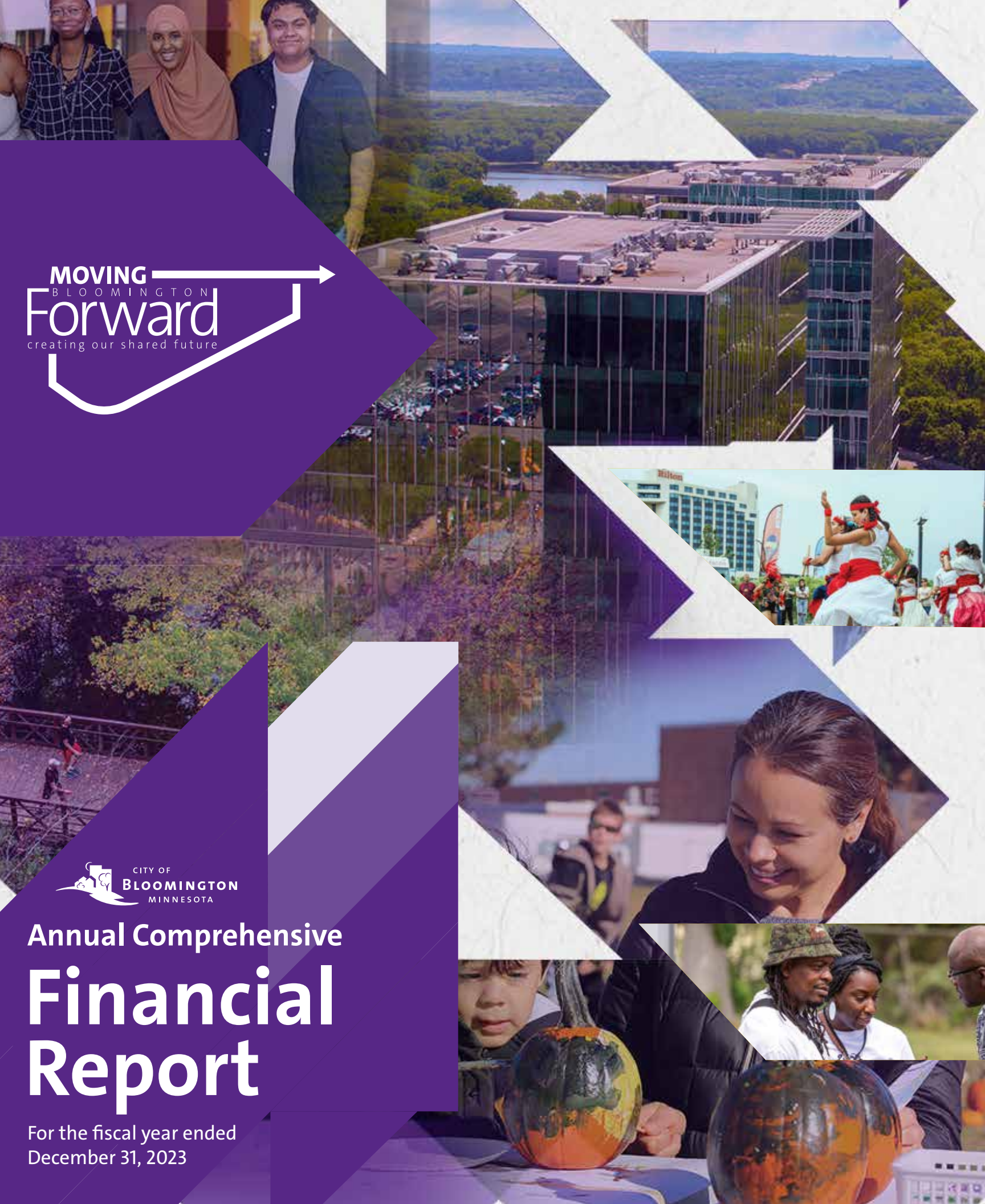




Annual Comprehensive Financial Report

For the fiscal year ended
December 31, 2023



Annual Comprehensive Financial Report

of the City of
Bloomington, Minnesota

For the Year Ended
December 31, 2023

Prepared by the Finance Department

CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

SECTION I

INTRODUCTORY SECTION

CITY OF BLOOMINGTON, MINNESOTA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023**

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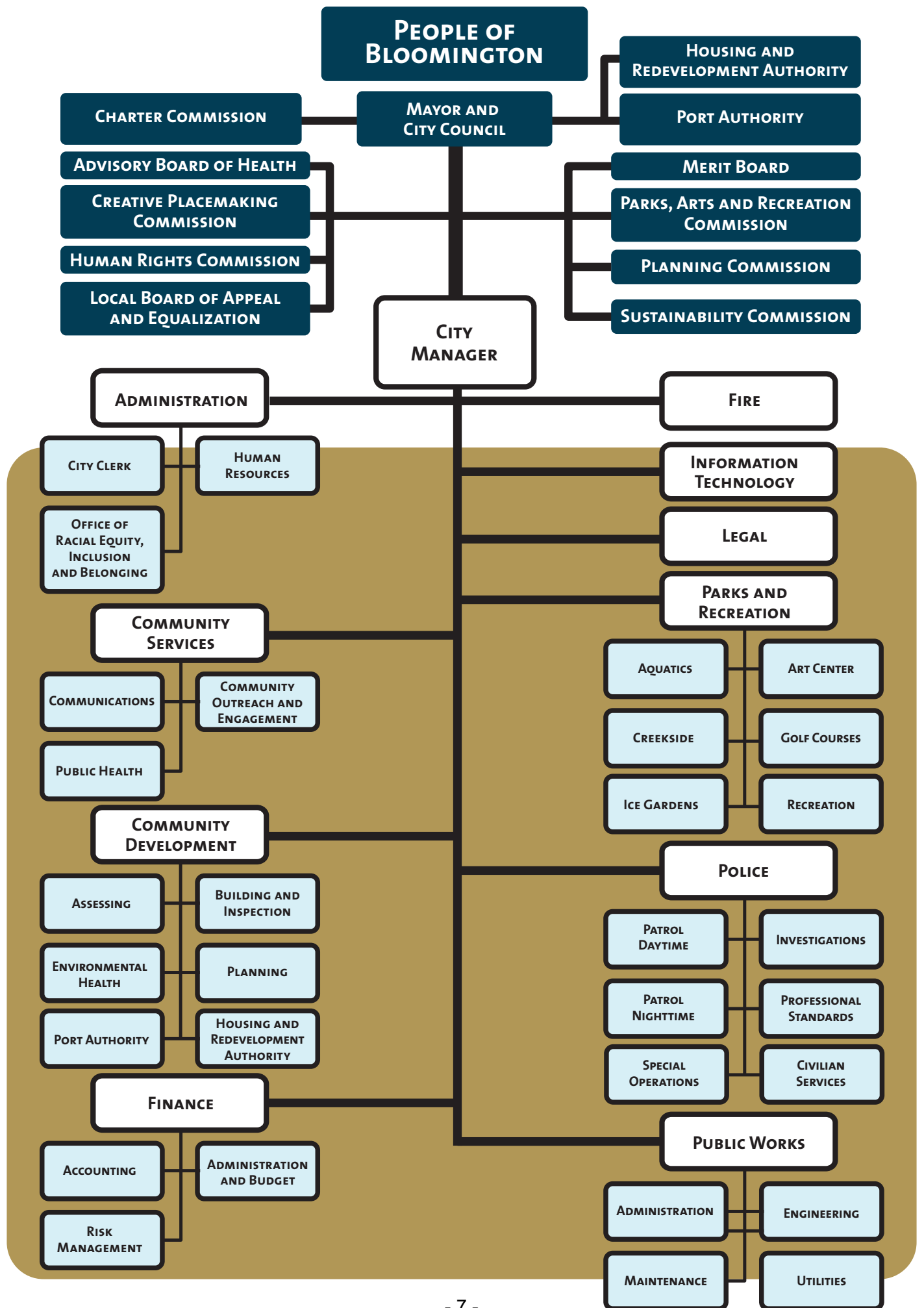
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CITY OF BLOOMINGTON, MINNESOTA

DECEMBER 31, 2023

PRINCIPAL OFFICIALS

TIM BUSSE, MAYOR

JENNA CARTER COUNCILMEMBER

NATHAN COULTER COUNCILMEMBER

LONA DALLESSANDRO COUNCILMEMBER

DWAYNE LOWMAN COUNCILMEMBER

SHAWN NELSON COUNCILMEMBER

PATRICK MARTIN COUNCILMEMBER

JAMIE VERBRUGGE, CITY MANAGER



June 10, 2024

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

The Annual Comprehensive Financial Report of the City of Bloomington, Minnesota (the City) for the fiscal year ended December 31, 2023 is hereby submitted. The purpose of this report is to provide the Mayor, City Council, City staff, citizens, bondholders, and other interested parties with useful information concerning the City's operations and financial position.

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

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

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

FINANCE DEPARTMENT

1800 W. OLD SHAKOPEE ROAD, BLOOMINGTON MN 55431-3027
PH 952-563-8790 FAX 952-563-8789 MN RELAY 711

AN AFFIRMATIVE ACTION/EQUAL
OPPORTUNITIES EMPLOYER

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

Other Reporting Entity Components

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

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

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

Economic Condition and Outlook

Bloomington covers an area of 38.3 square miles and is situated completely within Hennepin County. Bloomington was incorporated as a township on May 11, 1858, the same day Minnesota became a state. Over the past seven decades Bloomington has grown from a rural village beyond the developing edge of Minneapolis to one of Minnesota's largest cities and the region's hospitality and retail hub. This growth was spurred by freeways reaching out from the metropolitan downtowns and further enhanced by its proximity to the Minneapolis/St. Paul International Airport. The Minnesota River meanders along as a southern border to the city. Residents enjoy miles of scenic hiking and biking paths while exploring nature areas overlooking the Minnesota Valley National Wildlife Refuge.

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

The city has many well-known national and international corporations within its boundaries, including HealthPartners, Seagate Technology, Toro Company, Donaldson Company, Express Scripts, Thermo King, Skywater Technology, Ceridian Corporation, Polar Semiconductors, Hewlett Packard, SICK Inc, International Dairy Queen and Ziegler, Inc. Bloomington is home to the largest retail and entertainment destination in the United States, Mall of America®. More than 11,000 people work at Mall of America and it attracts over 32 million visitors each year. As the state's number one tourist attraction, Mall of America draws more visitors than all other Minnesota tourist destinations combined.

In addition, with many entertainment facilities and 9,525 hotel/motel rooms, Bloomington is a major regional and national business and meeting center, employing thousands of workers in the hospitality industry.

Housing is well-maintained throughout the city and Bloomington is fortunate to have a diversified tax base, which for payable 2023 is composed of approximately 43% commercial/industrial, 44.3% residential, and 11.7% apartments. Shopping areas are efficiently distributed, and Bloomington businesses provide two jobs for every Bloomington resident in the workforce. Bloomington also has plenty of room for new development and is experiencing additional growth, especially in the multi-family sector.

Current City Development

Total project valuation for all building permits issued in 2023 was \$345,891,877. The majority of new development continues to focus on the I-494 corridor, where excellent access to employment, improving transit service, and focused land use plans position the City well for future growth. The following development projects in Bloomington were under construction or were completed in 2023:

- Seagate Expansion, 80,000 square foot, two-story manufacturing addition.
- Carbon31, multifamily residential and grocery.
- Crowne Plaza conversion to multifamily housing (The Aire Apartments), part of the Crowne Plaza hotel is being converted into 185 apartments.
- Risor Senior Apartments, 146 units with 13 units affordable at 60% Area Median Income (AMI).
- Noble Apartments, 149 units with 14 units affordable at 50% AMI.
- Hyatt House, a four-story, 151-room extended stay hotel.
- Topline Credit Union, 3,000 square foot financial institution.
- Fire Station 4, 25,000 square foot fire station, replacing the previous Fire Station 4.
- Walser Toyota, 122,000square foot auto dealership.
- Verizon Wireless, 17,000 square foot addition to an industrial building.
- Ardor Apartments, 235 market rate units.
- Oxboro Heights Senior Apartments, 125 units all affordable between 30% and 70% AMI.
- Tommy's Car Wash, 5,300 square foot new car wash.
- Luther Hyundai, 9,200 square foot dealership expansion.
- Schneiderman's Furniture, office building conversion plus 4,000 square foot addition.

Mall of America® Development

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

Mall of America has two anchor department stores: Macy's and Nordstrom, as well as up to 520 world-class retail stores and restaurants. In 2023, Mall of America welcomed more than two dozen new tenants including Toys R Us, Chanel Fragrance and Beauty Boutique, Little Words Project, Vuori, and Wink World. Two connected luxury hotels, the 500-room Radisson Blu on the south side and the 342-room JW Marriott hotel on the north side, offer outstanding amenities such as meeting rooms, onsite dining, fitness centers, and more.

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

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

Mall of America is a regional asset, attracting more than 32 million visitors a year and generating significant income and more than \$2 billion in economic impact for the State of Minnesota. The Port Authority of the City of Bloomington financed the initial land acquisition and public infrastructure improvements. The total Phase I project was \$744 million, of which the Port Authority provided approximately \$108 million in public improvements for site work, parking facilities, structural roadway and bridge work, and land acquisition.

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

Mall of America anticipates several additional expansion phases on both the north and east sides of MOA. The City has completed significant infrastructure improvements, such as the lowering of Lindau Lane, to facilitate further expansion of the mall. The most likely next phase is a \$300 million waterpark. The Port Authority and City Council approved key development documents on March 9, 2022 to facilitate this development; however, the project was stalled by the market adjustments in 2022, with the increase in interest rates and construction costs. Staff continues to work with the developer on a revised financial model for a future consideration by the boards.

Major Initiatives



Bloomington Fire Department evolves: Building a stronger response team

As Bloomington has grown in density to 90,000 residents, along with additional commercial and industrial businesses and the Mall of America®, the demand for fire services has also grown.

In 2019, the City retained an outside consulting firm to conduct a fire department services evaluation. The goal of this assessment was to identify both current deployment performance and desired service levels and then assess the City's ability to provide them. The report unequivocally recommended hiring additional career firefighters.

In 2021, insufficient staffing resulted in the Bloomington Fire Department meeting its response-time goal only 67% of the time. Fire trucks frequently arrived on calls with only one or two firefighters. To better serve the community, the department began shifting from paid-on-call, part-time staff to a mix of full-time and part-time firefighters.

In late 2022, the City was awarded a \$6.3 million Staffing for Adequate Fire and Emergency Response (SAFER) Grant that is funding 18 full-time firefighters working 24-hour shifts for three years from April 2023 through March 2026. To function at its best and meet the community's needs, the department set a goal to increase its staffing levels to 75 to 80 full-time firefighters and 60 to 75 part-time firefighters over the next few years. The Bloomington Fire Department will apply for additional SAFER Grant funding to continue to increase the response capabilities to meet the needs of the City.



New Fire Station 4 expands Bloomington Fire Department capabilities

The Bloomington Fire Department went through big changes in the last year. It has hired and trained a total of 24 new firefighters as it shifts its staffing model, as referenced above. It also opened the new Station 4, Bloomington's newest fire station. To accommodate full-time firefighters, the new Station 4 is double the size of the station it replaced. The extra space accommodates living quarters, decontamination facilities, health and wellness facilities and other critical functions.

The replacement of Station 4 is part of the ongoing plan to update all six fire stations throughout the City. Station 3 was updated in 2020. The remaining four Bloomington fire stations will be replaced as part of the City's capital improvement plan. Fire Station 2 is scheduled to be next.

The new, up-to-date stations, along with the change to the staffing model, increase the Bloomington Fire Department's ability to provide an increasingly higher level of service to its residents, businesses and visitors.

Relevant Financial Policies

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

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

Budget Process

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

Liquidity

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

	General Fund Budget Appropriations	Fund Balance Beginning of Year	
		Amount	% of Budget
2020	\$ 79,432,258	\$ 36,539,448	46.0%
2021	79,453,928	39,064,038	49.2
2022	85,301,172	42,565,870	49.9
2023	94,161,711	44,898,089	47.7
2024	100,098,114	51,157,572	51.1

The City's General Fund working capital balance of \$54,671,898 at December 31, 2023 includes amounts committed for future projects, carryovers, and fair value adjustments for investments, which brings the total fund balance to \$51,157,572. The City anticipates that the 2024 year-end General Fund balance will remain constant based upon budgeted 2024 revenues and expenditures and one-time transfers of fund balance to other funds for specific projects.

Debt Administration

General obligation bond debt statistics for the City of Bloomington at December 31, 2023 are as follows (primary government only):

	Amount	% Market Value	Bonded Debt per Capita Current Year	Prior Year
General Obligation Bonded Debt	\$ 17,435,000			
Improvement Bonds	46,003,856			
General Obligation Tax Increment	15,060,000			
Net Total	78,498,856			
Less Debt Service Funds	(19,390,625)			
Total Net Bonded Debt	59,108,231	.35%	\$ 646	\$ 750
Overlapping Debt (1)	253,593,045	1.48	2,770	2,903
 Total – 2023 Year-End	 <u>\$ 312,701,276</u>	 <u>1.83%</u>	 <u>\$ 3,416</u>	
 Total - Prior Year-End	 <u>\$ 330,352,244</u>	 <u>2.20%</u>		 <u>\$ 3,653</u>

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

In 2023, the City retired \$605,000 of general obligation, \$6,000,000 of improvement, \$215,000 of tax increment, and \$875,000 of business-type G.O. bonds.

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

Date of Issue	Amount	Type	Average Life	Net Interest Rate	Interest Cost Per Borrowed Dollar
05/30/19	\$1,645,000	Taxable Charter Bonds	6.43 years	2.71%	\$.19
11/26/19	4,095,000	Improvement	6.08	1.83	.26
11/26/19	2,105,000	Charter Bonds	6.17	1.84	.26
12/27/19	7,100,000	Taxable Tax Increment	10.64	3.10	.33
12/10/20	5,385,000	Improvement	5.94	.94	.12
12/10/20	1,975,000	Tax Increment Refunding	6.64	1.41	.09
12/16/20	1,573,540	Taxable Tax Increment	12.39	2.45	.30
06/29/21	975,000	Taxable Tax Increment	10.04	2.45	.25
09/09/21	2,005,000	Charter Bonds	6.36	.98	.25
11/23/21	4,540,000	Improvement	6.07	1.31	.21
04/27/22	11,975,000	Capital Improvement	12.48	3.05	.43
09/08/22	11,875,000	Improvement	6.89	2.51	.33
12/20/22	5,551,460	Taxable Tax Increment	8.65	2.45	.26

The City's bonds are rated Aaa by Moody's Investors Service (Moody's highest rating, upgraded from Aa1 in November 1998), AAA by Standard and Poor's (S&P's highest rating, upgraded in October 2000), and AAA by Fitch Ratings (Fitch's highest rating, awarded in October 2004).

These “Triple Triple A” bond ratings were reaffirmed at the most recent bond issuance. The City believes that its 2023 financial results will result in continued excellent bond ratings. These excellent ratings have had a positive effect on the sale of the City’s bonds, by broadening the City’s market and lowering the interest rates for borrowing.

10-Year Capital Improvement Plan

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

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

The City’s latest ten-year Capital Improvement Plan indicated the following financing or spending totals for the ten-year period of 2024-2033:

<u>Project Category</u>	<u>Estimated Amount (in millions)</u>	<u>Approximate Sources of Funding</u>	
City Facilities, Parks and Park Development	\$ 467.6	Bonds	36%
		Local Sales Tax	33
		Grants, Other	23
		Cash on Hand	6
		Other Governments	2
Alternative/Surface Transportation	275.3	PIR Bonds	37%
		Other Governments	16
		Franchise Fees	15
		Municipal State Aid	14
		Cash on Hand	9
		Tax Abatement	3
		Federal Funds	3
		Grants, Other	3
Water, Sewer, and Stormwater Facilities	140.4	Cash on Hand	82%
		Grants/Other	14
		Tax Abatement	3
		Liquor/Lodging Tax	1
Economic Development and Redevelopment	<u>17.9</u>	Liquor/Lodging Tax	100%
Total	<u>\$ 901.3</u>		

Independent Audit

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

Acknowledgments

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

Respectfully submitted,



Lori Economy-Scholler, Chief Financial Officer
Finance Department



Amy Sevig, Deputy Finance Officer
Finance Department



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bloomington
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO



CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report
For The Year Ended December 31, 2023

SECTION II

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bloomington, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Bloomington, Minnesota's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bloomington, Minnesota, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2024 on our consideration of the City of Bloomington, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bloomington, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bloomington, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

June 10, 2024

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Bloomington (the City), we offer readers of the City's financial statements a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2023. This discussion and analysis should be read in conjunction with the transmittal letter, which can be found on pages 9 - 18 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 2023 fiscal year by \$755.3 million (*net position*). Of this amount, \$144.0 million (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$29.6 million is restricted for debt service, \$30.6 million is restricted for fire pension, \$36.3 million is restricted for tax increment, \$7.0 million is restricted for abatement, \$4.0 million is restricted for public safety state aid, \$3.4 million is restricted for other purposes, and \$500.4 million is the City's net investment in capital assets.
- The City's net position increased by \$37.3 million. The general revenues overall increase of \$26.9 million included several factors. Property taxes increased \$6.0 million mainly due to the levy increase along with a slight growth in market values. Grants and contributions not restricted increased \$3.4 million due to funding from the American Rescue Plan grant. Investment earnings increased significantly at \$20.9 million as interest rates continued to be high and the net change in the book value versus the fair value of investments compared to prior year was positive at \$6.5 million.
- As of December 31, 2023, the City's governmental funds had combined fund balances of \$183.6 million, an increase of \$12.4 million in comparison with the prior year. Including committed, assigned, and unassigned fund balances, approximately 60% of the total fund balances are available to meet the City's current and future needs. The remaining 40% is restricted mostly for grants, debt service, and capital projects.
- At the end of the current fiscal year, total fund balance in the General Fund was \$51.2 million, or 54.5% of actual total General Fund expenditures. This compares to \$44.9 million from the prior year, an increase of \$6.3 million. The General Fund working capital goal policy states the City will strive to maintain a fund balance in the General Fund for working capital purposes of 35-40% of the following year's General Fund total budgeted revenues and/or expenditures. As of December 31, 2023, the fund balance of the General Fund was within or above this range. \$10.0 million of this positive performance has been committed for budgeted carryover amounts unspent in 2023 and future projects open purchase order contracts at the end of 2023 that were carried over to the 2024 budget.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

- In 2023 the Net Pension liability decreased \$39,143,998 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 decreased in the GERF while the net deferred inflows also decreased in the PEPFF but net deferred outflows increased in the PEPFF as a result of changes in actuarial assumptions.
- The estimated market value for all taxable property is at \$17.1 billion for assessment year 2022 (payable in 2023). 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 44.9%. Growth was especially strong between 2021 (payable 2022) and 2022 (payable 2023), posting an approximate 14% increase. Growth continued for 2023 (payable 2024), although at a much lower rate.
- Entity-wide, the City recorded \$23.7 million in depreciation expense on its capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The government-wide financial statements include not only the City (*known as the primary government*), but also two legally separate entities for which the City is financially accountable. The *component units* are the Housing and Redevelopment Authority in and for the City of Bloomington (HRA) and the Bloomington Port Authority. Financial information for these component units is reported separately from the financial information presented for the primary government.

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

Fund Financial Statements

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

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

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

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

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

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

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

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

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

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

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 66-122 of this report.

Other Information

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$755,253,283 at December 31, 2023, as compared to \$717,944,932 at the end of 2022.

CITY OF BLOOMINGTON'S NET POSITION

	Governmental activities		Business-type activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	
Assets:							
Current and other assets	\$ 329,362,778	\$ 311,235,648	\$ 55,467,565	\$ 45,093,320	\$ 384,830,343	\$ 356,328,968	8.0%
Capital assets	462,797,981	451,868,089	108,432,694	107,642,818	571,230,675	559,510,907	2.1%
Total assets	792,160,759	763,103,737	163,900,259	152,736,138	956,061,018	915,839,875	4.4%
Deferred outflows:							
Deferred outflows of resources	54,783,934	68,532,102	-	-	54,783,934	68,532,102	(20.1)%
Total assets and deferred outflows	846,944,693	831,635,839	163,900,259	152,736,138	1,010,844,952	984,371,977	2.7%
Liabilities:							
Current and other liabilities	25,904,814	33,328,704	3,140,217	3,275,038	29,045,031	36,603,742	(20.7)%
Noncurrent liabilities	154,450,625	202,617,402	9,934,452	10,896,959	164,385,077	213,514,361	(23.0)%
Total liabilities	180,355,439	235,946,106	13,074,669	14,171,997	193,430,108	250,118,103	(22.7)%
Deferred inflows:							
Deferred inflows of resources	58,220,591	14,229,864	3,940,970	2,079,078	62,161,561	16,308,942	281.2%
Total liabilities and deferred inflows	238,576,030	250,175,970	17,015,639	16,251,075	255,591,669	266,427,045	(4.1)%
Net position:							
Net investment in capital assets	402,785,079	392,399,308	97,582,690	95,781,572	500,367,769	488,180,880	2.5%
Restricted	110,905,209	98,424,556	-	-	110,905,209	98,424,556	12.7%
Unrestricted	94,678,375	90,636,005	49,301,930	40,703,491	143,980,305	131,339,496	9.6%
Total net position	\$ 608,368,663	\$ 581,459,869	\$ 146,884,620	\$ 136,485,063	\$ 755,253,283	\$ 717,944,932	5.2%

As of December 31, 2023 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 \$14.5 million. The deferred outflows decreased \$13.7 million due to changes in actuarial assumptions. Current and other liabilities decreased roughly \$7.6 million mainly due to a decrease of \$5.0 million for due to component units.

By far, the largest portion of the City's net position, \$500,367,772 (approximately 66%), 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, \$110,905,209 (approximately 15%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$143,980,305 (approximately 19%), may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following schedule provides a summary of the City's operations for the year ended December 31, 2023:

CITY OF BLOOMINGTON'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2023	2022	2023	2022	2023	2022	
REVENUES:							
Program revenues:							
Charges for services	\$ 17,231,562	\$ 13,114,190	\$ 60,383,927	\$ 54,757,196	\$ 77,615,489	\$ 67,871,386	14.4 %
Operating grants and contributions	16,150,344	9,139,218	448,187	421,866	16,598,531	9,561,084	73.6 %
Capital grants and contributions	18,227,339	18,074,024	-	77,327	18,227,339	18,151,351	0.4 %
General revenues:							
Property taxes	71,615,086	65,582,826	2,137,178	2,140,941	73,752,264	67,723,767	8.9 %
Business taxes	17,579,451	16,457,285	-	-	17,579,451	16,457,285	6.8 %
Grants and contributions not restricted	3,224,762	5,489,909	-	-	3,224,762	5,489,909	(41.3)%
Gain on sale of capital assets	247,596	92,939	12,500	-	260,096	92,939	179.9 %
Interest and investment earnings (losses)	10,109,652	(8,103,016)	1,496,434	(1,209,357)	11,606,086	(9,312,373)	(224.6)%
Total revenues	<u>154,385,792</u>	<u>119,847,375</u>	<u>64,478,226</u>	<u>56,187,973</u>	<u>218,864,018</u>	<u>176,035,348</u>	<u>24.3 %</u>
EXPENSES:							
General services	9,530,267	8,618,788	-	-	9,530,267	8,618,788	10.6 %
Development services	22,542,016	16,971,960	-	-	22,542,016	16,971,960	32.8 %
Public works	34,650,081	29,655,103	-	-	34,650,081	29,655,103	16.8 %
Public safety	42,500,077	40,674,767	-	-	42,500,077	40,674,767	4.5 %
Community services	16,927,111	14,933,791	-	-	16,927,111	14,933,791	13.3 %
Interest on long-term debt	1,655,522	1,531,010	-	-	1,655,522	1,531,010	8.1 %
Water/wastewater utility	-	-	29,780,702	28,364,112	29,780,702	28,364,112	5.0 %
Storm water utility	-	-	5,464,651	5,940,682	5,464,651	5,940,682	(8.0)%
Recreational facilities	-	-	7,172,458	6,435,366	7,172,458	6,435,366	11.5 %
Solid waste management	-	-	9,610,207	10,272,387	9,610,207	10,272,387	(6.4)%
Contractual police	-	-	1,722,575	1,021,027	1,722,575	1,021,027	68.7 %
Total expenses	<u>127,805,074</u>	<u>112,385,419</u>	<u>53,750,593</u>	<u>52,033,574</u>	<u>181,555,667</u>	<u>164,418,993</u>	<u>10.4 %</u>
Change in net position before transfers	26,580,718	7,461,956	10,727,633	4,154,399	37,308,351	11,616,355	221.2 %
Transfers	328,076	(1,881,518)	(328,076)	1,881,518	-	-	- %
Change in net position	26,908,794	5,580,438	10,399,557	6,035,917	37,308,351	11,616,355	221.2 %
Net position - January 1	<u>581,459,869</u>	<u>575,879,431</u>	<u>136,485,063</u>	<u>129,581,250</u>	<u>717,944,932</u>	<u>705,460,681</u>	<u>1.8 %</u>
Prior period adjustment	-	-	-	867,896	-	867,896	(100.0)%
Net position - January 1, as restated	<u>581,459,869</u>	<u>575,879,431</u>	<u>136,485,063</u>	<u>130,449,146</u>	<u>717,944,932</u>	<u>706,328,577</u>	<u>1.6 %</u>
Net position - December 31	<u>\$ 608,368,663</u>	<u>\$ 581,459,869</u>	<u>\$ 146,884,620</u>	<u>\$ 136,485,063</u>	<u>\$ 755,253,283</u>	<u>\$ 717,944,932</u>	<u>5.2 %</u>

Expenses above include \$19,152,224 of depreciation expense for governmental activities and \$4,590,263 for business type activities under the full accrual basis of accounting.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Governmental activities

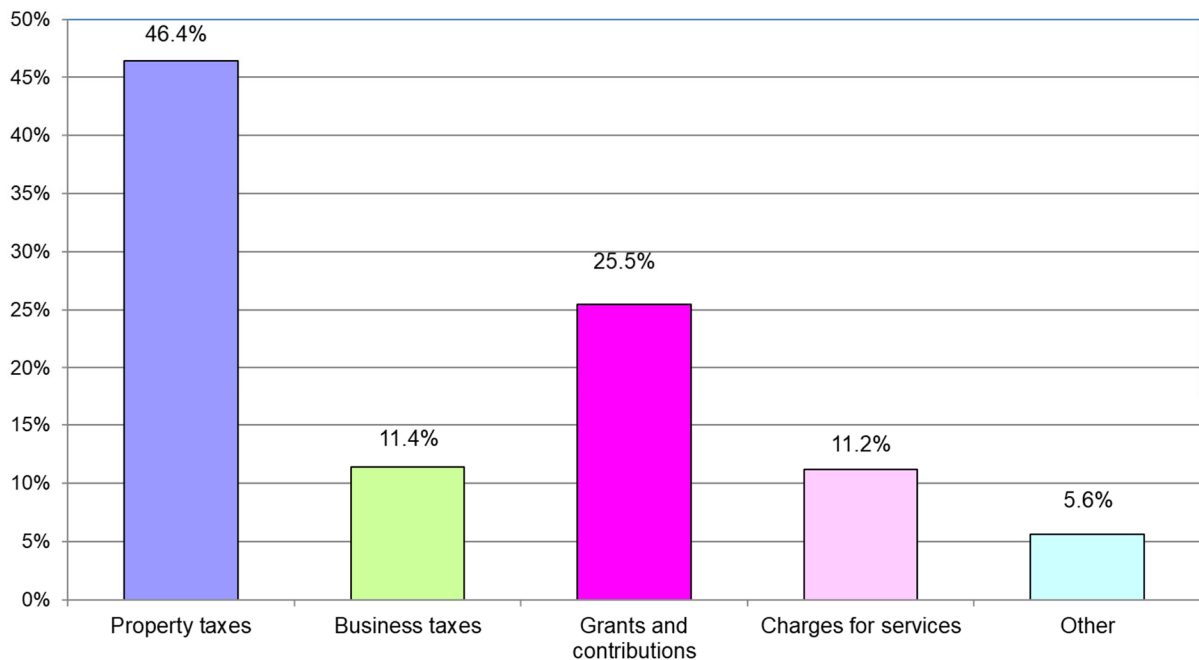
Internal service fund charges for services (program revenues of \$47,464,205) and expenses (\$53,409,606) were allocated to all the governmental and business-type activities. A comparison of revenue and expense changes from 2022 to 2023 follows:

Overall, governmental activities net position increased by \$26.9 million. Within this increase, general revenues increased overall by \$25.5 million in 2023 due to a combination of the following factors. Property taxes increased by \$6.0 million as a result of the levy increase and slight market value increases, grants and contributions increased by \$3.4 million due to the American Rescue Plan federal grant funding and interest and investment earnings increased by \$18.2 million due to high interest rates and fair value adjustments.

Program revenues increased by \$11.2 million in 2023. Charges for services increased \$4.1 million as a result of increased permit revenue. Operating grants and contributions increased by \$7.0 million due to the Staffing for Adequate Fire and Emergency Response (SAFER) grant and the Public Safety State Aid. Capital grants and contributions only increased slightly by \$153,315.

Governmental activities expenses increased by \$15.4 million in 2023. Development services expenses increased \$7.8 million due mainly to losses on sale and conveyance of land held for resale. Public works expenses increased \$5.0 million which was attributable to capital improvement projects which were not eligible to be capitalized.

