



Annual Comprehensive Financial Report

City of Shoreview Minnesota
For the Fiscal Year Ended December 31, 2022

CITY OF SHOREVIEW, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

DEPARTMENT OF FINANCE

Debbie Maloney, Assistant Finance Director

Fred W. Espe, Finance Director

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CITY OF SHOREVIEW, MINNESOTA

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INTRODUCTORY SECTION

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I. INTRODUCTORY SECTION

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4600 VICTORIA STREET NORTH
SHOREVIEW, MINNESOTA 55126
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June 26, 2023

To the Honorable Mayor,
Members of the City Council,
and Citizens of the City of Shoreview, Minnesota

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon 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.

Malloy, Montague, Karnowski, Radosevich & Co., P.A., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Shoreview, Minnesota’s (the City) financial statements for the year ended December 31, 2022. The independent auditor’s report is located at the front of the financial section of this report.

The management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City, incorporated in 1957, is a northern suburb of the Minneapolis/St. Paul metropolitan area, situated in Ramsey County. The City occupies 12.2 square miles and serves a population of 26,967. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the State of Minnesota Statutory Plan B (Council – Manager) form of government. Policy-making and legislative authority are vested in a City Council consisting of the mayor and four other members, all elected on a non-partisan basis. The City Council appoints the government’s manager, who in turn appoints the heads of the various departments. Councilmembers serve four-year terms, with two members elected every two years. The mayor is elected for a two-year term. The mayor and members of the City Council are elected at large.

The City provides the following services, general government operations including, council and commissions, administration, human resources, elections, communications, finance and accounting, information systems, legal, cable TV and the Slice of Shoreview festival; public safety including, police and fire protection; public works including, administration and engineering, street maintenance, trail management, forestry and recycling; parks and recreation including, administration, municipal buildings, parks maintenance, community center operations and recreation programs; enterprise operations including, water, sewer, surface water, and street light systems; community development including, planning and zoning, building inspection, Economic Development Authority and Housing and Redevelopment Authority.

The City Council is required to adopt a budget by late December. The budget is prepared by fund, department (e.g., public safety), and activity (e.g., police). Department heads may transfer resources within an activity. The city manager may transfer resources within any department; however, transfers between departments or between funds require special approval from the City Council.

The City's capital improvement program (covering 5 years), comprehensive infrastructure replacement plan (covering 50 years), and five-year operating plan along with the annual budget serve as the foundation for the City's financial planning and the annual budget serves as the budget control.

Local Economy

Shoreview is home to many national and regional companies that are global leaders in their respective industries of banking and business systems, manufacturing, medical and automation technologies. A strong business community led by such high-profile companies as, Cummins Power, Hill-Rom Corporation, Wells Fargo, PaR Systems, Target Corporation, TSI Inc., and Westinghouse Company provide the foundation for a healthy economy, diverse economic tax base and major employment for Shoreview and the surrounding area.

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past 10 years, the unemployment rate has fluctuated from a low of 2.1 percent in the current year 2022, to a high of 4.8 percent in 2020. The April 30, 2023 rate (most current data available) is 2.0 percent according to the Minnesota Department of Employment & Economic Development. Unemployment is expected to remain at or below the regional average.

Over the past 10 years, general property taxes have increased in amount, and as a percentage of total governmental fund revenues, from 46.4 percent in 2013 to 48.5 percent in the current fiscal year (a 10-year increase of 2.1 percent). Intergovernmental revenues have decreased from 9.7 percent in 2013, to 6.4 percent of total revenues in the current fiscal year (a 10-year decrease of 3.3 percent). Charges for services have decreased from 28.7 percent of total revenue in 2013 to 26.9 percent in the current fiscal year (a 10-year decrease of 1.8 percent). This revenue source was severely affected by the COVID-19

pandemic primarily as a result of the City's Community Center and Recreation Program funds and has begun to recover to near pre-pandemic levels.

The City has diversified its revenue sources through the addition of a utility franchise tax and billboard fees, and the expansion of cellular antenna rental fees. The City approved an increase to the utility franchise fee effective January 1 2021, the increase generated an additional \$350,698 in franchise revenue during 2021. Over the past 10 years, franchise taxes and billboard and antenna rental fees have increased in amount and have increased as a percentage of total governmental fund revenues, from 3.7 percent (\$751,515) in 2013 to 8.2 percent (\$2,386,597) in the current fiscal year (a 10-year increase of 4.5 percent).

During the past 10-year period, governmental fund expenditures related to public safety have increased in amount and as a percentage of total current governmental fund expenditures from 18.3 percent (\$3,458,358) in 2013, to 23.1 percent (\$5,068,777) in the current fiscal year (a 10-year increase of 4.8 percent).

Long-Term Financial Planning

Total General Fund balance (54.2 percent of total General Fund expenditures) is consistent with policy guidelines set by the City Council for budgetary and planning purposes. The total General Fund balance is made up of a working capital allocation equal to 50 percent of taxes and state aid for 2023 (to accommodate cash flows and the timing for receipt of taxes and state aids), and an allocation of 10 percent of 2023 budgeted expenditures for unanticipated events.

The City's 5-year operating plan and capital improvement program along with the comprehensive infrastructure replacement plan (covering 50 years) serve as the foundation for the City's long-term financial planning. To ensure the timely replacement of infrastructure, the City prepares long-term cost projections for the replacement of all City assets. Funding needs for capital replacements are reflected in tax levies for the street renewal and capital asset replacement funds, and are reflected in user fees established for water, sewer, surface water, and street light funds. The five-year operating plan covering all operating funds, establishes specific goals for each fund. During 2010, Standard & Poor's raised the City's debt rating one notch from 'AA+' to 'AAA.' This was the first time that a 'AAA' rating had been assigned to the City. On July 8, 2022, Standard & Poor's affirmed the 'AAA' rating on the City's general obligation debt.

Projections for the next 5 years indicate that property tax contributions, user fees, and investment income will adequately support scheduled replacements. The impact of replacement costs on the property tax levy over the next 5 years is estimated to average 4.5 percent per year, and user fees are projected to increase between 3.0 percent and 6.0 percent over the next five years. The use of capital revolving funds will result in stable property tax and user fee increases despite fluctuating capital expenditures.

Relevant Financial Policies

The City utilizes various financial and budget policies to guide the City Council and staff when making financial decisions. These include formal Fund Balance, Debt, Budget, Comprehensive Infrastructure Replacement, Community Investment and Financial Investment policies. The primary objective of these policies is to guarantee effective delivery of City services to residents and businesses, and to ensure protection of the City's financial strength and flexibility through a revenue structure and long-term planning effort that is consistent with City Council goals and working capital targets. The overall revenue structure is established with a long-term view, and is designed to protect service delivery, ensure adequate resources in support of operations, protect asset function and condition by providing sufficient funding for repair and replacement cost when needed, and provide long-term stability and sustainability. The City's policies prohibit the use of one-time revenues to support ongoing operational expenses.

Major Initiatives

The following provides a summary of recent commercial and housing development, as well as major initiatives undertaken by the City to continue to foster a vibrant and strong local economy and high quality of life in Shoreview.

The Destination Shoreview 2040 Comprehensive Plan was officially made effective on passing of a resolution by the city Council at their January 18, 2022 meeting. This was a process that began in 2016 with extensive public engagement and the City Council adopting the updated plan in December of 2018. After three years of review and required technical revisions, the plan was approved by the Metropolitan Council in December, 2021. The Comprehensive Plan serves as a key policy document that guides future development to ensure it is consistent with the City's vision and needs of the community.

The City continues to see significant new commercial and residential development, reinvestment, and construction activity. In the past few years, Shoreview has added more than 1,200 market-rate apartments and townhomes in the City, greatly expanding the variety of housing choices that are available. The following residential developments have either been completed or under construction:

- Edison at Rice Creek - St. Louis-based JPL Development is developing a total of 401 rental housing units including 300 apartments and 101 townhomes and carriage homes. The City helped support 22 affordable units with the project through a local tax abatement. The final phase of a 150-unit apartment building and an additional 33 townhomes opened in the fall of 2022.
- Midland Terrace - construction of a new apartment building within the Midland Terrace rental community was completed in 2022. The project involved the tear down of an older 42-unit apartment building and replaced by a new 103-unit building. The new building was constructed adjacent to the luxury Lakeview Terrace building, and opened in the summer of 2022.

The following affordable housing initiatives have either been completed or are in process:

- The City, through our economic development authority, purchased properties at 902 and 910 County Road E and renovated the homes to repurpose as affordable family rentals.
- The City received a grant to acquire a forfeiture property at 5931 Lexington Avenue and working with a non-profit agency for up to 3 affordable units including a renovation of the existing house.
- The City is partnering with Rondo Community Land Trust and Habitat for Humanity-Twin Cities to develop 6 owner-occupied affordable units in 3 twin-homes in the northeast part of the community. The project has been awarded nearly \$1.4 million in grants through the Metropolitan Council, Ramsey County and Minnesota Housing Finance Agency.

The following housing policies and programs have either been completed or are in process:

- The economic development authority adopted the Shoreview Inclusionary Housing Policy in 2022. This policy promotes high quality housing for households with a variety of income levels, ages, and sizes in order to meet the City's goal of preserving and promoting economically diverse housing options in our community. The City recognizes the need to provide affordable housing to households of a broad range of income levels in order to maintain a diverse population and to provide housing for those who live or work in the City. Without intervention, the trend toward rising housing prices in new developments will continue to increase. As a result, this policy was adopted to ensure that a minimum of 10% of each new development for 20 units or more includes units affordable to low-and-moderate income households and working families. The requirements set forth in this policy further the City's housing goals and the City's comprehensive plan to create and preserve affordable housing opportunities. These requirements are intended to provide a structure for participation by both the public and private sectors in the production of affordable housing.
- Modified and enhanced Shoreview Home Improvement Loan and Down Payment Assistance programs to support reinvestment in the community.
- Created a pilot Manufactured Home Improvement program including forgiveness terms to assist owners within our only mobile home community.

At the direction of the economic development authority, with the support of the City council, the City engaged a consulting firm Stantec to undertake a Shoreview Housing Study. This comprehensive study was initiated to understand the housing inventory and market conditions more deeply, and to explore potential strategies and mechanisms to further the City's goals relative to providing a range of housing options for its residents. Key outcomes of the study included the following:

- Housing strategies were identified to address Shoreview's goals to provide a range of housing to meet the needs of its residents.

- Proposed strategies would help to diversify the housing inventory with the production of new housing and the preservation of important existing housing types.
- Proposed strategies relate to maintaining the condition of existing housing, preserving housing affordability, increasing the stock of affordable housing, and increasing the diversity of housing types.
- Implementation of this housing study will involve prioritization of strategies to reflect the City's view of their relative impact, their ease of implementation, and the availability of resources.

The city also continues to see redevelopment and growth in its business and commercial areas as summarized below:

- The Lex@4100 – a major redevelopment and upgrade to an older office building was completed in Shoreview Corporate Center campus at Lexington Avenue and County Road F. The City assisted with the renovations to modernize the corporate offices to convert it from a single user to a high-end multi-tenant facility. Once fully leased, the developer anticipates as many as 600 jobs at this site. The property owner, Eagle Ridge Partners, has demolished the 4100 east building (formerly 1050 County Road F) in the Shoreview Corporate Center. The existing 67,000 square foot building was vacant and substandard for corporate office or business use, and had been difficult to market. The redevelopment will alter the parking for the renovated Lex@4100 building, and create a new building site in the center of the campus for another phase of multi-family apartments in partnership with Greco Development. Construction is expected to start in 2023.
- Nextek Development - Gradient Financial Group purchased and undertook major upgrades to a vacant medical office building at 4625 Churchill Street north of Hwy 96. Gradient moved their software division Nextek to the Shoreview location, and their growth plan projects up to 100 employees in the next several years. The project was financially supported with a grant from the City.
- Scannell Properties Site - Scannell Properties, a national developer, acquired the 50-acre campus formerly the home to Deluxe Corporation. Scannell has been working with the City in developing a master plan for the redevelopment of this attractive property. The first phase of the development will have two 150,000 square foot industrial flex buildings. The second phase could include a mix of retail, multifamily housing, and business park development that will hopefully bring many additional jobs to the community. The City approved Phase 1 of the master plan, with construction starting in 2023.
- Rice Street Crossing - The City has selected a developer for the City-owned 10-acre Rice Street Crossing property at the southwest corner of I-694 and Rice Street. The property was the site of the county maintenance facility for many years and was acquired by the City through special funding for the reconstruction of the bridge and interchange at Rice Street and I-694 (now complete). The City has received strong interest in the site and selected Enclave Development for their mixed use development proposal on the site. They are expected to go through the entitlement process in 2023 with a construction start in 2024.

