REVISED FINAL OFFICIAL STATEMENT DATED AUGUST 23, 2022

NEW ISSUE
BOOK ENTRY ONLY

MOODY'S RATING: Aaa
S&P RATING: AAA
FITCH RATING: AAA

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect) and, assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022 and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding the other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

CITY OF BLOOMINGTON MINNESOTA

CITY OF BLOOMINGTON, MINNESOTA
$11,875,000 General Obligation Permanent Improvement Revolving Fund Bonds of 2022, Series 56
(the "Bonds")

Dated Date	Date of Delivery (September 8, 2022)
Security	The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties for repayment of a portion of the Bonds.
Authorization	The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, as amended, and the Bloomington City Charter (the "City Charter"). See "Authority and Security" herein.
Purpose	The proceeds of the Bonds, along with available City funds, will be used to finance various improvements within the City. See "Authority and Security" herein.
Principal and Interest Payments	Principal will be paid annually on February 1, beginning February 1, 2024. Interest will be payable semiannually on February 1 and August 1, beginning August 1, 2023.
Redemption Provisions	The City may elect on February 1, 2032, and on any day thereafter, to redeem Bonds due on or after February 1, 2033 at a price of par plus accrued interest.
Book Entry	The Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See Appendix B for "Book Entry".
Denominations	The Bonds are being issued in the denomination of $5,000 or integral multiple thereof.
Registrar and Paying Agent	The Chief Financial Officer of the City ("Registrar" and "Paying Agent").
Underwriter	Please see the "PURCHASER/UNDERWRITING" section herein for discussion regarding the Underwriter of the Bonds.

MATURITY SCHEDULE
(Base CUSIP* 094780)

Maturity February 1	Principal	Interest Rate	Yield	Price	CUSIP*	Maturity February 1	Principal	Interest Rate	Yield	Price	CUSIP*
2024	$ 285,000	5.00%	1.62%	104.649%	4V2	2030	$1,250,000	5.00%	2.12%	119.619%	5B5
2025	$ 995,000	5.00%	1.70%	107.717%	4W0	2031	$1,305,000	5.00%	2.19%	121.444%	5C3
2026	$1,040,000	5.00%	1.76%	110.637%	4X8	2032	$1,360,000	5.00%	2.27%	122.983%	5D1
2027	$1,085,000	5.00%	1.80%	113.468%	4Y6	2033	$1,425,000	5.00%	2.38%**	121.943%	5E9
2028	$1,140,000	5.00%	1.92%	115.717%	4Z3	2034	$ 800,000	4.00%	2.60%**	111.603%	5F6
2029	$1,190,000	5.00%	2.05%	117.600%	5A7						

*CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services ("CGS"), which is operated on behalf of the ABA by S&P Global Market Intelligence LLC. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

** Priced to the first optional call date of February 1, 2032.

The Revised Final Official Statement dated August 23, 2022 is a Final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

The City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter. By delivering an offer with respect to the purchase of the Bonds the senior managing underwriter has agreed that (i) it accepts such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the Bonds for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Kennedy & Graven, Chartered, Bond Counsel. The Bonds are expected to be available for delivery to DTC, in New York, New York on or about September 8, 2022.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the preliminary official statement or the final official statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the final official statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the preliminary official statement or the final official statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the City and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “plan,” “expect,” “estimate,” “budget,” “may,” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

CITY OF BLOOMINGTON, MINNESOTA

CITY COUNCIL

Tim Busse	Mayor
Jenna Carter	Council Member
Nathan Coulter	Council Member
Lona Dallessandro	Council Member
Dwayne Lowman	Council Member
Patrick Martin	Council Member
Shawn Nelson	Council Member

ADMINISTRATION

James D. Verbrugge	City Manager
Melissa Manderschied	City Attorney
Lori Economy-Scholler	Chief Financial Officer
Michael Sable	Assistant City Manager
Karla Henderson	Director of Community Development
Diann Kirby	Director of Community Services
Karl Keel	Director of Public Works
Booker T Hodges	Chief of Police
Ulysses Seal	Fire Chief
Amy Cheney	Chief Information Officer
Ann Kattreh	Director of Parks and Recreation

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Kennedy & Graven, Chartered
Minneapolis, Minnesota

TABLE OF CONTENTS

OFFICIAL STATEMENT

CITY OF BLOOMINGTON, MINNESOTA
$11,875,000 GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING FUND BONDS OF 2022, SERIES 56

PURPOSE OF THE ISSUE AND USE OF FUNDS

PURPOSE OF THE BONDS

The proceeds of the Bonds, along with available City funds, will be used to finance various improvements within the City.

USES AND SOURCES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	$11,875,000.00
Estimated Prepaid Assessments	2,125,403.74
Reoffering Premium	1,978,562.45
Total Sources of Funds	$15,978,966.19
Uses of Funds:	
Deposit to Project Fund	$15,845,453.69
Costs of Issuance(1)	101,450.00
Underwriter's Compensation	32,062.50
Total Uses of Funds	$15,978,966.19

(1) Includes fees for bond counsel, municipal advisor, rating, and other miscellaneous expenses.

DESCRIPTION OF THE BONDS

INTEREST CALCULATION

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2023. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months

REGISTRATION AND EXCHANGE FEATURES

Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," the Chief Financial Officer, at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

BOOK ENTRY

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form. See Appendix B: Book Entry.

Provisions for Payment

The principal on the Bonds shall be payable by check or draft of the City, acting as its own Registrar and Paying Agent, or any successor depository. All payments of interest on the Bonds shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or any successor depository. Payments on the Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners (hereinafter defined) of the Bonds will be the responsibility of the DTC Participants and Indirect Participants.)

Notice of Redemption

Mailed notice of redemption shall be given to the registered owner(s) of the Bonds in accordance with the requirements of DTC which currently requires no less than twenty (20) days nor more than sixty (60) days prior to the redemption date. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

Optional Redemption

The City may elect on February 1, 2032, and on any day thereafter, to redeem Bonds due on or after February 1, 2033. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine, by lot, the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

AUTHORITY AND SECURITY

Authority

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 475 and 429, as amended, and the Bloomington City Charter (the "City Charter").

Security and Sources of Payment

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties for repayment of a portion of the Bonds.

Special assessments in the principal amount of approximately $2,400,830 are expected to be filed in December 2022 for first collection in 2023 and approximately $2,322,290 are expected to be filed in December 2023 for first collection in 2024. The City expects to receive approximately $2,125,404 in prepayments of assessments, with the remaining assessments to be filed over a term of approximately 10 years from their initial year of filing with equal annual payments of principal. Interest on the unpaid balance will be charged at an interest rate of 4.50%.

The City will also levy taxes for repayment of a portion of the Bonds, and will institute its first levy in 2022 for collection in 2023. Each year's collection of taxes and special assessments, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Investment of Funds

The proceeds of this issue are to be invested in accordance with the laws of the State relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of Bond proceeds.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York; S&P Global Ratings ("S&P"), 55 Water Street, New York, New York; and Fitch Ratings ("Fitch"), One State Street Plaza, New York, New York have assigned ratings of "Aaa," "AAA," and "AAA" respectively to the Bonds. The ratings reflect only the opinion of Moody's, S&P, and Fitch. Any explanation of the significance of the ratings may be obtained only from Moody's, S&P, and Fitch.

The ratings are not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by Moody's, S&P, or Fitch. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The City has not applied to any other rating service for a rating on the Bonds.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain of such investment considerations are set forth below.

Maintenance of Ratings

Moody's, S&P, and Fitch have assigned ratings of "Aaa," "AAA," and "AAA" respectively to the Bonds. While the City does not anticipate any material changes in the future, no assurance can be given that the Bonds will maintain their original ratings. If the ratings on the Bonds decrease or are withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Rating" herein.

Secondary Market

While the purchaser of the Bonds may expect, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

Future Changes in Law

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Bonds to be subject, directly, or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Minnesota legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The City cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the City.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE BONDS

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, the owners of the Bonds may have to enforce available remedies.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Resolution (hereinafter defined) on behalf of the owners of the Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

POTENTIAL IMPACTS RESULTING FROM THE CORONAVIRUS (COVID-19)

On March 11, 2020, the World Health Organization proclaimed the novel strain of Coronavirus (COVID-19) to be a pandemic. COVID-19 has had varied economic and social impacts, and governments and private industries have taken various measures in an effort to limit the spread of the virus. While the City continues to monitor the spread of COVID-19, the City is not able to predict and makes no representations as to any impacts the pandemic may have on the City or its financial position. Please see "APPENDIX A – General Information of the City – Coronavirus (COVID 19) Financial Assistance" herein for additional information as it relates to the City.

CYBERSECURITY

The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact. To reduce the risk of a cyberattack, the City employs staff who have implemented the following programs and controls to help prevent breaches such as those that have occurred in other cities.

Security controls are in place to safeguard office and email activities. In addition to new employee onboarding security training, the City also performs internal email phishing campaigns to identify risks and educate employees. Vulnerability management controls include procedures to detect and remediate system and network vulnerabilities, as well as advanced end-point protection to detect and prevent malware and ransomware. Identity and access management controls include complex passwords and two factor authentication for external access to City resources such as email and network.

Redundancy is built into City systems in the event of an attack or breach. Network security controls include network segmentation, controlled third party and vendor access to restrict access to required resources only, and network access controls to prevent unauthorized devices from connecting to the network. In addition to in-house forensics tools and capabilities for investigating incidents, the City leverages security event and incident management for log correlation, analysis, and investigations. Additionally, the City's security staff has been trained and certified in information security and staff has developed and cultivated relationships with public and private sector security resources to stay abreast of threats and countermeasures.

The City has cybersecurity insurance in place.

CLIMATE CHANGE AND RESILIENCY

In 2018, City Council adopted the Hennepin County All-Hazards Mitigation Plan. The plan outlines some of the consequences expected with climate change for cities in Hennepin County. These hazards include:

- Less reliable and more dangerous lake ice.
- More periods of bare/snow-free ground, allowing frost to penetrate to great depths during cold outbreaks.
- Expansion of the heavy rainfall season, leading to enhanced peak stream flows, and altered timing of normal flow regimes.
- Increased runoff and flash-flooding as the largest events intensify and become more common
- Water infrastructure damage from intense rainfall events.
- Agricultural stress, from shifting crop ranges, heat, drought, extreme rainfall.
- More days with high water vapor content and heat index values.
- Greater summer cooling costs, more days requiring cooling.
- New invasive species, both terrestrial and aquatic, especially those acclimated to warmer climates or those that were cold weather limited.
- “Hyper-seasonality” as warm conditions develop during the “off-season,” leading to bouts of heavy rainfall or severe weather, followed by wintry conditions.
- Increase in frequency of freeze-thaw cycles, as winter is increasingly infiltrated by warm conditions.

Future changes to the climate, such as those listed above, may produce ecological, environmental, and economic impacts on the State and the City. Climate change as a result of greenhouse gas emissions may also produce ecological, environmental, and economic impacts on the State and the City, and additional federal and State regulations to fight climate change.

Due to these impacts, City Council adopted a resolution in support of the Paris Agreement in 2017 and adopted a resolution declaring a climate emergency in the City in 2022.

In 2018, City Council adopted the Bloomington Energy Action Plan which includes goals and strategies to reduce greenhouse gas emissions from electricity, natural gas, and ground transportation. The City is working towards a 75 percent reduction in city-wide energy-related greenhouse gas emissions by 2035, relative to 2016 levels. Bloomington Energy Action Plan strategies include developing policies, ordinances, and programs to increase energy efficiency, renewable energy, hybrid and electric vehicle adoption, and reduce vehicle miles traveled.

Bloomington Energy Action Plan implementation activities to date include:

- 2018- Identifying energy efficiency opportunities for City facilities
- 2018- Promoting energy efficiency resources to residents and businesses (ongoing)
- 2019- Hiring full-time sustainability coordinator
- 2019- City Council adopting electric vehicle charging standards
- 2020- Completing recommendations from 2018 municipal energy efficiency study
- 2020- Researching connections between equity and climate change (ongoing)
- 2021- City Council adopting two energy disclosure ordinances, Time of Sale Energy Disclosure and Large Building Benchmarking
- 2021- Completing research on City staff commuting habits to identify more sustainable transportation opportunities.

To learn more about the City's strategies for climate change mitigation, please see the following resources:

- City of Bloomington's Climate Action Webpage: *https://blm.mn/climate-action*
- Bloomington Energy Action Plan, 2018: *https://www.bloomingtonmn.gov/pw/energy-action-plan*.
- Surface Water Management Plan, 2018: *https://www.bloomingtonmn.gov/eng/water-resources-management-plans*.
- Hennepin County All-Hazards Mitigation Plan, 2018, Volumes 1, 2, and 3: *https://www.hennepin.us/residents/emergencies/emergency-management*.

To learn more about Hennepin County's strategies for climate change mitigation and resiliency visit: *https://www.hennepin.us/climate-action/-/media/climate-action/hennepin-county-climate-action-plan-final.pdf*

DEPENDENCE UPON TIMELY PAYMENT OF PROPERTY TAXES

While the City regularly collects approximately 98% of property tax revenues within a year of levy, significant delinquency in the payment of property taxes by property owners within the City could impair the City's ability to meet its debt service requirements on the Bonds in a timely manner. Property taxes do not constitute personal obligations of a property owner. Although the current year's taxes constitute a lien upon assessed property, the sale of delinquent property to satisfy the City's tax lien for the year in which the taxes are in default, is time-consuming. Furthermore, any such tax sale would be only for the amount of taxes due and unpaid for the particular tax year in question. See "APPENDIX E – SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATIONS" in this Official Statement.

INSOLVENCY

State law specifically authorizes a statutory mechanism for municipalities such as the City to declare bankruptcy. Although the possibility is very remote, insolvency or bankruptcy proceedings in the future involving the City and equity principles could delay or otherwise adversely affect the enforcement of registered owners' rights or collection of the principal of or interest on the Bonds. Such an event, although a remote possibility, could impose significant risks of delay, limitation or modification of the rights of owner rights against the City.

PURCHASER/UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc., St. Petersburg, Florida (the "Underwriter") and its syndicate at a purchase price of $13,821,499.95, which is the par amount of the Bonds of $11,875,000.00, less the Underwriter's discount of $32,062.50, plus the original issue premium of $1,978,562.45. The Terms of Proposal provides that all of the Bonds will be purchased by the Underwriter if any of such Bonds are purchased.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Bonds.

CONTINUING DISCLOSURE

In order to assist the Purchaser in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof (the "Rule"), pursuant to a resolution adopted by the City Council of the City on July 11, 2022 setting forth the parameters for the sale and issuance of the Bonds (the "Resolution"), at closing the City will enter into an undertaking (the "Undertakings") for the benefit of holders including Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the City to the Electronic Municipal Market Access system ("EMMA") annually, and to provide notices of the occurrence of certain events enumerated in the Rule to EMMA or the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, is set forth in the Continuing Disclosure Certificate to be executed and delivered at the time the Bonds are delivered in substantially the form attached hereto as Appendix D.

