSUMPTIONS

The total pension liability in the January 1, 2023 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, 2022
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 2022:

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, 2023.

<u>Asset Class</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Cash	0.59%
Investment Grade Bonds	2.13
US Equity	4.10
Developed International Equity	5.15
Emerging Markets Equity	6.20
Real Estate	3.70
Private Equity	6.54

## 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, 2021	\$ 176,468,883	\$ 232,172,612	\$ (55,703,729)
Charges for the year:			
Service cost	3,400,875	-	3,400,875
Interest on total pension liability	10,581,920	-	10,581,920
Effect of economic/demographic gains or losses	(2,685,152)	-	(2,685,152)
Benefit payments	(7,112,465)	(7,112,465)	-
Employer contributions – state aid and City	-	719,546	(719,546)
Net investment income	-	(28,973,296)	28,973,296
Administrative expense	-	(118,301)	118,301
Net changes	4,185,178	(35,484,516)	39,669,694
Balance at December 31, 2022	\$ 180,654,061	\$ 196,688,096	\$ (16,034,035)

## 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)	\$ 14,884,841	\$ (16,034,035)	\$ (40,255,385)

## 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, 2022, the City recognized pension expense of \$1,790,979. The City also recognized \$719,546 for the year ended December 31, 2022, as pension expense (and grant revenue) for the State of Minnesota’s on-behalf contribution to the plan. At December 31, 2022, 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	\$ 725,639	\$ 2,607,773
Changes in actuarial assumptions	488,924	-
Difference between projected and actual investment earnings	<u>16,930,281</u>	<u>-</u>
Total	<u>\$ 18,144,844</u>	<u>\$ 2,607,773</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>
2023	\$ (1,858,979)
2024	2,543,076
2025	6,311,310
2026	<u>8,541,664</u>
Total	<u>\$15,537,071</u>

C. PENSION EXPENSE

Pension expense recognized by the City for the fiscal year ended December 31, 2022 is as follows:

GERF	\$ 5,672,654
PEPFF	4,081,019
Fire Relief	<u>2,510,525</u>
Total	<u>\$ 12,264,198</u>

13. 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 \$522,703.

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>606</u>

E. TOTAL OPEB LIABILITY OF THE CITY

The City’s total OPEB liability of \$10,828,815 as of year-end was measured as of December 31, 2022 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	4.31%
20-year municipal bond yield	4.31%
Inflation rate	3.75%
Salary increases	3.75%
Medical trend rate	8.50% grading to 5.00% over 7 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 4.31%, 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%.

The only assumption change in 2022 was the updated 20-year AA municipal bond rate.

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

	<u>Total OPEB Liability</u>
Beginning balance – January 1, 2022	\$ 11,451,187
Changes for the year	
Service cost	1,009,165
Interest	235,465
Differences between expected and actual	
Changes in assumptions	(1,344,299)
Contributions - employer	<u>(522,703)</u>
Total net changes	<u>(622,372)</u>
Ending balance – December 31, 2022	<u>\$ 10,828,815</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	3.31%	4.31%	5.31%
Total OPEB liability	\$ 11,393,877	\$ 10,828,815	\$ 10,271,071

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	7.50% decreasing to 4.00% over 7 years	8.50% decreasing to 5.00% over 7 years	9.50% decreasing to 6.00% over 7 years
Total OPEB liability	\$ 9,538,771	\$ 10,828,815	\$ 12,336,350

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 \$1,049,297. 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	\$ 1,092,921	\$ 1,445,586
Changes in actuarial assumptions	<u>425,267</u>	<u>1,187,438</u>
Total	<u>\$ 1,518,188</u>	<u>\$ 2,633,024</u>

Amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense</u>
2023	\$ (195,335)
2024	(195,335)
2025	(195,335)
2026	(195,335)
2027	(195,335)
Thereafter	<u>(138,161)</u>
Total	<u>\$ (1,114,836)</u>

13. RECEIVABLES AND DEFERRED INFLOWS

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:

	Property Taxes	State Aid	Special Assessments	Mortgages	Leases	Land Held For Resale	Total
Major Funds:							
General Fund	\$ 602,635	\$ -	\$ 1,187,184	\$ -	\$ 6,475,610	\$ -	\$ 8,265,429
Community Development Block Grant	-	-	-	10,668,906	-	-	10,668,906
Improvement Bonds	-	-	11,680,106	-	-	-	11,680,106
Capital Projects	-	-	1,004,260	-	-	6,870,306	7,874,566
Improvement Construction	-	10,989,470	-	-	-	606,477	11,595,947
Total Deferred Inflows	<u>\$ 602,635</u>	<u>\$10,989,470</u>	<u>\$ 13,871,550</u>	<u>\$10,668,906</u>	<u>\$ 6,475,610</u>	<u>\$ 7,476,783</u>	<u>\$ 50,084,954</u>
Receivables not expected to be collected within one year	<u>\$ 60,264</u>	<u>\$ 4,315,520</u>	<u>\$ 12,484,395</u>	<u>\$ 9,602,015</u>	<u>\$ 6,232,924</u>	<u>\$ n/a</u>	<u>\$ 32,695,118</u>

14. PRIOR PERIOD ADJUSTMENT

During 2022, the City identified an error relating to special assessment revenue in its Storm Water Utility enterprise fund. As of December 31, 2021, unearned revenue in the amount of \$867,896 was reported, which equaled the amount of assessments owed to the City but not yet collected. The receivable was correctly recorded, but it was determined the amount reported as unearned revenue should have been recognized as revenue during 2018.

15. SUBSEQUENT EVENT

A. New Accounting Standards

A new standard has been issued by GASB that will result in new reporting requirements related to subscription-based information technology arrangements. This standard will be adopted by the City beginning in 2023. The effects of this change have not yet been determined and are not reflected in these financial statements.

16. INDIVIDUAL COMPONENT UNIT DISCLOSURES

Discretely Presented Component Units - Notes 1 through 15 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, 2022, the carrying amount of the Port Authority’s deposits with financial institutions and the bank balances totaled \$(5,534). As of December 31, 2022, the bank balance of the Port Authority’s deposits was covered by federal depository insurance or covered by collateral pledged and held in the Port Authority’s 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, 2022, 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	\$ 21,525,435	\$ 21,525,435	\$ -	\$ -
4M Term Series	10,000,000	10,000,000	-	-
Commercial Paper Sweep	58,457	58,457	-	-
US Treasury Notes	5,000,000	5,000,000	-	-
Farmer Agricultural Mortgage Corporation	17,243,450	12,765,150	4,478,300	-
Federal Farm Credit Bank	9,089,700	4,769,050	4,320,650	-
Federal Home Loan Bank	15,314,808	6,363,358	8,951,450	-
Federal Home Loan Mortgage Corporation	25,885,313	14,706,690	11,178,623	-
Federal National Mortgage Association	4,496,550	-	4,496,550	-
Municipal Bonds	4,323,423	280,152	4,043,271	-
Total investments	112,937,136	\$ 75,468,292	\$ 37,468,844	\$ -
Total deposits	<u>(5,534)</u>			
Total investments and deposits	<u>\$ 112,931,602</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, 2022:

Investments by fair value level	12/31/22	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 58,457	\$ -	\$ 58,457	\$ -
US Treasury Notes	5,000,000	5,000,000	-	-
Federal Agricultural Mortgage Corporation	17,243,450	-	17,243,450	-
Federal Farm Credit Bank	9,089,700	-	9,089,700	-
Federal Home Loan Bank	15,314,808	-	15,314,808	-
Federal Home Loan Mortgage Corporation	25,885,313	-	25,885,313	-
Federal National Mortgage Association	4,496,550	-	4,496,550	-
Municipal Bonds	4,323,423	-	4,323,423	-
Subtotal	81,411,701	\$ 5,000,000	\$ 76,411,701	\$ -
Investments not categorized				
External investment pools:				
4M Fund Money Market	21,525,435			
4M Term Series	10,000,000			
Bank Deposits	(5,534)			
Total	\$ 112,931,602			

*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, 2022, 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 (8%), Federal Home Loan Bank (14%), Federal Agricultural Mortgage Corporation (15%) and Federal Home Loan Mortgage Corporation (23%).

**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 12/31/22</u>
Governmental activities -				
Taxable G.O. Tax Increment Bonds	\$ 7,150,000	2023-2035	2.00 – 3.60%	\$ 5,585,000

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 2022 are summarized as follows:

	<u>Balance 01/01/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/22</u>	<u>Due Within One Year</u>
Governmental Activities:					
G.O. Tax Increment Bonds	<u>\$ 5,990,000</u>	<u>\$ -</u>	<u>\$ 405,000</u>	<u>\$ 5,585,000</u>	<u>\$ 410,000</u>

Long-term debt maturities (including interest of \$1,361,530) are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 410,000	\$ 181,722	\$ 591,722
2024	360,000	172,315	532,315
2025	370,000	162,638	532,638
2026	370,000	151,945	531,945
2027	390,000	139,320	529,320
2028-2032	2,175,000	471,150	2,646,150
2033-2035	<u>1,500,000</u>	<u>82,440</u>	<u>1,582,440</u>
Total	<u>\$ 5,585,000</u>	<u>\$ 1,361,530</u>	<u>\$ 6,946,530</u>

Due to City

At December 31, 2022, the Port Authority owed the City \$10,936 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/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. On December 31, 2022, the balance was \$2,000.

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 Port Authority has a tax increment pay-as-you-go note for the Carbon 31 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 \$22,900,000 plus interest at a rate of 5.25% 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, 2022, the total amount outstanding on the contracts, including interest, was \$33,462,826.



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

Governmental Classifications

At December 31, 2022, 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>
Nonspendable	\$ 1,594	\$ -	\$ -	\$ 1,594
Restricted for:				
Debt service	-	580,344	-	580,344
Tax increment purposes	-	-	112,153,517	112,733,861
Unassigned	<u>71,573</u>	-	-	<u>71,573</u>
Total fund balances	<u>\$ 73,167</u>	<u>\$ 580,344</u>	<u>\$112,153,517</u>	<u>\$112,807,018</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, 2022 there were no 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, 2022 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>\$ 306,839</u>	<u>\$ 259,541</u>

Investment balances at December 31, 2022 were:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
4M Money Market	N/A	\$11,245,564	58%
4M Fund Term Series	01/20/23	3,000,000	15%
4M Fund Term Series	08/09/23	5,000,000	26%
Commercial Paper Sweep	N/A	143,084	1%
Total investments		<u>19,388,648</u>	
Total deposits		<u>259,541</u>	
Net cash, cash equivalents, and investments		<u>\$19,648,189</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 2022 are summarized as follows (capitalization thresholds are the same as the City):

	<u>Balance</u> <u>01/01/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/22</u>
<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	(2,574,457)	( 98,171)	-	(2,672,628)
Total capital assets being depreciated, net	<u>711,160</u>	<u>( 98,171)</u>	<u>-</u>	<u>612,989</u>
Business-type activities capital assets, net	<u>\$2,181,160</u>	<u>\$ ( 98,171)</u>	<u>\$ -</u>	<u>\$2,082,989</u>

Land held for resale activity for the year ended December 31, 2022 was as follows:

	<u>Balance</u> <u>01/01/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/22</u>
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 requiring that 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 12/31/22</u>
Governmental activities -				
Due to primary government:				
2020B Crossover Refunding Bonds	\$ 3,095,000	2023-2032	1.00-1.75%	\$ 1,975,000
Due within 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>\$ 9,545,000</u>			 <u>\$ 8,425,000</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 2022 are summarized as follows:

	<u>Balance 01/01/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/22</u>	<u>Due Within One Year</u>
Governmental Activities:					
Due to Primary Government-					
Bonds Payable	\$2,460,000	\$1,975,000	\$ 2,460,000	\$1,975,000	\$ 190,000
Unamortized Bond Premium	21,439	7,474	22,180	6,733	-
Bonds Payable	6,450,000	-	-	6,450,000	6,450,000
Unamortized Bond Discount	(7,610)	-	(4,805)	(2,805)	-
Business-type Activities -					
Enterprise Fund Loan					
Agreements	1,574,720	-	-	1,574,720	594,450
Total	<u>\$ 10,498,549</u>	<u>\$ 1,982,474</u>	<u>\$ 2,477,375</u>	<u>\$ 10,003,648</u>	<u>\$ 7,234,450</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	
2023	\$ 6,640,000	\$ 199,767	\$ 594,450	\$ -	\$ 7,434,217
2024	190,000	20,942	730,270	-	941,212
2025	195,000	19,017	-	-	214,017
2026	200,000	17,042	-	-	217,042
2027	200,000	15,042	-	-	215,042
2028-2032	1,000,000	37,046	250,000	-	1,287,046
Total	<u>\$ 8,425,000</u>	<u>\$ 308,856</u>	<u>\$ 1,574,720</u>	<u>\$ -</u>	<u>\$ 10,308,576</u>

**Fund Balance Classifications**

At December 31, 2022 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	Totals
Nonspendable:							
Long term receivables	\$ -	\$ 450,776	\$ -	\$ -	\$ -	\$ -	\$ 450,776
Restricted for:							
Debt service	-	-	-	-	1,545,930	-	1,545,930
Tax increment purposes	-	-	-	-	-	6,522,627	6,522,627
Committed to:							
Development activities	-	7,494,669	-	-	-	-	7,494,669
Rehabilitation loans	-	-	-	2,356,498	-	-	2,356,498
Assigned for:							
Section 8 Vouchers	-	-	359,536	-	-	-	359,536
Capital projects	-	-	-	-	-	-	-
Unassigned	1,066,240	-	-	(100,216)	-	(2,292,129)	(1,326,105)
Total fund balances	<u>\$ 1,066,240</u>	<u>\$ 7,945,445</u>	<u>\$ 359,536</u>	<u>\$ 2,256,282</u>	<u>\$ 1,545,930</u>	<u>\$ 4,230,498</u>	<u>\$ 17,403,931</u>

**Due to the City**

At December 31, 2022, the HRA owed the City \$122,940 for services provided to the HRA, \$1,000,000 of the tax levy originally allocated to the HRA, \$89,013 for accrued interest, \$190,000 for the current portion, and \$1,791,733 for the long-term portion of the debt obligation. In addition, the HRA owes the City \$9,852,832 of Taxable General Obligation Tax Increment Revenue Bonds that were loaned to the HRA to fund affordable housing within the City. The loan matures in 2036 with interest rate of 2.45%.

**Due to HRA**

At December 31, 2022, the City owed \$4,271 to the HRA for HRA rehabilitation loan program activities and rental homes activities. In addition, \$5,150,000 is due from the City in 2023 for a purchase agreement related to the Days Inn project. The HRA purchased the land at 7851 Normandale Boulevard in 2018 with bond proceeds and leased the land 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 31,2022, the balance was \$2,764,802.

Deficit Fund Balance and Net Position

The HRA Property Management fund had a negative net position of \$50,286 as of December 31, 2022; 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, 2022, there is one series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$600,000.

The following table shows the balance of the conduit debt obligations as of December 31, 2022:

	<u>Original Balance</u>	<u>Beginning Balance 01/01/22</u>	<u>Additions</u>	<u>Less Payments/ Refinance</u>	<u>Ending Balance 12/31/22</u>
Masonic Homes	\$ 4,000,000	\$ 800,000	\$ -	\$ 200,000	\$ 600,000

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 \$9,202,532 as of December 31, 2022. 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 \$250,673 as of December 31, 2022. The outstanding balances are recognized on the balance sheet as mortgage receivable and deferred inflow.

