

City of Minnetrista Minnesota



Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2020

CITY OF MINNETRISTA, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020

**PREPARED BY THE FINANCE DEPARTMENT
OF THE CITY OF MINNETRISTA, MINNESOTA**

**BRIAN GRIMM
DIRECTOR OF FINANCE**

This page left intentionally blank.

**CITY OF MINNETRISTA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	1
OFFICIAL DIRECTORY	5
ORGANIZATIONAL CHART	6
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	7

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	8
MANAGEMENT'S DISCUSSION AND ANALYSIS	11
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	22
STATEMENT OF ACTIVITIES	23
GOVERNMENTAL FUNDS	
BALANCE SHEET	24
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	25
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	26
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	27
PROPRIETARY FUNDS	
STATEMENT OF NET POSITION	28
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	29
STATEMENT OF CASH FLOWS	30
NOTES TO BASIC FINANCIAL STATEMENTS	31

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET TO ACTUAL (GAAP BASIS)	69
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ROAD MAINTENANCE FUND – BUDGET TO ACTUAL (GAAP BASIS)	70
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS	71

**CITY OF MINNETRISTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	73
PERA SCHEDULE OF CITY CONTRIBUTIONS	81
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
NONMAJOR GOVERNMENTAL FUNDS	
COMBINING BALANCE SHEET	82
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES	83
NONMAJOR SPECIAL REVENUE FUNDS	
COMBINING BALANCE SHEET	84
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES	85
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (GAAP BASIS) – EMERGENCY WARNING SIREN FUND	86
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (GAAP BASIS) – PARK DEVELOPMENT AND ACQUISITION FUND	87
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (GAAP BASIS) – TREE REPLACEMENT FUND	88
NONMAJOR DEBT SERVICE FUNDS	
COMBINING BALANCE SHEET	89
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES	90
SCHEDULES OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (GAAP BASIS)	
MOUND FIRE IMPROVEMENT BONDS OF 2003 FUND	91
G.O. IMPROVEMENT BONDS OF 2007A FUND	92
G.O. IMPROVEMENT BONDS OF 2014B FUND	93
G.O. IMPROVEMENT BONDS OF 2019A FUND	94
G.O. IMPROVEMENT BONDS OF 2012A FUND	95
G.O. IMPROVEMENT BONDS OF 2015A FUND	96
2017 STREET PROJECTS DEBT SERVICE FUND	97

**CITY OF MINNETRISTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

NONMAJOR CAPITAL PROJECT FUNDS	
COMBINING BALANCE SHEET	98
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES	99
SCHEDULES OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (GAAP BASIS) – CAPITAL IMPROVEMENT FUND	100
STATISTICAL SECTION (UNAUDITED)	
NET POSITION BY COMPONENT	101
CHANGES IN NET POSITION	102
FUND BALANCES, GOVERNMENTAL FUNDS	104
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS	105
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	106
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY	107
DIRECT AND OVERLAPPING TAX RATES	108
PRINCIPAL PROPERTY TAXPAYERS	109
PROPERTY TAX LEVIES AND COLLECTIONS	110
RATIOS OF OUTSTANDING DEBT BY TYPE	111
RATIOS OF GENERAL BONDED DEBT OUTSTANDING	112
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	113
LEGAL DEBT MARGIN INFORMATION	114
PLEDGED REVENUE COVERAGE	115
DEMOGRAPHIC AND ECONOMIC STATISTICS	116
PRINCIPAL EMPLOYERS	117
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION	118
OPERATING INDICATORS BY FUNCTION	119
CAPITAL ASSET STATISTICS BY FUNCTION	120

This page left intentionally blank.

INTRODUCTORY SECTION

This page left intentionally blank.



Municipal Offices
7701 County Road 110 West
Minnetrista, MN 55364-9552
Email: minnetrista@ci.minnetrista.mn.us

April 21, 2021

To the City Council and Citizens of the City of Minnetrista:

The comprehensive annual financial report (CAFR) of the City of Minnetrista, Minnesota (the City) for the fiscal year ended December 31, 2020 is hereby submitted. Management assumes full responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Minnesota Statutes require that the City have an annual audit performed by a certified public accountant or the State Auditor. The City appointed the certified public accounting firm of CliftonLarsonAllen LLP to perform the audit for the year ended December 31, 2020. The independent auditor's report on the basic financial statements is unmodified and is included in the financial section of this report.

Accounting principles generally accepted in the United States of America 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's MD&A can be found immediately following the report of the auditors.

PROFILE OF THE CITY

The City, organized in 1859 as a township, incorporated as a village in 1960, and established as a City in 1974, is a Minnesota Statutory City with an "Optional Plan A" form of government. It has a mayor elected at large for a four-year term and four council members also elected at large for four-year terms. The professional staff is appointed and consists of an Administrator, Finance Director, City Clerk, Public Safety Director, Director of Administration, Community Development Director, and Public Works Superintendent. The City contracts for professional legal and engineering services.

The City provides services to the public for street and utility construction and maintenance, parks and recreation, police and fire protection, planning and zoning, permits, inspections, and legislative/administrative functions. The City provides street construction and maintenance services on approximately 60 miles of gravel and paved streets. The parks and recreation department provides services to eight developed parks, several miles of trail system, a cemetery, two public water access areas, and a fishing pier. Facilities include: picnic areas, walking trails, and general miscellaneous playground equipment. Independent School District No. 277, Westonka, offers recreational activities through community service programs. The combination of these programs provides a complete parks and recreation system throughout the City.

The City issued building permits for 153 new single-family homes in 2020 with a total housing value of \$59,193,240.

The Minnetrista Public Safety Department operates with 13 licensed police officers, including: 1 Public Safety Director, 1 Lieutenant, 2 Sergeants, and 9 officers. In addition, there are 1.90 full-time equivalent support staff, two Community Service Officers, three Reserves, and 13 Patrol Units. Dispatching is operated through the Hennepin County Sheriff's Department.

ECONOMIC CONDITIONS AND OUTLOOK

The City is located in the southwest portion of Hennepin County approximately 20 miles southwest of Minneapolis on Lake Minnetonka. The population of the City was 8,108 per the latest Metropolitan Council Estimate.

The City saw an increase from the previous year in the number of building permits for new homes in 2020. Continued controlled growth is expected for 2021 and beyond.

NOTEWORTHY BUDGET AND FINANCIAL INFORMATION

Evaluation of the City Fee Structure

The City Council and staff annually review the fee schedule to determine that fees are adequate to cover the cost of services provided. Changes are adopted annually if deemed necessary based on the fee structure review.

It is the policy of the City to assure that the people needing the services are the ones paying for those services. The City Council feels strongly that city residents should not bear the tax burden from new development in the City, such as infrastructure costs. The City has traditionally charged all developers and land use applicants (i.e. applicants for variances, conditional use permits) for associated consultant fees incurred during their application process.

Capital and Long Range Planning

The City continues to look at all financing options including identifying available reserves or levying for capital improvements. The City improved its financial management planning in 2008 and incorporated a financial management-planning tool with five-year CIP equipment components, street infrastructure plans, and other supplementary planning information. The City continues to use this modeling during 2020 and going forward.

Development Market Conditions During 2020

Growth has really picked up during the last few years due to market conditions in the housing market improving. There are developments and proposed developments/phases coming in and being discussed in 2021 and beyond. Building permit revenue should be comparable but somewhat less in the upcoming year (2021) in comparison to a very strong 2020. The City is projecting 75-100 new homes a year for the next several years.

FINANCIAL CONTROLS

Investment Policy

The City maintains an adopted investment policy. The purpose of this policy is to establish specific guidelines the City will use in the investment of city funds. It will be the responsibility of the City Administrator to invest city funds in order to attain the highest market rate of return with the maximum security, while meeting the daily cash flow demands of the City and protecting the capital of the overall portfolio. Investments will be made in accordance with all state and local statutes governing the investment of public funds.

The primary objectives, in order of priority, of the City's investment activities shall be: safety, liquidity, and return on investment. The City does not have any investments with a term of more than 10 years. For diversity purposes, the City does not keep more than 50% of the investment portfolio with any one broker or agency.

Fund Balance Policy

Minnesota cities do not have a constant flow of revenue from which they are able to fund local government operations. Property tax levies, state aid to local governments, and property tax credits comprise the majority of city revenue. The City receives the first half of property taxes in late May/early June and the second half is received on December 1. Given this flow of revenue, the City's General Fund balance is the primary source of funds available for operating expenditures during the first five months of the year. An adequate fund balance provides the cash flow required to finance General Fund expenditures throughout the course of the year.

In recognition of these factors, the City adopted a fund balance policy. This policy states that the City will strive to maintain an unrestricted General Fund balance at each fiscal year-end equivalent to 50% of the total annual operating budget of the following year. The fund balance policy outlines strategies to consider when the General Fund balance is projected to decrease below 40% of the total annual operating budget for the following year. The City understands that the State Auditor's Office recognizes fund balances as a percentage of current year expenditures. However, the City believes fund balance is necessary to fund expenditures through the first half of the following year. Thus, the City measures fund balances as a percentage of the following year's expenditures.

Budget Policy

The City annually adopts a budget for the following year. This budget is meant to be a guideline for expenditures and revenues for the year. The City adopts a budget for the General Fund, special revenue funds except for the Land Use fund, debt service funds, and capital project funds except for the 2017 Street Project fund. The level of budgetary control is at the function level. The City has five special revenue funds: an Emergency Warning Siren Fund, a Park Development Fund, a Road Maintenance Fund, Land Use Fund and a Tree Replacement Fund. These funds are set aside to account for proceeds of specific revenue sources that are legally restricted or committed to expenditures for their specified purpose.

In addition to the annual budgets adopted above the City Administrator is authorized to approve items up to \$2,500 that were not originally budgeted for. Otherwise the level of budgetary control would be at the function level – General government, Public Safety, Public Works, Parks and Recreation and Miscellaneous. Council sees quarterly reports each year to see how the City is performing on a budget to actual basis for the year.

AWARDS AND ACKNOWLEDGEMENTS

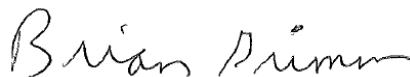
Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report satisfied both generally accepted accounting principle and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the entire city staff for their individual contributions in assisting with the preparation of this report and to the outside agencies that assisted with essential information for this report. We also would like to express appreciation to the Mayor and City Council members for their interest and support in planning and conducting the financial operations of the City.

Sincerely,



Brian Grimm
Finance Director



Mike Barone
City Administrator

**CITY OF MINNETRISTA
OFFICIAL DIRECTORY
YEAR ENDED DECEMBER 31, 2020**

CITY COUNCIL AND OTHER OFFICIALS

Lisa Whalen
Ann MacGregor
Cathleen Reffkin
Pam Mortenson
John Tschumperlin

Mayor
Council Member
Council Member
Council Member
Council Member

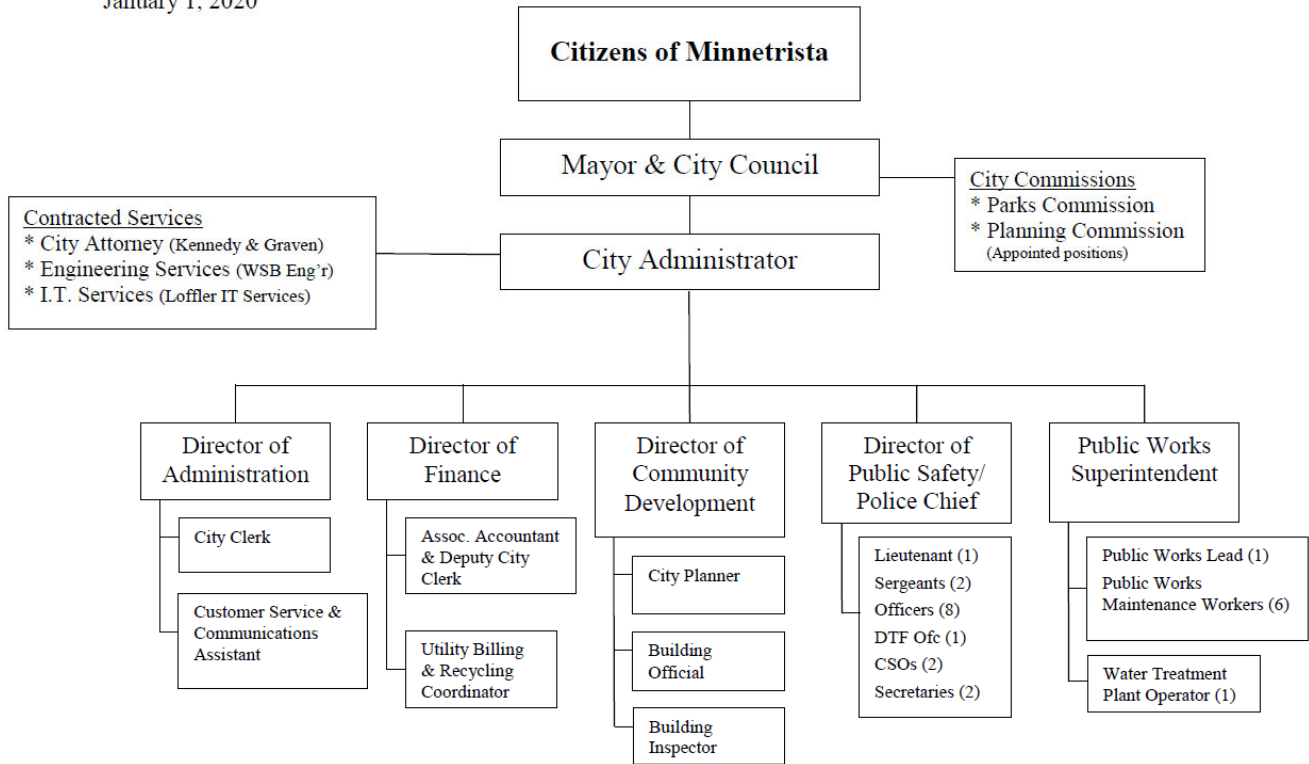
CITY OFFICIALS

Michael Barone
Brian Grimm
Paul Falls

City Administrator
Finance Director
Director of Public Safety

**CITY OF MINNETRISTA
ORGANIZATIONAL CHART
YEAR ENDED DECEMBER 31, 2020**

**City of Minnetrista
Organization Chart**
January 1, 2020



CITY OF MINNETRISTA
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
DECEMBER 31, 2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Minnetrista
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

This page left intentionally blank.

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and the City Council
City of Minnetrista, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetrista, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Minnetrista's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, each major fund, and the aggregate remaining fund information of the City of Minnetrista as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the City's total OPEB liability and related ratios, schedule of the City's proportionate share of net pension liability, and schedule of the City's pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minnetrista's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such 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 combining and individual statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and the City Council
City of Minnetrista, Minnesota

Other Matters (Continued)

Other Information (Continued)

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2021, on our consideration of the City of Minnetrista'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 result of that testing, and not to provide an opinion on the effectiveness of the City of Minnetrista'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 Minnetrista's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 21, 2021

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

As management of the City of Minnetrista, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The City's net position of its governmental activities increased by \$1,677,407 during the year to \$35,446,066 at year-end.
- The net position of the City's business-type activities by increased \$1,045,101 during the year to \$24,310,995 at year-end.
- The fund balance of the General Fund increased by \$674,655 (or 24%) during the year to \$3,480,982 at year-end.
- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,150,649.
- The Water, Sewer, Storm Water, Recycling, and Cable TV Operating Funds reported a combined operating loss of \$119,933.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other 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 private sector businesses.

The statement of net position presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the total assets and deferred outflows and liabilities and deferred inflows reported as net position. Over time, increases 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 the City's net position changed during the most recent fiscal year. All changes to 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., delinquent taxes and special assessments).

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Government-Wide Financial Statements (Continued) – Both of the government-wide financial statements distinguish functions of the City that are principally supported by property 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 include general government, public safety, public works, and parks and recreation. The business-type activities of the City include enterprises for water operating, sewer operating, stormwater operating, and recycling.

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 compliance with finance related legal requirements. The funds of the City are divided into three categories - governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions 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 the 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, financing decisions. Both the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements present information for each major governmental fund in separate columns. Data from the nonmajor 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 City adopts an annual appropriated budget for all of its governmental funds, except the Land Use special revenue fund and the 2017 Street Capital Project Fund. Budget-to-actual comparisons are provided in this financial report for all fund with an adopted budget.

Proprietary Funds – The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm water, recycling, and cable.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning budget to actual data for the City's General Fund and major special revenue fund and the City's progress in funding its obligation to provide pension and other postemployment benefits to employees. Combining statements and schedules for nonmajor funds are presented immediately following the required supplementary information.

The following is a summary of the City's net position:

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 11,316,101	\$ 9,911,210
Capital Assets	37,390,993	37,256,526
Total Assets	48,707,094	47,167,736
Deferred Outflows of Resources	1,026,857	1,525,942
Noncurrent Liabilities Outstanding	11,794,987	11,758,624
Other Liabilities	1,448,039	1,278,621
Total Liabilities	13,243,026	13,037,245
Deferred Inflows of Resources	1,044,859	1,887,774
Net Position:		
Net Investment in Capital Assets	28,358,298	27,898,559
Restricted	5,588,460	6,718,472
Unrestricted (Deficit)	1,499,308	(848,372)
Total Net Position	\$ 35,446,066	\$ 33,768,659
	Business-Type Activities	
	2020	2019
Current and Other Assets	\$ 6,299,138	\$ 5,658,436
Capital Assets	30,964,358	29,273,467
Total Assets	37,263,496	34,931,903
Deferred Outflows of Resources	53,989	56,646
Noncurrent Liabilities Outstanding	12,615,317	11,342,535
Other Liabilities	376,937	323,166
Total Liabilities	12,992,254	11,665,701
Deferred Inflows of Resources	14,236	56,954
Net Position:		
Net Investment in Capital Assets	19,596,755	18,281,381
Unrestricted	4,714,240	4,984,513
Total Net Position	\$ 24,310,995	\$ 23,265,894

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

The City's net investment in capital assets is 80% of the total net position, and reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and vehicles); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets 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 (\$5,588,460) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,213,548) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all categories of net position, both for the City as a whole as well as for its separate governmental and business-type activities.

The City has historically been financially conservative, managing revenues and expenditures/expenses to assure operation of a balanced budget. The ongoing management of revenues and expenditures/expenses and the sound financial position the City has attained have resulted in the City's excellent bond ratings: AA+ for all general obligation bond issues.

The following is a summary of the City's change in Governmental net position:

	Governmental Activities			
	2020	2019	Annual Change	Percent Change
REVENUES				
Program Revenues:				
Charges for Services	\$ 1,435,785	\$ 1,366,743	\$ 69,042	5 %
Operating Grants and Contributions	924,185	298,536	625,649	210
Capital Grants and Contributions	2,147,948	1,323,833	824,115	62
General Revenues:				
Property Taxes	4,940,472	4,677,533	262,939	6
Unrestricted Investment Earnings	72,226	243,771	(171,545)	(70)
Gain on Sale of Capital Assets	7,765	-	7,765	-
Miscellaneous	-	2,119	(2,119)	(100)
Total Revenues	9,528,381	7,912,535	1,615,846	20
EXPENSES				
General Government	1,189,982	1,140,693	49,289	4
Public Safety	3,142,580	3,127,972	14,608	0
Public Works	3,077,375	2,641,106	436,269	17
Parks and Recreation	254,594	249,280	5,314	2
Interest on Long-Term Debt	236,443	359,516	(123,073)	(34)
Total Expenses	7,900,974	7,518,567	382,407	5
CHANGE IN NET POSITION	1,677,407	393,968	1,283,439	326
Net Position - Beginning of Year	33,768,659	33,374,691	393,968	1
NET POSITION - END OF YEAR	<u>\$ 35,446,066</u>	<u>\$ 33,768,659</u>	<u>\$ 1,677,407</u>	5

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Overall revenues of governmental activities increased 20% between 2019 and 2020. The City relies to a great extent on property taxes to finance its governmental activities and this amount increased from the prior year with a 5% increase. Capital grants and contributions in the amount of \$2,147,948 is another reason for this increase in overall revenues, with an increase in these revenues from 2019 in the amount of \$625,649, or 62%. The City received more contributed capital in 2020 based on the timing of developments and when these projects are completed to accept the associated contributed capital. Operating grants and contributions in the amount of \$924,185 was the other revenue source with a significant increase, as it increased \$625,649, or 210%, from these 2019 revenues, due to the City receiving \$579,517 in federal coronavirus relief aid in 2020.

Expenses of governmental activities were slightly higher than the prior year and increased \$382,407, or 5%, between 2019 and 2020. Most of this increase was due to an increase in public works expenses related to increased depreciation expense and increased repairs and maintenance including crack filling and mill and overlay projects.