Except as noted below, the City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. In reviewing its past disclosure practices, the City notes the following:

- Prior continuing disclosure undertakings entered into by the City included language stating that the City's audited financial statements would be filed "as soon as available." Although not always filed "as soon as available," the audited financial statements were timely filed within the required twelve (12) month timeframe as provided for in each undertaking.

A failure by the City to comply with the Undertaking will not constitute an event of default on the Bonds or under any provisions of the Resolution (although holders will have any other available remedy at law or in equity subject to certain limitations). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

FUTURE FINANCING

As of the date of the Official Statement, the City does not currently anticipate issuing additional debt in the calendar year 2022.

LITIGATION

To the knowledge of the officers for the City, there is no litigation pending, or threatened, against the City, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to the issuance, sale, or delivery thereof.

The officers for the City will certify at the time of delivery of the Bonds that there is no litigation pending or in any way threatened questioning the validity of the Bonds, or any of the proceedings relating to the authorization, issuance and sale of the Bonds that would result in a material adverse impact on the financial condition of the City.

LEGAL MATTERS

The Bonds are subject to approval as to certain matters by Kennedy & Graven, Chartered of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. Bond Counsel will deliver a legal opinion in substantially the form set out in Appendix C herein at closing.

TAX MATTERS

TAX EXEMPTION

On the date of issuance of the Bonds, Kennedy & Graven, Chartered, Bond Counsel, will render an opinion that, at the time of issuance and delivery of the Bonds to the original purchaser, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants set forth in the Resolution, interest on the Bonds is not includable in gross income for federal income tax purposes and, to the same extent, is not includable in the taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section

59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022 and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Section 59(k) of the Code defines "applicable corporation" as any corporation (other than an S corporation), a regulated investment company, or a real estate investment trust which meets the average annual adjusted financial statement income test set forth in Section 59(k) of the Code in one or more taxable years. No opinion will be expressed by Bond Counsel regarding other federal or Minnesota tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Resolution may result in the inclusion of interest on the Bonds in gross income of the owners thereof for federal income tax purposes and in net taxable income of individuals, estates, and trusts for Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

ORIGINAL ISSUE PREMIUM

All of the maturities of the Bonds (the "Premium Bonds") were sold to the public at an amount in excess of their stated redemption price at maturity. Such excess of the purchase price of the Bonds over the stated redemption price at maturity constitutes a premium with respect to such Premium Bonds. A purchaser of a Premium Bond must amortize the premium over the term of the Premium Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the basis in the Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the "Municipal Advisor" or "BTMA"). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP ("BTUS"), an accounting firm and has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed "nearly final" Preliminary Official Statement and the Final Official Statement (the "Official Statements"). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not verified and will not independently verify the completeness and accuracy of the information contained in the Official Statements. The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City, and they have no secondary obligations or other responsibility.

MUNICIPAL ADVISOR REGISTRATION

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Bonds and will take no part in the sale thereof.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of BTMA.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority. BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of BTMA.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTUS, is an investment adviser registered with the SEC. BTF provides both discretionary and non-discretionary portfolio management, consulting and retirement plan management services to individuals and retirement plans. BTF may provide advisory services to the clients of BTMA.

BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

(The Balance of This Page Has Been Intentionally Left Blank)

GENERAL INFORMATION OF THE CITY

CITY PROPERTY VALUES

Trend of Values[1]

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio[2]	Economic Market Value[3]	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2021/22	$15,010,645,700	92.58%	$16,271,551,896	$249,857,709	$14,719,300,384	$168,016,308
2020/21	14,695,644,300	95.52	15,441,183,148	285,417,204	14,370,757,133	167,302,024
2019/20	14,348,825,000	97.81	14,721,565,258	293,645,381	14,018,542,987	163,408,311
2018/19	13,472,272,600	95.93	14,094,237,228	338,288,541	13,099,998,848	154,095,368
2017/18	12,802,264,000	92.35	13,927,317,393	363,881,945	12,403,142,230	143,857,556

(1) For a description of the Minnesota property tax system, see Appendix E.

(2) Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, https://www.revenue.state.mn.us/economic-market-values and https://www.revenue.state.mn.us/economic-market-values-reports.

(3) Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, https://www.revenue.state.mn.us/economic-market-values and https://www.revenue.state.mn.us/economic-market-values-reports.

Source: City of Bloomington, Minnesota, February 2022, except as otherwise noted.

2021/22 Adjusted Taxable Net Tax Capacity: $168,016,308*

Real Estate:		
Commercial/Industrial, Railroad, and Public Utility	$ 90,507,225	46.02%
Residential Homestead	76,730,244	39.01
Residential Non-Homestead, Agriculture, and Other	28,901,620	14.69
Personal Property	555,018	0.28
2021/22 Net Tax Capacity	$196,694,107	100.00%
Less: Captured Tax Increment	(13,448,349)	
Contribution to Fiscal Disparities	(27,629,676)	
Plus: Distribution from Fiscal Disparities	12,400,226	
2021/22 Adjusted Taxable Net Tax Capacity	$168,016,308	

Excludes mobile home valuation of $27,718.

Ten of the Largest Taxpayers in the City

Taxpayer	2021/22 Total Market Value	2021/22 Total Tax Capacity	Share of City Total Tax Capacity
Mall of America (shopping center/office/land)	$ 840,282,900	$16,805,658	8.54%
Metropolitan Life Insurance (office buildings)	319,535000	6,390,700	3.25
Kraus-Anderson (shopping centers/office/bank)	112,611,600	2,252,232	1.15
Workspace Property Trust (office/industrial)	79,317,400	1,586,348	0.81
HealthPartners (office building/medical clinics)	77,052,000	1,541,040	0.78
Carlson Companies (hotels)	66,153,000	1,323,060	0.67
DRA Advisors (office building)	56,378,000	1,127,560	0.57
KBS Capital Advisors (office buildings)	55,820,000	1,116,400	0.57
ML CASA II (apartments)	84,940,000	1,061,750	0.54
Red Hampshire Hill LLC (apartments)	83,160,000	1,039,500	0.53
Total	$1,775,249,900	$34,244,248	17.41%

Source: City of Bloomington, Assessor's Office.

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (3% of 2021/22 Estimated Market Value)	$450,319,371
Less: Outstanding Debt Subject to Limit	(23,780,000)
Legal Debt Margin as of 09-08-2022	$426,539,371

*The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.

NOTE: Certain types of debt are not subject to the legal debt limit. See Appendix E – Summary of Tax Levies, Payment Provisions, and Minnesota Real Property Valuations – Debt Limitations.

General Obligation Debt Supported Solely by Taxes*

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 9-8-22
5-4-17	$ 1,420,000	Charter	2-1-2027	$ 745,000
6-21-18	1,020,000	Charter	2-1-2029	745,000
5-30-19	1,645,000	Taxable Charter	2-1-2030	1,360,000
11-26-19	2,105,000	Charter	2-1-2030	1,800,000
9-9-21	2,005,000	Charter	2-1-2032	2,005,000
4-27-22	11,975,000	Capital Improvement Plan	2-1-2043	11,975,000
Total				$18,630,000

*These issues are subject to the legal debt limit.

General Obligation Special Assessment Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 9-8-22
11-15-11	$ 7,545,000	PIRF, Series 45	2-1-2031	$ 540,000
6-15-12	5,615,000	PIRF, Series 46	2-1-2023	560,000
6-15-12	5,900,000	PIRF Refunding, Series 2021A	2-1-2025	1,535,000
11-15-13	4,180,000	PIRF, Series 47	2-1-2024	1,260,000
11-15-13	5,135,000	PIRF Refunding, Series 2013A	2-1-2030	920,000
12-18-14	7,685,000	PIRF and Refunding, Series 48	2-1-2025	2,070,000
10-27-15	5,810,000	PIRF and Refunding, Series 49	2-1-2036	2,510,000
12-8-16	6,115,000	PIRF, Series 50	2-1-2037	2,055,000
12-8-16	3,730,000	PIRF and Refunding, Series 2016C	2-1-2029	3,510,000
12-6-17	6,720,000	PIRF, Series 51	2-1-2028	3,235,000
12-5-18	5,270,000	PIRF, Series 52	2-1-2029	3,955,000
11-26-19	4,095,000	PIRF, Series 53	2-1-2030	3,440,000
12-10-20	5,385,000	PIRF, Series 54	2-1-2031	5,005,000
11-23-21	4,540,000	PIRF, Series 55	2-1-2032	4,540,000
9-8-22	11,875,000	PIRF, Series 56 (the Bonds)	2-1-2034	11,875,000
Total				$47,010,000

General Obligation Utility Revenue Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 9-8-22
5-4-17	$ 1,170,000	Water Utility	2-1-2027	$ 630,000
12-5-18	10,805,000	Storm Water Utility (Green Bonds)*	2-1-2034	9,200,000
Total				$9,830,000

*These bonds are being repaid from net revenues of the City's storm water system and special assessments against benefited properties.

General Obligation Tax Increment Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 9-8-22
10-27-15	$ 7,300,000	Taxable Tax Increment	2-1-2035	$ 5,585,000*
12-27-19	15,200,000	Taxable Tax Increment	2-1-2036	13,300,000
12-10-20	1,975,000	Taxable Tax Increment Refunding	2-1-2032	1,975,000
Total				$20,860,000

*General obligations of the City issued by the Bloomington Port Authority which are expected to be repaid from captured tax increment revenues.

General Obligation Housing Improvement Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 9-8-22
6-21-18	$920,000	Taxable Housing Improvements	2-1-2034	$770,000

Lease Revenue Debt(1)

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 9-8-22
12-5-18	$5,150,000	Taxable Lease Revenue	2-1-2023	$5,150,000(2)

(1)This issue is subject to the legal debt limit.
(2)These bonds were issued by the Housing and Redevelopment Authority in and for the City of Bloomington (the "HRA") pursuant to a lease agreement between the HRA and the City. This issue is being repaid from revenues from a sublease agreement.

Estimated Calendar Year Debt Service Payments

	G.O. Debt Supported Solely by Taxes		G.O. Special Assessment Debt	
	Principal	Principal & Interest	Principal	Principal & Interest(1)
2022 (at 9-8)	(Paid)	(Paid)	(Paid)	(Paid)
2023	$ 700,000	$ 1,505,094	$ 6,000,000	$ 7,574,910
2024	1,160,000	1,804,876	5,890,000	7,314,531
2025	1,220,000	1,811,276	6,265,000	7,460,719
2026	1,270,000	1,808,626	5,200,000	6,171,569
2027	1,320,000	1,804,318	4,855,000	5,636,119
2028	1,215,000	1,644,175	4,470,000	5,084,419
2029	1,260,000	1,636,285	3,920,000	4,383,144
2030	1,195,000	1,520,265	3,130,000	3,465,459
2031	785,000	1,069,000	2,595,000	2,832,378
2032	820,000	1,074,025	2,005,000	2,161,228
2033	595,000	823,175	1,525,000	1,604,775
2034	620,000	827,750	900,000	925,150
2035	640,000	830,025	100,000	106,150
2036	655,000	826,409	95,000	98,225
2037	675,000	826,869	60,000	60,900
2038	695,000	826,319		
2039	715,000	824,722		
2040	740,000	826,988		
2041	760,000	823,550		
2042	785,000	823,919		
2043	805,000	818,081		
Total	$18,630,000(2)	$24,755,747	$47,010,000(3)	$54,879,676

(1) Includes debt service on the Bonds based on the interest rates shown on the inside front cover of this Official Statement.

(2) 58.7% of this debt will be retired within ten years.

(3) 94.3% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (continued)

	G.O. Utility Revenue Debt		G.O. Tax Increment Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2022 (at 9-8)	(Paid)	(Paid)	(Paid)	(Paid)
2023	$ 725,000	$ 1,120,506	$ 900,000	$ 1,526,680
2024	755,000	1,113,506	870,000	1,475,422
2025	795,000	1,116,706	1,055,000	1,635,819
2026	820,000	1,105,231	1,245,000	1,794,613
2027	860,000	1,107,122	1,320,000	1,832,599
2028	755,000	963,688	1,370,000	1,842,349
2029	790,000	967,963	1,420,000	1,850,232
2030	810,000	963,456	1,470,000	1,856,077
2031	835,000	959,100	1,520,000	1,860,025
2032	865,000	955,100	1,495,000	1,787,716
2033	895,000	949,900	1,395,000	1,640,584
2034	925,000	943,500	1,445,000	1,643,091
2035			1,505,000	1,653,754
2036			3,850,000	3,911,793
Total	$9,830,000(1)	$12,265,778	$20,860,000(2)	$26,310,754

	G.O. Housing Improvement Debt		Lease Revenue Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2022 (at 9-8)	(Paid)	(Paid)	(Paid)	(Paid)
2023	$ 55,000	$ 82,953	$5,150,000	$5,304,500
2024	55,000	81,110		
2025	55,000	79,213		
2026	60,000	82,170		
2027	60,000	79,980		
2028	65,000	82,651		
2029	65,000	80,198		
2030	65,000	77,711		
2031	70,000	80,095		
2032	70,000	77,365		
2033	75,000	79,500		
2034	75,000	76,500		
Total	$770,000(3)	$959,446	$5,150,000	$5,304,500

(1) 81.5% of this debt will be retired within ten years.
(2) 60.7% of this debt will be retired within ten years.
(3) 80.5% of this debt will be retired within ten years.

Overlapping Debt

Taxing Unit[1]	2021/22 Adjusted Taxable Net Tax Capacity		Est. G.O. Debt As of 9-8-22[2]		Debt Applicable to Tax Capacity in City Percent	Amount
Hennepin County	$2,345,582,443		$1,061,810,000		7.2%	$ 76,450,320
Three Rivers Park District	1,635,500,987		53,865,000		10.3	5,548,095
Hennepin County Regional Rail Authority	2,345,582,443		90,580,000		7.2	6,521,760
I.S.D. No. 271 (Bloomington)	166,448,901		140,445,000		98.6	138,478,770
I.S.D. No. 272 (Eden Prairie)	124,254,039		92,635,000		0.5	463,175
I.S.D. No. 273 (Edina)	125,464,408		183,850,000	(3)	1.3	2,390,050
Metropolitan Council	4,884,516,308	(4)	6,285,000	(5)	3.4	213,690
Metropolitan Transit	3,920,143,380	(4)	213,985,000	(6)	4.3	9,201,355
Total						$239,267,215

(1) Only those units with outstanding general obligation debt are shown here.
(2) Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.
(3) Includes lease purchase obligations paid by annual appropriations.
(4) Represents 2020/21 adjusted taxable net tax capacity value; 2021/22 adjusted taxable net tax capacity values are not yet available.
(5) Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.
(6) Excludes general obligation grant anticipation notes.

Debt Ratios*

	G.O. Debt	Overlapping Debt
To 2021/2022 Estimated Market Value ($15,010,645,700)	0.62%	2.21%
Per Capita - (89,987 -2020 U.S. Census)	$1,027	$3,686

*Excludes general obligation utility revenue debt and includes lease revenue debt.