**City of Bloomington
2023 Revenue Sources - Governmental Activities**



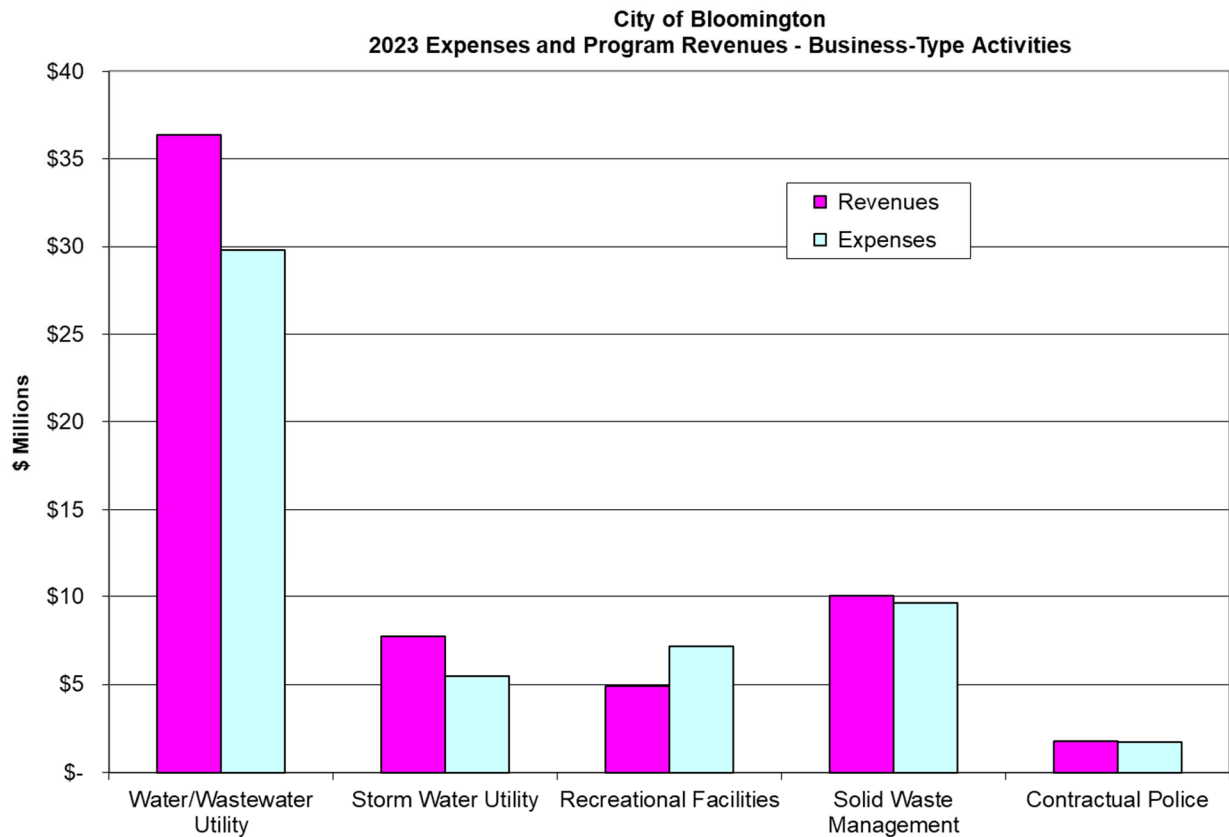
CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Business-type activities

Business-type charges for services revenue increased \$5.6 million in 2023. The majority of this increase is due to increased revenue in water/wastewater utility revenue of \$3.3 million due to higher water rates. In addition, the recreational facilities fund increased charges for services revenue by just under \$900,000 primarily due to additional revenue from the ice garden and golf course.

Business-type expenses increased in 2023 by about \$1.7 million. The majority of this increase was due to the increase of \$1.4 million in the water/wastewater utility related to the amount we pay the City of Minneapolis for water and Met Council for wastewater services.



CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Projects funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financial requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available at the end of the fiscal year.

At December 31, 2023, the City's governmental funds reported combined ending fund balances of \$183,581,173 an increase of \$12.4 million in comparison with the prior year. Fund balance of \$73.4 million is *restricted* due to externally enforceable legal restrictions (creditors, grantors, contributors, and by law through constitutional provisions or enabling regulations).

Approximately, \$110.1 million or 60% of total fund balance constitutes *unrestricted fund balance* which is the total of *committed fund balance* (amounts that can be used only for the specific purposes by a formal action of the City Council), *assigned fund balance* (amounts that are to be used for a specific purpose as expressed by an official that has been delegated authority from the City Council), and *unassigned fund balance* (amounts that are available for any purpose in the General Fund and Non-Major Funds). The following presents the amounts of unrestricted fund balance by various fund types:

Fund Type	Unrestricted Fund Balance
General fund	\$ 47,892,522
Special revenue funds	8,275,815
Debt service funds	-
Capital projects funds	53,972,235
Total	<u>\$ 110,140,572</u>

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

Revenues by Source Governmental Funds

	2023		2022		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Revenues by source:					
Taxes	\$ 87,285,920	58.0%	\$ 81,816,967	6.2%	\$ 5,468,953
Special assessments	3,010,737	2.0	3,949,809	3.2	(939,072)
Business licenses and permits	6,675,071	4.4	8,082,182	6.6	(1,407,111)
Fines	584,986	0.4	389,887	0.3	195,099
Intergovernmental	26,731,889	17.8	21,407,196	17.5	5,324,693
Program income	2,903,922	1.9	2,268,552	1.9	635,370
Interest and investment income	7,622,090	5.1	(6,335,128)	(5.2)	13,957,218
Franchise fees	7,467,747	5.0	7,404,601	6.1	63,146
Contractual component unit	273,029	0.2	213,114	0.2	59,915
Other	7,793,106	5.2	2,629,257	2.2	5,163,849
Total	<u>\$ 150,348,497</u>	<u>100.0%</u>	<u>\$ 121,826,437</u>	<u>100.0%</u>	<u>\$ 28,522,060</u>

Taxes increased by \$5.5 million from 2022 due to the property tax levy revenue increasing by \$4.4 million and the lodging and admissions tax increasing by \$1.1 million. Intergovernmental revenue increased \$5.3 million from 2022 due to the Public Safety state aid funding and the Staffing for Adequate Fire and Emergency Response (SAFER) grant. Interest and investment income increased by \$14.0 million due to high interest rates and fair value adjustments for investments.

Expenditures by Function Governmental Funds

	2023		2022		Increase (Decrease) Amount
	Amount	Percent of Total	Amount	Percent of Total	
Expenditures by Function					
General services	\$ 8,200,208	6.0%	\$ 7,489,571	5.6%	\$ 710,637
Development services	14,836,733	11.0	13,187,975	9.9	1,648,758
Public works	23,466,629	17.3	18,814,333	14.1	4,652,296
Public safety	43,200,138	31.9	37,105,476	27.7	6,094,662
Parks and recreation	4,149,743	3.1	4,105,296	3.1	44,447
Community services	10,748,831	7.9	9,801,255	7.3	947,576
Debt service	9,484,404	7.0	12,636,318	9.4	(3,151,914)
Capital outlay	21,373,641	15.8	30,579,352	22.9	(9,205,711)
Total	<u>\$ 135,460,327</u>	<u>100.0%</u>	<u>\$133,719,576</u>	<u>100.0%</u>	<u>\$ 1,740,751</u>

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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, the fund balance of the General Fund was \$51,157,572 which was comprised of \$3,265,050 of restricted fund balance, \$9,980,089 of committed fund balance and \$37,912,433 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 40.4% of total General Fund expenditures. It is important to note that the full amount of the General Fund unassigned fund balance of \$37,912,433 is deemed necessary for a working capital goal of \$40,039,246. The committed amount of \$9,980,089 consists of a budget carryover amount of \$8,685,539 and future projects rollover amount of \$1,294,550. The budget carryover represents 2023 budgeted amounts that were unspent in 2023 and were carried over to the 2024 budget. The future projects rollover amount represents open purchase order contracts at the end of 2023 that were carried over to the 2024 budget for future projects.

Overall, General Fund revenues increased from \$83.2 million in 2022 to \$96.6 million in 2023, an increase of \$13.4 million. Intergovernmental revenue increased \$5.6 million mainly as a result of the Public Safety state aid funding and the Staffing for Adequate Fire and Emergency Response (SAFER) grant. General Fund expenditures increased from \$83.7 million in 2022 to \$94.0 million in 2023.

The \$9.2 million decrease in capital outlay in the governmental funds is primarily due to reduced expenditures for Public Works street projects.

The Community Development Block Grant fund balance had a net decrease of \$698,596 to bring the balance to \$0. This was due to spending unspent loan repayments that existed at the end of 2022 during 2023.

The Improvement Bonds fund balance had a net increase of \$1,164,054. The increase was mainly due to the higher interest and change in fair value of investments.

The Capital Projects fund balance had a net increase of \$2,201,791. The increase was due to the sale of land in the South Loop development fund and also included higher interest and change in fair value of investments.

The Improvement Construction fund balance had a net increase of only \$1,649,355. The interest and change in fair value of investments was higher, but there was no issuance of debt in 2023 for the pavement management program projects and therefore no bond proceeds to increase the fund balance.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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 \$11.3 million during the current fiscal year. Key factors in this change include:

- The Water/Wastewater Utility Fund had an increase in net position of \$7.3 million, or 9.6%, mainly due to an increase in service charges.
- The Storm Water Utility Fund had an increase in net position of \$2.8 million, or 5.6%, due to an increase in service charges.

The net position of the internal service funds increased by \$434,965 during the current fiscal year. Key factors in this change include:

- The Public Safety Equipment fund had an increase of \$2.2 million due to additional charges for services and \$716,000 in Public Safety state aid funding.
- The Facilities & Parks Maintenance fund had an increase of \$2.6 million mainly due to a transfer in of American Rescue Plan grant funds.
- The PERA Pension Fund had a decrease of \$5.2 million due to changes in actuarial valuations of pension liabilities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a \$3.6 million increase in appropriations. Two of the main drivers of this increase are:

- Transfer to Strategic Priorities Fund - after accounting for the General Fund's required working capital of 40% of the following year's revenues, the City Council approved a transfer of \$1.1 million to the Strategic Priorities Fund. This amount included positive budget variances from 2022. These funds, along with other reserves in the Strategic Priorities Fund, will be used to alleviate future tax levy pressures and support future initiatives as directed by the Council.
- SAFER (Staffing for Adequate Fire and Emergency Response) Grant - The City was awarded a 3-year SAFER grant starting in April 2023, to cover costs of hiring 18 full-time firefighters. The increase to the 2023 budget was \$1.6 million, which was offset by SAFER grant revenues.

Despite receiving \$1.6 million less than budgeted for combined property taxes and fiscal disparities revenue, the actual net results compared to the final budget resulted in a \$3.8 million favorable variance. Significant details are as follows:

- Lodging and admissions tax revenue exceeded budget by \$630,000 as the hospitality industry continues to recover from the pandemic.
- Business license revenue exceeded forecasted projections by \$200,000.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

- Actual expenditures were \$2.2 million less than budgeted expenditures predominantly in Community Services, Parks and Recreation, Public Works, Public Safety, and Community Development.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2023 amount to \$571,230,675 (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 \$5.7 million.
- The 2023 Pavement Management Program (PMP) expended \$11,969,924. These improvements included 3.98 miles of reconstructed streets and 8.41 miles of overlaid streets.
- The City's Improvement Construction Fund spent nearly \$12.3 million on street improvement projects in 2023 for PMP Reconstruction, PMP Overlay, Trails and State Aid funded street projects.

The City's infrastructure assets are recorded at historical cost in the government-wide financial statements. Additional information on the City's capital assets can be found in Note 4.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding (excluding unamortized premiums) of \$83,820,000 as compared to \$91,515,000 in the prior year. This amount is comprised of \$73,505,000 related to governmental activities and \$10,315,000 in debt related to business-type activities. In 2023, there were no bond issuances. The City retired a total of \$7,695,000 in debt in 2023.

The City maintains an "Aaa" rating from Moody's, an "AAA" rating from Standard & Poor's, and an "AAA" rating from Fitch Ratings. The City is one of only 33 cities nationwide to hold this "Triple A" bond ratings combination. Additional information on the City's long-term debt can be found in Note 7.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

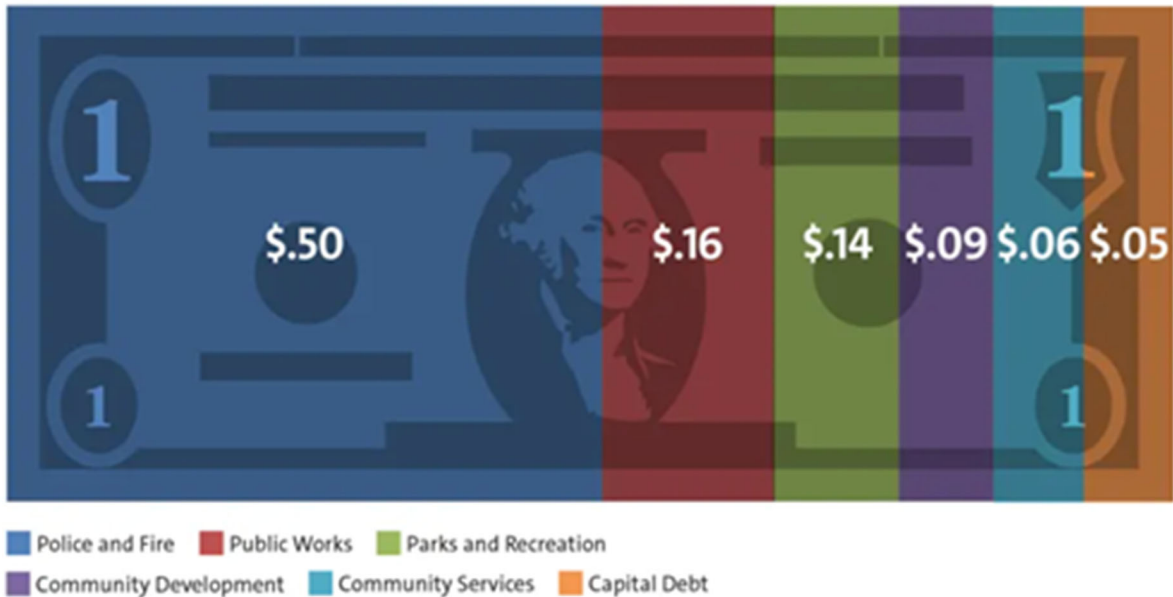
The following key indicators provide highlights of the City's economic outlook and future budget impact:

- At December 2023, the unemployment rate in Bloomington was 2.5%, down from a rate of 2.9% 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 3.7%.
- For 2023, residential property grew at a much slower rate than 2022 and apartment property saw a slight decline in value. There are still multifamily developments in the pipeline, but interest rates have made projects more difficult to pencil out. Industrial continued its strong growth for 2023, posting a 20.7% increase over the previous year's values. Commercial values also posted a modest growth of 3.5% from the previous year.
- Bloomington has a diverse tax base with approximately half commercial and half residential and multi-family. As of January 2023, the assessor's estimated market value for Bloomington turned up an additional 4% on top of 14% growth in 2022 to a total of \$17.8 billion. The total city market value is now 50.8% above the previous peak in 2008.
- The City uses a ten-year General Fund financial model to determine service levels and to address short-term economic fluctuations, ensuring prudent long-term decision-making. Other funds are modeled for ten years to mitigate fee hikes and strategize for pay-as-you-go capital enhancements.
- The projected Public Employees Retirement Association (PERA) pension costs to the City for 2024 are estimated at roughly \$6.5 million on a pay-as-you-go basis.
- On December 4, 2023, the City Council approved the 2024 budget and the 2024 property tax levy of \$80.5 million, which was an increase of 7.97% over the 2023 property tax levy. The 2024 budget focused on the City's *Bloomington. Tomorrow. Together.* strategic plan by investing in City priorities to cultivate an enduring and remarkable community where people want to be with the three main priorities of connected, welcoming community, a health community, and a community with equitable economic growth.
- A major theme from the 2024 budget was that it was a significant investment in Public Safety. Along with human health and environmental health, the healthy community priority includes the objective of improved safety and security, and the 2024 budget reflected this priority with funding for a continued transition from a mainly paid-on call Fire department to a hybrid of both part-time and full-time firefighters. The 2024 budget included 6 additional full-time firefighters as well as an additional dispatcher position.
- The 2024 City property tax dollar is split out with half or 50 cents going to Police and Fire, 16 cents going to Public Works, 14 cents going to Parks and Recreation, 9 cents going to Community Development, 6 cents going to Community Services, and 5 cents going to debt payments to pay for capital projects like road infrastructure and facility improvements.

CITY OF BLOOMINGTON, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DIVIDING UP THE 2024 CITY PROPERTY TAX DOLLAR



REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

CITY OF BLOOMINGTON, MINNESOTA

Statement of Net Position

December 31, 2023

EXHIBIT 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
ASSETS					
Cash, cash equivalents, and investments	\$ 222,869,781	\$ 41,154,903	\$ 264,024,684	\$ 126,653,510	\$ 19,212,108
Receivables, net	56,394,421	17,555,013	73,949,434	464,291	22,236,901
Prepaid items	1,569,364	750,491	2,319,855	-	-
Due from primary government	-	-	-	-	660,688
Due from component units	11,863,505	-	11,863,505	-	-
Due from other governments	-	-	-	-	70,965
Inventory and land held for resale	2,098,734	-	2,098,734	17,150,000	1,972,941
Internal balances	3,992,842	(3,992,842)	-	-	-
Net fire pension asset	30,574,131	-	30,574,131	-	-
Capital assets:					
Capital assets - nondepreciable	107,774,828	4,983,540	112,758,368	2,244,070	1,719,385
Capital assets - net of accumulated depr	355,023,153	103,449,154	458,472,307	-	628,063
Net capital assets	462,797,981	108,432,694	571,230,675	2,244,070	2,347,448
Total assets	792,160,759	163,900,259	956,061,018	146,511,871	46,501,051
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - pensions	54,783,934	-	54,783,934	-	-
Total assets and deferred outflows of resources	846,944,693	163,900,259	1,010,844,952	146,511,871	46,501,051
LIABILITIES					
Accounts payable and other current liabilities	8,733,362	2,027,337	10,760,699	59,465	810,551
Accrued interest payable	783,275	172,420	955,695	73,710	-
Due to other governments	-	-	-	-	22,441
Unearned revenue	5,511,036	30,460	5,541,496	-	128,170
Due to component units	660,688	-	660,688	-	-
Due to primary government	-	-	-	15,800	179,162
Due to primary government - bonds	-	-	-	-	190,000
Noncurrent liabilities:					
Due to primary government -					
Loans payable due in more than one year	-	-	-	-	9,732,913
Bonds payable due in more than one year	-	-	-	-	1,600,993
Accrued interest payable	-	-	-	-	144,638
Due within one year	10,216,453	910,000	11,126,453	360,000	-
Due in more than one year	89,796,966	9,934,452	99,731,418	4,815,000	-
Net pension/OPEB liability	64,653,659	-	64,653,659	-	-
Total liabilities	180,355,439	13,074,669	193,430,108	5,323,975	12,808,867
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - leases	7,742,422	3,940,970	11,683,392	-	-
Deferred inflows of resources - pensions/OPEB	50,478,169	-	50,478,169	-	-
Total deferred inflows of resources	58,220,591	3,940,970	62,161,561	-	-
Total liabilities and deferred inflows of resources	238,576,030	17,015,639	255,591,669	5,323,975	12,808,867
NET POSITION					
Net investment in capital assets	402,785,079	97,582,690	500,367,769	2,244,070	2,341,455
Restricted for:					
Debt service	29,550,526	-	29,550,526	497,210	-
Fire pension	30,574,131	-	30,574,131	-	-
Tax increment	36,324,703	-	36,324,703	137,753,188	4,650,956
Abatement	7,030,949	-	7,030,949	-	-
Public Safety State Aid	3,981,050	-	3,981,050	-	-
Restricted - other	3,443,850	-	3,443,850	-	-
Unrestricted	94,678,375	49,301,930	143,980,305	693,428	26,699,773
Total net position	\$ 608,368,663	\$ 146,884,620	\$ 755,253,283	\$ 141,187,896	\$ 33,692,184

See notes to the basic financial statements.

CITY OF BLOOMINGTON, MINNESOTA
Statement of Activities
Year Ended December 31, 2023

EXHIBIT 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Port Authority	Housing and Redevelopment Authority
Primary Government:									
Governmental activities:									
General Services	\$ 9,530,267	\$ 3,675,833	\$ 298,959	\$ -	\$ (5,555,475)	\$ -	\$ (5,555,475)	\$ -	\$ -
Development Services	22,542,016	9,875,188	1,539,463	168,845	(10,958,520)	-	(10,958,520)	-	-
Public Works	34,650,081	298,017	99,670	17,201,614	(17,050,780)	-	(17,050,780)	-	-
Public Safety	42,500,077	551,848	7,780,778	-	(34,167,451)	-	(34,167,451)	-	-
Community Services	16,927,111	2,830,676	6,431,474	856,880	(6,808,081)	-	(6,808,081)	-	-
Interest on long-term debt	1,655,522	-	-	-	(1,655,522)	-	(1,655,522)	-	-
Total governmental activities	<u>127,805,074</u>	<u>17,231,562</u>	<u>16,150,344</u>	<u>18,227,339</u>	<u>(76,195,829)</u>	<u>-</u>	<u>(76,195,829)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Water/Wastewater Utility	29,780,702	36,347,845	27,567	-	-	6,594,710	6,594,710	-	-
Storm Water Utility	5,464,651	7,688,369	25,000	-	-	2,248,718	2,248,718	-	-
Recreational Facilities	7,172,458	4,838,832	67,137	-	-	(2,266,489)	(2,266,489)	-	-
Solid Waste Management	9,610,207	9,722,059	328,483	-	-	440,335	440,335	-	-
Contractual Police	1,722,575	1,786,822	-	-	-	64,247	64,247	-	-
Total business-type activities	<u>53,750,593</u>	<u>60,383,927</u>	<u>448,187</u>	<u>-</u>	<u>-</u>	<u>7,081,521</u>	<u>7,081,521</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 181,555,667</u>	<u>\$ 77,615,489</u>	<u>\$ 16,598,531</u>	<u>\$ 18,227,339</u>	<u>(76,195,829)</u>	<u>7,081,521</u>	<u>(69,114,308)</u>	<u>-</u>	<u>-</u>
Component units:									
Port Authority	\$ 6,407,777	\$ -	\$ 2,102,800	\$ 2,244,070	-	-	-	(2,060,907)	-
Housing and Redevelopment Authority	13,907,881	1,218,605	7,955,890	1,399,720	-	-	-	-	(3,333,666)
Total component units	<u>\$ 20,315,658</u>	<u>\$ 1,218,605</u>	<u>\$ 10,058,690</u>	<u>\$ 3,643,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,060,907)</u>	<u>(3,333,666)</u>
General revenues:									
Property taxes					71,615,086	2,137,178	73,752,264	13,003,564	5,568,515
Business taxes					17,579,451	-	17,579,451	-	-
Grants and contributions not restricted					3,224,762	-	3,224,762	-	-
Gain on sale of capital assets					247,596	12,500	260,096	-	-
Interest and investment earnings					10,109,652	1,496,434	11,606,086	5,950,936	1,372,010
Transfers					328,076	(328,076)	-	-	-
Total general revenues and transfers					<u>103,104,623</u>	<u>3,318,036</u>	<u>106,422,659</u>	<u>18,954,500</u>	<u>6,940,525</u>
Change in net position					26,908,794	10,399,557	37,308,351	16,893,593	3,606,859
Net position - January 1					581,459,869	136,485,063	717,944,932	124,294,303	30,085,325
Net position - December 31					<u>\$ 608,368,663</u>	<u>\$ 146,884,620</u>	<u>\$ 755,253,283</u>	<u>\$ 141,187,896</u>	<u>\$ 33,692,184</u>

See notes to the basic financial statements.



CITY OF BLOOMINGTON, MINNESOTA

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUND

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

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

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

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

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

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

CITY OF BLOOMINGTON, MINNESOTA

Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Community Development Block Grant	Improvement Bonds
ASSETS			
Cash, cash equivalents and investments	\$ 50,437,028	\$ 156,615	\$ 19,016,280
Accrued interest receivable	577,016	1,357	107,497
Taxes receivable	2,857,299	-	75,512
Accounts receivable	2,169,194	-	-
Lease receivable	7,742,422	-	-
Mortgages and notes receivable	-	11,157,638	-
Prepaid items	-	-	-
Land held for resale	-	-	-
Due from other funds	350,000	-	-
Due from component units	194,962	-	-
Due from other governments	1,405,340	498,037	-
Special assessments receivable	1,002,951	-	10,943,176
Total assets	\$ 66,736,212	\$ 11,813,647	\$ 30,142,465
LIABILITIES			
Accounts payable	\$ 3,944,274	\$ 40,393	\$ -
Retainage payable	-	-	-
Due to other funds	-	-	-
Due to component units	45,072	615,616	-
Unearned revenue	309,799	-	-
Deposits payable	22,748	-	-
Total liabilities	4,321,893	656,009	-
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - mortgages	-	11,157,638	-
Deferred inflows - taxes	2,511,374	-	-
Deferred inflows - state aid	-	-	-
Deferred inflows - special assessments	1,002,951	-	10,943,176
Deferred inflows - leases	7,742,422	-	-
Deferred inflows - land held for resale	-	-	-
Total deferred inflows of resources	11,256,747	11,157,638	10,943,176
FUND BALANCES			
Nonspendable	-	-	-
Restricted	3,265,050	-	19,199,289
Committed	9,980,089	-	-
Assigned	-	-	-
Unassigned	37,912,433	-	-
Total fund balances	51,157,572	-	19,199,289
Total liabilities, deferred inflows of resources, and fund balances	\$ 66,736,212	\$ 11,813,647	\$ 30,142,465

See notes to the basic financial statements.

EXHIBIT 3

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 36,202,865	\$ 53,422,163	\$ 15,726,527	\$ 174,961,478
176,069	301,945	56,014	1,219,898
(851)	-	31	2,931,991
1,626	1,561,615	299,234	4,031,669
-	-	-	7,742,422
-	-	-	11,157,638
24,042	-	-	24,042
1,489,863	606,477	-	2,096,340
-	-	-	350,000
9,732,912	-	-	9,927,874
429,329	13,535,175	306,426	16,174,307
912,964	-	-	12,859,091
<u>\$ 48,968,819</u>	<u>\$ 69,427,375</u>	<u>\$ 16,388,232</u>	<u>\$ 243,476,750</u>
\$ 450,899	\$ 770,129	\$ 183,601	\$ 5,389,296
46,338	489,090	-	535,428
-	-	35,263	35,263
-	-	-	660,688
-	-	5,126,236	5,436,035
-	-	783,140	805,888
<u>497,237</u>	<u>1,259,219</u>	<u>6,128,240</u>	<u>12,862,598</u>
-	-	-	11,157,638
-	-	-	2,511,374
-	10,666,114	-	10,666,114
912,964	-	-	12,859,091
-	-	-	7,742,422
1,489,863	606,477	-	2,096,340
<u>2,402,827</u>	<u>11,272,591</u>	<u>-</u>	<u>47,032,979</u>
24,042	-	-	24,042
36,203,939	12,764,104	1,984,177	73,416,559
9,840,774	-	8,275,815	28,096,678
-	44,131,461	-	44,131,461
-	-	-	37,912,433
<u>46,068,755</u>	<u>56,895,565</u>	<u>10,259,992</u>	<u>183,581,173</u>
<u>\$ 48,968,819</u>	<u>\$ 69,427,375</u>	<u>\$ 16,388,232</u>	<u>\$ 243,476,750</u>



CITY OF BLOOMINGTON, MINNESOTA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2023

EXHIBIT 4

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS **\$ 183,581,173**

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	\$ 639,234,123	
Less accumulated depreciation	<u>(233,501,312)</u>	405,732,811

Governmental funds do not report a liability for accrued interest until due and payable. (783,275)

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	31,059,140	
Add allocation to business-type activities	<u>3,678,105</u>	34,737,245

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (73,505,000)

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

Total OPEB liability	(10,290,480)	
Deferred outflows of resources - OPEB plan deferments	1,361,177	
Deferred inflows of resources - OPEB plan deferments	<u>(3,327,940)</u>	(12,257,243)

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. (4,993,856)

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. 1,932,521

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

Net pension asset	30,574,131	
Deferred outflows of resources	5,523,780	
Deferred inflows of resources	<u>(1,264,181)</u>	34,833,730

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. 39,090,557

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 608,368,663**

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, 2023

	General Fund	Community Development Block Grant	Improvement Bonds
REVENUES			
Property taxes	\$ 57,838,392	\$ -	\$ 6,103,043
Fiscal disparities	3,698,350	-	366,248
Special assessments	45,958	-	2,828,269
Lodging and admissions tax	10,193,696	-	-
Business licenses and permits	6,675,071	-	-
Fines	443,149	-	-
Intergovernmental	11,810,044	1,179,595	-
Program income	2,084,205	-	-
Interest	845,990	-	300,602
Net change in fair value of investments	1,212,350	-	555,105
Other	1,711,106	-	-
Franchise fees	-	-	-
Contractual payments from component unit	-	-	-
Total revenues	<u>96,558,311</u>	<u>1,179,595</u>	<u>10,153,267</u>
EXPENDITURES			
Current:			
General services	7,954,268	-	15,681
Development services	10,559,495	1,826,494	-
Public works	20,334,336	-	-
Public safety	41,614,590	-	-
Parks and recreation	4,067,065	-	-
Community services	8,807,636	-	-
Debt service:			
Interest	-	-	2,368,532
Principal retirement	-	-	6,605,000
Capital outlay:			
Development services	-	-	-
Public works	234,413	-	-
Public safety	380,866	-	-
Parks and recreation	-	-	-
Community services	-	-	-
Total expenditures	<u>93,952,669</u>	<u>1,826,494</u>	<u>8,989,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,605,642</u>	<u>(646,899)</u>	<u>1,164,054</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	5,320,313	-	-
Transfers to other funds	<u>(1,666,472)</u>	<u>(51,697)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,653,841</u>	<u>(51,697)</u>	<u>-</u>
Net change in fund balance	6,259,483	(698,596)	1,164,054
Fund balance - January 1	<u>44,898,089</u>	<u>698,596</u>	<u>18,035,235</u>
Fund balance - December 31	<u>\$ 51,157,572</u>	<u>\$ -</u>	<u>\$ 19,199,289</u>

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

EXHIBIT 5

Capital Projects	Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 300,000	\$ 1,400,435	\$ 65,641,870
-	-	-	4,064,598
136,510	-	-	3,010,737
7,385,756	-	-	17,579,452
-	-	-	6,675,071
-	-	141,837	584,986
1,346,097	8,586,339	3,809,814	26,731,889
462,647	-	357,070	2,903,922
683,977	1,215,098	205,205	3,250,872
910,327	1,488,133	205,303	4,371,218
4,561,816	724,318	795,866	7,793,106
-	6,235,327	1,232,420	7,467,747
273,029	-	-	273,029
<u>15,760,159</u>	<u>18,549,215</u>	<u>8,147,950</u>	<u>150,348,497</u>
2,347	-	227,912	8,200,208
2,009,233	-	441,511	14,836,733
-	3,132,293	-	23,466,629
37	-	1,585,511	43,200,138
(8,011)	-	90,689	4,149,743
-	-	1,941,195	10,748,831
273,029	-	22,843	2,664,404
25,000	-	190,000	6,820,000
105,603	-	195,002	300,605
-	12,279,109	-	12,513,522
5,717,446	-	107,542	6,205,854
2,297,239	-	-	2,297,239
-	-	56,421	56,421
<u>10,421,923</u>	<u>15,411,402</u>	<u>4,858,626</u>	<u>135,460,327</u>
<u>5,338,236</u>	<u>3,137,813</u>	<u>3,289,324</u>	<u>14,888,170</u>
1,100,000	73,972	644,112	7,138,397
<u>(4,236,445)</u>	<u>(1,562,430)</u>	<u>(2,150,209)</u>	<u>(9,667,253)</u>
<u>(3,136,445)</u>	<u>(1,488,458)</u>	<u>(1,506,097)</u>	<u>(2,528,856)</u>
2,201,791	1,649,355	1,783,227	12,359,314
<u>43,866,964</u>	<u>55,246,210</u>	<u>8,476,765</u>	<u>171,221,859</u>
<u>\$ 46,068,755</u>	<u>\$ 56,895,565</u>	<u>\$ 10,259,992</u>	<u>\$ 183,581,173</u>



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, 2023

EXHIBIT 6

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 12,359,314**

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	\$ 21,373,641	
Depreciation expense	<u>(14,419,325)</u>	6,954,316

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.

Principal paid		6,820,000
----------------	--	-----------

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.

723,177

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.

(83,514)

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	434,965	
Add allocation to business-type activities	<u>891,810</u>	1,326,775

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

(4,318,787)

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.

54,889

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 differed from pension contributions.

3,262,624

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.

(190,000)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 26,908,794**

See notes to the basic financial statements.