The following is a summary of the City's change in Business-type net position:

	Business-Type Activities			
	2020	2019	Annual Change	Percent Change
REVENUES				
Program Revenues:				
Charges for Services	\$ 3,253,786	\$ 3,018,883	\$ 234,903	8 %
Operating Grants and Contributions	15,131	23,312	(8,181)	(35)
Capital Grants and Contributions	1,296,626	698,614	598,012	86
General Revenues:				
Unrestricted Investment Earnings	69,582	159,169	(89,587)	(56)
Total Revenues	4,635,125	3,899,978	735,147	19
EXPENSES				
Water Operating	1,768,567	1,805,493	(36,926)	(2)
Sewer Operating	1,200,684	1,139,570	61,114	5
Storm Water	379,024	398,925	(19,901)	(5)
Recycling	150,154	146,680	3,474	2
Cable TV	41,595	18,701	22,894	122
Total Expenses	3,540,024	3,509,369	30,655	1
CHANGE IN NET POSITION	1,045,101	390,609	654,492	168
Net Position - Beginning of Year	23,265,894	22,875,285	390,609	2
NET POSITION - END OF YEAR	<u>\$ 24,310,995</u>	<u>\$ 23,265,894</u>	<u>\$ 1,045,101</u>	4

The business-type activities, primarily the City's utility operations, experienced an increase in revenues, primarily due to Capital Grants increasing by 86% in the current year. Capital grants increased due to the City's utilities receiving \$1,295,930 in contributed capital in 2020. Charges for Services also increased \$234,903 or 8% due to increases in rates and as well as new users related to development being completed during 2020 and due to the related increase in Water and Sewer Area and Connection Charges.

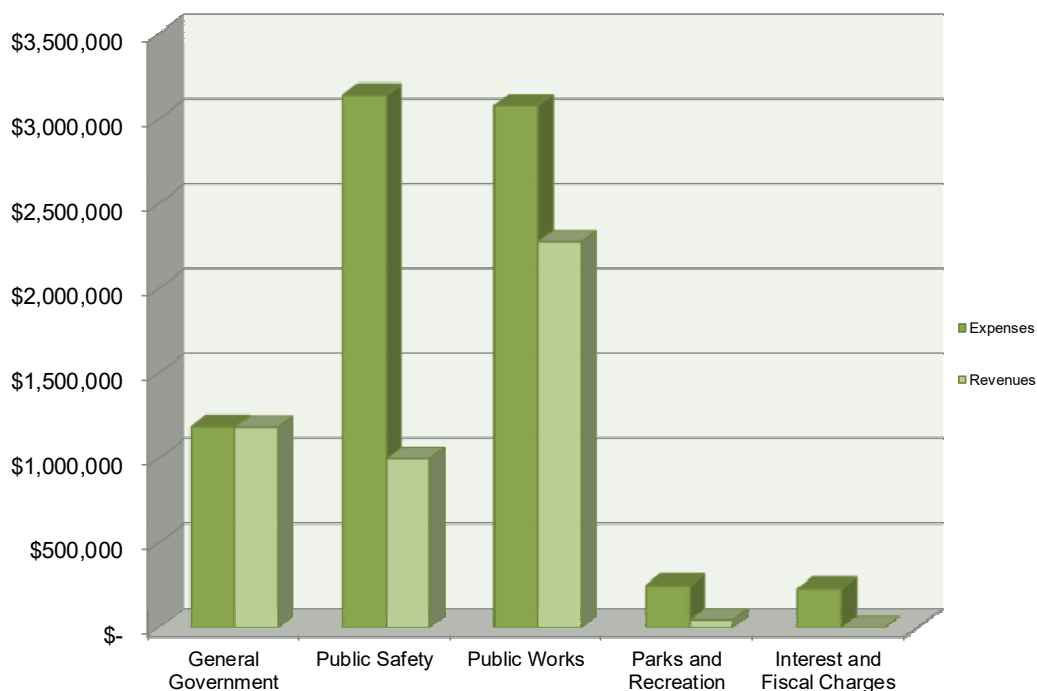
**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

On the expense side, expenses decreased in the Water and Storm Water funds, increased in the Sewer and Cable TV funds, and were consistent in the Recycling fund. These increases in expenses in the Sewer fund mostly related to increases in supplies, maintenance, and depreciation expense and increases in the Cable TV fund relate to increased payroll costs being allocated to the fund. For the Water Fund, the decreased operating costs are due to the net of a decrease in utility system maintenance supplies and repairs being partially offset by bond issuance costs and interest expense. For the Storm Water Fund, maintenance supplies expenses represented the majority of the decrease in expenses. The increase within revenues was greater than the net increase within expenses and resulted in a positive change in net position of \$1,045,101, which was around a 4% increase from prior years ending net position.

Governmental Activities

The following graph depicts the various governmental activities and shows the expenses and program revenues directly related to those activities:

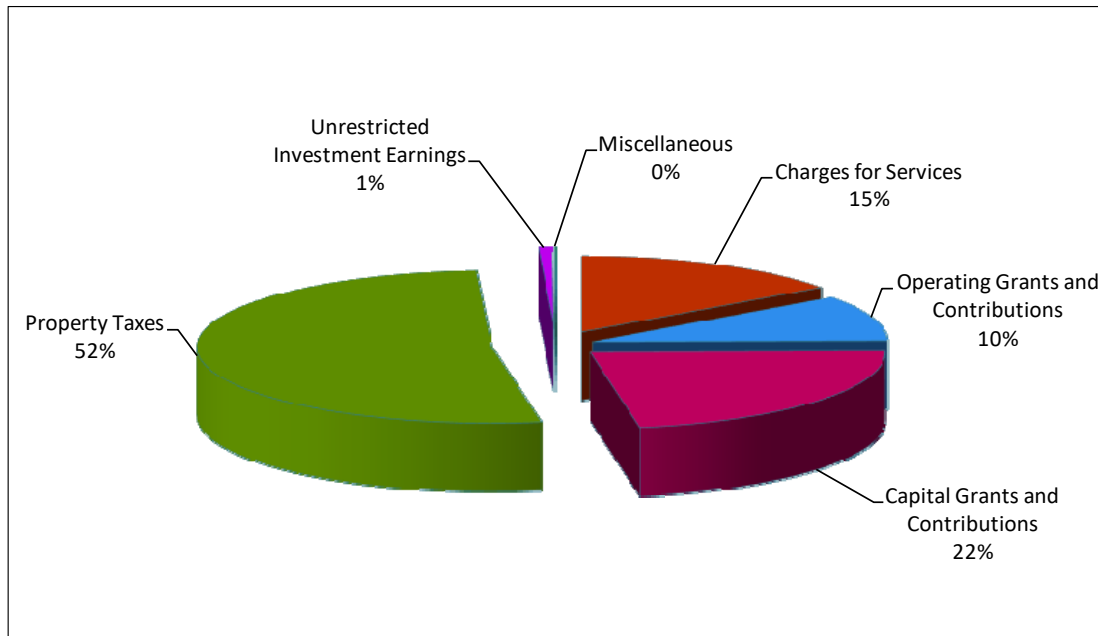
Program Expenses and Revenues – Governmental Activities



**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

The graph below shows the governmental activities and their income and clearly reflects the need for property taxes to supplement the activities of the City. Under the state's current local government aid formula the City currently receives no local government aid.

Revenues by Source – Governmental Activities

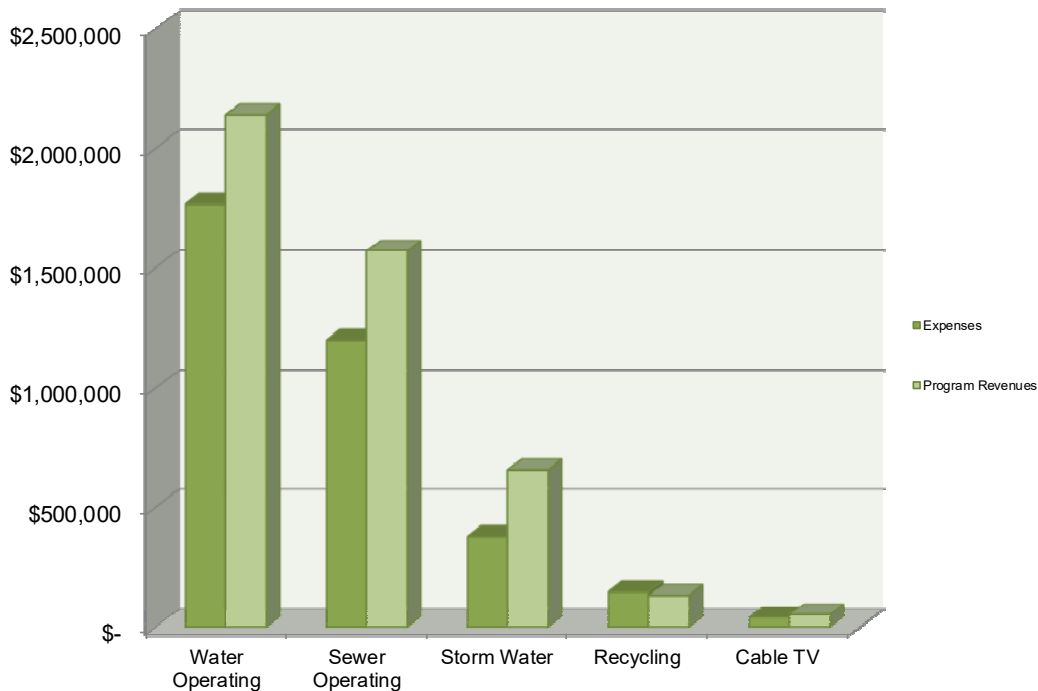


**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Business-Type Activities

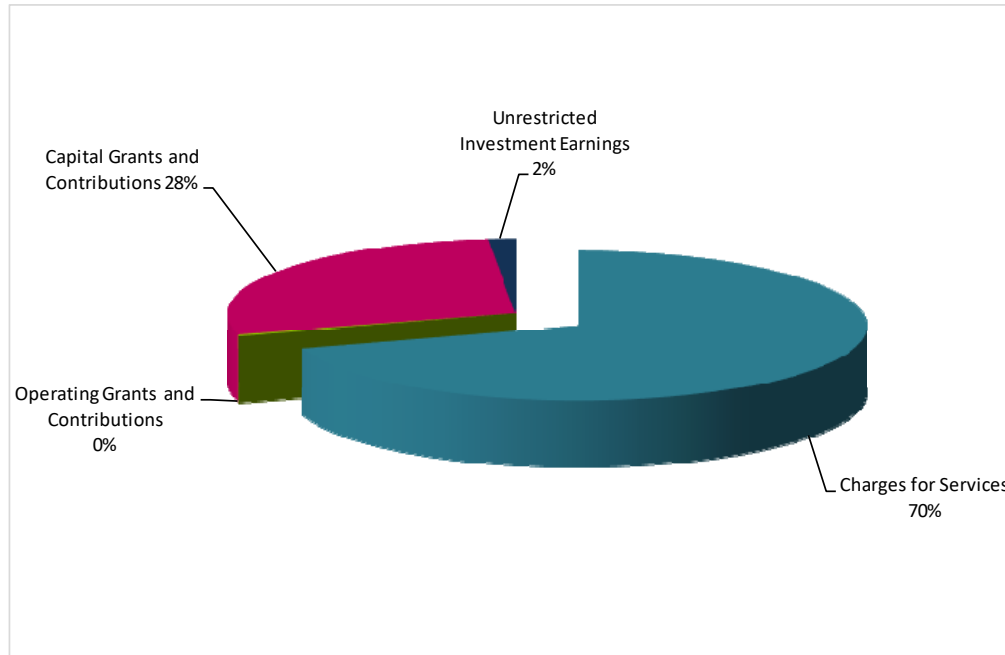
Business-Type Activities net position increased \$1,045,101, or 5% from the prior year due to what was mentioned above. One of the biggest expenses is depreciation (noncash expense) within the water, sewer, and storm water funds. Expenses in total across all utility funds increased \$30,655, or 1%, as detailed above.

Program Expenses and Revenues – Business-Type Activities



**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Program Expenses and Revenues – Business-Type Activities (Continued)



General Fund

The General Fund is the main operating fund of the City. Its primary revenue source in 2020 was property taxes at 60% of the total revenue, followed by licenses and permits at 17%. The total fund balance increased during the current fiscal year 2020, resulting from an excess of revenues over expenditures of \$621,865. The unassigned fund balance of \$3,220,792 at the end of 2020 represents 64% of total General Fund expenditures for the year 2020.

Other Major Governmental Funds

The Road Maintenance Fund was created to account for the resources accumulated and capital and maintenance expenditures related to various road maintenance projects. The fund balance at the end of 2020 was \$1,255,075, which increased \$972,958 during the year due to increased receipts of State Municipal Construction Aid and State Municipal Maintenance Aid in 2020 for related prior year and current year project costs.

The Street Improvement fund was created to account for the resources accumulated and capital expenditures related to various street improvement projects. The ending fund balance for 2020 was \$41,016, which increased \$2,579 during the year due to 2020 investment earnings.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Proprietary Funds

The City's enterprise funds had a combined net position balance of \$24,310,995 at December 31, 2020. The financial activities of these funds have been summarized in previous charts within this discussion.

General Fund Budgetary Highlights

- The General Fund revenues were more than the final revenue budget by \$732,330. The biggest positive budget variance for revenue categories were within intergovernmental revenues, which was over budget \$590,815 due to the City receiving \$579,517 in unbudgeted federal coronavirus relief aid in 2020. The next largest positive budget variance in revenues related to licenses and permits, which was over budget \$219,057 due to higher levels of new development than what was budgeted. Overall total variance for revenues was about 14%.
- Total General Fund Expenditures were \$102,648 under budget. Most of the positive variance occurred in the Public Works, which had expenditures under budget in the amount of \$50,972. Public Safety ended the year under budget \$22,343, Parks and Recreation ended the year under budget \$16,624, and miscellaneous expenditures ended the year under budget \$12,045. General Government expenditures were very close to budget, at \$664, or 0.1%, under budget. The total actual costs in the general fund came in at 2.0% less than the budgeted amount. Department managers watch their overall department budgets closely in conjunction with the Finance Director. This helps contribute to the slight variability in actual costs to budget. The small positive variance in comparing actual costs to budgeted costs can be attributed to professional services and personal services costs coming in slightly better than budgeted in some departments.

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31 is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,733,976	\$ 4,733,976	\$ 102,471	\$ 102,471	\$ 4,836,447	\$ 4,836,447
Construction in Progress	571,719	35,118	1,811,721	179,617	2,383,440	214,735
Buildings and Building Improvements	6,881,591	6,881,591	-	-	6,881,591	6,881,591
Improvements Other than Buildings	2,263,214	2,263,214	-	-	2,263,214	2,263,214
Streets and Infrastructure	49,016,031	47,684,436	43,379,684	41,892,834	92,395,715	89,577,270
Equipment and Furniture	5,982,297	5,902,473	1,037,173	1,037,173	7,019,470	6,939,646
Total Capital Assets	69,448,828	67,500,808	46,331,049	43,212,095	115,779,877	110,712,903
Less: Accumulated Depreciation	(32,057,835)	(30,244,282)	(15,366,691)	(13,938,628)	(47,424,526)	(44,182,910)
Total Capital Assets, Net	\$ 37,390,993	\$ 37,256,526	\$ 30,964,358	\$ 29,273,467	\$ 68,355,351	\$ 66,529,993

Additional details of capital asset activity for the year can be found in Note 5 of the notes to basic financial statements.

**CITY OF MINNETRISTA, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Long-Term Liabilities

At the end of the current fiscal year, the City had total bonded debt, and compensated absences payable outstanding of \$21,407,678. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 4,545,000	\$ 4,855,000	\$ -	\$ -	\$ 4,545,000	\$ 4,855,000
General Obligation Revenue Bonds	3,115,000	3,380,000	12,061,544	10,889,544	15,176,544	14,269,544
General Obligation Equipment Certs	705,000	414,000	-	-	705,000	414,000
Compensated Absences	278,083	247,914	22,477	19,134	300,560	267,048
Bond Premium (Discount), Net	507,486	531,187	173,088	102,542	680,574	633,729
Total Outstanding Debt	<u>\$ 9,150,569</u>	<u>\$ 9,428,101</u>	<u>\$ 12,257,109</u>	<u>\$ 11,011,220</u>	<u>\$ 21,407,678</u>	<u>\$ 20,439,321</u>

Additional details of long-term debt activity for the year can be found in Note 6 of the notes to basic financial statements.

Currently Known Facts and Conditions

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic in March of 2020. The COVID-19 pandemic is still having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated.

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 City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, City of Minnetrista, 7701 County Road 110 West, Minnetrista, Minnesota 55364-9553.

This page left intentionally blank.

BASIC FINANCIAL STATEMENTS

This page left intentionally blank.

**CITY OF MINNETRISTA
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 9,254,134	\$ 5,584,025	\$ 14,838,159
Accounts Receivable	125,791	606,518	732,309
Property Taxes Receivable	70,980	-	70,980
Special Assessments Receivable, Net	1,119,384	65,417	1,184,801
Accrued Interest Receivable	12,118	7,405	19,523
Due from Other Governments	690,920	2,392	693,312
Prepaid Items	42,774	33,381	76,155
Capital Assets:			
Nondepreciable:			
Land	4,733,976	102,471	4,836,447
Construction in Progress	571,719	1,811,721	2,383,440
Depreciable:			
Buildings and Building Improvements	6,881,591	44,416,857	51,298,448
Improvements Other than Buildings	2,263,214	-	2,263,214
Streets and Infrastructure	49,016,031	-	49,016,031
Equipment and Furniture	5,982,297	-	5,982,297
Total Capital Assets	69,448,828	46,331,049	115,779,877
Less: Accumulated Depreciation	(32,057,835)	(15,366,691)	(47,424,526)
Total Capital Assets, Net	37,390,993	30,964,358	68,355,351
Total Assets	48,707,094	37,263,496	85,970,590
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pensions	863,783	29,144	892,927
Deferred Outflows - OPEB	163,074	24,845	187,919
Total Deferred Outflows of Resources	1,026,857	53,989	1,080,846
LIABILITIES			
Accounts and Contracts Payable	418,172	271,658	689,830
Accrued Salaries and Fringes	118,185	12,910	131,095
Accrued Interest Payable	112,503	92,369	204,872
Other Liabilities	93,033	-	93,033
Deposits	664,328	-	664,328
Unearned Revenue	41,818	-	41,818
Long-Term Liabilities:			
Due Within One Year	775,000	838,000	1,613,000
Due in More Than One Year	8,375,569	11,419,109	19,794,678
Noncurrent Liabilities Due in More than One Year:			
Net Pension Liability	2,328,130	309,573	2,637,703
Total Other Postemployment Benefits Liability	316,288	48,635	364,923
Total Liabilities	13,243,026	12,992,254	26,235,280
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pensions	1,039,636	13,382	1,053,018
Deferred Inflows - OPEB	5,223	854	6,077
Total Deferred Inflows of Resources	1,044,859	14,236	1,059,095
NET POSITION			
Net Investment in Capital Assets	28,358,298	19,596,755	47,955,053
Restricted for:			
Debt Service	2,655,674	-	2,655,674
Municipal Construction	440,372	-	440,372
Road Maintenance	1,541,902	-	1,541,902
Park Improvement	950,512	-	950,512
Unrestricted	1,499,308	4,714,240	6,213,548
Total Net Position	\$ 35,446,066	\$ 24,310,995	\$ 59,757,061