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

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 \$646,525 as of December 31, 2022. 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 \$396,260 as of December 31, 2022. 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 2022, the mortgage note and interest totaling \$796,227 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 \$300,776 as of December 31, 2022. 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 \$581,774 as of December 31, 2022.

## 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, 2022:

	Balance 01/01/22	Additions	Interest	Payoffs	Balance 12/31/22
Neighborhood Loans	\$ 9,238,259	\$ 209,269	\$ 115,660	\$ 360,656	\$ 9,202,532
Foreclosure Loans	307,069	-	3,307	59,703	250,673
CEP II Loans	676,792	-	18,380	48,647	646,525
CALP Loans	453,180	-	-	56,920	396,260
Essex Knoll	320,000	-	-	-	320,000
Bloomington Family					
Townhomes	784,047	-	12,180	-	796,227
Bloomington Southview LP	150,000	-	-	-	150,000
Bloomington Southview LP	292,016	-	8,760	-	300,776
Blooming Glen	285,774	-	6,000	-	291,774
Blooming Glen	290,000	-	-	-	290,000
Crossings at Valley View	600,000	-	-	-	600,000
VEPP	1	-	-	-	1
Total	<u>\$13,397,138</u>	<u>\$ 209,269</u>	<u>\$ 164,287</u>	<u>\$ 525,926</u>	<u>\$ 13,244,768</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 \$5,027,291 as of December 31, 2022. 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, and in 2022 to Oxboro Heights in the amount of \$2,125,000 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 \$43,076. At December 31, 2022, the principal amount outstanding on the note was \$173,806. 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. The current year abatement (TIF note payments) totaled \$345,941. At December 31, 2022, the principal amount outstanding on the note was \$5,687,839. 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. The current year abatement (TIF note payments) totaled \$459,515. At December 31, 2022, 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**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund  
Year Ended December 31, 2022

EXHIBIT A-1

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Property taxes	\$ 57,471,203	\$ 57,471,203	\$ 53,189,587	\$ (4,281,616)
Fiscal disparities	-	-	4,314,509	4,314,509
Special assessments	-	-	55,783	55,783
Lodging and admissions tax	7,573,480	8,074,065	9,625,118	1,551,053
Business licenses and permits	5,689,165	5,689,165	8,082,182	2,393,017
Fines	500,000	500,000	317,773	(182,227)
Intergovernmental	5,197,686	6,108,280	6,173,201	64,921
Program income	2,162,612	2,139,612	1,834,067	(305,545)
Interest	150,000	150,000	303,564	153,564
Net change in fair value of investments	-	-	(2,258,372)	(2,258,372)
Other	1,011,045	1,049,220	1,554,264	505,044
Total revenues	79,755,191	81,181,545	83,191,676	2,010,131
<b>EXPENDITURES</b>				
General Government	524,816	514,058	508,021	6,037
Administration	2,925,562	3,208,271	3,199,923	8,348
Legal	2,060,920	2,215,679	2,044,379	171,300
Finance	1,502,592	1,519,755	1,472,742	47,013
Community Development	10,146,069	10,222,922	9,891,223	331,699
Parks and Recreation	4,269,197	4,295,536	3,902,314	393,222
Public Works	19,726,808	19,942,911	19,087,569	855,342
Public Safety	35,502,623	35,829,365	35,683,913	145,452
Community Services	7,812,069	7,981,591	7,882,827	98,764
Contingency/estimated unspent	830,516	680,516	-	680,516
Total expenditures	85,301,172	86,410,603	83,672,911	2,737,692
Excess (deficiency) of revenues over (under) expenditures	(5,545,981)	(5,229,058)	(481,235)	4,747,823
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	5,545,981	9,288,394	9,412,954	124,560
Transfers to other funds	-	(6,300,000)	(6,599,500)	(299,500)
Total other financing sources (uses)	5,545,981	2,988,394	2,813,454	(174,940)
Net change in fund balance	-	(2,240,664)	2,332,219	4,572,883
Fund balance - January 1	42,565,870	42,565,870	42,565,870	-
Fund balance - December 31	\$ 42,565,870	\$ 40,325,206	\$ 44,898,089	\$ 4,572,883

**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, 2022

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		With Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,671,096	\$ 886,499	\$ (784,597)
Interest	-	-	33,577	33,577
Net change in fair value of investments	-	-	(33,577)	(33,577)
Total revenues	<u>-</u>	<u>1,671,096</u>	<u>886,499</u>	<u>(784,597)</u>
<b>EXPENDITURES</b>				
Current -				
Development services	-	1,366,441	712,333	654,108
Excess of revenues over expenditures	-	304,655	174,166	(130,489)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(30,000)	(18,997)	11,003
Net change in fund balance	-	274,655	155,169	(119,486)
Fund balance - January 1	-	543,427	543,427	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ 818,082</u>	<u>\$ 698,596</u>	<u>\$ (119,486)</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, 2022**

EXHIBIT A-3

Fiscal Year Ending Measurement Date	Dec. 31, 2022 <u>Jan. 01, 2022</u>	Dec. 31, 2021 <u>Jan. 01, 2021</u>	Dec. 31, 2020 <u>Jan. 01, 2020</u>	Dec. 31, 2019 <u>Jan. 01, 2019</u>
<b>Total OPEB liability</b>				
Service cost	\$ 1,009,165	\$ 972,689	\$ 721,033	\$ 723,813
Interest	235,465	221,012	281,393	295,896
Contributions - employer	(522,703)	(440,287)	(341,581)	(344,129)
Differences between expected and actual experience	-	702,073	-	(1,157,501)
Changes in assumptions	<u>(1,344,299)</u>	<u>506,579</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	(622,372)	1,962,066	660,845	(481,921)
Total OPEB liability - beginning of year	<u>11,451,187</u>	<u>9,489,121</u>	<u>8,828,276</u>	<u>9,310,197</u>
Total OPEB liability - end of year	<u>\$ 10,828,815</u>	<u>\$ 11,451,187</u>	<u>\$ 9,489,121</u>	<u>\$ 8,828,276</u>
Covered employee payroll	<u>\$ 51,088,121</u>	<u>\$ 47,593,887</u>	<u>\$ 45,713,920</u>	<u>\$ 45,095,129</u>
Total OPEB liability as a percentage of covered employee payroll	<u>21%</u>	<u>24%</u>	<u>21%</u>	<u>20%</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, 2022

EXHIBIT A-4

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	0.5389%	\$ 27,928,595	\$ -	\$ 27,928,595	\$ 31,663,355	88.2%	78.2%
Jun. 30, 2016	Dec. 31, 2016	0.5236%	\$ 42,513,723	\$ 555,205	\$ 43,068,928	\$ 32,489,268	130.9%	68.9%
Jun. 30, 2017	Dec. 31, 2017	0.5297%	\$ 33,815,698	\$ 425,166	\$ 34,240,864	\$ 34,121,425	99.1%	75.9%
Jun. 30, 2018	Dec. 31, 2018	0.5087%	\$ 28,220,590	\$ 925,710	\$ 29,146,300	\$ 34,192,349	82.5%	79.5%
Jun. 30, 2019	Dec. 31, 2019	0.5023%	\$ 27,771,041	\$ 863,129	\$ 28,634,170	\$ 35,546,391	78.1%	80.2%
Jun. 30, 2020	Dec. 31, 2020	0.5213%	\$ 31,254,316	\$ 963,817	\$ 32,218,133	\$ 37,171,953	84.1%	79.1%
Jun. 30, 2021	Dec. 31, 2021	0.5191%	\$ 22,167,896	\$ 676,896	\$ 22,844,792	\$ 37,368,926	59.3%	87.0%
Jun. 30, 2022	Dec. 31, 2022	0.5162%	\$ 40,883,210	\$ 1,198,724	\$ 42,081,934	\$ 38,667,520	105.7%	76.7%

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 -  
 General Employees Retirement Fund  
 Year Ended December 31, 2022

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%
Dec. 31, 2022	\$ 3,021,407	\$ 3,021,407	\$ -	\$ 40,285,382	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, 2022

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%
Jun. 30, 2022	Dec. 31, 2022	1.2093%	\$ 52,623,959	\$ 2,298,854	\$ 54,922,813	\$ 14,690,185	358.2%	70.5%

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 Pension Contributions -  
 Public Employees Police and Fire Fund  
 Year Ended December 31, 2022

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%
Dec. 31, 2022	\$ 2,836,477	\$ 2,836,477	\$ -	\$ 16,025,299	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, 2022

Fiscal Year Ending Measurement Date	<u>Dec. 31, 2022</u> <u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u> <u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u> <u>Dec. 31, 2020</u>
Total pension liability:			
Service cost	\$3,400,875	\$3,670,982	\$3,516,374
Interest cost	10,581,920	10,094,430	9,824,558
Effect of economic/demographic gains or losses	(2,685,152)	1,531,903	(2,505,138)
Difference between expected and actual experience	-	-	-
Assumption changes	-	-	-
Benefit payments, including refunds of employee contributions	<u>(7,112,465)</u>	<u>(6,698,326)</u>	<u>(6,292,678)</u>
Net change in total pension liability	4,185,178	8,598,989	4,543,116
Total pension liability - beginning	176,468,883	167,869,894	163,326,778
Total pension liability - ending (a)	<u>\$180,654,061</u>	<u>\$176,468,883</u>	<u>\$167,869,894</u>
Plan fiduciary net position:			
Contributions - employer	\$ -	\$ 706,774	\$ 1,891,670
Contributions - State of Minnesota	719,546	672,339	649,689
Net investment income	(28,973,296)	23,024,351	28,386,105
Benefit payments, including refunds of employee contributions	(7,112,465)	(6,698,326)	(6,292,678)
Administrative expense	<u>(118,301)</u>	<u>(107,450)</u>	<u>(109,327)</u>
Net change in plan fiduciary net position	(35,484,516)	17,597,688	24,525,459
Plan fiduciary net position - beginning	232,172,612	214,574,924	190,049,465
Plan fiduciary net position - ending (b)	<u>\$196,688,096</u>	<u>\$232,172,612</u>	<u>\$214,574,924</u>
Net pension liability / (asset) - ending (a) - (b)	<u>(\$16,034,035)</u>	<u>(\$55,703,729)</u>	<u>(\$46,705,030)</u>
Plan fiduciary net position as a percentage of the total pension liability	108.88%	131.57%	127.82%
Covered payroll*	\$11,243,892	\$12,201,192	\$11,526,144
Net pension liability (asset) as a percentage of covered payroll	(142.60)%	(456.54)%	(405.21)%

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, 2019</u> <u>Dec. 31, 2019</u>	<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>
\$3,869,840	\$3,529,986	\$3,482,212	\$2,955,252	\$3,141,630	\$3,047,649
9,212,131	8,791,865	8,421,504	7,998,295	8,072,050	7,443,533
(3,358,770)	257,010	(152,691)	831,346	-	-
-	-	-	(5,046,951)	(7,292,468)	(1,567,433)
7,007,900	-	-	-	-	-
<u>(6,051,864)</u>	<u>(5,780,618)</u>	<u>(5,476,046)</u>	<u>-</u>	<u>(4,883,583)</u>	<u>(4,566,912)</u>
10,679,237	6,798,243	6,274,979	6,737,942	(962,371)	4,356,837
152,647,541	145,849,298	139,574,319	132,836,377	133,798,748	129,441,911
<u>\$163,326,778</u>	<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
609,799	594,361	576,114	563,627	540,186	622,164
30,774,778	(7,266,532)	24,503,859	11,133,373	(1,023,994)	9,982,524
(6,051,864)	(5,780,618)	(5,476,046)	(5,046,951)	(4,883,583)	(4,566,912)
<u>(108,058)</u>	<u>(100,782)</u>	<u>(94,692)</u>	<u>(109,128)</u>	<u>(93,226)</u>	<u>(83,410)</u>
25,224,655	(11,017,586)	20,566,994	7,446,776	(4,285,522)	8,502,457
164,824,810	175,842,396	155,275,402	147,828,626	152,114,148	143,611,691
<u>\$190,049,465</u>	<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>(\$26,722,687)</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>
116.36%	107.98%	120.56%	111.25%	111.29%	113.69%
\$12,348,216	\$11,486,832	\$10,513,294	\$11,003,580	\$10,773,375	\$10,110,384
(216.41)%	(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, 2022

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%
Dec. 31, 2022	\$ (1,040,867)	\$ 719,546	\$ (1,760,413)	\$ 11,243,892	6.4%

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, 2022

#### 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, 2022.

#### 2. PENSION INFORMATION

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

###### **2022 CHANGES**

###### Changes in Actuarial Assumptions:

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

###### **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.



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

### **2022 CHANGES**

#### Changes in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.40%.
- The mortality projection scale was changed from MP-2020 to MP-2021.

### **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.

### 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

#### **2022 CHANGES**

##### Changes in Actuarial Assumptions:

- The discount rate of 1.93% was updated to 4.31%.

#### **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.*

Opioid Fund – This fund is used to account for funds received from the national opioid settlement.

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.

Sewer Availability Charge (SAC) Fund – This fund accounts for funds received at the time a building permit is issued along with accounting for the SAC Small Business Deferral and Credit programs.

#### **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, 2022**

	Special Revenue						
	Opioid Settlement	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking	Community Landscape
<b>ASSETS</b>							
Cash, cash equivalents and investments	\$ 207,593	\$ 6,088,975	\$ 67,972	\$ 224,157	\$ 588,012	\$ 749,392	\$ 13,163
Accrued interest receivable	293	20,516	405	931	1,995	2,536	-
Taxes receivable	-	-	-	-	-	-	-
Accounts receivable	-	18,663	308,517	-	-	-	-
Due from component units	-	-	-	-	-	-	-
Due from other governments	-	296,364	-	33,518	-	-	-
<b>Total assets</b>	<b>\$ 207,886</b>	<b>\$ 6,424,518</b>	<b>\$ 376,894</b>	<b>\$ 258,606</b>	<b>\$ 590,007</b>	<b>\$ 751,928</b>	<b>\$ 13,163</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 9,445	\$ 99,474	\$ 607	\$ 135	\$ 11,682	\$ -
Unearned revenue	212,188	199,916	-	187,830	-	-	-
Deposits payable	-	-	-	-	-	-	-
Total liabilities	212,188	209,361	99,474	188,437	135	11,682	-
<b>FUND BALANCES</b>							
Restricted	-	743,118	277,420	70,169	-	-	-
Committed	-	5,472,039	-	-	589,872	740,246	13,163
Unassigned	(4,302)	-	-	-	-	-	-
Total fund balances	(4,302)	6,215,157	277,420	70,169	589,872	740,246	13,163
<b>Total liabilities and fund balances</b>	<b>\$ 207,886</b>	<b>\$ 6,424,518</b>	<b>\$ 376,894</b>	<b>\$ 258,606</b>	<b>\$ 590,007</b>	<b>\$ 751,928</b>	<b>\$ 13,163</b>