Other commercial projects that were approved and/or completed this past year include:

- Wells Fargo Operations Center building expansion and 1 mega-watt solar array on site, 1801 Park View Drive
- Mead Metals building expansion, 555 Cardigan Road
- Holiday Station Store, northwest corner of I-694 & Rice Street
- Churchill Street restaurant, 4606 Churchill Street
- Cafesjian Art Museum, 4600 Churchill Street

The City has expanded support and outreach efforts to the local business community, especially due to the economic challenges faced by businesses during the health pandemic in the past few years. These efforts include:

- Launched a business-focused website called “[Think Shoreview.com](http://ThinkShoreview.com)” to serve as a one-stop resource for businesses and promote economic development.
- Joined Open to Business program offering free advice and technical support to small businesses and entrepreneurs.
- Re-launched the Arden Hills-Shoreview Business Council quarterly business meetings in partnership with Arden Hills and Twin Cities North Chamber of Commerce.
- Co-host the Business Education Series – quarterly sessions in partnership with the cities of Shoreview, Maplewood, and Roseville and the Saint Paul Chamber.
- Created a new Shoreview Business Peer Advisory Group through the economic development commission. The program brings together business owners, executives, and entrepreneurs from Shoreview to exchange ideas and share experiences among each other in a safe and informal learning environment. The monthly group meetings are led by a member of the commission, an experienced business coach and facilitator.
- Launched a joint Business Retention and Expansion (BRE) – Workforce visit campaign with Ramsey County. The primary purpose of the visit is to assist business with workforce issues by providing resources and solutions.

The City experienced another very busy year with construction permits in 2022. Some of the highlights included:

- \$90,875,061 total building valuation in 2022, up from \$88.7 million in 2021.
- A total of 6 new single-family homes constructed in 2022.

The City began the construction of the Shoreview Commons Master Plan Phase II project in the summer of 2021, the project centers on the creation of a destination playground the project was completed in the fall of 2022 at a cost of \$4.3 million and was financed by the Community Investment Fund.

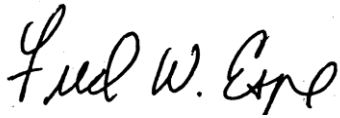
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the thirty-seventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized annual comprehensive financial report that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the mayor, city council, and city manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Fred W. Espe
Finance Director/Treasurer



Deborah Maloney
Assistant Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Shoreview
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF SHOREVIEW, MINNESOTA

Principal City Officials

December 31, 2022

City Council

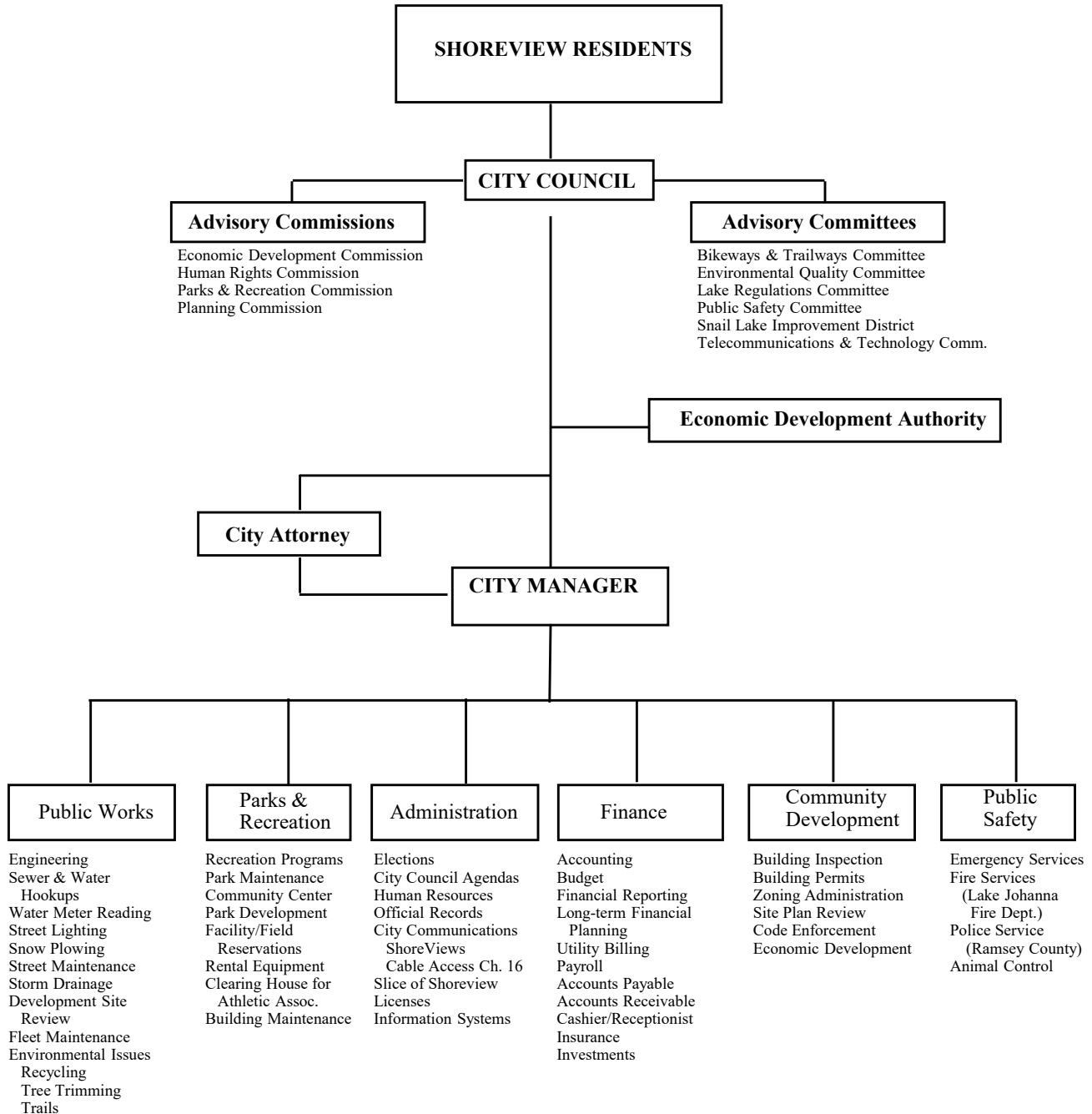
	<u>Term Expires</u>
Mayor Sue Denkinger	December 31, 2024
Councilmembers John Doan	December 31, 2026
Emy Johnson	December 31, 2024
Shelly Myrland	December 31, 2024
Cory Springhorn	December 31, 2026

Administrative Staff

	<u>Date of Hire</u>
City Manager Brad Martens	December 6, 2021
Assistant City Manager Renee Eisenbeisz	July 10, 2017
Assistant City Manager/Community Development Director Thomas C. Simonson	February 19, 1985
Finance Director/Treasurer Fred W. Espe	February 1, 2014
Public Works Director Mark J. Maloney	September 6, 1994
City Engineer Tom Wesolowski	November 13, 2016
Parks and Recreation Director Steven Benoit	July 7, 2020

City Of Shoreview Organizational Chart

December 31, 2022



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**FINANCIAL SECTION –
INDEPENDENT AUDITOR’S REPORT AND MD&A
TAB**

II. FINANCIAL SECTION



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Shoreview, Minnesota

OPINIONS

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 Shoreview, Minnesota (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 to the basic financial statements, in fiscal 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.
Minneapolis, Minnesota
June 26, 2023

Management's Discussion and Analysis

As management of the City of Shoreview, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii–x of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$130,318,242 (net position). Of this amount, \$31,621,856 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,414,367 as a result of a \$3,844,798 increase in net position for governmental activities and a \$1,569,569 increase in net position for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,302,984, an increase of \$3,369,841 in comparison with the prior year. Approximately 16.3 percent of this amount (\$4,135,712) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$5,756,640 or 46.1 percent of the total General Fund expenditures. Fund balance in the General Fund increased \$585,743 during the year.
- The City's total governmental activity bonded and certificate of participation debt increased by \$420,000 (excluding premiums) from the prior year. In 2022 the City issued \$2,425,000 of general obligation street reconstruction bonds for the reconstruction of street infrastructure.
- During 2022, the City's business-type activity bonded debt increased \$555,000 (excluding premiums) from the prior year. In 2022 the City issued \$2,870,000 of general obligation revenue bonds for the construction of infrastructure assets. Net revenues of the Water, Sewer and Surface Water utilities are pledged for the debt service of the business-type debt.
- The City's capital assets (net of accumulated depreciation) increased \$1,445,118, or 1.6 percent for governmental activities, and increased \$1,364,526, or 2.5 percent for business-type activities. A significant portion of the increase in the governmental-type activities is related to the Community Center Commons Master Plan Phase II improvements (\$959,426), and infrastructure improvements related to the 2022 street rehabilitation reconstruction project (\$2,852,776).
- As described in Note 1 of the notes to basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the fiscal year ended December 31, 2022. This standard changed the way lease transactions are reported by the City, but did not result in a restatement of net position in the current year.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through use fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City include water, sewer, surface water management, and street light services.

The government-wide financial statements can be found on pages 21–23 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven individual major governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Center Operation Fund, Recreation Programs Fund, Municipal State Aid Fund, Street Renewal Fund, Capital Asset Replacement Fund and Community Investment Fund, which are considered to be major funds. Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24–28 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. 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, surface water management, and street light operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its short-term disability self-insurance, liability claims, and central garage functions. Because each of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 the water, sewer, surface water management, and street light operations, which are considered to be major funds of the City. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 29–31 of this report.

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

The basic fiduciary fund financial statements can be found on pages 32–33 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements start on page 34 of this report.

Other information. The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their respective budgets. For the General Fund and major special revenue funds these schedules are presented as required supplementary information following the Notes to Financial Statements, while budgetary schedules for nonmajor special revenue funds are included within the Combining and Individual Nonmajor Funds Statements and Schedules section of this report. The combining and individual fund statements and schedules in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$130,318,242 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (\$89,979,843 or 69.0 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is 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.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
	Current and other assets	\$ 43,429,022	\$ 31,983,002	\$ 16,645,852	\$ 15,550,682	\$ 60,074,874
Capital assets	91,453,879	90,008,761	56,236,927	54,872,401	147,690,806	144,881,162
Total assets	<u>\$ 134,882,901</u>	<u>\$ 121,991,763</u>	<u>\$ 72,882,779</u>	<u>\$ 70,423,083</u>	<u>\$ 207,765,680</u>	<u>\$ 192,414,846</u>
Deferred outflows of resources	\$ 2,037,093	\$ 2,504,107	\$ 525,288	\$ 683,807	\$ 2,562,381	\$ 3,187,914
Long-term liabilities outstanding	\$ 33,650,591	\$ 29,995,777	\$ 28,088,594	\$ 26,750,167	\$ 61,739,185	\$ 56,745,944
Other liabilities	4,893,981	4,092,023	2,987,848	2,787,937	7,881,829	6,879,960
Total liabilities	<u>\$ 38,544,572</u>	<u>\$ 34,087,800</u>	<u>\$ 31,076,442</u>	<u>\$ 29,538,104</u>	<u>\$ 69,621,014</u>	<u>\$ 63,625,904</u>
Deferred inflows of resources	\$ 10,365,293	\$ 6,242,739	\$ 23,512	\$ 830,242	\$ 10,388,805	\$ 7,072,981
Net position						
Net investment in capital assets	\$ 62,221,046	\$ 61,634,118	\$ 27,758,797	\$ 27,017,007	\$ 89,979,843	\$ 88,651,125
Restricted	8,716,543	7,873,448	-	87,258	8,716,543	7,960,706
Unrestricted	17,072,540	14,657,765	14,549,316	13,634,279	31,621,856	28,292,044
Total net position	<u>\$ 88,010,129</u>	<u>\$ 84,165,331</u>	<u>\$ 42,308,113</u>	<u>\$ 40,738,544</u>	<u>\$ 130,318,242</u>	<u>\$ 124,903,875</u>

An additional portion of the City's net position (\$8,716,543 or 6.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$31,621,856 or 24.3 percent) 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 three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The net position of the City as a whole increased \$5,414,367 (4.3 percent) from \$124,903,875 at December 31, 2021 to \$130,318,242 at December 31, 2022. Governmental activities increased \$3,844,798 (4.6 percent) from the prior year while the business-type activities increased \$1,569,569 (3.9 percent) during the same period.