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

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		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 1,189,982	\$ 1,156,637	\$ 29,047	\$ -	\$ (4,298)	\$ -	\$ (4,298)
Public Safety	3,142,580	223,348	775,387	-	(2,143,845)	-	(2,143,845)
Public Works	3,077,375	55,800	71,991	2,147,948	(801,636)	-	(801,636)
Parks and Recreation	254,594	-	47,760	-	(206,834)	-	(206,834)
Interest and Fiscal Charges	236,443	-	-	-	(236,443)	-	(236,443)
Total Governmental Activities	7,900,974	1,435,785	924,185	2,147,948	(3,393,056)	-	(3,393,056)
Business-Type Activities:							
Water Operating	1,768,567	1,621,254	-	519,775	-	372,462	372,462
Sewer Operating	1,200,684	1,109,591	90	464,917	-	373,914	373,914
Storm Water	379,024	349,086	-	311,934	-	281,996	281,996
Recycling	150,154	120,198	15,041	-	-	(14,915)	(14,915)
Cable TV	41,595	53,657	-	-	-	12,062	12,062
Total Business-Type Activities	3,540,024	3,253,786	15,131	1,296,626	-	1,025,519	1,025,519
Total Primary Government	<u>\$ 11,440,998</u>	<u>\$ 4,689,571</u>	<u>\$ 939,316</u>	<u>\$ 3,444,574</u>	(3,393,056)	1,025,519	(2,367,537)
GENERAL REVENUES							
Property Taxes, Levied for General Purposes					4,940,472	-	4,940,472
Unrestricted Investment Earnings					72,226	69,582	141,808
Gain on Sale of Capital Assets					7,765	-	7,765
Transfers					50,000	(50,000)	-
Total General Revenues and Transfers					<u>5,070,463</u>	<u>19,582</u>	<u>5,090,045</u>
CHANGE IN NET POSITION					1,677,407	1,045,101	2,722,508
Net Position - Beginning of Year					<u>33,768,659</u>	<u>23,265,894</u>	<u>57,034,553</u>
NET POSITION - END OF YEAR					<u>\$ 35,446,066</u>	<u>\$ 24,310,995</u>	<u>\$ 59,757,061</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General Fund	Special Revenue Road Maintenance (406)	Capital Projects Street Improvement (490)	Other Governmental Funds	Totals
ASSETS					
Cash and Investments	\$ 4,158,201	\$ 1,338,956	\$ 317,662	\$ 3,439,315	\$ 9,254,134
Receivables:					
Miscellaneous Receivables	55,536	-	-	70,255	125,791
Accrued Interest	5,438	1,793	417	4,470	12,118
Delinquent Taxes	70,980	-	-	-	70,980
Delinquent Special Assessments	-	464	-	29,922	30,386
Other Special Assessments Receivable	-	286,363	-	802,635	1,088,998
Prepays	42,774	-	-	-	42,774
Due from Other Funds	23,270	-	-	-	23,270
Due from Other Governmental Units	41,514	-	440,372	209,034	690,920
Total Assets	<u>\$ 4,397,713</u>	<u>\$ 1,627,576</u>	<u>\$ 758,451</u>	<u>\$ 4,555,631</u>	<u>\$ 11,339,371</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts and Contracts Payable	\$ 205,450	\$ 85,674	\$ -	\$ 127,048	\$ 418,172
Accrued Salaries Payable	118,185	-	-	-	118,185
Due to Other Funds	-	-	-	23,270	23,270
Other Liabilities	93,033	-	-	-	93,033
Deposits	387,265	-	277,063	-	664,328
Unearned Revenue	41,818	-	-	-	41,818
Total Liabilities	<u>845,751</u>	<u>85,674</u>	<u>277,063</u>	<u>150,318</u>	<u>1,358,806</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	70,980	-	-	-	70,980
Unavailable Revenue - Special Assessments	-	286,827	-	832,556	1,119,383
Unavailable Revenue - Other	-	-	440,372	199,181	639,553
Total Deferred Inflows of Resources	<u>70,980</u>	<u>286,827</u>	<u>440,372</u>	<u>1,031,737</u>	<u>1,829,916</u>
FUND BALANCE					
Nonspendable:					
Prepays	42,774	-	-	-	42,774
Restricted:					
Debt Service	-	-	-	1,736,440	1,736,440
Parkland Acquisitions and Improvement	-	-	-	950,512	950,512
Road Maintenance	-	1,255,075	-	-	1,255,075
Committed:					
Emergency Warning Siren Operation	-	-	-	222,819	222,819
Tree Replacement	-	-	-	416,117	416,117
Assigned:					
Subsequent Year Budget	217,416	-	-	-	217,416
Capital Plan Improvements	-	-	41,016	47,688	88,704
Unassigned	<u>3,220,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,220,792</u>
Total Fund Balance	<u>3,480,982</u>	<u>1,255,075</u>	<u>41,016</u>	<u>3,373,576</u>	<u>8,150,649</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 4,397,713</u>	<u>\$ 1,627,576</u>	<u>\$ 758,451</u>	<u>\$ 4,555,631</u>	<u>\$ 11,339,371</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Total Fund Balances for Governmental Funds	\$	8,150,649
--	----	-----------

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$	4,733,976	
Construction in Progress		571,719	
Buildings and Building Improvements		6,881,591	
Improvements Other than Buildings		2,263,214	
Streets and Infrastructure		49,016,031	
Equipment and Furniture		5,982,297	
Total Capital Assets		69,448,828	
Less: Accumulated Depreciation		(32,057,835)	37,390,993

Some of the City's receivables (including property taxes, special assessments and other long-term receivables) will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		1,829,916
--	--	-----------

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net position.		(112,503)
---	--	-----------

The City's net pension and other postemployment benefits liability and related deferred inflows and deferred outflows are recorded only on the statement of net position. Balances at year-end are:

Total Other Postemployment Benefits Liability	(316,288)		
Deferred Inflows of Resources - OPEB	(5,223)		
Deferred Outflows of Resources - OPEB	163,074		
Net Pension Liability	(2,328,130)		
Deferred Inflows of Resources - Pensions	(1,039,636)		
Deferred Outflows of Resources - Pensions	863,783		(2,662,420)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long term - are reported in the statement of net position.

Bonds Payable	(7,660,000)		
Equipment Certificates Payable	(705,000)		
Unamortized Premiums	(512,903)		
Unamortized Discounts	5,417		
Compensated Absence Payable	(278,083)		(9,150,569)

Total Net Position of Governmental Activities	\$	35,446,066
---	----	------------

See accompanying Notes to Basic Financial Statements.

CITY OF MINNETRISTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General Fund	Special Revenue Road Maintenance (406)	Capital Projects Street Improvement (490)	Other Governmental Funds	Totals
REVENUE					
Property Taxes	\$ 3,412,349	\$ 600,464	\$ -	\$ 896,474	\$ 4,909,287
Special Assessments	69	151,758	-	139,362	291,189
Licenses and Permits	956,557	-	-	-	956,557
Intergovernmental Revenue	766,665	1,254,862	127	11,917	2,033,571
Charges for Services	325,603	-	-	-	325,603
Fines and Forfeitures	22,743	-	-	-	22,743
Gifts and Contributions	-	-	-	55,800	55,800
Other Revenue:					
Investment Earnings	32,427	6,000	2,452	31,347	72,226
Miscellaneous Revenue	137,650	-	-	145,965	283,615
Total Revenue	5,654,063	2,013,084	2,579	1,280,865	8,950,591
EXPENDITURES					
Current:					
General Government	1,136,917	-	-	3,494	1,140,411
Public Safety	2,820,850	-	-	-	2,820,850
Public Works	913,107	636,666	-	12,223	1,561,996
Parks and Recreation	147,269	-	-	-	147,269
Other	14,055	-	-	-	14,055
Total Current Expenditures	5,032,198	636,666	-	15,717	5,684,581
Capital Outlay:					
Other	-	403,460	-	305,922	709,382
Debt Service:					
Principal Retirement	-	-	-	834,922	834,922
Interest and Fiscal Charges	-	-	-	276,696	276,696
Total Debt Service	-	-	-	1,111,618	1,111,618
Total Expenditures	5,032,198	1,040,126	-	1,433,257	7,505,581
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	621,865	972,958	2,579	(152,392)	1,445,010
OTHER FINANCE SOURCES (USES)					
Issuance of Bonds and Other Debt	-	-	-	480,000	480,000
Premium on Issued Debt	-	-	-	30,353	30,353
Transfers In	50,000	-	-	39,408	89,408
Transfers Out	-	(25,025)	-	(14,383)	(39,408)
Proceed from Sale of Capital Assets	2,790	-	-	4,975	7,765
Total Other Finance Sources (Uses)	52,790	(25,025)	-	540,353	568,118
NET CHANGE IN FUND BALANCES	674,655	947,933	2,579	387,961	2,013,128
FUND BALANCES					
Beginning of Year	2,806,327	307,142	38,437	2,985,615	6,137,521
End of Year	\$ 3,480,982	\$ 1,255,075	\$ 41,016	\$ 3,373,576	\$ 8,150,649

See accompanying Notes to Basic Financial Statements.

CITY OF MINNETRISTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 2,013,128

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

Governmental funds report capital outlays as expenditures and proceeds from the sale of capital assets as revenues. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	\$ 694,529	
Capital Contributions	1,331,595	
Depreciation Expense	<u>(1,891,657)</u>	134,467

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Amortization of Bond Premium	54,651	
Amortization of Bond Discount	(597)	
Repayment of Bond Principal	764,000	
Proceeds on Bond Premium	(30,353)	
Proceeds on Issuance of Equipment Certificates	(480,000)	
Change in Accrued Interest Expense	<u>(15,526)</u>	292,175

Delinquent and certain other property taxes, special assessments receivable, amounts due from other governments will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources and excluded from revenues in the governmental funds.

Deferred Inflows of Resources - December 31, 2019	2,592,045	
Deferred Inflows of Resources - December 31, 2020	<u>1,829,916</u>	(762,129)

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During fiscal year 2020, compensated absences payable changed by.

(30,169)

Other postemployment benefits related expenses in the governmental funds are measured by current year employee benefit amounts. Other postemployment benefits related expenses on the statement of activities are measured by the change in total other postemployment benefits liability and the related deferred inflows and outflows of resources.

(41,400)

Pension expenses in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

71,335

Change in Net Position of Governmental Activities	\$ 1,677,407	
---	--------------	--

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	Business-Type Activities					Totals
	Water (601)	Sewer (602)	Storm Water (651)	Recycling (671)	Cable TV (673)	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 2,636,814	\$ 1,827,717	\$ 621,007	\$ 233,288	\$ 265,199	\$ 5,584,025
Receivables:						
Accounts Receivable	196,142	271,629	104,208	34,539	-	606,518
Accrued Interest	3,535	2,385	816	320	349	7,405
Delinquent Special Assessments, Net	-	-	6,834	6,407	-	13,241
Special Assessments, Net	27,394	24,782	-	-	-	52,176
Prepays	2,522	30,277	582	-	-	33,381
Due from Other Governmental Units	1,774	332	148	138	-	2,392
Total Current Assets	2,868,181	2,157,122	733,595	274,692	265,548	6,299,138
CAPITAL ASSETS						
Land and Land Improvements	102,471	-	-	-	-	102,471
Construction in Progress	1,550,640	166,940	94,141	-	-	1,811,721
Buildings and Improvements	25,537,175	13,840,421	5,039,261	-	-	44,416,857
Less: Accumulated Depreciation	(6,469,889)	(6,775,528)	(2,121,274)	-	-	(15,366,691)
Net Capital Assets	20,720,397	7,231,833	3,012,128	-	-	30,964,358
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pensions	16,450	8,926	3,089	679	-	29,144
Deferred Outflows - OPEB	13,707	8,154	2,244	740	-	24,845
Total Deferred Outflows of Resources	30,157	17,080	5,333	1,419	-	53,989
 Total Assets and Deferred Outflows of Resources	 \$ 23,618,735	 \$ 9,406,035	 \$ 3,751,056	 \$ 276,111	 \$ 265,548	 \$ 37,317,485
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts and Contracts Payable	\$ 92,638	\$ 168,357	\$ 10,158	\$ 82	\$ 423	\$ 271,658
Accrued Salaries Payable	5,848	4,421	1,319	-	1,322	12,910
Compensated Absences Payable	4,375	4,011	1,614	-	-	10,000
Accrued Interest Payable	86,109	6,260	-	-	-	92,369
Bonds Payable	760,400	67,600	-	-	-	828,000
Total Current Liabilities	949,370	250,649	13,091	82	1,745	1,214,937
NONCURRENT LIABILITIES						
Compensated Absences Payable	5,458	5,005	2,014	-	-	12,477
Total OPEB Liability	26,705	16,142	4,358	1,430	-	48,635
Net Pension Liability	174,746	94,805	32,818	7,204	-	309,573
Bonds Payable	10,920,732	485,900	-	-	-	11,406,632
Total Noncurrent Liabilities	11,127,641	601,852	39,190	8,634	-	11,777,317
Total Liabilities	12,077,011	852,501	52,281	8,716	1,745	12,992,254
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pensions	7,554	4,098	1,418	312	-	13,382
Deferred Inflows - OPEB	461	301	65	27	-	854
Total Deferred Inflows of Resources	8,015	4,399	1,483	339	-	14,236
NET POSITION						
Net Investment in Capital Assets	10,018,710	6,570,872	3,007,173	-	-	19,596,755
Unrestricted	1,514,999	1,978,263	690,119	267,056	263,803	4,714,240
Total Net Position	11,533,709	8,549,135	3,697,292	267,056	263,803	24,310,995
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ 23,618,735	 \$ 9,406,035	 \$ 3,751,056	 \$ 276,111	 \$ 265,548	 \$ 37,317,485

See accompanying Notes to Basic Financial Statements.

CITY OF MINNETRISTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities					
	Water (601)	Sewer (602)	Storm Water (651)	Recycling (671)	Cable TV (673)	Totals
OPERATING REVENUE						
Sales and User Fees	\$ 1,578,609	\$ 1,104,637	\$ 348,841	\$ 119,549	\$ 53,657	\$ 3,205,293
Other	-	-	245	-	-	245
Total Operating Revenue	1,578,609	1,104,637	349,086	119,549	53,657	3,205,538
OPERATING EXPENSES						
Personnel Services	276,843	159,441	63,714	10,436	-	510,434
Professional Services	37,301	103,673	51,869	-	6,495	199,338
Operating and Maintenance Supplies	17,951	178,653	56,314	-	-	252,918
Utilities	274,853	15,576	-	-	-	290,429
Depreciation	875,292	365,774	186,997	-	-	1,428,063
Maintenance and Repairs	46,529	17,178	1,171	-	-	64,878
Administrative Charges from the General Fund	-	-	-	-	35,100	35,100
Insurance	23,238	6,522	-	-	-	29,760
Other Expenses	2,007	338,619	18,959	139,718	-	499,303
Total Operating Expenses	1,554,014	1,185,436	379,024	150,154	41,595	3,310,223
OPERATING INCOME (LOSS)	24,595	(80,799)	(29,938)	(30,605)	12,062	(104,685)
NONOPERATING REVENUE (EXPENSES)						
Area Charges	40,986	4,954	-	-	-	45,940
Special Assessments for Capital Purposes	531	165	-	-	-	696
Investment Earnings	36,041	20,765	6,981	2,842	2,953	69,582
Interest Expense	(214,553)	(15,248)	-	-	-	(229,801)
Intergovernmental Grants	-	90	-	15,041	-	15,131
Miscellaneous Revenue	1,659	-	-	649	-	2,308
Total Nonoperating Revenue (Expenses)	(135,336)	10,726	6,981	18,532	2,953	(96,144)
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS	(110,741)	(70,073)	(22,957)	(12,073)	15,015	(200,829)
Transfers Out	(50,000)	-	-	-	-	(50,000)
Capital Contributions	519,244	464,752	311,934	-	-	1,295,930
CHANGES IN NET POSITION	358,503	394,679	288,977	(12,073)	15,015	1,045,101
NET POSITION						
Beginning of Year	11,175,206	8,154,456	3,408,315	279,129	248,788	23,265,894
End of Year	\$ 11,533,709	\$ 8,549,135	\$ 3,697,292	\$ 267,056	\$ 263,803	\$ 24,310,995

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Business-Type Activities - Enterprise Funds					
	Water	Sewer	Storm Water	Recycling	Cable TV	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Receipts from Customers	\$ 1,532,425	\$ 1,093,695	\$ 346,482	\$ 120,046	\$ 53,657	\$ 3,146,305
Cash Paid to Suppliers	(432,890)	(575,270)	(132,760)	(139,711)	(41,432)	(1,322,063)
Cash Paid to Employees	(277,308)	(167,974)	(58,058)	(12,675)	1,322	(514,693)
Other Receipts	1,659	-	-	649	-	2,308
Net Cash Provided (Used) by Operating Activities	823,886	350,451	155,664	(31,691)	13,547	1,311,857
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Connection Fees Received	40,986	4,954	-	-	-	45,940
Special Assessments for Capital Purposes	531	165	-	-	-	696
Proceeds from Issuance of Bonds	1,910,000	-	-	-	-	1,910,000
Premium on Bond Issuance	82,907	-	-	-	-	82,907
Principal Payments on Bonds	(670,500)	(67,500)	-	-	-	(738,000)
Interest Payments on Bonds	(195,308)	(15,248)	-	-	-	(210,556)
Acquisition of Capital Assets	(1,403,433)	(325,450)	(94,141)	-	-	(1,823,024)
Net Cash Provided (Used) by Capital and Related Financing Activities	(234,817)	(403,079)	(94,141)	-	-	(732,037)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received on Investments	36,773	22,226	7,325	3,055	3,120	72,499
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants Received	-	90	-	15,041	-	15,131
Transfers Out	(50,000)	-	-	-	-	(50,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(50,000)	90	-	15,041	-	(34,869)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	575,842	(30,312)	68,848	(13,595)	16,667	617,450
Cash and Cash Equivalents - Beginning of the Year	2,060,972	1,858,029	552,159	246,883	248,532	4,966,575
CASH AND CASH EQUIVALENTS - END OF THE YEAR	<u>\$ 2,636,814</u>	<u>\$ 1,827,717</u>	<u>\$ 621,007</u>	<u>\$ 233,288</u>	<u>\$ 265,199</u>	<u>\$ 5,584,025</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 24,595	\$ (80,799)	\$ (29,938)	\$ (30,605)	\$ 12,062	\$ (104,685)
Adjustments to Operating Income (Loss):						
Noncash Expenses Included in Net Income:						
Depreciation	875,292	365,774	186,997	-	-	1,428,063
Miscellaneous Income	1,659	-	-	649	-	2,308
Change in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:						
(Increase) Decrease in:						
Accounts Receivable	(50,884)	(15,222)	(4,579)	(1,355)	-	(72,040)
Due from Other Governmental Units	(1,031)	136	60	57	-	(778)
Prepaid Assets	14,121	14,027	4,916	-	-	33,064
Special Assessments Receivable for Delinquent Utility Bills	5,731	4,144	1,915	1,795	-	13,585
Deferred Outflows - OPEB	720	407	141	32	-	1,300
Deferred Outflows - Pensions	417	1,170	(463)	233	-	1,357
Increase (Decrease) in:						
Accounts Payable	(45,132)	70,924	(9,363)	7	163	16,599
Accrued Salaries Payable	1,959	1,490	795	-	1,322	5,566
Compensated Absences Payable	1,505	1,288	550	-	-	3,343
Total Other Postemployment Benefits	4,085	2,312	802	181	-	7,380
Net Pension Liability	14,323	(806)	7,341	(1,345)	-	19,513
Deferred Inflows - OPEB	33	19	6	1	-	59
Deferred Inflows - Pensions	(23,507)	(14,413)	(3,516)	(1,341)	-	(42,777)
Net Cash Provided (Used) by Operating Activities	<u>\$ 823,886</u>	<u>\$ 350,451</u>	<u>\$ 155,664</u>	<u>\$ (31,691)</u>	<u>\$ 13,547</u>	<u>\$ 1,311,857</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Contributions	\$ 519,244	\$ 464,752	\$ 311,934	\$ -	\$ -	\$ 1,295,930

See accompanying Notes to Basic Financial Statements.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Minnetrista, Minnesota (the City) operates under the “Optional Plan A” form of government as defined in Minnesota Statutes. Under this plan, the City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all the affairs relating to the City.

The financial statements and the accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and any component units. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit’s board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

The Minnetrista Economic Development Authority (EDA) is a legally separate organization created to provide the City economic development assistance. The governing board consists of the City’s mayor and council members; therefore, the Minnetrista EDA has been reported as a blended component unit of the City, with its funds reported as though they are funds of the City. The purpose of the Minnetrista EDA is to issue revenue bonds to acquire land and to purchase or construct facilities and, currently, there is no activity in the Minnetrista EDA. The EDA does not issue its own separate financial statements.

There are no other organizations that, when considered, would be included in the financial statements as a component unit.

The City also participates in the Pioneer-Sarah Creek Watershed Management Commission, which is a jointly governed organization created to protect, preserve, and use natural water storage retention systems. The City also participates in the Lake Minnetonka Conservation District (LMCD), which is a jointly governed organization, established by the state, which is made up of representatives of each of the 14 cities surrounding Lake Minnetonka. The purpose of the LMCD is to uniformly regulate docks, promote public access, and protect the environmental quality of the lake.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City, except fiduciary funds. Since, by definition, fiduciary fund assets are held for the benefit of a third party and cannot be used for activities or obligations of the City, these funds are excluded from the government-wide financial statements. The City does not currently report any fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions are not eliminated, as that would distort the direct costs and program revenues reported in those functions. The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation expense can be specifically identified by function (see Note 5). Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary fund types. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes 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 City considers revenues to be available if collected within 60 days after year-end.

Major revenue that is susceptible to accrual includes property taxes, intergovernmental revenue, charges for services, and interest earned on investments. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds distinguish operating revenues and expenses from nonoperating 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 revenues of the City's enterprise funds are charges to customers for sales and services. The operating expenses for the enterprise 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 nonoperating revenues and expenses.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Financial Statement Presentation (Continued)

Description of Funds

The City reports the following major governmental funds:

General Fund – This 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.

Road Maintenance Fund – This special revenue fund is used to account for the resources accumulated and maintenance and related capital expenditures related to various road maintenance projects. Revenues include the road maintenance property tax levy, related road maintenance project special assessments, State municipal construction aid, and State municipal maintenance aid.