EXHIBIT B-1

Federal Relief	Cemetery	SAC	Total	G.O. Tax Increment Bonds	Debt Service General Obligation Bonds	Total	Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
\$ 6,887,545	\$ 403,044	\$ 262,888	\$ 15,492,741	\$ 11,385	\$ 158,924	\$ 170,309	\$ 850,794	\$ 16,513,844
-	1,338	-	28,014	38	533	571	-	28,585
-	-	-	-	-	89	89	-	89
-	-	-	327,180	-	-	-	-	327,180
-	-	-	-	11,896	-	11,896	-	11,896
-	-	-	329,882	-	-	-	-	329,882
<u>\$ 6,887,545</u>	<u>\$ 404,382</u>	<u>\$ 262,888</u>	<u>\$ 16,177,817</u>	<u>\$ 23,319</u>	<u>\$ 159,546</u>	<u>\$ 182,865</u>	<u>\$ 850,794</u>	<u>\$ 17,211,476</u>
\$ -	\$ 21,521	\$ 177,131	\$ 319,995	\$ 400	\$ -	\$ 400	\$ 5,000	\$ 325,395
6,887,545	-	-	7,487,479	-	-	-	-	7,487,479
-	-	85,757	85,757	-	-	-	836,080	921,837
<u>6,887,545</u>	<u>21,521</u>	<u>262,888</u>	<u>7,893,231</u>	<u>400</u>	<u>-</u>	<u>400</u>	<u>841,080</u>	<u>8,734,711</u>
-	382,861	-	1,473,568	24,309	159,546	183,855	9,714	1,667,137
-	-	-	6,815,320	-	-	-	-	6,815,320
-	-	-	(4,302)	(1,390)	-	(1,390)	-	(5,692)
-	<u>382,861</u>	<u>-</u>	<u>8,284,586</u>	<u>22,919</u>	<u>159,546</u>	<u>182,465</u>	<u>9,714</u>	<u>8,476,765</u>
<u>\$ 6,887,545</u>	<u>\$ 404,382</u>	<u>\$ 262,888</u>	<u>\$ 16,177,817</u>	<u>\$ 23,319</u>	<u>\$ 159,546</u>	<u>\$ 182,865</u>	<u>\$ 850,794</u>	<u>\$ 17,211,476</u>



**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended December 31, 2022

	Special Revenue						
	Opioid Settlement	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking	Community Landscape
<b>REVENUES</b>							
Property taxes	\$ -	\$ 1,050,000	\$ 295,000	\$ -	\$ -	\$ -	\$ -
Fines	-	72,114	-	-	-	-	-
Intergovernmental	-	1,506,365	-	139,876	-	-	-
Program income	-	-	745	-	246,910	-	-
Interest	463	61,775	512	3,177	6,476	7,814	-
Net change in fair value of investments	(4,765)	(301,236)	(5,642)	(13,288)	(29,790)	(36,652)	-
Other	585	42,902	76,980	-	-	-	-
Franchise fees	-	-	1,235,181	-	-	-	-
Total revenues	<u>(3,717)</u>	<u>2,431,920</u>	<u>1,602,776</u>	<u>129,765</u>	<u>223,596</u>	<u>(28,838)</u>	<u>-</u>
<b>EXPENDITURES</b>							
Current:							
General services	-	-	-	-	-	-	-
Development services	-	-	-	-	38,785	213,273	-
Public safety	-	1,467,839	-	-	-	-	-
Parks and recreation	-	-	-	139,876	-	-	-
Community services	585	-	1,917,843	-	-	-	-
Interest	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Capital outlay:							
General services	-	-	-	-	-	-	-
Development services	-	-	-	-	-	45,650	-
Public safety	-	357,526	-	-	-	-	-
Total expenditures	<u>585</u>	<u>1,825,365</u>	<u>1,917,843</u>	<u>139,876</u>	<u>38,785</u>	<u>258,923</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,302)</u>	<u>606,555</u>	<u>(315,067)</u>	<u>(10,111)</u>	<u>184,811</u>	<u>(287,761)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	-	607,767	211,772	-	-	430,000	-
Transfers to other funds	-	(441,605)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>166,162</u>	<u>211,772</u>	<u>-</u>	<u>-</u>	<u>430,000</u>	<u>-</u>
Net change in fund balance	<u>(4,302)</u>	<u>772,717</u>	<u>(103,295)</u>	<u>(10,111)</u>	<u>184,811</u>	<u>142,239</u>	<u>-</u>
Fund balance - January 1	<u>-</u>	<u>5,442,440</u>	<u>380,715</u>	<u>80,280</u>	<u>405,061</u>	<u>598,007</u>	<u>13,163</u>
Fund balance - December 31	<u>\$ (4,302)</u>	<u>\$ 6,215,157</u>	<u>\$ 277,420</u>	<u>\$ 70,169</u>	<u>\$ 589,872</u>	<u>\$ 740,246</u>	<u>\$ 13,163</u>

EXHIBIT B-2

Federal Relief	Cemetery	SAC	Total	Debt Service			Capital Projects	Total Nonmajor Governmental Funds
				G.O. Tax Increment Bonds	General Obligation Bonds	Total	Developer Escrow	
\$ -	\$ -	\$ -	\$ 1,345,000	\$ -	\$ (733)	\$ (733)	\$ -	\$ 1,344,267
-	-	-	72,114	-	-	-	-	72,114
3,822,536	-	-	5,468,777	-	-	-	-	5,468,777
-	186,830	-	434,485	-	-	-	-	434,485
-	4,367	-	84,584	(451)	1,767	1,316	-	85,900
-	(18,910)	-	(410,283)	(179)	(6,848)	(7,027)	-	(417,310)
-	4,135	-	124,602	626,089	-	626,089	-	750,691
-	-	-	1,235,181	-	-	-	-	1,235,181
<u>3,822,536</u>	<u>176,422</u>	<u>-</u>	<u>8,354,460</u>	<u>625,459</u>	<u>(5,814)</u>	<u>619,645</u>	<u>-</u>	<u>8,974,105</u>
-	222,788	-	222,788	400	3,100	3,500	-	226,288
276,866	-	-	528,924	-	-	-	-	528,924
-	-	-	1,467,839	-	-	-	-	1,467,839
-	-	-	139,876	-	-	-	-	139,876
-	-	-	1,918,428	-	-	-	-	1,918,428
-	-	-	-	67,985	-	67,985	-	67,985
-	-	-	-	2,460,000	-	2,460,000	-	2,460,000
-	21,521	-	21,521	-	-	-	-	21,521
-	-	-	45,650	-	-	-	-	45,650
-	-	-	357,526	-	-	-	-	357,526
<u>276,866</u>	<u>244,309</u>	<u>-</u>	<u>4,702,552</u>	<u>2,528,385</u>	<u>3,100</u>	<u>2,531,485</u>	<u>-</u>	<u>7,234,037</u>
<u>3,545,670</u>	<u>(67,887)</u>	<u>-</u>	<u>3,651,908</u>	<u>(1,902,926)</u>	<u>(8,914)</u>	<u>(1,911,840)</u>	<u>-</u>	<u>1,740,068</u>
-	-	-	1,249,539	-	-	-	-	1,249,539
<u>(3,545,670)</u>	<u>-</u>	<u>-</u>	<u>(3,987,275)</u>	<u>-</u>	<u>(92,267)</u>	<u>(92,267)</u>	<u>-</u>	<u>(4,079,542)</u>
<u>(3,545,670)</u>	<u>-</u>	<u>-</u>	<u>(2,737,736)</u>	<u>-</u>	<u>(92,267)</u>	<u>(92,267)</u>	<u>-</u>	<u>(2,830,003)</u>
-	(67,887)	-	914,172	(1,902,926)	(101,181)	(2,004,107)	-	(1,089,935)
-	450,748	-	7,370,414	1,925,845	260,727	2,186,572	9,714	9,566,700
<u>\$ -</u>	<u>\$ 382,861</u>	<u>\$ -</u>	<u>\$ 8,284,586</u>	<u>\$ 22,919</u>	<u>\$ 159,546</u>	<u>\$ 182,465</u>	<u>\$ 9,714</u>	<u>\$ 8,476,765</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Opioid Settlement Fund  
 Year Ended December 31, 2022

EXHIBIT C-1

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 463	\$ 463
Net change in fair value of investments	-	-	(4,765)	(4,765)
Other	-	586	585	(1)
Total revenues	-	586	(3,717)	(4,303)
<b>EXPENDITURES</b>				
Current -				
Community services	-	586	585	1
Net change in fund balance	-	-	(4,302)	(4,302)
Fund balance - January 1	-	-	-	-
Fund balance - December 31	\$ -	\$ -	\$ (4,302)	\$ (4,302)

**CITY OF BLOOMINGTON, MINNESOTA**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Public Safety Special Revenue Fund  
Year Ended December 31, 2022

EXHIBIT C-2

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Property taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000	\$ -
Fines	75,000	77,062	72,114	(4,948)
Intergovernmental	886,126	1,485,598	1,506,365	20,767
Interest	51,485	51,485	61,775	10,290
Net change in fair value of investments	-	-	(301,236)	(301,236)
Other	-	42,368	42,902	534
Total revenues	<u>2,062,611</u>	<u>2,706,513</u>	<u>2,431,920</u>	<u>(274,593)</u>
<b>EXPENDITURES</b>				
Current -				
Public safety	889,276	1,468,561	1,467,839	722
Capital outlay -				
Public safety	-	416,531	357,526	59,005
Total expenditures	<u>889,276</u>	<u>1,885,092</u>	<u>1,825,365</u>	<u>59,727</u>
Excess of revenues over expenditures	<u>1,173,335</u>	<u>821,421</u>	<u>606,555</u>	<u>(214,866)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	107,312	607,767	500,455
Transfers to other funds	(100,000)	(441,606)	(441,605)	1
Issuance of debt	500,000	500,000	-	500,000
Total other financing sources (uses)	<u>400,000</u>	<u>165,706</u>	<u>166,162</u>	<u>456</u>
Net change in fund balance	1,573,335	987,127	772,717	(214,410)
Fund balance - January 1	<u>5,442,440</u>	<u>5,442,440</u>	<u>5,442,440</u>	<u>-</u>
Fund balance - December 31	<u>\$ 7,015,775</u>	<u>\$ 6,429,567</u>	<u>\$ 6,215,157</u>	<u>\$ (214,410)</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Communications Special Revenue Fund  
 Year Ended December 31, 2022

EXHIBIT C-3

	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>REVENUES</b>				
Property taxes	\$ 295,000	\$ 295,000	\$ 295,000	\$ -
Program income	1,200	1,200	745	(455)
Interest	500	500	512	12
Net change in fair value of investments	-	-	(5,642)	(5,642)
Other	74,000	74,000	76,980	2,980
Franchise fees	1,304,000	1,304,000	1,235,181	(68,819)
Total revenues	1,674,700	1,674,700	1,602,776	(71,924)
<b>EXPENDITURES</b>				
Current -				
Community services	1,892,442	1,907,752	1,917,843	(10,091)
Capital outlay -				
Community services	50,000	11,000	-	11,000
Total expenditures	1,942,442	1,918,752	1,917,843	909
Excess (deficiency) of revenues over (under) expenditures	(267,742)	(244,052)	(315,067)	(71,015)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	211,772	211,772	211,772	-
Net change in fund balance	(55,970)	(32,280)	(103,295)	(71,015)
Fund balance - January 1	380,715	380,715	380,715	-
Fund balance - December 31	\$ 324,745	\$ 348,435	\$ 277,420	\$ (71,015)

**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, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 129,492	\$ 148,803	\$ 139,876	\$ (8,927)
Interest	3,000	3,000	3,177	177
Net change in fair value of investments	-	-	(13,288)	(13,288)
Total revenues	<u>132,492</u>	<u>151,803</u>	<u>129,765</u>	<u>(22,038)</u>
<b>EXPENDITURES</b>				
Current -				
Parks and recreation	<u>181,753</u>	<u>201,064</u>	<u>139,876</u>	<u>61,188</u>
Net change in fund balance	(49,261)	(49,261)	(10,111)	39,150
Fund balance - January 1	<u>80,280</u>	<u>80,280</u>	<u>80,280</u>	-
Fund balance - December 31	<u>\$ 31,019</u>	<u>\$ 31,019</u>	<u>\$ 70,169</u>	<u>\$ 39,150</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, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 345,000	\$ 345,000	\$ 246,910	\$ (98,090)
Interest	2,900	2,900	6,476	3,576
Net change in fair value of investments	-	-	(29,790)	(29,790)
Total revenues	<u>347,900</u>	<u>347,900</u>	<u>223,596</u>	<u>(124,304)</u>
<b>EXPENDITURES</b>				
Current -				
Development services	<u>210,000</u>	<u>210,000</u>	<u>38,785</u>	<u>171,215</u>
Net change in fund balance	137,900	137,900	184,811	46,911
Fund balance - January 1	<u>405,061</u>	<u>405,061</u>	<u>405,061</u>	<u>-</u>
Fund balance - December 31	<u>\$ 542,961</u>	<u>\$ 542,961</u>	<u>\$ 589,872</u>	<u>\$ 46,911</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Creative Placemaking Special Revenue Fund  
Year Ended December 31, 2022

EXHIBIT C-6

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 7,814	\$ 7,814
Net change in fair value of investments	-	-	(36,652)	(36,652)
Total revenues	-	-	(28,838)	(28,838)
<b>EXPENDITURES</b>				
Current -				
Development services	263,300	234,959	213,273	21,686
Capital outlay -				
Development services	166,700	54,625	45,650	8,975
Total expenditures	430,000	289,584	258,923	30,661
Excess (deficiency) of revenues over (under) expenditures	(430,000)	(289,584)	(287,761)	1,823
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	430,000	430,000	430,000	-
Net change in fund balance	-	140,416	142,239	1,823
Fund balance - January 1	598,007	598,007	598,007	-
Fund balance - December 31	\$ 598,007	\$ 738,423	\$ 740,246	\$ 1,823



**CITY OF BLOOMINGTON, MINNESOTA**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Federal Relief Special Revenue Fund  
 Year Ended December 31, 2022

EXHIBIT C-7

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 3,822,536	\$ 3,822,536	\$ -
EXPENDITURES				
Current -				
Development services	-	276,866	276,866	-
Excess of revenues over expenditures	-	3,545,670	3,545,670	-
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(3,545,670)	(3,545,670)	-
Net change in fund balance	-	-	-	-
Fund balance - January 1	-	-	-	-
Fund balance - December 31	\$ -	\$ -	\$ -	\$ -

**CITY OF BLOOMINGTON, MINNESOTA**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Cemetery Special Revenue Fund  
Year Ended December 31, 2022

EXHIBIT C-8

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 200,515	\$ 200,515	\$ 186,830	\$ (13,685)
Interest	4,700	4,700	4,367	(333)
Net change in fair value of investments	-	-	(18,910)	(18,910)
Other	-	-	4,135	4,135
Total revenues	205,215	205,215	176,422	(28,793)
<b>EXPENDITURES</b>				
Current -				
General services	222,694	222,794	222,788	6
Capital outlay -				
General services	-	22,000	21,521	479
Total expenditures	222,694	244,794	244,309	485
Net change in fund balance	(17,479)	(39,579)	(67,887)	(28,308)
Fund balance - January 1	450,748	450,748	450,748	-
Fund balance - December 31	\$ 433,269	\$ 411,169	\$ 382,861	\$ (28,308)