CITY OF BLOOMINGTON, MINNESOTA

MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

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

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

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

CITY OF BLOOMINGTON, MINNESOTA
Statement of Fund Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds		
	Water/Wastewater Utility	Storm Water Utility	Recreational Facilities
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 25,492,746	\$ 11,582,652	\$ 3,582,118
Accrued interest receivable	287,407	67,914	20,522
Taxes receivable	628,949	723,409	-
Accounts receivable	6,786,018	2,143,734	178,038
Prepaid items	750,491	-	-
Due from other funds	35,263	-	-
Due from other governments	-	6,737	-
Inventory	-	-	-
Total current assets	<u>33,980,874</u>	<u>14,524,446</u>	<u>3,780,678</u>
Noncurrent assets:			
Lease receivable	3,940,970	-	-
Land	2,280,001	511,358	1,955,757
Buildings and structures	18,973,707	791,498	19,470,330
Machinery and equipment	1,763,995	179,571	2,365,395
Improvements	3,701,290	1,844,511	2,947,026
Distribution system and infrastructure	108,967,937	74,316,590	-
Construction in progress	-	-	236,424
Accumulated depreciation	<u>(85,066,179)</u>	<u>(29,296,715)</u>	<u>(17,509,802)</u>
Total noncurrent assets	<u>54,561,721</u>	<u>48,346,813</u>	<u>9,465,130</u>
Total assets	<u>88,542,595</u>	<u>62,871,259</u>	<u>13,245,808</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - related to pensions	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	951,568	164,716	135,503
Estimated claims payable	-	-	-
Benefits payable	-	-	-
Due to other funds	-	-	-
Retainage payable	-	5,552	-
Unearned revenue	-	-	30,460
Bonds payable	120,000	635,000	155,000
Accrued interest payable	5,862	151,380	15,178
Deposits payable	20,442	-	8,766
Total current liabilities	<u>1,097,872</u>	<u>956,648</u>	<u>344,907</u>
Noncurrent liabilities:			
Benefits payable	-	-	-
Bonds payable	395,000	8,484,452	1,055,000
Estimated claims payable	-	-	-
Net pension liability	-	-	-
Total noncurrent liabilities	<u>395,000</u>	<u>8,484,452</u>	<u>1,055,000</u>
Total liabilities	<u>1,492,872</u>	<u>9,441,100</u>	<u>1,399,907</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - related to leases	3,940,970	-	-
Deferred inflows - related to pensions	-	-	-
Total deferred inflows of resources	<u>3,940,970</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	50,105,751	39,221,809	8,255,130
Restricted - public safety state aid	-	-	-
Unrestricted	<u>33,003,002</u>	<u>14,208,350</u>	<u>3,590,771</u>
Total net position	<u>\$ 83,108,753</u>	<u>\$ 53,430,159</u>	<u>\$ 11,845,901</u>

See notes to the basic financial statements.

EXHIBIT 7

Solid Waste Management	Contractual Police	Total	Governmental Activities -
			Internal Service Funds
\$ 471,553	\$ 25,834	\$ 41,154,903	\$ 47,908,303
6,546	-	382,389	249,784
36,897	-	1,389,255	-
2,364,119	363,753	11,835,662	229,823
-	-	750,491	1,545,322
-	-	35,263	-
-	-	6,737	900
-	-	-	2,393
<u>2,879,115</u>	<u>389,587</u>	<u>55,554,700</u>	<u>49,936,525</u>
-	-	3,940,970	-
-	-	4,747,116	14,504,240
-	-	39,235,535	47,246,516
-	-	4,308,961	49,264,930
-	-	8,492,827	5,466,464
-	-	183,284,527	139,719
-	-	236,424	553,016
-	-	(131,872,696)	(60,109,714)
-	-	112,373,664	57,065,171
<u>2,879,115</u>	<u>389,587</u>	<u>167,928,364</u>	<u>107,001,696</u>
-	-	-	47,898,977
-	-	-	47,898,977
701,203	39,012	1,992,002	2,002,667
-	-	-	1,982,772
-	-	-	969,250
-	350,000	350,000	-
-	-	5,552	-
-	-	30,460	75,000
-	-	910,000	-
-	-	172,420	-
-	575	29,783	85
<u>701,203</u>	<u>389,587</u>	<u>3,490,217</u>	<u>5,029,774</u>
-	-	-	18,415,746
-	-	9,934,452	-
-	-	-	146,795
-	-	-	54,363,171
-	-	9,934,452	72,925,712
<u>701,203</u>	<u>389,587</u>	<u>13,424,669</u>	<u>77,955,486</u>
-	-	3,940,970	-
-	-	-	45,886,047
-	-	3,940,970	45,886,047
-	-	97,582,690	57,065,171
-	-	-	716,000
2,177,912	-	52,980,035	(26,722,031)
<u>\$ 2,177,912</u>	<u>\$ -</u>	<u>150,562,725</u>	<u>\$ 31,059,140</u>

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

(3,678,105)
\$ 146,884,620

CITY OF BLOOMINGTON, MINNESOTA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2023

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water/Wastewater Utility</u>	<u>Storm Water Utility</u>	<u>Recreational Facilities</u>
Operating revenues:			
Charges for services	\$ 36,304,432	\$ 7,670,000	\$ 4,838,669
Other	43,413	18,369	163
Total operating revenues	<u>36,347,845</u>	<u>7,688,369</u>	<u>4,838,832</u>
Operating expenses:			
Salaries and benefits	6,234,097	1,753,141	2,794,657
Materials, supplies and service	8,402,066	1,120,809	3,239,237
Depreciation	1,667,103	2,212,324	710,839
Water purchased	4,803,797	-	-
Wastewater disposal cost	8,245,378	-	-
Total operating expenses	<u>29,352,441</u>	<u>5,086,274</u>	<u>6,744,733</u>
Operating income (loss)	<u>6,995,404</u>	<u>2,602,095</u>	<u>(1,905,901)</u>
Nonoperating revenues (expenses):			
Taxes	-	-	1,952,178
Donations	-	-	-
Intergovernmental	27,567	25,000	67,137
Interest income (charges)	485,463	255,911	65,685
Net change in fair value of investments	316,334	262,678	81,539
Gain (loss) on disposal of capital assets	-	-	12,500
Interest expense	(14,548)	(313,347)	(36,926)
Total nonoperating revenues (expenses)	<u>814,816</u>	<u>230,242</u>	<u>2,142,113</u>
Income (loss) before capital contributions and transfers	7,810,220	2,832,337	236,212
Transfers and capital contributions:			
Insurance Proceeds	-	-	-
Transfers from other funds	35,263	-	250,000
Transfers to other funds	(550,000)	-	-
Change in net position	7,295,483	2,832,337	486,212
Total net position - January 1	<u>75,813,270</u>	<u>50,597,822</u>	<u>11,359,689</u>
Total net position - December 31	<u>\$ 83,108,753</u>	<u>\$ 53,430,159</u>	<u>\$ 11,845,901</u>

See notes to the basic financial statements.

EXHIBIT 8

			Governmental Activities -
Solid Waste Management	Contractual Police	Total	Internal Service Funds
\$ 9,704,139	\$ 1,786,822	\$ 60,304,062	\$ 46,905,596
17,920	-	79,865	558,609
<u>9,722,059</u>	<u>1,786,822</u>	<u>60,383,927</u>	<u>47,464,205</u>
375,658	1,681,516	12,839,069	32,861,683
9,212,281	41,059	22,015,452	15,815,081
-	-	4,590,266	4,732,842
-	-	4,803,797	-
-	-	8,245,378	-
<u>9,587,939</u>	<u>1,722,575</u>	<u>52,493,962</u>	<u>53,409,606</u>
<u>134,120</u>	<u>64,247</u>	<u>7,889,965</u>	<u>(5,945,401)</u>
185,000	-	2,137,178	-
-	-	-	5,350
328,483	-	448,187	787,534
23,608	-	830,667	980,811
5,216	-	665,767	1,479,205
-	-	12,500	247,596
-	-	(364,821)	-
<u>542,307</u>	<u>-</u>	<u>3,729,478</u>	<u>3,500,496</u>
676,427	64,247	11,619,443	(2,444,905)
-	-	-	22,937
-	-	285,263	3,071,049
<u>-</u>	<u>(63,339)</u>	<u>(613,339)</u>	<u>(214,116)</u>
676,427	908	11,291,367	434,965
<u>1,501,485</u>	<u>(908)</u>	<u>139,271,358</u>	<u>30,624,175</u>
<u>\$ 2,177,912</u>	<u>\$ -</u>	<u>\$ 150,562,725</u>	<u>\$ 31,059,140</u>

Change in net position reported above

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds.

Change in net position of business-type activities (Exh. 2)

\$ 11,291,367

(891,810)

\$ 10,399,557

CITY OF BLOOMINGTON, MINNESOTA

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2023

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water/Wastewater Utility</u>	<u>Stormwater Utility</u>	<u>Recreational Facilities</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	35,437,884	7,431,221	4,876,704
Cash payments to other funds	(3,557,577)	(1,448,984)	(1,289,751)
Payments to employees	(6,230,042)	(1,745,982)	(2,789,587)
Payments to suppliers	(18,085,441)	442,642	(2,018,994)
Net cash provided by (used in) operating activities	<u>7,564,824</u>	<u>4,678,897</u>	<u>(1,221,628)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants	77,567	18,263	67,137
Transfers from other funds	-	-	250,000
Transfers to other funds	(550,000)	-	-
Donations	-	-	-
Taxes	-	-	1,952,178
Net cash provided by noncapital financing activities	<u>(472,433)</u>	<u>18,263</u>	<u>2,269,315</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Bond payments	(115,000)	(610,000)	(150,000)
Insurance proceeds	-	-	-
Interest and other payments	(16,944)	(378,563)	(39,426)
Proceeds from sale of capital assets	-	-	12,500
Purchase of capital assets	(1,867,928)	(2,866,635)	(645,576)
Net cash provided by (used in) capital and related financing activities	<u>(1,999,872)</u>	<u>(3,855,198)</u>	<u>(822,502)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income (charges)	<u>801,798</u>	<u>518,588</u>	<u>147,223</u>
Net cash provided by investing activities	<u>801,798</u>	<u>518,588</u>	<u>147,223</u>
Net increase (decrease) in cash and cash equivalents	<u>5,894,317</u>	<u>1,360,550</u>	<u>372,408</u>
Cash and cash equivalents - January 1	<u>19,598,429</u>	<u>10,222,102</u>	<u>3,209,710</u>
Cash and cash equivalents - December 31	<u>\$ 25,492,746</u>	<u>\$ 11,582,652</u>	<u>\$ 3,582,118</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 6,995,404	\$ 2,602,095	\$ (1,905,901)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation	1,667,103	2,212,324	710,839
Changes in assets and liabilities:			
Receivables	(2,620,670)	(224,643)	47,563
Other current assets	(151,182)	(32,505)	(9,690)
Inventory	-	-	-
Accounts payable	(187,581)	88,943	(69,658)
Unearned revenue	(5,527)	-	(1,056)
Interfund payables	-	25,000	-
Net pension liability	-	-	-
Benefits payable	5,385	7,683	6,275
Deferred outflows of resources	-	-	-
Deferred inflows of resources	1,861,892	-	-
Net cash provided by (used in) operating activities	<u>\$ 7,564,824</u>	<u>\$ 4,678,897</u>	<u>\$ (1,221,628)</u>
Noncash transfer of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the basic financial statements.

EXHIBIT 9

			Governmental Activities -
			Internal Service Funds
Solid Waste Management	Contractual Police	Total	
\$ -	\$ -	\$ -	\$ 46,810,664
9,541,823	1,684,985	58,972,617	-
(680,588)	103,226	(6,873,674)	(3,799,740)
(373,232)	(1,674,363)	(12,813,206)	(26,607,397)
(8,561,121)	(24,710)	(28,247,624)	(12,383,054)
<u>(73,118)</u>	<u>89,138</u>	<u>11,038,113</u>	<u>4,020,473</u>
328,483	-	491,450	786,934
-	-	250,000	3,071,049
-	(63,339)	(613,339)	(214,116)
-	-	-	5,350
185,000	-	2,137,178	-
<u>513,483</u>	<u>(63,339)</u>	<u>2,265,289</u>	<u>3,649,217</u>
-	-	(875,000)	-
-	-	-	22,937
-	-	(434,933)	-
-	-	12,500	414,478
<u>-</u>	<u>-</u>	<u>(5,380,139)</u>	<u>(8,875,297)</u>
-	-	(6,677,572)	(8,437,882)
28,824	-	1,496,433	2,460,016
<u>28,824</u>	<u>-</u>	<u>1,496,433</u>	<u>2,460,016</u>
469,189	25,799	8,122,263	1,691,824
2,364	35	33,032,640	46,216,479
<u>\$ 471,553</u>	<u>\$ 25,834</u>	<u>\$ 41,154,903</u>	<u>\$ 47,908,303</u>
\$ 134,120	\$ 64,247	\$ 7,889,965	\$ (5,945,401)
-	-	4,590,266	4,732,842
(175,868)	(101,837)	(3,075,455)	(565,492)
(4,368)	-	(197,745)	(88,049)
-	-	-	(1,293)
(4,613)	575	(172,334)	(330,214)
-	-	(6,583)	-
(25,000)	119,000	119,000	-
-	-	-	(39,143,998)
2,611	7,153	29,107	1,019,393
-	-	-	970,093
-	-	1,861,892	43,372,592
<u>\$ (73,118)</u>	<u>\$ 89,138</u>	<u>\$ 11,038,113</u>	<u>\$ 4,020,473</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BLOOMINGTON, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS **FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

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

Port Authority of the City of Bloomington (Port Authority)

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

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

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

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

B. GOVERNMENT-WIDE AND FUND ACCOUNTING

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

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

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

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

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

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

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

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

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

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

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

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

Other funds - The City reports the following other funds:

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

C. BASIS OF ACCOUNTING

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

Governmental Funds:

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

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

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

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

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

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

Proprietary Funds:

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

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

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

D. BUDGETS

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

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

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

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

Legal Compliance - Budgets

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

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

E. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in authorized investments (see Note 2). Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are stated at fair value, based upon quoted market prices at the reporting date, except for investments in money market investments and external investment pools that meet GASB Statement No. 79 requirements, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits, and highly liquid investments with an original maturity date at the time of purchase of three months or less. The City accounts for its investments in an entity-wide cash management pool, which is used essentially as a demand deposit account.

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds and between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due from primary government/component unit” and “due to other funds” or “due to primary government/component unit,” respectively, on the balance sheet (see Note 9). Any interfund balances are eliminated on the entity-wide financial statements.

G. INVENTORIES AND PREPAID ITEMS

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

Assets held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. During the year ended December 31, 2023 management has reviewed the cost value reported for these assets and has indicated the properties are fairly presented for financial reporting purposes.

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

H. LEASE RECEIVABLE

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

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

I. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS

The Government Accounting and Standards Board issued a new standard 96 that resulted in new reporting requirements related to subscription-based information technology arrangements. The City's Subscription-Based Information Technology Agreements (SBITA) were analyzed and measured at the present value of the total remaining contract price for all contracts within each fund at the end of the present calendar year. Total contract present values exceeding the fund materiality threshold are required to be reported. For the reporting year 2023, the City has no SBITAs that qualify for reporting.

J. 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

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

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

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

L. 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' compensatory 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.

M. 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.

N. 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, 2023, there were two series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$35.6 million.

O. 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.

P. 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.

Q. 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.

R. 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.

S. 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.

T. DEFICIT NET POSITION AND FUND BALANCE

The PERA Pension internal service fund had a negative net position balance of \$(52,350,241) on December 31, 2023 as a result of following accounting required by GASB Statement No. 68. Future pension contributions and investment earnings will reduce the negative net position in the PERA Pension internal service fund. The Benefit Accrual internal service fund had a negative net position balance of \$(5,457,035) on December 31, 2023. 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.

U. 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.

V. 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, 2023, the carrying amount of the City's deposits with financial institutions was \$(1,629,515) and the bank balances totaled \$457,423.

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, 2023, 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 Statute 118A and its investment policy. This guidance allows the City to invest in money market funds, savings/demand deposit accounts, banker's acceptances, commercial paper, U.S. Treasury obligations, U.S. Agency securities Government Sponsored Enterprises (GSE's), municipal securities, repurchase agreements, and guaranteed investment contracts.

As of December 31, 2023, 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	\$ 36,548,027	\$ 36,548,027	\$ -	\$ -
Commercial Paper Sweep	246,077	246,077	-	-
Treasury Notes	14,918,840	14,918,840	-	-
Federal Farm Credit Bank	19,292,350	-	19,292,350	-
Federal Home Loan Bank	88,667,188	31,555,370	57,111,818	-
Federal Agriculture Mortgage Corporation	23,737,908	1,213,198	22,524,710	-
Federal Home Loan Mortgage Corporation	28,680,300	4,830,750	23,849,550	-
Federal National Mortgage Association	18,432,892	4,872,600	13,560,292	-
Municipal Bonds	35,130,617	14,103,821	19,045,668	1,981,128
Total investments	265,654,199	<u>\$ 108,288,683</u>	<u>\$155,384,388</u>	<u>\$ 1,981,128</u>
Total deposits	<u>(1,629,515)</u>			
Total investments and deposits	<u>\$ 264,024,684</u>			

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

The City has the following recurring fair value measurements as of December 31, 2023:

Investments by fair value level	12/31/23	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 246,077	\$ -	\$ 246,077	\$ -
Treasury Notes	14,918,840	14,918,840	-	-
Federal Farm Credit Bank	19,292,350	-	19,292,350	-
Federal Home Loan Bank	88,667,188	-	88,667,188	-
Federal Home Loan Mortgage Corporation	28,680,300	-	28,680,300	-
Federal Agriculture Mortgage Corporation	23,737,908	-	23,737,908	-
Federal National Mortgage Association	18,432,892	-	18,432,892	-
First American Money Market	16,360,850	16,360,850	-	-
Municipal Bonds	35,130,617	-	35,130,617	-
Subtotal	245,467,022	<u>\$ 31,279,690</u>	<u>\$ 214,187,332</u>	<u>\$ -</u>
Investments not categorized:				
External investment pools -				
4M Fund Money Market	20,187,177			
Bank Deposits	(1,629,515)			
Total	<u>\$ 264,024,684</u>			

Custodial Credit Risk-Investments – For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investments that are in possession of an outside party. As of December 31, 2023, 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 (7%), Federal Home Loan Bank (33%), Federal Home Loan Mortgage Corporation (11%), Federal Agricultural Mortgage Corporation (9%), and Federal National Mortgage Association (7%).

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

The following table reconciles cash, cash equivalents, and investments to the basic financial statements at December 31, 2023:

Governmental funds	\$ 174,961,478
Proprietary funds:	
Enterprise	41,154,903
Internal service	47,908,303
Total cash, cash equivalents, and investment	<u>\$ 264,024,684</u>

3. LEASE RECEIVABLE

The City leases a portion of its water towers, sirens and light poles for cellular tower antenna sites. The leases have initial terms of five years with the option to renew five or six additional five year periods. The City considers the likelihood of these options being exercised to be greater than 50%. The annual payments on these leases range from \$8,552 - \$135,685 in 2023 with increases ranging from 4% - 7%. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 4% which is based on the rate available to finance acquisitions over similar time periods. At December 31, 2023, the City recorded \$11,683,392 in lease receivables and deferred inflows of resources for these arrangements. Total revenue recognized in relation to these leases for the year ended December 31, 2023 is as follows:

	For the year ended 12/31/23
Amortization of lease-related deferred inflows	
Cell tower leases	\$ 389,040
Variable lease revenue	-
Interest revenue	440,237
Total revenue recognized in relation to leased assets	<u>\$ 829,277</u>

4. CAPITAL ASSETS

During 2023 the City's capitalization threshold was \$10,000. Capital asset activity for the year ended December 31, 2023 was as follows:

	Primary Government		
	Balance at 1/1/23	Additions	Balance at 12/31/23
Governmental activities:			
Capital assets not being depreciated:			
Land	\$ 103,029,479	\$ -	\$ 103,029,479
Construction in progress	9,660,144	5,547,935	4,745,349
Total capital assets not being depreciated	112,689,623	5,547,935	107,774,828
Capital assets being depreciated:			
Buildings and structures	86,165,868	14,012,489	100,178,357
Machinery and equipment	53,467,004	5,808,620	57,346,466
Improvements	24,177,232	3,203,193	27,380,425
Infrastructure	451,589,437	12,139,493	463,728,930
Total capital assets being depreciated	615,399,541	35,163,795	648,634,178
Less accumulated depreciation for:			
Buildings and structures	(47,579,515)	(2,533,437)	(50,112,952)
Machinery and equipment	(39,096,081)	(3,643,856)	(40,977,663)
Improvements	(11,171,193)	(1,142,385)	(12,313,578)
Infrastructure	(178,374,286)	(11,832,546)	(190,206,832)
Total accumulated depreciation	(276,221,075)	(19,152,224)	(293,611,025)
Total capital assets being depreciated, net	339,178,466	16,011,571	355,023,153
Governmental capital assets, net	\$ 451,868,089	\$ 21,559,506	\$ 462,797,981
Business-type activities:			
Capital assets not being depreciated:			
Land	\$ 4,714,616	\$ 32,500	\$ 4,747,116
Construction in progress	970,208	271,687	236,424
Total capital assets not being depreciated	5,684,824	304,187	4,983,540
Capital assets being depreciated:			
Buildings and structures	39,235,535	-	39,235,535
Machinery and equipment	4,143,642	266,566	4,308,961
Distribution system	178,208,333	5,076,194	183,284,527
Improvements	7,766,662	726,165	8,492,827
Total capital assets being depreciated	229,354,172	6,068,925	235,321,850
Less accumulated depreciation for:			
Buildings and structures	(20,580,727)	(729,872)	(21,310,599)
Machinery and equipment	(2,792,623)	(274,314)	(2,953,189)
Distribution system	(99,252,992)	(3,418,516)	(102,671,508)
Improvements	(4,769,836)	(167,564)	(4,937,400)
Total accumulated depreciation	(127,396,178)	(4,590,266)	(131,872,696)
Total capital assets being depreciated, net	101,957,994	1,478,659	103,449,154
Business-type activities capital assets, net	\$ 107,642,818	\$ 1,782,846	\$ 108,432,694

Depreciation expense was charged to governmental functions and proprietary funds at December 31, 2023 as follows:

Function	Governmental	Fund	Proprietary
General services	\$ 48,449	Water/Wastewater	\$ 1,667,103
Development services	2,874,367	Storm Water	2,212,324
Public works	9,240,618	Recreational Facilities	710,839
Public safety	1,080,454		
Community services	1,175,494		
Internal service funds	4,732,842		
Total depreciation expense	<u>\$ 19,152,224</u>		<u>\$ 4,590,266</u>

5. COMMITMENTS

At December 31, 2023, future projects totaled \$1,294,550 and are reported as a committed fund balance within the General Fund. At December 31, 2023, the City had commitments for fourteen uncompleted construction contracts with a remaining balance of \$3,568,066.

6. RISK MANAGEMENT

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

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

	2023	2022
Unpaid claims at beginning of year	\$3,484,335	\$2,167,594
Claims paid	(1,591,447)	(2,374,097)
New claims	236,679	3,690,838
Unpaid claims at end of year	<u>\$2,129,567</u>	<u>\$3,484,335</u>

7. LONG-TERM LIABILITIES

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

Type of Bonds	Maturities	Rates	Balance at 12/31/23
Governmental activities:			
Governmental funds:			
General obligation (G.O.) bonds	2024-2043	2.00 - 5.00%	\$ 17,435,000
G.O. improvement bonds	2024-2037	1.00 - 5.00	41,010,000
G.O. tax increment bonds	2024-2038	1.00 - 2.45	15,060,000
Total governmental bonds			<u>73,505,000</u>
Business-type activities			
General Obligation (G.O.) bonds	2024-2034	2.00 - 5.00	10,315,000
Total bonds			<u>\$ 83,820,000</u>

Changes in long-term liabilities during 2023 are summarized as follows:

	Balance at 01/01/23	Additions	Retirements	Balance at 12/31/23	Due Within One Year
Governmental activities:					
G.O. bonds	\$ 18,040,000	\$ -	\$ 605,000	\$ 17,435,000	\$ 1,060,000
G.O. improvement bonds	47,010,000	-	6,000,000	41,010,000	5,885,000
G.O. tax increment bonds	15,275,000	-	215,000	15,060,000	319,431
Unamortized bond prems.	5,717,033	-	723,177	4,993,856	-
Benefits payable	18,347,357	3,129,914	2,092,275	19,384,996	969,250
Estimated claims payable	3,484,335	236,679	1,591,447	2,129,567	1,982,772
Total governmental	<u>107,873,725</u>	<u>3,366,593</u>	<u>11,226,899</u>	<u>100,013,419</u>	<u>10,216,453</u>
Business-type activities -					
G.O. bonds	11,190,000	-	875,000	10,315,000	910,000
Unamortized bond					
premiums	581,959	-	52,507	529,452	-
Total business-type	<u>11,771,959</u>	<u>-</u>	<u>927,507</u>	<u>10,844,452</u>	<u>910,000</u>
Total	<u>\$119,645,684</u>	<u>\$ 3,366,593</u>	<u>\$12,154,406</u>	<u>\$ 110,857,871</u>	<u>\$ 11,126,453</u>

The benefits payable are generally liquidated by the Benefit Accrual Internal Service Fund. It is not practicable to determine the specific year for payment of benefits payable.

Under state finance law, Minnesota Statute 475.53, the City's outstanding general obligation debt should not exceed 3% of total assessed market value. The general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds. See statistical Table 12 for more detail.

In 2023 the debt limit was \$513,300,933, the total net debt applicable to the limit was \$15,958,179, and the City could issue up to an additional \$497,342,754 of general obligation debt and still be in compliance with the above statute.

Long-term debt maturities (including interest of \$17,033,256) are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 7,269,431	\$ 2,406,786	\$ 910,000	\$ 391,832	\$ 10,978,049
2025	7,902,340	2,121,294	960,000	348,632	11,332,266
2026	7,090,903	1,835,352	990,000	306,707	10,222,962
2027	6,853,705	1,577,035	1,035,000	264,189	9,729,929
2028	6,382,855	1,340,763	935,000	221,113	8,879,731
2029-2033	21,889,682	3,963,675	4,560,000	610,719	31,024,076
2034-2038	12,311,084	1,314,400	925,000	18,500	14,568,984
2039-2043	3,805,000	312,259	-	-	4,117,259
Total	<u>\$ 73,505,000</u>	<u>\$ 14,871,564</u>	<u>\$10,315,000</u>	<u>\$ 2,161,692</u>	<u>\$ 100,853,256</u>

The City did not issue Permanent Improvement Revolving Fund Bonds, Capital Improvement Bonds, or any other debt in 2023.

The following is a schedule of bonds payable at December 31, 2023:

Type of Bonds	Original Amount	Maturities	Rates	Balance at 12/31/23
Governmental Activities:				
General Obligation (G.O.) Bonds:				
2017A Charter Bonds	\$ 1,420,000	2024-2027	2.00 - 5.00%	\$ 610,000
2018A Charter Bonds	1,020,000	2024-2029	3.00 - 4.00	650,000
2018B Housing Improvement Bonds	920,000	2024-2034	3.40 - 4.00	715,000
2019B Charter Bonds	2,105,000	2024-2030	3.00 - 5.00	1,610,000
2021A Charter Bonds	2,005,000	2024-2032	2.00 - 5.00	1,875,000
2022 Capital Improvement Plan Bonds	11,975,000	2024-2043	2.75 - 5.00	11,975,000
Total G.O. Bonds	<u>19,445,000</u>			<u>17,435,000</u>
General Obligation (G.O.) Improvement Bonds:				
2011 PIR, Forty-Five Series	7,545,000	2024-2031	3.00 - 3.375	475,000
2012 PIR Refunding, Thirty-Nine Series	5,900,000	2024-2025	3.00	1,020,000
2013 PIR Refunding, Forty-Three Series	5,135,000	2024-2030	2.40 - 3.25	1,075,000
2013 PIR, Forty-Seven Series	4,180,000	2024	2.40	465,000
2014 PIR, Forty-Eight Series	7,465,000	2024-2025	2.25 - 2.50	1,390,000
2015 PIR, Forty-Nine Series	5,355,000	2024-2036	2.00 - 3.00	1,995,000
2016 PIR, Fifty Series	6,115,000	2024-2037	2.00 - 3.00	2,960,000
2016 PIR, Refunding, Forty-One and Forty-Two Series	3,730,000	2024-2029	2.00 - 3.00	1,750,000
2017 PIR, Fifty-One Series	4,970,000	2024-2028	2.00 - 5.00	2,745,000
2018 PIR, Fifty-Two Series	5,270,000	2024-2029	3.00 - 5.00	3,465,000
2019 PIR, Fifty-Three Series	4,095,000	2024-2030	3.00 - 5.00	3,075,000
2020 PIR, Fifty-Four Series	5,385,000	2024-2031	1.00 - 5.00	4,520,000
2021 PIR, Fifty-Five Series	4,540,000	2024-2032	1.38 - 5.00	4,200,000
2022 PIR, Fifty-Six Series	11,875,000	2024-2034	4.00 - 5.00	11,875,000
Total G.O. Improvement Bonds	<u>81,560,000</u>			<u>41,010,000</u>
General Obligation (G.O.) Tax Increment Bonds:				
2019C Taxable Revenue Bonds	15,200,000	2024-2036	2.45	13,275,000
2020B Serial Refunding Bonds	1,975,000	2024-2032	1.00 - 1.75	1,785,000
Total G.O. Tax Increment Bonds	<u>17,175,000</u>			<u>15,060,000</u>
Total governmental activities	<u>\$ 118,180,000</u>			<u>\$ 73,505,000</u>
Business-type Activities:				
General Obligation (G.O.) Bonds:				
2017B Water Utility Bonds	\$ 1,170,000	2024-2027	2.00 - 5.00	\$ 515,000
2018D Storm Water Utility Green Bonds	10,805,000	2024-2034	3.00 - 5.00	8,590,000
2019A Taxable Charter Bonds	1,645,000	2024-2030	2.53 - 4.00	1,210,000
Total G.O. Bonds	<u>13,620,000</u>			<u>10,315,000</u>
Total bonds payable	<u>\$ 131,800,000</u>			<u>\$ 83,820,000</u>

PIR = Permanent Improvement Revolving

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

Revenues pledged are as follows:

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Term of Pledge	Remaining Principal and Interest
			Percent of total debt service	Debt service as a % of net revenues		
overnmental Activities:						
General Obligation (G.O.) Bonds:						
2017A G.O. Charter Bonds May-17	Park Improvements	Debt Service Tax Levy	100%	n/a	2018 - 2027	\$637,775
2018A G.O. Charter Bonds Jun-18	Park Improvements	Debt Service Tax Levy	100%	n/a	2020 - 2029	\$714,000
2018B G.O. Taxable Housing Improvmt Jun-18	Housing Improvements	Special Assessments	100%	n/a	2020 - 2034	\$876,493
2019B G.O. Charter Bonds Nov-19	Park Improvements	Debt Service Tax Levy	100%	n/a	2021 - 2030	\$1,844,450
2021A G.O. Charter Bonds Nov-19	Park Improvements	Debt Service Tax Levy	100%	n/a	2023 - 2032	\$2,209,650
2022A G.O. Capital Improvement Plan Apr-22	Fire Station	Debt Service Tax Levy	100%	n/a	2024 - 2043	\$16,513,356
General Obligation (G.O.) Improvement Bonds:						
2011 PIR Bonds, Forty-Five Series Nov-11	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	28% 72%	n/a n/a	2013 - 2031	\$535,797
2012 PIR Refunding, Thirty-Nine Srs Jun-12	Refunding 2004 PIR Bonds Infrastructure Improvements	Special Assessments Debt Service Tax Levy	57% 43%	n/a n/a	2015 - 2025	\$1,050,600
2013 PIR Refunding, Forty-Three Srs Nov-13	Refunding 2009 PIR Bonds Current Refunding	Special Assessments Debt Service Tax Levy	90% 10%	n/a n/a	2015 - 2030	\$1,181,048
2013 PIR Bonds, Forty-Seven Srs Nov-13	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	24% 76%	n/a n/a	2015 - 2024	\$470,580
2014 PIR Bonds, Forty-Eight Srs Dec-14	Infrastructure Improvements & Refunding 2006 PIR Bonds	Special Assessments Debt Service Tax Levy	32% 68%	n/a n/a	2016-2025	\$1,424,013
2015 PIR Bonds, Forty-Nine Srs Oct-15	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	43% 57%	n/a n/a	2017 - 2036	\$2,140,288
2016 PIR Bonds, Fifty Srs Dec-16	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	41% 59%	n/a n/a	2018 - 2037	\$3,255,550
2016 PIR Refunding Bonds, Forty-One and Forty-Tw o Srs Dec-16	Refunding 2007 PIR and 2008 PIR Bonds Advanced Refunding	Special Assessments	100%	n/a	2019 - 2029	\$1,894,300
2017 PIR Bonds, Fifty-One Srs Dec-17	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2018 - 2028	\$2,921,194
2018 PIR Bonds, Fifty-Tw o Srs Dec-18	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2019 - 2029	\$3,898,187
2019 PIR Bonds, Fifty-Three Srs Nov-19	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	19% 81%	n/a n/a	2020 - 2030	\$3,522,375
2020 PIR Bonds, Fifty-Four Srs Nov-20	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	22% 78%	n/a n/a	2021 - 2031	\$4,803,300
2021 PIR Bonds, Fifty-Five Srs Nov-21	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2023 - 2032	\$4,860,659
2022 PIR Bonds, Fifty-Six Srs Sep-22	Infrastructure Improvements	Special Assessments Debt Service Tax Levy	18% 82%	n/a n/a	2024 - 2034	\$15,346,875

Revenues pledged (continued):

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

2019C Serial G.O. TIF Bonds Dec-19	Housing Developments	TIF Revenue/Tax Levy Developer Loan Revenue	16% / 3% 81%	n/a	2020 - 2036	\$16,381,983
2020B Serial G.O. TIF Refunding Bds Dec-20	Refund 2011B TIF Bds Crossover Refunding	TIF Revenue	100%	n/a	2021 - 2032	\$1,894,091

Business-type activities:

Enterprise Bonds:

2017B Water Utility May-17	Water System Improvements	Utility revenues	100%	n/a	2018-2027	\$538,441
2018D Storm Water Utility Dec-18	Storm Water Utility	Special Assessments Utility revenues	10% 90%	n/a	2020-2034	\$10,606,831
2019A Charter Bonds May-19	Ice Garden Improvements	Debt Service Tax Levy	100%	n/a	2021-2030	\$1,331,420

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 \$637,775, payable through February 2027. For the current year, principal and interest paid and total tax levy revenues were \$155,125 and \$163,746, 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 \$714,000, payable through February 2029. For the current year, principal and interest paid and total tax levy revenues were \$117,025 and \$122,087, 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 \$876,493, payable through February 2034. For the current year, principal and interest paid and total special assessment revenues were \$82,953 and \$92,203, 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 \$1,844,450, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$265,050 and \$273,537, respectively.
- 2021A Charter Bonds. The City has pledged future tax ad valorem revenue to repay the \$2,005,000 bonds issued in September 2021. Proceeds from the bonds were used for various improvement to parks around the City. Tax levies were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,209,650, payable through February 2032. For the current year, principal and interest paid and total tax levy revenues were \$212,450 and \$252,200, respectively.