Street Improvement Fund – This capital project fund is used to account for the resources accumulated and capital expenditures related to various street improvement projects.

The City reports the following major enterprise funds:

Water Operating Fund – This fund is used to account for the provision of water services to the residents of the City who have water service available.

Sewer Operating Fund – This fund is used to account for the provision of sewer services to the residents of the City who have sanitary sewer service available.

Storm Water Fund – This fund is used to account for the charges for and the costs of maintaining the City's storm water system.

Recycling Fund – This fund is used to account for the charges for and costs of providing recycling services to the residents of the City.

Cable TV Fund – This fund is used to account for the charges for and costs of providing Cable TV services to the residents of the City.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in short-term investments. Earnings from the pooled investments are allocated to the individual funds based on the average monthly cash and investment balances of the respective funds. The City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

Investments are stated at fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost.

F. Receivables

All special assessments receivable are shown at net of an allowance for doubtful accounts. Since the City is generally able to certify delinquent utility bills to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on those receivables. Receivables not expected to be collected within one year include delinquent taxes, special assessments, and certain amounts due from other governmental units. Any such receivables that are not considered to be available to finance current expenditures are offset by a deferred inflow of resources in the governmental fund financial statements.

G. Property Taxes

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

A portion of the property taxes levied is paid by the state of Minnesota through various tax credits, which are included in intergovernmental revenue in the financial statements.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes (Continued)

The county spreads levies over all taxable property in the City. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts three times a year. Revenues are generally accrued and recognized in the year collectible. Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable.

H. Special Assessments

Special assessments represent the financing for public improvements paid for by the benefiting property owners. These assessments are recorded as delinquent (levied but unremitted) or deferred (certified but not yet levied) special assessments receivable. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years related to the bond issue. Collection of annual installments (including interest) is handled by the county in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

I. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements is reported as either "due to/from other funds" (current portion) or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

J. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, and infrastructure (utility systems, roads, bridges, sidewalks, and similar items) assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The City defines capital assets as those with an initial, individual cost of \$5,000 with an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by accounting principles generally accepted in the United States of America, the City has elected not to retroactively capitalize the infrastructure of its governmental activities acquired prior to January 1, 2004.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets are recorded in the government-wide and proprietary fund financial statements but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. The estimated useful lives are as follows:

Buildings	30 - 40 Years
Improvements	10 - 30 Years
Machinery and Equipment	3 - 10 Years
Vehicles	3 - 7 Years
Infrastructure	20 - 75 Years

K. Compensated Absences Payable

The City allows employees to accrue vacation based on years of service to carry over to the next year. The amount of vacation accrued is payable upon separation if the employee is in good standing and proper notice is given. Sick leave accrues at various rates and may be accumulated to a maximum of 120 days. Under the City's personnel policy, employees who have at least five years of service with the City and who leave in good standing will receive between 25% and 55% of their sick leave balance, paid out depending on length of service.

The severance policy for the City Administrator states all accrued and unused vacation will be paid upon separation. The City's severance policy agrees to pay, at the time of receipt of the last paycheck, a lump sum cash payment equal to six months aggregate salary and continues to provide and pay for the employee benefits for the six months after termination.

The police department's full-time union employees accrue vacation up to a maximum of 160 hours to carry over to the next year. Part-time employees' accruals are prorated by hours worked per week. Employees are eligible for severance pay after completing five years of service. Severance pay is the sick leave balance paid between 25% and 55% depending on years of service.

Full-time public works employees that are union members accrue vacation up to a maximum of 160 hours to carry over to the next year. Sick leave is accrued at a rate of eight hours per month of continuous employment. Employees are eligible for severance pay after completing five years of service. Severance pay is the sick leave balance paid between 25% and 55% depending on years of service.

In the governmental funds, compensated absences are reported only if they have matured. Amounts that have not matured are a long-term liability and not reported at the fund level in governmental funds.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, if material, are amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, long-term debt and other long-term obligations are not reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two types of these items. The City has deferred outflows related to pensions, which qualify for reporting in this category. See Note 7 for additional detail. Additionally, City reports deferred outflows related to other postemployment benefits on its statements of net position. See Note 8 for additional detail.

In addition to liabilities, the statements of financial position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items which qualify for reporting in this category. The first, unavailable revenue, arises under a modified accrual basis of accounting and is therefore reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and amounts due from other governments not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The City also reports deferred inflows related to pensions on its statements of net position. See Note 7 for additional detail. Additionally, City reports deferred inflows related to other postemployment benefits on its statements of net position. See Note 8 for additional detail.

N. Net Position/Fund Balance

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Portions of net position are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Net Position/Fund Balance (Continued)

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

Nonspendable – portion of fund balances related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the City Council.

Assigned – consists of internally imposed constraints approved by the City Finance Director. The City adopted a formal fund balance policy which gives authority to assign fund balances to the Finance Director.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the City's policy to use committed first, then assigned, and finally unassigned amounts.

The City formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target unassigned fund balance of 50% of the fund's annual operating budget.

O. Budgets and Budgetary Accounting

The City Council adopts annual budgets for the General Fund, special revenue funds except for the Land Use fund, debt service funds, and capital project funds except for the 2017 Street Project fund. The amounts shown in the financial statements as "budget" represent the original amount and any revisions made during the year. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are submitted by all department heads to the City Finance Director. The Finance Director compiles the budget requests into an overall preliminary city budget.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Budgets and Budgetary Accounting (Continued)

2. The Finance Director presents the proposed budget to the City Council. The budget resolution adopted by the City Council sets forth the budgets at the function level for the General Fund and special revenue funds, and the budgeted debt service and capital project funds.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds, and the budgeted debt service, capital project, and enterprise funds.

The budgets are adopted on a basis consistent with accounting principles generally accepted in the United State of America. The legal level of budgetary control is at the function level.

P. 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.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

Expenditures in Excess of Appropriations

Expenditures exceeded budgeted amounts in the following funds at December 31, 2020:

Fund	Budget	Expenditures	Excess
Special Revenue Funds:			
Road Maintenance	\$ 967,000	\$ 1,040,126	\$ 73,126
Tree Replacement	5,000	7,425	2,425
Debt Service Funds:			
Mound Fire Improvement Bonds of 2003	68,217	75,771	7,554
G.O. Improvement Bonds of 2007A	59,600	60,809	1,209
G.O. Improvement Bonds of 2012A	59,330	60,085	755
G.O. Improvement Bonds of 2015A	199,237	199,430	193
2017 Street Project Debt Service	191,850	192,811	961

NOTE 3 DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consisted of the following:

Deposits	\$ 163,245
Investments	14,674,614
Cash on Hand	300
Total	<u>\$ 14,838,159</u>

Cash and investments are presented in the financial statements as follows:

Statement of Net Position:

Cash and Investments -	
Statement of Net Position	<u>\$ 14,838,159</u>

B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may be lost.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits (Continued)

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

The City has an investment policy in place to address custodial credit risk for deposits, stating all deposits must be in compliance with Minnesota Statutes 118A, with collateralization levels of 110% of the fair value of the principal and accrued interest.

At year-end, the carrying amount of the City's deposits was \$163,245 while the balance on the bank records was \$312,263. At December 31, 2020, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City's agent in the City's name.

C. Investments

The City has the following investments at year-end:

<u>Investment Type</u>	<u>Fair Value</u>
Federal Ntl Mortgage Association	\$ 500,000
Negotiable Certificates of Deposit	5,298,803
Municipal Bonds	206,420
Total	<u>\$ 6,005,223</u>

<u>Investment Type</u>	<u>Amortized Cost</u>
MN Municipal Money Market (4M)	\$ 8,528,615
Other Money Markets	140,776
Total	<u>\$ 8,669,391</u>

The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC). The City's investment in this fund is measured based on the amortized cost method that approximates fair value. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk).

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Interest Rate Risk (Continued) – The City’s investment policy uses diversification of maturity dates as a means of managing its exposure to fair value by stating that not more than 30% of the City’s investments may extend beyond a five-year maturity.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers.

The City’s investment policy refers to Minnesota Statute 118A. This statute restricts the purchase of commercial paper to issues of U.S. corporations or their Canadian subsidiaries which mature in 270 days or less and have a rating of P-1 by Moody Investor Services, A1 by Standard and Poor’s (S&P), or F-1 by Fitch Ratings, from at least two of the three rating agencies.

A schedule of the maturities and ratings of the City’s investments as of December 31, 2020 is as follows:

Investment Type	Total Value	Interest - Risk: Maturity in Years			Credit Risk	
		Less than 1	1-5	More than 5	Rating	Agency
US Agencies:						
Federal Ntl Mortgage Association	\$ 500,000	\$ -	\$ 500,000	\$ -	Aaa/AAA	Moody’s/S&P
Negotiable Certificates of Deposit	5,298,803	3,148,374	1,904,540	245,889	N/R	N/A
Municipal Bonds	206,420	-	206,420	-	Aa2/N/R	Moody’s/S&P
Money Market	140,776	140,776	-	-	Aa2/AA-	Moody’s/S&P
MN Municipal Money Market (4M)	8,528,615	8,528,615	-	-	N/R	N/A
Total	<u>\$ 14,674,614</u>	<u>\$ 11,817,765</u>	<u>\$ 2,610,960</u>	<u>\$ 245,889</u>		

N/R indicates “not rated”

N/A indicates “not applicable”

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk – For investment, the custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities. The City's investment policy requires all investments to be insured, registered, or held by the City or its agent in the City's name; and specifies that no more than 50% of the City's portfolio will be invested with any one broker or agency.

Concentration of Credit Risk – This is the risk associated with investing a significant portion of the City's investment (considered 5% or more) in the securities of a single issuer and no more than 50% of the City's total investment portfolio may be invested in certificates of deposit or commercial paper.

At December 31, 2020, the City did not have any investments requiring disclosure for individually comprising more than 5% of the City's total investments:

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain asset and liabilities and to determine fair value disclosures.

The City follows an accounting standard which defines fair value, establishes framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quotes and prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

Investment Type	Level 1	Level 2	Level 3	Total
US Agencies:				
Federal Ntl Mortgage Association	\$ -	\$ 500,000	\$ -	\$ 500,000
Negotiable Certificates of Deposit	-	5,298,803	-	5,298,803
Municipal Bonds	-	206,420	-	206,420
Total	<u>\$ -</u>	<u>\$ 6,005,223</u>	<u>\$ -</u>	<u>6,005,223</u>
Investments Measured at Amortized Cost				8,669,391
Total				<u>\$ 14,674,614</u>

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Transfers

The following is a summary of transfers made by the City during 2020:

Fund	Transfer In	Transfer Out
General Fund	\$ 50,000	\$ -
Park Development Fund	-	14,383
Road Maintenance	-	25,025
G.O. Improvement Bonds of 2019A	14,383	-
G.O. Improvement Bonds of 2013A	25,025	-
Water	-	50,000
Total	<u>\$ 89,408</u>	<u>\$ 89,408</u>

The \$14,383 transfer from the Park Development Fund to the G.O. Improvement Bonds of 2019A Fund related to the payment of related annual debt service expenditures. The \$25,025 transfer from the Road Maintenance Fund to the G.O. Improvements Bonds of 2013A Fund related to the payment of related annual debt service expenditures. The \$50,000 transfer from the Water Fund to the General Fund was a budgeted transfer for an administrative charge related to the water tower project.

CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 INTERFUND RECEIVABLES (CONTINUED)

B. Interfund Receivables and Payables

The following is a summary of amount due to and due from the funds of the City as of December 31, 2020:

Fund	Due To	Due From
General Fund	\$ 23,270	\$ -
Land Use	-	23,270
Total	<u>\$ 23,270</u>	<u>\$ 23,270</u>

The interfund amounts due to the General Fund and due from the Land Use Fund covered negative cash in the Capital Improvement Fund. This will be paid back in 2021 from expected 2021 land use deposits.

NOTE 5 CAPITAL ASSETS

A. Changes in Capital Assets Used in Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,733,976	\$ -	\$ -	\$ 4,733,976
Construction in Progress	35,118	536,601	-	571,719
Total Capital Assets, Not Being Depreciated	<u>4,769,094</u>	<u>536,601</u>	<u>-</u>	<u>5,305,695</u>
Capital Assets, Being Depreciated:				
Land Improvements	2,263,214	-	-	2,263,214
Buildings and Building Improvements	6,881,591	-	-	6,881,591
Infrastructure	47,684,436	1,331,595	-	49,016,031
Vehicles and Equipment	5,902,473	157,928	(78,104)	5,982,297
Total Capital Assets, Being Depreciated	<u>62,731,714</u>	<u>1,489,523</u>	<u>(78,104)</u>	<u>64,143,133</u>
Accumulated Depreciation for:				
Land Improvements	(1,167,322)	(84,716)	-	(1,252,038)
Buildings and Building Improvements	(2,350,545)	(167,820)	-	(2,518,365)
Infrastructure	(22,356,116)	(1,389,138)	-	(23,745,254)
Vehicles and Equipment	(4,370,299)	(249,983)	78,104	(4,542,178)
Total Accumulated Depreciation	<u>(30,244,282)</u>	<u>(1,891,657)</u>	<u>78,104</u>	<u>(32,057,835)</u>
Total Capital Assets, Being Depreciated, Net	<u>32,487,432</u>	<u>(402,134)</u>	<u>-</u>	<u>32,085,298</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,256,526</u>	<u>\$ 134,467</u>	<u>\$ -</u>	<u>\$ 37,390,993</u>

CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 CAPITAL ASSETS (CONTINUED)

B. Changes in Capital Assets Used in Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 102,471	\$ -	\$ -	\$ 102,471
Construction in Progress	179,617	1,791,329	(159,225)	1,811,721
Total Capital Assets, Not Being Depreciated	<u>282,088</u>	<u>1,791,329</u>	<u>(159,225)</u>	<u>1,914,192</u>
Capital Assets, Being Depreciated:				
Infrastructure	41,892,834	1,486,850	-	43,379,684
Machinery and Equipment	1,037,173	-	-	1,037,173
Total Capital Assets, Being Depreciated	<u>42,930,007</u>	<u>1,486,850</u>	<u>-</u>	<u>44,416,857</u>
Accumulated Depreciation for:				
Infrastructure	(13,389,061)	(1,364,109)	-	(14,753,170)
Machinery and Equipment	(549,567)	(63,954)	-	(613,521)
Total Accumulated Depreciation	<u>(13,938,628)</u>	<u>(1,428,063)</u>	<u>-</u>	<u>(15,366,691)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,991,379</u>	<u>58,787</u>	<u>-</u>	<u>29,050,166</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 29,273,467</u></u>	<u><u>\$ 1,850,116</u></u>	<u><u>\$ (159,225)</u></u>	<u><u>\$ 30,964,358</u></u>

C. Depreciation Expense by Function

Governmental Activities:

General Government	\$ 49,600
Public Safety	222,885
Public Works	1,520,810
Parks and Recreation	98,362
Total Depreciation Expense, Governmental Activities	<u><u>\$ 1,891,657</u></u>

Business-Type Activities:

Water Operating	\$ 875,292
Sewer Operating	365,774
Storm Water	186,997
Total Depreciation Expense, Business-Type Activities	<u><u>\$ 1,428,063</u></u>

CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 LONG-TERM LIABILITIES

A. Components Long-Term Debt

The City had the following long-term liabilities outstanding at December 31, 2020:

Description	Issue Date	Original Issue	Interest Rate	Final Maturity Date	Balance - End of Year
Governmental Activities:					
General Obligation Bonds Payable:					
G.O. Improvement Bonds of 2012A	04/26/12	\$ 770,000	0.50-2.80%	02/01/27	\$ 375,000
G.O. Refunding Bonds of 2014A	09/11/14	555,000	3.00-4.00%	12/01/27	345,000
G.O. Capital Improvement Plan Bonds of 2014B	10/29/14	4,595,000	2.50-3.50%	02/01/30	3,115,000
G.O. Equipment Certificates 2016A	06/09/16	375,000	3.00%	02/01/21	80,000
G.O. Equipment Certificates 2020A	03/26/20	480,000	2.00-3.00%	02/01/26	480,000
G.O. Equipment Certificates 2017A	10/12/17	235,000	3.00%	02/01/23	145,000
G.O. Bonds 2017A	10/12/17	2,865,000	3.00%	02/01/38	2,720,000
G.O. Improvement Refunding Bonds 2019A	11/06/19	1,210,000	4.00-5.00%	02/01/31	1,105,000
Total Bonds					<u>8,365,000</u>
Unamortized Bond Premiums					512,903
Unamortized Bond Discounts					(5,417)
Compensated Absences					278,083
Total Governmental Activities					<u>\$ 9,150,569</u>
Business-Type Activities:					
General Obligation Revenue Bonds:					
G.O. Sewer Revenue Bonds of 2012	04/26/12	\$ 780,000	0.50-2.80%	02/01/27	\$ 380,000
G.O. Water Revenue Bonds 2016A	06/09/16	2,620,000	2.00-3.00%	02/01/31	2,005,000
G.O. Water Revenue Bonds 2020A	03/26/20	1,910,000	2.00-3.00%	02/01/40	1,910,000
G.O. Refunding Bonds 2017C	10/12/17	770,000	1.35-3.05%	02/01/30	605,000
Total Bonds					<u>4,900,000</u>
Direct Borrowings:					
G.O. Rev. PFA Drinking Water Loan 2010	Various	719,813	1.189%	08/20/24	202,544
G.O. Rev. PFA Drinking Water Loan 2016	Various	9,074,697	1.000%	08/20/35	6,959,000
Total Direct Borrowings					<u>7,161,544</u>
Unamortized Bond Premiums					173,088
Compensated Absences					22,477
Total Business-Type Activities					<u>\$ 12,257,109</u>

The City issues general obligation bonds to provide for financing street improvements, major capital equipment purchases, and utility improvements. Debt service is funded through property taxes, special assessments, and utility charges. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Debt (Continued)

Debt service funds will be used to pay general government principal and interest liabilities. The Water and Sewer Enterprise Funds will pay principal and interest on the water and sewer revenue bonds, respectively. The Water Fund will pay principal and interest on the general obligation revenue PFA Drinking Water Revolving Loan. The General Fund and Enterprise Funds will pay for the corresponding compensated absences, OPEB, and net pension liabilities.

B. Changes in Long-Term Debt

	Beginning of Year	Additions	Retirements	End of Year	Due Within One Year
Governmental Activities:					
G.O. Special Assessment Bonds	\$ 4,855,000	\$ -	\$ (310,000)	\$ 4,545,000	\$ 290,000
G.O. Capital Improvement Bonds	3,380,000	-	(265,000)	3,115,000	270,000
G.O. Equipment Certificates	414,000	480,000	(189,000)	705,000	125,000
Unamortized Bond Discounts	(6,014)	-	597	(5,417)	-
Unamortized Bond Premiums	537,201	30,353	(54,651)	512,903	-
Total Bonds Payable	9,180,187	510,353	(818,054)	8,872,486	685,000
Compensated Absences	247,914	262,485	(232,316)	278,083	90,000
Total Governmental Activities	9,428,101	772,838	(1,050,370)	9,150,569	775,000
Business-Type Activities:					
G.O. Revenue Bonds	3,250,000	1,910,000	(260,000)	4,900,000	345,000
G.O. Revenue PFA Drinking Water Loan - Direct Borrowing	7,639,544	-	(478,000)	7,161,544	483,000
Unamortized Bond Premiums	102,542	82,907	(12,361)	173,088	-
Total Bonds and Loans	10,992,086	1,992,907	(750,361)	12,234,632	828,000
Compensated Absences	19,134	27,071	(23,728)	22,477	10,000
Total Business-Type Activities	11,011,220	2,019,978	(774,089)	12,257,109	838,000
Total Debt	\$ 20,439,321	\$ 2,792,816	\$ (1,824,459)	\$ 21,407,678	\$ 1,613,000

General Obligation Special Assessment Bonds – These bonds were issued to finance various improvements and are payable primarily from special assessments levied on the properties benefitting from the improvements funded by these issues. Any deficiencies in revenue to fund these issues will be provided from general property taxes.

In 2019, the City issued the 2019A General Obligation Improvement Refunding Bonds to refund the remaining \$1,360,000 of the 2010A Series special assessment improvement bonds. The total gross debt service expenditure cashflow savings from this refunding was \$86,888. The net present value debt service expenditure cashflow savings from this refunding was \$78,533.

General Obligation Capital Improvement Bonds – These bonds were issued in 2014 to refund previously outstanding EDA Lease Revenue Bonds.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Changes in Long-Term Debt (Continued)

General Obligation Equipment Certificates – These certificates were issued to finance various equipment and motor vehicle purchases in the Capital Improvement Fund.

General Obligation Revenue Bonds – These bonds were issued for improvements or projects that directly benefit the respective enterprise funds. This debt issue will be repaid from revenue sources of the benefiting enterprise funds.