CITY OF  
**BLOOMINGTON**  
MINNESOTA

## 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, 2022

	Information Technology	Fleet	Support Services	Public Safety Equipment
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,686,920	\$ 5,940,850	\$ 268,749	\$ 2,831,932
Accrued interest receivable	6,620	20,757	929	9,508
Accounts receivable	4,275	24,463	540	-
Prepaid items	912,379	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	1,100	-
<b>Total current assets</b>	<b>2,610,194</b>	<b>5,986,070</b>	<b>271,318</b>	<b>2,841,440</b>
Noncurrent assets:				
Land	-	-	-	-
Buildings and structures	-	-	-	305,383
Machinery and equipment	2,165,706	28,178,835	30,538	10,141,074
Improvements	25,605	26,827	-	-
Distribution system and infrastructure	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	(1,749,847)	(19,923,805)	(30,538)	(6,681,020)
<b>Total noncurrent assets</b>	<b>441,464</b>	<b>8,281,857</b>	<b>-</b>	<b>3,765,437</b>
<b>Total assets</b>	<b>3,051,658</b>	<b>14,267,927</b>	<b>271,318</b>	<b>6,606,877</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - related to pensions	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	112,545	234,476	11,982	19,404
Estimated claims payable	-	-	-	-
Benefits payable	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
<b>Total current liabilities</b>	<b>112,545</b>	<b>234,476</b>	<b>11,982</b>	<b>19,404</b>
Noncurrent liabilities:				
Benefits payable	-	-	-	-
Estimated claims payable	-	-	-	-
Net pension liability	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>112,545</b>	<b>234,476</b>	<b>11,982</b>	<b>19,404</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - related to pensions	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	441,464	8,281,857	-	3,765,437
Unrestricted	2,497,649	5,751,594	259,336	2,822,036
<b>Total net position</b>	<b>\$ 2,939,113</b>	<b>\$ 14,033,451</b>	<b>\$ 259,336</b>	<b>\$ 6,587,473</b>

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 7,064,841	\$ 13,082,108	\$ 4,174,112	\$ 11,166,967	\$ -	\$ 46,216,479
24,791	43,909	16,648	38,572	-	161,734
-	-	9,115	-	-	38,393
258,880	-	-	-	-	1,171,259
-	-	-	300	-	300
-	-	-	-	-	1,100
<u>7,348,512</u>	<u>13,126,017</u>	<u>4,199,875</u>	<u>11,205,839</u>	<u>-</u>	<u>47,589,265</u>
-	-	-	14,504,240	-	14,504,240
-	-	-	45,347,033	-	45,652,416
-	-	-	5,260,901	-	45,777,054
-	-	-	3,045,950	-	3,098,382
-	-	-	139,719	-	139,719
-	-	-	1,056,929	-	1,056,929
-	-	-	(28,753,936)	-	(57,139,146)
-	-	-	40,600,836	-	53,089,594
<u>7,348,512</u>	<u>13,126,017</u>	<u>4,199,875</u>	<u>51,806,675</u>	<u>-</u>	<u>100,678,859</u>
-	-	-	-	48,869,070	48,869,070
-	-	-	-	48,869,070	48,869,070
23,797	44,654	70,284	479,172	-	996,314
1,854,947	-	-	-	-	1,854,947
-	917,368	-	-	-	917,368
-	-	-	75,000	-	75,000
-	-	124	-	-	124
<u>1,878,744</u>	<u>962,022</u>	<u>70,408</u>	<u>554,172</u>	<u>-</u>	<u>3,843,753</u>
-	17,429,989	-	-	-	17,429,989
1,629,388	-	-	-	-	1,629,388
-	-	-	-	93,507,169	93,507,169
<u>1,629,388</u>	<u>17,429,989</u>	<u>-</u>	<u>-</u>	<u>93,507,169</u>	<u>112,566,546</u>
<u>3,508,132</u>	<u>18,392,011</u>	<u>70,408</u>	<u>554,172</u>	<u>93,507,169</u>	<u>116,410,299</u>
-	-	-	-	2,513,455	2,513,455
-	-	-	-	2,513,455	2,513,455
-	-	-	40,600,836	-	53,089,594
3,840,380	(5,265,994)	4,129,467	10,651,667	(47,151,554)	(22,465,419)
<u>\$ 3,840,380</u>	<u>\$ (5,265,994)</u>	<u>\$ 4,129,467</u>	<u>\$ 51,252,503</u>	<u>\$ (47,151,554)</u>	<u>\$ 30,624,175</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
Year Ended December 31, 2022

	Information Technology	Fleet	Support Services	Public Safety Equipment
Operating revenues:				
Charges for services	\$ 6,204,622	\$ 7,089,213	\$ 494,901	\$ 1,178,391
Other	33,546	27,674	3,469	237
Total operating revenues	<u>6,238,168</u>	<u>7,116,887</u>	<u>498,370</u>	<u>1,178,628</u>
Operating expenses:				
Salaries and benefits	2,557,837	1,399,917	177,681	104,925
Materials, supplies and service	3,542,762	3,965,838	300,600	756,332
Depreciation	271,895	1,906,188	-	626,120
Total operating expenses	<u>6,372,494</u>	<u>7,271,943</u>	<u>478,281</u>	<u>1,487,377</u>
Operating income (loss)	<u>(134,326)</u>	<u>(155,056)</u>	<u>20,089</u>	<u>(308,749)</u>
Nonoperating revenues (expenses):				
Intergovernmental	-	-	-	26,835
Interest income	21,880	68,195	3,031	30,277
Net change in fair value of investments	(91,495)	(298,495)	(13,428)	(133,812)
Gain (loss) on disposal of capital assets	-	85,950	-	16,064
Other	-	-	-	9,132
Total nonoperating revenues (expenses)	<u>(69,615)</u>	<u>(144,350)</u>	<u>(10,397)</u>	<u>(51,504)</u>
Income (loss) before transfers	(203,941)	(299,406)	9,692	(360,253)
Transfers:				
Transfers from other funds	59,278	440,040	-	150,000
Transfers to other funds	(261,772)	-	-	-
Change in net position	(406,435)	140,634	9,692	(210,253)
Total net position - January 1	<u>3,345,548</u>	<u>13,892,817</u>	<u>249,644</u>	<u>6,797,726</u>
Total net position - December 31	<u>\$ 2,939,113</u>	<u>\$ 14,033,451</u>	<u>\$ 259,336</u>	<u>\$ 6,587,473</u>

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 2,228,735	\$ 2,124,395	\$ 11,499,021	\$ 6,489,698	\$ 5,857,885	\$ 43,166,861
625,390	-	9,136	23,365	-	722,817
<u>2,854,125</u>	<u>2,124,395</u>	<u>11,508,157</u>	<u>6,513,063</u>	<u>5,857,885</u>	<u>43,889,678</u>
-	2,778,210	10,617,550	1,245,206	9,753,673	28,634,999
3,314,834	-	258,640	3,109,057	-	15,248,063
-	-	-	1,844,868	-	4,649,071
<u>3,314,834</u>	<u>2,778,210</u>	<u>10,876,190</u>	<u>6,199,131</u>	<u>9,753,673</u>	<u>48,532,133</u>
<u>(460,709)</u>	<u>(653,815)</u>	<u>631,967</u>	<u>313,932</u>	<u>(3,895,788)</u>	<u>(4,642,455)</u>
-	-	-	1,200	733,871	761,906
80,267	146,525	47,974	133,512	-	531,661
(362,804)	(622,788)	(244,422)	(519,255)	-	(2,286,499)
-	-	-	(385,796)	-	(283,782)
-	-	-	-	-	9,132
<u>(282,537)</u>	<u>(476,263)</u>	<u>(196,448)</u>	<u>(770,339)</u>	<u>733,871</u>	<u>(1,267,582)</u>
(743,246)	(1,130,078)	435,519	(456,407)	(3,161,917)	(5,910,037)
-	-	-	774,901	-	1,424,219
-	-	-	(500,000)	-	(761,772)
<u>(743,246)</u>	<u>(1,130,078)</u>	<u>435,519</u>	<u>(181,506)</u>	<u>(3,161,917)</u>	<u>(5,247,590)</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>
<u>\$ 3,840,380</u>	<u>\$ (5,265,994)</u>	<u>\$ 4,129,467</u>	<u>\$ 51,252,503</u>	<u>\$ (47,151,554)</u>	<u>\$ 30,624,175</u>



**CITY OF BLOOMINGTON, MINNESOTA**

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2022

	Information Technology	Fleet	Support Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from interfund services provided	\$ 5,994,431	\$ 7,093,615	\$ 497,524
Cash payments to other funds	(325,551)	(1,416,650)	(147,378)
Payments to employees	(2,549,085)	(1,398,846)	(177,629)
Payments to suppliers	(3,460,186)	(2,660,919)	(145,747)
Net cash provided by (used in) operating activities	<u>(340,391)</u>	<u>1,617,200</u>	<u>26,770</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants	-	-	-
Transfers from other funds	59,278	440,040	-
Transfers to other funds	(261,772)	-	-
Other	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(202,494)</u>	<u>440,040</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	-	219,238	-
Purchase of capital assets	(25,605)	(1,922,186)	-
Net cash provided by (used in) capital and related financing activities	<u>(25,605)</u>	<u>(1,702,948)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	(69,615)	(230,300)	(10,396)
Net cash provided by investing activities	<u>(69,615)</u>	<u>(230,300)</u>	<u>(10,396)</u>
Net increase (decrease) in cash and cash equivalents	<u>(638,105)</u>	<u>123,992</u>	<u>16,374</u>
Cash and cash equivalents - January 1	<u>2,325,025</u>	<u>5,816,858</u>	<u>252,375</u>
Cash and cash equivalents - December 31	<u>\$ 1,686,920</u>	<u>\$ 5,940,850</u>	<u>\$ 268,749</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (134,326)	\$ (155,056)	\$ 20,089
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation	271,895	1,906,188	-
Changes in assets and liabilities:			
Receivables	(240,779)	(11,392)	(298)
Other current assets	(2,958)	(11,880)	(547)
Accounts payable - other	848	(48,553)	3,253
Accounts payable - supplier	(244,186)	(63,178)	2,841
Unearned revenue	-	-	-
Net pension liability	-	-	-
Benefits payable	9,115	1,071	52
Deferred outflows of resources	-	-	-
Deferred inflows of resources	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (340,391)</u>	<u>\$ 1,617,200</u>	<u>\$ 26,770</u>
Noncash transfer of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Public Safety Equipment	Self- Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 1,173,838	\$ 2,834,629	\$ 2,101,205	\$ 12,139,229	\$ 6,502,575	\$ 5,857,885	\$ 44,194,931
(26,615)	(169,403)	-	-	(836,398)	-	(2,921,995)
(106,565)	-	(2,829,470)	(10,617,550)	(1,249,116)	(6,591,756)	(25,520,017)
(815,324)	(1,828,931)	-	(221,312)	(2,297,711)	-	(11,430,130)
<u>225,334</u>	<u>836,295</u>	<u>(728,265)</u>	<u>1,300,367</u>	<u>2,119,350</u>	<u>(733,871)</u>	<u>4,322,789</u>
26,835	-	-	5,488	1,500	733,871	767,694
150,000	-	-	-	774,901	-	1,424,219
-	-	-	-	(500,000)	-	(761,772)
9,132	-	-	-	-	-	9,132
<u>185,967</u>	<u>-</u>	<u>-</u>	<u>5,488</u>	<u>276,401</u>	<u>733,871</u>	<u>1,439,273</u>
50,910	-	-	-	-	-	270,148
(774,802)	-	-	-	(6,226,319)	-	(8,948,912)
(723,892)	-	-	-	(6,226,319)	-	(8,678,764)
(103,534)	(282,537)	(476,263)	(196,448)	(385,743)	-	(1,754,836)
<u>(103,534)</u>	<u>(282,537)</u>	<u>(476,263)</u>	<u>(196,448)</u>	<u>(385,743)</u>	<u>-</u>	<u>(1,754,836)</u>
(416,125)	553,758	(1,204,528)	1,109,407	(4,216,311)	-	(4,671,538)
3,248,057	6,511,083	14,286,636	3,064,705	15,383,278	-	50,888,017
<u>\$ 2,831,932</u>	<u>\$ 7,064,841</u>	<u>\$ 13,082,108</u>	<u>\$ 4,174,112</u>	<u>\$ 11,166,967</u>	<u>\$ -</u>	<u>\$ 46,216,479</u>
\$ (308,749)	\$ (460,709)	\$ (653,815)	\$ 631,967	\$ 313,932	\$ (3,895,788)	\$ (4,642,455)
626,120	-	-	-	1,844,868	-	4,649,071
-	(3,892)	-	641,725	3,639	-	389,003
(4,788)	(15,604)	(23,191)	(10,653)	(14,126)	-	(83,747)
(484)	1,316,741	-	(876)	(58,655)	-	1,212,274
(85,125)	(241)	-	43,804	33,248	-	(312,837)
-	-	-	(5,600)	-	-	(5,600)
-	-	-	-	-	61,898,237	61,898,237
(1,640)	-	(51,259)	-	(3,556)	-	(46,217)
-	-	-	-	-	(15,672,029)	(15,672,029)
-	-	-	-	-	(43,064,291)	(43,064,291)
<u>\$ 225,334</u>	<u>\$ 836,295</u>	<u>\$ (728,265)</u>	<u>\$ 1,300,367</u>	<u>\$ 2,119,350</u>	<u>\$ (733,871)</u>	<u>\$ 4,322,789</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (375,162)</u>	<u>\$ -</u>	<u>\$ (375,162)</u>



CITY OF  
**BLOOMINGTON**  
MINNESOTA

**OTHER  
SUPPLEMENTARY  
INFORMATION –  
  
COMPONENT  
UNITS**

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

EXHIBIT E-1

Schedule of Assets, Liabilities, and Fund Balances  
December 31, 2022

(with partial comparative information as of December 31, 2021)

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	2022	2021
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 81,065	\$ 579,781	\$ 112,270,756	\$ 112,931,602	\$ 111,492,606
Taxes receivable	-	-	-	-	1,706
Accrued interest receivable	-	763	149,089	149,852	150,435
Prepaid items	1,594	-	-	1,594	-
Accounts receivable	-	-	-	-	181
Due from other funds	2,000	-	-	2,000	65,000
Due from primary government	-	-	-	-	105,000
Land held for resale	-	-	17,150,000	17,150,000	17,150,000
<b>Total assets</b>	<b>\$ 84,659</b>	<b>\$ 580,544</b>	<b>\$ 129,569,845</b>	<b>\$ 130,235,048</b>	<b>\$ 128,964,928</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 2,766	\$ 200	\$ 262,118	\$ 265,084	\$ 57,489
Due to other funds	-	-	2,000	2,000	65,000
Due to primary government	8,726	-	2,210	10,936	9,578
Total liabilities	11,492	200	266,328	278,020	132,067
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflow - land held for resale	-	-	17,150,000	17,150,000	17,150,000
Total deferred inflows of resources	-	-	17,150,000	17,150,000	17,150,000
<b>FUND BALANCES</b>					
Nonspendable	1,594	-	-	1,594	-
Restricted	-	580,344	112,153,517	112,733,861	111,666,842
Unassigned	71,573	-	-	71,573	16,019
Total fund balances	73,167	580,344	112,153,517	112,807,028	111,682,861
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 84,659</b>	<b>\$ 580,544</b>	<b>\$ 129,569,845</b>	<b>\$ 130,235,048</b>	<b>\$ 128,964,928</b>
<b>Reconciliation of Governmental Funds to the Statement of Net Position</b>					
<b>Total Fund Balances-Port Authority</b>				\$ 112,807,028	\$ 111,682,861
Interest Payable				(77,725)	(81,269)
Bonds Payable				(5,585,000)	(5,990,000)
Deferred Inflows				17,150,000	17,150,000
<b>Total Net Position-Port Authority</b>				<b>\$ 124,294,303</b>	<b>\$ 122,761,592</b>

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

EXHIBIT E-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2022  
(with partial comparative information for the year ended December 31, 2021)