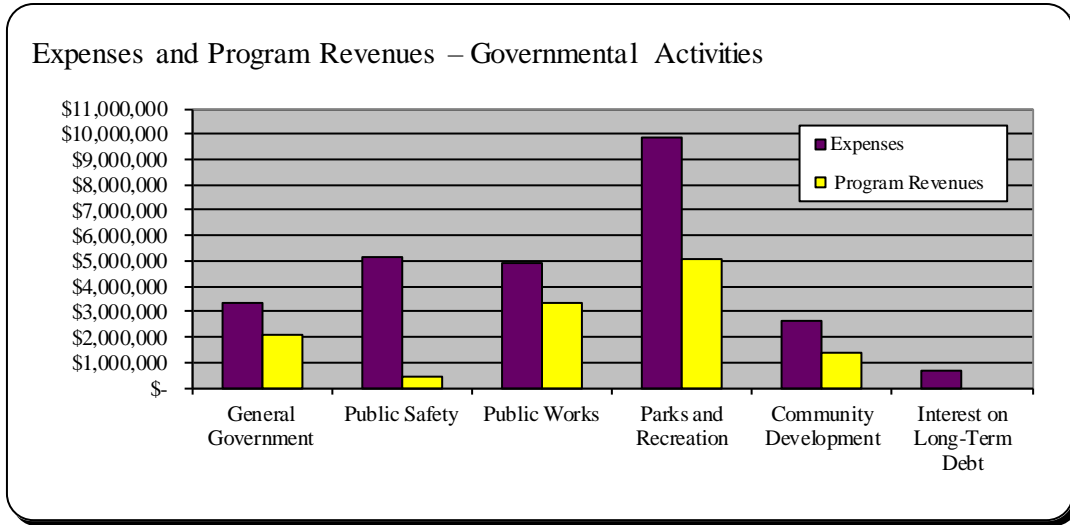
Fluctuations in deferred outflows and inflows and long-term liabilities is due mainly, to changes in the City's proportionate share of the state-wide pension benefits and the implementation of GASB Statement No. 87, *Leases*. Current and other assets were up with a new lease receivable as required by the new lease standard.

Governmental activities. Governmental activities increased the City's net position by \$3,844,798. Key elements of this increase are as follows:

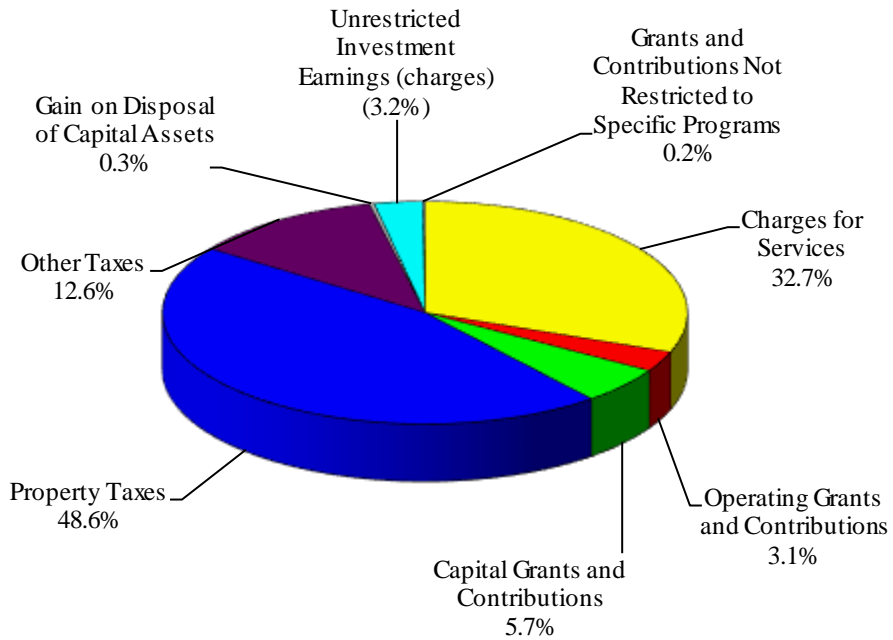
City of Shoreview's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 9,681,737	\$ 7,468,449	\$ 12,664,096	\$ 12,293,968	\$ 22,345,833	\$ 19,762,417
Operating grants and contributions	927,808	976,484	8,818	6,086	936,626	982,570
Capital grants and contributions	1,686,756	1,266,920	193,814	–	1,880,570	1,266,920
General revenues						
Property taxes	14,359,768	13,890,264	–	–	14,359,768	13,890,264
Tax increment collections	2,089,007	1,754,624	–	–	2,089,007	1,754,624
Franchise tax	1,631,875	1,603,203	–	–	1,631,875	1,603,203
Grants and contributions not restricted to specific programs	39,995	2,982,350	–	–	39,995	2,982,350
Unrestricted investment earnings (charges)	(940,667)	(57,592)	(333,478)	(30,764)	(1,274,145)	(88,356)
Gain on disposal of capital assets	92,811	14,143	–	–	92,811	14,143
Total revenues	29,569,090	29,898,845	12,533,250	12,269,290	42,102,340	42,168,135
Expenses						
General government	3,310,117	2,934,432	–	–	3,310,117	2,934,432
Public safety	5,140,852	5,055,046	–	–	5,140,852	5,055,046
Public works	4,889,371	4,347,558	–	–	4,889,371	4,347,558
Parks and recreation	9,898,074	8,069,134	–	–	9,898,074	8,069,134
Community development	2,636,634	2,793,289	–	–	2,636,634	2,793,289
Interest on long-term debt	682,259	664,312	–	–	682,259	664,312
Water	–	–	3,550,081	3,354,801	3,550,081	3,354,801
Sewer	–	–	4,457,530	4,240,960	4,457,530	4,240,960
Surface water	–	–	1,696,349	1,639,956	1,696,349	1,639,956
Street lights	–	–	426,706	388,835	426,706	388,835
Total expenses	26,557,307	23,863,771	10,130,666	9,624,552	36,687,973	33,488,323
Increase (decrease) in net position before transfers	3,011,783	6,035,074	2,402,584	2,644,738	5,414,367	8,679,812
Transfers	833,015	777,084	(833,015)	(777,084)	–	–
Increase (decrease) in net position	3,844,798	6,812,158	1,569,569	1,867,654	5,414,367	8,679,812
Net position – January 1	84,165,331	77,353,173	40,738,544	38,870,890	124,903,875	116,224,063
Net position – December 31	\$ 88,010,129	\$ 84,165,331	\$ 42,308,113	\$ 40,738,544	\$ 130,318,242	\$ 124,903,875

- Charges for services for governmental activities increased \$2,213,288 (29.6 percent) during the year. A significant portion of this increase is due to park and recreation revenue increases of \$1,771,513 from 2021 to 2022 (55.7 percent). Parks and recreation revenue declined significantly in 2020, and 2021 due to service disruptions and facility closures as a result of the COVID-19 pandemic.
- Operating grants and contributions decreased \$48,676 (5.0 percent) during the year. Significant changes from 2021 to 2022 included a decrease in parks and recreation. The parks and recreation decrease is a result of a Ramsey County's reimbursement for their share of costs associated with the Owasso Blvd. North reconstruction project in 2021. Public works increased as a result of a federal grant for road maintenance.
- Capital grants and contributions increased \$419,836 (33.1 percent) during the year. Significant changes from 2021 to 2022 included public works increases in the State of Minnesota highway construction aid and a street segment contributed by a developer, a community development grant for the purchase of a home and decreases in park dedication fees.
- Property taxes for governmental activities increased by \$469,504 (3.4 percent) during the year, due to levy increases for the General Fund, permanent Capital Project Funds, and Special Revenue Funds.
- Tax increment collections for governmental activities increased by \$334,383 (19.1 percent), primarily due to a step up in value for TIF District number 11, the first year of collection for TIF District numbers 12 and 13 and property value increases.
- Franchise tax revenue for governmental activities increased \$28,672 (1.8 percent) primarily due to additional customer connections.
- Grants and Contributions not restricted to specific programs decreased by \$2,942,355 (98.7 percent) primarily as a result of Federal American Rescue Plan Act funding in 2021.
- Investment earnings decreased by \$883,075 (1,533.3 percent) during the year, due to year-end adjustments to fair value.
- General government expenses increased by \$375,685 (12.8 percent) during the year. A significant portion of the increase was related to elections as a result of the City holding an election in 2022 (elections are held every other year), communications as a result of salaries and benefits and contractual costs, information technology contractual costs and the City's proportionate share of state-wide pension benefit cost. Human resources expenses decreased mainly as a result of salaries and benefits and contractual costs.
- Public works expenses increased by \$541,813 (12.5 percent) during the year. The increase is due primarily to an increase in losses on the disposal of fixed assets in 2022, operating costs associated with the County's Lexington avenue project, and the City's proportionate share of state-wide pension benefit cost.
- Parks and recreation expenses increased \$1,828,940 (22.7 percent) during the year. The increase is due mainly, to increased service levels in 2022 as the Community Center and Recreation Programs recover from the effects of the COVID-19 pandemic, repair and maintenance costs and the City's proportionate share of state-wide pension benefit cost.
- Community development expenses decreased by \$156,655 (5.6 percent) during the year. A significant portion of the decrease is the result of business assistance in response to the COVID-19 pandemic that was distributed in 2021, offset by increases resulting from increased developer assistance payments in TIF Districts in 2022.
- Interest on long-term debt increased by \$17,947 (2.7 percent) during the year.
- Governmental activities reported net transfers of \$833,015 from business-type activities.

The following two graphs provide comparisons of the governmental activities revenues and expenses.



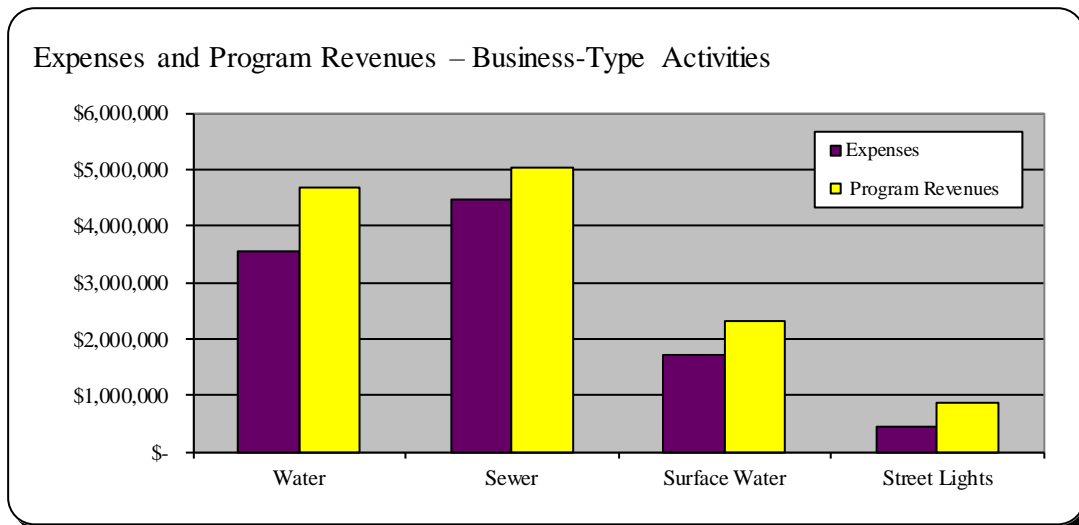
Governmental Activities – Revenues



Business-type activities. Business-type activities increased the City’s net position by \$1,569,569. Key elements of this increase are as follows:

- Charges for services for business-type activities increased \$370,128 (3.0 percent). Water operations increased \$24,556 (0.5 percent); this increase was due to a water rate increase of 6.0 percent for the average residential customer, and a 3.3 percent decrease in the gallons of water sold during the year. Sewer operations increased \$206,860 (4.3 percent); rates increased 4.0 percent and winter residential water consumption decreased 2.6 percent, which provides the basis for residential sewer charges, connection charges decreased \$77,181. Surface Water operations increased \$88,680 (4.2 percent), due to a 6.0 percent rate increase. Street Light operations increased \$50,032 (6.3 percent), due to the impact of a street light rate increase of 4 percent.
- Capital grants and contributions provided \$193,814 of revenue from developer contributions in the current year.
- Investment earnings decreased by \$302,714 during the year, due to year-end adjustments to fair value.
- Expenses for business-type activities increased \$506,114 (5.3 percent). A significant portion of the increase was a result of higher sewage treatment costs administrative charges, utilities, and salaries and benefits.
- Business-type activities reported net transfers of \$833,015 to governmental activities.