Trend of Debt Ratios[1]

General Obligation Direct Debt

Fiscal Year (12-31)	Bonded Debt	Debt To Estimated Market Value	Debt Per Capita
2021	$44,962,981	0.31%	$494
2020	45,104,322	0.31	531
2019	47,488,791	0.35	559
2018	41,913,011	0.33	490
2017	42,846,362	0.35	499

General Obligation Overlapping and Direct Debt

Fiscal Year (12-31)	Debt	Debt To Estimated Market Value	Debt Per Capita
2021	$312,919,011	2.13%	$3,440
2020	329,415,053	2.30	3,661
2019	261,332,842	1.94	3,077
2018	237,568,465	1.86	2,776
2017	237,531,989	1.97	2,766

*Excludes general obligation debt supported by revenues and revenue debt supported by tax increment and enterprise funds. Includes general obligation debt supported by tax increment.

Source: Bloomington Finance Department.

CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in ISD No. 271 (Bloomington)

					2021/22	
	2017/18	2018/19	2019/20	2020/21	Total	For Debt Only
Hennepin County	42.808%	41.861%	41.084%	38.210%	38.366%	4.038%
City of Bloomington	42.127	41.581	41.82	41.335	42.286	3.602
I.S.D No. 271 (Bloomington)(1)	20.764	20.133	19.858	20.251	21.482	7.227
Special Districts(2)	8.973	8.550	8.219	7.813	7.819	0.510
Total	114.672%	112.125%	110.243%	107.609%	109.953%	15.377%

(1) In addition, Independent School District No. 271 (Bloomington) has a 2020/21 market value tax rate of 0.17271% spread across the market value of property in support of an excess operating levy.

(2) Special districts include Metropolitan Council, Metropolitan Transit District, Mosquito Control, Three Rivers Park District, Hennepin County Regional Railroad, Hennepin County Parks Museum, and Hennepin County Housing and Redevelopment Authority.

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix E.

Source: Hennepin County, Minnesota, taxing district information, https://www.hennepin.us/residents/property;taxing-district-info.

Special Levies

The Bloomington Port Authority (the "Port Authority") levy is limited to 0.01813% of the City's taxable market value. Additionally, the Port Authority can levy up to 0.00282% of the City's taxable market value for industrial development district purposes. Currently, the Port Authority does not levy any property tax.

The Bloomington Housing and Redevelopment Authority (the "HRA") levy is limited to 0.0185% of the City's taxable market value. Currently, the HRA levies $2,718,683.

General Tax Levies and Collections

Levy/ Collect	Amount of Net Levy(1)	Current Collections Amount	Current Collections Percent	Delinquent Collections (Abatements)(2)	Total Collections to Levy Amount	Total Collections to Levy Percent
2020/21	$66,468,834	$65,703,985	98.9%	$ (110,666)	$65,593,319	98.7%
2019/20	64,689,863	64,078,788	99.1	154,607	64,233,395	99.3
2018/19	61,756,432	61,429,758	99.5	(13,979)	61,415,779	99.4
2017/18	58,398,517	58,069,379	99.4	(341,739)	57,727,640	98.9
2016/17	55,883,748	55,477,546	99.3	(562,215)	54,915,331	98.3

(1) The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing the tax capacity rates. See Appendix E.
(2) The current collection's percentage is reduced as a result of commercial property valuation adjustments.

Source: City of Bloomington.

Special Assessment Levies and Collections

Levy/ Collect	Amount of Assessment Levy	Current Collections Amount	Current Collections Percent	Collection of Prior Years	Total Collections to Current Levy Amount	Total Collections to Current Levy Percent
2020/21	$3,790,779	$3,608,531	95.2%	$44,502	$3,653,033	96.4%
2019/20	3,757,327	3,702,622	98.5	94,809	3,797,431	101.1
2018/19	3,749,359	3,718,489	99.2	58,967	3,777,456	100.7
2017/18	3,450,488	3,424,920	99.3	52,910	3,477,830	100.8
2016/17	3,630,378	3,604,148	99.3	63,986	3,668,135	101.0

Source: City of Bloomington.

FUNDS ON HAND
As of April 30, 2022

Operating Funds:	
General	$ 31,224,427
Utility	29,337,914
Recreational Facilities	2,777,511
All Others	74,726,666
Total Operating Funds	$138,066,518
Capital Projects	$202,047,988
Debt Service Funds:	
G.O. Tax Levy	$ 512,513
G.O. Tax Increment City/HRA	967,106
G.O. Special Assessment	11,448,470
Taxable Lease Revenue/HRA	(431,717)
Tax Increment Revenue/Port Authority	97,606
Total Debt Service Funds	$ 12,593,978
Total all City, HRA, and Port Authority Funds	$352,708,484

INVESTMENTS

The City's investments are managed in accordance with an investment policy adopted by the City Council. It is the policy of the City to invest public funds in a manner that will provide the highest investment return with minimum risk while meeting the City's daily cash flow demands and conforming to all federal, state and local regulations governing the investment of public funds. The primary objectives of the City's investment activities shall be safety of principal, sufficient liquidity and market return on investments. The investment portfolio must remain sufficiently liquid to enable the City to meet all operating requirements that might reasonably be anticipated. The City may directly invest in securities maturing more than five years from the date of purchase based on certain market conditions. Directly investing in derivatives is prohibited. No more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution (with the exception of U.S. Treasury securities and authorized pools) and no more than 50% of the portfolio may be invested in a single corporation. The management of the investment program is the responsibility of the City Manager delegated to the Chief Financial Officer and is conducted in accordance with Minnesota Statutes, Chapter 118A, and the City Charter. The Chief Financial Officer is responsible for establishing written procedures for the operations of the investment program consistent with the investment policy. The Chief Financial Officer is also responsible for all investment transactions and establishing a system of controls to regulate the financial activities of the City. An investment committee, consisting of the Chief Financial Officer, Finance Manager, representatives from the HRA and the Port Authority and an Accountant meets semi-annually or as needed to review the performance of investments and investment strategy. The City's financial staff manages the investments of the City, HRA and Port Authority. They provide Investment Performance Reports on a monthly basis to the City Council, Executive staff, HRA, and Port Authority.

As of April 30, 2022, approximately $72.0 million (32%) of the City's $224.0 million investment portfolio is invested in securities that will mature at par in less than one year. An additional $148.4 million (66%) of the City's operating fund investments are securities that have maturity dates within one to five years.

GENERAL INFORMATION CONCERNING THE CITY

The City covers an area of approximately 38.8 square miles and is situated wholly within Hennepin County. The City has many national and international corporations within its boundaries, including Seagate Technology, The Toro Company, Thermo King/Ingersoll Rand Corporation, HealthPartners, Wells Fargo Bank, Polar Semiconductor, Inc., Ceridian Corporation, and Donaldson Company, Inc. In addition, the City, with approximately 9,635 hotel/motel rooms, many entertainment facilities, the Mall of America and proximity to the Minneapolis-Saint Paul International Airport, has become a major regional and national business and meeting center.

Population

The City's population trend is shown below.

	Population	Percent Change
2020 U.S. Census	89,987	8.6%
2010 U.S. Census	82,893	(2.7)
2000 U.S. Census	85,172	(1.4)
1990 U.S. Census	86,355	5.5
1980 U.S. Census	81,831	--

Sources: United States Census Bureau, http://www.census.gov/.

The City's estimated population by age group for the past five years is as follows:

Data Year/ Report Year	0-17	18-34	35-64	65 and Over
2021/22	16,874	18,330	34,710	19,678
2020/21	17,014	18,307	34,464	19,160
2019/20	16,999	18,455	34,584	18,853
2018/19	17,155	18,581	34,911	18,587
2017/18	16,858	18,240	34,327	17,851

Source: Claritas, LLC.

Major Employers

Employer	Product/Service	Approximate Number of Employees
Mall of America	Retail/entertainment	13,000
HealthPartners	Health insurance provider	3,075
Bloomington Public School District	Education	1,900
Seagate Technology	Computers and manufacturing	1,465
Donaldson Company	Filtration systems	1,098
The Toro Company	Lawn equipment, snowblowers	1,073
General Dynamics	Defense contractor	836
NCS Pearson, Inc.	Education services and assessment	737
GN Resound	Hearing aids	638
Normandale Community College	Post-secondary education	582

Source: The City's 2021 Annual Comprehensive Financial Report.

Labor Force Data

	Annual Average				May
	2018	2019	2020	2021	2022
Labor Force:					
City of Bloomington	46,582	47,143	46,670	44,985	45,943
Hennepin County	703,310	711,530	706,189	693,226	713,495
Minneapolis-Saint Paul-Bloomington MSA	2,016,208	2,023,566	2,005,559	1,73,734	2,036,995
State of Minnesota	3,085,627	3,129,843	3,122,980	3,021,360	3,079,653
Unemployment Rate (%):					
City of Bloomington	2.6%	3.0%	7.0%	3.9%	1.7%
Hennepin County	2.5	2.8	6.2	3.6	1.6
Minneapolis-Saint Paul-Bloomington MSA	2.7	3.0	6.1	3.6	1.6
State of Minnesota	3.1	3.4	6.3	3.4	1.6

Source: Minnesota Department of Employment and Economic Development, https://apps.deed.state.mn.us/lmi/laus. 2022 data are preliminary.

Demographic Statistics

The City's residents are employed not only in the City, but throughout the Minneapolis-Saint Paul metropolitan area. In 2021/22, 51.52% of Minneapolis-Saint Paul-Bloomington Metropolitan area households had effective buying incomes (EBIs) in excess of $75,000; 18.73% had EBIs from $50,000 to $75,000; 18.98% had EBIs from $25,000 to $50,000; and 10.77% had EBIs less than $25,000.

The following table shows the total retail sales and EBI figures for the Minneapolis-Saint Paul-Bloomington Metropolitan area:

Data Year/ Report Year	Total Retail Sales ($000	Total EBI ($000)	Median Household EBI
2021/22	$81,965,661	$150,002,075	$77,170
2020/21	76,293,129	132,160,678	68,828
2019/20	80,102,005	128,307,012	67,378
2018/19	76,609,442	121,060,973	64,845
2017/18	69,759,477	113,873,167	62,577

The 2021/22 Median Household EBI for the State of Minnesota was $69,592. The 2021/22 Median Household EBI for the United States was $63,680.

Sources: Claritas, LLC.

Economic Development

Growth within the City has been spurred by freeways reaching out from the metropolitan area population hub, adjacent to and through the City, and further enhanced by the City's proximity to the Minneapolis-Saint Paul International Airport.

The City's water and sewer systems were installed at the beginning of the City’s development and the capital outlay programs for extensions have been planned to keep pace with expected development.

Permits Issued

Year	New Residential Value	Residential Remodel Value	New Commercial/ Industrial Value	Commercial/ Industrial Remodel Tenant Finish Value	Trade and All Other Value	Total
2021	$ 3,095,569	$24,778,555	$130,271,055	$ 98,554,175	$132,471,717	$389,171,071
2020	880,158	14,190,363	176,721,615	93,387,030	165,120,643	450,299,809
2019	1,104,454	15,972,997	267,089,312	95,788,046	129,140,230	509,095,039
2018	1,710,254	16,722,013	64,163,903	157,124,426	71,845,442	311,566,038
2017	35,353,832	13,689,352	50,396,401	109,399,472	66,139,308	274,978,365
2016	9,825,934	4,780,251	30,164,200	64,049,858	76,548,140	185,368,384
2015	70,880,538	6,262,198	186,348,675	107,579,347	114,138,156	485,208,914
2014	18,328,599	5,359,533	113,442,172	91,001,075	114,059,411	342,190,790
2013	42,254,429	5,430,076	12,903,868	47,961,220	93,065,016	201,614,609
2012	9,006,292	3,628,988	10,865,167	88,838,928	86,093,208	198,432,583

*In addition to building permits, the total value includes all other permits issued by the City (i.e., heating, lighting, plumbing, roof replacement, etc.).

Source: City of Bloomington, Minnesota.

Current and Pending Development

Residential, Public and Quasi Public Development

The Aire Apartments – In 2021, the City issued zoning approvals to convert a portion of the former Crowne Plaza Hotel into 229 apartment units. The remainder of the hotel, on floors three through six, will be converted to an extended stay hotel. Construction is underway, with certificate of occupancy granted for two floors of the apartment conversion.

Risor Apartments – In 2021, the City issued zoning approvals for a 146-unit senior apartment building. Construction is underway.

Cadence Apartments – In 2021 the City issued zoning approvals for a four level, 68-unit apartment building at 7990 Old Cedar Ave. S. Construction is underway.

Hayden Grove Senior Living – The project opened for occupancy in 2021 on a four-story, 166-unit senior independent and assisted living building at 8715 and 8735 Portland Avenue South.

Friendship Village – Construction is complete on a major expansion of the Friendship Village senior campus at 8100 Highwood Drive. The expansion includes a new five-story 93-unit independent housing building and a new 140-bed health center plus various renovations and conversions of existing buildings.

108 Place – In the summer of 2018, the City issued zoning approvals for a 42-unit, three-story affordable apartment development at 4008-4100 West 108th Street. The building opened for occupancy in the Spring of 2020.

Penn Terrace – In May of 2020, the City issued revised zoning approvals for a 68-unit, four-story affordable apartment development at 10041 Penn Avenue South. Construction has not yet commenced.

The District – In 2019, the City issued zoning approvals for a four-story, 248-unit apartment building near Knox Avenue and American Boulevard. The project opened for occupancy in 2021.

Cherrywood Pointe – In 2019, the City issued zoning approvals for a four-story, 108-unit assisted living facility at 5501 American Boulevard West. The project opened for occupancy in 2021.

Amira Bloomington (Formerly The Pointe) – In 2019, the City issued zoning approvals for a four-story, 143-unit independent senior rental apartment building at 5601 American Boulevard West. The project opened for occupancy in 2022.

Founder's Ridge – Construction is underway on Phases II, III, and IV of the Founder's Ridge Development at 6600 Auto Club Road, 111 additional units of senior rental housing across three buildings.

American Square - A two phase project:

- Phase I, The Ardor – In June 2020, the City issued zoning approvals for a six-story, 242 unit market rate apartment building, with underground parking at 3701 American Blvd E. In June 2021, the City approved a minor revision to reduce the total units to a 237 unit market rate apartment building. Construction is anticipated to begin in 2022.
- Phase II, The Quinn – In June 2020, the City is issued preliminarily development approval for an 86 unit workforce apartment building with 100% of the units affordable at or below the 60% area median income (AMI) and underground parking and a separate new underground 313 stall parking ramp at 6 Appletree Square. The developer is still performing due diligence on the Phase II site. The Port Authority is analyzing potential Housing TIF assistance.

SoLo Apartments/Rosa Development – In April 2020, the City issued zoning approvals for a six-story, 183-unit apartment building with 20 percent of the units (37) affordable to households making up to 50 percent of AMI at 3700 American Blvd E. The Port Authority is financially assisting the project with Housing TIF and a TIF grant. Construction is anticipated to begin in 2023.