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	2022	2021
<b>REVENUES</b>					
Property tax increment	\$ -	\$ 600,000	\$ 12,996,169	\$ 13,596,169	\$ 14,657,816
Interest	-	1,561	583,322	584,883	493,461
Net change in fair value of investments	-	(19,865)	(3,933,699)	(3,953,564)	(1,198,121)
City contribution	630,000	-	-	630,000	555,000
Intergovernmental	250,000	-	-	250,000	-
Other	-	-	-	-	10,000
Total revenues	<u>880,000</u>	<u>581,696</u>	<u>9,645,793</u>	<u>11,107,489</u>	<u>14,518,156</u>
<b>EXPENDITURES</b>					
Current:					
General services	822,852	200	361,762	1,184,814	815,214
Development services	-	-	8,202,715	8,202,715	1,385,344
Debt service:					
Principal retirement	-	405,000	-	405,000	395,000
Interest	-	190,793	-	190,793	199,696
Total expenditures	<u>822,852</u>	<u>595,993</u>	<u>8,564,477</u>	<u>9,983,322</u>	<u>2,795,254</u>
Net change in fund balance	57,148	(14,297)	1,081,316	1,124,167	11,722,902
Fund balance - January 1	<u>16,019</u>	<u>594,641</u>	<u>111,072,201</u>	<u>111,682,861</u>	<u>99,959,959</u>
Fund balance - December 31	<u>\$ 73,167</u>	<u>\$ 580,344</u>	<u>\$ 112,153,517</u>	<u>\$ 112,807,028</u>	<u>\$ 111,682,861</u>
<b>Change in Governmental Funds</b>				\$ 1,124,167	\$ 11,722,902
Debt Service				405,000	395,000
Accrued Interest Payable				<u>3,544</u>	<u>3,291</u>
<b>Change in Net Position of Governmental Activities</b>				<u>\$ 1,532,711</u>	<u>\$ 12,121,193</u>

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

EXHIBIT F-1

Schedule of Net Position  
December 31, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,596,648	\$ 1,051,541	\$ 19,648,189
Receivables, net	22,973,759	-	22,973,759
Due from primary government	5,650,462	3,809	5,654,271
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	-	612,989	612,989
Net capital assets	130,300	2,082,989	2,213,289
<b>Total assets</b>	49,099,110	3,138,339	52,237,449
 <b>LIABILITIES</b>			
Accounts payable	546,084	138,964	685,048
Accrued interest payable	68,113	-	68,113
Unearned revenue	308,949	-	308,949
Due to other government	21,580	-	21,580
Due to primary government	1,119,511	3,429	1,122,940
Due to primary government - bonds	190,000	-	190,000
Noncurrent liabilities:			
Due to primary government -			
Loans payable due in more than one year	9,852,833	-	9,852,833
Bonds payable due in more than one year	1,791,733	-	1,791,733
Accrued interest payable	89,013	-	89,013
Due within one year	6,447,195	594,450	7,041,645
Due in more than one year	-	980,270	980,270
<b>Total liabilities</b>	20,435,011	1,717,113	22,152,124
 <b>NET POSITION</b>			
Net investment in capital assets	126,372	508,269	634,641
Restricted for:			
Debt service	1,545,930	-	1,545,930
Tax increment purposes	6,522,627	-	6,522,627
Unrestricted	20,469,170	912,957	21,382,127
<b>Total net position</b>	\$ 28,664,099	\$ 1,421,226	\$ 30,085,325

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Activities  
For the Year Ended December 31, 2022

EXHIBIT F-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	\$ 6,361,779	\$ 83,731	\$ 5,849,368	\$ -	\$ (428,680)	\$ -	\$ (428,680)
Development services	10,510,268	569,022	393,484	7,716,460	(1,831,302)	-	(1,831,302)
Interest on long-term debt and amounts due to primary government - bonds payable	408,850	-	-	-	(408,850)	-	(408,850)
Total governmental activities	<u>17,280,897</u>	<u>652,753</u>	<u>6,242,852</u>	<u>7,716,460</u>	<u>(2,668,832)</u>	<u>-</u>	<u>(2,668,832)</u>
Business-type activities:							
Assisted rental	335,466	335,388	-	-	-	(78)	(78)
Property management	213,873	239,269	-	-	-	25,396	25,396
Total business-type activities	<u>549,339</u>	<u>574,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,318</u>	<u>25,318</u>
Total	<u>\$ 17,830,236</u>	<u>\$ 1,227,410</u>	<u>\$ 6,242,852</u>	<u>\$ 7,716,460</u>	<u>(2,668,832)</u>	<u>25,318</u>	<u>(2,643,514)</u>
General revenues:							
Property taxes					5,386,416	-	5,386,416
Interest and investment earnings					734,344	-	734,344
Total general revenues					<u>6,120,760</u>	<u>-</u>	<u>6,120,760</u>
Change in net position					3,451,928	25,318	3,477,246
Net position - January 1					<u>25,212,171</u>	<u>1,395,908</u>	<u>26,608,079</u>
Net position - December 31					<u>\$ 28,664,099</u>	<u>\$ 1,421,226</u>	<u>\$ 30,085,325</u>



**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Schedule of Assets, Liabilities, and Fund Balances  
Governmental Funds  
December 31, 2022

	General Fund	Housing Development	Section 8 Vouchers	Housing Rehabilitation
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,231,168	\$ 5,468,470	\$ 352,940	\$ 2,785,707
Taxes receivable	34,379	-	-	-
Mortgages and notes receivable	-	1,567,004	-	10,495,990
Due from other funds	-	2,764,802	-	-
Due from primary government	-	-	462	-
Due from other governments	-	-	41,628	67,780
Inventory - land for resale	-	1,351,900	-	-
<b>Total assets</b>	<u>\$ 1,265,547</u>	<u>\$ 11,152,176</u>	<u>\$ 395,030</u>	<u>\$ 13,349,477</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 30,373	\$ 64,013	\$ 5,794	\$ 8,295
Due to other funds	-	-	-	-
Due to primary government	144,945	674,590	8,119	279,961
Unearned revenue	-	-	-	308,949
Due to other govts	-	-	21,581	-
Total current liabilities	<u>175,318</u>	<u>738,603</u>	<u>35,494</u>	<u>597,205</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow-taxes	23,989	-	-	-
Deferred inflow-notes	-	-	-	-
Deferred inflow-mortgages	-	1,116,228	-	10,495,990
Deferred inflow-land held for resale	-	1,351,900	-	-
Total deferred inflows of resources	<u>23,989</u>	<u>2,468,128</u>	<u>-</u>	<u>10,495,990</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	450,776	-	-
Restricted	-	-	-	-
Committed	-	7,494,669	-	2,356,498
Assigned	-	-	359,536	-
Unassigned	1,066,240	-	-	(100,216)
Total fund balances (deficits)	<u>1,066,240</u>	<u>7,945,445</u>	<u>359,536</u>	<u>2,256,282</u>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<u>\$ 1,265,547</u>	<u>\$ 11,152,176</u>	<u>\$ 395,030</u>	<u>\$ 13,349,477</u>

EXHIBIT F-3

Opportunity Housing	TIF Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
\$ 1,313,558	\$ 6,737,978	\$ 706,827	\$ -	\$ 18,596,648
-	-	-	-	34,379
9,585,204	-	-	1,181,774	22,829,972
-	-	-	-	2,764,802
500,000	-	-	5,150,000	5,650,462
-	-	-	-	109,408
-	-	-	396,041	1,747,941
<u>\$ 11,398,762</u>	<u>\$ 6,737,978</u>	<u>\$ 706,827</u>	<u>\$ 6,727,815</u>	<u>\$ 51,733,612</u>
\$ -	\$ 437,409	\$ 200	\$ -	\$ 546,084
-	2,058,175	706,627	-	2,764,802
9,852,832	11,896	-	-	10,972,343
-	-	-	-	308,949
-	-	-	-	21,581
<u>9,852,832</u>	<u>2,507,480</u>	<u>706,827</u>	<u>-</u>	<u>14,613,759</u>
-	-	-	-	23,989
-	-	-	5,150,000	5,150,000
-	-	-	1,181,774	12,793,992
-	-	-	396,041	1,747,941
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,727,815</u>	<u>19,715,922</u>
-	-	-	-	450,776
1,545,930	6,522,627	-	-	8,068,557
-	-	-	-	9,851,167
-	-	-	-	359,536
-	(2,292,129)	-	-	(1,326,105)
<u>1,545,930</u>	<u>4,230,498</u>	<u>-</u>	<u>-</u>	<u>17,403,931</u>
<u>\$ 11,398,762</u>	<u>\$ 6,737,978</u>	<u>\$ 706,827</u>	<u>\$ 6,727,815</u>	<u>\$ 51,733,612</u>

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

EXHIBIT F-4

Reconciliation of the Governmental Funds  
Schedule of Assets, Liabilities, and Fund Balances  
To the Schedule of Net Position  
December 31, 2022

**FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 17,403,931

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.

19,715,922

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

(8,425,000)

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.

(3,928)

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

(157,126)

**NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 28,664,099



CITY OF  
**BLOOMINGTON**  
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**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, 2022

	General Fund	Housing Development	Section 8 Vouchers
<b>REVENUES</b>			
Taxes:			
Regular	\$ 391,211	\$ 1,803,084	\$ -
Tax increment	-	-	-
Intergovernmental	-	-	5,849,368
Program Income	-	48,760	-
Interest	137,052	-	-
Other	12	-	83,719
Total revenues	<u>528,275</u>	<u>1,851,844</u>	<u>5,933,087</u>
<b>EXPENDITURES</b>			
Current:			
General services	406,329	-	5,955,450
Development services	-	893,871	-
Debt service:			
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>406,329</u>	<u>893,871</u>	<u>5,955,450</u>
Excess (deficiency) of revenues over expenditures	121,946	957,973	(22,363)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	-	(643,190)	-
Transfers from other funds	-	-	23,000
Total other financing sources (uses)	<u>-</u>	<u>(643,190)</u>	<u>23,000</u>
Net change in fund balance	121,946	314,783	637
Fund balance (deficit) - January 1	<u>944,294</u>	<u>7,630,662</u>	<u>358,899</u>
Fund balance (deficit) - December 31	<u>\$ 1,066,240</u>	<u>\$ 7,945,445</u>	<u>\$ 359,536</u>

EXHIBIT F-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>
\$ 492,163	\$ -	\$ -	\$ -	\$ -	\$ 2,686,458
-	-	2,691,175	-	-	2,691,175
377,666	-	-	-	-	6,227,034
523,802	-	-	-	-	572,562
-	597,292	-	-	-	734,344
15,818	2,145,000	20,000	-	157,590	2,422,139
<u>1,409,449</u>	<u>2,742,292</u>	<u>2,711,175</u>	<u>-</u>	<u>157,590</u>	<u>15,333,712</u>
-	-	-	-	-	6,361,779
787,804	2,139,880	1,004,618	200	39,961	4,866,334
-	213,114	56,089	199,350	-	468,553
-	-	570,000	-	-	570,000
<u>787,804</u>	<u>2,352,994</u>	<u>1,630,707</u>	<u>199,550</u>	<u>39,961</u>	<u>12,266,666</u>
621,645	389,298	1,080,468	(199,550)	117,629	3,067,046
-	-	-	-	(431,827)	(1,075,017)
<u>-</u>	<u>500,000</u>	<u>-</u>	<u>552,017</u>	<u>-</u>	<u>1,075,017</u>
<u>-</u>	<u>500,000</u>	<u>-</u>	<u>552,017</u>	<u>(431,827)</u>	<u>-</u>
621,645	889,298	1,080,468	352,467	(314,198)	3,067,046
<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>
<u>\$ 2,256,282</u>	<u>\$ 1,545,930</u>	<u>\$ 4,230,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,403,931</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, 2022

EXHIBIT F-6

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 3,067,046

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.	8,783
Revenues in the Schedule of Activities related to charges for services that do not provide current financial resources are not reported as revenues in the funds.	
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.	(161,130)
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.	570,000
Expenses in the Schedule of Activities related to long-term debt which did not require the use of current financial resources, and therefore, were not recognized in the fund schedules	(92,474)
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.	17,375
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.	<u>42,328</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 3,451,928

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

EXHIBIT F-7

Schedule of Fund Net Position  
Proprietary Funds  
December 31, 2022

	Assisted Rental	Property Management	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 455,873	\$ 595,668	\$ 1,051,541
Due from primary government	-	3,809	3,809
Total current assets	<u>455,873</u>	<u>599,477</u>	<u>1,055,350</u>
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>(1,372,042)</u>	<u>(1,300,586)</u>	<u>(2,672,628)</u>
Total noncurrent assets	<u>1,026,048</u>	<u>1,056,941</u>	<u>2,082,989</u>
<b>Total assets</b>	<u>1,481,921</u>	<u>1,656,418</u>	<u>3,138,339</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	331	2,539	2,870
Deposits payable	7,674	128,420	136,094
Due to primary government	<u>2,404</u>	<u>1,025</u>	<u>3,429</u>
Total current liabilities	<u>10,409</u>	<u>131,984</u>	<u>142,393</u>
Noncurrent liabilities -			
Due within one year		594,450	594,450
Due in more than one year	-	<u>980,270</u>	<u>980,270</u>
Total noncurrent liabilities	<u>-</u>	<u>1,574,720</u>	<u>1,574,720</u>
<b>Total liabilities</b>	<u>10,409</u>	<u>1,706,704</u>	<u>1,717,113</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,026,048	(517,779)	508,269
Unrestricted	<u>445,464</u>	<u>467,493</u>	<u>912,957</u>
<b>Total net position</b>	<u>\$ 1,471,512</u>	<u>\$ (50,286)</u>	<u>\$ 1,421,226</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, 2022

EXHIBIT F-8

	Assisted Rental	Property Management	Total
<b>OPERATING REVENUES</b>			
Program income	\$ 321,236	\$ 239,269	\$ 560,505
Other	14,152	-	14,152
Total operating revenues	<u>335,388</u>	<u>239,269</u>	<u>574,657</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	130,765	64,997	195,762
Professional services	1,526	2,312	3,838
City support services	22,585	6,827	29,412
Purchased services	68,289	42,305	110,594
Home rehabilitation	62,364	49,199	111,563
Depreciation	49,937	48,233	98,170
Total operating expenses	<u>335,466</u>	<u>213,873</u>	<u>549,339</u>
Change in net position	(78)	25,396	25,318
Total net position - January 1	<u>1,471,590</u>	<u>(75,682)</u>	<u>1,395,908</u>
Total net position - December 31	<u>\$ 1,471,512</u>	<u>\$ (50,286)</u>	<u>\$ 1,421,226</u>

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

EXHIBIT F-9

Schedule of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2022

	Assisted Rental	Property Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 335,387	\$ 239,269	\$ 574,656
Payments to employees	(130,765)	(64,996)	(195,761)
Payments to suppliers	(153,902)	(63,227)	(217,129)
Net cash provided by operating activities	50,720	111,046	161,766
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payments to primary government	(2,197)	(5,806)	(8,003)
Net increase in cash and cash equivalents	48,523	105,240	153,763
Cash and cash equivalents - January 1	407,350	490,428	897,778
Cash and cash equivalents - December 31	\$ 455,873	\$ 595,668	\$ 1,051,541
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (78)	\$ 25,396	\$ 25,318
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	(778)	(142)	(920)
Deposits payable	1,639	37,559	39,198
Net cash provided by operating activities	\$ 50,720	\$ 111,046	\$ 161,766