The following graph provides comparisons of the business-type activities program revenues and expenses.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,302,984, an increase of \$3,369,841 in comparison with the prior year. Approximately 16.3 percent of this amount (\$4,135,712) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is classified as non-spendable in the form of prepaid items, restricted, committed, or assigned for specific activities and projects. These amounts are not available for new spending because they are restricted by externally imposed constraints or committed and assigned through internally imposed constraints.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,756,640. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund balance represents 46.1 percent of total General Fund expenditures, while total fund balance represents 54.2 percent of that same amount.

The City's General Fund balance policy establishes a minimum and maximum unassigned fund balance based on the following key factors:

- The unassigned fund balance for working capital needs is equal to 50 percent of the ensuing years' General Fund tax levy and levy-based state aids, because taxes and state aids are received in June and December of each year. The working capital allocation is reduced by the balance of nonspendable items at year-end. Budgeted taxes in 2023 are \$943,560 more than in 2022; consequently, the unassigned General Fund balance for working capital increased \$471,780 at the end of the current period. As of year-end, the City has met its minimum unassigned working capital balance.
- The maximum unassigned fund balance for unanticipated expenditures at year-end is equal to 10 percent of budgeted ensuing years' expenditures. Ensuing year budgeted expenditures are \$14,129,495, which results in an unassigned fund balance for unanticipated expenditures of \$1,412,950 (an increase of \$113,963). As of year-end, the City has met its maximum unassigned unanticipated expenditure fund balance.
- The maximum unassigned fund balance is equal to the combined unassigned working capital and unanticipated expenditure fund balances less any nonspendable items. The total for the current fiscal year is \$5,756,640, as compared to \$5,256,575 for the previous year, an increase of \$500,065 (due to an increase of nonspendable items of \$85,678).

The Community Center Operation Fund balance decreased \$177,322 and the Recreation Programs Fund balance decreased \$20,023, the decreases are attributable to decreased services levels associated with the COVID-19 pandemic which have started to ease.

Fund balances for the Municipal State Aid, Street Renewal, Capital Asset Replacement, and Community Investment Funds are designed to fluctuate between years depending on the type of operating repairs and capital costs in any given year. Revenues of the Street Renewal and Capital Asset Replacement Funds are designed to change gradually from one year to the next, providing a stable revenue stream to support repair and replacement costs that vary due to type, size, and scope. The fund balance of the Municipal State Aid Fund increased \$544,628, due to state aid and earnings on investments (charges) exceeding transfers out for costs related to the Owasso Boulevard North and Lexington Avenue Reconstruction projects. The fund balance of the Street Renewal Fund increased \$903,449. Expenditures and transfers out in the Street Renewal Fund consisted primarily of public works street rehabilitation and repairs. Capital funding transfers out are for the 2022 Street Rehabilitation project costs. Operating expenditures are for an annual street condition survey. Fund balance increased \$668,649 in the Capital Asset Replacement Fund. Significant operating expenditures in 2022 included various community center, park and recreation, and public works repairs and supplies and public safety expenditures paid to the Lake Johanna Fire Department for the City's share of the fire department's capital costs. Significant capital expenditures include various community center and park and recreation costs. Transfers out in the Capital Asset Replacement Fund represent the fund's share of costs for the 2011 Refunding Certificates of Participation (\$180,000), 2017 Tax Abatement Bonds (\$200,000), computer acquisitions (\$128,762), and capital spending for trails (\$100,000). In accordance with the General Fund, fund balance policy, a \$587,784 transfer was made into the Capital Asset Replacement Fund to build up fund balance. Revenues for the Municipal State Aid, Street Renewal, and Capital Asset Replacement Funds were consistent with prior years.

The Community Investment Fund was established in 2013 to account for resources dedicated for the acquisition of capital assets, which have a community-wide benefit. Significant revenue sources include utility franchise fees, wireless telecommunication and billboard lease receipts, and park dedication fees. The fund balance of the Community Investment Fund increased \$202,414. Significant expenditures include operating costs in the amount of \$67,349 for Community Center and park improvements and capital expenditures in the amount of \$1,195,772 for Community Center and park improvements. Transfers out represent the fund's share of debt service costs for the 2011 Refunding Certificates of Participation (\$180,000), and 2017 Tax Abatement Bonds (\$322,000).

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

Unrestricted net position in the respective proprietary funds include \$4,052,431 for water, \$5,927,966 for sewer, \$3,134,681 for surface water management, and \$1,351,384 for street lights. Water Fund net position increased \$588,916, primarily due to increased summer irrigation, a rate increase and contributions. Sewer Fund net position increased \$253,261, primarily due to a rate increase and contributions. Surface Water Fund net position increased \$425,282, primarily due to a rate increase and contributions. The Street Lights Fund net position increased \$329,827, primarily as a result of a rate increase and contributions.

General Fund Budgetary Highlights

Total General Fund revenues were \$670,068 more than estimated in the budget. Property taxes were over budget by \$440, due to the settlement of prior year's tax appeals. Licenses and permits surpassed anticipated levels by \$578,324, primarily due to building permits and the city's policy to conservatively budget this revenue source, intergovernmental revenues exceeded budget by \$98,390, due to state fire aid and state road maintenance aid, charges for services surpassed anticipated levels by \$237,787, primarily as a result of plan check fees. Earnings on investments (charges) were under budget by \$249,243 as a result of the year-end market value adjustment.

Total General Fund expenditures were under budget by \$503,459 (3.9 percent). Within general government, human resources and information systems were under budget, due to contractual costs. Public safety was over budget as a result of state fire aid that is passed through to the Lake Johanna Fire Department, state fire aid revenue is over budget by a similar amount. Public works and Parks and recreation departments were under budget as a result of the delay of certain expenditures because of supply chain issues. Planning and zoning administration was under budget as a result of personal services. Building inspection was over budget, due to contracted electrical inspections. The unbudgeted transfer out (\$587,784) was made in accordance with the City's fund balance policy regarding excess fund balance in the General Fund.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022 amounts to \$147,690,806 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, machinery and equipment, distribution and collection systems, park facilities, roads, trails, and sidewalks, and pedestrian tunnels and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 1.9 percent (a 1.6 percent increase for governmental activities and a 2.5 percent increase for business-type activities).

City of Shoreview's Capital Assets
(Net of Depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 7,230,173	\$ 7,084,410	\$ 325,202	\$ 325,202	\$ 7,555,375	\$ 7,409,612
Buildings and structures	44,359,494	40,782,742	14,286,634	14,717,257	58,646,128	55,499,999
Machinery and equipment	4,826,190	4,633,811	1,280,914	1,388,020	6,107,104	6,021,831
Distribution and collection systems	–	–	38,822,424	31,224,466	38,822,424	31,224,466
Infrastructure	34,802,979	25,884,951	–	–	34,802,979	25,884,951
Construction in progress	235,043	11,622,847	1,521,753	7,217,456	1,756,796	18,840,303
Total	\$ 91,453,879	\$ 90,008,761	\$ 56,236,927	\$ 54,872,401	\$ 147,690,806	\$ 144,881,162

Major capital asset events during the current fiscal year included the following:

- A variety of capital assets for governmental activities were completed at a cumulative cost of \$16,892,874. Construction in progress at year-end for governmental activities is \$235,043.
- Various capital assets for business-type activities were completed at a cumulative cost of \$8,881,874. Construction in progress for business-type activities as of the end of the current fiscal year is \$1,521,753.

Additional information on the City's capital assets can be found in Note 5 of the notes to financial statements.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$49,630,000 (excluding unamortized premiums), an increase of \$1,415,000 from 2021. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$460,000 of outstanding certificates of participation financed building improvements and a \$5,195,035 loan payable financed land acquisition. Unamortized premium on City debt totaled \$2,219,415. The liability for compensated absences totals \$515,889. The City's net pension liability is \$7,983,393.

City of Shoreview's Outstanding Debt

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
General obligation improvement bonds	\$ 2,322,546	\$ 2,520,069	\$ –	\$ –	\$ 2,322,546	\$ 2,520,069
General obligation bonds	20,836,462	19,692,544	–	–	20,836,462	19,692,544
General obligation revenue bonds	–	–	28,690,407	28,044,206	28,690,407	28,044,206
Loan payable	5,195,035	5,195,035	–	–	5,195,035	5,195,035
Certificates of participation	460,000	900,000	–	–	460,000	900,000
Compensated absences	399,769	405,847	116,120	124,171	515,889	530,018
Net pension liability	6,346,797	3,314,183	1,636,596	905,020	7,983,393	4,219,203
Total	\$ 35,560,609	\$ 32,027,678	\$ 30,443,123	\$ 29,073,397	\$ 66,003,732	\$ 61,101,075

The City maintains a bond rating from Standard & Poor's Financial Services, LLC of AAA for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$115,543,878. The City's net debt applicable to this limit totals \$8,471,679.

Additional information on the City's long-term debt can be found in Note 6 of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

- The 2022 annual average unemployment rate (not seasonally adjusted) for the City was 2.1 percent, which compares favorably to 2.7 percent unemployment for the state of Minnesota, and 3.6 percent unemployment nationally.
- The current property tax collection rate for the current period is 99.6 percent.
- Building permit activity in the current period resulted in permit valuation equal to \$90.9 million. New residential and commercial construction accounted for 9 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 19 percent of building permit values, and commercial property accounted for the remaining 72 percent of building permit values.
- The 2023 adopted levy supports the 2023 budget.

All of these factors were considered in preparing the City's budget for the 2023 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2023 budget year. The increase for the average customer was 3.0 percent for water, 3.0 percent for sewer, 4.0 percent for surface water management, and 5.0 percent for street lights. The total impact on the average residential customer is estimated to be 3.3 percent. These rate increases were necessary to support operating costs, capital costs, and debt repayment.

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 financial information should be addressed to the Office of the Finance Director, 4600 Victoria Street North, Shoreview, Minnesota 55126.

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**FINANCIAL SECTION –
BASIC FINANCIAL STATEMENTS
TAB**

BASIC FINANCIAL STATEMENTS

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CITY OF SHOREVIEW, MINNESOTA
Statement of Net Position
December 31, 2022

Statement 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 31,250,454	\$ 13,317,199	\$ 44,567,653
Accrued interest receivable	149,904	39,575	189,479
Accounts receivable	464,101	2,986,499	3,450,600
Loan receivable	170,168	–	170,168
Lease receivable	8,130,515	–	8,130,515
Taxes receivable	177,518	–	177,518
Special assessments receivable	1,716,646	19,341	1,735,987
Internal balances	(82,854)	82,854	–
Due from other governmental units	413,276	3,689	416,965
Prepaid items	1,039,294	196,695	1,235,989
Capital assets			
Nondepreciable	7,465,216	1,846,955	9,312,171
Depreciable (net of accumulated depreciation)	83,988,663	54,389,972	138,378,635
Total assets	<u>134,882,901</u>	<u>72,882,779</u>	<u>207,765,680</u>
Deferred outflows of resources			
Deferred pension resources	2,037,093	525,288	2,562,381
Liabilities			
Accounts payable	911,495	168,125	1,079,620
Salaries payable	170,597	36,500	207,097
Contracts payable	320,333	84,979	405,312
Accrued bond interest payable	315,977	321,100	637,077
Deposits payable	536,537	19,335	555,872
Due to other governmental units	546,458	3,280	549,738
Unearned revenue	182,566	–	182,566
Compensated absences payable			
Due within one year	50,018	14,529	64,547
Due in more than one year	349,751	101,591	451,342
Loan payable			
Due in more than one year	5,195,035	–	5,195,035
Certificates of participation payable			
Due within one year	460,000	–	460,000
Bonds payable			
Due within one year	1,400,000	2,340,000	3,740,000
Due in more than one year	21,759,008	26,350,407	48,109,415
Net pension liability			
Due in more than one year	6,346,797	1,636,596	7,983,393
Total liabilities	<u>38,544,572</u>	<u>31,076,442</u>	<u>69,621,014</u>
Deferred inflows of resources			
Lease revenues for subsequent years	7,982,737	–	7,982,737
State aid received for subsequent years	2,291,369	–	2,291,369
Deferred pension resources	91,187	23,512	114,699
Total deferred inflows of resources	<u>10,365,293</u>	<u>23,512</u>	<u>10,388,805</u>
Net position			
Net investment in capital assets	62,221,046	27,758,797	89,979,843
Restricted for			
Debt service	2,903,310	–	2,903,310
Economic development	60,471	–	60,471
Housing and redevelopment	388,739	–	388,739
Recycling	1,310,243	–	1,310,243
Tax increment purposes	3,584,447	–	3,584,447
Tax abatement	62,617	–	62,617
Infrastructure improvements	406,716	–	406,716
Unrestricted	17,072,540	14,549,316	31,621,856
Total net position	<u>\$ 88,010,129</u>	<u>\$ 42,308,113</u>	<u>\$ 130,318,242</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Activities

For The Year Ended December 31, 2022

	<u>Expenses</u>	<u>Charges For Services</u>
Functions/programs		
Primary government		
Governmental activities		
General government	\$ 3,310,117	\$ 2,031,516
Public safety	5,140,852	42,601
Public works	4,889,371	1,389,309
Parks and recreation	9,898,074	4,951,875
Community development	2,636,634	1,266,436
Interest on long-term debt	682,259	-
Total governmental activities	<u>26,557,307</u>	<u>9,681,737</u>
Business-type activities		
Water	3,550,081	4,616,828
Sewer	4,457,530	4,998,527
Surface water	1,696,349	2,203,118
Street lights	426,706	845,623
Total business-type activities	<u>10,130,666</u>	<u>12,664,096</u>
Total primary government	<u>\$ 36,687,973</u>	<u>\$ 22,345,833</u>

The accompanying notes are an integral part of these financial statements.