- 2022A Capital Improvement Plan. The City has pledged future tax ad valorem revenue to repay the \$11,975,000 bonds issued in April 2022. Proceeds from the bonds were used for certain capital improvements, including but not limited to construction of improvements to fire stations in the City, and construction of a new equipment maintenance garage. Tax levies are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$16,513,356, payable through February 2043. For the current year, principal and interest paid and total tax levy revenues were \$566,018 and \$848,513, respectively.

General Obligation (G.O.) Improvement Bonds:

- 2011 PIR, Forty-Five Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$7,545,000 bonds issued in November 2011. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 72% and special assessments were projected to produce 28% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$535,797, payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$81,294 and \$95,182, respectively.
- 2012 PIR Refunding, Thirty-Nine Series. The City has pledged future tax ad valorem levies and special assessments to repay the \$5,900,000 bonds issued in June 2012. Proceeds from the bonds refunded the 2004 PIR, 39 Series Bonds on February 1, 2014. Tax levies were projected to produce 43% and special assessments were projected to produce 57% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,050,600 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$556,425 and \$557,564, respectively.
- 2013 PIR Refunding, Forty-Three Series. The City has pledged future tax ad valorem levies and special assessments to repay the \$5,135,000 bonds issued in November 2013. Proceeds from the bonds refunded the 2009 PIR, 43 Series Bonds on February 1, 2014. Tax levies were projected to produce 10% and special assessments were projected to produce 90% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,181,048, payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$218,334 and (\$5,433), respectively.
- 2013 PIR, Forty-Seven Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$4,180,000 bonds issued in November 2013. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 76% and special assessments were projected to produce 24% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$470,580, payable through February 2024. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$471,279 and \$422,907, 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 \$1,424,013 payable through February 2025. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$719,825 and \$587,906 respectively.

- 2015 PIR, Forty-Nine Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$5,355,000 bonds issued in October 2015. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 57% and special assessments were projected to produce 43% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,140,288 payable through February 2036. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$576,250 and \$504,363, respectively.
- 2016 PIR, Fifty Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$6,115,000 bonds issued in December 2016. Proceeds from the bonds provided financing for various infrastructure improvements. Tax levies were projected to produce 59% and special assessments were projected to produce 41% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,255,550, payable through February 2037. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$638,400 and \$601,371, 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 \$1,894,300, payable through February 2029. For the current year, principal and interest paid and total special assessment revenues were \$354,550 and \$496,483, 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 \$2,921,194, payable through February 2028. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$588,037 and \$66,429, 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 \$3,898,187 payable through February 2029. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$653,575 and \$652,368, 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 \$3,522,375 payable through February 2030. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$508,475 and \$546,890, 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 \$4,803,300 payable through February 2031. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$605,925 and \$636,714, 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 \$4,860,659 payable through February 2032. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$514,794 and \$569,547, respectively.
- 2022 PIR, Fifty-Six Series. The City has pledged future ad valorem tax levies and special assessments to repay the \$11,875,000 bonds issued in September 2022. Proceeds from the bonds provide financing for various infrastructure improvements. Tax levies were projected to produce 82% and special assessments were projected to produce 18% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$15,346,875 payable through February 2034. For the current year, principal and interest paid and total tax levy and special assessment revenues were \$525,548 and \$1,625,604, respectively.

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

- 2019C Serial Bonds. The City has pledged tax increment revenue to repay the \$15,200,000 bonds issued in December 2019. Proceeds from the bonds provided funding for housing developments. Incremental property taxes were projected to produce 16%, tax levies were projected to produce 3%, and developer loan revenues of 81% of the debt service requirements over the life of the bond issue. Total principal and interest remaining on the bonds is \$16,381,983 payable through February 2036. For the current year, principal and interest paid and total tax increment, tax levy and developer loan revenues were \$298,028 and \$298,028, 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 refunded 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 \$1,894,091 payable through February 2032. For the current year, principal and interest paid and total tax increment revenues were \$212,843 and \$212,843, 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 \$538,441, payable through February 2027. For the current year, principal and interest paid and total water utility revenues were \$131,944 and \$131,944, 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 \$10,606,831, payable through February 2034. For the current year, principal and interest paid and total water utility and special assessment revenues were \$988,562 and \$988,562, 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 \$1,331,420, payable through February 2030. For the current year, principal and interest paid and total tax levy revenues were \$189,426 and \$189,426, respectively.

8. NET POSITION/FUND BALANCES

A. NET INVESTMENT IN CAPITAL ASSETS

The government-wide statement of net position at December 31, 2023 includes the City's net investment in capital assets, calculated as follows:

	Governmental Activities	Business-Type Activities	Total
Net investment in capital assets:			
Capital assets			
Nondepreciable	\$ 107,774,828	\$ 4,983,540	\$ 112,758,368
Depreciable, net of accumulated depreciation	355,023,153	103,449,157	458,472,310
Less capital related long-term debt outstanding	(63,438,856)	(10,844,452)	(74,283,308)
Retainage payable	(535,428)	(5,552)	(540,980)
Unspent bond proceeds	3,961,382	-	3,961,382
Total net investment in capital assets	<u>\$ 402,785,079</u>	<u>\$ 97,582,693</u>	<u>\$ 500,367,772</u>

B. GOVERNMENTAL CLASSIFICATIONS

At December 31, 2023, 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	\$ -	\$ -	\$ -	\$ 24,042	\$ -	\$ -	\$ 24,042
Restricted for:							
Debt service	-	-	19,199,289	-	-	191,336	19,390,625
Abatement purposes	-	-	-	-	7,030,949	-	7,030,949
Tax increment purposes	-	-	-	21,097,613	497,492	-	21,595,105
Capital purposes	-	-	-	368,527	-	9,714	378,241
Park development	-	-	-	-	-	84,180	84,180
Public safety	3,265,050	-	-	-	-	840,093	4,105,143
Housing development	-	-	-	14,734,481	-	-	14,734,481
Public health	-	-	-	-	-	253,796	253,796
Art center	-	-	-	3,318	-	-	3,318
Cemetery	-	-	-	-	-	382,954	382,954
Communication	-	-	-	-	-	222,104	222,104
Street reconstruction	-	-	-	-	5,235,663	-	5,235,663
Total restricted	<u>3,265,050</u>	<u>-</u>	<u>19,199,289</u>	<u>36,203,939</u>	<u>12,764,104</u>	<u>1,984,177</u>	<u>73,416,559</u>
Committed:							
Budget carryovers	8,685,539	-	-	-	-	-	8,685,539
Capital purposes	-	-	-	28,581	-	587,404	615,985
Creative placemaking	-	-	-	-	-	951,439	951,439
Park development	-	-	-	1,468,603	-	-	1,468,603
Public safety	-	-	-	-	-	6,723,809	6,723,809
Future projects	1,294,550	-	-	8,343,590	-	-	9,638,140
Community landscape	-	-	-	-	-	13,163	13,163
Total committed	<u>9,980,089</u>	<u>-</u>	<u>-</u>	<u>9,840,774</u>	<u>-</u>	<u>8,275,815</u>	<u>28,096,678</u>
Assigned for:							
Street reconstruction	-	-	-	-	44,131,461	-	44,131,461
Unassigned	<u>37,912,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,912,433</u>
Total fund balances	<u>\$ 51,157,572</u>	<u>\$ -</u>	<u>\$ 19,199,289</u>	<u>\$ 46,068,755</u>	<u>\$ 56,895,565</u>	<u>\$ 10,259,992</u>	<u>\$ 183,581,173</u>

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, 2023, the fund balance of the General Fund was \$51,157,572 which sufficiently meets the working capital goal described above.

9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of December 31, 2023:

<u>Fund/Component Unit</u>		<u>Receivable</u>	<u>Payable</u>
General Fund	(1)	\$ 350,000	\$ -
Contractual Police	(1)	-	350,000
Water		35,263	-
Nonmajor Government		-	35,263
Total		<u>\$ 385,263</u>	<u>\$ 385,263</u>
Primary Government:			
General Fund		\$ 194,962	\$ 45,072
Capital Projects Fund		9,732,913	615,616
Bonds receivable – due:			
Within one year		190,000	-
In more than one year		1,600,993	-
Accrued interest receivable		144,638	-
Total		<u>\$ 11,863,506</u>	<u>\$ 660,688</u>
Component Units:			
Port Authority		\$ -	\$ 15,800
Housing and Redevelopment Authority:			
Primary government		\$ 660,688	\$ 9,912,075
Bonds payable – due:			
Within one year		-	190,000
In more than one year		-	1,600,993
Accrued interest payable		-	144,638
Total		<u>\$ 660,688</u>	<u>\$ 11,863,506</u>
Total primary and component units	(2,3)	<u>\$ 12,524,194</u>	<u>\$ 12,524,194</u>

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

The following is a schedule of interfund transfers for the year ended December 31, 2023:

Fund Transferred To		Fund Transferred From	Amount
General	*	Community Dev. Block Grant	\$ 51,697
	(1)	Capital Projects	3,137,015
	(2)	Improvement Construction	1,562,430
	*	Contractual Police	63,339
	*	Nonmajor Governmental	505,832
Total General			<u>5,320,313</u>
Capital Projects	(3)	General Fund	<u>1,100,000</u>
Improvement Construction	*	General Fund	<u>73,972</u>
Nonmajor Governmental	*	Capital Projects	429,996
	*	Internal Service	214,116
Total Nonmajor Governmental			<u>644,112</u>
Enterprise			
Water/Wastewater Utility	*	Nonmajor Governmental	35,263
Art Center	*	Capital Projects	250,000
Total Enterprise			<u>285,263</u>
Internal Service	*	General Fund	492,500
	*	Nonmajor Governmental	1,609,116
	(4)	Capital Projects	419,433
	(5)	Water/Wastewater Utility	550,000
Total Internal Service			<u>3,071,049</u>
Total			<u>\$ 10,494,709</u>

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them. In the year ended December 31, 2023, transfers include (1) a one-time transfer of \$1,100,004 to the General Fund from the Capital Projects Fund for tax levy stabilization, annual transfers of \$2,037,011 to help support the cost of police services at the Mall of America, and \$25,000 in one-time transfers for City Council initiatives, (2) an annual transfer of \$1,562,430 for franchise fees from the improvement Construction Fund to the General Fund for the pavement management program, (3) a one-time transfer of \$1,100,000 to the Strategic Priorities Capital Projects Fund due to a positive budget variance in the General Fund, (4) a one-time transfer of \$419,433 from Capital Projects to the Facilities Fund for the Community Development Remodel, (5) a one-time transfer of \$550,000 from Water/Wastewater Utility to Fleet Funds for the purchase of a Hydro-Excavator, and other items denoted with an asterisk (*) were approved by City Council as annually budgeted transfers.

10. CONTINGENCIES

A. LEGAL CONTINGENCIES

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

B. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and it is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

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. GERS 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. PEPFF Benefits

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

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

CONTRIBUTIONS

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

1. GERF Contributions

Coordinated plan members were required to contribute 6.50% of their annual covered salary in calendar year 2022. The City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2023 were \$3,223,330. 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 2023, 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, 2023 were \$3,666,065. The City's contributions were equal to the required contributions as set by state statute.

PENSION COSTS

1. GERF Pension Costs

At December 31, 2023, the City reported a liability of \$30,470,198 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's (State) contribution of \$16 million. The State is considered a nonemployer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$840,076.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .5449% at the end of the measurement period and .5162% for the beginning of the period.

City's proportionate share of net pension liability	\$ 30,470,198
State's proportionate share of the net pension liability associated with the City	\$ 840,076

For the year ended December 31, 2023, the City recognized pension expense of \$5,238,496 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$3,775 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, 2023, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,000,653	\$ 215,432
Changes in actuarial assumptions	5,057,420	8,351,623
Difference between projected and actual investment earnings	-	1,292,315
Changes in proportion	1,273,151	92,020
Contributions paid to PERA subsequent to the measurement date	1,610,722	-
Total	<u>\$ 8,941,946</u>	<u>\$ 9,951,390</u>

Deferred outflows of resources reported \$1,610,722 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, 2024. 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
2024	\$ 1,179,048
2025	(4,203,688)
2026	1,065,476
2027	(661,002)
2028	-
Total	<u>\$ (2,620,166)</u>

2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$23,892,973 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 1.3836% at the end of the measurement period and 1.2093% 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, 2023. The contribution consisted of \$9.0 million in direct state aid that meets the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the State will pay \$9.0 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9.0 million in supplemental state aid will continue until the fund is 90.0% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90.0% funded, whichever occurs later.

As a result, the State of Minnesota is included as a nonemployer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9.0 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the state of Minnesota's pension expense (and grant revenue) under GASB Statement No. 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$6,674,109 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$57,964 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	\$ 23,892,973
State's proportionate share of the net pension liability associated with the City	\$ 962,404

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 \$124,523 for the year ended December 31, 2023, 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, 2023, 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	\$ 6,633,447	\$ -
Changes in actuarial assumptions	28,022,466	33,611,209
Difference between projected and actual investment earnings	-	1,517,042
Changes in proportion	2,525,092	806,406
Contributions paid to PERA subsequent to the measurement date	1,776,026	-
Total	<u>\$ 38,957,031</u>	<u>\$ 35,934,657</u>

Deferred outflows of resources reported \$1,776,026 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, 2024. 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
2024	\$ 1,280,466
2025	314,924
2026	6,263,315
2027	(1,089,656)
2028	(5,522,701)
Total	<u>\$ 1,246,348</u>

ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2022 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 2023:

1. GERF

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2. PEPFF

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5%	5.10%
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	<u>100%</u>	

DISCOUNT RATE

The discount rate used to measure the total pension liability in 2023 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERP 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 (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the GERF net pension liability	\$ 53,904,227	\$ 30,470,198	\$ 11,194,818
	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the PEPFF net pension liability	\$ 47,406,508	\$ 23,892,973	\$ 4,561,702

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

Paid on call 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 the most recent three-year average salary rates of the highest paid non-officer police officer in the City.

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. No benefits shall be paid for any disability of less than seven days duration.

Death Benefits

Upon the death of a member, the sum of \$500 shall be appropriated from the special account to the designated beneficiary or estate to defray funeral costs. The general account will pay the beneficiary \$2,000.

EMPLOYEES COVERED BY BENEFIT TERMS

At December 31, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	228
Retired members entitled to benefits, but who have not received them	11
Current members:	
Fully vested (20 years or more)	6
Nonvested (less than 20 years)	91
	<hr/>
Total	336
	<hr/>

CONTRIBUTIONS

Minnesota Statutes Chapter 69.772 sets the minimum contribution requirement for the City and State aid on an annual basis. These statutes are established and amended by the state legislature. The Relief Association is comprised of volunteers; therefore, members have no contribution requirements. The City receives the State aid contribution and is required by state statutes to pass this through as payment to the Relief Association. The City's contribution to the Relief Association for the year ended December 31, 2023, was \$0. The City's contributions was equal to the required contribution as set by state statute. State aid contributions for the year ended December 31, 2023, were \$804,969. 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, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2024.

ACTUARIAL ASSUMPTIONS

The total pension liability in the January 1, 2024 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, 2023
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 2023:

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

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

Post-disabled – RP 2014 Annuitant Mortality table 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, 2024.

Asset Class	Long-Term Expected Geometric Real Rate of Return
Cash	0.74%
Investment Grade Bonds	2.08
US Equity	3.82
Developed International Equity	5.13
Emerging Markets Equity	6.21
Real Estate	3.91
Private Equity	6.25

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, 2022	\$ 180,654,061	\$ 196,688,096	\$ (16,034,035)
Charges for the year:			
Service cost	3,397,404	-	3,397,404
Interest on total pension liability	10,821,661	-	10,821,661
Effect of economic/demographic gains or losses	(392,643)	-	(392,643)
Benefit payments	(7,489,990)	(7,489,990)	-
Employer contributions – state aid and City	-	804,969	(804,969)
Net investment income	-	27,695,712	(27,695,712)
Administrative expense	-	(134,163)	134,163
Net changes	6,336,432	20,876,528	(14,540,096)
Balance at December 31, 2023	\$ 186,990,493	\$ 217,564,624	\$ (30,574,131)

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)	\$ (1,121,466)	\$ (30,574,131)	\$ 55,443,495

PENSION PLAN FIDUCIARY NET POSITION

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

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

For the year ended December 31, 2023, the City recognized pension expense of \$(3,262,624). The City also recognized \$804,969 for the year ended December 31, 2023, as pension expense (and grant revenue) for the State of Minnesota's on-behalf contribution to the plan. At December 31, 2023, 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	\$ 322,507	\$ 1,264,181
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	5,201,273	-
Total	<u>\$ 5,523,780</u>	<u>\$ 1,264,181</u>

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
2024	\$ (812,118)
2025	2,969,655
2026	5,321,864
2027	<u>(3,219,802)</u>
Total	<u>\$ 4,259,599</u>

C. PENSION EXPENSE

Pension expense recognized by the City for the fiscal year ended December 31, 2023 is as follows:

GERF	\$ 5,242,271
PEPFF	6,616,145
Fire Relief	<u>(2,457,655)</u>
Total	<u>\$ 9,400,761</u>

12. POST-EMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

The City provides post-employment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. BENEFITS PROVIDED

RETIREES

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

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

ACTIVE DEATH BENEFITS

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

C. CONTRIBUTIONS

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City’s current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$612,601.

D. MEMBERSHIP

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

Retirees and beneficiaries receiving benefits	66
Active plan members	<u>535</u>
Total	<u>601</u>

E. TOTAL OPEB LIABILITY OF THE CITY

The City’s total OPEB liability of \$10,290,480 as of year-end was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

F. ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the entry-age normal cost method and following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.00%
20-year municipal bond yield	4.00%
Inflation rate	3.75%
Salary increases	3.75%
Medical trend rate	7.20% grading to 5.20% over 7 years

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

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield rate of 4.00%, 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-2021 Mortality Tables.

Future retirees electing coverage is assumed to be 75%.

G. CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Beginning balance – January 1, 2023	\$ 10,828,815
Changes for the year	
Service cost	768,719
Interest	486,792
Differences between expected and actual experience	(185,606)
Changes in assumptions	(995,639)
Contributions - employer	(612,601)
Total net changes	<u>(538,335)</u>
Ending balance – December 31, 2023	<u>\$ 10,290,480</u>

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

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

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	3.00%	4.00%	5.00%
Total OPEB liability	\$ 11,130,829	\$ 10,290,480	\$ 9,535,310

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

	<u>1% Decrease in Medical Trend Rate</u>	<u>Medical Trend Rate</u>	<u>1% Increase in Medical Trend Rate</u>
Medical trend rate	6.20% decreasing to 4.20% over 7 years	7.20% decreasing to 5.20% over 7 years	8.20% decreasing to 6.20% over 7 years
Total OPEB liability	\$ 9,041,621	\$ 10,290,480	\$ 11,763,228

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 \$926,193. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 976,412	\$ 1,414,246
Changes in actuarial assumptions	<u>384,765</u>	<u>1,913,694</u>
Total	<u>\$ 1,361,177</u>	<u>\$ 3,327,940</u>

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

<u>Year Ended December 31,</u>	<u>OPEB Expense</u>
2024	\$ (329,319)
2025	(329,319)
2026	(329,319)
2027	(329,319)
2028	(327,367)
Thereafter	<u>(322,120)</u>
Total	<u>\$ (1,966,763)</u>

13. RECEIVABLES AND DEFERRED INFLOWS

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

	Property Taxes	State Aid	Special Assessments	Mortgages	Leases	Land Held For Resale	Total
Major Funds:							
General Fund	\$2,511,374	\$ -	\$ 1,002,951	\$ -	\$ 7,742,422	\$ -	\$ 11,256,747
Community Development Block Grant	-	-	-	11,157,638	-	-	11,157,638
Improvement Bonds	-	-	10,943,176	-	-	-	10,943,176
Capital Projects	-	-	912,964	-	-	1,489,863	2,402,827
Improvement Construction	-	10,666,114	-	-	-	606,477	11,272,591
Total Deferred Inflows	<u>\$2,511,374</u>	<u>\$10,666,114</u>	<u>\$ 12,859,091</u>	<u>\$11,157,638</u>	<u>\$ 7,742,422</u>	<u>\$ 2,096,340</u>	<u>\$ 47,032,979</u>
Receivables not expected to be collected within one year	<u>\$ 502,275</u>	<u>\$ 8,937,449</u>	<u>\$ 11,573,181</u>	<u>\$10,041,874</u>	<u>\$ 7,546,836</u>	<u>\$ n/a</u>	<u>\$ 38,601,615</u>

14. SUBSEQUENT EVENT

On April 1, 2024 a new .5% local option sales tax was implemented in Bloomington. The authorization to charge this new tax was approved via a citywide referendum by Bloomington residents in November 2023. The revenue generated from this sales tax will support the Bloomington Forward plan, a long-term community investment plan that will support three major community projects for better health, wellness, athletics and recreation. A new community health and wellness center will be built which is estimated to cost \$102 million. Renovations are scheduled to be made at the Bloomington Ice Garden for \$37 million while the Nine Mile Creek Corridor will be protected and enhanced with an estimated cost of \$20 million.

15. INDIVIDUAL COMPONENT UNIT DISCLOSURES

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

Port Authority of the City of Bloomington (Port Authority)

Cash, Cash Equivalents, and Investments

A. DEPOSITS

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

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

At December 31, 2023, the carrying amount of the Port Authority's deposits with financial institutions and the bank balances totaled \$0. As of December 31, 2023, the bank balance of the Port Authority's deposits was covered by federal depository insurance or covered by collateral pledged and held in the Port Authority's name.

B. INVESTMENTS

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

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

At December 31, 2023, 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	\$ 12,992,682	\$ 12,992,682	\$ -	\$ -
4M Term Series	19,000,000	19,000,000	-	-
Commercial Paper Sweep	49,704	49,704	-	-
US Treasury Notes	24,925,853	24,925,853	-	-
Farmer Agricultural Mortgage Corporation	4,637,900	-	4,637,900	-
Federal Farm Credit Bank	5,853,594	1,356,744	4,496,850	-
Federal Home Loan Bank	38,657,993	29,276,693	9,381,300	-
Federal Home Loan Mortgage Corporation	11,642,922	9,500,150	2,142,772	-
Federal National Mortgage Association	4,696,050	-	4,696,050	-
Municipal Bonds	4,196,812	-	4,196,812	-
Total investments	126,653,510	\$ 97,101,826	\$ 29,551,684	\$ -
Total deposits	-			
Total investments and deposits	<u>\$ 126,653,510</u>			

Port Authority of the City of Bloomington (Port Authority)

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

The Port Authority has the following recurring fair value measurements as of December 31, 2023:

Investments by fair value level	12/31/23	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Commercial Paper Sweep	\$ 49,704	\$ -	\$ 49,704	\$ -
US Treasury Notes	24,925,853	24,925,853	-	-
Federal Agricultural Mortgage Corporation	4,637,900	-	4,637,900	-
Federal Farm Credit Bank	5,853,594	-	5,853,594	-
Federal Home Loan Bank	38,657,993	-	38,657,993	-
Federal Home Loan Mortgage Corporation	11,642,922	-	11,642,922	-
Federal National Mortgage Association	4,696,050	-	4,696,050	-
Municipal Bonds	4,196,812	-	4,196,812	-
Subtotal	94,660,828	\$ 24,925,853	\$ 69,734,975	\$ -
Investments not categorized				
External investment pools:				
4M Fund Money Market	12,992,682			
4M Term Series	19,000,000			
Total	\$ 126,653,510			

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, 2023, 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 Home Loan Bank (31%) and Federal Home Loan Mortgage Corporation (9%).

Port Authority of the City of Bloomington (Port Authority)

Capital Assets

Changes in capital assets during 2023 are summarized as follows (capitalization thresholds are the same as the City):

	Balance 01/01/23	Additions	Retirements	Balance 12/31/23
Governmental activities:				
Capital assets not being depreciated				
Land	\$ -	\$ 1,870,700	\$ -	\$ 1,870,700
Construction in progress	-	373,370	-	373,370
Total capital assets not being depreciated	-	2,244,070	-	2,244,070
Governmental activities capital assets	<u>\$ -</u>	<u>\$ 2,244,070</u>	<u>\$ -</u>	<u>\$ 2,244,070</u>

Long-term Debt

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

Type of Bonds	Original Issue	Maturities	Rates	Balance 12/31/23
Governmental activities -				
Taxable G.O. Tax Increment Bonds	\$ 7,150,000	2024-2035	2.50 – 3.60%	\$ 5,175,000

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 2023 are summarized as follows:

	Balance 01/01/23	Additions	Retirements	Balance 12/31/23	Due Within One Year
Governmental Activities:					
G.O. Tax Increment Bonds	<u>\$ 5,585,000</u>	<u>\$ -</u>	<u>\$ 410,000</u>	<u>\$ 5,175,000</u>	<u>\$ 360,000</u>

Port Authority of the City of Bloomington (Port Authority)

Long-term debt maturities (including interest of \$1,179,808) are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	360,000	172,315	532,315
2025	370,000	162,638	532,638
2026	380,000	151,945	531,945
2027	390,000	139,320	529,320
2028	405,000	125,010	530,010
2029-2033	2,250,000	391,500	2,641,500
2034-2035	1,020,000	37,080	1,057,080
Total	<u>\$ 5,175,000</u>	<u>\$ 1,179,808</u>	<u>\$ 6,354,808</u>

Due to City

At December 31, 2023, the Port Authority owed the City \$15,800 for services, facilities provided and payments made by the City that are Port Authority related.

Due to/Due from Other Funds

Interfund balances are a result of temporary interfund financing at year-end to cover deficit cash balances within the various funds. On December 31, 2023, the balance was \$2,000.

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

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

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

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

The Port Authority has a tax increment pay-as-you-go note for the Carbon 31 project in the Bloomington Central Station District 1-I. Under the terms of the agreement, the developer has paid for public improvements that are TIF eligible costs. The developer may be reimbursed up to \$22,900,000 plus interest at a rate of 5.25% as tax increment payments are received by the Port Authority.

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

Port Authority of the City of Bloomington (Port Authority)

Current year abatement (TIF payments) totaled \$2,432,633. At December 31, 2023, the total amount outstanding on the contracts, including interest, was \$37,424,560.

Governmental Classifications

At December 31, 2023, a summary of the governmental fund balance classifications is as follows:

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:					
Debt service	-	-	570,920	-	570,920
Tax increment purposes	-	-	-	125,778,188	125,778,188
Committed	-	512,978	-	164,134	677,112
Unassigned	16,316	-	-	-	16,316
Total fund balances	<u>\$ 16,316</u>	<u>\$ 512,978</u>	<u>\$ 570,920</u>	<u>\$ 125,942,322</u>	<u>\$ 127,042,536</u>

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

Cash, Cash Equivalents, and Investments

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

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

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

Cash balances at December 31, 2023 were:

<u>Credit Risk Category</u>	<u>Bank Balances</u>	<u>Carrying Amount</u>
Insured or collateralized by securities held by the HRA or its agent in the HRA's name	<u>\$ 28,177</u>	<u>\$ (114,166)</u>

Investment balances at December 31, 2023 were:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
4M Money Market	N/A	\$ 7,124,977	37%
4M Fund Term Series	04/30/24	5,000,000	26%
4M Fund Term Series	07/02/24	2,000,000	10%
4M Fund Term Series	08/30/24	3,000,000	16%
4M Fund Term Series	12/06/24	2,000,000	10%
Commercial Paper Sweep	N/A	201,297	1%
Total investments		19,326,274	
Total deposits		<u>(114,166)</u>	
Net cash, cash equivalents, and investments		<u>\$ 19,212,108</u>	

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

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

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

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

Capital Assets and Land Held for Resale

Changes in capital assets during 2023 are summarized as follows (capitalization thresholds are the same as the City):

	Balance 01/01/23	Additions	Retirements	Balance 12/31/23
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	<u>\$ 130,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,300</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	\$1,470,000	\$ 119,085	\$ -	\$1,589,085
Capital assets being depreciated -				
Buildings and structures	3,285,617	113,415	-	3,399,032
Less accumulated depreciation for -				
Buildings and structures	(2,672,628)	(98,341)	-	(2,770,969)
Total capital assets being depreciated, net	612,989	15,074	-	628,063
Business-type activities capital assets, net	<u>\$2,082,989</u>	<u>\$ 134,159</u>	<u>\$ -</u>	<u>\$2,217,148</u>

Land held for resale activity for the year ended December 31, 2023, was as follows:

	Balance 01/01/23	Additions	Retirements	Balance 12/31/23
Land Held for Resale (Inventory)	<u>\$ 1,747,941</u>	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 1,972,941</u>

Long-Term Debt and Obligations Due to Primary Government

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

	Original Issue	Maturities	Rates	Balance 12/31/23
Due to primary government:				
2020B Crossover Refunding Bonds	<u>\$ 3,095,000</u>	<u>2023-2032</u>	<u>1.00-1.75%</u>	<u>\$ 1,785,000</u>

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

Changes in long-term debt during 2023 are summarized as follows:

	Balance 01/01/23	Additions	Retirements	Balance 12/31/23	Due Within One Year
Governmental Activities:					
Due to Primary Government-					
Bonds Payable	\$ 1,975,000		\$ 190,000	\$ 1,785,000	\$ 190,000
Unamortized Bond Premium	6,733	-	741	5,993	-
Bonds Payable	6,450,000	-	6,450,000	-	-
Unamortized Bond Discount	(2,805)	-	(2,805)	-	-
Business-type Activities -					
Enterprise Fund Loan					
Agreements	1,574,720	-	1,574,720	-	-
Total	<u>\$ 10,003,648</u>	<u>\$ -</u>	<u>\$ 8,212,656</u>	<u>\$ 1,790,993</u>	<u>\$ 190,000</u>

Debt Service Payments

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

Years ending December 31	Governmental Activities		Total
	Principal	Interest	
2024	\$ 190,000	\$ 20,942	\$ 210,942
2025	195,000	19,018	214,018
2026	200,000	17,043	217,043
2027	200,000	15,043	215,043
2028	205,000	13,017	218,017
2029-2032	795,000	24,029	819,029
Total	<u>\$ 1,785,000</u>	<u>\$ 109,092</u>	<u>\$ 1,894,092</u>

Fund Balance Classifications

At December 31, 2023 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	Capital Projects	Totals
Nonspendable:								
Long term receivables	\$ -	\$ 459,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,799
Restricted for:								
Tax increment purposes	-	-	-	-	-	4,650,956	-	4,650,956
Committed to:								
Development activities	-	9,082,177	-	-	-	-	-	9,082,177
Rehabilitation loans	-	-	-	2,663,581	-	-	-	2,663,581
Opportunity housing	-	-	-	-	2,103,676	-	-	2,103,676
Assigned for:								
Section 8 Vouchers	-	-	552,063	-	-	-	-	552,063
Capital projects	-	-	-	-	-	-	414,457	414,457
Unassigned	1,325,277	-	-	(313,789)	-	(2,280,685)	-	(1,269,197)
Total fund balances	<u>\$ 1,325,277</u>	<u>\$ 9,541,976</u>	<u>\$ 552,063</u>	<u>\$ 2,349,792</u>	<u>\$ 2,103,676</u>	<u>\$ 2,370,271</u>	<u>\$ 414,457</u>	<u>\$ 18,657,512</u>

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

Due to the City

At December 31, 2023, the HRA owed the City \$179,162 for services provided to the HRA, \$144,638 for accrued interest, \$190,000 for the current portion, and \$1,600,993 for the long-term portion of the debt obligation. In addition, the HRA owes the City \$9,732,913 of Taxable General Obligation Tax Increment Revenue Bonds that were loaned to the HRA to fund affordable housing within the City. The loan matures in 2036 with interest rate of 2.45%.

Due to HRA

At December 31, 2023, the City owed \$660,689. These amounts consist of \$14,650 for general and development activities, \$30,034 for housing choice voucher activities, \$615,968 for rehabilitation loan activities, and \$37 for rental homes and assisted rental activities.

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, 2023, the balance was \$2,045,200.

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, 2023, there is one series of Housing Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$400,000.

The following table shows the balance of the conduit debt obligations as of December 31, 2023:

	Original Balance	Beginning Balance 01/01/23	Additions	Less Payments/ Refinance	Ending Balance 12/31/23
Masonic Homes	\$ 4,000,000	\$ 600,000	\$ -	\$ 200,000	\$ 400,000

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 \$9,053,333 as of December 31, 2023. 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 of \$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

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

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 are recognized as revenue when received. The foreclosure home (FHIP) loan balances outstanding, including interest, total \$251,290 as of December 31, 2023. 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 \$644,688 as of December 31, 2023. 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 \$387,584 as of December 31, 2023. 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 \$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 2023, the mortgage notes and interest totaling \$808,407 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 \$165,000 loan has a term of 30 years. The balance of the loan is \$309,799 as of December 31, 2023. 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. Both properties were sold in 2023, there were no outstanding balance as of December 21, 2023.