General Obligation Revenue PFA Drinking Water Revolving Loans – Direct Borrowing – The City entered into a \$719,813 Drinking Water Revolving Loan in 2009 through the Minnesota PFA. The total amount drawn on this loan was \$692,604. The City entered into an additional Drinking Water Revolving Loan in 2016 through Minnesota PFA for up to \$9,074,697. The total amount outstanding on the loans at December 31, 2019 was \$7,161,544.

The City has an outstanding note from a direct borrowing related to its Water Fund totaling \$7,161,544 and contains (1) a provision that if the City is unable to make a payment when due, an interest penalty may be imposed and one or more of the following remedies may be exercised (a) withhold approval of any disbursement request (b) reject any pending application by the City for financial assistance (c) to the extent permitted by law, demand immediate payment of the note in full and upon such demand, the outstanding principal amount of the note will be immediately due and payable with interest accrued thereon to the date of payment (d) exercise any other remedy available under law and (2) a provision that if the City fails to comply with any other provision within the note agreement an immediate increase in the interest rate on the loan by eliminating all interest rate discounts that were originally applied, in addition, the default remedies for failure to make a payment as listed above may be exercised. This loan is for water tower construction and water treatment plant rehabilitation and expansion. The total available balances on the loans was \$9,794,510. At December 31, 2020, the City had completed the project and drawn \$9,794,510 of the total available loan.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

C. Future Minimum Debt Payments

Minimum annual principal and interest payments to retire long-term debt are as follows:

Year Ending December 31,	Governmental Activities				
	Bonds and Equipment Certificates Payable				
	Principal		Interest		
2021	\$	685,000	\$	263,336	
2022		715,000		236,555	
2023		750,000		212,205	
2024		705,000		187,046	
2025		740,000		162,988	
2026-2030		3,255,000		488,573	
2031-2035		955,000		149,950	
2036-2038		560,000		25,650	
Totals	\$	8,365,000	\$	1,726,303	

Year Ending December 31,	Business-Type Activities				
	Bonds Payable		Loans Payable - Direct Borrowing		Totals
	Principal	Interest	Principal	Interest	
2021	\$ 345,000	\$ 125,475	\$ 483,000	\$ 71,996	\$ 1,025,471
2022	350,000	100,521	488,000	67,052	1,005,573
2023	365,000	90,743	493,000	62,077	1,010,820
2024	370,000	80,535	498,544	57,051	1,006,130
2025	380,000	70,355	451,000	51,970	953,325
2026-2030	1,840,000	223,439	2,324,000	191,270	4,578,709
2031-2035	700,000	82,400	2,424,000	72,730	3,279,130
2036-2040	550,000	27,900	-	-	577,900
Totals	\$ 4,900,000	\$ 801,368	\$ 7,161,544	\$ 574,146	\$ 13,437,058

D. Legal Debt Margin

Per Minnesota Statutes § 475.53, subdivision 1, the City of Minnetrista is subject to a legal debt margin of 3% of the estimated market value of taxable property in the City. As of December 31, 2020, the City had net applicable debt of \$3,485,089, and the City was \$55,430,132 below its debt limit of \$58,915,221.

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Description

The City of Minnetrista (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.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

A. Plan Description (Continued)

1. General Employees Retirement Plan (GERF)

The General Employees Retirement Plan covers certain full time and part-time employees of the City. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan (PEPFF)

The Police and Fire Plan, 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 Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. 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. General Employees Retirement Plan Benefits

General Employees Plan 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 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 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 postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

B. Benefits Provided (Continued)

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan 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 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 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 postretirement increase will be fixed at 1%. 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. 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.

C. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERS Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2020 were \$119,898. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire member's contribution rates increased from 11.3% of their annual covered salary to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$204,476. The City's contributions were equal to the required contributions as set by state statute.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$1,313,005 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a non-employer 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 \$40,353. The net pension liability was measured as of June 30, 2020, 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 proportionate share 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, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0219% at the end of the measurement period and 0.0218% for the beginning of the period.

City's Proportionate Share of the Net Pension Liability	\$ 1,313,005
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>40,353</u>
Total	<u><u>\$ 1,353,358</u></u>

For the year ended December 31, 2020, the City recognized pension expense of \$63,708 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$3,512 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the annual \$16 million contribution.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

At December 31, 2020, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 11,971	\$ 4,968
Changes in Actuarial Assumptions	-	48,678
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	22,683	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	27,740	3,111
City Contributions Subsequent to the Measurement Date	61,213	-
Total	<u>\$ 123,607</u>	<u>\$ 56,757</u>

A total of \$61,213 reported as deferred outflows of resources 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 ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expenses Amount
2021	\$ (51,452)
2022	(1,190)
2023	26,556
2024	31,723

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2020, the City reported a liability of \$1,324,698 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, 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 proportionate share 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, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1005% at the end of the measurement period and 0.1080% for the beginning of the period.

The state of Minnesota contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet 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 \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The state of Minnesota is included as a non-employer 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 \$4.5 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 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$180,210 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$9,604 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the contribution of \$4.5 million to the Police and Fire Fund.

The state of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$9,045 for the year ended December 31, 2020 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.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

City's Proportionate Share of the Net Pension Liability	\$ 1,324,698
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>31,217</u>
Total	<u><u>\$ 1,355,915</u></u>

At December 31, 2020, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 58,533	\$ 62,909
Changes in Actuarial Assumptions	443,934	826,167
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	40,237	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	121,827	107,185
City Contributions Subsequent to the Measurement Date	104,789	-
Total	<u><u>\$ 769,320</u></u>	<u><u>\$ 996,261</u></u>

A total of \$104,789 reported as deferred outflows of resources 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 ending December 31, 2021.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

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

<u>Year Ending December 31,</u>	<u>Pension Expenses Amount</u>
2021	\$ (71,844)
2022	(348,972)
2023	59,624
2024	49,966
2025	(20,504)

3. Pension Totals

For the year ended December 31, 2020, the City had the following recorded in relation to all of the plans in which it participates:

	<u>GERF</u>	<u>PEPFF</u>	<u>Total</u>
Net Pension Liability	\$ 1,313,005	\$ 1,324,698	\$ 2,637,703
Deferred Inflows of Resources	56,757	996,261	1,053,018
Deferred Outflows of Resources	123,607	769,320	892,927
Pension Expense	67,220	189,814	257,034

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	General Employees Fund	Police and Fire Fund
Inflation	2.25% per year	2.50% per year
Active Member Payroll Growth	3.00% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and RP 2014 tables for the Police and Fire Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0% per year as set by state statute.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Actuarial Assumptions (Continued)

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The four-year experience study used for the Police and Fire Plan was completed in 2016. Inflation and investment return assumptions for the Police and Fire Plan are based on the General Employees Retirement Plan experience study completed in 2019. The most recent four-year experience study for the Police and Fire Plan was completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

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 2-5 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 Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Actuarial Assumptions (Continued)

- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. 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 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50 %	5.10%
International Equity	17.50	5.30%
Bonds	20.00	0.75%
Alternative Assets	25.00	5.90%
Cash	2.00	0.00%
Totals	100.00 %	

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50%. 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 positions of the General Employees Fund and the Police and Fire Fund 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.

G. 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:

GERF PENSION LIABILITY		1% Decrease in Discount Rate (6.50%)	Current Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Description				
City's Proportionate Share of the GERF Net Pension Liability		\$ 2,104,292	\$ 1,313,005	\$ 660,257
PEPFF PENSION LIABILITY		1% Decrease in Discount Rate (6.50%)	Current Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Description				
City's Proportionate Share of the PEPFF Net Pension Liability		\$ 2,640,313	\$ 1,324,698	\$ 236,256

H. 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 Internet at www.mnpera.org.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

The City accounts for Other Postemployment Benefits under Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As the City has fewer than one hundred plan members, it has elected to calculate its total OPEB liability and related information using the alternative measurement permitted by GASB Statement No. 75.

A. Plan Description

The City administers a single-employer defined benefit healthcare plan (the Retiree Health Care Plan). The plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. The benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through the City's collective bargaining agreements with employee groups. The Retiree Health Plan does not issue a publicly available financial report.

The benefits provided are as follows:

Postemployment Insurance Benefits – All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical insurance.

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, whether the premiums are paid by the City or the retiree. 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.

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefit Payments	-
Inactive Plan Members Entitled to but not yet	
Receiving Benefit Payments	-
Active Plan Members	32
Total	<u>32</u>

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Contributions and Funding Policy

The City funds its OPEB obligation on a pay as you go basis. The City contributes none of the cost of current year premiums for eligible retired plan members and their spouses except for the implicit rate subsidy described above. For fiscal year 2020, the City contributed \$-0- to the plan. Plan members receiving benefits contribute 100% of their premium costs. As of December 31, 2020, there were no retirees receiving health benefits from the City's health plans.

C. Total OPEB Liability

The City's Total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Valuation date:</u>	January 1, 2019
<u>Measurement date:</u>	December 31, 2020
<u>Methods and assumptions used to determine the contribution rates:</u>	
Actuarial cost method	Entry age
Amortization method	level percentage of payroll, closed
Amortization period	Investment gains/losses are amortized over 5 years and liability gains/losses are amortized over Average Working Lifetime
Inflation	2.75%
Healthcare cost trend rate	7.50% for 2020, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary increases	3.25%
Discount rate	2.12% (20-year municipal bond index)
Retirement age	Age 56 for Police & Fire, Age 63 for all others (based on PERA average rates)
Mortality	RP-2014 with MP-2018 generational improvements

Discount Rate

The City's OPEB plan is not funded by a trust, and therefore, the City's uses the 20-year municipal bond index rate to develop its long-term rate of return and discount rate. This rate was 2.12% in the current actuarial valuation and measurement date, which was updated from the 2.74% used in the prior measurement date.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Changes in the Total OPEB Liability

The details of the changes in the City's total OPEB Liability were as follows for 2020:

	Increase (Decrease) Total OPEB Liability (a)
Balances at 12/31/19	<u>\$ 306,796</u>
Changes for the Year:	
Service Cost	24,495
Interest	9,077
Differences Between Expected and Actual Experience	-
Contributions - Employer	-
Net Investment Income	-
Benefit Payments	-
Changes in Assumptions	<u>24,555</u>
Net Changes	<u>58,127</u>
Balances at 12/31/20	<u><u>\$ 364,923</u></u>

The following changes in assumptions occurred between the current and prior actuarial valuations and measurement dates:

- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate decreased from 2.74% to 2.12%.
- The assumed rate for salary increases decreased from 3.5% to 3.25%

CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

D. Sensitivity of Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1% Decrease (1.12)%	Discount Rate (2.12)%	1% Increase (3.12)%
Net OPEB Liability (Asset)	\$ 405,896	\$ 364,923	\$ 327,437

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.50% Decreasing to 4.00%)	Healthcare Cost Trend Rates (7.50% Decreasing to 5.00%)	1% Increase (8.50% Decreasing to 6.00%)
Net OPEB liability (asset)	\$ 306,404	\$ 364,923	\$ 435,774

E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$47,422. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 142,345	\$ -
Changes of Assumptions	45,574	6,077
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Total	<u>\$ 187,919</u>	<u>\$ 6,077</u>

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

- E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 13,850
2022	13,850
2023	13,850
2024	13,850
2025	13,850
Thereafter	112,592

NOTE 9 FUND BALANCES

Certain portions of fund balance are restricted to provide for funding on certain long-term liabilities or as required by other outside parties. Restricted and Assigned fund balances at December 31, 2020 are as follows:

- A. **Restricted for Debt Service** – This represents amounts which are restricted for future debt payments.
- B. **Restricted for Parkland Acquisitions and Improvements** – Represents amounts which are received through park dedication fees and are restricted for parkland acquisitions and improvements.
- C. **Restricted for Road Maintenance** – Represents State municipal construction aid and municipal maintenance aid as well as levied revenues that are restricted to be used for various road maintenance projects.
- D. **Committed for Emergency Warning Siren** – Represents amounts committed by the City Council for the replacement of the emergency warning siren system.
- E. **Committed for Tree Replacement** – Represents amounts committed by the City Council to be used for various tree replacement projects.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 FUND BALANCES (CONTINUED)

- F. **Assigned for Subsequent Year Budget** – Represents the portion of fund balance which is assigned by the City to be spent down in the subsequent year.
- G. **Assigned for Capital Plan Improvements** – Represents amounts which are assigned by the City to finance future capital projects which are a part of the City's Capital Improvement Plan.

NOTE 10 COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenue

Amounts recorded or receivable from state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years. The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

C. Public Safety Contract

The City has a contract to provide public safety services to the City of St. Bonifacius, Minnesota. The annual service fee will be determined based on a percentage of the City's annual police department budget. The percentage of the annual budget to be paid by the City of Bonifacius will be based on the respective populations and tax capacities of the two cities. During 2020, the City received \$223,348 from the City of St. Bonifacius for public safety services.

**CITY OF MINNETRISTA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. Fire Protection Services Contract

The City has contracted with the cities of St. Bonifacius and Mound, Minnesota to provide fire protection services for portions of the City. The annual fee will be determined based on a formula that includes the level of services provided and the market values of the fire service area covered by the contract. The City paid \$455,117 for fire protection services in 2020.

E. Public Safety Building

The City of Mound issued general obligation bonds to finance the construction of a public safety building, a portion of which is used for the Mound Police Department and the other portion used by the area fire service, which consists of five area cities, including the City of Minnetrista. As part of its annual fee for fire protection services, the City has agreed to contribute its proportionate share of the area fire service's debt service obligation on the City of Mound's general obligation bonds. The City's payments of \$75,771 for 2020 are included in debt service principal \$(70,922) and interest \$(4,849) in the governmental fund financial statements. Future payments are contingent upon the City continuing participation in the area fire service.

F. Construction Commitments

The City had the following construction commitments as of December 31, 2020:

Project	Final Contracted Amount	Expended Through 12/31/2020	Remaining Commitment
2020 MSA Street Improvements	\$ 196,645	\$ 184,694	\$ 11,951
2020 Street Improvement Project	740,169	707,825	32,344
Sunnyfield Road Water Tower Rehab	520,500	437,500	83,000
Southwest Water Tower	2,288,500	876,050	1,412,450
Total	<u>\$ 3,745,814</u>	<u>\$ 2,206,069</u>	<u>\$ 1,539,745</u>

This page left intentionally blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page left intentionally blank.

CITY OF MINNETRISTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND – BUDGET TO ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 3,439,483	\$ 3,439,483	\$ 3,412,349	\$ (27,134)
Special Assessments	-	-	69	69
Licenses and Permits	737,500	737,500	956,557	219,057
Intergovernmental Revenue	175,850	175,850	766,665	590,815
Charges for Services	332,100	332,100	325,603	(6,497)
Fines and Forfeits	50,800	50,800	22,743	(28,057)
Other Revenue:				
Investment Earnings	60,000	60,000	32,427	(27,573)
Miscellaneous Revenue	126,000	126,000	137,650	11,650
Total Revenue	4,921,733	4,921,733	5,654,063	732,330
EXPENDITURES				
General Government:				
Mayor and City Council	31,698	31,698	26,629	(5,069)
Administration	528,625	528,625	492,386	(36,239)
Elections	19,200	19,200	27,971	8,771
Assessing	158,000	158,000	193,000	35,000
Legal	102,000	102,000	111,915	9,915
Planning	221,558	221,558	216,793	(4,765)
Government Building	76,500	76,500	68,223	(8,277)
Total General Government	1,137,581	1,137,581	1,136,917	(664)
Public Safety:				
Police	2,136,702	2,136,702	2,125,833	(10,869)
Fire	463,415	463,415	455,117	(8,298)
Inspection and Zoning	243,076	243,076	239,900	(3,176)
Total Public Safety	2,843,193	2,843,193	2,820,850	(22,343)
Public Works:				
Other	964,079	964,079	913,107	(50,972)
Parks and Recreation:				
Other	163,893	163,893	147,269	(16,624)
Miscellaneous:				
Other	26,100	26,100	14,055	(12,045)
Total Expenditures	5,134,846	5,134,846	5,032,198	(102,648)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(213,113)	(213,113)	621,865	834,978
OTHER FINANCE SOURCES				
Transfers In	50,000	50,000	50,000	-
Proceeds from Sale of Capital Assets	-	-	2,790	2,790
Total Other Finance Sources (Uses)	50,000	50,000	52,790	2,790
NET CHANGE IN FUND BALANCES	\$ (163,113)	\$ (163,113)	674,655	\$ 837,768
FUND BALANCES				
Beginning of Year			2,806,327	
End of Year			\$ 3,480,982	

CITY OF MINNETRISTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ROAD MAINTENANCE FUND– BUDGET TO ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 600,000	\$ 600,000	\$ 600,464	\$ 464
Special Assessments	13,000	13,000	151,758	138,758
Intergovernmental Revenue	382,300	382,300	1,254,862	872,562
Investment Earnings	5,000	5,000	6,000	1,000
Total Revenue	<u>1,000,300</u>	<u>1,000,300</u>	<u>2,013,084</u>	<u>1,012,784</u>
EXPENDITURES				
Streets:				
Other	967,000	967,000	636,666	(330,334)
Capital Outlay:				
Other	<u>-</u>	<u>-</u>	<u>403,460</u>	<u>403,460</u>
Total Expenditures	<u>967,000</u>	<u>967,000</u>	<u>1,040,126</u>	<u>73,126</u>
EXCESS OF REVENUE OVER EXPENDITURES	33,300	33,300	972,958	939,658
OTHER FINANCE USES				
Transfers Out	<u>(25,025)</u>	<u>(25,025)</u>	<u>(25,025)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 8,275</u>	<u>\$ 8,275</u>	947,933	<u>\$ 939,658</u>
FUND BALANCES				
Beginning of Year			<u>307,142</u>	
End of Year			<u>\$ 1,255,075</u>	

CITY OF MINNETRISTA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 24,495	\$ 19,755	\$ 8,424
Interest	9,077	4,575	3,311
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	-	164,245	-
Changes in Assumptions	24,555	26,129	(7,481)
Benefit Payments	-	-	-
Net Change in Total OPEB Liability	58,127	214,704	4,254
Total OPEB Liability - Beginning	306,796	92,092	87,838
Total OPEB Liability - Ending	<u>\$ 364,923</u>	<u>\$ 306,796</u>	<u>\$ 92,092</u>
Total OPEB Liability	\$ 364,923	\$ 306,796	\$ 92,092
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 2,400,000	\$ 2,300,000	\$ 2,500,000
City's Total OPEB Liability as a Percentage of the Covered Employee Payroll	15.21%	13.34%	3.68%

Additional data will be presented as it becomes available and eventually ten years of data will be presented.

Notes to schedule

Valuation date: January 1, 2019
Measurement date: December 31, 2020

Methods and assumptions used to determine the contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	Investment gains/losses are amortized over 5 years and liability gains/losses are amortized over Average Working Lifetime
Inflation	2.75%
Healthcare cost trend rate	7.50% for 2020, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary increases	3.25%
Discount rate	2.12% (20-year municipal bond index)
Retirement age	Age 56 for Police & Fire, Age 63 for all others (based on PERA average rates)
Mortality	RP-2014 with MP-2018 generational improvements

CITY OF MINNETRISTA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
(CONTINUED)
DECEMBER 31, 2020

Changes in Assumptions:

2018:

- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate increased from 4.00% to 4.09%.
- The actuarial Cost Methods was updated along with the implementation of GASB Statement No. 75 to the Entry Age Normal level percent of pay method, with investment gains/losses being amortized over 5 years, liability gains/losses are amortized over the assumed average working lifetime, and plan changes are recognized immediately. Previously, under GASB Statement No. 45, the Entry Age Normal actuarial cost method was used, and the unfunded actuarial accrued liability was being amortized as a level percent of payroll over a 30-year period.

2019:

- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate decreased from 4.09% to 2.74%.