Statement 2

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-Type Activities	Total
\$ 57,293	\$ –	\$ (1,221,308)	\$ –	\$ (1,221,308)
353,020	–	(4,745,231)	–	(4,745,231)
455,736	1,509,881	(1,534,445)	–	(1,534,445)
61,759	72,375	(4,812,065)	–	(4,812,065)
–	104,500	(1,265,698)	–	(1,265,698)
–	–	(682,259)	–	(682,259)
<u>927,808</u>	<u>1,686,756</u>	<u>(14,261,006)</u>	<u>–</u>	<u>(14,261,006)</u>
4,686	45,814	–	1,117,247	1,117,247
2,617	30,000	–	573,614	573,614
1,515	105,000	–	613,284	613,284
–	13,000	–	431,917	431,917
<u>8,818</u>	<u>193,814</u>	<u>–</u>	<u>2,736,062</u>	<u>2,736,062</u>
<u>\$ 936,626</u>	<u>\$ 1,880,570</u>	<u>(14,261,006)</u>	<u>2,736,062</u>	<u>(11,524,944)</u>
General revenues				
Property taxes		14,359,768	–	14,359,768
Tax increment collections		2,089,007	–	2,089,007
Franchise tax		1,631,875	–	1,631,875
Grants and contributions not restricted to specific programs		39,995	–	39,995
Unrestricted investment earnings (charges)		(940,667)	(333,478)	(1,274,145)
Gain on disposal of capital assets		92,811	–	92,811
Transfers		833,015	(833,015)	–
Total general revenues and transfers		<u>18,105,804</u>	<u>(1,166,493)</u>	<u>16,939,311</u>
Change in net position		3,844,798	1,569,569	5,414,367
Net position – beginning		<u>84,165,331</u>	<u>40,738,544</u>	<u>124,903,875</u>
Net position – ending		<u>\$ 88,010,129</u>	<u>\$ 42,308,113</u>	<u>\$ 130,318,242</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Balance Sheet

Governmental Funds

December 31, 2022

	General	Community Center Operation	Recreation Programs	Municipal State Aid
Assets				
Cash and investments	\$ 6,155,235	\$ 1,972,275	\$ 991,643	\$ 1,034,118
Accrued interest receivable	17,291	8,560	4,500	5,658
Accounts receivable (net of allowance for uncollectibles)	50,653	2,038	256	-
Loan receivable	-	-	-	-
Lease receivable	-	-	-	-
Taxes receivable	120,181	-	-	-
Special assessments receivable	3,187	-	-	-
Interfund receivable	-	-	-	-
Due from other governmental units	4,503	-	1,245	-
Prepaid items	1,007,983	7,878	5,552	-
Total assets	<u>\$ 7,359,033</u>	<u>\$ 1,990,751</u>	<u>\$ 1,003,196</u>	<u>\$ 1,039,776</u>
Liabilities				
Accounts payable	\$ 77,237	\$ 98,247	\$ 9,406	\$ -
Salaries payable	91,729	48,377	18,621	-
Contracts payable	-	-	-	-
Deposits payable	346,305	188,907	325	-
Interfund payable	-	-	-	-
Due to other governmental units	5,876	36,452	1,463	-
Unearned revenue	2,680	-	-	-
Total liabilities	<u>523,827</u>	<u>371,983</u>	<u>29,815</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue – loan receivable	-	-	-	-
Unavailable revenue – property taxes	70,583	-	-	-
Unavailable revenue – special assessments	-	-	-	-
Lease revenues for subsequent years	-	-	-	-
State aid received for subsequent years	-	-	-	2,291,369
Total deferred inflows of resources	<u>70,583</u>	<u>-</u>	<u>-</u>	<u>2,291,369</u>
Fund balances (deficits)				
Nonspendable	1,007,983	7,878	5,552	-
Restricted	-	-	-	-
Committed	-	1,610,890	967,829	-
Assigned	-	-	-	-
Unassigned	5,756,640	-	-	(1,251,593)
Total fund balances (deficits)	<u>6,764,623</u>	<u>1,618,768</u>	<u>973,381</u>	<u>(1,251,593)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 7,359,033</u>	<u>\$ 1,990,751</u>	<u>\$ 1,003,196</u>	<u>\$ 1,039,776</u>

The accompanying notes are an integral part of these financial statements.

Statement 3

Street Renewal	Capital Asset Replacement	Community Investment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 3,327,551	\$ 2,981,361	\$ 2,573,356	\$ 8,875,074	\$ -	\$ 27,910,613
10,087	9,016	57,002	25,204	-	137,318
-	-	313,504	97,650	-	464,101
-	-	-	170,168	-	170,168
-	-	8,130,515	-	-	8,130,515
13,416	22,250	-	19,359	-	175,206
145,490	-	-	1,567,969	-	1,716,646
-	-	-	587,464	(587,464)	-
-	-	-	407,528	-	413,276
-	-	-	16,437	-	1,037,850
<u>\$ 3,496,544</u>	<u>\$ 3,012,627</u>	<u>\$ 11,074,377</u>	<u>\$ 11,766,853</u>	<u>\$ (587,464)</u>	<u>\$ 40,155,693</u>
\$ 2,361	\$ 47,528	\$ 5,971	\$ 604,085	\$ -	\$ 844,835
-	-	-	8,384	-	167,111
320,333	-	-	-	-	320,333
-	-	-	1,000	-	536,537
-	-	-	587,464	(587,464)	-
-	-	-	502,657	-	546,448
-	-	179,886	-	-	182,566
<u>322,694</u>	<u>47,528</u>	<u>185,857</u>	<u>1,703,590</u>	<u>(587,464)</u>	<u>2,597,830</u>
-	-	-	170,168	-	170,168
7,902	13,035	-	10,729	-	102,249
144,697	-	-	1,563,659	-	1,708,356
-	-	7,982,737	-	-	7,982,737
-	-	-	-	-	2,291,369
<u>152,599</u>	<u>13,035</u>	<u>7,982,737</u>	<u>1,744,556</u>	<u>-</u>	<u>12,254,879</u>
-	-	-	16,437	-	1,037,850
-	-	-	7,295,848	-	7,295,848
3,021,251	2,952,064	2,905,783	269,646	-	11,727,463
-	-	-	1,106,111	-	1,106,111
-	-	-	(369,335)	-	4,135,712
<u>3,021,251</u>	<u>2,952,064</u>	<u>2,905,783</u>	<u>8,318,707</u>	<u>-</u>	<u>25,302,984</u>
<u>\$ 3,496,544</u>	<u>\$ 3,012,627</u>	<u>\$ 11,074,377</u>	<u>\$ 11,766,853</u>	<u>\$ (587,464)</u>	<u>\$ 40,155,693</u>
Fund balance reported above					\$ 25,302,984
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					84,977,013
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.					1,980,773
Internal service funds are used by management to charge costs to individual funds.					
The assets, liabilities, and deferred inflows/outflows of the internal service funds are included in governmental activities in the Statement of Net Position.					6,681,811
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					(26,659,436)
Deferred outflows and inflows of pension resources are not current financial resources and the long-term net pension liability is not due and payable in the current period and, therefore, are not reported in the funds.					(4,273,016)
Net position of governmental activities					<u>\$ 88,010,129</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Revenues, Expenditures,
and Changes in Fund Balances

Governmental Funds

For The Year Ended December 31, 2022

	General	Community Center Operation	Recreation Programs	Municipal State Aid
Revenues				
Taxes				
General property taxes	\$ 9,810,225	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Franchise tax	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	1,028,274	-	-	-
Intergovernmental	696,790	-	-	911,017
Charges for services	1,919,167	3,331,753	1,572,005	-
Fines and forfeits	42,271	-	-	-
Earnings on investments (charges)	(169,243)	(84,186)	(44,288)	(55,681)
Billboard fees	-	-	-	-
Antenna fees	-	-	-	-
Park dedication fees	-	-	-	-
Other	27,449	12,689	745	-
Total revenues	<u>13,354,933</u>	<u>3,260,256</u>	<u>1,528,462</u>	<u>855,336</u>
Expenditures				
Current				
General government	2,645,485	-	-	-
Public safety	4,818,371	-	-	-
Public works	1,779,536	-	-	-
Parks and recreation	2,476,058	3,732,578	1,798,485	-
Community development	766,956	-	-	-
Capital outlay				
General government	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total expenditures	<u>12,486,406</u>	<u>3,732,578</u>	<u>1,798,485</u>	<u>-</u>
Revenues over (under) expenditures	<u>868,527</u>	<u>(472,322)</u>	<u>(270,023)</u>	<u>855,336</u>
Other financing sources (uses)				
Bond issuance	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	920,000	295,000	250,000	-
Transfers out	(1,202,784)	-	-	(310,708)
Total other financing sources (uses)	<u>(282,784)</u>	<u>295,000</u>	<u>250,000</u>	<u>(310,708)</u>
Net change in fund balances	585,743	(177,322)	(20,023)	544,628
Fund balances (deficits) – January 1	6,178,880	1,796,090	993,404	(1,796,221)
Fund balances (deficits) – December 31	<u>\$ 6,764,623</u>	<u>\$ 1,618,768</u>	<u>\$ 973,381</u>	<u>\$ (1,251,593)</u>

The accompanying notes are an integral part of these financial statements.

Statement 4

Street Renewal	Capital Asset Replacement	Community Investment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 1,088,995	\$ 1,821,104	\$ -	\$ 1,448,988	\$ -	\$14,169,312
-	-	-	2,090,517	-	2,090,517
-	-	1,250,339	381,536	-	1,631,875
33,123	-	-	353,001	-	386,124
-	-	-	-	-	1,028,274
79,084	-	-	181,386	-	1,868,277
-	5,000	-	1,040,289	-	7,868,214
-	-	-	-	-	42,271
(99,272)	(88,730)	(106,008)	(169,388)	-	(816,796)
-	-	73,524	-	-	73,524
-	-	681,198	-	-	681,198
-	-	61,118	-	-	61,118
-	11,763	7,364	51,713	-	111,723
<u>1,101,930</u>	<u>1,749,137</u>	<u>1,967,535</u>	<u>5,378,042</u>	<u>-</u>	<u>29,195,631</u>
-	-	-	322,134	-	2,967,619
-	250,406	-	-	-	5,068,777
33,801	62,955	-	876,404	-	2,752,696
-	508,892	67,349	8,907	-	8,592,269
-	-	-	1,837,567	-	2,604,523
-	-	-	238,100	-	238,100
-	-	-	3,017,153	-	3,017,153
-	237,257	1,195,772	-	-	1,433,029
-	-	-	145,763	-	145,763
-	-	-	1,695,000	-	1,695,000
-	-	-	630,629	-	630,629
-	-	-	47,826	-	47,826
<u>33,801</u>	<u>1,059,510</u>	<u>1,263,121</u>	<u>8,819,483</u>	<u>-</u>	<u>29,193,384</u>
<u>1,068,129</u>	<u>689,627</u>	<u>704,414</u>	<u>(3,441,441)</u>	<u>-</u>	<u>2,247</u>
-	-	-	2,425,000	-	2,425,000
-	-	-	172,594	-	172,594
5,403	587,784	-	3,436,302	(4,724,489)	770,000
(170,083)	(608,762)	(502,000)	(1,930,152)	4,724,489	-
<u>(164,680)</u>	<u>(20,978)</u>	<u>(502,000)</u>	<u>4,103,744</u>	<u>-</u>	<u>3,367,594</u>
903,449	668,649	202,414	662,303	-	3,369,841
2,117,802	2,283,415	2,703,369	7,656,404	-	21,933,143
<u>\$ 3,021,251</u>	<u>\$ 2,952,064</u>	<u>\$ 2,905,783</u>	<u>\$ 8,318,707</u>	<u>\$ -</u>	<u>\$25,302,984</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended December 31, 2022