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

EXHIBIT F-10

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund  
Year Ended December 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 386,886	\$ 386,886	\$ 391,211	\$ 4,325
Interest	20,000	20,000	137,052	117,052
Other	-	-	12	12
Total revenues	<u>406,886</u>	<u>406,886</u>	<u>528,275</u>	<u>121,389</u>
<b>EXPENDITURES</b>				
Current -				
General services	406,886	406,886	406,329	557
Total expenditures	<u>406,886</u>	<u>406,886</u>	<u>406,329</u>	<u>557</u>
Net change in fund balance	-	-	121,946	121,946
Fund balance - January 1	<u>1,001,846</u>	<u>1,001,846</u>	<u>944,294</u>	<u>(57,552)</u>
Fund balance - December 31	<u>\$ 1,001,846</u>	<u>\$ 1,001,846</u>	<u>\$ 1,066,240</u>	<u>\$ 64,394</u>

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

EXHIBIT F-11

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Housing Development Special Revenue Fund  
Year Ended December 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 1,831,797	\$ 1,831,797	\$ 1,803,084	\$ (28,713)
Program Income	7,780	7,780	48,760	40,980
Other	6,225	6,225	-	(6,225)
Total revenues	<u>1,845,802</u>	<u>1,845,802</u>	<u>1,851,844</u>	<u>6,042</u>
<b>EXPENDITURES</b>				
Current -				
Development services	1,773,769	1,917,176	893,871	1,023,305
Capital outlay -				
Development services	72,033	72,033	-	72,033
Total expenditures	<u>1,845,802</u>	<u>1,989,209</u>	<u>893,871</u>	<u>1,095,338</u>
Excess (deficiency) of revenues over expenditures	-	(143,407)	957,973	1,101,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(643,190)	(643,190)	-
Net change in fund balance	-	(786,597)	314,783	1,101,380
Fund balance - January 1	<u>7,761,014</u>	<u>7,761,014</u>	<u>7,630,662</u>	<u>(130,352)</u>
Fund balance - December 31	<u>\$ 7,761,014</u>	<u>\$ 6,974,417</u>	<u>\$ 7,945,445</u>	<u>\$ 971,028</u>

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

EXHIBIT F-12

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Section 8 Vouchers Special Revenue Fund  
Year Ended December 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 5,717,019	\$ 5,717,019	\$ 5,849,368	\$ 132,349
Other	45,000	45,000	83,719	38,719
Total revenues	<u>5,762,019</u>	<u>5,762,019</u>	<u>5,933,087</u>	<u>171,068</u>
<b>EXPENDITURES</b>				
Current -				
General services	<u>5,762,019</u>	<u>5,956,019</u>	<u>5,955,450</u>	<u>569</u>
Excess (deficiency) of revenues over (under) expenditures	-	(194,000)	(22,363)	171,637
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>-</u>	<u>23,000</u>	<u>23,000</u>	<u>-</u>
Net change in fund balance	-	(171,000)	637	171,637
Fund balance - January 1	<u>358,899</u>	<u>358,899</u>	<u>358,899</u>	<u>-</u>
Fund balance - December 31	<u>\$ 358,899</u>	<u>\$ 187,899</u>	<u>\$ 359,536</u>	<u>\$ 171,637</u>

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

EXHIBIT F-13

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Housing Rehabilitation Special Revenue Fund  
Year Ended December 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes -				
Regular	\$ 500,000	\$ 500,000	\$ 492,163	\$ (7,837)
Intergovernmental	843,378	911,158	377,666	(533,492)
Program Income	600,000	600,000	523,802	(76,198)
Other	-	15,818	15,818	-
Total revenues	<u>1,943,378</u>	<u>2,026,976</u>	<u>1,409,449</u>	<u>(617,527)</u>
<b>EXPENDITURES</b>				
Current -				
Development services	<u>1,943,378</u>	<u>2,026,976</u>	<u>787,804</u>	<u>1,239,172</u>
Net change in fund balance	-	-	621,645	621,645
Fund balance - January 1	<u>1,634,637</u>	<u>1,634,637</u>	<u>1,634,637</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,634,637</u>	<u>\$ 1,634,637</u>	<u>\$ 2,256,282</u>	<u>\$ 621,645</u>

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

EXHIBIT F-14

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Opportunity Housing Special Revenue Fund  
Year Ended December 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 597,292	\$ 597,292
Other	-	7,696,460	7,696,460	-
Total revenues	-	7,696,460	8,293,752	597,292
<b>EXPENDITURES</b>				
Current -				
Development services	-	7,691,340	7,691,340	-
Debt service:				
Interest	-	118,195	213,114	(94,919)
Principal retirement	-	400,000	-	400,000
Total expenditures	-	8,209,535	7,904,454	305,081
Excess (deficiency) of revenues over expenditures	-	(513,075)	389,298	902,373
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	500,000	500,000	-
Net change in fund balance	-	(13,075)	889,298	902,373
Fund balance - January 1	656,632	656,632	656,632	-
Fund balance - December 31	\$ 656,632	\$ 643,557	\$ 1,545,930	\$ 902,373



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, 2022

	Oxboro O-4	France & Old Shakopee	Penn & American	Portland Commons	Lyndale Green GO Tax Increment Bonds 2004A	Oxboro H-1 GO Tax Increment Bonds 2003A
<b>ASSETS</b>						
Cash and cash equivalents	\$ 21,862	\$ 29,658	\$ 2,644,826	\$ 247,452	\$ 3,027,113	\$ 767,067
<b>Total assets</b>	<u>21,862</u>	<u>29,658</u>	<u>2,644,826</u>	<u>247,452</u>	<u>3,027,113</u>	<u>767,067</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Current liabilities -						
Accounts payable	\$ 21,862	\$ 882	\$ 2,369	\$ 174,291	\$ 2,558	\$ 1,493
Due to other funds	-	-	-	-	-	-
Due to primary government	-	-	-	-	8,803	3,093
Total current liabilities	<u>21,862</u>	<u>882</u>	<u>2,369</u>	<u>174,291</u>	<u>11,361</u>	<u>4,586</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted	-	28,776	2,642,457	73,161	3,015,752	762,481
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>28,776</u>	<u>2,642,457</u>	<u>73,161</u>	<u>3,015,752</u>	<u>762,481</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 21,862</u>	<u>\$ 29,658</u>	<u>\$ 2,644,826</u>	<u>\$ 247,452</u>	<u>\$ 3,027,113</u>	<u>\$ 767,067</u>

Knox & American GO Tax Increment	Village Club	Lyndale Flats	8012 Old Cedar	Oxboro Heights	8200 Humboldt	Gyropolis	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,737,978
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,737,978</u>
\$ 231,202	\$ 922	\$ 1,275	\$ 555	\$ -	\$ -	\$ -	\$ 437,409
1,941,309	1,290	20,863	19,548	6,178	59,543	9,444	2,058,175
-	-	-	-	-	-	-	11,896
<u>2,172,511</u>	<u>2,212</u>	<u>22,138</u>	<u>20,103</u>	<u>6,178</u>	<u>59,543</u>	<u>9,444</u>	<u>2,507,480</u>
-	-	-	-	-	-	-	6,522,627
<u>(2,172,511)</u>	<u>(2,212)</u>	<u>(22,138)</u>	<u>(20,103)</u>	<u>(6,178)</u>	<u>(59,543)</u>	<u>(9,444)</u>	<u>(2,292,129)</u>
<u>(2,172,511)</u>	<u>(2,212)</u>	<u>(22,138)</u>	<u>(20,103)</u>	<u>(6,178)</u>	<u>(59,543)</u>	<u>(9,444)</u>	<u>4,230,498</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,737,978

**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, 2022

	Oxboro O-4	France & Old Shakopee	Penn & American	Portland Commons	Lyndale Green GO Tax Increment Bonds 2004A	Oxboro H-1 GO Tax Increment Bonds 2003A
<b>REVENUES</b>						
Taxes -						
Tax increment	\$ 43,724	\$ 154,216	\$ 933,483	\$ 406,990	\$ 538,260	\$ 153,326
Other	-	-	-	-	-	-
Total revenues	<u>43,724</u>	<u>154,216</u>	<u>933,483</u>	<u>406,990</u>	<u>538,260</u>	<u>153,326</u>
<b>EXPENDITURES</b>						
Current -						
Development services	43,724	881	8,117	347,262	2,558	1,493
Debt service:						
Interest	-	-	-	-	39,111	13,618
Principal retirement	-	-	-	-	105,000	45,000
Total expenditures	<u>43,724</u>	<u>881</u>	<u>8,117</u>	<u>347,262</u>	<u>146,669</u>	<u>60,111</u>
Net change in fund balance	-	153,335	925,366	59,728	391,591	93,215
Fund balance (deficit) - January 1	-	(124,559)	1,717,091	13,433	2,624,161	669,266
Fund balance (deficit) - December 31	<u>\$ -</u>	<u>\$ 28,776</u>	<u>\$ 2,642,457</u>	<u>\$ 73,161</u>	<u>\$ 3,015,752</u>	<u>\$ 762,481</u>

EXHIBIT F-16

Knox & American GO Tax Increment	Village Club	Lyndale Flats	8012 Old Cedar	Oxboro Heights	8200 Humboldt	Gyropolis	Total
\$ 461,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,691,175
-	-	-	-	20,000	-	-	20,000
<u>461,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>2,711,175</u>
460,965	2,212	22,138	20,103	26,178	59,543	9,444	1,004,618
3,360	-	-	-	-	-	-	56,089
420,000	-	-	-	-	-	-	570,000
<u>884,325</u>	<u>2,212</u>	<u>22,138</u>	<u>20,103</u>	<u>26,178</u>	<u>59,543</u>	<u>9,444</u>	<u>1,630,707</u>
(423,149)	(2,212)	(22,138)	(20,103)	(6,178)	(59,543)	(9,444)	1,080,468
<u>(1,749,362)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,150,030</u>
<u>\$ (2,172,511)</u>	<u>\$ (2,212)</u>	<u>\$ (22,138)</u>	<u>\$ (20,103)</u>	<u>\$ (6,178)</u>	<u>\$ (59,543)</u>	<u>\$ (9,444)</u>	<u>\$ 4,230,498</u>

**HOUSING AND REDEVELOPMENT AUTHORITY  
IN AND FOR THE CITY OF BLOOMINGTON**  
Financial Data Schedule - Housing Choice Vouchers  
Balance Sheet  
December 31, 2022

EXHIBIT G-1

**ASSETS**

111	Cash - Unrestricted	\$ 352,940
121	Accounts Receivable - PHA Projects	42,090
290	Total Assets	<u>395,030</u>

**LIABILITIES**

312	Accounts Payable <= 90 Days	5,794
332	Accounts Payable - PHA Projects	21,581
333	Accounts Payable - Other Government	8,119
300	Total Liabilities	<u>35,494</u>

**NET POSITION**

511.3	Assigned Fund Balance	<u>359,536</u>
512.3	Unassigned Fund Balance	<u>359,536</u>
513	Total Equity - Net Assets / Position	<u>359,536</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u><u>\$ 395,030</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, 2022

EXHIBIT G-2

**REVENUES**

70600	HUD PHA Operating Grants	\$ 5,849,368
71400	Fraud Recovery	3,334
71500	Other Revenue	1,293,634
70000	Total Revenue	7,146,336

**EXPENDITURES**

91100	Administrative Salaries	339,993
91200	Auditing Fees	2,500
91400	Advertising and Marketing	101
91500	Employee Benefit contributions - Administrative	157,352
91600	Office Expenses	80,871
91700	Legal Expense	3,180
91800	Travel	20
91900	Other	67,077
96140	All Other Insurance	3,250
96200	Other General Expenses	54,955
97300	Housing Assistance Payments	5,246,150
97350	HAP Portability-In	1,190,250
90000	Total Expenses	7,145,699

Excess (deficiency) of Revenues over (under) Expenses	637
---	-----

Net Position-Beginning	358,899
------------------------	---------

Net Position-Ending	\$ 359,536
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**Memo Account Information**

11170	Administrative Fee Equity	409,697
11180	Housing Assistance Payments Equity	(50,161)
11190	Unit Months Available	6,375
11210	Number of Unit Months Leased	6,365

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, 2022

EXHIBIT G-3

**ASSETS**

111	Cash - Unrestricted	\$ 448,200
114	Cash - Tenant Security Deposits	7,673
161	Land	700,000
162	Buildings	1,698,090
166	Accumulated Depreciation	(1,372,042)
290	Total Assets	<u>1,481,921</u>

**LIABILITIES**

312	Accounts Payable <= 90 Days	331
333	Accounts Payable - Other Government	2,404
341	Tenant Security Deposits	7,674
300	Total Liabilities	<u>10,409</u>

**NET POSITION**

508.3	Net Investment in Capital Assets	1,026,048
511.3	Unrestricted	445,464
513	Total Equity - Net Position	<u>1,471,512</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u>\$ 1,481,921</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 G-4

Financial Data Schedule - Business Activities

Income Statement

Year Ended December 31, 2022

**REVENUES**

70300	Net Tenant Rental Revenue	\$ 321,236
70400	Tenant Revenue - Other	14,152
70000	Total Revenue	335,388

**EXPENDITURES**

91100	Administrative Salaries	112,532
91500	Employee Benefit contributions - Administrative	18,233
91600	Office Expenses	4,707
91700	Legal	1,526
91900	Other	4,576
93100	Water	28,279
94300	Ordinary Maintenance and Operations Contracts	62,364
96140	All Other Insurance	17,877
96300	Payments in Lieu of Taxes	18,710
97100	Extraordinary Maintenance	16,725
97400	Depreciation Expense	49,937
90000	Total Expenses	335,466

Excess (deficiency) of Revenues over (under) Expenses	(78)
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Net Position-Beginning	1,471,590
------------------------	-----------

Net Position-Ending	\$ 1,471,512
---------------------	--------------

**Memo Account Information**

11190	Unit Months Available	240
11210	Number of Unit Months Leased	230

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, 2022**

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, 2022

## 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>202</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>210</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>215</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>222</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>224</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)

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	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$269,230,824	\$283,643,717	\$300,117,784	\$310,750,929
Restricted	91,045,904	67,294,971	68,599,352	73,405,143
Unrestricted	73,886,361	87,228,094	69,232,697	67,390,335
Total governmental activities net position	<u>\$434,163,089</u>	<u>\$438,166,782</u>	<u>\$437,949,833</u>	<u>\$451,546,407</u>
Business-type activities:				
Net investment in capital assets	\$84,457,359	\$86,185,438	\$85,388,894	\$85,359,140
Restricted	-	-	-	-
Unrestricted	14,056,641	11,782,412	12,401,673	12,352,137
Total business-type activities net position	<u>\$98,514,000</u>	<u>\$97,967,850</u>	<u>\$97,790,567</u>	<u>\$97,711,277</u>
Primary government:				
Net investment in capital assets	\$353,688,183	\$369,829,155	\$385,506,678	\$396,110,069
Restricted	91,045,904	67,294,971	68,599,352	73,405,143
Unrestricted	87,943,002	99,010,506	81,634,370	79,742,472
Total primary government net position	<u>\$532,677,089</u>	<u>\$536,134,632</u>	<u>\$535,740,400</u>	<u>\$549,257,684</u>