2020:

- The discount rate used is the 20-year municipal bond index, as the plan is not funded. This assumed rate decreased from 2.74% to 2.12%.
- The assumed rate for salary increases decreased from 3.5% to 3.25%

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
DECEMBER 31, 2020**

	Measurement Date 6/30/2020	Measurement Date 6/30/2019	Measurement Date 6/30/2018	Measurement Date 6/30/2017	Measurement Date 6/30/2016	Measurement Date 6/30/2015	Measurement Date 6/30/2014
City's Proportion of the Net Pension Liability	0.0219%	0.0218%	0.0219%	0.0204%	0.0212%	0.0183%	0.0186%
City's Proportionate Share of the Net Pension Liability	\$ 1,313,005	\$ 1,205,273	\$ 1,214,923	\$ 1,302,323	\$ 1,721,335	\$ 948,401	\$ 873,735
State's Proportionate Share of the Net Pension Liability							
Associated with the City	40,353	37,332	39,798	16,384	-	-	-
Total	<u>\$ 1,353,358</u>	<u>\$ 1,242,605</u>	<u>\$ 1,254,721</u>	<u>\$ 1,318,707</u>	<u>\$ 1,721,335</u>	<u>\$ 948,401</u>	<u>\$ 873,735</u>
City's Covered Payroll	\$ 1,561,695	\$ 1,543,927	\$ 1,492,082	\$ 1,319,516	\$ 1,317,129	\$ 1,077,624	\$ 1,008,276
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	86.66%	80.48%	84.09%	99.94%	130.69%	88.01%	86.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.06%	80.23%	79.53%	75.90%	68.91%	78.20%	78.70%
	Measurement Date 6/30/2020	Measurement Date 6/30/2019	Measurement Date 6/30/2018	Measurement Date 6/30/2017	Measurement Date 6/30/2016	Measurement Date 6/30/2015	Measurement Date 6/30/2014
City's Proportion of the Net Pension Liability	0.1005%	0.1080%	0.1032%	0.1000%	0.0940%	0.0920%	0.0910%
City's Proportionate Share of the Net Pension Liability	\$ 1,324,698	\$ 1,149,769	\$ 1,100,006	\$ 1,350,119	\$ 3,772,384	\$ 1,045,335	\$ 982,837
State's Proportionate Share of the Net Pension Liability							
Associated with the City	31,217	-	-	-	-	-	-
Total	<u>\$ 1,355,915</u>	<u>\$ 1,149,769</u>	<u>\$ 1,100,006</u>	<u>\$ 1,350,119</u>	<u>\$ 3,772,384</u>	<u>\$ 1,045,335</u>	<u>\$ 982,837</u>
City's Covered Payroll	\$ 1,141,708	\$ 1,138,475	\$ 1,087,631	\$ 1,024,530	\$ 904,985	\$ 845,708	\$ 788,333
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	116.03%	100.99%	101.14%	131.78%	416.84%	123.60%	124.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.19%	89.26%	88.84%	85.40%	63.88%	86.61%	87.10%

Additional data will be presented as it becomes available and eventually ten years of data will be presented.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
DECEMBER 31, 2020**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

General Employees Fund

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 2-5 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 Scale MP-2018 to Scale 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% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. 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 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2020**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2019 Changes

Changes in Actuarial Assumptions:

- The morality 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 morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% 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 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2020**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study 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.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2020**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Police and Fire Fund

2020 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2020**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Postretirement benefit increases were changed to 1.00% 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% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019 and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, 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 30.00% for vested and nonvested, deferred members. The CSA has been changed to 33.00% for vested members and 2.00% for non-vested 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.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2020**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

- Assumed termination rates were decreased to 3.00% 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 65.00% to 60.00%.
- 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 postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.60% per annum to 7.50% per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.
- 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.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**CITY OF MINNETRISTA
PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (CONTINUED)
DECEMBER 31, 2020**

NOTES TO SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after the attainment of the 90.00% funding threshold was changed from inflation up to 2.50%, to a fixed rate of 2.50%.

**CITY OF MINNETRISTA
PERA SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2020**

GERF Schedule of City Contributions

	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 119,898	\$ 116,456	\$ 114,742	\$ 105,809	\$ 94,798	\$ 92,221	\$ 73,100
Contributions in Relation to the Statutorily Required Contribution	(119,898)	(116,456)	(114,742)	(105,809)	(94,798)	(92,221)	(73,100)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,598,640	\$ 1,552,747	\$ 1,529,893	\$ 1,410,787	\$ 1,263,973	\$ 1,229,613	\$ 1,008,276
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%

PEPFF Schedule of City Contributions

	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 204,476	\$ 194,775	\$ 180,459	\$ 172,220	\$ 151,797	\$ 144,518	\$ 127,710
Contributions in Relation to the Statutorily Required Contribution	(204,476)	(194,775)	(180,459)	(172,220)	(151,797)	(144,518)	(127,710)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,155,232	\$ 1,149,115	\$ 1,113,944	\$ 1,063,086	\$ 937,019	\$ 892,086	\$ 788,333
Contributions as a Percentage of Covered Payroll	17.70%	16.95%	16.20%	16.20%	16.20%	16.20%	16.20%

Additional data will be presented as it becomes available and eventually ten years of data will be presented.

This page left intentionally blank.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

This page left intentionally blank.

**CITY OF MINNETRISTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2020**

	Special Revenue	Debt Service	Capital Project	Totals
ASSETS				
Cash and Investments	\$ 1,587,344	\$ 1,724,372	\$ 127,599	\$ 3,439,315
Receivables:				
Miscellaneous Receivables (Net of Allowance)	70,239	16	-	70,255
Accrued Interest	2,104	2,198	168	4,470
Delinquent Special Assessments	-	29,922	-	29,922
Other Special Assessments Receivable	-	802,635	-	802,635
Due from Other Governmental Units	-	209,034	-	209,034
Total Assets	<u>\$ 1,659,687</u>	<u>\$ 2,768,177</u>	<u>\$ 127,767</u>	<u>\$ 4,555,631</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts and Contracts Payable	\$ 46,969	\$ -	\$ 80,079	\$ 127,048
Due to Other Funds	23,270	-	-	23,270
Total Liabilities	<u>70,239</u>	<u>-</u>	<u>80,079</u>	<u>150,318</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Special Assessment	-	832,556	-	832,556
Unavailable Revenue - Other	-	199,181	-	199,181
Total Deferred Inflows of Resources	<u>-</u>	<u>1,031,737</u>	<u>-</u>	<u>1,031,737</u>
FUND BALANCE				
Restricted:				
Debt Service	-	1,736,440	-	1,736,440
Parkland Acquisitions and Improvement	950,512	-	-	950,512
Committed:				
Emergency Warning Siren Operation	222,819	-	-	222,819
Tree Replacement	416,117	-	-	416,117
Assigned:				
Capital Plan Improvements	-	-	47,688	47,688
Total Fund Balance	<u>1,589,448</u>	<u>1,736,440</u>	<u>47,688</u>	<u>3,373,576</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,659,687</u>	<u>\$ 2,768,177</u>	<u>\$ 127,767</u>	<u>\$ 4,555,631</u>

**CITY OF MINNETRISTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2020**

	Special Revenue	Debt Service	Capital Project	Totals
REVENUE				
Property Taxes	\$ -	\$ 846,232	\$ 50,242	\$ 896,474
Special Assessments	-	139,362	-	139,362
Intergovernmental Revenue	-	-	11,917	11,917
Gifts and Contributions	55,800	-	-	55,800
Other Revenue:				
Investment Earnings	18,555	10,909	1,883	31,347
Miscellaneous Revenue	48,592	50,821	46,552	145,965
Total Revenue	<u>122,947</u>	<u>1,047,324</u>	<u>110,594</u>	<u>1,280,865</u>
EXPENDITURES				
Current:				
General Government:				
Administration	-	-	3,494	3,494
Public Works				
Other	2,475	-	9,748	12,223
Capital Outlay:				
Other	48,103	-	257,819	305,922
Debt Service:				
Principal Retirement	-	834,922	-	834,922
Interest and Fiscal Charges	-	266,343	10,353	276,696
Total Expenditures	<u>50,578</u>	<u>1,101,265</u>	<u>281,414</u>	<u>1,433,257</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	72,369	(53,941)	(170,820)	(152,392)
OTHER FINANCE SOURCES (USES)				
Issuance of Bonds and Other Debt	-	-	480,000	480,000
Premium on Debt Issued	-	-	30,353	30,353
Transfers In	-	39,408	-	39,408
Transfers Out	(14,383)	-	-	(14,383)
Proceeds from Sale of Capital Assets	-	-	4,975	4,975
Total Other Finance Sources (Uses)	<u>(14,383)</u>	<u>39,408</u>	<u>515,328</u>	<u>540,353</u>
NET CHANGE IN FUND BALANCES	57,986	(14,533)	344,508	387,961
FUND BALANCES				
Beginning of Year	<u>1,531,462</u>	<u>1,750,973</u>	<u>(296,820)</u>	<u>2,985,615</u>
End of Year	<u><u>\$ 1,589,448</u></u>	<u><u>\$ 1,736,440</u></u>	<u><u>\$ 47,688</u></u>	<u><u>\$ 3,373,576</u></u>

NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor special revenue funds are used to account for revenue derived from specific revenue sources that are legally restricted to expenditures for specific purposes.

Emergency Warning Siren Fund – Used to account for amounts received and related expenditures for the replacement of the City's emergency warning siren system.

Park Development Fund – Used to account for received park dedication fees to be used for land acquisition and park development.

Tree Replacement Fund – Used to account for amounts received and related expenditures for various tree replacement projects of the City.

Land Use Fund – Used to account for amounts received and expended for various land use projects of the City.

**CITY OF MINNETRISTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2020**

	Emergency Warning Siren (402)	Park Development (404)	Tree Replacement (407)	Land Use (801)	Totals
ASSETS					
Cash and Investments	\$ 222,527	\$ 949,246	\$ 415,571	\$ -	\$ 1,587,344
Receivables:					
Miscellaneous Receivables (Net of Allowance)	-	-	-	70,239	70,239
Accrued Interest	292	1,266	546	-	2,104
	<u>292</u>	<u>1,266</u>	<u>546</u>	<u>-</u>	<u>2,104</u>
Total Assets	<u>\$ 222,819</u>	<u>\$ 950,512</u>	<u>\$ 416,117</u>	<u>\$ 70,239</u>	<u>\$ 1,659,687</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts and Contracts Payable	\$ -	\$ -	\$ -	\$ 46,969	\$ 46,969
Due to Other Funds	-	-	-	23,270	23,270
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,239</u>	<u>70,239</u>
FUND BALANCE					
Restricted:					
Parkland Acquisitions and Improvement	-	950,512	-	-	950,512
Committed:					
Emergency Warning Siren Operation	222,819	-	-	-	222,819
Tree Replacement	-	-	416,117	-	416,117
Total Fund Balance	<u>222,819</u>	<u>950,512</u>	<u>416,117</u>	<u>-</u>	<u>1,589,448</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 222,819</u>	<u>\$ 950,512</u>	<u>\$ 416,117</u>	<u>\$ 70,239</u>	<u>\$ 1,659,687</u>

**CITY OF MINNETRISTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2020**

	Emergency Warning Siren (402)	Park Development (404)	Tree Replacement (407)	Land Use (801)	Totals
REVENUE					
Gifts and Contributions	\$ -	\$ -	\$ 55,800	\$ -	\$ 55,800
Other Revenue:					
Investment Earnings	2,520	11,317	4,718	-	18,555
Miscellaneous Revenue	832	47,760	-	-	48,592
Total Revenue	<u>3,352</u>	<u>59,077</u>	<u>60,518</u>	<u>-</u>	<u>122,947</u>
EXPENDITURES					
Public Works:					
Other	-	-	2,475	-	2,475
Capital Outlay	-	43,153	4,950	-	48,103
Total Expenditures	<u>-</u>	<u>43,153</u>	<u>7,425</u>	<u>-</u>	<u>50,578</u>
EXCESS OF REVENUE OVER EXPENDITURES	3,352	15,924	53,093	-	72,369
OTHER FINANCE USES					
Transfers Out	-	(14,383)	-	-	(14,383)
NET CHANGE IN FUND BALANCES	3,352	1,541	53,093	-	57,986
FUND BALANCES					
Beginning of Year	<u>219,467</u>	<u>948,971</u>	<u>363,024</u>	<u>-</u>	<u>1,531,462</u>
End of Year	<u>\$ 222,819</u>	<u>\$ 950,512</u>	<u>\$ 416,117</u>	<u>\$ -</u>	<u>\$ 1,589,448</u>

**CITY OF MINNETRISTA
EMERGENCY WARNING SIREN FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	Over (Under) Final Budget
REVENUE			
Investment Earnings	\$ 2,000	\$ 2,520	\$ 520
Miscellaneous Revenue	<u>2,000</u>	<u>832</u>	<u>(1,168)</u>
Total Revenue	4,000	3,352	(648)
EXPENDITURES			
Capital Outlay:			
Other	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ 4,000</u></u>	3,352	<u><u>\$ (648)</u></u>
FUND BALANCES			
Beginning of Year		<u>219,467</u>	
End of Year		<u><u>\$ 222,819</u></u>	

**CITY OF MINNETRISTA
PARK DEVELOPMENT AND ACQUISITION FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUE			
Investment Earnings	\$ 18,576	\$ 11,317	\$ (7,259)
Miscellaneous Revenue	<u>50,000</u>	<u>47,760</u>	<u>(2,240)</u>
Total Revenue	68,576	59,077	(9,499)
EXPENDITURES			
Capital Outlay:			
Other	<u>104,300</u>	<u>43,153</u>	<u>(61,147)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(35,724)	15,924	51,648
OTHER FINANCE USES			
Transfers Out	<u>(14,383)</u>	<u>(14,383)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (50,107)</u></u>	1,541	<u><u>\$ 51,648</u></u>
FUND BALANCES			
Beginning of Year		<u>948,971</u>	
End of Year		<u><u>\$ 950,512</u></u>	

**CITY OF MINNETRISTA
TREE REPLACEMENT FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
REVENUE				
Contributions	\$ -	\$ -	\$ 55,800	\$ 55,800
Investment Earnings	7,500	7,500	4,718	(2,782)
Total Revenue	7,500	7,500	60,518	53,018
EXPENDITURES				
Streets:				
Other	-	-	2,475	2,475
Capital Outlay	5,000	5,000	4,950	(50)
Total Expenditures	5,000	5,000	7,425	2,425
NET CHANGE IN FUND BALANCES	<u>\$ 2,500</u>	<u>\$ 2,500</u>	53,093	<u>\$ 50,593</u>
FUND BALANCES				
Beginning of Year			363,024	
End of Year			<u>\$ 416,117</u>	

NONMAJOR DEBT SERVICE FUNDS

Nonmajor debt service funds are used to account for the accumulation of resources used for the payment of principal, interest, and fiscal charges on various City bond issues.

**CITY OF MINNETRISTA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2020**

	Mound Fire Improvement Bonds of 2003 (514)	G.O. Improvement Bonds of 2007A (526)	G.O. Improvement Bonds of 2014B (527)	G.O. Improvement Bonds of 2019A (528)	G.O. Improvement Bonds of 2012A (529)	G.O. Equipment Certificates of 2015A (501)	2017 Street Project Debt Service (532)	Totals
ASSETS								
Cash and Investments	\$ 12,542	\$ 96,289	\$ 416,954	\$ 97,463	\$ 121,174	\$ 425,519	\$ 554,431	\$ 1,724,372
Receivables:								
Miscellaneous Receivables (net of allowance)	16	-	-	-	-	-	-	16
Accrued Interest	-	127	548	109	126	559	729	2,198
Delinquent Special Assessments	-	23,398	-	6,524	-	-	-	29,922
Other Special Assessments Receivable	-	-	-	296,955	20,534	-	485,146	802,635
Due from Other Governmental Units	654	34	3,142	2,073	199,181	1,903	2,047	209,034
	<u>13,212</u>	<u>119,848</u>	<u>420,644</u>	<u>403,124</u>	<u>341,015</u>	<u>427,981</u>	<u>1,042,353</u>	<u>2,768,177</u>
Total Assets	\$ 13,212	\$ 119,848	\$ 420,644	\$ 403,124	\$ 341,015	\$ 427,981	\$ 1,042,353	\$ 2,768,177
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
LIABILITIES								
Accounts and Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Special Assessment	-	23,398	-	303,478	20,534	-	485,146	832,556
Unavailable Revenue - Other	-	-	-	-	199,181	-	-	199,181
Total Deferred Inflows of Resources	-	23,398	-	303,478	219,715	-	485,146	1,031,737
FUND BALANCE								
Restricted:								
Debt Service	13,212	96,450	420,644	99,646	121,300	427,981	557,207	1,736,440
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 13,212</u>	<u>\$ 119,848</u>	<u>\$ 420,644</u>	<u>\$ 403,124</u>	<u>\$ 341,015</u>	<u>\$ 427,981</u>	<u>\$ 1,042,353</u>	<u>\$ 2,768,177</u>

**CITY OF MINNETRISTA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2020**

	Mound Fire Improvement Bonds of 2003 (514)	G.O. Improvement Bonds of 2007A (526)	G.O. Improvement Bonds of 2014B (527)	G.O. Improvement Bonds of 2019A (528)	G.O. Improvement Bonds of 2012A (529)	G.O. Equipment Certificates of 2015A (501)	2017 Street Project Debt Service (532)	Totals
REVENUE								
Property Taxes	\$ 71,201	\$ 20,273	\$ 342,160	\$ 88,733	\$ -	\$ 207,175	\$ 116,690	\$ 846,232
Special Assessments	-	5,020	-	65,909	3,943	-	64,490	139,362
Other Revenue:								
Investment Earnings	19	1,383	1,260	-	1,021	2,556	4,670	10,909
Miscellaneous Revenue	-	-	19,664	-	31,157	-	-	50,821
Total Revenue	<u>71,220</u>	<u>26,676</u>	<u>363,084</u>	<u>154,642</u>	<u>36,121</u>	<u>209,731</u>	<u>185,850</u>	<u>1,047,324</u>
EXPENDITURES								
Debt Service:								
Principal Retirement	70,922	45,000	265,000	105,000	50,000	189,000	110,000	834,922
Interest and Fiscal Charges	4,849	15,809	101,259	41,100	10,085	10,430	82,811	266,343
Total Debt Service	<u>75,771</u>	<u>60,809</u>	<u>366,259</u>	<u>146,100</u>	<u>60,085</u>	<u>199,430</u>	<u>192,811</u>	<u>1,101,265</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(4,551)	(34,133)	(3,175)	8,542	(23,964)	10,301	(6,961)	(53,941)
OTHER FINANCE SOURCES								
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,383</u>	<u>25,025</u>	<u>-</u>	<u>-</u>	<u>39,408</u>
NET CHANGE IN FUND BALANCES	(4,551)	(34,133)	(3,175)	22,925	1,061	10,301	(6,961)	(14,533)
FUND BALANCES								
Beginning of Year	<u>17,763</u>	<u>130,583</u>	<u>423,819</u>	<u>76,721</u>	<u>120,239</u>	<u>417,680</u>	<u>564,168</u>	<u>1,750,973</u>
End of Year	<u>\$ 13,212</u>	<u>\$ 96,450</u>	<u>\$ 420,644</u>	<u>\$ 99,646</u>	<u>\$ 121,300</u>	<u>\$ 427,981</u>	<u>\$ 557,207</u>	<u>\$ 1,736,440</u>

CITY OF MINNETRISTA
MOUND FIRE IMPROVEMENT BONDS OF 2003 FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 72,000	\$ 72,000	\$ 71,201	\$ (799)
Investment Earnings	-	-	19	19
Total Revenue	<u>72,000</u>	<u>72,000</u>	<u>71,220</u>	<u>(780)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	68,217	68,217	70,922	2,705
Interest and Fiscal Charges	-	-	4,849	4,849
Total Debt Service	<u>68,217</u>	<u>68,217</u>	<u>75,771</u>	<u>7,554</u>
NET CHANGE IN FUND BALANCES	<u>\$ 3,783</u>	<u>\$ 3,783</u>	(4,551)	<u>\$ (8,334)</u>
FUND BALANCES				
Beginning of Year			<u>17,763</u>	
End of Year			<u>\$ 13,212</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2007A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 20,500	\$ 20,500	\$ 20,273	\$ (227)
Special Assessments	15,000	15,000	5,020	(9,980)
Investment Earnings	2,000	2,000	1,383	(617)
Total Revenue	<u>37,500</u>	<u>37,500</u>	<u>26,676</u>	<u>(10,824)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	-
Interest and Fiscal Charges	14,600	14,600	15,809	1,209
Total Debt Service	<u>59,600</u>	<u>59,600</u>	<u>60,809</u>	<u>1,209</u>
NET CHANGE IN FUND BALANCES	<u>\$ (22,100)</u>	<u>\$ (22,100)</u>	(34,133)	<u>\$ (12,033)</u>
FUND BALANCES				
Beginning of Year			<u>130,583</u>	
End of Year			<u>\$ 96,450</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2014B FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 346,000	\$ 346,000	\$ 342,160	\$ (3,840)
Investment Earnings	4,000	4,000	1,260	(2,740)
Miscellaneous Revenue	19,664	19,664	19,664	-
Total Revenue	369,664	369,664	363,084	(6,580)
EXPENDITURES				
Debt Service:				
Principal Retirement	265,000	265,000	265,000	-
Interest and Fiscal Charges	101,275	101,275	101,259	(16)
Total Debt Service	366,275	366,275	366,259	(16)
NET CHANGE IN FUND BALANCES	<u>\$ 3,389</u>	<u>\$ 3,389</u>	(3,175)	<u>\$ (6,564)</u>
FUND BALANCES				
Beginning of Year			423,819	
End of Year			<u>\$ 420,644</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2019A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 89,729	\$ 89,729	\$ 88,733	\$ (996)
Special Assessments	45,000	45,000	65,909	20,909
Investment Earnings	13,000	13,000	-	(13,000)
Total Revenue	<u>147,729</u>	<u>147,729</u>	<u>154,642</u>	<u>6,913</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	105,000	105,000	105,000	-
Interest and Fiscal Charges	41,106	41,106	41,100	(6)
Total Debt Service	<u>146,106</u>	<u>146,106</u>	<u>146,100</u>	<u>(6)</u>
EXCESS OF REVENUE OVER EXPENDITURES	1,623	1,623	8,542	6,919
OTHER FINANCE SOURCES				
Transfers In	<u>14,383</u>	<u>14,383</u>	<u>14,383</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 16,006</u>	<u>\$ 16,006</u>	<u>22,925</u>	<u>\$ 6,919</u>
FUND BALANCES				
Beginning of Year			<u>76,721</u>	
End of Year			<u>\$ 99,646</u>	