Bloomington Meadows Apartments/Village Club – In 2021, occupancy began at two four-story affordable apartment buildings totaling 172 units.

Lyndale Flats – In January 2022, occupancy began at a four-story, 81-unit affordable apartment building at 9320 Lyndale Ave. S.

8200 Humboldt Apartments – In February 2022, the City issued zoning approvals for a four-story, 149-unit apartment building with nine percent of the units (14) affordable to households making up to 50 percent of AMI at 8200 Humboldt Ave S. The Housing and Redevelopment Authority is financially assisting the project with Redevelopment TIF. Construction is anticipated to begin in 2022.

Mixed Use

Bloomington Central Station (BCS) – Located at 8100 34th Avenue, Bloomington Central Station (BCS) is a mixed-use transit-oriented development initially approved in 2005. The project is centered on the Bloomington Central Station, one of four Light Rail Transit stations in the City along the Blue Line, and the Bloomington Central Station Park featuring seating areas, garden rooms, water walls and fountains, paved and lighted walkways, and public placemaking features. A number of phases are now complete including:

1. Bloomington Station Central Park – open space (2015),
2. HealthPartners Headquarters Remodeled - 550,000 square-foot headquarters office (2017),
3. Reflections Towers - 17-story condominiums, 263-unit (2006),
4. Hyatt Regency - 302-room full-service hotel (2016),
5. IndiGO - 396-unit apartment building by Lennar Multi-Family (2017),
6. Parking Ramp for Health Partners – eight level parking ramp, 1,657 spaces (2017), and
7. The Fenley - 402-unit apartment building (2020).

The 2013 Legislative session approved extending the BCS tax increment financing district by eight years to 2039 facilitating public infrastructure funding for these projects. The 50-acre project was originally planned to have up to 2.5 million square feet of office space, 1,100 high-density residential units, 75,000 square feet of retail space, and a 300-room full-service hotel. Some of the phases are now in place as noted above, and it is somewhat likely that residential development will take the place of some of the originally planned office development due to changes in market demands. In 2022, the City and the Port Authority approved a fourth phase of residential to include 402 units in a six-story building with a 14,500 square-foot grocer on the ground level. Construction began in Spring 2022.

Mall of America Phase II – The Mall of America (MOA) is an international travel destination that attracts tourists to the region and generates significant income and sales tax revenues for the State of Minnesota. In a normal pre-pandemic year, the MOA welcomes about 40 million visits. In November 2006, the City Council approved a Preliminary Development Plan for subsequent phases of the Mall of America (TIF Districts 1-C and 1-G). A revised preliminary development plan was approved in early 2016. The expansion plan includes retail, hotels, office, entertainment uses, and structured parking. The Radisson Blu Hotel (Phase IB), the second component of the Mall of America expansion (in addition to IKEA), opened in early 2013. Phase IC, a $300 million, 746,628 square-foot Mall of America expansion including a 332-room JW Marriott hotel, 271,000 square feet of retail and restaurant space, a 562-space two-level underground parking structure, 175,000 square feet of office space, and a bus/shuttle/taxi drop off area opened in 2015. The Mall of America partnered with Mortenson Development to build Phase 1C. The Shakopee Mdewakanton Sioux Community is the owner of the JW Marriot luxury hotel and the MOA owns and manages the retail and office as an integrated part of the existing mall. The 2013 Legislative session approved a TIF alternative for public improvements using the metro-area fiscal disparities program; the funding runs until 2034.

The MOA is home to Minnesota's largest transit station, serving light rail, bus rapid transit and numerous bus lines. A major $25 million reconstruction of the transit station was completed in early 2020.

South Loop Waterpark – In December 2019, the Mall of America ownership received zoning approvals to build an approximately 330,000 square foot waterpark facility that would be connected to and integrated with the Mall of America via a bridge over Lindau Lane. In addition, to meet the waterpark's demand, a 1,720-stall parking structure would be constructed east of the waterpark along Lindau Lane and connected via a sky bridge.

The City has been proposing to expand its parks and recreation program by adding a new waterpark (the "South Loop Waterpark") to the City's existing park and recreation amenities. The City and the Port Authority elected to seek assistance from third parties in the form of a public-private partnership with respect to various activities related to the development, financing, ownership, construction, equipping, and operation of the South Loop Waterpark. In 2019, the City Council approved a Waterpark Nonprofit Agreement between the City, the Port Authority, and the Minnesota nonprofit corporation, Provident Group—Old Met Properties Inc., being formed by Provident Resources Group Inc., a Georgia nonprofit corporation (the "Borrower"). Neither the City nor the Port Authority would be the owner or the borrower for the waterpark. Because of the COVID-19 pandemic, the City and its partners began evaluating the impact the pandemic may have on the project.

In 2021, new statutory language was enacted into Minnesota law that allows cities and port authorities new flexibility for utilizing Tax Increment Financing (TIF). The purpose of the flexibility is to spur economic development. The 2021 flexibility requires funds to be committed to a project by December 31, 2022, and spent by December 31, 2025. The 2021 flexibility opened new options for financing the waterpark, which the City and Port Authority advised staff to analyze.

The current financing structure is for the developer to finance the majority of the project, and the Port Authority funds infrastructure (mostly parking) with existing tax increment cash balances in an estimated amount of $73 million. Except (via the 2021 Tax Bill) an additional investment of approximately $30 million in TIF would be utilized in the capital stack of the project. More information on the South Loop Waterpark project is available on the City's website or upon request.

<u>Industrial</u>

SICK Product & Competence Center Americas, LLC – In 2012, the City purchased three parcels as part of a settlement between Interstate Diesel and the Metropolitan Airports Commission. These parcels are adjacent to the Alpha Business Center parcels the City purchased in 2010 as part of the Lindau Lane expansion. The developable parcels are about 14 acres comprising the combination of the remaining undeveloped Alpha Site and the three Interstate Diesel properties. In 2020, the City entered into a Development Agreement with SICK, a German technology company, on a phased purchase agreement of the 14 acres for the development of over 500,000 square feet of office and production/logistics space by 2035. In 2021, the City issued zoning approvals and the Developer purchased the Phase I lot. Construction is underway of about 140,000 square feet of production/logistics/office space.

Skywater Technology Foundry – Construction was completed in 2020 on a 67,000 square-foot addition to the semiconductor fabrication facility.

Donaldson Expansion – Construction completed in 2020 on a new 17,000 square foot industrial building at the Donaldson Headquarters at 1400 W. 94th Street.

Extra Space Self Storage Facility – Construction is complete on a new three-story, 116,000 square-foot self-storage facility at 101 West American Boulevard.

Acorn Self Storage Facility – Construction is complete on a conversion and expansion of a one-story office building to a 550-unit self-storage facility at 9100 West Bloomington Freeway.

U-Haul Self Storage Facility – Construction completed in 2021 on a new 115,000 square-foot, four story self-storage facility at 8901 Lyndale Ave. S.

Verizon Expansion – In 2020, the City approved a 17,000 square-foot expansion of a Verizon Wireless office building and data center. Construction is underway.

Seagate Expansion – In 2022, the City approved an 80,000 square-foot, two-level expansion of the Seagate Facility at 7850 Nord Ave. S. Construction is underway.

<u>Hotels, Retail, Restaurants, Institutional and Other Commercial</u>

Alpha Business Center – In 2010, the City purchased 13.6 acres of land immediately east of the Mall of America to extend Lindau Lane and open new sites for redevelopment. The City sold two acres to a developer for a 118-room Towne Place Suites extended stay hotel which opened on July 27, 2015. The same developer constructed a 148-room, five-story AC hotel and an 11,800 square-foot, three-tenant retail building anchored by the Hazelwood restaurant. In 2010, the developer completed a seven-story, 144-room Element by Westin Hotel. The remaining parcels are part of the SICK development.

Cambria Hotel plus Restaurant – Construction completed in 2020 on a new 164-room, five-story Cambria hotel at 8001 28th Avenue South. The site also has approval for a second phase, 7,300 square-foot restaurant.

Hyatt House – In 2018, the City granted zoning approval for a new four-story, 151-room extended stay hotel at 2325 East Old Shakopee Road. Construction commenced in 2020 and is underway.

HOM/Gabberts Furniture – In 2018, the City approved an over 200,000 square-foot rebuild of the HOM Furniture store at 7800 Dupont Avenue South to also house Gabberts Furniture. Construction completed in 2020.

RBCU Old Shakopee – In 2019, a new 3,000 square-foot credit union opened at 4025 West Old Shakopee Road.

RBCU Lyndale - In 2019, the City granted zoning approval for a 12,700 square-foot office expansion of an existing credit union and office building at 9500 Lyndale Avenue South. Construction completed in 2020.

Olive Garden – In early 2020, Olive Garden opened a new 9,500 square-foot restaurant to replace its existing restaurant at 4701 American Boulevard West.

Luther Subaru – Construction completed in 2021 on a new, two-story, 37,000 square-foot auto dealership on Lyndale Avenue and I-494.

Bank of America – In June of 2020, the City approved a new 4,250 sq. ft. bank at 611 W. 98th St. Construction began in 2021.

Walser Toyota and Corporate Headquarters – In 2021, the City approved a rebuild and expansion of the Walser Toyota site to include a new three level, 122,000 square-foot dealership with Walser Corporate Headquarters being relocated to the third level. Construction is underway on the parking ramp.

Fire Station #4 – In 2021, the City approved the replacement of Fire Station #4 with a new 25,000 square-foot facility. Construction began in 2022.

Motor Vehicle Dealership – In 2022, the City approved a new four-level auto dealership at the northeast corner of I-494 and TH 100. The brand planning to use the dealership has pulled out but the approval remains valid.

Tommy's Car Wash – In 2022, the City approved a new 5,300 square-foot car wash at 200 W. 98th Street. Construction start is anticipated in late fall of 2022.

Education

Public Education

The following districts serve the residents of the City:

School	Location	Grades	2021/22 Enrollment
ISD No. 271 (Bloomington)	City of Bloomington	K-12	10,347
ISD No. 272 (Eden Prairie)	City of Eden Prairie	K-12	8,861
ISD No. 273 (Edina)	City of Edina	K-12	8,473

Source: Minnesota Department of Education, www.education.state.mn.us

Non-Public Education

City residents are also served by the following private schools:

School	Location	Grades	2021/22 Enrollment
Nativity of Mary	City of Bloomington	K-8	324
United Christian Academy	City of Bloomington	K-12	323
Bloomington Lutheran	City of Bloomington	K-8	217
Ramalynn Montessori	City of Bloomington	K-8	87
Hand in Hand Christian Montessori	City of Bloomington	K-12	24

Source: Minnesota Department of Education, www.education.state.mn.us

Vocational/Technical Education

Vocational/technical training is available to City residents through Intermediate District No. 287. A school facility is located in the adjacent City of Eden Prairie. The Intermediate District offers Associate of Applied Science degree programs, vocational diploma programs, apprenticeship programs and other adult education services, as well as special education services, and gifted education services and early childhood programs.

Post-Secondary Education

Normandale Community College, a two-year college, is located in the City, but has no direct affiliation with the local public school district. It is State-supported (one of several in the Minneapolis-Saint Paul metropolitan area), has an enrollment of over 10,000 full- and part-time students, and employs a staff of approximately 617 full- and part-time persons. Normandale Community College has baccalaureate partnerships with post-secondary institutions Metropolitan State University, Minnesota State University - Mankato, and Southwest Minnesota State University and offers a total of 10 different bachelor's degree programs, with most classes offered at its Partnership Center.

Northwestern Health Sciences University, located in the City, offers bachelor of science degree completion programs, as well as professional programs in chiropractic and acupuncture and Oriental medicine, and massage therapy programs. The university enrolls approximately 900 full-time students.

City residents also have access to various community and technical colleges, colleges and universities located throughout the Minneapolis-Saint Paul metropolitan area.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

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. The Mayor and three council members serve four-year terms, and the remaining members serve two-year terms, resulting in a return to overlapping four-year terms.

The following individuals comprise the current City Council:

		Expiration of Term
Tim Busse	Mayor	January 2, 2024
Jenna Carter	Council Member	January 2, 2024
Nathan Coulter	Council Member	January 5, 2026
Lona Dallessandro	Council Member	January 2, 2024
Dwayne Lowman	Council Member	January 2, 2024
Patrick Martin	Council Member	January 2, 2024
Shawn Nelson	Council Member	January 2, 2024

The City Manager is the Chief Administrative Officer of the City. The City Manager, James D. Verbrugge, controls and directs the administration of the City's affairs through the City's departments and divisions. The City employs approximately 562 full-time persons throughout the various City departments, programs, and teams.

City Departments

Community Development Department: Karla Henderson, Director – The Community Development Department has approximately 79 full-time employees in six divisions – Administration (3), Planning (10), Building and Inspection (22), Environmental Health (17), Assessing (12), Creative Placemaking (1), as well as the City's two component units, the Housing and Redevelopment Authority (11) and the Port Authority (3). The Planning Division provides professional planning expertise to the City, including reviewing all zoning, rezoning, variances and subdivision plats, as well as developing comprehensive and district plans. The Building and Inspection Division is responsible for building, heating, plumbing and electrical plan reviews and code compliance delegated by the State of Minnesota. The Environmental Health Division reviews food service plans, conducts regular inspections of food service establishments, is responsible for rental housing inspections, enforces the City's property maintenance ordinances and responds to complaints about a range of environmental issues including noise, toxic materials and air and water pollution. The Assessing Division determines the annual valuation and classification of properties located within Bloomington's geographic boundaries for the purposes of property taxation. The Housing and Redevelopment Authority manages the City's housing and redevelopment programs and administers Federal housing assistance programs. The Port Authority manages public sector development assistance and financing of public infrastructure with a goal of facilitating development in the City's South Loop District.

Community Services Department: Diann Kirby, Director – The Community Services Department has a total of three divisions, involving 41 full-time employees working in the following areas – Administration (2), Public Health (26), Office of Community Outreach and Engagement (5), and Communications (8). Services of this department encompass the areas of public health, community outreach and referrals, and communications. The Public Health Division provides basic health services on contract to the neighboring cities of Richfield and Edina. The Office of Community Outreach and Engagement has an emphasis on implementing the City Council's equity and inclusion priority by serving as an advocate for traditionally underserved or underrepresented populations in the development and delivery of City programs and services.

Parks and Recreation Department: Ann Kattreh, Director – The Parks and Recreation Department includes 25 full-time employees in the following divisions – Administration (5), Recreation (5), and Recreational Facilities (15). Collectively, these divisions operate the City's golf course, Ice Garden, Creekside Community Center, Aquatic facility, Beach, Center for the Arts and all recreational programming. The City's municipally owned recreational facilities consist of an 18-hole golf course; an ice arena with three sheets of ice; and a performing arts facility with an art gallery and theater that seats 366.