Statement 5

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

Net change in fund balances – total governmental funds.	\$ 3,369,841
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation and capital additions in the current period.	1,935,666
The Statement of Activities reports gains and losses arising from the trade-in or disposal of existing assets to acquire new capital assets. Conversely, governmental funds simply report proceeds on sale of capital assets.	(310,049)
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.	123,385
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas material amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(828,263)
Long-term pension activity is not reported in governmental funds.	(546,605)
The transfer out of governmental capital assets contributed to enterprise funds.	(56,385)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(10,664)
Internal service funds are used by management to charge costs to individual funds. This amount is the portion of net revenue attributable to and reported with governmental activities.	<u>167,872</u>
Change in net position of governmental activities.	<u><u>\$ 3,844,798</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Net Position

Proprietary Funds

December 31, 2022

Statement 6

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
Assets						
Current assets						
Cash and investments	\$ 3,918,331	\$ 5,213,016	\$ 2,963,235	\$ 1,222,617	\$ 13,317,199	\$ 3,339,841
Accrued interest receivable	11,517	14,601	7,870	5,587	39,575	12,586
Accounts receivable						
Customers	990,630	1,137,979	507,490	126,626	2,762,725	–
Customer accounts certified to county	80,105	93,345	35,026	15,298	223,774	–
Taxes receivable	–	–	–	–	–	2,312
Due from other governmental units	228	100	3,361	–	3,689	–
Prepaid items	6,000	187,361	3,023	311	196,695	1,444
Total current assets	5,006,811	6,646,402	3,520,005	1,370,439	16,543,657	3,356,183
Noncurrent assets						
Special assessments receivable	6,990	10,485	1,302	564	19,341	–
Capital assets						
Land	27,577	11,459	286,166	–	325,202	36,293
Buildings and structures	19,181,579	2,153,715	–	–	21,335,294	6,929,379
Machinery and equipment	2,574,422	80,655	6,787	–	2,661,864	7,284,230
Distribution and collection systems	23,927,498	18,269,217	20,271,887	4,048,992	66,517,594	–
Construction in progress	423,855	705,355	17,818	374,725	1,521,753	–
Total capital assets	46,134,931	21,220,401	20,582,658	4,423,717	92,361,707	14,249,902
Less accumulated depreciation	(19,208,318)	(10,229,020)	(5,086,861)	(1,600,581)	(36,124,780)	(7,773,036)
Total capital assets (net of accumulated depreciation)	26,926,613	10,991,381	15,495,797	2,823,136	56,236,927	6,476,866
Total noncurrent assets	26,933,603	11,001,866	15,497,099	2,823,700	56,256,268	6,476,866
Total assets	31,940,414	17,648,268	19,017,104	4,194,139	72,799,925	9,833,049
Deferred outflows of resources						
Deferred pension resources	222,671	191,666	110,951	–	525,288	59,191
Liabilities						
Current liabilities						
Accounts payable	78,730	61,803	9,880	17,712	168,125	66,660
Salaries payable	15,631	13,213	6,844	812	36,500	3,486
Contracts payable	–	51,545	17,096	16,338	84,979	–
Accrued bond interest payable	187,889	73,746	59,465	–	321,100	31,609
Deposits payable	19,335	–	–	–	19,335	–
Due to other governmental units	3,280	–	–	–	3,280	10
Compensated absences payable	6,218	5,526	2,498	287	14,529	1,210
Bonds payable	1,355,000	485,000	500,000	–	2,340,000	320,000
Total current liabilities	1,666,083	690,833	595,783	35,149	2,987,848	422,975
Noncurrent liabilities						
Compensated absences payable (net of current portion)	43,478	38,643	17,466	2,004	101,591	8,464
Bonds payable (net of current portion)	14,976,362	6,407,575	4,966,470	–	26,350,407	2,509,070
Net pension liability	693,757	597,158	345,681	–	1,636,596	184,416
Total noncurrent liabilities	15,713,597	7,043,376	5,329,617	2,004	28,088,594	2,701,950
Total liabilities	17,379,680	7,734,209	5,925,400	37,153	31,076,442	3,124,925
Deferred inflows of resources						
Deferred pension resources	9,967	8,579	4,966	–	23,512	2,650
Net position						
Net investment in capital assets	10,721,007	4,169,180	10,063,008	2,805,602	27,758,797	3,637,500
Unrestricted	4,052,431	5,927,966	3,134,681	1,351,384	14,466,462	3,127,165
Total net position	\$ 14,773,438	\$ 10,097,146	\$ 13,197,689	\$ 4,156,986	42,225,259	\$ 6,764,665
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					82,854	
Net position of business-type activities					<u>\$ 42,308,113</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Revenues, Expenses, and

Changes in Fund Net Position

Proprietary Funds

For The Year Ended December 31, 2022

Statement 7

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Activities – Internal Service Funds
Operating revenues						
Customer billings	\$ 4,599,395	\$ 4,997,031	\$ 2,196,410	\$ 845,433	\$ 12,638,269	\$ 1,457,851
Water meter sales	10,470	–	–	–	10,470	–
Other	6,963	1,496	6,708	190	15,357	–
Total operating revenues	4,616,828	4,998,527	2,203,118	845,623	12,664,096	1,457,851
Operating expenses						
MCES sewer service charges	–	2,165,995	–	–	2,165,995	–
Administrative charges	298,330	443,730	165,720	50,050	957,830	–
Personal services	956,231	819,151	475,138	52,069	2,302,589	275,549
Materials and supplies	110,586	24,174	35,768	–	170,528	325,003
Water meters	29,562	–	–	–	29,562	–
Contractual services	510,797	475,229	494,583	25,360	1,505,969	152,069
Utilities	250,446	12,990	12,168	176,641	452,245	33,270
Insurance	17,407	21,117	2,620	323	41,467	18,388
Depreciation	976,858	339,855	382,929	122,003	1,821,645	751,524
Total operating expenses	3,150,217	4,302,241	1,568,926	426,446	9,447,830	1,555,803
Operating income (loss)	1,466,611	696,286	634,192	419,177	3,216,266	(97,952)
Nonoperating revenues (expenses)						
General property taxes	–	–	–	–	–	183,910
Earnings on investments (charges)	(102,315)	(117,735)	(58,444)	(54,984)	(333,478)	(123,871)
Intergovernmental revenue	4,686	2,617	1,515	–	8,818	808
Gain on sale of capital assets	225	319	82	34	660	92,811
Other	–	–	–	–	–	30,213
Interest	(374,605)	(121,560)	(104,941)	–	(601,106)	(64,769)
Fiscal charges	(18,500)	(23,666)	(12,507)	–	(54,673)	(395)
Total nonoperating revenues (expenses)	(490,509)	(260,025)	(174,295)	(54,950)	(979,779)	118,707
Income (loss) before contributions and transfers	976,102	436,261	459,897	364,227	2,236,487	20,755
Contributions	45,814	30,000	161,385	13,000	250,199	–
Transfers						
Transfers in	–	–	–	–	–	119,400
Transfers out	(433,000)	(213,000)	(196,000)	(47,400)	(889,400)	–
Total transfers	(433,000)	(213,000)	(196,000)	(47,400)	(889,400)	119,400
Change in net position	588,916	253,261	425,282	329,827	1,597,286	140,155
Net position – January 1,	14,184,522	9,843,885	12,772,407	3,827,159	40,627,973	6,624,510
Net position – December 31	<u>\$ 14,773,438</u>	<u>\$ 10,097,146</u>	<u>\$ 13,197,689</u>	<u>\$ 4,156,986</u>	<u>\$ 42,225,259</u>	<u>\$ 6,764,665</u>
Change in net position reported above					\$ 1,597,286	
Amounts reported for business-type activities in the Statement of Activities are different because:						
Transfer in of capital assets from governmental activities.					56,385	
Governmental activities contribution revenue reported above					(56,385)	
Internal service funds are used by management to charge the cost of equipment maintenance and insurance to individual funds. This amount is the portion of net revenue attributable to and reported with business-type activities.					(27,717)	
Change in net position of business-type activities					<u>\$ 1,569,569</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Cash Flows

Proprietary Funds

For The Year Ended December 31, 2022

Statement 8

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 4,473,667	\$ 4,922,266	\$ 2,188,231	\$ 834,447	\$12,418,611	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,457,851
Payments to suppliers	(887,261)	(2,679,763)	(542,917)	(200,334)	(4,310,275)	(492,464)
Payments to employees	(916,068)	(790,475)	(471,433)	(52,885)	(2,230,861)	(277,375)
Payments for interfund services used	(298,330)	(443,730)	(165,720)	(50,050)	(957,830)	–
Miscellaneous revenue	5,545	2,617	1,515	–	9,677	31,021
Net cash flows from operating activities	<u>2,377,553</u>	<u>1,010,915</u>	<u>1,009,676</u>	<u>531,178</u>	<u>4,929,322</u>	<u>719,033</u>
Cash flows from noncapital financing activities						
Transfers from other funds	–	–	–	–	–	119,400
Transfer to other funds	(433,000)	(213,000)	(196,000)	(47,400)	(889,400)	–
Net cash flows from noncapital financing activities	<u>(433,000)</u>	<u>(213,000)</u>	<u>(196,000)</u>	<u>(47,400)</u>	<u>(889,400)</u>	<u>119,400</u>
Cash flows from capital and related financing activities						
Proceeds from sales of capital assets	225	319	82	34	660	135,273
Proceeds from the sale of bonds	980,157	1,370,542	708,595	–	3,059,294	–
Acquisition and construction of capital assets	(873,790)	(861,343)	(710,202)	(384,277)	(2,829,612)	(627,811)
Receipts from taxpayers	–	–	–	–	–	186,247
Contributions	814	–	–	–	814	–
Principal paid on capital debt	(1,365,000)	(475,000)	(475,000)	–	(2,315,000)	(310,000)
Interest and paying agent fees on capital debt	(452,150)	(155,493)	(135,585)	–	(743,228)	(80,907)
Net cash flows from capital and related financing activities	<u>(1,709,744)</u>	<u>(120,975)</u>	<u>(612,110)</u>	<u>(384,243)</u>	<u>(2,827,072)</u>	<u>(697,198)</u>
Cash flows from investing activities						
Earnings on investments and changes in fair value on investments	(108,339)	(122,043)	(61,579)	(57,789)	(349,750)	(128,921)
Net change in cash and cash equivalents	126,470	554,897	139,987	41,746	863,100	12,314
Cash and cash equivalents – January 1	3,791,861	4,658,119	2,823,248	1,180,871	12,454,099	3,327,527
Cash and cash equivalents – December 31	<u>\$ 3,918,331</u>	<u>\$ 5,213,016</u>	<u>\$ 2,963,235</u>	<u>\$ 1,222,617</u>	<u>\$ 13,317,199</u>	<u>\$ 3,339,841</u>
Reconciliation of operating income (loss) to net cash flows from operating activities						
Operating income (loss)	\$ 1,466,611	\$ 696,286	\$ 634,192	\$ 419,177	\$ 3,216,266	\$ (97,952)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	5,545	2,617	1,515	–	9,677	31,021
Depreciation	976,858	339,855	382,929	122,003	1,821,645	751,524
Decrease (increase) in receivables	(143,161)	(76,261)	(14,887)	(11,176)	(245,485)	1,343
Decrease (increase) in prepaid items	1,017	(451)	498	47	1,111	252
Decrease (increase) in deferred outflows	62,966	57,310	38,243	–	158,519	21,463
Increase (decrease) in payables	344,555	285,273	143,364	1,127	774,319	106,658
Increase (decrease) in deferred inflows	(336,838)	(293,714)	(176,178)	–	(806,730)	(95,276)
Total adjustments	910,942	314,629	375,484	112,001	1,713,056	816,985
Net cash flows from operating activities	<u>\$ 2,377,553</u>	<u>\$ 1,010,915</u>	<u>\$ 1,009,676</u>	<u>\$ 531,178</u>	<u>\$ 4,929,322</u>	<u>\$ 719,033</u>
Noncash investing, capital, and financing activities						
Contributions of capital assets –						
Governmental funds	\$ –	\$ –	\$ 56,385	\$ –	\$ 56,385	\$ –
External	45,000	30,000	105,000	13,000	193,000	–
Capital asset purchase on account –						
Accounts payable	5,368	11,611	4,020	1,196	22,195	(401)
Contracts payable	–	51,545	17,096	16,338	84,979	–
Accounts receivable –						
Proceeds from sales of capital assets	–	–	–	–	–	(42,462)
Due from other governmental units –						
Miscellaneous revenue	(859)	–	–	–	(859)	–
Taxes receivable	–	–	–	–	–	(2,337)

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2022

Statement 9

	<u>Custodial Fund</u>
Assets	
Cash and investments	\$ 352,396
Accrued interest receivable	<u>2,830</u>
Total assets	<u>355,226</u>
Net position	
Restricted for other organizations	<u>\$ 355,226</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For The Year Ended December 31, 2022

Statement 10

	<u>Custodial Fund</u>
Additions	
Earnings on investments	<u>\$ 8,156</u>
Net change in fiduciary net position	8,156
Net position - beginning	<u>347,070</u>
Net position - ending	<u><u>\$ 355,226</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Shoreview, Minnesota (the City) was incorporated in 1957 and operates under the state of Minnesota Statutory Plan B (Council – Manager) form of government. The City provides the following municipal services: public safety (police, fire, civil defense, and animal control), highways and streets, sanitation and health, parks and recreation, public improvements, community development, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America applicable to governmental units as promulgated by the American Institute of Certified Public Accountants (AICPA) and the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. FINANCIAL REPORTING ENTITY

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include the primary government and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Also, the City has operational responsibility of the EDA. It is this criterion that results in the EDA being reported as a blended component unit.