CITY OF MINNETRISTA
G.O. IMPROVEMENT BONDS OF 2012A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
REVENUE				
Special Assessments	\$ 5,000	\$ 5,000	\$ 3,943	\$ (1,057)
Investment Earnings	2,000	2,000	1,021	(979)
Miscellaneous Revenue	31,000	31,000	31,157	157
Total Revenue	<u>38,000</u>	<u>38,000</u>	<u>36,121</u>	<u>(1,879)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	50,000	50,000	50,000	-
Interest and Fiscal Charges	9,330	9,330	10,085	755
Total Debt Service	<u>59,330</u>	<u>59,330</u>	<u>60,085</u>	<u>755</u>
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(21,330)	(21,330)	(23,964)	(2,634)
OTHER FINANCE SOURCES				
Transfers In	<u>25,025</u>	<u>25,025</u>	<u>25,025</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 3,695</u>	<u>\$ 3,695</u>	1,061	<u>\$ (2,634)</u>
FUND BALANCES				
Beginning of Year			<u>117,799</u>	
End of Year			<u>\$ 118,860</u>	

CITY OF MINNETRISTA
G.O. EQUIPMENT CERTIFICATES OF 2015A FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 209,500	\$ 209,500	\$ 207,175	\$ (2,325)
Investment Earnings	3,000	3,000	2,556	(444)
Total Revenue	212,500	212,500	209,731	(2,769)
EXPENDITURES				
Debt Service:				
Principal Retirement	189,000	189,000	189,000	-
Interest and Fiscal Charges	10,237	10,237	10,430	193
Total Debt Service	199,237	199,237	199,430	193
NET CHANGE IN FUND BALANCES	<u>\$ 13,263</u>	<u>\$ 13,263</u>	10,301	<u>\$ (2,962)</u>
FUND BALANCES				
Beginning of Year			417,680	
End of Year			<u>\$ 427,981</u>	

CITY OF MINNETRISTA
2017 STREET PROJECT DEBT SERVICE FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Property Taxes	\$ 118,000	\$ 118,000	\$ 116,690	\$ (1,310)
Special Assessments	60,000	60,000	64,490	4,490
Investment Earnings	11,000	11,000	4,670	(6,330)
Total Revenue	<u>189,000</u>	<u>189,000</u>	<u>185,850</u>	<u>(3,150)</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	-	110,000	110,000	-
Interest and Fiscal Charges	-	81,850	82,811	961
Total Expenditures	<u>-</u>	<u>191,850</u>	<u>192,811</u>	<u>961</u>
NET CHANGE IN FUND BALANCES	<u>\$ 189,000</u>	<u>\$ (2,850)</u>	(6,961)	<u>\$ (4,111)</u>
FUND BALANCES				
Beginning of Year			<u>564,168</u>	
End of Year			<u>\$ 557,207</u>	

NONMAJOR CAPITAL PROJECT FUNDS

Nonmajor capital project funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Fund – Used to account for the resources accumulated and capital expenditures for projects which are a part of the City's Capital Improvement Plan.

2017 Street Project Fund – Used to account for the resources accumulated and capital expenditures for projects which are a part of the City's 2017 street projects.

This page left intentionally blank.

**CITY OF MINNETRISTA
NONMAJOR CAPITAL PROJECT FUNDS
BALANCE SHEET
DECEMBER 31, 2020**

	Capital Improvement (401)	2017 Street Project (499)	Totals
ASSETS			
Cash and Investments	\$ 127,599	\$ -	\$ 127,599
Receivables:			
Accrued Interest	168	-	168
	<u>168</u>	<u>-</u>	<u>168</u>
Total Assets	<u>\$ 127,767</u>	<u>\$ -</u>	<u>\$ 127,767</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts and Contracts Payable	\$ 80,079	\$ -	\$ 80,079
FUND BALANCE			
Assigned:			
Capital Plan Improvements	47,688	-	47,688
	<u>47,688</u>	<u>-</u>	<u>47,688</u>
Total Liabilities and Fund Balance	<u>\$ 127,767</u>	<u>\$ -</u>	<u>\$ 127,767</u>

**CITY OF MINNETRISTA
NONMAJOR CAPITAL PROJECT FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2020**

	Capital Improvement (401)	2017 Street Project (499)	Totals
REVENUE			
Property Taxes	\$ 50,242	\$ -	\$ 50,242
Intergovernmental Revenue	-	11,917	11,917
Other Revenue:			
Investment Earnings	1,278	605	1,883
Miscellaneous Revenue	200	46,352	46,552
Total Revenue	<u>51,720</u>	<u>58,874</u>	<u>110,594</u>
EXPENDITURES			
General Government:			
Administration	3,494	-	3,494
Streets:			
Other	-	9,748	9,748
Capital Outlay:			
Other	231,058	26,761	257,819
Debt Service:			
Interest and Fiscal Charges	<u>10,353</u>	<u>-</u>	<u>10,353</u>
Total Expenditures	<u>244,905</u>	<u>36,509</u>	<u>281,414</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(193,185)	22,365	(170,820)
OTHER FINANCE SOURCES			
Issuance of Bonds and Other Debt	480,000	-	480,000
Premium on Issued Debt	30,353	-	30,353
Proceeds from Sale of Capital Assets	<u>4,975</u>	<u>-</u>	<u>4,975</u>
Total Other Finance Sources	<u>515,328</u>	<u>-</u>	<u>515,328</u>
NET CHANGE IN FUND BALANCE	322,143	22,365	344,508
FUND BALANCES			
Beginning of Year	<u>(274,455)</u>	<u>(22,365)</u>	<u>(296,820)</u>
End of Year	<u>\$ 47,688</u>	<u>\$ -</u>	<u>\$ 47,688</u>

**CITY OF MINNETRISTA
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
REVENUE				
Property Taxes	\$ 50,000	\$ 50,000	\$ 50,242	\$ 242
Investment Earnings	2,500	2,500	1,278	(1,222)
Miscellaneous Revenue	-	-	200	200
Total Revenue	<u>52,500</u>	<u>52,500</u>	<u>51,720</u>	<u>(780)</u>
EXPENDITURES				
General Government:				
Administration	-	-	3,494	3,494
Capital Outlay:				
Other	282,500	282,500	231,058	(51,442)
Debt Service:				
Fiscal Charges	<u>-</u>	<u>-</u>	<u>10,353</u>	<u>10,353</u>
Total Expenditures	<u>282,500</u>	<u>282,500</u>	<u>244,905</u>	<u>(37,595)</u>
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(230,000)	(230,000)	(193,185)	36,815
OTHER FINANCE SOURCES				
Issuance of Bonds and Other Debt	550,000	550,000	480,000	(70,000)
Proceeds form Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>4,975</u>	<u>4,975</u>
Total Other Finance Sources	<u>550,000</u>	<u>550,000</u>	<u>515,328</u>	<u>(34,672)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 320,000</u>	<u>\$ 320,000</u>	322,143	<u>\$ 2,143</u>
FUND BALANCES				
Beginning of Year			<u>(274,455)</u>	
End of Year			<u>\$ 47,688</u>	

This page left intentionally blank.

STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the City which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to services the City provides and activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the CAFR for the relevant year.

This page left intentionally blank.

**CITY OF MINNETRISTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net Investment in Capital Assets	\$ 16,434,576	\$ 15,566,817	\$ 15,964,011	\$ 16,231,151	\$ 16,563,080	\$ 16,599,988	\$ 23,024,394	\$ 23,462,495	\$ 27,898,559	\$ 28,358,298
Restricted	3,157,089	3,933,026	9,889,947	10,647,419	9,271,437	7,706,179	8,767,298	10,127,484	6,718,472	5,588,460
Unrestricted	2,797,210	2,726,677	1,857,939	2,991,147	1,857,033	3,457,549	530,081	(215,288)	(848,372)	1,499,308
Total Governmental Activities Net Position	<u>\$ 22,388,875</u>	<u>\$ 22,226,520</u>	<u>\$ 27,711,897</u>	<u>\$ 29,869,717</u>	<u>\$ 27,691,550</u>	<u>\$ 27,763,716</u>	<u>\$ 32,321,773</u>	<u>\$ 33,374,691</u>	<u>\$ 33,768,659</u>	<u>\$ 35,446,066</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 11,250,260	\$ 10,776,769	\$ 10,563,847	\$ 11,169,939	\$ 12,775,949	\$ 11,846,587	\$ 17,722,284	\$ 17,783,999	\$ 18,281,381	\$ 19,596,755
Unrestricted	3,583,305	4,042,164	4,495,729	4,962,343	3,833,870	6,922,646	4,960,954	5,091,286	4,984,513	4,714,240
Total Business-Type Activities Net Position	<u>\$ 14,833,565</u>	<u>\$ 14,818,933</u>	<u>\$ 15,059,576</u>	<u>\$ 16,132,282</u>	<u>\$ 16,609,819</u>	<u>\$ 18,769,233</u>	<u>\$ 22,683,238</u>	<u>\$ 22,875,285</u>	<u>\$ 23,265,894</u>	<u>\$ 24,310,995</u>
Primary Government:										
Net Investment in Capital Assets	\$ 27,684,836	\$ 26,343,586	\$ 26,527,858	\$ 27,401,090	\$ 29,339,029	\$ 28,446,575	\$ 40,746,678	\$ 41,246,494	\$ 46,179,940	\$ 47,955,053
Restricted	3,157,089	3,933,026	9,889,947	10,647,419	9,271,437	7,706,179	8,767,298	10,127,484	6,718,472	5,588,460
Unrestricted	6,380,515	6,768,841	6,353,668	7,953,490	5,690,903	10,380,195	5,491,035	4,875,998	4,136,141	6,213,548
Total Primary Government Net Position	<u>\$ 37,222,440</u>	<u>\$ 37,045,453</u>	<u>\$ 42,771,473</u>	<u>\$ 46,001,999</u>	<u>\$ 44,301,369</u>	<u>\$ 46,532,949</u>	<u>\$ 55,005,011</u>	<u>\$ 56,249,976</u>	<u>\$ 57,034,553</u>	<u>\$ 59,757,061</u>

**CITY OF MINNETRISTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
General Government	\$ 1,208,808	\$ 1,385,084	\$ 887,188	\$ 1,019,379	\$ 1,013,834	\$ 1,374,469	\$ 1,299,321	\$ 1,182,492	\$ 1,140,693	\$ 1,189,982
Public Safety	2,482,340	2,403,185	2,333,287	2,515,524	2,592,622	3,199,782	3,100,825	3,009,188	3,127,972	3,142,580
Public Works	1,877,626	2,372,757	2,171,994	2,226,393	2,403,548	2,516,668	2,688,371	2,614,558	2,641,106	3,077,375
Parks and Recreation	218,600	192,206	198,709	253,802	225,307	239,887	260,196	282,717	249,280	254,594
Interest and Fiscal Charges	386,100	411,838	604,518	1,029,562	477,254	433,674	595,435	400,772	359,516	236,443
Total Governmental Activities Expenses	<u>6,173,474</u>	<u>6,765,070</u>	<u>6,195,696</u>	<u>7,044,660</u>	<u>6,712,565</u>	<u>7,764,480</u>	<u>7,944,148</u>	<u>7,489,727</u>	<u>7,518,567</u>	<u>7,900,974</u>
Business-Type Activities:										
Water	593,418	686,378	778,481	687,528	746,686	965,379	900,399	1,634,763	1,805,493	1,768,567
Sewer	804,553	754,958	823,690	888,377	838,815	850,928	978,903	1,101,419	1,139,570	1,200,684
Storm Water	198,138	204,343	208,830	216,860	264,832	255,656	331,965	335,745	398,925	379,024
Recycling	92,938	97,054	98,893	112,990	119,733	131,935	133,800	147,877	146,680	150,154
Cable TV	-	-	-	45,659	3,548	-	-	-	18,701	41,595
Total Business-Type Activities Expenses	<u>1,689,047</u>	<u>1,742,733</u>	<u>1,909,894</u>	<u>1,951,414</u>	<u>1,973,614</u>	<u>2,203,898</u>	<u>2,345,067</u>	<u>3,219,804</u>	<u>3,509,369</u>	<u>3,540,024</u>
Total Primary Government Expenses	<u>\$ 7,862,521</u>	<u>\$ 8,507,803</u>	<u>\$ 8,105,590</u>	<u>\$ 8,996,074</u>	<u>\$ 8,686,179</u>	<u>\$ 9,968,378</u>	<u>\$ 10,289,215</u>	<u>\$ 10,709,531</u>	<u>\$ 11,027,936</u>	<u>\$ 11,440,998</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 112,573	\$ 320,787	\$ 634,342	\$ 841,958	\$ 925,087	\$ 867,659	\$ 828,270	\$ 1,090,940	\$ 1,137,227	\$ 1,156,637
Public Safety	575,752	560,023	195,221	178,786	189,649	204,286	217,406	211,599	220,851	223,348
Public Works	-	-	233	251,784	134	190	32	152,400	8,665	55,800
Operating Grants and Contributions	233,568	200,604	440,828	835,875	507,773	277,650	327,664	465,156	298,536	924,185
Capital Grants and Contributions	403,713	1,378,968	5,383,439	2,968,198	384,022	340,638	6,519,798	1,135,793	1,323,833	2,147,948
Total Governmental Activities Program Revenues	<u>1,325,606</u>	<u>2,460,382</u>	<u>6,654,063</u>	<u>5,076,601</u>	<u>2,006,665</u>	<u>1,690,423</u>	<u>7,893,170</u>	<u>3,055,888</u>	<u>2,989,112</u>	<u>4,507,918</u>
Business-Type Activities:										
Charges for Services:										
Water	590,895	696,488	1,174,714	1,683,013	1,177,345	994,989	1,365,113	1,333,584	1,429,907	1,621,254
Sewer	608,277	668,048	709,365	850,803	830,784	877,481	929,997	993,426	1,071,824	1,109,591
Storm Water	94,213	176,956	181,069	187,059	224,120	261,853	294,973	328,426	336,816	349,086
Recycling	97,355	95,609	98,460	105,512	110,860	115,136	121,159	127,647	129,070	120,198
Cable TV	-	-	-	86,034	40,762	40,772	41,588	42,415	51,266	53,657
Operating Grants and Contributions	19,657	29,778	21,452	34,215	182,574	23,014	21,869	19,509	23,312	15,131
Capital Grants and Contributions	1,791	1,668	-	3,207	165	165	3,629,055	465,268	698,614	1,296,626
Total Business-Type Activities Program Revenues	<u>1,412,188</u>	<u>1,668,547</u>	<u>2,185,060</u>	<u>2,949,843</u>	<u>2,566,610</u>	<u>2,313,410</u>	<u>6,403,754</u>	<u>3,310,275</u>	<u>3,740,809</u>	<u>4,565,543</u>
Total Primary Government Program Revenues	<u>\$ 2,737,794</u>	<u>\$ 4,128,929</u>	<u>\$ 8,839,123</u>	<u>\$ 8,026,444</u>	<u>\$ 4,573,275</u>	<u>\$ 4,003,833</u>	<u>\$ 14,296,924</u>	<u>\$ 6,366,163</u>	<u>\$ 6,729,921</u>	<u>\$ 9,073,461</u>

**CITY OF MINNETRISTA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Revenue (Expense):										
Governmental Activities	\$ (4,847,868)	\$ (4,304,688)	\$ 458,367	\$ (1,968,059)	\$ (4,705,900)	\$ (6,074,057)	\$ (50,978)	\$ (4,433,839)	\$ (4,529,455)	\$ (3,393,056)
Business-Type Activities	(276,859)	(74,186)	275,166	998,429	592,996	109,512	4,058,687	90,471	231,440	1,025,519
Total Primary Government Net Expense	<u>\$ (5,124,727)</u>	<u>\$ (4,378,874)</u>	<u>\$ 733,533</u>	<u>\$ (969,630)</u>	<u>\$ (4,112,904)</u>	<u>\$ (5,964,545)</u>	<u>\$ 4,007,709</u>	<u>\$ (4,343,368)</u>	<u>\$ (4,298,015)</u>	<u>\$ (2,367,537)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 4,083,647	\$ 3,878,823	\$ 3,890,282	\$ 3,891,397	\$ 4,010,604	\$ 4,127,926	\$ 4,275,961	\$ 4,464,200	\$ 4,677,533	\$ 4,940,472
Investment Earnings	57,354	61,284	(34,452)	119,528	75,954	76,062	84,864	128,750	243,771	72,226
Capital Contribution	-	-	1,171,000	-	-	1,914,289	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	180	114,954	21,396	27,946	47,870	-	-	7,765
Miscellaneous	66,684	202,226	-	-	-	-	340	-	2,119	-
Transfers	(332,027)	-	-	-	-	-	200,000	-	-	50,000
Total Governmental Activities	<u>3,875,658</u>	<u>4,142,333</u>	<u>5,027,010</u>	<u>4,125,879</u>	<u>4,107,954</u>	<u>6,146,223</u>	<u>4,609,035</u>	<u>4,592,950</u>	<u>4,923,423</u>	<u>5,070,463</u>
Business-Type Activities:										
Investment Earnings	48,981	59,554	(34,523)	74,277	54,936	52,385	55,318	68,089	159,169	69,582
Capital Contribution	-	-	-	-	-	1,997,517	-	-	-	-
Transfers	323,027	-	-	-	-	-	(200,000)	-	-	(50,000)
Total Business-Type Activities	<u>372,008</u>	<u>59,554</u>	<u>(34,523)</u>	<u>74,277</u>	<u>54,936</u>	<u>2,049,902</u>	<u>(144,682)</u>	<u>68,089</u>	<u>159,169</u>	<u>19,582</u>
Total Primary Government	<u>\$ 4,247,666</u>	<u>\$ 4,201,887</u>	<u>\$ 4,992,487</u>	<u>\$ 4,200,156</u>	<u>\$ 4,162,890</u>	<u>\$ 8,196,125</u>	<u>\$ 4,464,353</u>	<u>\$ 4,661,039</u>	<u>\$ 5,082,592</u>	<u>\$ 5,090,045</u>
Change in Net Position:										
Governmental Activities	\$ (972,210)	\$ (162,355)	\$ 5,485,377	\$ 2,157,820	\$ (597,946)	\$ 72,166	\$ 4,558,057	\$ 159,111	\$ 393,968	\$ 1,677,407
Business-Type Activities	95,149	(14,632)	240,643	1,072,706	647,932	2,159,414	3,914,005	158,560	390,609	1,045,101
Total Primary Government	<u>\$ (877,061)</u>	<u>\$ (176,987)</u>	<u>\$ 5,726,020</u>	<u>\$ 3,230,526</u>	<u>\$ 49,986</u>	<u>\$ 2,231,580</u>	<u>\$ 8,472,062</u>	<u>\$ 317,671</u>	<u>\$ 784,577</u>	<u>\$ 2,722,508</u>

**CITY OF MINNETRISTA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 22,434	\$ 23,820	\$ 15,888	\$ 86,762	\$ 86,762	\$ 42,774
Assigned	154,422	120,243	280,680	150,000	258,314	444,566	361,830	397,484	163,113	217,416
Unassigned	2,246,964	2,550,994	2,440,056	2,543,786	2,937,851	2,543,877	2,519,530	2,360,966	2,556,452	3,220,792
Total General Fund	<u>\$ 2,401,386</u>	<u>\$ 2,671,237</u>	<u>\$ 2,720,736</u>	<u>\$ 2,693,786</u>	<u>\$ 3,218,599</u>	<u>\$ 3,012,263</u>	<u>\$ 2,897,248</u>	<u>\$ 2,845,212</u>	<u>\$ 2,806,327</u>	<u>\$ 3,480,982</u>
All Other Governmental Funds:										
Restricted	\$ 2,004,013	\$ 2,158,391	\$ 3,488,442	\$ 5,008,847	\$ 4,169,403	\$ 3,842,779	\$ 4,197,649	\$ 5,577,204	\$ 3,007,086	\$ 3,942,027
Committed	156,038	184,223	-	-	410,398	406,781	421,317	571,480	582,491	638,936
Assigned	2,357,044	2,258,497	2,258,497	802,133	227,155	326,804	1,560,724	243,131	38,437	88,704
Unassigned	(282,835)	(420,625)	-	-	-	(136,568)	-	-	(296,820)	-
Total All Other Governmental Funds	<u>\$ 4,234,260</u>	<u>\$ 4,180,486</u>	<u>\$ 5,746,939</u>	<u>\$ 5,810,980</u>	<u>\$ 4,806,956</u>	<u>\$ 4,439,796</u>	<u>\$ 6,179,690</u>	<u>\$ 6,391,815</u>	<u>\$ 3,331,194</u>	<u>\$ 4,669,667</u>

Source: City's financial records.