Finance Department: Lori Economy-Scholler, Chief Financial Officer – The Finance Department employs a staff of 27 who support and coordinate various financial and administrative-related operations. These include Finance, Budget, Financial Operations, and Risk Management. The Finance Department coordinates the development of the City's program budgets for all operating budgets, the ten-year capital improvement program, the Annual Comprehensive Financial Report and the Popular Financial Report and provides financial management services. The Finance, Budget, and Financial Operations also provide support to the City's Housing and Redevelopment Authority, Port Authority and Fire Relief Association agencies.

Fire Department/Fire Prevention: Ulysses Seal, Chief – The City has a 116-person combination career/paid-on-call Fire Department, providing fire protection that has resulted in an ISO Class II fire rating for the City. The Fire Department employs a full-time staff of 12 which includes a Fire Chief, 2 Assistant Fire Chiefs, a Deputy Fire Chief, 3 Battalion Chiefs, 4 Fire Inspectors, and one clerical staff. The department operates out of six stations and utilizes the latest in firefighting equipment (a total of 30 units, including 9 Engines, 6 Ladders and other specialty units).

The initial unit response time goal is 7 minutes and 30 seconds 90% of the time. The Fire Department's current performance metric is initial unit response of 12 minutes 90% of the time. Both fire and police vehicles have equipment, providing for automatic switching of traffic signals, to expedite emergency runs. As a combination career/paid-on-call fire department, the firefighters receive an hourly rate for firefighting. This is supplemented by a pension plan covering the fire fighters, which is funded entirely by City contributions and investment earnings. The Fire Prevention Division reviews plans for fire code compliance, performs fire code inspections, provides fire and safety education, and investigates fires to determine cause and origin.

Police Department: Booker T Hodges, Chief – The Police Department staff totals 157, of which 123 are sworn officers, and have approximately 24 persons in the Police Reserves unit. The bulk of the staffing is in the Patrol Division, which provides around-the-clock police patrol in the City, including traffic control, plus other services as might be required for general safety and welfare. Another police service area is Police Investigations, providing special investigative services to and for the City in criminal proceedings as well as license inspections and crime prevention. In addition, the Police Department has a Pro Active Police Services unit that provides specialized services to residents and businesses on creative solutions to deter crime.

Public Works Department: Karl Keel, Director – This department has 183 full-time employees organized in six divisions – Maintenance (33), Utilities (64), Engineering (28), Park Maintenance (28), Public Works Administration (5), and Fleet and Facilities (25). Seasonally, with the addition of part-time and temporary positions, the total number of Public Works employees approaches 250. The department's typical annual operating budget is approximately $50 million. The department is responsible for the planning, design, operations and maintenance of Bloomington's public infrastructure including streets, vehicle fleet, water treatment plant, water distribution, sanitary sewer collection, storm water, parks and city facilities. In addition, the department provides technical and labor support to other city departments and functions.

Information Technology Department: Amy Cheney, Chief Information Officer – The Information Technology (IT) Department has 17 team members who support the City's full-time, part-time, elected, and volunteer technology users. IT is responsible for implementing and maintaining computer systems that are secure and effective in assisting internal departments with meeting established goals and completing daily operations. There are currently two divisions within IT. Enterprise Solutions is responsible for network and communication infrastructure, computer deployment, and enterprise systems such as E-mail and the City's Enterprise Resource Planning system. Implementation and Development is responsible for implementing new software applications and maintaining many of the City's over 120 existing applications.

Legal Department: Melissa Manderschied, City Attorney – The Legal Department has 13 full-time employees who provide legal counsel to the City Council, Advisory Boards and Commissions, the City Manager, and other City Departments. Attorneys also prosecute non-felony criminal offenses occurring within the City. Along with the City Attorney, there are 2 Deputy City Attorneys (1 Civil and 1 Criminal). There are 6 Assistant City Attorneys (2 Civil and 4 Prosecution). There are also 4 supporting staff consisting of 1 Office Support Specialist, 1 Crime Victim Liaison, and 2 Paralegals.

Administration Department: Jamie Verbrugge, City Manager – The Administration Department consists of three divisions with 20 full-time employees that include the City Manager's Office with 6 employees, the Human Resources Division with 6 employees, and the City's Clerk Office with 8 employees. The City Manager's Office leads and manages the daily operations of the City in accordance with the policy directives, strategic priorities, and resource allocations of the City Council. The Human Resources (HR) Division coordinates staff recruitment and hiring, designs employee benefit programs, and conducts employee relations activities for all City employees. HR also develops and implements classification and compensation systems as well as employment rules and polices. The activities of the City Clerk's Office include elections, business licenses, passports, data governance of City records, and general data requests.

Labor Contracts

The City has five collective bargaining units that cover 32 percent of its full-time workforce. Two are represented by the American Federation of State, County and Municipal Employees (AFSCME), including the 52-member Professional/Technical unit and the 6-member Assistant City Attorneys unit. The others are the 97 police officers represented by the Bloomington Police Officers Federation (BPOF), the 22 police supervisors (Sergeants and Commanders) represented by Law Enforcement Labor Services (LELS), and the 8 civilian police and fire dispatchers represented by the International Association of Fire Fighters (IAFF). The City currently has a contract in place for 2021-23 with the IAFF unit, and a contract in place for 2022-23 with the Professional/Technical unit of AFSCME. The City is currently in negotiations with the remaining four collective bargaining units.

Bloomington Housing and Redevelopment Authority (HRA)

Aarica Coleman has been the Administrator of the HRA since November 2020. The HRA encompasses the entire City of Bloomington. The HRA has taxing and bonding powers, but all general obligation bonds for redevelopment projects are issued by the City. The HRA concentrates its efforts on grants and loans for the improvement of low and moderate income housing and on both business and housing redevelopment projects. Lower-rent, multifamily housing is also receiving attention, with several projects completed and others in various stages of planning.

Bloomington Port Authority (Port Authority)

Karla Hendersen serves as the Interim Port Authority Administrator and has served in this position since the summer of 2022. The Port Authority was created by the City to provide a coordinated, cost-effective approach for private and public development within various development districts that may be established throughout the City. The Port Authority's boundaries encompass the entire City and the Port Authority is governed by commissioners appointed by the Mayor and confirmed by the City Council. The Port Authority has limited taxing powers, but has extensive authority to issue bonds or notes for public improvements and land development. The Port Authority may issue general obligation bonds secured by a pledge of the full faith and credit and taxing powers of the City with the consent of the City Council. The City guarantees certain Port Authority debt and manages the Port Authority's day-to-day operations.

Boards and Commissions

A valuable adjunct to the City Council's decision-making process is a network of nine Boards and Commissions, including the Advisory Board of Health; Charter Commission; Creative Placemaking Commission; Human Rights Commission; Local Board of Appeal and Equalization; Merit Board; Parks, Arts and Recreation Commission; Planning Commission; and Sustainability Commission. These Boards and Commissions all report directly to the City Council.

City Services and Improvements

<u>Current City Development</u>

Total project valuation for all building permits issued in 2021 was $389,171,071. The majority of new development continues to focus on the I-494 corridor, where excellent access to employment, improving transit service, and focused land use plans position the City well for future growth. There are also a number of business office additions and new industrial building expansions.

Outsourcing Parts and Warehouse Operations

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

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

Park System Master Plan

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

The City's park and recreation system is extensive including 97 parks, 45 playgrounds, 2 golf courses, regional parks, cultural resources, and special use facilities including the Bloomington Ice Garden, Center for the Arts, and Family Aquatic Center. These parks and facilities have been identified by over 80% of city residents as contributing highly to their quality of life. Neighborhood and community parks are distributed throughout the City so that 87% of residents are within a 10-minute walk from parks or green space. Parks, open spaces, and facilities are a critical part of everyday resident's lives and make up 36% of the City's land.

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

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

CITY FINANCIAL POLICIES AND PRACTICES

Employee Pensions

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing multiple-employer retirement plans. In addition, Volunteer firefighters of the Bloomington Fire Department are covered by a defined benefit plan administered by the Bloomington Firefighters Relief Association. The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 69.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Comprehensive Financial Reports. An excerpt of the City's Annual Comprehensive Financial Report for fiscal year ended December 31, 2021, is included as Appendix F of this Official Statement.

Other Postemployment Benefits

The City has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City's OPEB liabilities and associated contributions are represented in the City's Annual Comprehensive Financial Reports. An excerpt of the City's Annual Comprehensive Financial Report for fiscal year ended December 31, 2021, is included as Appendix F of this Official Statement.

Sources: City's Annual Comprehensive Financial Reports.

Cash Flow and Tax Collections

The City uses its General Fund balance to finance operations until tax receipts come in and has not engaged in tax anticipation borrowing. Taxes flow to the City starting in July of the collection year, when it receives approximately 49% of its levy. The second settlement, also about 49% of the total levy, is received in December. The final settlement is received in January of the following year.

Local Lodging, Admission, and On-Sale Liquor Taxes

The City currently imposes and collects a 7% lodging tax, a portion (2/7) of which goes to the Bloomington Convention and Visitors Bureau. As of April 30, 2022, $2,688,565 (consisting of $2,075,438 for lodging and $613,127 for admission) represents revenues from a 3% entertainment and admissions tax and a portion (3/7) of the City's 7% lodging tax, which was recorded in the City's General Fund.

The total amount directed to the South Loop Capital Improvement Fund is comprised of the 3% on-sale liquor tax and a portion of the 7% lodging tax (2/7 or $1,383,622 for lodging and $536,510 for liquor as of April 30, 2022).

City Budget Process

Budget work-up for the following two calendar years begins in March of the even numbered years and the final proposed budget and tax levy is certified by September 15 under State law. A series of notices, publications and budget meetings are then established by the City Council under State law for purposes of discussion and public input. Budget and tax levy deliberations for the following budget year are conducted between September 15 and December 20 of each year. The final levy is certified on or before five working days after December 20. The budget, as adopted, can be later modified by the City Council, but appropriations can be increased only if additional revenues can also be shown (pursuant to Section 7.08 of the City Charter). In odd numbered years budgets developed for the following year are reviewed and fine-tuned before final budgets are adopted.

Awards

The City has received the Distinguished Budget Presentation Award for its Budget Document from the Government Finance Officers Association (GFOA) from 1997 through 2021, and the Popular Annual Financial Report Award from the GFOA for the years 1998 through 2003 and 2005 through 2021. The City has also received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for its Annual Comprehensive Financial Report from 1971 through 2020.

Ten-Year Capital Improvement Plan

The City utilizes a ten-year Capital Improvement Plan, outlining projected costs and probable sources of funding for proposed various capital improvement projects. Any unreserved fund balances of the Park Development Fund and the Facility and Park 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 ten-year Capital Improvement Plan indicates the totals below for the ten-year period of 2022 through 2031:

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

Claims and Litigation

The City has no pending or threatened litigation or any claims or assessments that, in its opinion, would materially affect its ability to perform its obligations to the holders of the securities being offered, including the effects of legal proceedings on the securities being offered and on the source of payment thereof. Further, no unasserted claims or assessments are believed to have any reasonable possibility of an unfavorable effect. The City usually has, at any given time, a number of lawsuits pending relating to land development, constitutionality of laws and ordinances, and municipal liability and automobile liability claims. None of these lawsuits or claims are expected to exceed the policy limits or the statutory liability limits.

The City carries the following business and property loss insurance policies and coverages:

	Coverage	Deductible
Municipal General Liability	$2,000,000 per occurrence/ $3,000,000 aggregate	$100,000 per occurrence/ $275,000 aggregate
Real and Personal Property blanket	$266,239,149	$50,000 per occurrence
Inland Marine	$15,403,094	$50,000 per occurrence
Crime	$250,000	$50,000 per occurrence
Faithful Performance Bond	$1,000,000	$50,000 per occurrence
Commercial Auto	2,000,000	$50,000 per occurrence
Worker's Compensation	Self-insured	$500,000 catastrophic loss
Health Care Professionals	$1,500,000 per occurrence/ $3,000,000 aggregate	$10,000 per claim
Liquor Liability	$1,000,000 per occurrence/ $2,000,000 aggregate	$1,000 per occurrence
Equipment Breakdown	$100,000,000	$5,000 per occurrence

The City also had a cash balance of $7.5 million in its Self-Insurance Fund as of April 30, 2022, from which to pay claims and expenses.

Major General Fund Revenue Sources

Revenue	2017	2018	2019	2020	2021
Property taxes	$43,645,095	$45,566,902	$47,796,539	$50,237,596	$53,057,960
Lodging and admissions tax	9,393,619	10,462,313	10,500,320	3,354,406	6,414,535
Business licenses	5,191,270	6,354,508	6,875,207	6,536,353	6,021,565
Intergovernmental	2,655,199	2,719,342	3,115,263	4,579,217	5,821,918
Transfers from other funds	3,917,820	3,701,068	2,403,645	8,377,016	5,003,001
Fiscal disparities	3,119,896	3,099,268	3,274,803	3,072,584	3,473,774

Sources: City's Annual Comprehensive Financial Reports.

Coronavirus (COVID-19) Financial Assistance

On March 11, 2020, the World Health Organization proclaimed the novel strain of Coronavirus (COVID-19) to be a pandemic. COVID-19 has had varied economic and social impacts, and governments and private industries have taken various measures in an effort to limit the spread of the virus. While the City continues to monitor the spread of COVID-19, the City is not able to predict and makes no representations as to any impacts the pandemic may have on the City or its financial position.

The City appointed a Community Budget Advisory Committee (the "Committee") in May 2020, which consisted of nine community members with knowledge of municipal budgets and the City government. The Committee met weekly from June through October and reviewed the City's budget and services and engaged community members in discussions to provide recommendations to the City Council to ensure that proposed budget reductions for the 2021 Budget are reflective of the community's preferences. Additional information regarding the Committee can be found on the City's website: https://www.bloomingtonmn.gov/cob/community-budget-advisory-committee.

The City received $6.8 million of CARES funds and of which approximately $5.1 million was used to reimburse the City's General Fund for qualifying costs. The overall impact on the General Fund, after factoring in the CARES funding, is shown on page 39.

The American Rescue Plan Act of 2021 was signed into law on March 11, 2021. This COVID-19 relief package provides an additional $350 billion of funding for state and local governments. The City expects to receive $11.4 million from this funding source, with half received in May of 2021 and the remaining half in May of 2022. The City is currently identifying eligible uses for these funds which are required to be spent by December 31, 2024.