Blended Component Unit

Shoreview Economic Development Authority (EDA) – The EDA was created to carry out the housing and economic development activities within the City. The EDA's governing body is substantively the same as the City and there is a financial benefit and burden relationship between the City and the EDA. Management of the City has operational responsibility for the EDA and the EDA provides services exclusively to the City. Although the EDA currently has no debt, the issuance of debt requires City Council approval and repayment of debt would be made entirely with resources of the City. The EDA does not issue a separate set of financial statements.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2022

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. *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 fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *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 business-type activity; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary fund is the Custodial Fund.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension benefits and claims and judgments, are recorded only when payment is due.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2022

Property taxes, special assessments, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Center Operation Fund* (Special Revenue Fund type) accounts for all operations of the community center, including maintenance of the facility and services offered for a fee basis. The fund's primary revenue sources are memberships, daily user fees, room rentals and concessions.

The *Recreation Programs Fund* (Special Revenue Fund type) accounts for recreational and social programs offered on a fee basis. Revenues are user fees of various programs and activities which fund administrative and direct program expenditures.

The *Municipal State Aid Fund* (Capital Project Fund type) accounts for the City's allocation of the state collected highway use tax. The allocation is based on population and need for construction of designated state aid streets.

The *Street Renewal Fund* (Capital Project Fund type) provides financing for the replacement and/or rehabilitation of the City's street system. This fund has a minimum required fund balance of \$2 million per city policy.

The *Capital Asset Replacement Fund* (Capital Project Fund type) provides financing for the replacement of all capital assets.

The *Community Investment Fund* (Capital Project Fund type) provides financing for improvements having a community-wide benefit.

The government reports the following major proprietary funds:

The *Water Fund* accounts for the water service charges which are used to finance the water system operations.

The *Sewer Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operations.

The *Surface Water Fund* accounts for the surface water charges which are used to finance the surface water system operations.

The *Street Lights Fund* accounts for the street light charges which are used to finance the street light system operations.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2022

Additionally, the government reports the following fund types:

Internal service funds account for the activities of the City's *short-term disability self-insurance, liability claims, and central garage funds*. These services are provided to other departments of the City on a cost reimbursement basis.

The *Custodial Fund* accounts for certain assets and the related obligations and activity of the Mounds View Irondale Youth Hockey Association held by the City in a custodial capacity for the guarantee of minimum ice time rentals at the Blaine Super Rink complex.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures, or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, which are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 Water, Sewer, Surface Water, and Street Lights Funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETS

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and all special revenue funds. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2022

3. The budget is legally enacted through passage of a resolution on a departmental basis (general government, public safety, public works, parks and recreation and community development) which is the legal level of control, and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The city manager is authorized to transfer appropriations within any department budget. Adjustments to appropriations between departments or between funds, and budget additions and deletions must be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operations and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the capital project funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

The following is a listing of nonmajor special revenue funds whose expenditures exceeded budget appropriations:

	Original and Final Budget	Actual	Over Budget
Nonmajor funds			
Special revenue funds			
Cable TV	\$ 319,564	\$ 333,016	\$ 13,452
Slice of Shoreview Event	79,570	80,289	719

The over expenditures were funded by available fund balance, revenues, and other financing sources in excess of budget.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in various securities as authorized by state law. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool. Interest on restricted cash and investments is allocated directly to the applicable fund. Investment income is accrued at the balance sheet date.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

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The City generally reports investments at fair value. The Minnesota Municipal Money Market Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC), but follows the same regulatory rules of the SEC. The City's investment in this fund is measured at the net position value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the Liquid Class; the redemption notice period is 14 days for the Plus Class.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 3 for the City's recurring fair value measurements as of year-end.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types are considered to be cash equivalents.

G. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "interfund receivables/payables." All short-term interfund receivables and payables at year-end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "interfund loan receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Internal balances on the Statement of Net Position also consist of prior and current year internal service fund costs in excess of charges to business-type activities.

Property taxes and special assessment receivables have been reported net of estimated uncollectible accounts (see Note 1. H. and I.). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported. All receivables other than lease receivable, property taxes and deferred special assessments are expected to be collected within one year.

H. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the county in December (levy/assessment date) of each year for collection in the following year. The county is responsible for billing and collecting all property taxes for itself, the City, the local school district, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the county and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and

CITY OF SHOREVIEW

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December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The county possesses this authority.

GOVERNMENT-WIDE AND PROPRIETARY FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City in July, December, and January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) and taxes not received at year-end are classified as delinquent and due from county taxes receivable. The portion of governmental fund delinquent taxes not collected by the City in January is fully offset by a deferred inflow of resources because they are not available to finance current expenditures.

The City’s property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute § 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation “shared” is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2022 totaled \$1,302,813. Receipt of property taxes from this “fiscal disparities pool” does not increase or decrease total tax revenue.

I. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties, and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded or is agricultural or seasonal recreational land, in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the county by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funds are completely offset by a deferred inflow of resources.

J. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase for both the governmental and proprietary funds. These funds do not maintain material amounts of materials and supplies.

K. PREPAID ITEMS

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

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The City estimated historical cost for the initial reporting of these assets through back trending (estimating the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	
Building and structures	20–75 years
Machinery and equipment	5–20 years
Distribution and collection systems	50 years
Streets	35 years
Street lights	25 years
Trails and sidewalks	25–30 years
Pedestrian tunnels and bridges	35 years

M. COMPENSATED ABSENCES

It is the City’s policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. Annual leave is payable when used or upon termination of employment. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

O. FUND BALANCE CLASSIFICATIONS/FLOW ASSUMPTIONS

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

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

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

Committed – consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City’s intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City Manager or Finance Director is authorized to establish assignments of fund balance.

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

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

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

P. NET POSITION CLASSIFICATIONS/FLOW ASSUMPTIONS

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, liabilities and deferred inflows/outflows (as applicable). Net position is displayed in three components:

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

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

Unrestricted Net Position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Q. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

R. USE OF ESTIMATES

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

S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

The City reports deferred inflows of resources related to lease receivables reported in the government-wide Statement of Net Position and governmental funds Balance Sheet, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease.

Unavailable revenue, arises only under a modified accrual basis of accounting and, therefore, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: loans, property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Imposed nonexchange revenue transactions, state aid received for subsequent years, is deferred and recognized as an inflow of resources in the period that the resources are appropriated. This item is reported both in the governmental fund balance sheet and the government-wide Statement of Net Position as a deferred inflow of resources.

T. STATE-WIDE PENSION PLANS

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

U. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended December 31, 2022, the City implemented GASB Statement No. 87, *Leases*. This statement included major changes in recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Certain amounts necessary to fully restate fiscal year 2021 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the City reporting a new lease receivable and deferred inflows of resources, but did not require a restatement of net position in the current year. See Note 4 for additional details on this change in the current year.

Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund Balance Sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$26,659,436) difference are as follows:

Long-term debt payable	\$ (24,950,035)
Issuance premium	(1,034,938)
Accrued interest payable	(284,368)
Compensated absences	<u>(390,095)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (26,659,436)</u>

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of fleet management, short-term disability insurance, and liability claims to individual

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funds. The net position of the internal service funds is included in governmental activities in the Statement of Net Position.” The details of this \$6,681,811 difference are as follows:

Net position of the internal service funds	\$ 6,764,665
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(110,571)
Add: Internal receivable representing costs in excess of charges to business-type activities – current year	<u>27,717</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ 6,681,811</u>

Another element of that reconciliation explains that governmental funds do not report long-term amounts related to pensions. The deferred outflows and inflows are not current financial resources and the long-term net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. The details of this (\$4,273,016) difference are as follows:

Deferred outflows of pension resources	\$ 1,977,902
Long-term net pension liability	(6,162,381)
Deferred inflows of pension resources	<u>(88,537)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (4,273,016)</u>

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,935,666 difference are as follows:

Capital outlay	\$ 4,834,045
Developer contributions	100,000
Depreciation expense	<u>(2,998,379)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,935,666</u>

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Another element of that reconciliation states that “revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$123,385 difference are as follows:

Loan receivable deferred inflow of resources	
At December 31, 2021	\$ (164,559)
At December 31, 2022	170,168
Property taxes deferred inflow of resources	
At December 31, 2021	(97,213)
At December 31, 2022	102,249
Special assessments deferred inflow of resources	
At December 31, 2021	(1,595,616)
At December 31, 2022	<u>1,708,356</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 123,385</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. The details of this (\$828,263) difference are as follows:

Debt issued or incurred	
General obligation street reconstruction bonds of 2022	\$ (2,425,000)
General obligation street reconstruction bonds of 2022 premium	(172,594)
Principal repayments	
General obligation improvement bonds	\$ 185,000
General obligation street reconstruction bonds	545,000
General obligation tax abatement bonds	525,000
Certificates of participation	440,000
Premium/discount on debt issuance	<u>74,331</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (828,263)</u>

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Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this (\$10,664) difference are as follows:

Compensated absences	\$ 2,307
Accrued interest	<u>(12,971)</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (10,664)</u>

Note 3 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

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 failure, the City’s deposits may be lost. Minnesota Statutes require that all city deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the city treasurer or 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. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes, and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated “A” or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank’s public debt is rated “AA” or better by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation; and
- f) Time deposits that are fully insured by any federal agency.

CITY OF SHOREVIEW
Notes to Financial Statements
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The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City's deposits was \$311,819 and the bank balance was \$311,819. The entire bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

B. INVESTMENTS

As of December 31, 2022, the City had the following cash and investments:

Investment Type	Concentration	Fair Value Measurement Using	Interest Risk – Maturity Duration in Years			Carrying Amount at Fair Value
	Risk Over 5% of Portfolio		Less Than 1 Year	1 to 5 Years	6 to 10 Years	
Federal Home Loan Bank	5.8%	Level 2	\$ –	\$ 2,599,770	\$ –	\$ 2,599,770
Federal Farm Credit Bank	**	Level 2	430,142	1,282,822	–	1,712,964
US Treasury Bill	**	Level 2	351,918	–	–	351,918
Municipal bonds	**	Level 2	2,105,249	10,789,586	501,351	13,396,186
Marketable certificates of deposit	**	Level 2	1,216,433	6,923,690	–	8,140,123
Investment pools/mutual funds						
Minnesota Municipal Money Market						
4M Fund	N/A	Amortized Cost	17,324,647	–	–	17,324,647
4M Plus Fund	N/A	Amortized Cost	928,628	–	–	928,628
Federated Hermes Govt. Oblig.	N/A	Level 1	30,661	–	–	30,661
First American Govt. Oblig.	N/A	Level 1	83,082	–	–	83,082
Wells Fargo Advantage Government Money Market Fund	N/A	Level 1	28,491	–	–	28,491
Total investments			<u>\$ 22,499,251</u>	<u>\$ 21,595,868</u>	<u>\$ 501,351</u>	44,596,470
Deposits						311,819
Petty cash						11,760
Totals						<u>\$ 44,920,049</u>
Government-wide Statement of Net Position						
Cash and investments						\$ 44,567,653
Statement of Fiduciary Net Position – Custodial Fund						
Cash and investments						352,396
Totals						<u>\$ 44,920,049</u>

** – Individual agencies, bonds, and marketable certificates of deposit are less than 5%

N/A – Not Applicable

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this 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 does not have a formal investment policy addressing this risk, but typically limits its exposure by only purchasing insured or registered investments, or by the control of who holds the securities.