**CITY OF MINNETRISTA
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year</u>	<u>Property Taxes</u>
2011	\$ 4,133,111
2012	\$ 3,878,973
2013	\$ 3,863,571
2014	\$ 3,878,323
2015	\$ 4,004,111
2016	\$ 4,157,599
2017	\$ 4,289,150
2018	\$ 4,473,650
2019	\$ 4,678,750
2020	\$ 4,945,212

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 4,197,308	\$ 3,906,517	\$ 3,913,257	\$ 3,908,750	\$ 4,022,425	\$ 4,157,304	\$ 4,266,743	\$ 4,463,911	\$ 4,669,485	\$ 4,909,287
Licenses and Permits	291,747	274,871	394,487	666,305	740,757	652,035	624,524	883,738	921,166	956,557
Intergovernmental	422,015	810,238	1,359,991	286,418	526,191	215,547	1,513,053	271,379	264,470	2,033,571
Charges for Services	405,543	370,856	259,168	513,250	271,046	329,901	325,524	301,873	336,564	325,603
Investment Earnings	81,714	93,763	(34,452)	119,528	75,954	76,062	84,864	128,750	243,771	72,226
Special Assessments	140,448	217,265	1,001,429	1,956,154	767,248	742,386	1,236,851	1,116,580	2,862,259	291,189
Gifts and Contributions	-	-	-	-	-	-	-	152,400	-	55,800
Miscellaneous	289,703	667,328	522,016	709,520	405,238	282,144	335,816	448,717	287,677	306,358
Total Revenues	5,828,478	6,340,838	7,415,896	8,159,925	6,808,859	6,455,379	8,387,375	7,767,348	9,585,392	8,950,591
Expenditures:										
General Government	1,143,459	1,088,050	1,057,405	1,167,794	974,569	1,303,870	1,121,798	1,091,051	1,083,657	1,140,411
Public Safety	2,205,315	2,082,473	1,980,708	2,240,017	2,200,045	2,330,657	2,538,467	2,688,397	2,771,973	2,820,850
Public Works	1,662,321	738,076	963,487	1,135,254	1,163,555	1,291,473	1,240,620	1,069,915	1,405,535	1,561,996
Parks and Recreation	149,007	288,780	111,257	126,927	129,905	155,671	149,900	157,331	139,117	147,269
Other	46,137	114,923	12,184	10,838	13,689	17,294	36,382	30,293	11,256	14,055
Capital Outlay	-	1,839,919	6,552,680	1,800,066	745,670	852,956	3,347,426	1,359,976	809,876	709,382
Debt Service:										
Principal	387,335	343,179	499,048	1,307,849	1,292,413	1,041,728	1,027,862	809,095	6,054,377	834,922
Interest	384,548	413,908	537,735	1,078,085	481,435	458,911	666,272	401,391	469,347	276,696
Total Expenditures	5,978,122	6,909,308	11,714,504	8,866,830	7,001,281	7,452,560	10,128,727	7,607,449	12,745,138	7,505,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	(149,644)	(568,470)	(4,298,608)	(706,905)	(192,422)	(997,181)	(1,741,352)	159,899	(3,159,746)	1,445,010
Other Financing Sources (Uses):										
Bonds Issued	15,950	770,000	7,695,000	5,150,000	331,000	375,000	8,315,000	-	1,210,000	480,000
Premium on Bonds Issued	-	-	-	326,382	-	20,739	130,666	-	210,430	30,353
Discount on Bonds Issued	-	-	-	-	-	-	(7,305)	-	-	-
Payment of Refunded Bonds	-	-	-	(4,965,000)	(635,000)	-	(5,320,000)	-	(1,360,000)	-
Sales of Capital Assets	9,693	14,547	-	120,250	17,211	27,946	47,870	-	-	7,765
Transfers In	-	192,332	653,908	403,104	39,458	350,731	526,016	119,408	286,224	89,408
Transfers Out	-	(192,332)	(2,321,984)	(403,104)	(39,458)	(350,731)	(326,016)	(119,408)	(286,224)	(39,408)
Total Other Financing Sources (Uses)	25,643	784,547	6,026,924	631,632	(286,789)	423,685	3,366,231	-	60,430	568,118
Net Change in Fund Balances	\$ (124,001)	\$ 216,077	\$ 1,728,316	\$ (75,273)	\$ (479,211)	\$ (573,496)	\$ 1,624,879	\$ 159,899	\$ (3,099,316)	\$ 2,013,128
Debt Service as a Percentage of Noncapital Expenditures	12.9%	13.3%	19.9%	34.3%	28.2%	20.1%	16.7%	19.1%	55.5%	16.3%

*The ratio of debt service as a percentage of noncapital expenditures was unusually high in 2019 due to the City using a large amount of prepaid special assessments collections to pay off the remainder of the 2013A and 2014A bonds in 2019.

CITY OF MINNETRISTA
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Taxable Assessed Value			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value* as a Percentage of Actual Value
	Real Estate	Personal Property	Total			
2011	\$ 14,746,292	\$ 151,993	\$ 14,898,285	27.30 %	\$ 1,382,773,800	1.08 %
2012	13,732,806	154,033	13,886,839	27.44	1,294,326,273	1.07
2013	12,732,540	168,869	12,901,409	29.55	1,206,365,054	1.07
2014	12,650,081	169,765	12,819,846	29.76	1,200,801,283	1.07
2015	13,538,197	181,771	13,719,968	28.44	1,295,560,255	1.06
2016	15,550,109	292,723	15,842,832	28.79	1,470,711,462	1.08
2017	16,781,818	305,702	17,087,520	26.59	1,584,382,887	1.08
2018	18,105,070	324,780	18,429,850	25.74	1,709,974,365	1.08
2019	19,247,950	380,736	19,628,686	24.92	1,817,709,203	1.08
2020	20,705,553	395,544	21,101,097	24.73	1,963,840,700	1.07

* Includes tax exempt property.

Note 1: Property in the county is reassessed annually.

Note 2: Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

**CITY OF MINNETRISTA
DIRECT AND OVERLAPPING TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City of Minnetrista			Overlapping Rates						Total Direct and Overlapping Rates
	Operating Tax Rate	Debt Service Tax Rate	Total City Tax Rate	County			**School District Averages			
				Operating Tax Rate	Debt Service Tax Rate	Total County Tax Rate	Operating Tax Rate	Debt Service Tax Rate	Total School Tax Rate	
2011	22.659	4.408	27.067	N/A	N/A	42.640	N/A	N/A	26.030	95.737
2012	23.286	4.010	27.296	N/A	N/A	45.840	N/A	N/A	26.258	99.394
2013	22.807	4.633	27.440	N/A	N/A	48.231	N/A	N/A	22.780	98.451
2014	24.541	5.010	29.551	N/A	N/A	49.461	N/A	N/A	32.124	111.136
2015	24.737	5.024	29.761	N/A	N/A	49.959	N/A	N/A	31.883	111.603
2016	23.541	4.907	28.448	N/A	N/A	46.398	N/A	N/A	30.952	105.798
2017	23.427	5.365	28.792	N/A	N/A	45.356	N/A	N/A	32.920	107.068
2018	21.673	4.917	26.590	N/A	N/A	44.087	N/A	N/A	31.834	102.511
2019	20.490	5.252	25.742	N/A	N/A	42.808	N/A	N/A	35.424	103.974
2020	19.628	5.287	24.915	N/A	N/A	41.861	N/A	N/A	31.169	97.945
2020	20.454	4.281	24.735	N/A	N/A	41.084	N/A	N/A	29.822	95.641

** Average of four school districts that serve the City.

N/A Not Available

(1) 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 (e.g. the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

Source: County Board of Equalization and Assessment

**CITY OF MINNETRISTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020			2010		
	Net Tax Capacity	Rank	Percentage of Total Taxable Assessed Value	Net Tax Capacity	Rank	Percentage of Total Taxable Assessed Value
Individual	\$ 59,750	1	0.3 %	\$ —	—	— %
Woodland Cove LLC	59,264	2	0.3	215,000	1	1.3
MN M C Holding Corp	51,400	3	0.3	—	—	—
Individual	51,250	4	0.3	—	—	—
Individual	48,913	5	0.3	—	—	—
Individual	47,910	6	0.3	—	—	—
Individual	46,788	7	0.3	—	—	—
Individual	43,388	8	0.2	—	—	—
Individual	42,350	9	0.2	—	—	—
Individual	40,325	10	0.2	—	—	—
Woodland Cove II LLC	—	—	—	103,820	2	0.6
JP Morgan Chase Bank NA	—	—	—	88,763	3	0.5
Individual	—	—	—	74,463	4	0.4
Individual	—	—	—	56,373	5	0.3
JE Meyer Memorial Park Association	—	—	—	51,438	6	0.3
Individual	—	—	—	49,263	7	0.3
Individual	—	—	—	47,975	8	0.3
Burl Oaks Golf Club	—	—	—	46,970	9	0.3
Individual	—	—	—	46,250	10	0.3
Total	<u>\$ 491,338</u>		<u>2.7 %</u>	<u>\$ 780,315</u>		<u>4.6 %</u>

Source: Hennepin County Assessor's Office and City of Minnetrista Bond Books

**CITY OF MINNETRISTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 4,133,111	\$ 4,053,877	98.1	\$ 79,078	\$ 4,132,955	100.00
2012	3,878,973	3,819,672	98.5	59,240	3,878,912	100.00
2013	3,863,571	3,825,771	99.0	37,800	3,863,571	100.00
2014	3,878,323	3,857,974	99.5	18,301	3,876,275	99.95
2015	4,004,111	3,999,672	99.9	—	3,999,672	99.89
2016	4,157,599	4,140,337	99.6	—	4,140,337	99.58
2017	4,289,150	4,266,743	99.5	—	4,266,743	99.48
2018	4,473,650	4,451,285	99.5	—	4,451,285	99.50
2019	4,678,750	4,648,359	99.4	—	4,648,359	99.35
2020	4,945,212	4,915,135	99.4	—	4,915,135	99.39

**CITY OF MINNETRISTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Per Capita (1)	Percentage of Personal Income
	G.O. Bonds	Special Assessment Bonds	Water/Sewer Revenue Bonds and Loans			
2011	\$ 5,340,000	\$ 4,315,000	\$ 1,445,791	\$ 11,100,791	\$ 1,721	3.3
2012	5,155,000	5,015,000	2,090,364	12,260,364	1,872	3.3
2013	4,965,000	12,445,000	1,900,364	19,310,364	2,867	5.2
2014	4,595,000	11,760,000	1,699,364	18,054,364	2,657	4.9
2015	4,691,000	10,140,000	1,503,364	16,334,364	2,415	3.9
2016	5,021,906	9,499,417	11,375,398	25,896,721	3,684	5.6
2017	5,288,316	11,630,000	11,901,645	28,819,961	3,982	5.8
2018	4,594,787	11,270,000	11,131,255	26,996,042	3,587	4.9
2019	4,325,187	4,855,000	10,992,086	20,172,273	2,623	3.5
2020	4,327,486	4,545,000	12,234,632	21,107,118	2,603	—

(1) See the Schedule of Demographic Statistics on page 116 for population and personal income data.

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

2020 per capita income was not available at the time of the preparation of the City's reports.

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2011	\$ 5,340,000	\$ 655,775	\$ 4,684,225	0.31	726
2012	5,155,000	667,623	4,487,377	0.32	685
2013	12,445,000	1,870,981	10,574,019	0.82	1,570
2014	11,760,000	3,748,283	8,011,717	0.66	1,179
2015	14,831,000	2,904,647	11,926,353	0.99	1,763
2016	14,521,323	2,992,862	11,528,461	0.89	1,640
2017	16,918,316	3,390,024	13,528,292	0.92	1,869
2018	15,864,787	4,282,061	11,582,726	0.73	1,539
2019	9,180,187	1,750,973	7,429,214	0.43	966
2020	8,872,486	1,736,440	7,136,046	0.39	880

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 108 for property value data.

(2) Population data can be found in the Schedule of Demographic Statistics on page 117.

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

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2020**

Governmental Unit	Total G.O. Debt	City's Share	
		Percent	Amount
Direct:			
City of Minnetrista	\$ 2,702,350	100.00 %	\$ 2,702,350
Overlapping:			
School Districts:			
ISD No. 110*	114,755,000	9.28	10,649,264
ISD No. 111*	52,742,663	16.59	8,750,008
ISD No. 879**	67,995,000	0.82	557,559
ISD No. 277	36,648,531	31.89	11,687,217
Hennepin County:			
General	998,790,298	1.00	9,987,903
Three Rivers Park District	42,954,642	1.44	618,547
Regional Rail Authority	93,859,422	1.00	938,594
Metropolitan Council	103,225,628	0.48	495,483
Total Overlapping Debt			43,684,574
Total Direct and Overlapping Debt			\$ 46,386,924

Note 1: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

Note 2: Gross debt totals exclude revenue and special assessment bonds.

Source: Hennepin County Auditor Office

*Carver County Auditor Office

**Wright County Auditor Office

**CITY OF MINNETRISTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 41,163,765	\$ 38,829,788	\$ 36,190,952	\$ 36,024,038	\$ 38,866,808	\$ 44,121,344	\$ 47,531,487	\$ 51,299,231	\$ 54,531,276	\$ 58,915,221
Total Net Debt Applicable to Limit	4,684,225	4,487,377	3,094,019	846,717	1,786,353	2,029,044	1,898,292	3,338,559	3,483,508	3,485,089
Legal Debt Margin	<u>\$ 36,479,540</u>	<u>\$ 34,342,411</u>	<u>\$ 33,096,933</u>	<u>\$ 35,177,321</u>	<u>\$ 33,096,933</u>	<u>\$ 42,092,300</u>	<u>\$ 45,633,195</u>	<u>\$ 47,960,672</u>	<u>\$ 51,047,768</u>	<u>\$ 55,430,132</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.38%	11.56%	8.55%	2.35%	4.60%	4.60%	3.99%	6.51%	6.39%	5.92%

Legal Debt Margin Calculation for Fiscal Year 2020

Market value	\$ 1,963,840,700
Debt limit (3% of market value)	58,915,221
Debt applicable to limit	
General obligation bonds	8,872,486
Less special assessment bonds	(4,545,000)
Less amount set aside for repayment of G.O. debt	<u>(842,397)</u>
Total net debt applicable to limit	<u>3,485,089</u>
Legal debt margin	<u>\$ 55,430,132</u>

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds				
	Water Charges and Other	Less Operating Expenses*	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2011	\$ 517,710	\$ 288,565	\$ 229,145	\$ 85,000	\$ 34,456	1.92	\$ 134,974	\$ 65,000	\$ 124,737	0.71	
2012	609,554	416,562	192,992	90,000	31,858	1.58	213,928	70,000	141,400	1.01	
2013	546,875	558,280	(11,405)	95,000	27,818	(0.09)	1,004,594	265,000	301,523	1.77	
2014	754,900	435,808	319,092	95,000	24,682	2.67	1,959,199	1,100,000	326,188	1.37	
2015	821,729	512,418	309,311	95,000	15,524	2.80	767,248	1,620,000	357,555	0.39	
2016	943,741	637,958	305,783	155,000	15,725	1.79	742,386	685,000	301,774	0.75	
2017	983,381	620,781	362,600	754,000	18,751	0.47	1,236,851	585,000	446,302	1.20	
2018	1,367,599	678,039	689,560	719,000	30,828	0.92	1,117,520	360,000	261,148	1.80	
2019	1,507,932	808,479	699,453	775,000	152,001	0.75	2,862,259	6,905,000	289,001	0.40	
2020	1,657,826	678,722	979,104	670,500	138,752	1.21	291,883	310,000	144,895	0.64	

* Does not include depreciation.

Note 1: Details regarding the City's outstanding debt can be found in the notes to basic financial statements. Water charges and other includes investment earnings. Operating expenses do not include interest or depreciation.

Source: City of Minnetrista financial records

**CITY OF MINNETRISTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ending December 31,	Population (1)	Per Capita Personal Income (2)	Personal Income (2) (in thousands)	Estimated Completed Housing Units (1)	Average Unemployment Hennepin County (3)
2011	6,450	\$ 52,689	\$ 339,844	2,393	6.1 %
2012	6,549	57,238	374,852	2,426	5.3
2013	6,735	55,663	374,890	2,466	5.0
2014	6,796	54,692	371,687	2,565	4.2
2015	6,763	61,202	413,909	2,651	2.8
2016	7,029	65,868	462,986	2,753	3.3
2017	7,238	69,140	500,435	2,835	3.5
2018	7,526	73,404	552,439	2,951	2.5
2019	7,692	75,709	582,354	3,093	2.6
2020	8,108	N/A	N/A	3,246	4.1

Data sources:

- (1) Metropolitan Council, except for 2010 population U.S. Census Bureau.
- (2) U.S. Census Bureau.
- (3) Hennepin County.
- N/A Not Available

**CITY OF MINNETRISTA
PRINCIPAL EMPLOYERS
CURRENT YEAR**

Employer		2020		2010	
		Employees	Rank	Employees	Rank
ISD No. 277 – Westonka School District	K–12 education	137 *	1	300 **	1
Burl Oaks Golf Club	Golf course	65	2	65	4
Westonka Bus Services	Transportation Services	53	3		
City of Minnetrista	Municipal Government	40	4	36	10
Norwesco Inc.	Plastic Tank Manufacturing	36	5	45	7
YMCA	Day camp and other recreation activities	35	6	50	6
Cooks Bay Marketing	Advertising - Marketing	15	7		
Abel Onsite	Air Conditioning contractors	8	8		
Big Stone Mini Golf	Golf course/miniature	7	9		
Marina Nastepniak	Marinas	7	10		
Crown College	Post Secondary Education			223	2
Al and Alma's	Restaurant and Boat Cruises			80	3
Jubilee Foods	Grocery Store			70	5
Scotty B's Restaurant	Restaurant			42	8
Lakeview Golf Course	Golf Course			40	9
		<u>403</u>		<u>951</u>	

* Includes employees of the school district working within Minnetrista City limits.

** Includes all employees of the school district, not all work within the City.

Note - 2020 includes only employees of entities in Minnetrista. 2010 report is a regional report that included neighboring Cities as major employers.

**CITY OF MINNETRISTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Full-Time Equivalent Employees as of Fiscal Year Ended										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
General Government	9.0	9.0	9.0	9.0	10.0	11.0	11.0	11.0	11.0	11.0
Public Safety:										
Police										
Officers	11.0	11.0	11.0	11.0	12.0	13.0	13.0	13.0	13.0	13.0
Civilians	3.8	3.8	3.6	3.8	3.8	3.9	3.9	3.9	3.9	3.9
Highways and Streets	3.5	3.5	3.5	3.5	4.5	5.5	5.5	5.5	5.5	5.5
Parks and Recreation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Water	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Sewer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	29.8	29.8	29.6	29.8	32.8	35.9	36.9	36.9	36.9	36.9

Source: City of Minnetrista records

**CITY OF MINNETRISTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
Police:										
Physical Arrests	100	119	134	116	152	112	148	148	124	90
Parking Violations	223	235	218	239	95	123	59	126	126	273
Traffic Violations	3,523	3,572	2,821	2,704	3,079	2,210	2,687	2,682	2,228	1,392
Highways and Streets:										
Street Seal Coated (Miles)	4.67	3.39	2.64	2.64	2.51	1.62	1.76	1.30	—	—
Blacktop Used in "Tons" for Repair of Potholes	1,186	378	301	724	545	650	611	640	585	905
Water:										
New Connections	25	28	29	57	110	89	64	102	128	145
Average Daily Consumption (Thousands of Gallons)	358	392	409	352	390	415	471	494	441	538
Wastewater:										
(Thousands of Gallons)	148	115	134	179	118	144	143	132	134	105

Source: Various city departments

**CITY OF MINNETRISTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function:										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	13	13	13	12	13	13	12	12	12
Highways and Streets:										
Streets (Miles)	64	63	63	63	63	72	72	72	82	82
Traffic Signals	2	2	2	2	2	2	2	2	2	2
Parks and Recreation:										
Parks Acreage	75	75	75	76	76	76	76	76	76	76
Parks	21	21	21	22	22	22	22	22	22	22
Water:										
Water Mains (Miles)	29	29	29	29	31	36	36	36	42	42
Fire Hydrants	296	296	296	296	296	361	361	400	442	449
Sewer:										
Sanitary Sewers (Miles)	35	35	35	35	35	43	43	43	43	43
Storm Sewers (Miles)	14	14	14	14	14	19	19	19	22	22

Note 1: No capital asset indicators are available for the general government functions.

Source: Various city departments