**Table 1**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$332,133,255	\$352,048,328	\$365,680,112	\$376,333,750	\$380,801,226	\$392,399,308
69,744,412	86,444,757	84,258,362	91,916,843	102,118,044	98,424,556
77,768,834	69,705,544	72,469,427	75,722,049	92,960,161	90,636,005
<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>	<u>\$581,459,869</u>
\$85,330,605	\$85,607,307	\$86,145,372	\$88,280,564	\$90,090,606	\$95,781,572
-	-	-	-	-	-
14,919,169	22,148,610	28,234,991	30,546,062	39,490,644	40,703,491
<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>	<u>\$136,485,063</u>
\$417,463,860	\$437,655,635	\$451,825,484	\$464,614,314	\$470,891,832	\$488,180,880
69,744,412	86,444,757	84,258,362	91,916,843	102,118,044	98,424,556
92,688,003	91,854,154	100,704,418	106,268,111	132,450,805	131,339,496
<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>	<u>\$717,944,932</u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities:				
General services	\$7,527,901	\$7,702,188	\$7,574,572	\$9,615,471
Development services	12,006,241	23,261,857	11,120,055	18,533,117
Public works	15,162,908	15,620,844	15,922,887	19,389,393
Public safety	28,124,185	29,695,195	30,927,415	35,429,025
Community services	15,894,544	15,720,340	15,987,952	18,455,451
Interest on long-term debt	3,145,420	1,767,122	1,587,935	1,537,926
Total governmental activities expenses	<u>81,861,199</u>	<u>93,767,546</u>	<u>83,120,816</u>	<u>102,960,383</u>
Business-type activities:				
Water/wastewater utility	22,804,577	23,004,075	23,091,127	24,967,519
Storm water utility	3,229,686	3,446,390	3,453,095	3,693,302
Recreational facilities	5,459,451	5,781,663	5,620,253	6,269,405
Solid waste management	1,230,654	1,606,211	1,895,481	3,263,225
Other activities	1,248,728	1,245,356	2,390,195	2,524,831
Total business-type activities expenses	<u>33,973,096</u>	<u>35,083,695</u>	<u>36,450,151</u>	<u>40,718,282</u>
Total primary government expenses	<u>\$115,834,295</u>	<u>\$128,851,241</u>	<u>\$119,570,967</u>	<u>\$143,678,665</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General services	\$3,117,163	\$3,500,551	\$3,906,587	\$3,084,579
Development services	3,692,808	5,166,271	5,788,420	4,551,060
Public works	352,955	385,274	85,841	216,346
Public safety	664,015	511,613	559,691	578,786
Community services	2,294,859	2,150,551	2,084,066	2,178,829
Operating grants and contributions	6,277,517	6,524,865	7,103,296	7,838,532
Capital grants and contributions	32,781,014	16,172,833	17,377,334	27,077,936
Total governmental activities program revs	<u>49,180,331</u>	<u>34,411,958</u>	<u>36,905,235</u>	<u>45,526,068</u>
Business-type activities:				
Charges for services:				
Water/wastewater	20,575,176	20,578,287	21,412,966	23,562,178
Storm water	4,736,151	4,873,273	5,269,105	5,528,944
Recreational facilities	3,412,602	3,448,585	3,710,670	3,749,856
Solid waste management	855,350	892,769	1,013,611	2,496,610
Other activities	1,282,368	1,372,201	2,603,401	2,745,703
Operating grants and contributions	592,432	854,174	519,824	335,884
Capital grants and contributions	-	-	245,654	584,363
Total business-type activities program revs	<u>31,454,079</u>	<u>32,019,289</u>	<u>34,775,231</u>	<u>39,003,538</u>
Total primary government program revs	<u>\$80,634,410</u>	<u>\$66,431,247</u>	<u>\$71,680,466</u>	<u>\$84,529,606</u>
<b>Net (expense) revenue:</b>				
Governmental activities	(32,680,868)	(59,355,588)	(46,215,581)	(57,434,315)
Business-type activities	(2,519,017)	(3,064,406)	(1,674,920)	(1,714,744)
Total primary gov't net (expense) revenue	<u>(\$35,199,885)</u>	<u>(\$62,419,994)</u>	<u>(\$47,890,501)</u>	<u>(\$59,149,059)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$44,775,678	\$46,752,023	\$48,881,455	\$51,260,264
Business taxes	8,906,394	14,222,910	14,412,263	16,936,341
Unrestricted grants and contributions	1,202,154	1,850,619	2,877,947	1,977,371
Gain on sale of capital assets	70,765	4,275	163,564	87,942
Investment earnings	513,017	1,508,213	1,061,308	901,701
Transfers	(189,469)	(978,759)	(5,267)	(132,730)
Total governmental activities	<u>55,278,539</u>	<u>63,359,281</u>	<u>67,391,270</u>	<u>71,030,889</u>
Business-type activities:				
Taxes	1,366,798	1,451,140	1,414,133	1,427,984
Gain on sale of capital assets	-	-	-	21,000
Investment earnings	24,047	88,357	78,237	53,740
Transfers	189,469	978,759	5,267	132,730
Total business-type activities	<u>1,580,314</u>	<u>2,518,256</u>	<u>1,497,637</u>	<u>1,635,454</u>
Total primary government	<u>\$56,858,853</u>	<u>\$65,877,537</u>	<u>\$68,888,907</u>	<u>\$72,666,343</u>
<b>Change in net position:</b>				
Governmental activities	\$22,597,671	\$4,003,693	\$21,175,689	\$13,596,574
Business-type activities	(938,703)	(546,150)	(177,283)	(79,290)
Total primary government	<u>\$21,658,968</u>	<u>\$3,457,543</u>	<u>\$20,998,406</u>	<u>\$13,517,284</u>

Table 2

2017	2018	2019	2020	2021	2022
\$8,683,447	\$9,659,744	\$6,106,221	\$7,903,844	\$6,237,112	\$8,618,788
16,976,729	15,245,431	21,866,534	17,595,162	17,472,571	16,971,960
16,680,711	18,613,129	19,401,325	18,028,831	19,689,961	29,655,103
29,006,295	32,937,726	35,290,965	27,056,760	24,983,228	40,674,767
17,298,796	16,800,345	17,804,474	18,011,586	17,883,591	14,933,791
1,553,254	1,183,925	1,165,137	1,283,662	1,211,756	1,531,010
90,199,232	94,440,300	101,634,656	89,879,845	87,478,219	112,385,419
25,078,431	24,838,208	25,562,896	26,158,381	25,246,844	28,364,112
3,691,245	3,867,530	4,827,637	5,023,648	5,136,183	5,940,682
6,178,658	5,811,867	6,004,555	5,408,414	5,109,193	6,435,366
6,974,219	7,283,298	7,654,546	8,025,278	8,215,273	10,272,387
1,445,658	1,884,065	1,602,820	1,220,343	926,523	1,021,027
43,368,211	43,684,968	45,652,454	45,836,064	44,634,016	52,033,574
\$133,567,443	\$138,125,268	\$147,287,110	\$135,715,909	\$132,112,235	\$164,418,993
\$3,441,225	\$3,849,226	\$3,938,006	\$3,433,002	\$3,561,331	\$3,503,237
4,675,889	6,570,742	5,776,101	6,538,321	4,994,766	7,076,511
149,818	142,735	178,416	315,432	624,686	89,626
636,330	455,900	351,555	329,683	375,677	228,256
2,018,744	2,016,578	2,294,621	1,642,059	2,147,973	2,216,560
7,405,866	6,016,557	6,853,350	8,739,753	10,044,034	9,139,218
24,802,770	26,869,409	14,079,165	11,509,693	22,665,316	18,074,024
43,130,642	45,921,147	33,471,214	32,507,943	44,413,783	40,327,432
25,149,599	27,907,362	27,082,382	27,661,415	31,736,641	33,011,125
5,854,164	6,292,929	6,646,738	6,956,150	7,074,381	7,191,477
3,707,859	3,544,045	3,548,689	2,373,122	3,511,196	3,960,871
6,813,378	7,128,905	7,403,797	7,806,382	8,084,185	9,452,134
1,434,432	1,983,486	1,661,551	899,894	868,011	1,141,589
371,202	213,200	725,376	175,616	191,494	421,866
306,382	768,452	663,546	673,632	1,630,181	77,327
43,637,016	47,838,379	47,732,079	46,546,211	53,096,089	55,256,389
\$86,767,658	\$93,759,526	\$81,203,293	\$79,054,154	\$97,509,872	\$95,583,821
(47,068,590)	(48,519,153)	(68,163,442)	(57,371,902)	(43,064,436)	(72,057,987)
268,805	4,153,411	2,079,625	710,147	8,462,073	3,222,815
(\$46,799,785)	(\$44,365,742)	(\$66,083,817)	(\$56,661,755)	(\$34,602,363)	(\$68,835,172)
\$53,080,612	\$55,864,418	\$58,885,357	\$61,604,489	\$63,340,502	\$65,582,826
16,274,658	18,042,869	17,945,320	5,898,986	10,996,191	16,457,285
3,825,860	1,188,665	1,237,962	7,825,710	1,559,116	5,489,909
195,169	39,997	197,190	164,583	410,144	92,939
1,815,321	2,548,752	4,439,564	3,505,797	(1,048,948)	(8,103,016)
(21,936)	(613,420)	(332,679)	(62,922)	(285,780)	(1,881,518)
75,169,684	77,071,281	82,372,714	78,936,643	74,971,225	77,638,425
2,112,584	2,489,325	2,957,606	3,129,286	2,148,695	2,140,941
-	-	-	-	-	-
135,172	249,987	659,725	543,908	(141,924)	(1,209,357)
21,936	613,420	332,679	62,922	285,780	1,881,518
2,269,692	3,352,732	3,950,010	3,736,116	2,292,551	2,813,102
\$77,439,376	\$80,424,013	\$86,322,724	\$82,672,759	\$77,263,776	\$80,451,527
\$28,101,094	\$28,552,128	\$14,209,272	\$21,564,741	\$31,906,789	\$5,580,438
2,538,497	7,506,143	6,029,635	4,446,263	10,754,624	6,035,917
\$30,639,591	\$36,058,271	\$20,238,907	\$26,011,004	\$42,661,413	\$11,616,355



**CITY OF BLOOMINGTON, MINNESOTA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ -	\$3,952	\$ -	\$4,337
Committed	571,066	1,250,496	1,259,003	1,179,421
Unassigned	20,344,235	23,388,858	26,700,761	27,625,954
Total general fund	<u>\$20,915,301</u>	<u>\$24,643,306</u>	<u>\$27,959,764</u>	<u>\$28,809,712</u>
All other governmental funds:				
Fund balance:				
Nonspendable	\$ -	\$ -	\$20,585	\$17,000
Restricted	73,455,034	49,590,387	51,864,823	56,454,794
Committed	11,155,740	6,375,212	6,494,362	7,376,666
Assigned	16,211,514	19,649,729	21,353,926	25,620,010
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$100,822,288</u>	<u>\$75,615,328</u>	<u>\$79,733,696</u>	<u>\$89,468,470</u>

**Table 3**

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$222	\$ -	\$ -	\$14,000	\$12,000	\$ -
1,799,132	2,069,126	1,852,370	1,269,780	2,112,433	6,068,345
<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>38,829,744</u>
<u><u>\$30,942,840</u></u>	<u><u>\$34,668,847</u></u>	<u><u>\$36,539,448</u></u>	<u><u>\$39,064,038</u></u>	<u><u>\$42,565,870</u></u>	<u><u>\$44,898,089</u></u>
\$18,000	\$18,500	\$18,500	\$32,500	\$63,054	\$ -
54,067,300	52,516,968	55,227,759	54,005,752	56,915,915	68,687,068
8,676,191	9,222,730	11,957,795	13,198,323	15,265,915	17,820,198
29,103,813	30,070,485	32,908,059	34,304,407	39,380,465	39,822,196
<u>(63,731)</u>	<u>(5,051)</u>	<u>(1,880)</u>	<u>(1,774)</u>	<u>(503,376)</u>	<u>(5,692)</u>
<u><u>\$91,801,573</u></u>	<u><u>\$91,823,632</u></u>	<u><u>\$100,110,233</u></u>	<u><u>\$101,539,208</u></u>	<u><u>\$111,121,973</u></u>	<u><u>\$126,323,770</u></u>

**CITY OF BLOOMINGTON, MINNESOTA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	2013	2014	2015	2016
<b>Revenues:</b>				
Taxes	\$45,485,284	\$46,756,493	\$48,852,186	\$51,277,151
Lodging and admissions taxes	8,906,395	14,222,909	14,412,263	16,936,352
Business licenses and permits	4,679,509	5,864,807	6,241,921	4,743,748
Fines	1,493,871	1,216,254	1,251,693	1,057,518
Charges for services	2,771,138	3,021,925	3,116,814	2,908,551
Special assessments	3,738,367	3,645,884	4,469,106	3,943,212
Intergovernmental	14,575,098	14,745,267	17,553,679	14,435,816
Investment earnings	448,813	1,250,209	833,337	701,235
Other revenues	21,432,708	8,612,823	9,870,031	16,056,456
<b>Total revenues</b>	<b>103,531,183</b>	<b>99,336,571</b>	<b>106,601,030</b>	<b>112,060,039</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General services	6,301,804	6,804,893	6,741,110	7,431,274
Development services	9,548,984	19,400,112	8,479,242	14,926,374
Public works	10,007,731	10,464,616	9,989,225	10,778,986
Public safety	27,490,143	28,984,753	29,692,500	32,045,686
Parks and recreation	-	-	-	-
Community services	14,983,442	14,709,288	15,396,539	16,131,465
<b>Debt service:</b>				
Paying agent fees	136,333	43,887	-	-
Interest	2,342,029	1,973,965	1,697,056	1,680,180
Principal retirement	8,720,000	17,645,000	7,895,000	6,975,000
<b>Capital outlay:</b>				
General services	-	238,249	-	278,450
Development services	17,709,054	12,057,284	14,577,484	10,555,736
Public works	8,076,371	11,681,648	9,044,239	12,314,905
Public safety	607,105	80,704	510,613	90,429
Parks and recreation	-	-	-	-
Community services	750,975	1,779,496	979,392	496,599
<b>Total expenditures</b>	<b>106,673,971</b>	<b>125,863,895</b>	<b>105,002,400</b>	<b>113,705,084</b>
Revenues over (under) expenditures	<u>(3,142,788)</u>	<u>(26,527,324)</u>	<u>1,598,630</u>	<u>(1,645,045)</u>
<b>Other financing sources (uses):</b>				
Transfers in	6,205,652	4,213,697	7,268,816	8,063,372
Transfers out	(7,351,067)	(6,808,000)	(7,188,369)	(7,925,954)
Proceeds on sale of capital assets	-	-	-	-
Bonds issued	9,315,000	7,465,000	5,355,000	11,455,000
Refunded bonds paid from escrow	-	-	-	-
Bond premiums	476,462	177,674	400,749	637,349
<b>Total other financing sources (uses)</b>	<b>8,646,047</b>	<b>5,048,371</b>	<b>5,836,196</b>	<b>12,229,767</b>
Net change in fund balance	<u><u>\$5,503,259</u></u>	<u><u>(\$21,478,953)</u></u>	<u><u>\$7,434,826</u></u>	<u><u>\$10,584,722</u></u>
Debt service as a percentage of noncapital expenditures	13.8%	19.4%	12.0%	9.6%
Debt service as percentage of total expenditures	10.4%	15.6%	9.1%	7.6%