GENERAL FUND SUMMARY OF REVENUES AND EXPENDITURES

	2021 Budget	2021 Projected	2022 Budget
REVENUES:			
Property taxes	$ 56,782,093	$ 56,599,636	$ 57,471,203
Lodging and admissions tax	4,816,946	6,338,152	7,573,480
Licenses/Permits	5,724,523	6,021,565	5,689,165
Fines	500,000	359,334	500,000
Intergovernmental	3,638,043	5,821,918	5,197,686
Program income	2,239,842	1,938,901	2,185,312
Interest	150,000	(359,734)	150,000
Other	992,245	1,439,991	988,345
Transfers	4,610,236	5,003,001	5,545,981
Total Revenues	$ 79,453,928	$ 83,162,764	$ 85,301,172
EXPENDITURES:			
City Council	$ 530,068	$ 494,081	$ 524,816
Administration	2,542,461	2,486,919	2,925,563
Legal	1,874,627	1,864,714	2,060,920
Finance	1,118,795	1,162,090	1,502,591
Police	28,243,374	27,356,191	28,737,163
Fire	5,290,782	5,235,770	6,765,460
Community Development	9,414,183	9,343,162	10,146,069
Community Services	5,999,574	6,918,860	7,812,069
Parks and Recreation	9,898,838	9,085,610	4,269,197
Public Works	13,853,325	11,922,837	19,726,808
Contingency/Estimated Unexpended	687,901	-	830,516
Transfers	-	3,790,700	-
Total Expenditures	$ 79,453,928	$ 79,660,934	$ 85,301,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 3,501,830	$ -
Fund Balance at Beginning of Year	$ 39,064,038	$ 39,064,038	$ 42,565,868
Fund Balance at End of Year	$ 39,064,038	$ 42,565,868	$ 42,565,868

Source: The City.

BOOK ENTRY

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF BOND COUNSEL OPINION

Kennedy & Graven
CHARTERED

Offices in
Minneapolis
Saint Paul
St. Cloud

Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

$11,875,000
City of Bloomington, Minnesota
General Obligation Permanent Improvement Revolving
Fund Bonds of 2022
Series 56

We have acted as bond counsel to the City of Bloomington, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Permanent Improvement Revolving Fund Bonds of 2022, Series 56 (the "Bonds"), originally dated September 8, 2022, and issued in the original aggregate principal amount of $11,875,000. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from revenues credited to the Issuer's permanent improvement revolving fund, including special assessments levied or to be levied on property specially benefited by local improvements, and from ad valorem taxes for the Issuer's share of the cost of the improvements, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property in the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations for tax years beginning after December 31, 2022 and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable

net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated September 8, 2022 at Minneapolis, Minnesota.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$11,875,000
City of Bloomington, Minnesota
General Obligation Permanent Improvement Revolving
Fund Bonds of 2022
Series 56

September 8, 2022

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Bloomington, Minnesota (the "Issuer") in connection with the issuance of its General Obligation Permanent Improvement Revolving Fund Bonds of 2022, Series 56 (the "Bonds"), in the original aggregate principal amount of $11,875,000. The Bonds are being issued pursuant to a resolution adopted by the City Council of the Issuer (the "Resolution"). The Bonds are being delivered to Raymond James & Associates, Inc., as syndicate manager (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolution, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Permanent Improvement Revolving Fund Bonds of 2022, Series 56, issued by the Issuer in the original aggregate principal amount of $11,875,000.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the deemed final Revised Final Official Statement, dated August 23, 2022, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Issuer" means the City of Bloomington, Minnesota, which is the obligated person with respect to the Bonds.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means Raymond James & Associates, Inc., as syndicate manager.

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2022, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. City Property Values
2. City Indebtedness
3. City Tax Rates, Levies and Collections

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolution and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolution requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF BLOOMINGTON, MINNESOTA

____
Mayor

____
City Manager

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

PROPERTY VALUATIONS (CHAPTER 273, MINNESOTA STATUTES)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to $413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the City's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

PROPERTY TAX PAYMENTS AND DELINQUENCIES (CHAPTERS 275, 276, 277, 279-282 AND 549, MINNESOTA STATUTES)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

PROPERTY TAX CREDITS (CHAPTER 273, MINNESOTA STATUTES)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

DEBT LIMITATIONS

All Minnesota municipalities (counties, cities, towns, and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Bonds issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

2. Warrants or orders having no definite or fixed maturity.

3. Bonds payable wholly from the income from revenue producing conveniences.

4. Bonds issued to create or maintain a permanent improvement revolving fund.

5. Bonds issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.

8. Bonds to repay loans made under Minnesota Statutes, Section 216C.37.

9. Bonds to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.

10. Bonds issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

11. Bonds issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

LEVIES FOR GENERAL BOND DEBT
(SECTIONS 475.61 AND 475.74, MINNESOTA STATUTES)

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

METROPOLITAN REVENUE DISTRIBUTION (CHAPTER 473F, MINNESOTA STATUTES)
"FISCAL DISPARITIES LAW"

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS

Property Type	Local Tax Payable 2018-2022
Residential Homestead (1a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Residential Non-homestead	
Single Unit (4bb)	
Up to $500,000	1.00%
Over $500,000	1.25%
2-3 unit and undeveloped land (4b1)	1.25%
Market Rate Apartments	
Regular (4a)	1.25%
Low-Income (4d)	
Up to $100,000[3]	0.75%
Over $100,000[3]	0.25%
Commercial/Industrial/Public Utility (3a)	
Up to $150,000	1.50%[1]
Over $150,000	2.00%[1]
Electric Generation Machinery	2.00%
Commercial Seasonal Residential	
Homestead Resorts (1c)	
Up to $600,000	0.50%
$600,000 - $2,300,000	1.00%
Over $2,300,000	1.25%[1]
Seasonal Resorts (4c1)	
Up to $500,000	1.00%[1]
Over $500,000	1.25%[1]
Non-Commercial (4c12)	
Up to $500,000	1.00%[1][2]
Over $500,000	1.25%[1][2]
Disabled Homestead (1b)	
Up to $50,000	0.45%
Agricultural Land & Buildings	
Homestead (2a)	
Up to $500,000	1.00%
Over $500,000	1.25%
Remainder of Farm	
Up to $1,890,000[4]	0.50%[2]
Over $1,890,000[4]	1.00%[2]
Non-homestead (2b)	1.00%[2]

(1) State tax is applicable to these classifications.

(2) Exempt from referendum market value-based taxes.

(3) Legislative increases, payable 2022. Historical valuations are: Payable 2021 - $174,000; Payable 2020 - $150,000; Payable 2019 - $139,000; and Payable 2018 - $121,000.

(4) Legislative increases, payable 2022. Historical valuations are: Payable 2021 - $1,890,000; Payable 2020 - $1,880,000; Payable 2019 - $1,900,000; and Payable 2018 - $1,940,000.

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First $76,000 – 0.40%; $76,000 to $500,000 – 1.00%; and over $500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City's financial statements are audited annually by the independent certified public accounting firm HLB Tautges Redpath, Ltd. in conformance with generally accepted accounting principles. Data on the following pages was extracted from the City's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. The reader should be aware that the complete audit may contain additional information which may interpret, explain or modify the data presented here. The City's Annual Comprehensive Financial Reports can be found at http://www.bloomingtonmn.gov/.

The City's Annual Comprehensive Financial Report for the year ended December 31, 2020 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The City has submitted its Annual Comprehensive Financial Report for the 2021 fiscal year to GFOA.

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 Annual Comprehensive Financial Report 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 has received the Certificate of Achievement each year since 1971.

PRINCIPALS
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Bloomington, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bloomington, Minnesota (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

(continued)

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

(continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and other supplementary information – component units, as listed in the table of contents, are presented for purpose of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other supplementary information – component units are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior Year Comparative Information

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

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

Minneapolis, Minnesota
June 21, 2022

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the 2021 fiscal year by $705.5 million (*net position*). Of this amount, $132.5 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, $32.5 million is restricted for debt service, $33.4 million is restricted for fire pension, $24.3 million is restricted for tax increment, $1.5 million is restricted for street reconstruction, $10.4 million is restricted for other purposes, and $470.9 million is the City's net investment in capital assets.

- The City's net position increased by $42.7 million. The general revenues overall decrease of $5.4 million included several factors. Business taxes increased $5.1 million as a result of the slow ending of the pandemic and the positive rebounding effects on the hotel and amusement industries, property taxes increased $755,000 as the levy slightly increased and market values rose sharply in the residential arena. Grants and contributions not restricted decreased as a result of the $6.8 million of Coronavirus Aid, Relief, and Economic Security Act (CARES) funding in 2020, investment earnings decreased $5.2 million as interest rates decreased widely and the fair value adjustment of investments was a decrease of $2.6 million.

- As of December 31, 2021, the City's governmental funds had combined fund balances of $153.7 million, an increase of $13.1 million in comparison with the prior year. Including committed, assigned, and unassigned fund balances, approximately 63% of the total fund balances are available to meet the City's current and future needs. The remaining 37% is a combination of nonspendable and restricted for mostly grants, debt service, and capital projects.

- At the end of the current fiscal year, total fund balance for the General Fund was $42.6 million, or 56.1% of actual total General Fund expenditures. This compares to $39.1 million from the prior year, an increase of $3.5 million. The General Fund working capital goal policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues or expenditures. As of December 31, 2021, the fund balance of the General Fund was within or above this range. $2.1 million of this positive performance has been committed for budgeted carryover amounts unspent in 2021 and future projects open purchase order contracts at the end of 2021 that were carried over to the 2022 budget.

- In 2021 the Net Pension liability decreased $16,211,355 due to changes in actuarial assumptions with the General Employee Retirement Fund (GERF) and Public Employees Police and Fire Fund (PEPFF) in addition to overall good investment returns. The pension related net deferred inflows and outflows increased in both the GERF and PEPFF funds as a result of changes in actuarial assumptions.

- The estimated market value for all taxable property is at $14.7 billion for assessment year 2020 (payable in 2021). After fifteen years of steadily increasing market values peaking in 2008 at $11.8 billion, values declined as a result of the worldwide "Great Recession" before bottoming in assessment years 2012 and 2013 at $9.9 billion. Total market value has been growing since and has now surpassed the 2008 peak by 24.6%. This growth trend continued for assessment year 2021 payable 2022 as continued strength in residential and multi-family markets more than offset commercial value losses due to COVID-19.

- Entity-wide, the City recorded $22.3 million in depreciation expense on its capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The governmental activities of the City include general services, development services, public works, public safety, and community services. The business-type activities of the City include water/wastewater utility, storm water utility, recreational facilities, solid waste management, contractual police, and motor vehicle operations.

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

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

The government-wide financial statements can be found on Exhibits 1 and 2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water/wastewater utility, storm water utility, recreational facilities, solid waste management, contractual police, and motor vehicle operations.

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

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

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

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

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

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 70-127 of this report.

Other Information

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

CITY OF BLOOMINGTON'S NET POSITION

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

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

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

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

CITY OF BLOOMINGTON'S CHANGES IN NET POSITION

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

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

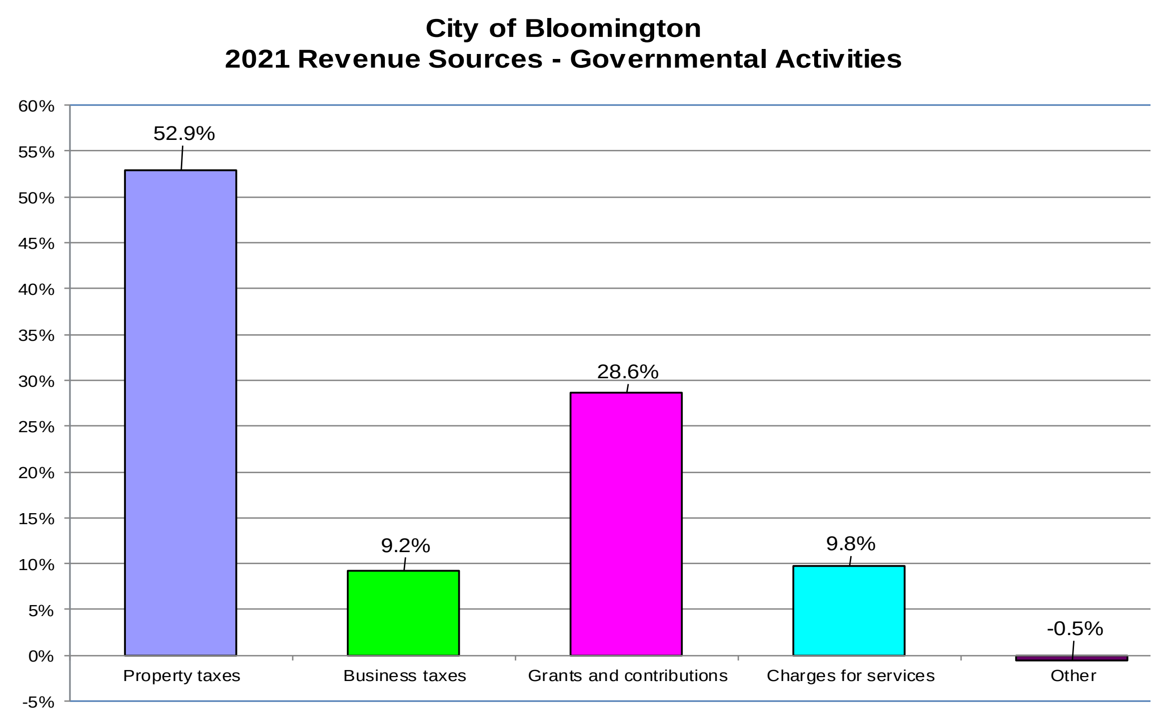
Governmental activities

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

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

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

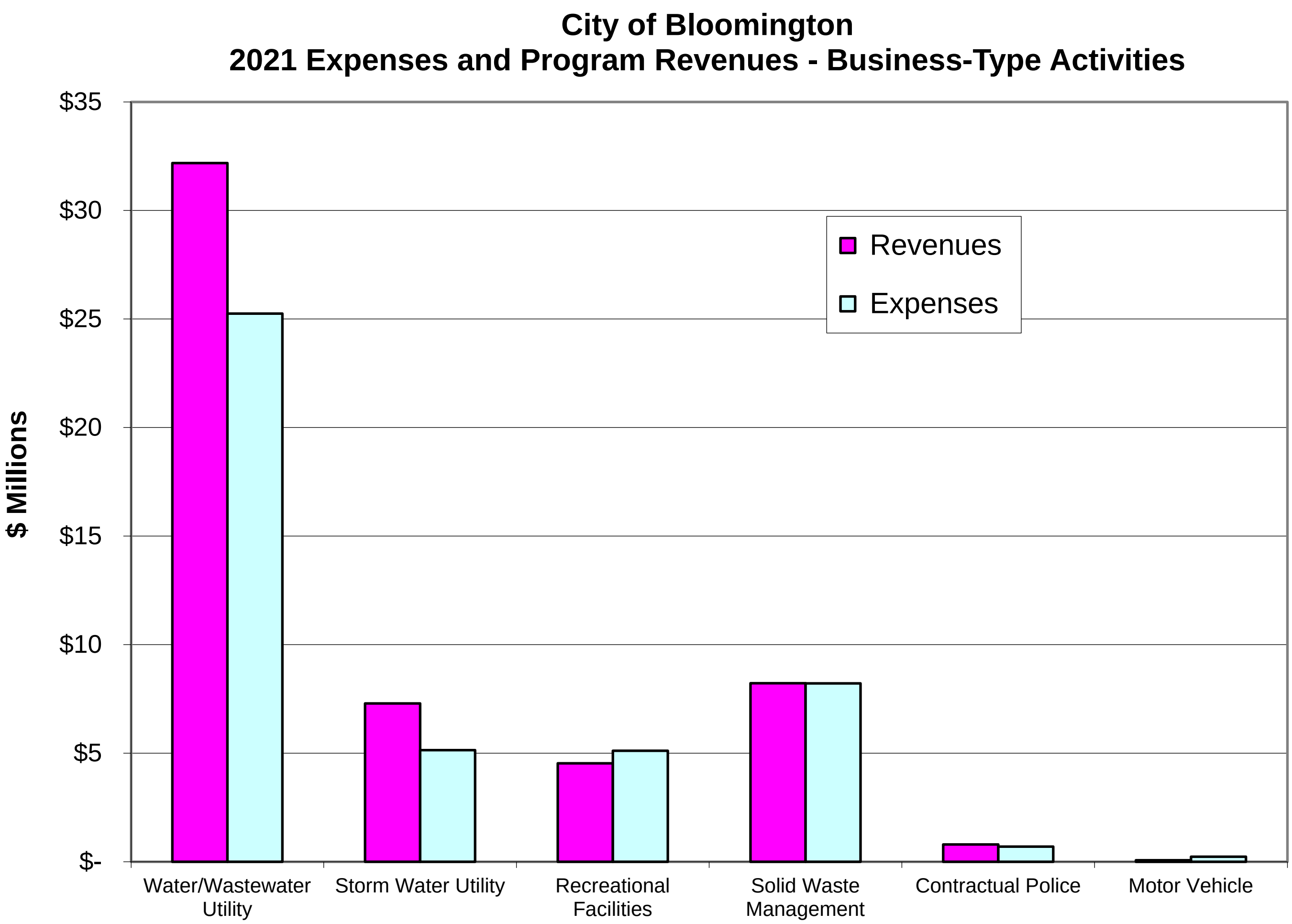
Governmental activities expenses decreased by $2.4 million in 2021. General services expenses decreased $1.7 million and public safety expenses decreased $2.1 million. These decreases are due to positive investment performance in the pension plan. Public works expenses increased by $1.7 million due to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