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

In 2008, the HRA entered into a loan agreement with Crossings at Valley View Limited Partnership (Crossings). Crossings received a \$600,000 loan from the HRA to assist with the cost of acquiring property located in the northeast quadrant of Portland Avenue and 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 value 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, 2023:

	Balance 01/01/23	Additions	Interest	Payoffs	Balance 12/31/23
Neighborhood Loans	\$ 9,202,532	\$ 240,711	\$ 116,202	\$ 506,112	\$ 9,053,333
Foreclosure Loans	250,673	-	617	-	251,290
CEP II Loans	646,525	-	14,642	16,479	644,688
CALP Loans	396,260	-	-	8,676	387,584
Essex Knoll	320,000	-	-	-	320,000
Bloomington Family					
Townhomes	796,227	-	12,180	-	808,407
Bloomington Southview LP	150,000	-	-	-	150,000
Bloomington Southview LP	300,776	-	9,023	-	309,799
Blooming Glen	291,774	-	-	291,774	-
Blooming Glen	290,000	-	-	290,000	-
Crossings at Valley View	600,000	-	-	-	600,000
VEPP	1	-	-	-	1
Total	<u>\$13,244,768</u>	<u>\$ 240,711</u>	<u>\$ 152,664</u>	<u>\$ 1,113,041</u>	<u>\$ 12,525,102</u>

Loans Receivable

In 2019, the HRA entered into a loan agreement with Aeon VP Bloomington LLC. Aeon received a \$7,000,000 loan from the HRA to assist in the rehabilitation of Village Club Bloomington Apartments. The apartment contains 306 dwelling units recognized as naturally occurring affordable family housing. The interest rate on the \$7,000,000 loan is 3.375% and the term is 20 years. The principal amount outstanding on the loan is \$4,858,067 as of December 31, 2023. In 2021, the HRA made loans to Lyndale flats in the amount of \$1,457,913 and to 8012 Old Cedar in the amount of \$975,000, and in 2022 to Oxboro Heights in the amount of \$2,125,000 for development of affordable housing. The loans will be repaid through Tax Increment Financing.

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

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

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 four 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 \$50,451. At December 31, 2023, the principal amount outstanding on the note was \$133,209. The pay-as-you-go note provides for payment to the developer equal to 100% of tax increment received in the prior six months less the administrative fees charged by Hennepin County.

Portland Commons issued a pay-as-you-go note in 2021 in the principal sum of \$5,687,839 with an interest rate of 5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2021 and paid through August 1, 2043. The current year abatement (TIF note payments) totaled \$308,190. At December 31, 2023, the principal amount outstanding on the note was \$5,687,839. The pay-as-you-go note provides for payment to the developer equal to 85% of tax increment received in the prior six months less the administrative fees charged by Hennepin County.

Knox & American issued a pay-as-you-go note in 2020 in the principal sum of \$6,849,531 with an interest rate of 5.5%. Principal and interest shall be paid on each February 1 and August 1, commencing August 1, 2021 and paid through February 1, 2039. The current year abatement (TIF note payments) totaled \$469,317. At December 31, 2023, 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.

Aeon VP Bloomington Limited Partnership issued a pay-as-you-go note in 2020 in the principal sum of \$3,625,000 with an interest rate of 4.00%. Principal and interest shall be paid on each February 1 and August 1, commencing February 1, 2024, and paid through February 1, 2049. The current year abatement (TIF note payments) totaled \$73,111. At December 31, 2023 the principal amount outstanding on the note was \$3,625,000. The note provides for payment to the developer equal to 82% of the tax increment received in the prior six months less than administrative fees charged by Hennepin County.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT A-1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2023

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 63,160,085	\$ 63,160,085	\$ 57,838,392	\$ (5,321,693)
Fiscal disparities	-	-	3,698,350	3,698,350
Special assessments	-	-	45,958	45,958
Lodging and admissions tax	9,563,935	9,563,935	10,193,696	629,761
Business licenses and permits	6,810,450	6,810,450	6,675,071	(135,379)
Fines	350,000	350,000	443,149	93,149
Intergovernmental	5,719,627	11,586,680	11,810,044	223,364
Program income	2,147,633	2,198,633	2,084,205	(114,428)
Interest	150,000	150,000	845,990	695,990
Net change in fair value of investments	-	-	1,212,350	1,212,350
Other	1,059,540	1,188,199	1,711,106	522,907
Total revenues	<u>88,961,270</u>	<u>95,007,982</u>	<u>96,558,311</u>	<u>1,550,329</u>
EXPENDITURES				
General Government	559,493	559,493	545,792	13,701
Administration	3,347,821	3,441,732	3,427,208	14,524
Legal	2,448,029	2,429,626	2,406,407	23,219
Finance	1,647,670	1,646,670	1,574,861	71,809
Community Development	10,730,974	10,835,469	10,559,495	275,974
Parks and Recreation	4,669,696	4,534,442	4,067,065	467,377
Public Works	20,586,319	20,950,370	20,568,749	381,621
Public Safety	40,289,234	42,232,110	41,995,456	236,654
Community Services	8,966,282	9,423,867	8,807,636	616,231
Contingency/estimated unspent	916,193	51,193	-	51,193
Total expenditures	<u>94,161,711</u>	<u>96,104,971</u>	<u>93,952,669</u>	<u>2,152,302</u>
Excess (deficiency) of revenues over (under) expenditures	(5,200,441)	(1,096,989)	2,605,642	3,702,631
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,200,441	5,262,063	5,320,313	58,250
Transfers to other funds	-	(1,686,472)	(1,666,472)	20,000
Total other financing sources (uses)	<u>5,200,441</u>	<u>3,575,591</u>	<u>3,653,841</u>	<u>78,250</u>
Net change in fund balance	-	2,478,602	6,259,483	3,780,881
Fund balance - January 1	<u>44,898,089</u>	<u>44,898,089</u>	<u>44,898,089</u>	<u>-</u>
Fund balance - December 31	<u>\$ 44,898,089</u>	<u>\$ 47,376,691</u>	<u>\$ 51,157,572</u>	<u>\$ 3,780,881</u>

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT A-2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Block Grant Fund
Year Ended December 31, 2023

	<u>Budget</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 2,236,135	\$ 1,179,595	\$ (1,056,540)
EXPENDITURES				
Current -				
Development services	<u>-</u>	<u>2,206,135</u>	<u>1,826,494</u>	<u>379,641</u>
Excess of revenues over expenditures	-	30,000	(646,899)	(676,899)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>-</u>	<u>(30,000)</u>	<u>(51,697)</u>	<u>(21,697)</u>
Net change in fund balance	-	-	(698,596)	(698,596)
Fund balance - January 1	<u>-</u>	<u>698,596</u>	<u>698,596</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ 698,596</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (698,596)</u></u>



CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Other Post-Employment Benefits Plan
Schedule of Changes in the City's Total
OPEB Liability and Related Ratios
Year Ended December 31, 2023

Fiscal Year Ending and Measurement Date	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
Total OPEB liability		
Service cost	\$ 768,719	\$ 1,009,165
Interest	486,792	235,465
Contributions - employer	(612,601)	(522,703)
Differences between expected and actual experience	(185,606)	—
Changes in assumptions	<u>(995,639)</u>	<u>(1,344,299)</u>
Net change in total OPEB liability	(538,335)	(622,372)
Total OPEB liability - beginning of year	<u>10,828,815</u>	<u>11,451,187</u>
Total OPEB liability - end of year	<u>\$ 10,290,480</u>	<u>\$ 10,828,815</u>
Covered employee payroll	<u>\$ 52,558,542</u>	<u>\$ 51,088,121</u>
Total OPEB liability as a percentage of covered employee payroll	<u>20%</u>	<u>21%</u>

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

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

EXHIBIT A-3

<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
\$ 972,689	\$ 721,033	\$ 723,813	\$ 591,300
221,012	281,393	295,896	335,249
(440,287)	(341,581)	(344,129)	(299,661)
702,073	—	(1,157,501)	745,047
506,579	—	—	—
<u>1,962,066</u>	<u>660,845</u>	<u>(481,921)</u>	<u>1,371,935</u>
<u>9,489,121</u>	<u>8,828,276</u>	<u>9,310,197</u>	<u>7,938,262</u>
<u>\$ 11,451,187</u>	<u>\$ 9,489,121</u>	<u>\$ 8,828,276</u>	<u>\$ 9,310,197</u>
<u>\$ 47,593,887</u>	<u>\$ 45,713,920</u>	<u>\$ 45,095,129</u>	<u>\$ 43,914,741</u>
<u>24%</u>	<u>21%</u>	<u>20%</u>	<u>21%</u>

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Proportionate Share of Net Pension Liability -
General Employees Retirement Fund
Year Ended December 31, 2023

EXHIBIT A-4

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Jun. 30, 2015	Dec. 31, 2015	0.5389%	\$ 27,928,595	\$ -	\$ 27,928,595	\$ 31,663,355	88.2%	78.2%
Jun. 30, 2016	Dec. 31, 2016	0.5236%	\$ 42,513,723	\$ 555,205	\$ 43,068,928	\$ 32,489,268	130.9%	68.9%
Jun. 30, 2017	Dec. 31, 2017	0.5297%	\$ 33,815,698	\$ 425,166	\$ 34,240,864	\$ 34,121,425	99.1%	75.9%
Jun. 30, 2018	Dec. 31, 2018	0.5087%	\$ 28,220,590	\$ 925,710	\$ 29,146,300	\$ 34,192,349	82.5%	79.5%
Jun. 30, 2019	Dec. 31, 2019	0.5023%	\$ 27,771,041	\$ 863,129	\$ 28,634,170	\$ 35,546,391	78.1%	80.2%
Jun. 30, 2020	Dec. 31, 2020	0.5213%	\$ 31,254,316	\$ 963,817	\$ 32,218,133	\$ 37,171,953	84.1%	79.1%
Jun. 30, 2021	Dec. 31, 2021	0.5191%	\$ 22,167,896	\$ 676,896	\$ 22,844,792	\$ 37,368,926	59.3%	87.0%
Jun. 30, 2022	Dec. 31, 2022	0.5162%	\$ 40,883,210	\$ 1,198,724	\$ 42,081,934	\$ 38,667,520	105.7%	76.7%
Jun. 30, 2023	Dec. 31, 2023	0.5449%	\$ 30,470,198	\$ 840,076	\$ 31,310,274	\$ 43,334,663	70.3%	83.1%

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, 2023

EXHIBIT A-5

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Dec. 31, 2015	\$ 2,414,889	\$ 2,414,889	\$ -	\$ 32,198,520	7.5%
Dec. 31, 2016	\$ 2,499,700	\$ 2,499,700	\$ -	\$ 33,329,333	7.5%
Dec. 31, 2017	\$ 2,553,026	\$ 2,553,026	\$ -	\$ 34,040,335	7.5%
Dec. 31, 2018	\$ 2,606,658	\$ 2,606,658	\$ -	\$ 34,755,384	7.5%
Dec. 31, 2019	\$ 2,736,989	\$ 2,736,989	\$ -	\$ 36,493,224	7.5%
Dec. 31, 2020	\$ 2,934,865	\$ 2,934,865	\$ -	\$ 39,131,542	7.5%
Dec. 31, 2021	\$ 2,795,857	\$ 2,795,857	\$ -	\$ 37,278,093	7.5%
Dec. 31, 2022	\$ 3,021,407	\$ 3,021,407	\$ -	\$ 40,285,382	7.5%
Dec. 31, 2023	\$ 3,223,330	\$ 3,223,330	\$ -	\$ 42,977,673	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, 2023

EXHIBIT A-6

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Jun. 30, 2015	Dec. 31, 2015	1.2890%	\$ 14,646,056	\$ -	\$ 14,646,056	\$ 11,806,022	124.1%	86.6%
Jun. 30, 2016	Dec. 31, 2016	1.3650%	\$ 54,779,825	\$ -	\$ 54,779,825	\$ 13,147,924	416.6%	63.9%
Jun. 30, 2017	Dec. 31, 2017	1.2770%	\$ 17,241,020	\$ -	\$ 17,241,020	\$ 13,109,393	131.5%	85.4%
Jun. 30, 2018	Dec. 31, 2018	1.2831%	\$ 13,676,526	\$ -	\$ 13,676,526	\$ 13,522,504	101.1%	88.8%
Jun. 30, 2019	Dec. 31, 2019	1.3504%	\$ 14,376,373	\$ -	\$ 14,376,373	\$ 14,241,875	100.9%	89.3%
Jun. 30, 2020	Dec. 31, 2020	1.2568%	\$ 16,565,971	\$ 390,262	\$ 16,956,233	\$ 14,113,932	117.4%	87.2%
Jun. 30, 2021	Dec. 31, 2021	1.2231%	\$ 9,441,036	\$ 424,447	\$ 9,865,483	\$ 14,455,278	65.3%	93.7%
Jun. 30, 2022	Dec. 31, 2022	1.2093%	\$ 52,623,959	\$ 2,298,854	\$ 54,922,813	\$ 14,690,185	358.2%	70.5%
Jun. 30, 2023	Dec. 31, 2023	1.3836%	\$ 23,892,973	\$ 962,404	\$ 24,855,377	\$ 18,169,471	131.5%	86.5%

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

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Pension Contributions -
Public Employees Police and Fire Fund
Year Ended December 31, 2023

EXHIBIT A-7

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Dec. 31, 2015	\$ 1,995,234	\$ 1,995,234	\$ -	\$ 12,316,259	16.2%
Dec. 31, 2016	\$ 2,164,062	\$ 2,164,062	\$ -	\$ 13,147,924	16.5%
Dec. 31, 2017	\$ 2,131,306	\$ 2,131,306	\$ -	\$ 13,156,231	16.2%
Dec. 31, 2018	\$ 2,262,547	\$ 2,262,547	\$ -	\$ 13,966,353	16.2%
Dec. 31, 2019	\$ 2,435,417	\$ 2,435,417	\$ -	\$ 14,368,236	17.0%
Dec. 31, 2020	\$ 2,627,668	\$ 2,627,668	\$ -	\$ 14,845,588	17.7%
Dec. 31, 2021	\$ 2,544,783	\$ 2,544,783	\$ -	\$ 14,377,311	17.7%
Dec. 31, 2022	\$ 2,836,477	\$ 2,836,477	\$ -	\$ 16,025,299	17.7%
Dec. 31, 2023	\$ 3,366,065	\$ 3,366,065	\$ -	\$ 19,017,319	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, 2023

<u>Fiscal Year Ending and Measurement Date</u>	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Total pension liability:			
Service cost	\$ 3,397,404	\$ 3,400,875	\$ 3,670,982
Interest cost	10,821,661	10,581,920	10,094,430
Effect of economic/demographic gains or losses	(392,643)	(2,685,152)	1,531,903
Difference between expected and actual experience	-	-	-
Assumption changes	-	-	-
Benefit payments, including refunds of employee contributions	(7,489,990)	(7,112,465)	(6,698,326)
Net change in total pension liability	6,336,432	4,185,178	8,598,989
Total pension liability - beginning	180,654,061	176,468,883	167,869,894
Total pension liability - ending (a)	<u>\$ 186,990,493</u>	<u>\$ 180,654,061</u>	<u>\$ 176,468,883</u>
Plan fiduciary net position:			
Contributions - employer	\$ -	\$ -	\$ 706,774
Contributions - State of Minnesota	804,969	719,546	672,339
Net investment income	27,695,712	(28,973,296)	23,024,351
Benefit payments, including refunds of employee contributions	(7,489,990)	(7,112,465)	(6,698,326)
Administrative expense	(134,163)	(118,301)	(107,450)
Net change in plan fiduciary net position	20,876,528	(35,484,516)	17,597,688
Plan fiduciary net position - beginning	196,688,096	232,172,612	214,574,924
Plan fiduciary net position - ending (b)	<u>\$ 217,564,624</u>	<u>\$ 196,688,096</u>	<u>\$ 232,172,612</u>
Net pension liability / (asset) - ending (a) - (b)	<u>\$ (30,574,131)</u>	<u>\$ (16,034,035)</u>	<u>\$ (55,703,729)</u>
Plan fiduciary net position as a percentage of the total pension liability	116.35%	108.88%	131.57%
Covered payroll*	\$ 11,012,464	\$ 11,243,892	\$ 12,201,192
Net pension liability (asset) as a percentage of covered payroll	(277.63)%	(142.60)%	(456.54)%

*Covered payroll is based on the assumption that each active plan member earns the most recent salary rate of the highest paid non-office police officer in the City of Bloomington.

EXHIBIT A-8

<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
\$ 3,516,374	\$ 3,869,840	\$3,529,986	\$3,482,212	\$2,955,252	\$3,141,630	\$3,047,649
9,824,558	9,212,131	8,791,865	8,421,504	7,998,295	8,072,050	7,443,533
(2,505,138)	(3,358,770)	257,010	(152,691)	831,346	-	-
-	-	-	-	(5,046,951)	(7,292,468)	(1,567,433)
-	7,007,900	-	-	-	-	-
(6,292,678)	(6,051,864)	(5,780,618)	(5,476,046)	-	(4,883,583)	(4,566,912)
4,543,116	10,679,237	6,798,243	6,274,979	6,737,942	(962,371)	4,356,837
163,326,778	152,647,541	145,849,298	139,574,319	132,836,377	133,798,748	129,441,911
<u>\$ 167,869,894</u>	<u>\$ 163,326,778</u>	<u>\$152,647,541</u>	<u>\$145,849,298</u>	<u>\$139,574,319</u>	<u>\$132,836,377</u>	<u>\$133,798,748</u>
\$ 1,891,670	\$ -	\$1,535,985	\$1,057,759	\$905,855	\$1,175,095	\$2,548,091
649,689	609,799	594,361	576,114	563,627	540,186	622,164
28,386,105	30,774,778	(7,266,532)	24,503,859	11,133,373	(1,023,994)	9,982,524
(6,292,678)	(6,051,864)	(5,780,618)	(5,476,046)	(5,046,951)	(4,883,583)	(4,566,912)
(109,327)	(108,058)	(100,782)	(94,692)	(109,128)	(93,226)	(83,410)
24,525,459	25,224,655	(11,017,586)	20,566,994	7,446,776	(4,285,522)	8,502,457
190,049,465	164,824,810	175,842,396	155,275,402	147,828,626	152,114,148	143,611,691
<u>\$ 214,574,924</u>	<u>\$ 190,049,465</u>	<u>\$ 164,824,810</u>	<u>\$ 175,842,396</u>	<u>\$ 155,275,402</u>	<u>\$ 147,828,626</u>	<u>\$ 152,114,148</u>
<u>\$ (46,705,030)</u>	<u>\$ (26,722,687)</u>	<u>(\$12,177,269)</u>	<u>(\$29,993,098)</u>	<u>(\$15,701,083)</u>	<u>(\$14,992,249)</u>	<u>(\$18,315,400)</u>
127.82%	116.36%	107.98%	120.56%	111.25%	111.29%	113.69%
\$ 11,526,144	\$ 12,348,216	\$11,486,832	\$10,513,294	\$11,003,580	\$10,773,375	\$10,110,384
(405.21)%	(216.41)%	(106.01)%	(285.29)%	(142.69)%	(139.16)%	(181.15)%

CITY OF BLOOMINGTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Pension Contributions -
Bloomington Fire Department Relief Association
Year Ended December 31, 2023

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, 2014	\$ 3,016,121	\$ 3,170,255	\$ (154,134)	\$ 10,110,384	31.4%
Dec. 31, 2015	\$ 1,360,173	\$ 1,715,281	\$ (355,108)	\$ 10,773,375	15.9%
Dec. 31, 2016	\$ 1,396,485	\$ 1,469,482	\$ (72,997)	\$ 11,003,580	13.4%
Dec. 31, 2017	\$ 1,552,692	\$ 1,633,873	\$ (81,181)	\$ 10,513,294	15.5%
Dec. 31, 2018	\$ 2,024,948	\$ 2,130,346	\$ (105,398)	\$ 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	\$ 1,379,113	\$ (69,586)	\$ 12,201,192	11.3%
Dec. 31, 2022	\$ (1,040,867)	\$ 719,546	\$ (1,760,413)	\$ 11,243,892	6.4%
Dec. 31, 2023	\$ (1,641,341)	\$ 804,969	\$ (2,446,310)	\$ 11,012,464	7.3%

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.

*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, 2023**

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, 2023.

2. PENSION INFORMATION

A. PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 CHANGES

Changes in Actuarial Assumptions:

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

2021 CHANGES

Changes in Actuarial Assumptions:

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

2020 CHANGES

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.0% joint and survivor option changed from 35.0% to 45.0%. The assumed number of married female new retirees electing the 100.0% joint and survivor option changed from 15.0% to 30.0%. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0% effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00% per year with a provision to increase to 2.5% upon attainment of 90.0% funding ratio to 50.0% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2016 CHANGES

Changes in Actuarial Assumptions:

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

B. PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2023 CHANGES

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 CHANGES

Changes in Actuarial Assumptions:

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

2021 CHANGES

Changes in Actuarial Assumptions:

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

- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

2020 CHANGES

Changes in Actuarial Assumptions:

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

2019 CHANGES

Changes in Actuarial Assumptions:

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

2018 CHANGES

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Post-retirement benefit increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.0% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019, and 17.7% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to zero %, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES

Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30.0% for vested and nonvested deferred members. The CSA has been changed to 33.0% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

- Assumed percentage of married female members was decreased from 65.0% to 60.0%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0% for all years to 1.0% per year through 2064, and 2.5% thereafter.
- The single discount rate changed from 5.6% to 7.5% per annum.

2016 CHANGES

Changes in Actuarial Assumptions:

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

C. FIRE RELIEF PENSION

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

2019 CHANGES

Changes in Actuarial Assumptions:

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

3. OPEB INFORMATION

2023 CHANGES

Changes in Actuarial Assumptions:

- The discount rate of 4.31% was updated to 4.00%.
- Mortality tables have been updated to RP-2014 Total Dataset Mortality with Improvement Scale MP-2021 for all actives and retirees. And to RP-2014 Disabled Retiree Mortality with Improvement Scale MP-2021 for disabled retirees.
- The trend table has been updated to 2023 Getzen Model released by SOA.
- Husbands are assumed to be 3 years older than their wives.
- 70% of future retirees are assumed to elect spousal coverage in retirement.

2022 CHANGES

Changes in Actuarial Assumptions:

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

2021 CHANGES

Changes in Actuarial Assumptions:

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

2019 CHANGES

Changes in Discount Rate:

- In 2019 the discount rate changed to 3.00%.

2018 CHANGES

Changes in Actuarial Assumptions:

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



SUPPLEMENTARY INFORMATION



CITY OF BLOOMINGTON, MINNESOTA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

DEBT SERVICE FUNDS

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

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

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

CAPITAL PROJECTS FUND

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

CITY OF BLOOMINGTON, MINNESOTA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue						
	Opioid Settlement	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking	Community Landscape
ASSETS							
Cash, cash equivalents and investments	\$ 255,759	\$ 7,434,744	\$ 30,757	\$ 226,574	\$ 606,822	\$ 959,169	\$ 13,163
Accrued interest receivable	1,437	41,431	384	1,215	3,448	4,805	-
Taxes receivable	-	-	-	-	-	-	-
Accounts receivable	-	3,000	291,034	-	-	200	-
Due from other governments	-	274,252	-	32,174	-	-	-
Total assets	\$ 257,196	\$ 7,753,427	\$ 322,175	\$ 259,963	\$ 610,270	\$ 964,174	\$ 13,163
LIABILITIES							
Accounts payable	\$ 3,400	\$ 30,214	\$ 100,071	\$ 6,689	\$ 22,866	\$ 12,735	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	159,311	-	169,094	-	-	-
Deposits payable	-	-	-	-	-	-	-
Total liabilities	3,400	189,525	100,071	175,783	22,866	12,735	-
FUND BALANCES							
Restricted	253,796	840,093	222,104	84,180	-	-	-
Committed	-	6,723,809	-	-	587,404	951,439	13,163
Total fund balances	253,796	7,563,902	222,104	84,180	587,404	951,439	13,163
Total liabilities and fund balances	\$ 257,196	\$ 7,753,427	\$ 322,175	\$ 259,963	\$ 610,270	\$ 964,174	\$ 13,163

EXHIBIT B-1

Federal Relief	Cemetery	SAC	Total	G.O. Tax Increment Bonds	Debt Service		Capital Projects Developer Escrow	Total Nonmajor Governmental Funds
					General Obligation Bonds	Total		
\$ 4,833,094	\$ 380,732	\$ 109,082	\$ 14,849,896	\$ 23,284	\$ 166,949	\$ 190,233	\$ 686,398	\$ 15,726,527
-	2,222	-	54,942	138	934	1,072	-	56,014
-	-	-	-	-	31	31	-	31
-	-	-	294,234	-	-	-	5,000	299,234
-	-	-	306,426	-	-	-	-	306,426
<u>\$ 4,833,094</u>	<u>\$ 382,954</u>	<u>\$ 109,082</u>	<u>\$ 15,505,498</u>	<u>\$ 23,422</u>	<u>\$ 167,914</u>	<u>\$ 191,336</u>	<u>\$ 691,398</u>	<u>\$ 16,388,232</u>
\$ -	\$ -	\$ -	\$ 175,975	\$ -	\$ -	\$ -	\$ 7,626	\$ 183,601
35,263	-	-	35,263	-	-	-	-	35,263
4,797,831	-	-	5,126,236	-	-	-	-	5,126,236
-	-	109,082	109,082	-	-	-	674,058	783,140
<u>4,833,094</u>	<u>-</u>	<u>109,082</u>	<u>5,446,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>681,684</u>	<u>6,128,240</u>
-	382,954	-	1,783,127	23,422	167,914	191,336	9,714	1,984,177
-	-	-	8,275,815	-	-	-	-	8,275,815
-	382,954	-	10,058,942	23,422	167,914	191,336	9,714	10,259,992
<u>\$ 4,833,094</u>	<u>\$ 382,954</u>	<u>\$ 109,082</u>	<u>\$ 15,505,498</u>	<u>\$ 23,422</u>	<u>\$ 167,914</u>	<u>\$ 191,336</u>	<u>\$ 691,398</u>	<u>\$ 16,388,232</u>

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

	Special Revenue						
	Opioid Settlement	Public Safety	Communications	Park Grants	South Loop Revolving Dev	Creative Placemaking	Community Landscape
REVENUES							
Property taxes	\$ -	\$ 1,000,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -
Fines	-	141,837	-	-	-	-	-
Intergovernmental	-	1,629,655	-	90,446	-	-	-
Program income	-	-	985	-	147,905	-	-
Interest	5,606	150,976	-	4,716	13,271	18,229	-
Net change in fair value of investments	(1,880)	142,571	3,582	9,538	16,542	19,095	-
Other	264,998	31,755	86,071	-	-	200,200	-
Franchise fees	-	-	1,232,420	-	-	-	-
Total revenues	<u>268,724</u>	<u>3,096,794</u>	<u>1,723,058</u>	<u>104,700</u>	<u>177,718</u>	<u>237,524</u>	<u>-</u>
EXPENDITURES							
Current:							
General services	-	-	-	-	-	-	-
Development services	-	-	-	-	180,186	261,325	-
Public safety	-	1,585,511	-	-	-	-	-
Parks and recreation	-	-	-	90,689	-	-	-
Community services	10,626	-	1,930,569	-	-	-	-
Interest	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-
Capital outlay:							
Development services	-	-	-	-	-	195,002	-
Public safety	-	107,542	-	-	-	-	-
Community services	-	-	56,421	-	-	-	-
Total expenditures	<u>10,626</u>	<u>1,693,053</u>	<u>1,986,990</u>	<u>90,689</u>	<u>180,186</u>	<u>456,327</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>258,098</u>	<u>1,403,741</u>	<u>(263,932)</u>	<u>14,011</u>	<u>(2,468)</u>	<u>(218,803)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	-	214,116	-	-	429,996	-
Transfers to other funds	-	(54,996)	(5,500)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(54,996)</u>	<u>208,616</u>	<u>-</u>	<u>-</u>	<u>429,996</u>	<u>-</u>
Net change in fund balance	258,098	1,348,745	(55,316)	14,011	(2,468)	211,193	-
Fund balance - January 1	<u>(4,302)</u>	<u>6,215,157</u>	<u>277,420</u>	<u>70,169</u>	<u>589,872</u>	<u>740,246</u>	<u>13,163</u>
Fund balance - December 31	<u>\$ 253,796</u>	<u>\$ 7,563,902</u>	<u>\$ 222,104</u>	<u>\$ 84,180</u>	<u>\$ 587,404</u>	<u>\$ 951,439</u>	<u>\$ 13,163</u>

EXHIBIT B-2

Federal Relief	Cemetery	SAC	Total	Debt Service			Capital Projects	Total Nonmajor Governmental Funds
				G.O. Tax Increment Bonds	General Obligation Bonds	Total	Developer Escrow	
\$ -	\$ -	\$ -	\$ 1,400,000	\$ -	\$ 435	\$ 435	\$ -	\$ 1,400,435
-	-	-	141,837	-	-	-	-	141,837
2,089,713	-	-	3,809,814	-	-	-	-	3,809,814
-	208,180	-	357,070	-	-	-	-	357,070
-	8,315	-	201,113	521	3,571	4,092	-	205,205
-	11,510	-	200,958	(17)	4,362	4,345	-	205,303
-	-	-	583,024	212,842	-	212,842	-	795,866
-	-	-	1,232,420	-	-	-	-	1,232,420
2,089,713	228,005	-	7,926,236	213,346	8,368	221,714	-	8,147,950
-	227,912	-	227,912	-	-	-	-	227,912
-	-	-	441,511	-	-	-	-	441,511
-	-	-	1,585,511	-	-	-	-	1,585,511
-	-	-	90,689	-	-	-	-	90,689
-	-	-	1,941,195	-	-	-	-	1,941,195
-	-	-	-	22,843	-	22,843	-	22,843
-	-	-	-	190,000	-	190,000	-	190,000
-	-	-	195,002	-	-	-	-	195,002
-	-	-	107,542	-	-	-	-	107,542
-	-	-	56,421	-	-	-	-	56,421
-	227,912	-	4,645,783	212,843	-	212,843	-	4,858,626
2,089,713	93	-	3,280,453	503	8,368	8,871	-	3,289,324
-	-	-	644,112	1,461	-	1,461	-	644,112
(2,089,713)	-	-	(2,150,209)	(1,461)	-	(1,461)	-	(2,150,209)
(2,089,713)	-	-	(1,506,097)	-	-	-	-	(1,506,097)
-	93	-	1,774,356	503	8,368	8,871	-	1,783,227
-	382,861	-	8,284,586	22,919	159,546	182,465	9,714	8,476,765
\$ -	\$ 382,954	\$ -	\$ 10,058,942	\$ 23,422	\$ 167,914	\$ 191,336	\$ 9,714	\$ 10,259,992

CITY OF BLOOMINGTON, MINNESOTA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Opioid Settlement Fund
Year Ended December 31, 2023

EXHIBIT C-1

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 5,606	\$ 5,606
Net change in fair value of investments	-	-	(1,880)	(1,880)
Other	-	264,998	264,998	-
Total revenues	-	264,998	268,724	3,726
EXPENDITURES				
Current -				
Community services	-	10,625	10,626	(1)
Net change in fund balance	-	254,373	258,098	3,725
Fund balance - January 1	(4,302)	(4,302)	(4,302)	-
Fund balance - December 31	<u>\$ (4,302)</u>	<u>\$ 250,071</u>	<u>\$ 253,796</u>	<u>\$ 3,725</u>

CITY OF BLOOMINGTON, MINNESOTA

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

Public Safety Special Revenue Fund

Year Ended December 31, 2023

EXHIBIT C-2

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Fines	70,000	124,000	141,837	17,837
Intergovernmental	951,806	1,771,570	1,629,655	(141,915)
Interest	58,959	58,959	150,976	92,017
Net change in fair value of investments	-	-	142,571	142,571
Other	-	24,505	31,755	7,250
Total revenues	<u>2,080,765</u>	<u>2,979,034</u>	<u>3,096,794</u>	<u>117,760</u>
EXPENDITURES				
Current -				
Public safety	1,004,154	1,787,767	1,585,511	202,256
Capital outlay -				
Public safety	<u>20,000</u>	<u>150,000</u>	<u>107,542</u>	<u>42,458</u>
Total expenditures	<u>1,024,154</u>	<u>1,937,767</u>	<u>1,693,053</u>	<u>244,714</u>
Excess of revenues over expenditures	<u>1,056,611</u>	<u>1,041,267</u>	<u>1,403,741</u>	<u>362,474</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(55,000)</u>	<u>(55,000)</u>	<u>(54,996)</u>	<u>4</u>
Net change in fund balance	1,001,611	986,267	1,348,745	362,478
Fund balance - January 1	<u>6,215,157</u>	<u>6,215,157</u>	<u>6,215,157</u>	<u>-</u>
Fund balance - December 31	<u>\$ 7,216,768</u>	<u>\$ 7,201,424</u>	<u>\$ 7,563,902</u>	<u>\$ 362,478</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-3