**Table 4**

2017	2018	2019	2020	2021	2022
\$53,202,530	\$55,702,232	\$58,922,678	\$61,550,204	\$63,416,380	\$65,359,682
16,274,658	18,042,869	17,945,320	5,898,986	10,996,191	16,457,285
5,191,270	6,354,508	6,875,207	6,536,353	6,021,564	8,082,182
1,243,454	885,262	758,081	457,090	445,686	389,887
2,385,511	2,161,498	2,391,552	1,605,827	2,191,342	2,268,552
3,820,155	4,166,801	3,697,939	4,004,688	3,691,535	3,949,809
21,480,304	20,939,959	12,130,865	18,820,880	16,017,184	21,407,196
1,396,754	1,872,255	3,242,671	2,446,981	(859,209)	(6,335,128)
10,369,189	9,809,885	9,521,012	9,547,287	9,937,906	10,246,972
<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>	<u>121,826,437</u>
7,487,434	8,103,825	6,594,273	7,628,013	6,530,378	7,489,571
10,987,159	11,952,854	17,574,031	13,647,728	11,674,375	13,187,975
11,333,270	12,222,664	12,575,661	11,243,353	12,573,666	18,814,333
31,496,674	33,071,958	33,525,568	35,583,266	34,392,291	37,105,476
-	-	9,747,086	9,047,173	9,477,874	4,105,296
16,410,862	16,749,515	7,380,426	9,049,118	8,845,792	9,801,255
-	-	-	-	-	-
1,746,775	1,518,071	1,484,983	1,716,496	1,725,817	1,716,318
8,950,000	7,705,000	7,285,000	7,465,000	7,655,000	10,920,000
-	-	-	-	-	21,521
4,365,969	2,147,303	8,422,424	521,130	3,164,818	3,427,993
21,983,079	23,366,023	13,685,921	14,790,476	11,063,864	18,483,476
125,739	521,315	246,070	3,276,476	388,138	6,640,648
-	-	755,856	1,842,074	1,969,783	2,005,714
3,305,609	1,382,549	36,115	18,100	88,341	-
<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>133,719,576</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>	<u>(11,893,139)</u>
9,075,643	8,566,040	7,644,763	13,144,063	11,230,074	18,650,997
(8,698,959)	(9,121,654)	(7,909,867)	(13,575,382)	(10,831,830)	(21,194,962)
-	-	-	-	1,841,454	-
6,390,000	7,210,000	13,300,000	6,958,540	7,520,000	29,401,460
-	(4,615,000)	-	1,975,000	-	-
528,292	514,488	950,395	411,451	1,016,457	2,569,660
<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>29,427,155</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>	<u>\$17,534,016</u>
12.1%	10.1%	9.1%	9.6%	10.1%	12.3%
9.1%	7.8%	7.4%	7.9%	8.6%	9.4%

**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>
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
2022	105,453,263	89,705,728	1,523,080	196,682,071	15,229,450

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 2022 above relate to the January 2, 2021 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>
\$ 112,928,515	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%
181,452,621	40.73	15,010,645,700	1.21%

**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	
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
2022	37.22	3.51	40.73	21.51	38.54	10.45	111.23

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 2022			Payable 2013		
	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	10.05%	\$13,210,560	1	10.04%
Opal Holdings	6,495,200 <sup>(a)</sup>	2	3.30%	-	-	-
Kraus-Anderson	2,292,432	3	1.17%	1,810,968	3	1.38%
Xcel Energy	1,817,092	4	0.92%	-	-	-
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	-	-	-	5,040,000 <sup>(a)</sup>	2	3.83%
United Properties	-	-	-	1,751,542	4	1.33%
CB Richard Ellis	-	-	-	1,540,020	5	1.17%
Liberty Property LP	-	-	-	1,295,688 <sup>(b)</sup>	6	0.98%
Frauenschuh	-	-	-	1,055,723	7	0.80%
Gateway Lake Properties	-	-	-	1,017,260	8	0.77%
IRET Properties	-	-	-	938,082	9	0.71%
Founders Properties	-	-	-	917,000	10	0.70%
<b>Total</b>	<u>\$38,592,294</u>		<u>19.63%</u>	<u>\$28,576,843</u>		<u>21.72%</u>
<b>Total All Property</b>	<u>\$196,682,071</u>			<u>\$131,538,905</u>		

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. Metropolitan Life sold in July 2022 to Opal Holdings

<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
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%
2022	68,296,727	67,670,986	99.08%	(171,365)	67,499,621	98.83%

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			
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
2022	18,040,000	52,727,039	15,275,000	86,042,039	11,771,959	97,813,998	1.6%	1,082

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					
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
2022	18,040,000	52,727,039	15,275,000	86,042,039	18,217,700	67,824,339	0.45%	750

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, 2022

**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	\$163,925,000	99.98%	\$163,892,215
ISD No. 272	92,635,000	0.39%	\$361,277
ISD No. 273	174,385,000	1.08%	\$1,883,358
Other debt:			
Hennepin County	1,027,985,000	7.37%	\$75,762,495
Hennepin County Park District	53,865,000	10.23%	\$5,510,390
Hennepin Regional RR Authority	86,235,000	7.37%	\$6,355,520
Metropolitan Council	218,520,000	4.01%	\$8,762,652
Subtotal - overlapping debt			\$262,527,905
City direct debt <sup>(b)</sup>	86,042,039	100.00%	\$86,042,039
Total direct and overlapping debt			\$348,569,944

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$297,836,742	\$296,243,913	\$313,075,791	\$343,919,310
Total net debt applicable to limit	<u>8,047,547</u>	<u>6,557,605</u>	<u>5,039,777</u>	<u>3,884,062</u>
Legal debt margin	<u>\$289,789,195</u>	<u>\$289,686,308</u>	<u>\$308,036,014</u>	<u>\$340,035,248</u>
Total net debt applicable to the limit as a percentage of debt limit	2.70%	2.21%	1.61%	1.13%

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 2022 the debt limit was \$450,319,371, the total net debt applicable to the limit was \$16,943,503, and the City could issue up to an additional \$433,375,868 of general obligation debt and still be in compliance with the above statute.

**Table 12**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$362,404,188	\$384,067,920	\$404,168,178	\$430,464,750	\$440,869,329	\$450,319,371
<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>16,943,503</u>
<u><u>\$358,289,352</u></u>	<u><u>\$379,172,912</u></u>	<u><u>\$398,448,175</u></u>	<u><u>\$426,335,722</u></u>	<u><u>\$435,073,093</u></u>	<u><u>\$433,375,868</u></u>
1.14%	1.27%	1.42%	0.96%	1.31%	3.76%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Market value	<u>\$15,010,645,700</u>
Debt limit (3% of market value)	<u>450,319,371</u>
Debt applicable to limit:	
General obligation bonds	18,040,000
Less: Amount set aside for repayment	
of general obligation debt	<u>(1,096,497)</u>
Total net debt applicable to limit	<u>16,943,503</u>
Legal debt margin	<u><u>\$433,375,868</u></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	
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
2022	39,737,879	29,700,445	10,037,434	835,000	475,108	7.66

Source: City of Bloomington Finance Department

<sup>(a)</sup> 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 Bonds <sup>(b)</sup>			
	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
	Principal	Interest		Principal	Interest		
\$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
3,494,919	6,560,000	1,435,219	0.44	2,691,175	570,000	56,089	4.30



**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
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
2022	90,438	\$6,150,688,380	68,010	9,805	2.9	2.8

- Sources:
- (1) U.S. Census estimates were used for 2013 through 2020. Metropolitan Council estimates were 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	2022			2013		
	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment
Mall of America Tenants	11,000	1	13%	13,000	1	14.6%
HealthPartners	3,533	2	5%	2,483	2	2.8%
Bloomington School District #271	1,950	3	2%	1,892	3	2.1%
Seagate Technology	1,365	4	2%	1,748	4	2.0%
Toro Company	1,150	5	1%	939	8	1.1%
Donaldson Company	1,126	6	1%	1,152	7	1.3%
General Dynamics	775	7	1%	-	-	0.0%
NCS Pearson	683	8	1%	1,203	6	1.3%
Ziegler	675	9	1%	-	-	0.0%
GN Resound	660	10	1%	-	-	0.0%
Wells Fargo Bank	-	-	-	1,474	5	1.6%
Express Scripts	-	-	-	891	9	1.0%
Normandale Community College	-	-	-	675	10	0.8%
<b>Total</b>	<b>22,917</b>		<b>28%</b>	<b>25,457</b>		<b>29%</b>
<b>Total City Employment <sup>(2)</sup></b>	<b>86,801</b>			<b>89,412</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

Function/Program	2013	2014	2015	2016
Governmental activities:				
General services	80	80	80	82
Development services	74	74	69	69
Public works	117	117	117	118
Public safety	155	155	160	165
Community services	60	60	60	59
Total governmental activities	486	486	486	493
Business-type activities:				
Water/wastewater	54	54	54	54
Storm water	12	12	12	12
Recreational facilities	18	18	18	18
Solid waste management	1	1	1	1
Contractual police	-	-	-	-
Motor vehicle	5	5	6	6
Total business-type activities	90	90	91	91
Total	576	576	577	584

Source: City of Bloomington Finance Department

Table 16

Full-Time Equivalent Employees as of December 31						
2017	2018	2019	2020	2021	2022	
84	82	74	74	73	76	
71	71	84	84	76	79	
121	122	121	121	118	119	
165	165	167	167	167	170	
55	52	52	52	53	54	
496	492	498	498	487	498	
54	54	53	53	52	52	
12	12	12	12	11	11	
18	18	15	15	11	12	
1	1	1	1	1	1	
-	-	-	-	-	-	
6	6	6	6	-	-	
91	91	87	87	75	76	
587	583	585	585	562	574	

**CITY OF BLOOMINGTON, MINNESOTA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2013	2014	2015	2016
<b>Governmental activities:</b>				
General services:				
New full-time employees hired	44	44	51	46
Criminal case scheduled appearances	20,000	18,000	20,000	22,000
Purchase orders issued	1,457	1,382	1,026	995
Development services:				
Permits issued	16,119	14,413	12,313	11,856
Estimated value of permits	\$201,614,610	\$342,190,790	\$485,208,914	\$185,368,384
Fire inspections	2,643	2,724	2,851	2,219
Fire investigations	152	117	105	115
Public works:				
Street resurfacing (miles)	31	36	40	38
Street sweeping (tons of material)	3,477	3,834	2,635	2,850
Public safety:				
Bookings	2,349	2,350	2,218	2,320
DWI's	451	425	362	363
Part 1 crimes <sup>(b)</sup>	3,524	3,423	3,118	3,035
Group A crimes <sup>(c)</sup>	-	-	-	-
Fire emergency responses	1,221	1,317	1,510	1,769
Fires extinguished	159	149	184	166
Recreation services:				
Community services:				
City website pageviews	1,948,674	1,911,818	1,468,653	1,629,355
Number of E-Subscribers	9,706	12,191	14,593	21,464
Influenza immunizations	4,488	3,851	3,216	2,795
<b>Business-type activities:</b>				
Water/wastewater utility:				
Average daily consumption (gallons)	11,202,000	10,700,000	10,300,000	10,360,000
Average daily sewage treatment (gallons)	8,078,000	8,175,000	7,920,000	8,100,000
Storm water utility:				
Storm mains inspected (miles)	8	9	11	12
Recreational facilities:				
Golf course rounds played	51,658	61,355	62,392	57,599
Ice garden hours	9,635	9,440	9,793	9,752
Solid waste management:				
Annual bulky trash clean-up (tons)	1,300	1,789	1,758	1,949
Contractual police:				
Overtime hours billed	9,270	7,739	23,481 <sup>(d)</sup>	25,666 <sup>(d)</sup>

Sources: Various City of Bloomington departments.

<sup>(a)</sup> The increase in hiring is a combination of employee turnover due to retirements and market competitiveness. Additionally, the City added a number of new positions to its budget to better meet the changing needs of the City.

<sup>(b)</sup> Due to pandemic impacts, several City areas experienced significant closures and service reductions.

<sup>(c)</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).

**Table 17**

Fiscal Year					
2017	2018	2019	2020	2021	2022
40	40	48	31	49	103 <sup>(a)</sup>
20,000	20,876	20,750	18,177	18,441	21,943
878	767	779	577	553	603
10,859	10,568	10,600	9,880	10,502	11,925
\$304,605,776	\$391,619,950	\$411,122,855	\$420,614,800	\$389,171,071	\$549,375,264
3,024	2,955	3,274	2,323	1,846	2,422
62	47	67	69	54	76
41	40	41	13 <sup>(b)</sup>	43	34
3,475	2,950	3,150	3,525	3,675	3,250
2,256	2,112	2,454	1,829 <sup>(b)</sup>	1,673	1,654
423	371	474	212	187	228
2,812	2,775	3,115	1,590 <sup>(c)</sup>	-	-
-	-	-	2,328 <sup>(d)</sup>	6,303	6,239
1,802	1,692	2,451 <sup>(e)</sup>	3,195	4,781	5,131
175	209	255	229	206	194
1,846,618	1,965,802	2,841,638	3,492,462	3,620,912	5,700,654
23,750	25,515	28,583	29,200	32,118	33,408
2,666	2,808	2,803	2,348	1,762	1,612
9,990,000	10,100,000	9,436,000	9,246,000	10,300,000	9,400,000
7,520,000	7,879,000	7,360,000	7,410,000	7,036,000	7,240,000
8	8	8	8	8	8
53,373	55,885	53,675	45,027 <sup>(b)</sup>	50,501	49,089
9,838	9,103	9,722	4,967 <sup>(b)</sup>	9,148	10,191
1,807	1,425	1,536	1,894	1,538	954
10,284	14,924	10,033	6,587 <sup>(b)</sup>	7,717 <sup>(b)</sup>	12,535

<sup>(d)</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.

<sup>(e)</sup> Firefighters began training as EMTs and responding to medical calls in 2019, increasing emergency response totals.

<sup>(f)</sup> In 2015 and 2016, Mall of America Security significantly increased their use of police contractual services.

**CITY OF BLOOMINGTON, MINNESOTA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2013	2014	2015	2016
<b>Governmental activities:</b>				
Public works:				
Streets (miles)	342	342	342	342
Streetlights	4,339	4,339	4,361	4,361
Traffic signals	144	144	143	143
Emergency vehicle pre-emption systems	121	121	122	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	62	62	61
Soccer/football fields	22	22	22	22
Tennis courts	49	49	50	50
Picnic shelters/gazebos	22	22	22	22
<b>Business-type activities:</b>				
Water/wastewater utility:				
Water mains (miles)	496	496	498	498
Fire hydrants	4,617	4,617	4,665	4,676
Storage capacity (gallons)	44,000,000	44,000,000	44,000,000	44,000,000
Sanitary sewers (miles)	384	384	385	385
Storm water utility:				
Storm sewers (miles)	253	251	252	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, or contractual police functions.

Table 18

Fiscal Year						
2017	2018	2019	2020	2021	2022	
342	342	342	342	342	340	
4,380	4,456	4,456	4,456	4,138	4,115	
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	38	38	38	38	50	
29	30	30	30	30	30	
6	6	6	6	6	6	
1	1	1	1	1	1	
1	1	1	1	1	1	
53	53	53	53	53	53	
61	60	60	60	60	58	
22	22	22	22	22	22	
50	50	50	50	50	48	
22	23	23	23	23	23	
501	503	505	505	508	509	
4,677	4,712	4,737	4,773	4,787	4,811	
44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	30,000,000	
385	384	385	385	385	385	
237	241	262	235	226	228	
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