Business-type activities

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

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



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

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

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

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

Revenues by Source
Governmental Funds

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

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

Expenditures by Function
Governmental Funds

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

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

Long-term Debt

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

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

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

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

SUBSEQUENT ECONOMIC IMPACT

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

REQUESTS FOR INFORMATION

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

CITY OF BLOOMINGTON, MINNESOTA
Statement of Net Position
December 31, 2021

EXHIBIT 1

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

See notes to the basic financial statements.

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

EXHIBIT 2

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

See notes to the basic financial statements.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUND

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

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

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

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

See notes to the basic financial statements.

EXHIBIT 3

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

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

EXHIBIT 4

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 153,687,843
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	$ 588,609,621	
Less accumulated depreciation	(206,963,537)	381,646,084
Governmental funds do not report a liability for accrued interest until due and payable.		(614,495)
Internal service funds are used by management to charge the costs of various services provided to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Internal service fund net position per statements	35,871,765	
Add allocation to business-type activities	2,089,926	37,961,691
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(61,843,540)
A portion of other post employment benefits (OPEB) was not paid in the current period and, therefore, not reported in the governmental funds.		
Total OPEB liability	(11,451,187)	
Deferred outflows of resources - OPEB plan deferments	1,675,567	
Deferred inflows of resources - OPEB plan deferments	(1,641,440)	(11,417,060)
Bond premiums are reported as other financing sources in the governmental funds at the time of issuance. In the Statement of Net Position, these costs are amortized over the life of the debt issue.		(3,783,787)
Amounts due from component units-bonds payable are not reflected in the governmental funds and, therefore, must be added to reconcile to the total net position of governmental activities.		2,619,587
Amounts pertaining to the Bloomington Fire Relief Association pension plan are not current financial resources and, therefore, are not reported in governemental funds:		
Net pension asset	55,703,729	
Deferred outflows of resources	3,247,439	
Deferred inflows of resources	(25,589,083)	33,362,085
Other long-term assets related to delinquent property taxes, land held for resale, and special assessments are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		44,261,023
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 575,879,431

See notes to the basic financial statements.

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

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

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

EXHIBIT 5

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

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

EXHIBIT 6

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 13,084,597
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized (subject to the City's capitalization policy) and depreciated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 16,674,945	
Depreciation expense	(13,354,585)	
Loss on disposal of capital assets	(45,648)	3,274,712
The issuance of long-term debt (e.g., bonds payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Debt issued	(7,520,000)	
Principal paid	7,655,000	135,000
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		(555,454)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the change in accrued interest payable, the total other post employment benefits (OPEB) obligation, and related deferred items.		(674,081)
Internal service funds are used by management to charge the costs of various services provided to individual funds. The net revenues of certain activities of internal service funds are reported with governmental activities.		
Change in internal service fund net position per statements	6,604,868	
Add allocation to business-type activities	(1,058,707)	5,546,161
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		2,872,603
Interest revenue on Due from Component Units is not recorded in the governmental funds until received but reported in the Statement of Activities when earned.		10,709
Governmental Funds report Fire Department pension contribution as expenditures, however pension expense is reported in the statement of activities. This is the amount by which pension expense exceeded pension contributions.		
Pension Expense		8,772,542
Repayments of Due from Component Units are treated as revenues in the governmental funds but reported as a reduction of the receivable in the Statement of Net Position. Bond proceeds loaned to the component unit are treated as expenditures in the governmental funds but reported as an increase in the receivable in the Statement of Net Position.		(560,000)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 31,906,789

See notes to the basic financial statements.

MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

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

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

CITY OF BLOOMINGTON, MINNESOTA
Statement of Fund Net Position
Proprietary Funds
December 31, 2021

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

See notes to the basic financial statements.

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

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(2,089,926)
Net position of business-type activities	$ 129,581,250

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

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

See notes to the basic financial statements.

	Solid Waste Management	Nonmajor Proprietary Funds	Total	Governmental Activities - Internal Service Funds
	$ 8,065,044	$ 867,654	$ 51,216,380	$ 42,936,773
	19,140	360	51,534	52,556
	8,084,184	868,014	51,267,914	42,989,329
	279,584	910,401	10,775,178	14,657,658
	7,962,124	47,906	18,505,792	16,745,883
	-	-	4,379,885	4,528,939
	-	-	4,219,476	-
	-	-	7,315,820	-
	8,241,708	958,307	45,196,151	35,932,480
	(157,524)	(90,293)	6,071,763	7,056,849
	185,000	-	2,129,649	-
	-	-	19,046	-
	122,690	-	191,305	30,759
	9,839	220	211,606	384,564
	(10,307)	(1,866)	(353,531)	(613,395)
	-	-	638	392,033
	-	-	6,692	39,469
	-	-	(444,705)	(1,387)
	307,222	(1,646)	1,760,700	232,043
	149,698	(91,939)	7,832,463	7,288,892
	17,535	-	1,577,674	-
	-	-	695,000	2,599,699
	(309,000)	(100,220)	(409,220)	(3,283,723)
	(141,767)	(192,159)	9,695,917	6,604,868
	1,945,197	191,251		29,266,897
	$ 1,803,430	$ (908)		$ 35,871,765
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,058,707	
Change in net position of business-type activities (Exh. 2)			$ 10,754,624	

CITY OF BLOOMINGTON, MINNESOTA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

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

See notes to the basic financial statements.

EXHIBIT 9

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

FIDUCIARY FUNDS

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

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

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

EXHIBIT 10

	Private-Purpose Trust
ASSETS	
Total Assets	$ -
NET POSITION	
Restricted for trust purposes	$ -

See notes to the basic financial statements.

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

EXHIBIT 11

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

See notes to the basic financial statements.

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:

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

Port Authority of the City of Bloomington (Port Authority)

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

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

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

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

B. GOVERNMENT-WIDE AND FUND ACCOUNTING

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

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

The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's activities. This statement demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

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

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

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

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

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

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

- *General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. This fund records revenues such as property tax revenues, licenses and permits, fines and penalties, intergovernmental revenues, and interest earnings. Most of the current day-to-day operations of the governmental units are financed from this fund.

- *Community Development Block Grant Fund* - This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974. Revenues of the fund are restricted for housing and development purposes.

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

- *Capital Projects Fund* - This fund accounts for funds and monies required for financing land acquisitions, construction, park development, and equipment related to public facilities. This fund also accounts for the state allotment of gasoline tax collections for road construction and for transitional costs for capital construction.

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

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

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

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

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

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

Other funds - The City reports the following other funds:

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

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

C. BASIS OF ACCOUNTING

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

Governmental Funds:

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

Basis of Accounting - Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

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

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

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

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

Proprietary and Fiduciary Funds:

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

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

Operating versus Non-operating Items - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the City’s enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. BUDGETS

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

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

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

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

Legal Compliance - Budgets

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The General and special revenue funds are legally adopted through the budgetary process as documented herein.

2. Public hearings are conducted to obtain taxpayer comments.

3. Both the General Fund and special revenue fund budgets are legally enacted through passage of resolutions.

4. Monitoring of budgets is maintained at the expenditure category level within each activity. Budgetary monitoring, by department, division, and by category is required by the City Charter. Management may alter the budget within a department but cannot exceed the total budgeted expenditures for that department unless approved by the City Council. The City Council may authorize transfers of budgeted amounts between departments or funds. These budget amendments must be approved by the City Council.

5. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for capital projects funds is accomplished through the use of project controls.

6. General Fund expenditures may not legally exceed budgeted appropriations at the departmental level. Special revenue fund expenditures may not legally exceed budgeted appropriations at the fund level.

E. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

G. INVENTORIES AND PREPAID ITEMS

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

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

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

H. CAPITAL ASSETS

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

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

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

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

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

J. COMPENSATED ABSENCES

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

K. LONG-TERM OBLIGATIONS

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

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

L. CONDUIT DEBT OBLIGATIONS

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

M. NET POSITION

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

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

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

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

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

N. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

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

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

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

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

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

O. INTERFUND TRANSACTIONS

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

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

S. USE OF ESTIMATES

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

T. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

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

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. DEPOSITS

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

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

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

B. INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. CAPITAL ASSETS

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

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

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

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

4. COMMITMENTS

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

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

5. RISK MANAGEMENT

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

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

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

6. LONG-TERM LIABILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

General Obligation (G.O.) Tax Increment Bonds:						
2011B Serial G.O. TIF Refunding Bds Nov-11	Refund 2003 & 2004 TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2013 - 2032	2,534,303
2016A Serial G.O. TIF Bonds Dec-16	Housing developments	TIF Revenue	100%	n/a	2018 - 2022	423,360
2019C Serial G.O. TIF Bonds Dec-19	Housing developments	TIF Revenue/Tax Levy Developer Loan Revenue	16%/3% 81%	n/a	2020 - 2038	11,799,232
2020B Serial G.O. TIF Refunding Bds Dec-20	Refund 2011B TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2021 - 2032	2,130,726
Business-type activities:						
Enterprise Bonds:						
2017B Water Utility May-17	Water system improvements	Utility revenues	100%	n/a	2018-2027	801,853
2018D Storm Water Utility Dec-18	Storm w ater utility	Special Assessments Utility revenues	10% 90%	n/a	2020-2034	12,583,706
2019A Charter Bonds May-19	Ice Garden improvements	Debt Service Tax Levy	100%	n/a	2021-2030	1,711,172

General Obligation (G.O.) Bonds:

- 2017A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the $1,420,000 bonds issued in May 2017. Proceeds from the bonds were used to replace playground equipment in parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $953,425, payable through February 2027. For the current year, principal and interest paid and total tax levy revenues were $159,500 and $159,500, respectively.

- 2018A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the $1,020,000 bonds issued in June 2018. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $950,900, payable through February 2029. For the current year, principal and interest paid and total tax levy revenues were $117,650 and $117,650, respectively.

- 2018B Taxable Housing Improvement Bonds. The City has pledged special assessment revenue to repay the $920,000 bonds issued in June 2018. Proceeds from the bonds were used to finance various improvements within the Housing Improvement Area. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $1,039,105, payable through February 2034. For the current year, principal and interest paid and total special assessment revenues were $81,235 and $81,235, respectively.

- 2019B Charter Bonds. The City has pledged future tax ad valorem revenue to repay the $2,105,000 bonds issued in November 2019. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $2,373,800, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were $216,925 and $216,925, respectively.

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

General Obligation (G.O.) Improvement Bonds:

- <u>2011 PIR, Forty-Five Series</u>. The City has pledged future ad valorem tax levies and special assessments to repay the $7,545,000 bonds issued in November 2011. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 72% and special assessments were projected to produce 28% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $1,343,109, payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were $738,022 and $738,022, respectively.

- <u>2012 PIR Refunding, Thirty-Nine Series</u>. The City has pledged future tax ad valorem levies and special assessments to repay the $5,900,000 bonds issued in June 2012. Proceeds from the bonds refunded the 2004 PIR, 39 Series Bonds on February 1, 2014. Tax levies were projected to produce 43% and special assessments were projected to produce 57% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $2,177,775 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were $589,450 and $589,450, respectively.

- <u>2012 PIR, Forty-Six Series</u>. The City has pledged future ad valorem tax levies and special assessments to repay the $5,615,000 bonds issued in June 2012. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 52% and special assessments were projected to produce 48% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $1,138,375, payable through February 2023. For the current year, principal and interest paid and total tax levy and special assessment revenues were $586,325 and $586,325, respectively.

- <u>2013 PIR Refunding, Forty-Three Series</u>. The City has pledged future tax ad valorem levies and special assessments to repay the $5,135,000 bonds issued in November 2013. Proceeds from the bonds refunded the 2009 PIR, 43 Series Bonds on February 1, 2014. Tax levies were projected to produce 10% and special assessments were projected to produce 90% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $1,633,416, payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were $239,884 and $239,884, respectively.

- <u>2013 PIR, Forty-Seven Series</u>. The City has pledged future ad valorem tax levies and special assessments to repay the $4,180,000 bonds issued in November 2013. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 76% and special assessments were projected to produce 24% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $1,412,929, payable through February 2024. For the current year, principal and interest paid and total tax levy and special assessment revenues were $472,267 and $472,267, respectively.

- 2014 PIR, Forty-Eight Series. The City has pledged future ad valorem tax levies and special assessments to repay the $7,465,000 bonds issued in December 2014. Proceeds from the bonds partially refunded the 2006 PIR, 40 Series Bonds on February 1, 2015 and provided financing for various infrastructure improvements. Tax levies were projected to produce 68% and special assessments were projected to produce 32% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $2,877,263 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were $736,925 and $736,925 respectively.

- 2015 PIR, Forty-Nine Series. The City has pledged future ad valorem tax levies and special assessments to repay the $5,355,000 bonds issued in October 2015. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 57% and special assessments were projected to produce 43% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $3,298,087 payable through February 2036. For the current year, principal and interest paid and total tax levy and special assessment revenues were $586,550 and $586,550, respectively.