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

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Program income	1,200	1,200	985	(215)
Interest	2,500	2,500	-	(2,500)
Net change in fair value of investments	-	-	3,582	3,582
Other	79,700	79,700	86,071	6,371
Franchise fees	1,300,000	1,300,000	1,232,420	(67,580)
Total revenues	<u>1,783,400</u>	<u>1,783,400</u>	<u>1,723,058</u>	<u>(60,342)</u>
EXPENDITURES				
Current -				
Community services	2,000,384	1,939,074	1,930,569	8,505
Capital outlay -				
Community services	60,000	84,000	56,421	27,579
Total expenditures	<u>2,060,384</u>	<u>2,023,074</u>	<u>1,986,990</u>	<u>36,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(276,984)</u>	<u>(239,674)</u>	<u>(263,932)</u>	<u>(24,258)</u>
OTHER FINANCING SOURCES				
Transfers from other funds	214,118	214,118	214,116	(2)
Transfers to other funds	-	(5,500)	(5,500)	-
Total other financing sources (uses)	<u>214,118</u>	<u>208,618</u>	<u>208,616</u>	<u>(2)</u>
Net change in fund balance	(62,866)	(31,056)	(55,316)	(24,260)
Fund balance - January 1	<u>277,420</u>	<u>277,420</u>	<u>277,420</u>	<u>-</u>
Fund balance - December 31	<u>\$ 214,554</u>	<u>\$ 246,364</u>	<u>\$ 222,104</u>	<u>\$ (24,260)</u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-4

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park Grants Special Revenue Fund
Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 92,000	\$ 113,280	\$ 90,446	\$ (22,834)
Interest	200	200	4,716	4,516
Net change in fair value of investments	-	-	9,538	9,538
Total revenues	<u>92,200</u>	<u>113,480</u>	<u>104,700</u>	<u>(8,780)</u>
EXPENDITURES				
Current -				
Parks and recreation	<u>216,469</u>	<u>252,019</u>	<u>90,689</u>	<u>161,330</u>
Net change in fund balance	(124,269)	(138,539)	14,011	152,550
Fund balance - January 1	<u>70,169</u>	<u>70,169</u>	<u>70,169</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ (54,100)</u></u>	<u><u>\$ (68,370)</u></u>	<u><u>\$ 84,180</u></u>	<u><u>\$ 152,550</u></u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-5

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
South Loop Revolving Development Services Special Revenue Fund
Year Ended December 31, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Program income	\$ 388,000	\$ 388,000	\$ 147,905	\$ (240,095)
Interest	2,432	2,432	13,271	10,839
Net change in fair value of investments	-	-	16,542	16,542
Total revenues	<u>390,432</u>	<u>390,432</u>	<u>177,718</u>	<u>(212,714)</u>
EXPENDITURES				
Current -				
Development services	<u>190,000</u>	<u>183,878</u>	<u>180,186</u>	<u>3,692</u>
Net change in fund balance	200,432	206,554	(2,468)	(209,022)
Fund balance - January 1	<u>589,872</u>	<u>589,872</u>	<u>589,872</u>	<u>-</u>
Fund balance - December 31	<u>\$ 790,304</u>	<u>\$ 796,426</u>	<u>\$ 587,404</u>	<u>\$ (209,022)</u>

CITY OF BLOOMINGTON, MINNESOTA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Creative Placemaking Special Revenue Fund
Year Ended December 31, 2023

EXHIBIT C-6

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ -	\$ -	\$ 18,229	\$ 18,229
Net change in fair value of investments	-	-	19,095	19,095
Other	200,000	200,000	200,200	200
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>237,524</u>	<u>37,524</u>
EXPENDITURES				
Current -				
Development services	413,778	298,811	261,325	37,486
Capital outlay -				
Development services	400,000	195,002	195,002	-
Total expenditures	<u>813,778</u>	<u>493,813</u>	<u>456,327</u>	<u>37,486</u>
Excess (deficiency) of revenues over (under) expenditures	(613,778)	(293,813)	(218,803)	75,010
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>430,000</u>	<u>430,000</u>	<u>429,996</u>	<u>(4)</u>
Net change in fund balance	(183,778)	136,187	211,193	75,006
Fund balance - January 1	<u>740,246</u>	<u>740,246</u>	<u>740,246</u>	<u>-</u>
Fund balance - December 31	<u>\$ 556,468</u>	<u>\$ 876,433</u>	<u>\$ 951,439</u>	<u>\$ 75,006</u>

CITY OF BLOOMINGTON, MINNESOTA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal Relief Special Revenue Fund
Year Ended December 31, 2023

EXHIBIT C-7

	<u>Budget</u>			<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 2,089,713	\$ 2,089,713	\$ -
EXPENDITURES				
Current -				
Development services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	2,089,713	2,089,713	-
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>-</u>	<u>(2,089,713)</u>	<u>(2,089,713)</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF BLOOMINGTON, MINNESOTA

EXHIBIT C-8

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

	<u>Budget</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Program income	\$ 198,615	\$ 201,615	\$ 208,180	\$ 6,565
Interest	6,600	6,600	8,315	1,715
Net change in fair value of investments	-	-	11,510	11,510
Total revenues	<u>205,215</u>	<u>208,215</u>	<u>228,005</u>	<u>19,790</u>
EXPENDITURES				
Current -				
General services	<u>225,085</u>	<u>228,085</u>	<u>227,912</u>	<u>173</u>
Net change in fund balance	(19,870)	(19,870)	93	19,963
Fund balance - January 1	<u>382,861</u>	<u>382,861</u>	<u>382,861</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ 362,991</u></u>	<u><u>\$ 362,991</u></u>	<u><u>\$ 382,954</u></u>	<u><u>\$ 19,963</u></u>



CITY OF BLOOMINGTON, MINNESOTA

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2023

	Information Technology	Fleet	Support Services	Public Safety Equipment
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,060,776	\$ 4,416,521	\$ 297,172	\$ 5,473,085
Accrued interest receivable	5,467	23,074	1,694	25,887
Accounts receivable	4,275	123,493	2,547	-
Prepaid items	1,227,572	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	2,393	-
Total current assets	<u>2,298,090</u>	<u>4,563,088</u>	<u>303,806</u>	<u>5,498,972</u>
Noncurrent assets:				
Land	-	-	-	-
Buildings and structures	-	-	-	305,383
Machinery and equipment	2,129,726	31,639,142	30,539	10,314,497
Improvements	25,605	26,827	-	-
Distribution system and infrastructure	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	(1,925,908)	(20,326,746)	(30,539)	(7,297,712)
Total noncurrent assets	<u>229,423</u>	<u>11,339,223</u>	<u>-</u>	<u>3,322,168</u>
Total assets	<u>2,527,513</u>	<u>15,902,311</u>	<u>303,806</u>	<u>8,821,140</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - related to pensions	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	112,051	821,631	7,504	26,090
Estimated claims payable	-	-	-	-
Benefits payable	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total current liabilities	<u>112,051</u>	<u>821,631</u>	<u>7,504</u>	<u>26,090</u>
Noncurrent liabilities:				
Benefits payable	-	-	-	-
Estimated claims payable	-	-	-	-
Net pension liability	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>112,051</u>	<u>821,631</u>	<u>7,504</u>	<u>26,090</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - related to pensions	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	229,423	11,339,223	-	3,322,168
Restricted - public safety state aid	-	-	-	716,000
Unrestricted	2,186,039	3,741,457	296,302	4,756,882
Total net position	<u>\$ 2,415,462</u>	<u>\$ 15,080,680</u>	<u>\$ 296,302</u>	<u>\$ 8,795,050</u>

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities Maintenance	PERA Pension	Total
\$ 5,668,751	\$ 13,868,218	\$ 4,685,404	\$ 12,438,376	\$ -	\$ 47,908,303
31,094	76,840	25,271	60,457	-	249,784
932	-	98,576	-	-	229,823
317,750	-	-	-	-	1,545,322
-	-	-	900	-	900
-	-	-	-	-	2,393
<u>6,018,527</u>	<u>13,945,058</u>	<u>4,809,251</u>	<u>12,499,733</u>	<u>-</u>	<u>49,936,525</u>
-	-	-	14,504,240	-	14,504,240
-	-	-	46,941,133	-	47,246,516
-	-	-	5,151,026	-	49,264,930
-	-	-	5,414,032	-	5,466,464
-	-	-	139,719	-	139,719
-	-	-	553,016	-	553,016
-	-	-	(30,528,809)	-	(60,109,714)
<u>-</u>	<u>-</u>	<u>-</u>	<u>42,174,357</u>	<u>-</u>	<u>57,065,171</u>
<u>6,018,527</u>	<u>13,945,058</u>	<u>4,809,251</u>	<u>54,674,090</u>	<u>-</u>	<u>107,001,696</u>
-	-	-	-	47,898,977	47,898,977
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,898,977</u>	<u>47,898,977</u>
44,375	17,097	245,720	728,199	-	2,002,667
1,982,772	-	-	-	-	1,982,772
-	969,250	-	-	-	969,250
-	-	-	75,000	-	75,000
-	-	85	-	-	85
<u>2,027,147</u>	<u>986,347</u>	<u>245,805</u>	<u>803,199</u>	<u>-</u>	<u>5,029,774</u>
-	18,415,746	-	-	-	18,415,746
146,795	-	-	-	-	146,795
-	-	-	-	54,363,171	54,363,171
<u>146,795</u>	<u>18,415,746</u>	<u>-</u>	<u>-</u>	<u>54,363,171</u>	<u>72,925,712</u>
<u>2,173,942</u>	<u>19,402,093</u>	<u>245,805</u>	<u>803,199</u>	<u>54,363,171</u>	<u>77,955,486</u>
-	-	-	-	45,886,047	45,886,047
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,886,047</u>	<u>45,886,047</u>
-	-	-	42,174,357	-	57,065,171
-	-	-	-	-	716,000
3,844,585	(5,457,035)	4,563,446	11,696,534	(52,350,241)	(26,722,031)
<u>\$ 3,844,585</u>	<u>\$ (5,457,035)</u>	<u>\$ 4,563,446</u>	<u>\$ 53,870,891</u>	<u>\$ (52,350,241)</u>	<u>\$ 31,059,140</u>

CITY OF BLOOMINGTON, MINNESOTA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2023

	Information Technology	Fleet	Support Services	Public Safety Equipment
Operating revenues:				
Charges for services	\$ 6,795,234	\$ 7,486,108	\$ 485,804	\$ 2,067,958
Other	3,626	76,867	4,292	-
Total operating revenues	<u>6,798,860</u>	<u>7,562,975</u>	<u>490,096</u>	<u>2,067,958</u>
Operating expenses:				
Salaries and benefits	2,764,972	1,378,178	182,094	112,670
Materials, supplies and service	4,214,641	4,347,575	292,853	449,719
Depreciation	228,598	1,997,853	-	632,629
Total operating expenses	<u>7,208,211</u>	<u>7,723,606</u>	<u>474,947</u>	<u>1,195,018</u>
Operating income (loss)	<u>(409,351)</u>	<u>(160,631)</u>	<u>15,149</u>	<u>872,940</u>
Nonoperating revenues (expenses):				
Donations	-	-	-	5,350
Intergovernmental	-	-	-	716,000
Interest income	23,041	103,445	6,521	95,197
Net change in fair value of investments	82,538	231,379	7,296	35,157
Gain (loss) on disposal of capital assets	(5,763)	264,347	-	-
Total nonoperating revenues (expenses)	<u>99,816</u>	<u>599,171</u>	<u>13,817</u>	<u>851,704</u>
Income (loss) before transfers	(309,535)	438,540	28,966	1,724,644
Transfers and capital contributions:				
Insurance Proceeds	-	-	-	22,937
Transfers from other funds	-	608,689	8,000	459,996
Transfers to other funds	<u>(214,116)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(523,651)	1,047,229	36,966	2,207,577
Total net position - January 1	<u>2,939,113</u>	<u>14,033,451</u>	<u>259,336</u>	<u>6,587,473</u>
Total net position - December 31	<u><u>\$ 2,415,462</u></u>	<u><u>\$ 15,080,680</u></u>	<u><u>\$ 296,302</u></u>	<u><u>\$ 8,795,050</u></u>

EXHIBIT D-2

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 2,347,885	\$ 2,277,936	\$ 12,368,749	\$ 6,486,527	\$ 6,589,395	\$ 46,905,596
-	-	98,536	375,288	-	558,609
<u>2,347,885</u>	<u>2,277,936</u>	<u>12,467,285</u>	<u>6,861,815</u>	<u>6,589,395</u>	<u>47,464,205</u>
-	3,129,914	11,931,147	1,504,292	11,858,416	32,861,683
2,735,243	-	344,374	3,430,676	-	15,815,081
-	-	-	1,873,762	-	4,732,842
<u>2,735,243</u>	<u>3,129,914</u>	<u>12,275,521</u>	<u>6,808,730</u>	<u>11,858,416</u>	<u>53,409,606</u>
<u>(387,358)</u>	<u>(851,978)</u>	<u>191,764</u>	<u>53,085</u>	<u>(5,269,021)</u>	<u>(5,945,401)</u>
-	-	-	-	-	5,350
-	-	-	1,200	70,334	787,534
131,574	301,078	87,913	232,042	-	980,811
259,989	359,859	154,302	348,685	-	1,479,205
-	-	-	(10,988)	-	247,596
<u>391,563</u>	<u>660,937</u>	<u>242,215</u>	<u>570,939</u>	<u>70,334</u>	<u>3,500,496</u>
4,205	(191,041)	433,979	624,024	(5,198,687)	(2,444,905)
-	-	-	-	-	22,937
-	-	-	1,994,364	-	3,071,049
-	-	-	-	-	(214,116)
<u>4,205</u>	<u>(191,041)</u>	<u>433,979</u>	<u>2,618,388</u>	<u>(5,198,687)</u>	<u>434,965</u>
<u>3,840,380</u>	<u>(5,265,994)</u>	<u>4,129,467</u>	<u>51,252,503</u>	<u>(47,151,554)</u>	<u>30,624,175</u>
<u>\$ 3,844,585</u>	<u>\$ (5,457,035)</u>	<u>\$ 4,563,446</u>	<u>\$ 53,870,891</u>	<u>\$ (52,350,241)</u>	<u>\$ 31,059,140</u>

CITY OF BLOOMINGTON, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2023

	Information Technology	Fleet	Support Services	Public Safety Equipment
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash from interfund services provided	\$ 6,484,821	\$ 7,461,628	\$ 487,325	\$ 2,051,578
Cash payments to other funds	(341,442)	(1,568,804)	(154,598)	(29,191)
Payments to employees	(2,726,345)	(1,377,900)	(181,731)	(110,409)
Payments to suppliers	(3,912,323)	(2,191,894)	(144,390)	(416,101)
Net cash provided by (used in) operating activities	<u>(495,289)</u>	<u>2,323,030</u>	<u>6,606</u>	<u>1,495,877</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants	-	-	-	716,000
Transfers from other funds	-	608,689	8,000	459,996
Transfers to other funds	(214,116)	-	-	-
Advance from other funds - net change	-	-	-	-
Subsidy from endowment fund	-	-	-	-
Donations	-	-	-	5,350
Net cash provided by (used in) noncapital financing activities	<u>(214,116)</u>	<u>608,689</u>	<u>8,000</u>	<u>1,181,346</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Insurance proceeds	-	-	-	22,937
Proceeds from sale of capital assets	-	414,478	-	-
Purchase of capital assets	(22,319)	(5,205,349)	-	(189,361)
Net cash provided by (used in) capital and related financing activities	<u>(22,319)</u>	<u>(4,790,871)</u>	<u>-</u>	<u>(166,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	105,580	334,823	13,817	130,354
Net cash provided by investing activities	<u>105,580</u>	<u>334,823</u>	<u>13,817</u>	<u>130,354</u>
Net increase (decrease) in cash and cash equivalents	<u>(626,144)</u>	<u>(1,524,329)</u>	<u>28,423</u>	<u>2,641,153</u>
Cash and cash equivalents - January 1	<u>1,686,920</u>	<u>5,940,850</u>	<u>268,749</u>	<u>2,831,932</u>
Cash and cash equivalents - December 31	<u><u>\$ 1,060,776</u></u>	<u><u>\$ 4,416,521</u></u>	<u><u>\$ 297,172</u></u>	<u><u>\$ 5,473,085</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (409,351)	\$ (160,631)	\$ 15,149	\$ 872,940
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	228,598	1,997,853	-	632,629
Changes in assets and liabilities:				
Receivables	(315,192)	(99,030)	(2,006)	-
Other current assets	1,153	(2,316)	(765)	(16,380)
Inventory	-	-	(1,293)	-
Accounts payable - other	(320)	47,714	(2,667)	18
Accounts payable - supplier	(2,024)	538,966	(2,175)	4,409
Net pension liability	-	-	-	-
Benefits payable	1,847	474	363	2,261
Deferred outflows of resources	-	-	-	-
Deferred inflows of resources	-	-	-	-
Net cash provided by (used in) operating activities	<u><u>\$ (495,289)</u></u>	<u><u>\$ 2,323,030</u></u>	<u><u>\$ 6,606</u></u>	<u><u>\$ 1,495,877</u></u>
Noncash transfer of capital assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

EXHIBIT D-3

Self-Insurance	Benefit Accrual	Insured Benefits	Facilities & Parks Maintenance	PERA Pension	Total
\$ 2,281,779	\$ 2,245,006	\$ 12,369,202	\$ 6,839,930	\$ 6,589,395	\$ 46,810,664
(181,616)	-	-	(1,524,089)	-	(3,799,740)
-	(2,119,833)	(11,931,148)	(1,500,302)	(6,659,729)	(26,607,397)
(3,887,816)	-	(168,977)	(1,661,553)	-	(12,383,054)
(1,787,653)	125,173	269,077	2,153,986	(70,334)	4,020,473
-	-	-	600	70,334	786,934
-	-	-	1,994,364	-	3,071,049
-	-	-	-	-	(214,116)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,350
-	-	-	1,994,964	70,334	3,649,217
-	-	-	-	-	22,937
-	-	-	-	-	414,478
-	-	-	(3,458,268)	-	(8,875,297)
-	-	-	(3,458,268)	-	(8,437,882)
391,563	660,937	242,215	580,727	-	2,460,016
391,563	660,937	242,215	580,727	-	2,460,016
(1,396,090)	786,110	511,292	1,271,409	-	1,691,824
7,064,841	13,082,108	4,174,112	11,166,967	-	46,216,479
\$ 5,668,751	\$ 13,868,218	\$ 4,685,404	\$ 12,438,376	\$ -	\$ 47,908,303
\$ (387,358)	\$ (851,978)	\$ 191,764	\$ 53,085	\$ (5,269,021)	\$ (5,945,401)
-	-	-	1,873,762	-	4,732,842
(59,803)	-	(89,461)	-	-	(565,492)
(6,303)	(32,931)	(8,623)	(21,884)	-	(88,049)
-	-	-	-	-	(1,293)
(1,354,769)	-	9,546	3,135	-	(1,297,343)
20,580	-	165,851	241,522	-	967,129
-	-	-	-	(39,143,998)	(39,143,998)
-	1,010,082	-	4,366	-	1,019,393
-	-	-	-	970,093	970,093
-	-	-	-	43,372,592	43,372,592
\$ (1,787,653)	\$ 125,173	\$ 269,077	\$ 2,153,986	\$ (70,334)	\$ 4,020,473
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



OTHER SUPPLEMENTARY INFORMATION – COMPONENT UNITS

**PORT AUTHORITY OF THE
CITY OF BLOOMINGTON, MINNESOTA**
Schedule of Assets, Liabilities, and Fund Balances
December 31, 2023
(with partial comparative information as of December 31, 2022)

EXHIBIT E-1

	Governmental Fund Types				Totals	
	General	Port Development	Debt Service	Capital Projects	2023	2022
ASSETS						
Cash, cash equivalents, and investments	\$ 25,228	\$ 518,372	\$ 568,895	\$ 125,541,015	\$ 126,653,510	\$ 112,931,602
Taxes receivable	-	-	-	12,373	12,373	-
Accrued interest receivable	-	-	2,025	449,893	451,918	149,852
Prepaid items	-	-	-	-	-	1,594
Due from other funds	2,000	-	-	-	2,000	2,000
Land held for resale	-	-	-	17,150,000	17,150,000	17,150,000
Total assets	<u>\$ 27,228</u>	<u>\$ 518,372</u>	<u>\$ 570,920</u>	<u>\$ 143,153,281</u>	<u>\$ 144,269,801</u>	<u>\$ 130,235,048</u>
LIABILITIES						
Accounts payable	\$ 2,236	\$ -	\$ -	\$ 57,229	\$ 59,465	\$ 265,084
Due to other funds	-	-	-	2,000	2,000	2,000
Due to primary government	8,676	5,394	-	1,730	15,800	10,936
Total liabilities	<u>10,912</u>	<u>5,394</u>	<u>-</u>	<u>60,959</u>	<u>77,265</u>	<u>278,020</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - land held for resale	-	-	-	17,150,000	17,150,000	17,150,000
FUND BALANCES						
Nonspendable	-	-	-	-	-	1,594
Restricted	-	-	570,920	125,778,188	126,349,108	112,733,861
Committed	-	512,978	-	164,134	677,112	-
Unassigned	16,316	-	-	-	16,316	71,573
Total fund balances	<u>16,316</u>	<u>512,978</u>	<u>570,920</u>	<u>125,942,322</u>	<u>127,042,536</u>	<u>112,807,028</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,228</u>	<u>\$ 518,372</u>	<u>\$ 570,920</u>	<u>\$ 143,153,281</u>	<u>\$ 144,269,801</u>	<u>\$ 130,235,048</u>
Reconciliation of Governmental Funds to the Statement of Net Position						
Total Fund Balances-Port Authority					\$ 127,042,536	\$ 112,807,028
Interest Payable					(73,710)	(77,725)
Bonds Payable					(5,175,000)	(5,585,000)
Land					1,870,700	-
Construction in Progress					373,370	-
Deferred Inflows-land held for resale					17,150,000	17,150,000
Total Net Position-Port Authority					<u>\$ 141,187,896</u>	<u>\$ 124,294,303</u>

**PORT AUTHORITY OF THE
CITY OF BLOOMINGTON, MINNESOTA**
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2023
(with partial comparative information for the year ended December 31, 2022)

EXHIBIT E-2

	Governmental Fund Types				Totals	
	General	Port Development	Debt Service	Capital Projects	2023	2022
REVENUES						
Property tax increment	\$ -	\$ -	\$ 560,000	\$ 12,443,564	\$ 13,003,564	\$ 13,596,169
Interest	-	-	7,168	3,263,431	3,270,599	584,883
Net change in fair value of investments	-	-	15,131	2,665,206	2,680,337	(3,953,564)
City contribution	700,000	1,400,000	-	-	2,100,000	630,000
Intergovernmental	-	-	-	-	-	250,000
Other	-	2,800	-	-	2,800	-
Total revenues	<u>700,000</u>	<u>1,402,800</u>	<u>582,299</u>	<u>18,372,201</u>	<u>21,057,300</u>	<u>11,107,489</u>
EXPENDITURES						
Current:						
General services	756,851	889,822	-	165,199	1,811,872	1,184,814
Development services	-	-	-	4,418,197	4,418,197	8,202,715
Debt service:						
Principal retirement	-	-	410,000	-	410,000	405,000
Interest	-	-	181,723	-	181,723	190,793
Total expenditures	<u>756,851</u>	<u>889,822</u>	<u>591,723</u>	<u>4,583,396</u>	<u>6,821,792</u>	<u>9,983,322</u>
Net change in fund balance	(56,851)	512,978	(9,424)	13,788,805	14,235,508	1,124,167
Fund balance - January 1	<u>73,167</u>	<u>-</u>	<u>580,344</u>	<u>112,153,517</u>	<u>112,807,028</u>	<u>111,682,861</u>
Fund balance - December 31	<u>\$ 16,316</u>	<u>\$ 512,978</u>	<u>\$ 570,920</u>	<u>\$ 125,942,322</u>	<u>\$ 127,042,536</u>	<u>\$ 112,807,028</u>
Change in Governmental Funds					\$ 14,235,508	\$ 1,124,167
Debt Service					410,000	405,000
Contributed Capital-land					1,870,700	-
Contributed Capital-Construction in Progress					373,370	-
Accrued Interest Payable					4,015	3,544
Change in Net Position of Governmental Activities					<u>\$ 16,893,593</u>	<u>\$ 1,532,711</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Net Position
December 31, 2023

EXHIBIT F-1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,573,517	\$ 638,591	\$ 19,212,108
Receivables, net	22,236,901	-	22,236,901
Due from primary government	660,652	36	660,688
Due from other government	70,965	-	70,965
Inventory - land held for resale	1,972,941	-	1,972,941
Capital assets -			
Capital assets - nondepreciable	130,300	1,589,085	1,719,385
Capital assets - net of accumulated depreciation	-	628,063	628,063
Net capital assets	<u>130,300</u>	<u>2,217,148</u>	<u>2,347,448</u>
Total assets	<u>43,645,276</u>	<u>2,855,775</u>	<u>46,501,051</u>
LIABILITIES			
Accounts payable	673,037	137,514	810,551
Unearned revenue	128,170	-	128,170
Due to other government	22,441	-	22,441
Due to primary government	169,106	10,056	179,162
Due to primary government - bonds	190,000	-	190,000
Noncurrent liabilities:			
Due to primary government -			
Loans payable due in more than one year	9,732,913	-	9,732,913
Bonds payable due in more than one year	1,600,993	-	1,600,993
Accrued interest payable	<u>144,638</u>	<u>-</u>	<u>144,638</u>
Total liabilities	<u>12,661,297</u>	<u>147,570</u>	<u>12,808,867</u>
NET POSITION			
Net investment in capital assets	124,307	2,217,148	2,341,455
Restricted for:			
Tax increment purposes	4,650,956	-	4,650,956
Unrestricted	<u>26,208,716</u>	<u>491,057</u>	<u>26,699,773</u>
Total net position	<u>\$ 30,983,979</u>	<u>\$ 2,708,205</u>	<u>\$ 33,692,184</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Schedule of Activities
For the Year Ended December 31, 2023

EXHIBIT F-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General services	\$ 6,618,735	\$ 108,769	\$ 6,226,708	\$ -	\$ (283,258)	\$ -	\$ (283,258)
Development services	6,017,504	558,118	1,729,182	-	(3,730,204)	-	(3,730,204)
Interest on long-term debt and amounts due to primary government - bonds payable	454,419	-	-	-	(454,419)	-	(454,419)
Total governmental activities	13,090,658	666,887	7,955,890	-	(4,467,881)	-	(4,467,881)
Business-type activities:							
Assisted rental	426,386	330,403	-	-	-	(95,983)	(95,983)
Property management	390,837	221,315	-	1,399,720	-	1,230,198	1,230,198
Total business-type activities	817,223	551,718	-	1,399,720	-	1,134,215	1,134,215
Total	<u>\$ 13,907,881</u>	<u>\$ 1,218,605</u>	<u>\$ 7,955,890</u>	<u>\$ 1,399,720</u>	(4,467,881)	1,134,215	(3,333,666)
General revenues:							
Property taxes					5,554,140	14,375	5,568,515
Interest and investment earnings					1,372,010	-	1,372,010
Transfers					(138,389)	138,389	-
Total general revenues					6,787,761	152,764	6,940,525
Change in net position					2,319,880	1,286,979	3,606,859
Net position - January 1					28,664,099	1,421,226	30,085,325
Net position - December 31					<u>\$ 30,983,979</u>	<u>\$ 2,708,205</u>	<u>\$ 33,692,184</u>

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Assets, Liabilities, and Fund Balances
Governmental Funds
December 31, 2023

	General Fund	Housing Development	Section 8 Vouchers
ASSETS			
Cash and cash equivalents	\$ 1,347,402	\$ 6,882,317	\$ 606,684
Accrued interest receivable	-	187,578	-
Taxes receivable	107,165	-	-
Accounts receivable	-	-	1,076
Mortgages and notes receivable	-	1,588,207	-
Due from other funds	-	2,045,200	-
Due from primary government	14,630	20	30,033
Due from other governments	-	-	70,965
Inventory - land for resale	-	1,351,900	-
Total assets	<u><u>\$ 1,469,197</u></u>	<u><u>\$ 12,055,222</u></u>	<u><u>\$ 708,758</u></u>
LIABILITIES			
Accounts payable	\$ 7,419	\$ 18,722	\$ 58,229
Due to other funds	-	-	-
Due to primary government	42,948	14,216	75,085
Unearned revenue	-	-	940
Due to other govts	-	-	22,441
Total liabilities	<u><u>50,367</u></u>	<u><u>32,938</u></u>	<u><u>156,695</u></u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow-taxes	93,553	-	-
Deferred inflow-mortgages	-	1,128,408	-
Deferred inflow-land held for resale	-	1,351,900	-
Total deferred inflows of resources	<u><u>93,553</u></u>	<u><u>2,480,308</u></u>	<u><u>-</u></u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	459,799	-
Restricted	-	-	-
Committed	-	9,082,177	-
Assigned	-	-	552,063
Unassigned	1,325,277	-	-
Total fund balances (deficits)	<u><u>1,325,277</u></u>	<u><u>9,541,976</u></u>	<u><u>552,063</u></u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u><u>\$ 1,469,197</u></u>	<u><u>\$ 12,055,222</u></u>	<u><u>\$ 708,758</u></u>

EXHIBIT F-3

Housing Rehabilitation	Opportunity Housing	TIF Special Revenue	Capital Projects	Total Governmental Funds
\$ 2,038,593	\$ 2,420,609	\$ 4,863,455	\$ 414,457	\$ 18,573,517
-	-	-	-	187,578
-	-	-	-	107,165
-	-	-	-	1,076
10,336,895	9,415,980	-	600,000	21,941,082
-	-	-	-	2,045,200
615,969	-	-	-	660,652
-	-	-	-	70,965
225,000	-	-	396,041	1,972,941
<u>\$ 13,216,457</u>	<u>\$ 11,836,589</u>	<u>\$ 4,863,455</u>	<u>\$ 1,410,498</u>	<u>\$ 45,560,176</u>
\$ 140,683	\$ -	\$ 447,984	\$ -	\$ 673,037
-	-	2,045,200	-	2,045,200
36,857	9,732,913	-	-	9,902,019
127,230	-	-	-	128,170
-	-	-	-	22,441
<u>304,770</u>	<u>9,732,913</u>	<u>2,493,184</u>	<u>-</u>	<u>12,770,867</u>
-	-	-	-	93,553
10,336,895	-	-	600,000	12,065,303
225,000	-	-	396,041	1,972,941
<u>10,561,895</u>	<u>-</u>	<u>-</u>	<u>996,041</u>	<u>14,131,797</u>
-	-	-	-	459,799
-	-	4,650,956	-	4,650,956
2,663,581	2,103,676	-	-	13,849,434
-	-	-	414,457	966,520
(313,789)	-	(2,280,685)	-	(1,269,197)
<u>2,349,792</u>	<u>2,103,676</u>	<u>2,370,271</u>	<u>414,457</u>	<u>18,657,512</u>
<u>\$ 13,216,457</u>	<u>\$ 11,836,589</u>	<u>\$ 4,863,455</u>	<u>\$ 1,410,498</u>	<u>\$ 45,560,176</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Reconciliation of the Governmental Funds
Schedule of Assets, Liabilities, and Fund Balances
To the Schedule of Net Position
December 31, 2023

EXHIBIT F-4

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	18,657,512
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Amounts reported for governmental activities in the Schedule of Net Position are different because:

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

Cost of capital assets	\$	130,300	
Less accumulated depreciation		-	130,300

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

14,131,797

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

(1,785,000)

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

(5,993)

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

(144,638)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 30,983,979



HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2023

	General Fund	Housing Development	Section 8 Vouchers
REVENUES			
Taxes:			
Regular	\$ 411,879	\$ 2,058,601	\$ 23,820
Tax increment	-	-	-
Intergovernmental	-	-	6,226,708
Program Income	-	9,023	-
Interest	299,124	740,531	-
Other	523	-	108,245
Total revenues	<u>711,526</u>	<u>2,808,155</u>	<u>6,358,773</u>
EXPENDITURES			
Current:			
General services	452,489	-	6,166,246
Development services	-	2,925,822	-
Interest	-	-	-
Principal retirement	-	-	-
Total expenditures	<u>452,489</u>	<u>2,925,822</u>	<u>6,166,246</u>
Excess (deficiency) of revenues over expenditures	<u>259,037</u>	<u>(117,667)</u>	<u>192,527</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	-	(1,820,904)	-
Transfers from other funds	-	3,535,102	-
Total other financing sources (uses)	<u>-</u>	<u>1,714,198</u>	<u>-</u>
Net change in fund balance	259,037	1,596,531	192,527
Fund balance (deficit) - January 1	<u>1,066,240</u>	<u>7,945,445</u>	<u>359,536</u>
Fund balance (deficit) - December 31	<u><u>\$ 1,325,277</u></u>	<u><u>\$ 9,541,976</u></u>	<u><u>\$ 552,063</u></u>

EXHIBIT F-5

<u>Housing Rehabilitation</u>	<u>Opportunity Housing</u>	<u>TIF Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 178,338	-	\$ -	\$ -	\$ -	\$ 2,672,638
-	-	2,811,938	-	-	2,811,938
1,547,463	-	-	-	-	7,774,171
594,640	-	-	-	-	603,663
-	330,775	-	1,580	-	1,372,010
181,718	-	-	-	5,833,145	6,123,631
<u>2,502,159</u>	<u>330,775</u>	<u>2,811,938</u>	<u>1,580</u>	<u>5,833,145</u>	<u>21,358,051</u>
-	-	-	-	-	6,618,735
2,270,260	-	924,222	-	119,338	6,239,642
-	273,029	22,841	171,775	-	467,645
-	-	190,000	6,450,059	-	6,640,059
<u>2,270,260</u>	<u>273,029</u>	<u>1,137,063</u>	<u>6,621,834</u>	<u>119,338</u>	<u>19,966,081</u>
<u>231,899</u>	<u>57,746</u>	<u>1,674,875</u>	<u>(6,620,254)</u>	<u>5,713,807</u>	<u>1,391,970</u>
(138,389)	(1,629,928)	(3,535,102)	-	(5,299,350)	(12,423,673)
<u>-</u>	<u>2,129,928</u>	<u>-</u>	<u>6,620,254</u>	<u>-</u>	<u>12,285,284</u>
<u>(138,389)</u>	<u>500,000</u>	<u>(3,535,102)</u>	<u>6,620,254</u>	<u>(5,299,350)</u>	<u>(138,389)</u>
93,510	557,746	(1,860,227)	-	414,457	1,253,581
<u>2,256,282</u>	<u>1,545,930</u>	<u>4,230,498</u>	<u>-</u>	<u>-</u>	<u>17,403,931</u>
<u>\$ 2,349,792</u>	<u>\$ 2,103,676</u>	<u>\$ 2,370,271</u>	<u>\$ -</u>	<u>\$ 414,457</u>	<u>\$ 18,657,512</u>

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

EXHIBIT F-6

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,253,581
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Amounts reported for governmental activities in the Schedule of Activities are different because:

Revenues in the Schedule of Activities related to delinquent property taxes that do not provide current financial resources are not reported as revenues in the funds.	69,564
Revenues in the Schedule of Activities related to charges for services that do not provide current financial resources are not reported as revenues in the funds.	(5,150,000)
Revenues in the Schedule of Activities related to mortgages receivable that do not provide current financial resources are not reported as revenues in the funds.	(728,691)
Revenues in the Schedule of Activities related to Inventory - land held for resale that do not provide current financial resources are not reported as revenues in the funds.	225,000
Repayment of principal on long-term debt (e.g., bonds, leases) is an expenditure in the governmental funds but does not affect the Schedule of Activities.	6,637,195
Governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Schedule of Activities.	741
Change in accrued interest on general long-term debt is reported in the Schedule of Activities but does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	<u>12,490</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,319,880</u>
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**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**

EXHIBIT F-7

Schedule of Fund Net Position
Proprietary Funds
December 31, 2023

	Assisted Rental	Property Management	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 471,480	\$ 167,111	\$ 638,591
Due from primary government	13	23	36
Total current assets	<u>471,493</u>	<u>167,134</u>	<u>638,627</u>
Noncurrent assets:			
Land	700,000	889,085	1,589,085
Buildings and structures	1,698,090	1,700,942	3,399,032
Accumulated depreciation	<u>(1,421,979)</u>	<u>(1,348,990)</u>	<u>(2,770,969)</u>
Total noncurrent assets	<u>976,111</u>	<u>1,241,037</u>	<u>2,217,148</u>
Total assets	<u>1,447,604</u>	<u>1,408,171</u>	<u>2,855,775</u>
LIABILITIES			
Current liabilities:			
Accounts payable	8,545	10,323	18,868
Deposits payable	7,195	111,451	118,646
Due to primary government	<u>5,685</u>	<u>4,371</u>	<u>10,056</u>
Total current liabilities	<u>21,425</u>	<u>126,145</u>	<u>147,570</u>
Total liabilities	<u>21,425</u>	<u>126,145</u>	<u>147,570</u>
NET POSITION			
Net investment in capital assets	976,111	1,241,037	2,217,148
Unrestricted	<u>450,068</u>	<u>40,989</u>	<u>491,057</u>
Total net position	<u>\$ 1,426,179</u>	<u>\$ 1,282,026</u>	<u>\$ 2,708,205</u>

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2023

EXHIBIT F-8

	Assisted Rental	Property Management	Total
OPERATING REVENUES			
Program income	\$ 330,250	\$ 221,245	\$ 551,495
Other	153	70	223
Total operating revenues	<u>330,403</u>	<u>221,315</u>	<u>551,718</u>
OPERATING EXPENSES			
Salaries and benefits	115,700	61,541	177,241
Professional services	254	2,117	2,371
City support services	2,651	4,585	7,236
Purchased services	57,776	53,667	111,443
Home rehabilitation	200,068	220,523	420,591
Depreciation	49,937	48,404	98,341
Total operating expenses	<u>426,386</u>	<u>390,837</u>	<u>817,223</u>
Operating income (loss)	(95,983)	(169,522)	(265,505)
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	14,375	14,375
Loan forgiveness	-	1,399,720	1,399,720
Total nonoperating revenues	<u>-</u>	<u>1,414,095</u>	<u>1,414,095</u>
Income (loss) before contributions and transfers	<u>(95,983)</u>	<u>1,244,573</u>	<u>1,148,590</u>
Transfers from other funds	<u>50,650</u>	<u>87,739</u>	<u>138,389</u>
Change in net position	(45,333)	1,332,312	1,286,979
Total net position - January 1	<u>1,471,512</u>	<u>(50,286)</u>	<u>1,421,226</u>
Total net position - December 31	<u><u>\$ 1,426,179</u></u>	<u><u>\$ 1,282,026</u></u>	<u><u>\$ 2,708,205</u></u>

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

EXHIBIT F-9

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

	Assisted Rental	Property Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 330,403	\$ 221,315	\$ 551,718
Payments to employees	(115,700)	(61,541)	(177,241)
Payments to suppliers	(253,012)	(290,077)	(543,089)
Net cash provided by operating activities	<u>(38,309)</u>	<u>(130,303)</u>	<u>(168,612)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments from primary government	3,266	7,132	10,398
Transfers from other funds	50,650	87,739	138,389
Taxes	-	14,375	14,375
Net cash provided by noncapital financing activities	<u>53,916</u>	<u>109,246</u>	<u>163,162</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payment on capital debt	-	(175,000)	(175,000)
Purchases of capital assets	-	(232,500)	(232,500)
Net cash provided by capital and related financing activities	<u>-</u>	<u>(407,500)</u>	<u>(407,500)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net increase in cash and cash equivalents	<u>15,607</u>	<u>(428,557)</u>	<u>(412,950)</u>
Cash and cash equivalents - January 1	<u>455,873</u>	<u>595,668</u>	<u>1,051,541</u>
Cash and cash equivalents - December 31	<u><u>\$ 471,480</u></u>	<u><u>\$ 167,111</u></u>	<u><u>\$ 638,591</u></u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (95,983)	\$ (169,522)	\$ (265,505)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation	49,937	48,404	98,341
Changes in assets and liabilities:			
Accounts payable	8,215	7,783	15,998
Deposits payable	(478)	(16,968)	(17,446)
Net cash provided by operating activities	<u><u>\$ (38,309)</u></u>	<u><u>\$ (130,303)</u></u>	<u><u>\$ (168,612)</u></u>

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

EXHIBIT F-10

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2023

	<u>Budget</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes -				
Regular	\$ 402,869	\$ 402,869	\$ 411,879	\$ 9,010
Interest	20,000	20,000	299,124	279,124
Other	-	-	523	523
Total revenues	<u>422,869</u>	<u>422,869</u>	<u>711,526</u>	<u>288,657</u>
EXPENDITURES				
Current -				
General services	<u>433,107</u>	<u>453,607</u>	<u>452,489</u>	<u>1,118</u>
Net change in fund balance	(10,238)	(30,738)	259,037	289,775
Fund balance - January 1	<u>1,066,240</u>	<u>1,066,240</u>	<u>1,066,240</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,056,002</u>	<u>\$ 1,035,502</u>	<u>\$ 1,325,277</u>	<u>\$ 289,775</u>

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

EXHIBIT F-11

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Development Special Revenue Fund
Year Ended December 31, 2023

	<u>Budget</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes -				
Regular	\$ 2,148,148	\$ 2,148,148	\$ 2,058,601	\$ (89,547)
Program Income	7,780	7,780	9,023	1,243
Interest	-	-	740,531	740,531
Other	6,225	6,225	-	(6,225)
Total revenues	<u>2,162,153</u>	<u>2,162,153</u>	<u>2,808,155</u>	<u>646,002</u>
EXPENDITURES				
Current -				
Development services	<u>3,522,353</u>	<u>2,927,264</u>	<u>2,925,822</u>	<u>1,442</u>
Excess (deficiency) of revenues over expenditures	<u>(1,360,200)</u>	<u>(765,111)</u>	<u>(117,667)</u>	<u>647,444</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(500,000)	(1,822,425)	(1,820,904)	1,521
Transfers from other funds	<u>-</u>	<u>-</u>	<u>3,535,102</u>	<u>3,535,102</u>
Total other financing uses	<u>(500,000)</u>	<u>(1,822,425)</u>	<u>1,714,198</u>	<u>3,536,623</u>
Net change in fund balance	(1,860,200)	(2,587,536)	1,596,531	4,184,067
Fund balance - January 1	<u>7,945,445</u>	<u>7,945,445</u>	<u>7,945,445</u>	<u>-</u>
Fund balance - December 31	<u>\$ 6,085,245</u>	<u>\$ 5,357,909</u>	<u>\$ 9,541,976</u>	<u>\$ 4,184,067</u>

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

EXHIBIT F-12

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Section 8 Vouchers Special Revenue Fund
Year Ended December 31, 2023

	<u>Budget</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>With Final Budget</u>
REVENUES				
Taxes:				
Regular	\$ 24,856	\$ 24,856	\$ 23,820	\$ (1,036)
Intergovernmental	5,847,380	5,847,380	6,226,708	379,328
Other	98,000	98,000	108,245	10,245
Total revenues	<u>5,970,236</u>	<u>5,970,236</u>	<u>6,358,773</u>	<u>388,537</u>
EXPENDITURES				
Current -				
General services	<u>5,970,196</u>	<u>6,183,196</u>	<u>6,166,246</u>	<u>16,950</u>
Net change in fund balance	40	(212,960)	192,527	405,487
Fund balance - January 1	<u>359,536</u>	<u>359,536</u>	<u>359,536</u>	<u>-</u>
Fund balance - December 31	<u>\$ 359,576</u>	<u>\$ 146,576</u>	<u>\$ 552,063</u>	<u>\$ 405,487</u>

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

EXHIBIT F-13

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Rehabilitation Special Revenue Fund
Year Ended December 31, 2023

	Budget			Variance
	Original	Final	Actual	With Final Budget
REVENUES				
Taxes -				
Regular	\$ 186,096	\$ 186,096	\$ 178,338	\$ (7,758)
Intergovernmental	895,256	977,476	1,547,463	569,987
Program Income	600,000	600,000	594,640	(5,360)
Other	-	181,718	181,718	-
Total revenues	<u>1,681,352</u>	<u>1,945,290</u>	<u>2,502,159</u>	<u>556,869</u>
EXPENDITURES				
Current -				
Development services	<u>1,681,761</u>	<u>2,293,812</u>	<u>2,270,260</u>	<u>23,552</u>
Excess (deficiency) of revenues over expenditures	<u>(409)</u>	<u>(348,522)</u>	<u>231,899</u>	<u>580,421</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>-</u>	<u>(140,000)</u>	<u>(138,389)</u>	<u>(1,611)</u>
Net change in fund balance	(409)	(488,522)	93,510	582,032
Fund balance - January 1	<u>2,256,282</u>	<u>2,256,282</u>	<u>2,256,282</u>	<u>-</u>
Fund balance - December 31	<u>\$ 2,255,873</u>	<u>\$ 1,767,760</u>	<u>\$ 2,349,792</u>	<u>\$ 582,032</u>

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

EXHIBIT F-14

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Opportunity Housing Special Revenue Fund
Year Ended December 31, 2023

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 330,775	\$ 330,775
EXPENDITURES				
Debt service:				
Interest	-	273,100	273,029	71
Excess (deficiency) of revenues over expenditures	-	(273,100)	57,746	330,846
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	(1,667,875)	(1,629,928)	(37,947)
Transfers from other funds	500,000	2,167,875	2,129,928	37,947
Total other financing sources (uses)	500,000	500,000	500,000	-
Net change in fund balance	500,000	226,900	557,746	330,846
Fund balance - January 1	1,545,930	1,545,930	1,545,930	-
Fund balance - December 31	<u>\$ 2,045,930</u>	<u>\$ 1,772,830</u>	<u>\$ 2,103,676</u>	<u>\$ 330,846</u>



**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Combining Schedule of Assets, Liabilities, and Fund Balances
TIF Special Revenue Fund
December 31, 2023

	Oxboro O-4	France & Old Shakopee	Penn & American	Portland Commons	Lyndale Green GO Tax Increment Bonds 2004A	Oxboro H-1 GO Tax Increment Bonds 2003A	Knox & American GO Tax Increment
ASSETS							
Cash and cash equivalents	\$ 26,791	\$ 184,112	\$ 21,387	\$ 281,641	\$ 3,430,904	\$ 858,820	\$ 48
Total assets	<u>26,791</u>	<u>184,112</u>	<u>21,387</u>	<u>281,641</u>	<u>3,430,904</u>	<u>858,820</u>	<u>48</u>
LIABILITIES AND FUND BALANCES							
Current liabilities -							
Accounts payable	\$ 26,791	\$ 932	\$ 21,387	\$ 155,405	\$ 2,789	\$ 1,612	\$ 236,216
Due to other funds	-	-	-	-	-	-	1,936,200
Total current liabilities	<u>26,791</u>	<u>932</u>	<u>21,387</u>	<u>155,405</u>	<u>2,789</u>	<u>1,612</u>	<u>2,172,416</u>
FUND BALANCES (DEFICITS)							
Restricted	-	183,180	-	126,236	3,428,115	857,208	-
Unassigned	-	-	-	-	-	-	(2,172,368)
Total fund balances	<u>-</u>	<u>183,180</u>	<u>-</u>	<u>126,236</u>	<u>3,428,115</u>	<u>857,208</u>	<u>(2,172,368)</u>
Total liabilities and fund balances (deficits)	<u>\$ 26,791</u>	<u>\$ 184,112</u>	<u>\$ 21,387</u>	<u>\$ 281,641</u>	<u>\$ 3,430,904</u>	<u>\$ 858,820</u>	<u>\$ 48</u>

EXHIBIT F-15

Village Club	Lyndale Flats	8012 Old Cedar	Oxboro Heights	8200 Humboldt	Gyropolis	Village Club 172	Total
\$ 788	\$ 41,108	\$ 477	\$ 367	\$ 457	\$ 506	\$ 16,049	\$ 4,863,455
788	41,108	477	367	457	506	16,049	4,863,455
\$ 772	\$ 940	\$ 590	\$ -	\$ -	\$ 550	\$ -	\$ 447,984
3,000	-	21,000	10,000	60,000	15,000	-	2,045,200
3,772	940	21,590	10,000	60,000	15,550	-	2,493,184
-	40,168	-	-	-	-	16,049	4,650,956
(2,984)	-	(21,113)	(9,633)	(59,543)	(15,044)	-	(2,280,685)
(2,984)	40,168	(21,113)	(9,633)	(59,543)	(15,044)	16,049	2,370,271
\$ 788	\$ 41,108	\$ 477	\$ 367	\$ 457	\$ 506	\$ 16,049	\$ 4,863,455

HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
TIF Special Revenue Fund
Year Ended December 31, 2023

	Oxboro O-4	France & Old Shakopee	Penn & American	Portland Commons	Lyndale Green GO Tax Increment Bonds 2004A	Oxboro H-1 GO Tax Increment Bonds 2003A
REVENUES						
Taxes -						
Tax increment	\$ 51,144	\$ 155,336	\$ 895,129	\$ 362,575	\$ 564,556	\$ 159,778
EXPENDITURES						
Current -						
Development services	51,144	932	2,484	309,500	2,791	1,612
Debt service:						
Interest	-	-	-	-	8,802	14,039
Principal retirement	-	-	-	-	140,600	49,400
Total expenditures	51,144	932	2,484	309,500	152,193	65,051
Excess (deficiency) of revenues over expenditures	-	154,404	892,645	53,075	412,363	94,727
OTHER FINANCING SOURCES (USES)						
Transfers to other funds	-	-	(3,535,102)	-	-	-
Net change in fund balance	-	154,404	(2,642,457)	53,075	412,363	94,727
Fund balance (deficit) - January 1	-	28,776	2,642,457	73,161	3,015,752	762,481
Fund balance (deficit) - December 31	\$ -	\$ 183,180	\$ -	\$ 126,236	\$ 3,428,115	\$ 857,208

Knox & American GO Tax Increment	Village Club	Lyndale Flats	8012 Old Cedar	Oxboro Heights	8200 Humboldt	Gyropolis	Village Club 172	Total
<u>\$ 471,013</u>		<u>\$ 63,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,160</u>	<u>\$ 2,811,938</u>
470,870	772	941	1,010	3,455	-	5,600	73,111	924,222
-	-	-	-	-	-	-	-	22,841
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>
<u>470,870</u>	<u>772</u>	<u>941</u>	<u>1,010</u>	<u>3,455</u>	<u>-</u>	<u>5,600</u>	<u>73,111</u>	<u>1,137,063</u>
143	(772)	62,306	(1,010)	(3,455)	-	(5,600)	16,049	1,674,875
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,535,102)</u>
143	(772)	62,306	(1,010)	(3,455)	-	(5,600)	16,049	(1,860,227)
<u>(2,172,511)</u>	<u>(2,212)</u>	<u>(22,138)</u>	<u>(20,103)</u>	<u>(6,178)</u>	<u>(59,543)</u>	<u>(9,444)</u>	<u>-</u>	<u>4,230,498</u>
<u>\$ (2,172,368)</u>	<u>\$ (2,984)</u>	<u>\$ 40,168</u>	<u>\$ (21,113)</u>	<u>\$ (9,633)</u>	<u>\$ (59,543)</u>	<u>\$ (15,044)</u>	<u>\$ 16,049</u>	<u>\$ 2,370,271</u>

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Housing Choice Vouchers
Balance Sheet
December 31, 2023

EXHIBIT G-1

ASSETS

111	Cash - Unrestricted	\$ 606,684
121	Accounts Receivable - PHA Projects	100,998
126	Accounts Receivable - Tenants	<u>1,076</u>
290	Total Assets	<u>708,758</u>

LIABILITIES

312	Accounts Payable <= 90 Days	58,229
332	Accounts Payable - PHA Projects	22,441
333	Accounts Payable - Other Government	75,085
342	Unearned Revenue	<u>940</u>
300	Total Liabilities	<u>156,695</u>

NET POSITION

511.3	Assigned Fund Balance	<u>552,063</u>
513	Total Equity - Net Assets / Position	<u>552,063</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u><u>\$ 708,758</u></u>

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

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Housing Choice Vouchers
Income Statement
Year Ended December 31, 2023

EXHIBIT G-2

REVENUES

70600	HUD PHA Operating Grants	\$ 6,226,708
71400	Fraud Recovery	1,941
71500	Other Revenue	1,752,005
		<hr/>
70000	Total Revenue	7,980,654
		<hr/>

EXPENDITURES

91100	Administrative Salaries	342,251
91200	Auditing Fees	2,000
91500	Employee Benefit contributions - Administrative	139,849
91600	Office Expenses	69,374
91700	Legal Expense	377
91800	Travel	250
91900	Other	80,605
96200	Other General Expenses	62,018
97300	Housing Assistance Payments	5,469,522
97350	HAP Portability-In	1,621,881
		<hr/>
90000	Total Expenses	7,788,127
		<hr/>

Excess (deficiency) of Revenues over (under) Expenses 192,527

Net Position-Beginning

359,536

Net Position-Ending \$ 552,063

Memo Account Information

11170	Administrative Fee Equity	530,674
11180	Housing Assistance Payments Equity	21,389
		<hr/>
11190	Unit Months Available	6,520
11210	Number of Unit Months Leased	6,206

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

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Business Activities
Balance Sheet
December 31, 2023

EXHIBIT G-3

ASSETS

111	Cash - Unrestricted	\$ 459,285
114	Cash - Tenant Security Deposits	12,195
124	Due from City	13
161	Land	700,000
162	Buildings	1,698,090
166	Accumulated Depreciation	<u>(1,421,979)</u>
290	Total Assets	<u>1,447,604</u>

LIABILITIES

312	Accounts Payable <= 90 Days	8,545
333	Accounts Payable - Other Government	5,685
341	Tenant Security Deposits	<u>7,195</u>
300	Total Liabilities	<u>21,425</u>

NET POSITION

508.3	Net Investment in Capital Assets	976,111
511.3	Unrestricted	<u>450,068</u>
513	Total Equity - Net Position	<u>1,426,179</u>
600	Total Liabilities, Deferred Inflows of Resources and Equity	<u>\$ 1,447,604</u>

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

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF BLOOMINGTON**
Financial Data Schedule - Business Activities
Income Statement
Year Ended December 31, 2023

EXHIBIT G-4

REVENUES

70300	Net Tenant Rental Revenue	\$ 330,250
70400	Tenant Revenue - Other	153
71500	Other Revenue	<u>50,650</u>
70000	Total Revenue	<u>381,053</u>

EXPENDITURES

91100	Administrative Salaries	99,403
91500	Employee Benefit contributions - Administrative	16,295
91600	Office Expenses	2,653
91700	Legal	254
91900	Other	5,850
93100	Water	28,340
93200	Electric	142
93300	Gas	203
93800	Refuse Disposal	1,275
94300	Ordinary Maintenance and Operations Contracts	110,628
96300	Payments in Lieu of Taxes	20,033
97100	Extraordinary Maintenance	91,373
97400	Depreciation Expense	<u>49,937</u>
90000	Total Expenses	<u>426,386</u>

Excess (deficiency) of Revenues over (under) Expenses (45,333)

Net Position-Beginning 1,471,512

Net Position-Ending \$ 1,426,179

Memo Account Information

11190	Unit Months Available	240
11210	Number of Unit Months Leased	224

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

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

**NOTES TO THE FINANCIAL DATA SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial data schedules are presented on a modified accrual or accrual basis of accounting as applicable. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing Real Estate Assessment Center and the Financial Assessment Subsystem-Public Housing (FASS-PH). Therefore, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.

CITY OF BLOOMINGTON, MINNESOTA

Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

SECTION III

STATISTICAL SECTION (UNAUDITED)



**CITY OF BLOOMINGTON, MINNESOTA
STATISTICAL SECTION**

This part of the City of Bloomington's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS	PAGE
Financial Trends	202
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	210
These tables contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	
Debt Capacity	215
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	222
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	224
These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF BLOOMINGTON, MINNESOTA**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$283,643,717	\$300,117,784	\$310,750,929	\$332,133,255
Restricted	67,294,971	68,599,352	73,405,143	69,744,412
Unrestricted	87,228,094	69,232,697	67,390,335	77,768,834
Total governmental activities net position	<u>\$438,166,782</u>	<u>\$437,949,833</u>	<u>\$451,546,407</u>	<u>\$479,646,501</u>
Business-type activities:				
Net investment in capital assets	\$86,185,438	\$85,388,894	\$85,359,140	\$85,330,605
Restricted	-	-	-	-
Unrestricted	11,782,412	12,401,673	12,352,137	14,919,169
Total business-type activities net position	<u>\$97,967,850</u>	<u>\$97,790,567</u>	<u>\$97,711,277</u>	<u>\$100,249,774</u>
Primary government:				
Net investment in capital assets	\$369,829,155	\$385,506,678	\$396,110,069	\$417,463,860
Restricted	67,294,971	68,599,352	73,405,143	69,744,412
Unrestricted	99,010,506	81,634,370	79,742,472	92,688,003
Total primary government net position	<u>\$536,134,632</u>	<u>\$535,740,400</u>	<u>\$549,257,684</u>	<u>\$579,896,275</u>

Table 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$352,048,328	\$365,680,112	\$376,333,750	\$380,801,226	\$392,399,308	\$402,785,079
86,444,757	84,258,362	91,916,843	102,118,044	98,424,556	110,905,209
69,705,544	72,469,427	75,722,049	92,960,161	90,636,005	94,678,375
<u>\$508,198,629</u>	<u>\$522,407,901</u>	<u>\$543,972,642</u>	<u>\$575,879,431</u>	<u>\$581,459,869</u>	<u>\$608,368,663</u>
\$85,607,307	\$86,145,372	\$88,280,564	\$90,090,606	\$95,781,572	\$97,582,690
-	-	-	-	-	-
22,148,610	28,234,991	30,546,062	39,490,644	40,703,491	49,301,930
<u>\$107,755,917</u>	<u>\$114,380,363</u>	<u>\$118,826,626</u>	<u>\$129,581,250</u>	<u>\$136,485,063</u>	<u>\$146,884,620</u>
\$437,655,635	\$451,825,484	\$464,614,314	\$470,891,832	\$488,180,880	\$500,367,769
86,444,757	84,258,362	91,916,843	102,118,044	98,424,556	110,905,209
91,854,154	100,704,418	106,268,111	132,450,805	131,339,496	143,980,305
<u>\$615,954,546</u>	<u>\$636,788,264</u>	<u>\$662,799,268</u>	<u>\$705,460,681</u>	<u>\$717,944,932</u>	<u>\$755,253,283</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General services	\$7,702,188	\$7,574,572	\$9,615,471	\$8,683,447
Development services	23,261,857	11,120,055	18,533,117	16,976,729
Public works	15,620,844	15,922,887	19,389,393	16,680,711
Public safety	29,695,195	30,927,415	35,429,025	29,006,295
Community services	15,720,340	15,987,952	18,455,451	17,298,796
Interest on long-term debt	1,767,122	1,587,935	1,537,926	1,553,254
Total governmental activities expenses	<u>93,767,546</u>	<u>83,120,816</u>	<u>102,960,383</u>	<u>90,199,232</u>
Business-type activities:				
Water/wastewater utility	23,004,075	23,091,127	24,967,519	25,078,431
Storm water utility	3,446,390	3,453,095	3,693,302	3,691,245
Recreational facilities	5,781,663	5,620,253	6,269,405	6,178,658
Solid waste management	1,606,211	1,895,481	3,263,225	6,974,219
Contractual police	1,245,356	2,390,195	2,524,831	1,445,658
Total business-type activities expenses	<u>35,083,695</u>	<u>36,450,151</u>	<u>40,718,282</u>	<u>43,368,211</u>
Total primary government expenses	<u>\$128,851,241</u>	<u>\$119,570,967</u>	<u>\$143,678,665</u>	<u>\$133,567,443</u>
Program revenues				
Governmental activities:				
Charges for services:				
General services	\$3,500,551	\$3,906,587	\$3,084,579	\$3,441,225
Development services	5,166,271	5,788,420	4,551,060	4,675,889
Public works	385,274	85,841	216,346	149,818
Public safety	511,613	559,691	578,786	636,330
Community services	2,150,551	2,084,066	2,178,829	2,018,744
Operating grants and contributions	6,524,865	7,103,296	7,838,532	7,405,866
Capital grants and contributions	16,172,833	17,377,334	27,077,936	24,802,770
Total governmental activities program revs	<u>34,411,958</u>	<u>36,905,235</u>	<u>45,526,068</u>	<u>43,130,642</u>
Business-type activities:				
Charges for services:				
Water/wastewater	20,578,287	21,412,966	23,562,178	25,149,599
Storm water	4,873,273	5,269,105	5,528,944	5,854,164
Recreational facilities	3,448,585	3,710,670	3,749,856	3,707,859
Solid waste management	892,769	1,013,611	2,496,610	6,813,378
Other activities	1,372,201	2,603,401	2,745,703	1,434,432
Operating grants and contributions	854,174	519,824	335,884	371,202
Capital grants and contributions	-	245,654	584,363	306,382
Total business-type activities program revs	<u>32,019,289</u>	<u>34,775,231</u>	<u>39,003,538</u>	<u>43,637,016</u>
Total primary government program revs	<u>\$66,431,247</u>	<u>\$71,680,466</u>	<u>\$84,529,606</u>	<u>\$86,767,658</u>
Net (expense) revenue:				
Governmental activities	(59,355,588)	(46,215,581)	(57,434,315)	(47,068,590)
Business-type activities	(3,064,406)	(1,674,920)	(1,714,744)	268,805
Total primary gov't net (expense) revenue	<u>(\$62,419,994)</u>	<u>(\$47,890,501)</u>	<u>(\$59,149,059)</u>	<u>(\$46,799,785)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$46,752,023	\$48,881,455	\$51,260,264	\$53,080,612
Business taxes	14,222,910	14,412,263	16,936,341	16,274,658
Unrestricted grants and contributions	1,850,619	2,877,947	1,977,371	3,825,860
Gain on sale of capital assets	4,275	163,564	87,942	195,169
Investment earnings	1,508,213	1,061,308	901,701	1,815,321
Transfers	(978,759)	(5,267)	(132,730)	(21,936)
Total governmental activities	<u>63,359,281</u>	<u>67,391,270</u>	<u>71,030,889</u>	<u>75,169,684</u>
Business-type activities:				
Taxes	1,451,140	1,414,133	1,427,984	2,112,584
Gain on sale of capital assets	-	-	21,000	-
Investment earnings	88,357	78,237	53,740	135,172
Transfers	978,759	5,267	132,730	21,936
Total business-type activities	<u>2,518,256</u>	<u>1,497,637</u>	<u>1,635,454</u>	<u>2,269,692</u>
Total primary government	<u>\$65,877,537</u>	<u>\$68,888,907</u>	<u>\$72,666,343</u>	<u>\$77,439,376</u>
Change in net position:				
Governmental activities	\$4,003,693	\$21,175,689	\$13,596,574	\$28,101,094
Business-type activities	(546,150)	(177,283)	(79,290)	2,538,497
Total primary government	<u>\$3,457,543</u>	<u>\$20,998,406</u>	<u>\$13,517,284</u>	<u>\$30,639,591</u>

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$9,659,744	\$6,106,221	\$7,903,844	\$6,237,112	\$8,618,788	\$9,530,267
15,245,431	21,866,534	17,595,162	17,472,571	16,971,960	22,542,016
18,613,129	19,401,325	18,028,831	19,689,961	29,655,103	34,650,081
32,937,726	35,290,965	27,056,760	24,983,228	40,674,767	42,500,077
16,800,345	17,804,474	18,011,586	17,883,591	14,933,791	16,927,111
1,183,925	1,165,137	1,283,662	1,211,756	1,531,010	1,655,522
94,440,300	101,634,656	89,879,845	87,478,219	112,385,419	127,805,074
24,838,208	25,562,896	26,158,381	25,246,844	28,364,112	29,780,702
3,867,530	4,827,637	5,023,648	5,136,183	5,940,682	5,464,651
5,811,867	6,004,555	5,408,414	5,109,193	6,435,366	7,172,458
7,283,298	7,654,546	8,025,278	8,215,273	10,272,387	9,610,207
1,884,065	1,602,820	1,220,343	926,523	1,021,027	1,722,575
43,684,968	45,652,454	45,836,064	44,634,016	52,033,574	53,750,593
\$138,125,268	\$147,287,110	\$135,715,909	\$132,112,235	\$164,418,993	\$181,555,667
\$3,849,226	\$3,938,006	\$3,433,002	\$3,561,331	\$3,503,237	\$3,675,833
6,570,742	5,776,101	6,538,321	4,994,766	7,076,511	9,875,188
142,735	178,416	315,432	624,686	89,626	298,017
455,900	351,555	329,683	375,677	228,256	551,848
2,016,578	2,294,621	1,642,059	2,147,973	2,216,560	2,830,676
6,016,557	6,853,350	8,739,753	10,044,034	9,139,218	16,150,344
26,869,409	14,079,165	11,509,693	22,665,316	18,074,024	18,227,339
45,921,147	33,471,214	32,507,943	44,413,783	40,327,432	51,609,245
27,907,362	27,082,382	27,661,415	31,736,641	33,011,125	36,347,845
6,292,929	6,646,738	6,956,150	7,074,381	7,191,477	7,688,369
3,544,045	3,548,689	2,373,122	3,511,196	3,960,871	4,838,832
7,128,905	7,403,797	7,806,382	8,084,185	9,452,134	9,722,059
1,983,486	1,661,551	899,894	868,011	1,141,589	1,786,822
213,200	725,376	175,616	191,494	421,866	448,187
768,452	663,546	673,632	1,630,181	77,327	-
47,838,379	47,732,079	46,546,211	53,096,089	55,256,389	60,832,114
\$93,759,526	\$81,203,293	\$79,054,154	\$97,509,872	\$95,583,821	\$112,441,359
(48,519,153)	(68,163,442)	(57,371,902)	(43,064,436)	(72,057,987)	(76,195,829)
4,153,411	2,079,625	710,147	8,462,073	3,222,815	7,081,521
(\$44,365,742)	(\$66,083,817)	(\$56,661,755)	(\$34,602,363)	(\$68,835,172)	(\$69,114,308)
\$55,864,418	\$58,885,357	\$61,604,489	\$63,340,502	\$65,582,826	\$71,615,086
18,042,869	17,945,320	5,898,986	10,996,191	16,457,285	17,579,451
1,188,665	1,237,962	7,825,710	1,559,116	5,489,909	3,224,762
39,997	197,190	164,583	410,144	92,939	247,596
2,548,752	4,439,564	3,505,797	(1,048,948)	(8,103,016)	10,109,652
(613,420)	(332,679)	(62,922)	(285,780)	(1,881,518)	328,076
77,071,281	82,372,714	78,936,643	74,971,225	77,638,425	103,104,623
2,489,325	2,957,606	3,129,286	2,148,695	2,140,941	2,137,178
-	-	-	-	-	12,500
249,987	659,725	543,908	(141,924)	(1,209,357)	1,496,434
613,420	332,679	62,922	285,780	1,881,518	(328,076)
3,352,732	3,950,010	3,736,116	2,292,551	2,813,102	3,318,036
\$80,424,013	\$86,322,724	\$82,672,759	\$77,263,776	\$80,451,527	\$106,422,659
\$28,552,128	\$14,209,272	\$21,564,741	\$31,906,789	\$5,580,438	\$26,908,794
7,506,143	6,029,635	4,446,263	10,754,624	6,035,917	10,399,557
\$36,058,271	\$20,238,907	\$26,011,004	\$42,661,413	\$11,616,355	\$37,308,351