- 2016 PIR, Fifty Series. The City has pledged future ad valorem tax levies and special assessments to repay the $6,115,000 bonds issued in December 2016. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 59% and special assessments were projected to produce 41% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $4,535,950, payable through February 2037. For the current year, principal and interest paid and total tax levy and special assessment revenues were $648,050 and $648,050, respectively.

- 2016 PIR Refunding, Forty-One Series and Forty-Two Series. The City has pledged future special assessments to repay the $3,730,000 bonds issued in December 2016. Available cash and proceeds from the bonds refunded the 2007 PIR, 41 Series Bonds and the 2008 PIR, 42 Series Bonds on February 1, 2018. Special assessments were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $2,604,450, payable through February 2029. For the current year, principal and interest paid and total special assessment revenues were $363,100 and $363,100, respectively.

- 2017 PIR, Fifty-One Series. The City has pledged future ad valorem tax levies and special assessments to repay the $4,970,000 bonds issued in December 2017. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $4,095,069, payable through February 2028. For the current year, principal and interest paid and total tax levy and special assessment revenues were $591,938 and $591,938, respectively.

- 2018 PIR, Fifty-Two Series. The City has pledged future ad valorem tax levies and special assessments to repay the $5,270,000 bonds issued in December 2018. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $5,209,337 payable through February 2029. For the current year, principal and interest paid and total tax levy and special assessment revenues were $660,575 and $660,575, respectively.

- 2019 PIR, Fifty-Three Series. The City has pledged future ad valorem tax levies and special assessments to repay the $4,095,000 bonds issued in November 2019. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 81% and special assessments were projected to produce 19% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $4,542,200 payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were $482,725 and $482,725, respectively.

- 2020 PIR, Fifty-Four Series. The City has pledged future ad valorem tax levies and special assessments to repay the $5,385,000 bonds issued in December 2020. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 78% and special assessments were projected to produce 22% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $5,931,775 payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were $97,565 and $97,565, respectively.

- 2021 PIR, Fifty-Five Series. The City has pledged future ad valorem tax levies and special assessments to repay the $4,540,000 bonds issued in November 2021. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is $5,501,722 payable through February 2032. For the current year, principal and interest paid and total tax levy and special assessment revenues were $0 and $0, respectively.

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

- 2011B Serial Refunding Bonds. The City has pledged tax increment revenue to repay the $3,095,000 bonds issued in November 2011. Proceeds from the bonds refunded the 2003 G.O. TIF Bonds and the 2004 G.O. TIF Bonds on February 1, 2013. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is $2,534,303, payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were $228,840 and $228,840, respectively.

- 2016A Serial Bonds. The City has pledged tax increment revenue to repay the $2,045,000 bonds issued in December 2016. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 100% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is $423,360, payable through February 2022. For the current year, principal and interest paid and total tax increment revenues were $424,625 and $424,625, respectively.

- 2019C Serial Bonds. The City has pledged tax increment revenue to repay the $9,648,540 bonds issued in December 2019. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 16%, tax levies were projected to produce 3%, and developer loan revenues of 81% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is $11,799,232 payable through February 2036. For the current year, principal and interest paid and total tax increment, tax levy and developer loan revenues were $212,909 and $212,909, respectively.

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

Enterprise Bonds:

- 2017B Water Utility. The City has pledged future water utility revenues to repay the $1,170,000 bonds issued in May 2017. Utility revenues were projected to produce 100% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for various water system improvements. Total principal and interest remaining on the bonds is $801,853, payable through February 2027. For the current year, principal and interest paid and total water utility revenues were $134,769 and $134,769, respectively.

- 2018D Storm Water Utility. The City has pledged future storm water utility revenues and special assessments to repay the $10,805,000 bonds issued in December 2018. Utility revenues were projected to produce 90% and special assessments were projected to produce 10% of the debt service requirements over the life of the bond issue. Proceeds from the bonds provided financing for storm water system improvements. Total principal and interest remaining on the bonds is $12,583,706, payable through February 2034. For the current year, principal and interest paid and total water utility and special assessment revenues were $991,688 and $991,688, respectively.

- 2019A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the $1,645,000 bonds issued in May 2019. Proceeds from the bonds were used for improvement to the Bloomington Ice Garden. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. The City expects to use money available in the Bloomington Ice Garden enterprise fund to make the debt service payments due on the bonds; however, these funds are not pledged to the repayment of the bonds. Total principal and interest remaining on the bonds is $1,711,172, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were $191,026 and $191,026, respectively.

7. NET POSITION/FUND BALANCES

A. NET INVESTMENT IN CAPITAL ASSETS

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

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

B. GOVERNMENTAL CLASSIFICATIONS

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

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

C. WORKING CAPITAL FUND BALANCE POLICY

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

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

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

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

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

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

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

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

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

9. SEGMENT INFORMATION

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

10. CONTINGENCIES

A. LEGAL CONTINGENCIES

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

B. FEDERAL AND STATE FUNDS

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

C. TAX INCREMENT DISTRICTS

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

11. DEFINED PENSION BENEFIT PLANS

A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)

PLAN DESCRIPTIONS

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

1. General Employees Retirement Fund (GERF)

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

2. Public Employees Police and Fire Fund (PEPFF)

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

BENEFITS PROVIDED

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

1. GERF Benefits

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

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

2. PEPFF Benefits

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

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

CONTRIBUTIONS

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

1. GERF Contributions

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

2. PEPFF Contributions

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

PENSION COSTS

1. GERF Pension Costs

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

   The City's net pension liability reflected a reduction due to the State of Minnesota's (State) contribution of $16 million to the fund in 2021. The State is considered a nonemployer contributing entity and the State's contribution meets the definition of a special funding situation. The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of net pension liability	$	22,167,896
State's proportionate share of the net pension liability associated with the City	$	676,896

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

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

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

Deferred outflows of resources reported $1,516,155 related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2022	$ (799,316)
2023	(102.435)
2024	(202,464)
2025	(5,236,389)
Total	$ (6,340,604)

2. PEPFF Pension Costs

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

The state of Minnesota also contributed $18.0 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of $9.0 million in direct state aid that does meet the definition of a special funding situation and $9.0 million in fire state aid that does not meet the definition of a special funding situation. The $9.0 million direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay $9.0 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The $9.0 million in fire state aid will continue until the fund is 90.0 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0 percent funded, whichever occurs later. Strong asset returns for fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ended 2022.

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

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

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

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

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

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

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

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

ACTUARIAL ASSUMPTIONS

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

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

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

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

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

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

1. GERF

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

2. PEPFF

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

LONG-TERM EXPECTED RETURN ON INVESTMENTS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5%	5.10%
Private markets	25.0	5.90
Fixed income	25.0	0.75
International equity	16.5	5.30
Total	100%	

DISCOUNT RATE

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

PENSION LIABILITY SENSITIVITY

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

	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	$ 45,211,191	$ 22,167,896	$ 3,259,465

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City's proportionate share of the PEPFF net pension liability	$ 29,973,692	$ 9,441,036	$ (7,390,655)

PENSION PLAN FIDUCIARY NET POSITION

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

B. SINGLE EMPLOYER PLAN – BLOOMINGTON FIRE DEPARTMENT RELIEF ASSOCIATION

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

Twenty Year Service Pension

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

Disability Benefits

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

Death Benefits

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

EMPLOYEES COVERED BY BENEFIT TERMS

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

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

CONTRIBUTIONS

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

NET PENSION LIABILITY

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

ACTUARIAL ASSUMPTIONS

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

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

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

The following mortality tables were used in 2021:

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

<u>Post-retirement</u> – 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.

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

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

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

DISCOUNT RATES

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

CHANGES IN THE NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at December 31, 2020	$ 167,869,894	$ 214,574,924	$ (46,705,030)
Charges for the year:			
Service cost	3,670,982	-	3,670,982
Interest on total pension liability	10,094,430	-	10,094,430
Effect of economic/demographic gains or losses	1,531,903	-	1,531,903
Benefit payments	(6,698,326)	(6,698,326)	-
Employer contributions – state aid and City	-	1,379,114	(1,379,114)
Net investment income	-	23,024,350	(23,024,350)
Administrative expense	-	(107,450)	107,450
Net changes	8,598,989	17,597,688	(8,998.699)
Balance at December 31, 2021	$ 176,468,883	$ 232,172,612	$ (55,703,729)

PENSION LIABILITY (ASSET) SENSITIVITY

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

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

PENSION PLAN FIDUCIARY NET POSITION

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

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RLEATED TO PENSIONS

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

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

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

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

C. PENSION EXPENSE

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

GERF	$ (50,635)
PEPFF	(882,564)
Fire Relief	(8,100,203)
Total	$ (9,033,402)

12. <u>POST-EMPLOYMENT BENEFITS</u>

A. PLAN DESCRIPTION

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

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

B. BENEFITS PROVIDED

RETIREES

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

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

ACTIVE DEATH BENEFITS

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

C. CONTRIBUTIONS

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

D. MEMBERSHIP

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

Retirees and beneficiaries receiving benefits	59
Active plan members	547
Total	606

E. TOTAL OPEB LIABILITY OF THE CITY

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

F. ACTUARIAL METHODS AND ASSUMPTIONS

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

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

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

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

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

Future retirees electing coverage is assumed to be 75%.

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

G. CHANGES IN THE TOTAL OPEB LIABILITY

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

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:

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

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

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

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

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

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

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

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

13. RECEIVABLES AND DEFERRED INFLOWS

Receivables not expected to be collected within one year are mortgages receivable of $9,714,526 and deferred special assessments receivable of $13,661,088. Ten percent of the listed receivables are estimated to be collected within one year. The City has a lease receivable of $5,150,000 that has a maturity date of August 1, 2023.

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

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

14. SUBSEQUENT EVENTS

A. Debt Issued

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

B. New Accounting Standards

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

C. COVID-19 Pandemic

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

15. INDIVIDUAL COMPONENT UNIT DISCLOSURES

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

Cash, Cash Equivalents, and Investments

A. DEPOSITS

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

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

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

B. INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

Long-term Debt

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

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

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

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

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

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

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

Due to City

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

Due to Port Authority

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

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

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

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

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

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

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

Governmental Classifications

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

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

Conduit Debt Obligations

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

Cash, Cash Equivalents, and Investments

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

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

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

Cash balances at December 31, 2021 were:

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

Investment balances at December 31, 2021 were:

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

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.

Capital Assets and Land Held for Resale

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

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

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

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

Long-Term Debt and Obligations Due to Primary Government

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

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

	Original Issue	Maturities	Rates	Balance 12/31/21
Governmental activities -				
Due to primary government:				
2011B Crossover Refunding Bonds	$ 3,095,000	2022-2032	3.00-4.35%	$ 2,040,000
2016A GO Tax Increment Bonds	2,045,000	2022	1.40-1.60%	420,000
	5,140,000			2,460,000
Due in more than one year:				
2018C Taxable Lease Revenue Bonds	5,150,000	2023	3.00%	5,150,000
2020A Taxable Revenue Bonds	1,300,000	2023	3.45	1,300,000
	6,450,000			6,450,000
Total	$11,590,000			$ 8,910,000
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
Total	$ 1,574,720			$ 1,574,720

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

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

Debt Service Payments

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

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

Fund Balance Classifications

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

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

Due to the City

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

Due to HRA

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

Due to/Due from Other Funds

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

Deficit Fund Balance and Net Position

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

Conduit Debt Obligations

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

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

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

Mortgages Receivable

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

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

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

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

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

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

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

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

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

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 88th Street in Bloomington. This land was used to construct fifty low-income housing units. The interest rate on the $600,000 loan is 0% and the term is 30 years.

Value in Excess of Purchase Price (VEPP) Agreements

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

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

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

Loans Receivable

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

Equity Participation/Contingent Repayment Agreements

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

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

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

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

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

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

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

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

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, 2021

EXHIBIT A-1

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

EXHIBIT A-2

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Block Grant Fund
Year Ended December 31, 2021

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

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

EXHIBIT A-3

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

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

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

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

EXHIBIT A-4

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	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	$ -	$ 31,663,355	88.2%	78.2%
Jun. 30, 2016	Dec. 31, 2016	0.5236%	$ 42,513,723	$ 555,205	$ 32,489,268	130.9%	68.9%
Jun. 30, 2017	Dec. 31, 2017	0.5297%	$ 33,815,698	$ 425,166	$ 34,121,425	99.1%	75.9%
Jun. 30, 2018	Dec. 31, 2018	0.5087%	$ 28,220,590	$ 925,710	$ 34,192,349	82.5%	79.5%
Jun. 30, 2019	Dec. 31, 2019	0.5023%	$ 27,771,041	$ 863,129	$ 35,546,391	78.1%	80.2%
Jun. 30, 2020	Dec. 31, 2020	0.5213%	$ 31,254,316	$ 963,817	$ 37,171,953	84.1%	79.1%
Jun. 30, 2021	Dec. 31, 2021	0.5191%	$ 22,167,896	$ 676,896	$ 37,368,926	59.3%	87.0%

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

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

EXHIBIT A-5

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

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

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

EXHIBIT A-6

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

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

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

EXHIBIT A-7

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

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

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

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

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

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

EXHIBIT A-8

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

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

EXHIBIT A-9

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

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

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

CITY OF BLOOMINGTON, MINNESOTA

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

1. BUDGETARY INFORMATION

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

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

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

2. PENSION INFORMATION

A. PERA – GENERAL EMPLOYEES RETIREMENT FUND

2021 CHANGES

Changes in Actuarial Assumptions:

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

2020 CHANGES

Changes in Actuarial Assumptions:

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

- The assumed number of married male new retirees electing the 100.0% joint and survivor option changed from 35.0% to 45.0%. The assumed number of married female new retirees electing the 100.0% joint and survivor option changed from 15.0% to 30.0%. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

<u>Changes in Plan Provisions:</u>

- 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

<u>Changes in Actuarial Assumptions:</u>

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

<u>Changes in Plan Provisions:</u>

- 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

<u>Changes in Actuarial Assumptions:</u>

- 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.

<u>Changes in Plan Provisions:</u>

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0% effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00% per year with a provision to increase to 2.5% upon attainment of 90.0% funding ratio to 50.0% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2016 CHANGES

Changes in Actuarial Assumptions:

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

2015 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised, the state's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

B. PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2021 CHANGES

Changes in Actuarial Assumptions:

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

2020 CHANGES

Changes in Actuarial Assumptions:

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

2019 CHANGES

Changes in Actuarial Assumptions:

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

2018 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

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

2017 CHANGES

Changes in Actuarial Assumptions:

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

2016 CHANGES

Changes in Actuarial Assumptions:

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

2015 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

C. FIRE RELIEF PENSION

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

2019 CHANGES

Changes in Actuarial Assumptions:

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

3. OPEB INFORMATION

2021 CHANGES

Changes in Actuarial Assumptions:

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

2019 CHANGES

Changes in Discount Rate:

- In 2019 the discount rate changed to 3.00%.

2018 CHANGES

Changes in Actuarial Assumptions:

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