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

	2014	2015	2016	2017
General Fund:				
Fund balance:				
Nonspendable	\$3,952	\$ -	\$4,337	\$222
Restricted	-	-	-	-
Committed	1,250,496	1,259,003	1,179,421	1,799,132
Unassigned	23,388,858	26,700,761	27,625,954	29,143,486
Total general fund	<u>\$24,643,306</u>	<u>\$27,959,764</u>	<u>\$28,809,712</u>	<u>\$30,942,840</u>
All other governmental funds:				
Fund balance:				
Nonspendable	\$ -	\$20,585	\$17,000	\$18,000
Restricted	49,590,387	51,864,823	56,454,794	54,067,300
Committed	6,375,212	6,494,362	7,376,666	8,676,191
Assigned	19,649,729	21,353,926	25,620,010	29,103,813
Unassigned	-	-	-	(63,731)
Total all other governmental funds	<u>\$75,615,328</u>	<u>\$79,733,696</u>	<u>\$89,468,470</u>	<u>\$91,801,573</u>

Table 3

2018	2019	2020	2021	2023	2023
\$ -	\$ -	\$14,000	\$12,000	\$ -	\$ -
-	-	-	-	-	3,265,050
2,069,126	1,852,370	1,269,780	2,112,433	6,068,345	9,980,089
32,599,721	34,687,078	37,780,258	40,441,437	38,829,744	37,912,433
<u>\$34,668,847</u>	<u>\$36,539,448</u>	<u>\$39,064,038</u>	<u>\$42,565,870</u>	<u>\$44,898,089</u>	<u>\$51,157,572</u>
\$18,500	\$18,500	\$32,500	\$63,054	\$ -	\$24,042
52,516,968	55,227,759	54,005,752	56,915,915	68,687,068	70,151,509
9,222,730	11,957,795	13,198,323	15,265,915	17,820,198	18,116,589
30,070,485	32,908,059	34,304,407	39,380,465	39,822,196	44,131,461
(5,051)	(1,880)	(1,774)	(503,376)	(5,692)	-
<u>\$91,823,632</u>	<u>\$100,110,233</u>	<u>\$101,539,208</u>	<u>\$111,121,973</u>	<u>\$126,323,770</u>	<u>\$132,423,601</u>

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

	2014	2015	2016	2017
Revenues:				
Taxes	\$46,756,493	\$48,852,186	\$51,277,151	\$53,202,530
Lodging and admissions taxes	14,222,909	14,412,263	16,936,352	16,274,658
Business licenses and permits	5,864,807	6,241,921	4,743,748	5,191,270
Fines	1,216,254	1,251,693	1,057,518	1,243,454
Charges for services	3,021,925	3,116,814	2,908,551	2,385,511
Special assessments	3,645,884	4,469,106	3,943,212	3,820,155
Intergovernmental	14,745,267	17,553,679	14,435,816	21,480,304
Investment earnings	1,250,209	833,337	701,235	1,396,754
Other revenues	8,612,823	9,870,031	16,056,456	10,369,189
Total revenues	<u>99,336,571</u>	<u>106,601,030</u>	<u>112,060,039</u>	<u>115,363,825</u>
Expenditures:				
Current:				
General services	6,804,893	6,741,110	7,431,274	7,487,434
Development services	19,400,112	8,479,242	14,926,374	10,987,159
Public works	10,464,616	9,989,225	10,778,986	11,333,270
Public safety	28,984,753	29,692,500	32,045,686	31,496,674
Parks and recreation	-	-	-	-
Community services	14,709,288	15,396,539	16,131,465	16,410,862
Debt service:				
Paying agent fees	43,887	-	-	-
Interest	1,973,965	1,697,056	1,680,180	1,746,775
Principal retirement	17,645,000	7,895,000	6,975,000	8,950,000
Capital outlay:				
General services	238,249	-	278,450	-
Development services	12,057,284	14,577,484	10,555,736	4,365,969
Public works	11,681,648	9,044,239	12,314,905	21,983,079
Public safety	80,704	510,613	90,429	125,739
Parks and recreation	-	-	-	-
Community services	1,779,496	979,392	496,599	3,305,609
Total expenditures	<u>125,863,895</u>	<u>105,002,400</u>	<u>113,705,084</u>	<u>118,192,570</u>
Revenues over (under) expenditures	<u>(26,527,324)</u>	<u>1,598,630</u>	<u>(1,645,045)</u>	<u>(2,828,745)</u>
Other financing sources (uses):				
Transfers in	4,213,697	7,268,816	8,063,372	9,075,643
Transfers out	(6,808,000)	(7,188,369)	(7,925,954)	(8,698,959)
Proceeds on sale of capital assets	-	-	-	-
Bonds issued	7,465,000	5,355,000	11,455,000	6,390,000
Refunded bonds paid from escrow	-	-	-	-
Bond premiums	177,674	400,749	637,349	528,292
Total other financing sources (uses)	<u>5,048,371</u>	<u>5,836,196</u>	<u>12,229,767</u>	<u>7,294,976</u>
Net change in fund balance	<u>(\$21,478,953)</u>	<u>\$7,434,826</u>	<u>\$10,584,722</u>	<u>\$4,466,231</u>
Debt service as a percentage of noncapital expenditures	19.8%	12.0%	9.8%	11.3%
Debt service as percentage of total expenditures	15.6%	9.1%	7.6%	9.1%

Table 4

2018	2019	2020	2021	2022	2023
\$55,702,232	\$58,922,678	\$61,550,204	\$63,416,380	\$65,359,682	\$69,706,468
18,042,869	17,945,320	5,898,986	10,996,191	16,457,285	17,579,452
6,354,508	6,875,207	6,536,353	6,021,564	8,082,182	6,675,071
885,262	758,081	457,090	445,686	389,887	584,986
2,161,498	2,391,552	1,605,827	2,191,342	2,268,552	2,903,922
4,166,801	3,697,939	4,004,688	3,691,535	3,949,809	3,010,737
20,939,959	12,130,865	18,820,880	16,017,184	21,407,196	26,731,889
1,872,255	3,242,671	2,446,981	(859,209)	(6,335,128)	7,622,090
9,809,885	9,521,012	9,547,287	9,937,906	10,246,972	15,533,882
119,935,269	115,485,325	110,868,296	111,858,579	121,826,437	150,348,497
8,103,825	6,594,273	7,628,013	6,530,378	7,489,571	8,200,208
11,952,854	17,574,031	13,647,728	11,674,375	13,187,975	14,836,733
12,222,664	12,575,661	11,243,353	12,573,666	18,814,333	23,466,629
33,071,958	33,525,568	35,583,266	34,392,291	37,105,476	43,200,138
-	9,747,086	9,047,173	9,477,874	4,105,296	4,149,743
16,749,515	7,380,426	9,049,118	8,845,792	9,801,255	10,748,831
-	-	-	-	-	-
1,518,071	1,484,983	1,716,496	1,725,817	1,716,318	2,664,404
7,705,000	7,285,000	7,465,000	7,655,000	10,920,000	6,820,000
-	-	-	-	21,521	-
2,147,303	8,422,424	521,130	3,164,818	3,427,993	300,605
23,366,023	13,685,921	14,790,476	11,063,864	18,483,476	12,513,522
521,315	246,070	3,276,476	388,138	6,640,648	6,205,854
-	755,856	1,842,074	1,969,783	2,005,714	2,297,239
1,382,549	36,115	18,100	88,341	-	56,421
118,741,077	119,313,414	115,828,403	109,550,137	133,719,576	135,460,327
1,194,192	(3,828,089)	(4,960,107)	2,308,442	(11,893,139)	14,888,170
8,566,040	7,644,763	13,144,063	11,230,074	18,650,997	7,138,397
(9,121,654)	(7,909,867)	(13,575,382)	(10,831,830)	(21,194,962)	(9,667,253)
-	-	-	1,841,454	-	-
7,210,000	13,300,000	6,958,540	7,520,000	29,401,460	-
(4,615,000)	-	1,975,000	-	-	-
514,488	950,395	411,451	1,016,457	2,569,660	-
2,553,874	13,985,291	8,913,672	10,776,155	29,427,155	(2,528,856)
\$3,748,066	\$10,157,202	\$3,953,565	\$13,084,597	\$17,534,016	\$12,359,314
10.4%	9.5%	9.9%	10.1%	12.3%	8.3%
7.8%	7.4%	7.9%	8.6%	9.4%	7.0%

CITY OF BLOOMINGTON, MINNESOTA**TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property ^(a)	Commercial/ Industrial Property	All Other ^(b)	Total Tax Capacity ^(c)	Less: Fiscal Disparity Contribution ^(d)
2014	59,132,614	70,232,985	2,004,039	\$ 131,369,638	\$ 15,255,532
2015	64,894,848	70,943,301	2,072,962	137,911,111	11,956,404
2016	70,536,480	81,279,393	2,113,468	153,929,341	12,505,688
2017	75,259,992	85,280,733	2,165,600	162,706,325	14,137,440
2018	81,653,574	87,864,419	2,316,715	171,834,708	14,293,380
2019	87,297,785	91,040,654	2,242,278	180,580,717	14,430,978
2020	95,303,027	94,095,128	2,101,633	191,499,788	15,510,119
2021	97,714,251	97,194,989	1,474,008	196,383,248	15,823,985
2022	105,453,263	89,705,728	1,523,080	196,682,071	15,229,450
2023	124,655,232	95,814,141	2,081,827	222,551,200	13,462,405

Source: City of Bloomington Assessing Division

By State Statute, property taxes are calculated and collected based on the prior year's assessor market value. For example, the tax capacity and market value figures for payable 2023 above relate to the January 2, 2022 assessment.

^(a) Includes single-family homes, condominiums, townhouses, cooperatives, apartments and residential vacant land.

^(b) Includes personal property accounts and utilities/machinery classification.

^(c) Includes properties in tax increment financing (TIF) districts, the majority of which are commercial/industrial.

^(d) Figure represents fiscal disparities contribution net of fiscal disparities distribution.

^(e) Figure represents total tax capacity less net fiscal disparities. Note that total direct tax rate in the next column is calculated based on total tax capacity less fiscal disparities contribution and less tax capacity in TIF districts.

Table 5

Adjusted Tax Capacity Value ^(e)	Total Direct Tax Rate	Estimated Market Value (EMV)	Tax Capacity as a Percent of EMV
\$ 116,114,106	48.68	\$ 9,874,797,100	1.18%
125,954,707	45.67	10,435,859,700	1.21%
141,423,653	44.29	11,463,977,000	1.23%
148,568,885	40.93	12,080,139,600	1.23%
157,541,328	40.57	12,802,264,000	1.23%
166,149,739	40.05	13,472,272,600	1.23%
175,989,669	39.56	14,348,825,000	1.23%
180,559,263	39.74	14,695,644,300	1.23%
181,452,621	40.73	15,010,645,700	1.21%
209,088,795	38.01	17,110,031,100	1.22%

CITY OF BLOOMINGTON, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years

Table 6

Fiscal Year	Direct Rate - City of Bloomington			Overlapping Rates*			Total
	Operating	Debt	Total	School District	County	Other Districts	
2014	44.42	4.26	48.68	28.18	49.96	13.92	140.74
2015	41.98	3.69	45.67	25.74	46.40	12.76	130.57
2016	40.95	3.34	44.29	24.25	45.36	12.38	126.28
2017	37.88	3.05	40.93	20.63	44.09	12.13	117.77
2018	37.70	2.87	40.57	20.76	42.81	11.73	115.87
2019	36.95	3.10	40.05	20.13	41.86	11.25	113.29
2020	36.20	3.35	39.56	19.86	41.08	10.86	111.35
2021	36.47	3.28	39.74	20.25	38.21	10.43	108.63
2022	37.22	3.51	40.73	21.51	38.54	10.45	111.23
2023	34.49	3.53	38.01	17.31	34.54	9.29	99.15

Sources: Hennepin County and City of Bloomington Assessing Division

*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners. Although County property tax rates apply to all City property owners, the Other Districts rates apply only to property owners whose property is located within certain geographic boundaries.

For example, a small percentage of Bloomington taxpayers pay school district taxes to schools in neighboring communities. Also, the Other Districts rates include Watershed taxing districts, of which there are four different rates depending on location of parcels in Bloomington.

CITY OF BLOOMINGTON, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Table 7

Taxpayer	Payable 2023			Payable 2014		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Mall of America	\$17,975,658	1	8.08%	\$13,871,060	1	10.55%
Opal Holdings	6,390,700	2	2.87%	-	-	-
Kraus-Anderson	2,285,712	3	1.03%	1,807,002	3	1.37%
Workspace Property Trust	1,594,116	4	0.72%	-	-	-
Carlson Companies	1,488,180	5	0.67%	1,472,992	5	-
ML CASA II	1,327,250	6	0.60%	-	-	-
Hampshire 10660	1,299,375	7	0.60%	-	-	-
HealthPartners	1,257,722	8	0.57%	-	-	-
BCS3 Housing	1,240,000	9	0.56%	-	-	-
DRA Advisors	1,189,056	10	0.53%	-	-	-
Equity Group Investments JV	-	-	-	5,200,000 ^(a)	2	3.95%
United Properties	-	-	-	1,716,052	4	1.30%
CB Richard Ellis	-	-	-	1,433,060	6	1.09%
Liberty Property LP	-	-	-	1,303,528 ^(b)	7	0.99%
Frauenshuh	-	-	-	1,048,698	8	0.80%
Gateway Lake Properties	-	-	-	1,017,260	9	0.77%
IRET Properties	-	-	-	931,220	10	0.71%
Total	<u>\$36,047,769</u>		<u>16.23%</u>	<u>\$29,800,872</u>		<u>21.53%</u>
Total All Property	<u>\$222,551,200</u>			<u>\$131,538,905</u>		

Source: City of Bloomington Assessing Division

Note: Tax capacity values above relate to the prior year's assessment.

CITY OF BLOOMINGTON, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 8

Fiscal Year Ended <u>December 31,</u>	Taxes Levied For The <u>Fiscal Year</u>	<u>Collected Within The Fiscal Year of the Levy</u>		Delinquent Collections in Subsequent Years ^(a)	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 48,049,784	\$ 47,836,890	99.56%	(156,495)	\$ 47,680,395	99.23%
2015	49,971,775	49,888,157	99.83%	(25,883)	49,862,274	99.78%
2016	52,845,452	52,561,489	99.46%	(336,619)	52,224,870	98.83%
2017	55,883,748	55,477,456	99.27%	(562,215)	54,915,241	98.27%
2018	58,398,517	58,069,379	99.44%	(341,739)	57,727,640	98.85%
2019	61,756,432	61,429,758	99.47%	(13,979)	61,415,779	99.45%
2020	64,689,863	64,078,788	99.06%	154,607	64,233,395	99.29%
2021	66,468,834	65,703,985	98.85%	(110,666)	65,593,319	98.68%
2022	68,296,727	67,670,986	99.08%	(171,365)	67,499,621	98.83%
2023	74,545,878	71,824,702	96.35%	18,792	71,843,494	96.37%

Source: City of Bloomington Finance Department

^(a) Negative amounts in the "Collection in Subsequent Years" column reflect reductions of assessed property values.

CITY OF BLOOMINGTON, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities			Total Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds		Revenue Bonds			
2014	\$ 8,515,000	\$ 52,451,706	\$ 2,970,000	\$63,936,706	\$ -	\$ 63,936,706	1.5%	\$ 741
2015	7,055,000	51,139,974	2,850,000	61,044,974	-	61,044,974	1.4%	707
2016	7,180,000	55,489,159	4,770,000	67,439,159	-	67,439,159	1.5%	790
2017	5,520,000	54,392,867	4,635,000	64,547,867	1,170,000	65,717,867	1.4%	765
2018	6,320,000	48,597,893	4,105,000	59,022,893	12,656,987	71,679,880	1.5%	838
2019	7,290,000	47,079,614	10,660,000	65,029,614	14,144,480	79,174,094	1.6%	932
2020	5,980,000	46,198,333	13,668,540	65,846,873	13,516,973	79,363,846	1.4%	882
2021	6,525,000	45,018,787	14,083,540	65,627,327	12,659,466	78,286,793	1.3%	861
2022	18,040,000	52,727,039	15,275,000	86,042,039	11,771,959	97,813,998	1.6%	1,082
2023	17,435,000	46,003,856	15,060,000	78,498,856	10,844,451	89,343,307	1.4%	976

Source: City of Bloomington Finance Department

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) See Table 14 for personal income and population data.

CITY OF BLOOMINGTON, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Debt			Total	Less Debt Service Fund Balance	Net Bonded Debt	Percentage of Estimated Market Value of Property ^(a)	Net Bonded Debt Per Capita ^(b)
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds					
2014	\$ 8,515,000	\$ 52,451,706	\$ 2,970,000	\$63,936,706	\$ 17,590,028	\$ 46,346,678	0.47%	\$ 537
2015	7,055,000	51,139,974	2,850,000	61,044,974	18,208,674	42,836,300	0.41%	496
2016	7,180,000	55,489,159	4,770,000	67,439,159	23,725,327	43,713,832	0.38%	512
2017	5,520,000	54,392,867	4,635,000	64,547,867	21,701,505	42,846,362	0.35%	499
2018	6,320,000	48,597,893	4,105,000	59,022,893	17,109,882	41,913,011	0.33%	490
2019	7,290,000	47,079,614	10,660,000	65,029,614	17,580,823	47,448,791	0.35%	559
2020	5,980,000	46,198,333	13,668,540	65,846,873	20,742,551	45,104,322	0.31%	501
2021	6,525,000	45,018,787	14,083,540	65,627,327	20,664,346	44,962,981	0.31%	494
2022	18,040,000	52,727,039	15,275,000	86,042,039	18,217,700	67,824,339	0.45%	750
2023	17,435,000	46,003,856	15,060,000	78,498,856	19,390,625	59,108,231	0.35%	646

Source: City of Bloomington Finance Department

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) See Table 5 for estimated market value data.

^(b) See Table 14 for population data.

CITY OF BLOOMINGTON, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2022

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^(a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
School Districts:			
ISD No. 271	\$155,105,000	99.99%	\$155,089,490
ISD No. 272	102,535,000	0.40%	410,140
ISD No. 273	173,695,000	1.01%	1,754,320
Other debt:			
Hennepin County	1,071,970,000	7.15%	76,645,855
Hennepin County Park District	54,980,000	9.86%	5,421,028
Hennepin Regional RR Authority	81,665,000	7.15%	5,839,048
Metropolitan Council	238,225,000	3.54%	8,433,165
Subtotal - overlapping debt			253,593,045
City direct debt ^(b)	78,498,862	100.00%	78,498,862
Total direct and overlapping debt			<u>\$332,091,907</u>

Source: Hennepin County

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

^(a) The percentage of overlapping debt applicable is estimated using the taxable market values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable market value that is within the City's boundaries.

^(b) Excludes revenue bonded indebtedness.

CITY OF BLOOMINGTON, MINNESOTA**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$296,243,913	\$313,075,791	\$343,919,310	\$362,404,188
Total net debt applicable to limit	<u>6,557,605</u>	<u>5,039,777</u>	<u>3,884,062</u>	<u>4,114,836</u>
Legal debt margin	<u>\$289,686,308</u>	<u>\$308,036,014</u>	<u>\$340,035,248</u>	<u>\$358,289,352</u>
Total net debt applicable to the limit as a percentage of debt limit	2.21%	1.61%	1.13%	1.14%

Source: City of Bloomington Finance Department

Note: Under State finance law, Minnesota Statute 475.53, the City's outstanding general obligation debt should not exceed 3% of total assessed market value. The general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

For example, in 2023 the debt limit was \$513,300,933, the total net debt applicable to the limit was \$15,958,179, and the City could issue up to an additional \$497,342,754 of general obligation debt and still be in compliance with the above statute.

Table 12

2018	2019	2020	2021	2022	2023
\$384,067,920	\$404,168,178	\$430,464,750	\$440,869,329	\$450,319,371	\$513,300,933
4,895,008	5,720,003	4,129,028	5,796,236	16,943,503	15,958,179
<u>\$379,172,912</u>	<u>\$398,448,175</u>	<u>\$426,335,722</u>	<u>\$435,073,093</u>	<u>\$433,375,868</u>	<u>\$497,342,754</u>
1.27%	1.42%	0.96%	1.31%	3.76%	3.11%

Legal Debt Margin Calculation for Fiscal Year 2023

Market value	\$17,110,031,100
Debt limit (3% of market value)	<u>513,300,933</u>
Debt applicable to limit:	
General obligation bonds	17,435,000
Less: Amount set aside for repayment	
of general obligation debt	<u>(1,476,821)</u>
Total net debt applicable to limit	<u>15,958,179</u>
Legal debt margin	<u>\$497,342,754</u>

CITY OF BLOOMINGTON, MINNESOTA

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Enterprise Revenue Bonds ^(a)					
	Pledged Service Charges	Less Operating Expenses ^(c)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2015	-	-	-	-	-	0.00
2016	-	-	-	-	-	0.00
2017	25,149,599	22,781,314	2,368,285	-	23,746	99.73
2018	34,227,654	25,444,879	8,782,775	110,000	43,073	57.38
2019	33,727,328	26,553,698	7,173,630	105,000	341,918	16.05
2020	34,617,565	27,581,704	7,035,861	575,000	553,253	6.24
2021	38,811,024	26,769,228	12,041,796	805,000	512,483	9.14
2022	39,737,879	29,700,445	10,037,434	835,000	475,108	7.66
2023	44,036,214	30,559,288	13,476,926	875,000	434,933	10.29

Source: City of Bloomington Finance Department

^(a) From 2017 to present, the enterprise bonds have pledged revenues from the water utility, storm water utility, and special assessments.

^(b) Both improvement bonds and tax increment bonds are general obligation bonds and have tax levy authority to cover all debt requirements. In both 2014 and 2018 the City had advanced refunding bonds that refunded the original issue.

^(c) Operating expenses do not include depreciation.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Table 13

Improvement Bonds ^(b)				Tax Increment Bonds ^(b)			
Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
Principal	Interest	Principal		Interest			
\$3,440,152	\$16,660,000	\$1,576,016	0.19	\$723,577	\$125,000	\$111,440	3.06
4,278,664	6,890,000	1,329,972	0.52	885,766	120,000	107,765	3.89
3,752,488	5,940,000	1,320,498	0.52	1,179,405	125,000	104,090	5.15
3,617,854	6,330,000	1,355,018	0.47	1,486,003	135,000	116,415	5.91
3,978,335	11,420,000	1,360,135	0.31	1,626,230	530,000	119,629	2.50
3,457,212	6,340,000	1,331,524	0.45	1,641,424	545,000	111,859	2.50
3,780,307	6,510,000	1,414,097	0.48	1,696,122	540,000	103,119	2.64
3,450,022	6,670,000	1,370,876	0.43	1,888,380	560,000	108,732	2.82
3,494,919	6,560,000	1,435,219	0.44	2,691,175	570,000	56,089	4.30
2,828,269	6,605,000	2,368,532	0.32	2,811,938	190,000	22,841	13.21

CITY OF BLOOMINGTON, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Table 14

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	
					Bloomington	Metropolitan Area
2014	86,314	\$4,204,441,254	48,711	10,005	3.0%	3.2%
2015	86,435	\$4,368,511,335	50,541	9,980	2.9	3.2
2016	85,319	\$4,446,570,323	52,117	10,273	3.4	3.6
2017	85,866	\$4,554,590,238	53,043	10,136	2.8	2.9
2018	85,578	\$4,824,374,172	56,374	10,171	2.7	2.8
2019	84,943	\$5,069,653,069	59,683	10,182	2.8	3.0
2020	89,987	\$5,537,799,980	61,540	10,009	4.9	4.5
2021	90,974	\$5,957,523,364	65,486	9,622	2.4	2.4
2022	90,438	\$6,150,688,380	68,010	9,805	2.9	2.8
2023	91,537	\$6,578,398,042	71,866	9,802	2.5	2.4

Sources: (1) U.S. Census estimates were used for 2013 through 2020.
Metropolitan Council estimates were used from the 2021 report and going forward.
(2) Minnesota per capita income, as published by Bureau of Economic Analysis
(3) Bloomington School District #271
(4) Minnesota Department of Employment and Economic Development, based on December rates

CITY OF BLOOMINGTON, MINNESOTA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 15

Employer	2023			2014		
	Employees ⁽¹⁾	Rank	Percentage of Total City Employment	Employees ⁽¹⁾	Rank	Percentage of Total City Employment
Mall of America Tenants	11,000	1	12%	13,000	1	15%
HealthPartners	3,679	2	5%	2,666	2	3%
Bloomington School District #271	1,930	3	2%	1,936	3	2%
Donaldson Company	1,243	4	1%	1,174	6	1%
Seagate Technology	1,203	5	1%	1,743	4	2%
Toro Company	1,190	6	1%	939	7	1%
General Dynamics	762	7	1%	-	-	0%
NCS Pearson	666	8	1%	1,245	5	1%
Ziegler	659	9	1%	-	-	0%
GN Resound	602	10	1%	-	-	0%
Express Scripts	-	-	-	838	8	1%
Wells Fargo Bank	-	-	-	678	9	1%
Normandale Community College	-	-	-	675	10	1%
Total	<u>22,934</u>		<u>27%</u>	<u>24,894</u>		<u>28%</u>
Total City Employment ⁽²⁾	<u>89,230</u>			<u>89,040</u>		

Sources: ⁽¹⁾ City of Bloomington Finance Department

⁽²⁾ Minnesota Department of Employment and Economic Development (average annual City employment)

CITY OF BLOOMINGTON, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of December 31			
	2014	2015	2016	2017
Governmental activities:				
General services	80	80	82	84
Development services	74	69	69	71
Public works	117	117	118	121
Public safety	155	160	165	165
Community services	60	60	59	55
Total governmental activities	<u>486</u>	<u>486</u>	<u>493</u>	<u>496</u>
Business-type activities:				
Water/wastewater	54	54	54	54
Storm water	12	12	12	12
Recreational facilities	18	18	18	18
Solid waste management	1	1	1	1
Contractual police	-	-	-	-
Motor vehicle	5	6	6	6
Total business-type activities	<u>90</u>	<u>91</u>	<u>91</u>	<u>91</u>
Total	<u><u>576</u></u>	<u><u>577</u></u>	<u><u>584</u></u>	<u><u>587</u></u>

Source: City of Bloomington Finance Department

^(a) In 2023, the City transitioned from a part-time paid-on-call fire department to a hybrid model incorporating both part-time and full-time firefighters. This included the addition of 25 full-time firefighters, with 18 of these positions funded for three years by a SAFER (Staffing for Adequate Fire and Emergency Response) grant administered by the Federal Emergency Management Agency (FEMA).

Table 16

Full-Time Equivalent Employees as of December 31					
2018	2019	2020	2021	2022	2023
82	74	74	73	76	83
71	84	84	76	79	82
122	121	121	118	119	119
165	167	167	167	170	200 ^(a)
52	52	52	53	54	58
492	498	498	487	498	542
54	53	53	52	52	53
12	12	12	11	11	11
18	15	15	11	12	11
1	1	1	1	1	2
-	-	-	-	-	-
6	6	6	-	-	-
91	87	87	75	76	77
583	585	585	562	574	619

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

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
General services:				
New full-time employees hired	44	51	46	40
Criminal case scheduled appearances	18,000	20,000	22,000	20,000
Purchase orders issued	1,382	1,026	995	878
Development services:				
Permits issued	14,413	12,313	11,856	10,859
Estimated value of permits	\$342,190,790	\$485,208,914	\$185,368,384	\$304,605,776
Fire inspections	2,724	2,851	2,219	3,024
Fire investigations	117	105	115	62
Public works:				
Street resurfacing (miles)	36	40	38	41
Street sweeping (tons of material)	3,834	2,635	2,850	3,475
Public safety:				
Bookings	2,350	2,218	2,320	2,256
DWI's	425	362	363	423
Part 1 crimes ^(c)	3,423	3,118	3,035	2,812
Group A crimes ^(d)	-	-	-	-
Fire emergency responses	1,317	1,510	1,769	1,802
Fires extinguished	149	184	166	175
Community services:				
City website pageviews	1,911,818	1,468,653	1,629,355	1,846,618
Number of E-Subscribers	12,191	14,593	21,464	23,750
Influenza immunizations	3,851	3,216	2,795	2,666
Business-type activities:				
Water/wastewater utility:				
Average daily consumption (gallons)	10,700,000	10,300,000	10,360,000	9,990,000
Average daily sewage treatment (gallons)	8,175,000	7,920,000	8,100,000	7,520,000
Storm water utility:				
Storm mains inspected (miles)	9	11	12	8
Recreational facilities:				
Golf course rounds played	61,355	62,392	57,599	53,373
Ice garden hours	9,440	9,793	9,752	9,838
Solid waste management:				
Annual bulky trash clean-up (tons)	1,789	1,758	1,949	1,807
Annual bulky recycling/reuse pick-up (tons)	-	-	-	-
Contractual police:				
Overtime hours billed	7,739	23,481 ^(g)	25,666 ^(g)	10,284

Sources: Various City of Bloomington departments.

^(a) The increase in hiring is a combination of employee turnover due to retirements and market competitiveness.

Additionally, the City added a number of new positions to its budget to better meet the changing needs of the City.

^(b) Due to pandemic impacts, several City areas experienced significant closures and service reductions.

^(c) Part 1 crimes include homicide, rape, robbery, aggravated assault, burglary, theft, auto theft, and arson - serious offenses, as classified by the FBI using the Summary Reporting System (SRS).

^(d) In September 2020, the City changed to the National Incident-Based Reporting System (NIBRS). Group A crimes include an expanded classification of serious offenses.

Table 17

Fiscal Year					
2018	2019	2020	2021	2022	2023
40	48	31	49	103 ^(a)	101
20,876	20,750	18,177	18,441	21,943	26,303
767	779	577	553	603	610
10,568	10,600	9,880	10,502	11,925	11,941
\$391,619,950	\$411,122,855	\$420,614,800	\$389,171,071	\$549,375,264	\$345,891,877
2,955	3,274	2,323	1,846	2,422	2,237
47	67	69	54	76	85
40	41	13 ^(b)	43	34	33
2,950	3,150	3,525	3,675	3,250	3,590
2,112	2,454	1,829 ^(b)	1,673	1,654	1,934
371	474	212	187	228	219
2,775	3,115	1,590 ^(c)	-	-	-
-	-	2,328 ^(d)	6,303	6,239	6,640
1,692	2,451 ^(e)	3,195	4,781	5,131	7,962
209	255	229	206	194	177
1,965,802	2,841,638	3,492,462	3,620,912	5,700,654	5,517,225
25,515	28,583	29,200	32,118	33,408	35,985
2,808	2,803	2,348	1,762	1,612	1,329
10,100,000	9,436,000	9,246,000	10,300,000	9,400,000	9,940,000
7,879,000	7,360,000	7,410,000	7,036,000	7,240,000	7,280,000
8	8	8	8	8	10
55,885	53,675	45,027 ^(b)	50,501	49,089	51,357
9,103	9,722	4,967 ^(b)	9,148	10,191	10,848
1,425	1,536	1,894	1,538	954	- ^(f)
-	-	-	-	-	124.5 ^(f)
14,924	10,033	6,587 ^(b)	7,717 ^(b)	12,535	20,018 ^(g)

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

^(f) In 2023, the City moved to an every other year curbside bulky trash pickup day and added monthly curbside pickup for reusable and recyclable bulky items, as well as an annual bulky drop-off recycling event open to all residents.

^(g) Increased requests from a few customers resulted in significantly increased use of police contractual services.

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

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Public works:				
Streets (miles)	342	342	342	342
Streetlights	4,339	4,361	4,361	4,380
Traffic signals	144	143	143	143
Emergency vehicle pre-emption systems	121	122	122	122
Emergency outdoor warning sirens	22	22	22	22
Public safety:				
Police stations	1	1	1	1
Patrol units - marked and unmarked	37	37	37	37
Police admin and investigative vehicles	27	27	27	29
Fire stations	6	6	6	6
Community services:				
Community center	1	1	1	1
Skate park	1	1	1	1
Playgrounds/playlots	54	54	54	53
Baseball/softball diamonds	62	62	61	61
Soccer/football fields	22	22	22	22
Tennis courts	49	50	50	50
Picnic shelters/gazebos	22	22	22	22
Business-type activities:				
Water/wastewater utility:				
Water mains (miles)	496	498	498	501
Fire hydrants	4,617	4,665	4,676	4,677
Storage capacity (gallons)	44,000,000	44,000,000	44,000,000	44,000,000
Sanitary sewers (miles)	384	385	385	385
Storm water utility:				
Storm sewers (miles)	251	252	252	237
Recreational facilities:				
Swimming beaches	1	1	1	1
Swimming pools	1	1	1	1
Golf courses	2	2	2	2
Indoor ice rinks	3	3	3	3

Sources: Various City of Bloomington departments.

Note: No capital asset indicators are available for the general services, development services, solid waste, or contractual police functions.

Table 18

Fiscal Year					
2018	2019	2020	2021	2022	2023
342	342	342	342	340	340
4,456	4,456	4,456	4,138	4,115	4,117
143	143	143	143	143	143
122	122	122	122	122	122
22	22	22	22	22	22
1	1	1	1	1	1
38	38	38	38	50	51
30	30	30	30	30	32
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
53	53	53	53	53	53
60	60	60	60	58	58
22	22	22	22	22	22
50	50	50	50	48	48
23	23	23	23	23	23
503	505	505	508	509	514
4,712	4,737	4,773	4,787	4,811	4,860
44,000,000	44,000,000	44,000,000	44,000,000	30,000,000	30,000,000
384	385	385	385	385	397
241	262	235	226	228	233
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3



CITY OF
BLOOMINGTON
MINNESOTA