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Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgage-backed securities defined as high risk.
- b) 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 national bond rating service, and all of the investments have a final maturity of 13 months or less, and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of any state or local municipality as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated “A” or better by a national bond rating agency.
- d) Bankers’ acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two national rating agencies, and maturing in 270 days or less.
- f) 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 by a national bond rating agency.
- g) Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the governmental 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; or a bank qualified as a depositor.
- h) General obligation temporary bonds of the same governmental entity issued under § 429.091, Subdivision 7; § 469.178, Subdivision 5; or § 475.61, Subdivision 6.

The City’s investment policy does not further address credit risk. As of December 31, 2022, the City’s investment in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by the Federal Home Loan Bank and Federal Farm Credit Bank), received Aaa credit ratings from Moody’s Investors Service, Inc. and AA+ from Standard & Poor’s Corporation. The City’s investment in Federated Hermes Government Fund received Aaa, AAA and AAA credit ratings from Moody’s Investors Service, Inc., Standard & Poor’s Corporation and Fitch respectively. The City’s investment in First American Government Obligation received a AAA credit rating from Fitch Ratings Company. Wells Fargo Advantage Government Money Market Fund received Aaa credit ratings from Moody’s Investors Service, Inc. and AAA from Standard & Poor’s Corporation. The City’s investments in municipal bonds were rated A, Aa and Aaa by Moody’s Investors Service, Inc. and A and AA and AAA by

CITY OF SHOREVIEW

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Standard & Poor's Ratings Services in the amount of \$733,064, \$4,199,435, \$480,378, \$820,229, \$6,314,896 and \$848,184 respectively.

Concentration Risk – This is the risk associated with investing a significant portion of the City's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City's investment policies do not limit the concentration of investments.

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). The City does not have an investment policy limiting the duration of investments.

Note 4 LEASE RECEIVABLE

The City has entered into lease receivable agreements for cell towers and a billboard rental space on city property. The leases are reported using an incremental rate ranging from 1.09 percent to 1.54 percent with a final maturity through fiscal 2045. During the current year, the City recognized revenue on these leases of \$741,674. The principal and interest payments received on these leases totaled \$400,974 and \$60,963, respectively in the current year.

CITY OF SHOREVIEW
Notes to Financial Statements
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Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,084,410	\$ 145,763	\$ –	\$ –	\$ 7,230,173
Construction in progress	11,622,847	1,103,113	–	(12,490,917)	235,043
Total capital assets, not being depreciated	<u>18,707,257</u>	<u>1,248,876</u>	<u>–</u>	<u>(12,490,917)</u>	<u>7,465,216</u>
Capital assets, being depreciated					
Building and structures	58,646,504	581,749	–	4,277,097	63,505,350
Machinery and equipment	11,694,674	721,669	430,518	211,098	12,196,923
Infrastructure	65,857,282	2,952,776	3,229,800	8,002,722	73,582,980
Total capital assets, being depreciated	<u>136,198,460</u>	<u>4,256,194</u>	<u>3,660,318</u>	<u>12,490,917</u>	<u>149,285,253</u>
Less accumulated depreciation for					
Building and structures	17,863,762	1,282,094	–	–	19,145,856
Machinery and equipment	7,060,863	740,388	430,518	–	7,370,733
Infrastructure	39,972,331	1,727,421	2,919,751	–	38,780,001
Total accumulated depreciation	<u>64,896,956</u>	<u>3,749,903</u>	<u>3,350,269</u>	<u>–</u>	<u>65,296,590</u>
Total capital assets being depreciated – net	<u>71,301,504</u>	<u>506,291</u>	<u>310,049</u>	<u>12,490,917</u>	<u>83,988,663</u>
Governmental activities capital assets – net	<u>\$ 90,008,761</u>	<u>\$ 1,755,167</u>	<u>\$ 310,049</u>	<u>\$ –</u>	<u>\$ 91,453,879</u>
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 325,202	\$ –	\$ –	\$ –	\$ 325,202
Construction in progress	7,217,456	2,330,920	–	(8,026,623)	1,521,753
Total capital assets, not being depreciated	<u>7,542,658</u>	<u>2,330,920</u>	<u>–</u>	<u>(8,026,623)</u>	<u>1,846,955</u>
Capital assets, being depreciated					
Building and structures	21,262,321	72,973	–	–	21,335,294
Machinery and equipment	2,675,975	–	14,111	–	2,661,864
Distribution and collection systems	57,708,693	782,278	–	8,026,623	66,517,594
Total capital assets, being depreciated	<u>81,646,989</u>	<u>855,251</u>	<u>14,111</u>	<u>8,026,623</u>	<u>90,514,752</u>
Less accumulated depreciation for					
Building and structures	6,545,064	503,596	–	–	7,048,660
Machinery and equipment	1,287,955	107,106	14,111	–	1,380,950
Distribution and collection systems	26,484,227	1,210,943	–	–	27,695,170
Total accumulated depreciation	<u>34,317,246</u>	<u>1,821,645</u>	<u>14,111</u>	<u>–</u>	<u>36,124,780</u>
Total capital assets being depreciated – net	<u>47,329,743</u>	<u>(966,394)</u>	<u>–</u>	<u>8,026,623</u>	<u>54,389,972</u>
Business-type activities capital assets – net	<u>\$ 54,872,401</u>	<u>\$ 1,364,526</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 56,236,927</u>

CITY OF SHOREVIEW
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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	\$ 218,692
Public safety	72,075
Public works	1,735,710
Parks and recreation	964,159
Community development	7,743
Capital assets held by the City’s internal service funds are charged to the various functions based on their usage of the assets	<u>751,524</u>
Total depreciation expense – governmental activities	<u>\$ 3,749,903</u>
Business-type activities	
Water	\$ 976,858
Sewer	339,855
Surface water	382,929
Street lights	<u>122,003</u>
Total depreciation expense – business-type activities	<u>\$ 1,821,645</u>

COMMITMENTS

At December 31, 2022, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project</u>	<u>Amount</u>
2022 Street Light Replacements	<u>\$ 217,840</u>

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2022

Note 6 LONG-TERM DEBT

The City issues general obligation bonds and certificates of participation to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

GOVERNMENTAL ACTIVITIES

As of December 31, 2022, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2022
G.O. improvement bonds					
2013 Improvement Bonds	12/05/2013	02/01/2035	3.00–4.00	\$ 1,775,000	\$ 1,165,000
2015 Improvement Bonds	09/17/2015	02/01/2026	2.00–4.00	295,000	135,000
2018 Refunding Improvement Bonds	12/27/2018	02/01/2025	5.00	150,000	80,000
2020 Improvement Bonds	11/24/2020	02/01/2036	1.00–5.00	850,000	840,000
Total G.O. improvement bonds				<u>3,070,000</u>	<u>2,220,000</u>
Other G.O. improvement bonds					
G.O. Street Reconstruction Bonds of 2013	03/06/2013	02/01/2028	2.00–2.375	2,415,000	1,050,000
G.O. Capital Improvement Plan Refunding Bonds of 2014	12/04/2014	02/01/2030	2.00–3.00	4,670,000	2,745,000
G.O. Tax Abatement Bonds of 2017	11/16/2017	02/01/2038	3.00–5.00	12,865,000	10,900,000
G.O. Street Reconstruction Bonds of 2018	12/27/2018	02/01/2034	3.00–5.00	3,180,000	2,700,000
G.O. Street Reconstruction Bonds of 2022	08/18/2022	02/01/2038	3.00–5.00	2,425,000	2,425,000
Total other G.O. improvement bonds				<u>25,555,000</u>	<u>19,820,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	<u>1,119,008</u>
Loan payable					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	–	6,000,000	<u>5,195,035</u>
Certificates of participation					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00–3.75	4,620,000	<u>460,000</u>
Compensated absences	N/A	N/A	N/A	N/A	399,769
Net pension liability	N/A	N/A	N/A	N/A	<u>6,346,797</u>
Total city indebtedness – governmental activities				<u>\$ 39,245,000</u>	<u>\$ 35,560,609</u>

N/A – Not Applicable

CITY OF SHOREVIEW
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December 31, 2022

BUSINESS-TYPE ACTIVITIES

As of December 31, 2022, the business-type activities long-term debt of the City consisted of the following:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Authorized and Issued</u>	<u>Outstanding 12/31/2022</u>
G.O. revenue bonds					
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15 %	\$ 845,000	\$ 75,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	260,000	25,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	600,000	50,000
Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	775,000	85,000
Surface Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	960,000	105,000
Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	305,000	65,000
Surface Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	190,000	40,000
Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00–3.00	915,000	360,000
Sewer Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00–3.00	730,000	275,000
Surface Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00–3.00	265,000	105,000
Water Revenue Bonds of 2015	09/17/2015	02/01/2036	2.00–4.00	6,885,000	5,100,000
Sewer Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00–4.00	1,650,000	1,075,000
Surface Water Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00–4.00	860,000	560,000
Water Revenue Bonds of 2016	01/14/2016	02/01/2036	2.00–3.00	6,995,000	5,070,000
Sewer Revenue Bonds of 2016	01/14/2016	02/01/2031	2.00–3.00	230,000	140,000
Surface Water Revenue Bonds of 2016	01/14/2016	02/01/2031	2.00–3.00	380,000	235,000
Water Refunding Revenue Bonds of 2018	12/27/2018	02/01/2025	5.00	1,010,000	550,000
Sewer Refunding Revenue Bonds of 2018	12/27/2018	02/01/2025	5.00	245,000	130,000
Surface Water Refunding Revenue Bonds of 2018	12/27/2018	02/01/2025	5.00	100,000	55,000
Water Revenue Bonds of 2018	12/27/2018	02/01/2034	3.00–5.00	1,585,000	1,345,000
Sewer Revenue Bonds of 2018	12/27/2018	02/01/2029	3.00–5.00	345,000	255,000
Surface Water Revenue Bonds of 2018	12/27/2018	02/01/2034	3.00–5.00	1,020,000	865,000
Water Revenue Bonds of 2020	11/24/2020	02/01/2036	1.00–5.00	2,360,000	2,245,000
Sewer Revenue Bonds of 2020	11/24/2020	02/01/2036	1.00–5.00	3,545,000	3,370,000
Surface Water Revenue Bonds of 2020	11/24/2020	02/01/2036	1.00–5.00	2,670,000	2,540,000
Water Revenue Bonds of 2022	08/18/2022	02/01/2038	3.00–5.00	920,000	920,000
Sewer Revenue Bonds of 2022	08/18/2022	02/01/2038	3.00–5.00	1,285,000	1,285,000
Surface Water Revenue Bonds of 2022	08/18/2022	02/01/2038	3.00–5.00	665,000	665,000
Total G.O. revenue bonds				<u>38,595,000</u>	<u>27,590,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	1,100,407
Compensated absences payable	N/A	N/A	N/A	N/A	116,120
Net pension liability	N/A	N/A	N/A	N/A	1,636,596
Total city indebtedness – business-type activities				<u>\$ 38,595,000</u>	<u>\$ 30,443,123</u>

N/A – Not Applicable

CITY OF SHOREVIEW
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GOVERNMENTAL ACTIVITIES

Annual debt service requirements to maturity for the governmental activities long-term debt are as follows:

Year Ending December 31,	G.O. Improvement Bonds		Other G.O. Improvement Bonds		Certificates of Participation	
	Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 195,000	\$ 64,865	\$ 1,205,000	\$ 655,805	\$ 460,000	\$ 17,250
2024	230,000	57,565	1,405,000	608,977	—	—
2025	245,000	50,240	1,395,000	552,315	—	—
2026	190,000	43,685	1,435,000	494,928	—	—
2027	165,000	38,375	1,480,000	434,696	—	—
2028	170,000	33,185	1,530,000	379,787	—	—
2029	175,000	27,840	1,380,000	333,915	—	—
2030	180,000	22,880	1,425,000	288,890	—	—
2031	175,000	18,435	1,090,000	248,065	—	—
2032	165,000	14,060	1,120,000	211,665	—	—
2033	125,000	9,852	1,160,000	175,620	—	—
2034	100,000	5,890	1,195,000	139,898	—	—
2035	100,000	2,018	955,000	107,352	—	—
2036	5,000	40	980,000	78,045	—	—
2037	—	—	1,015,000	47,686	—	—
2038	—	—	1,050,000	16,109	—	—
Total	\$ 2,220,000	\$ 388,930	\$ 19,820,000	\$ 4,773,753	\$ 460,000	\$ 17,250

It is not practical to determine the specific year for payment of long-term accrued compensated absences and the net pension liability.

The Metropolitan Right-of-Way Acquisition Loan Fund loan payable repayment is subject to conveyance of the property purchased with the loan to the Minnesota Department of Transportation and the timing of the completion of the highway improvement is currently not known; therefore, it is not practical to determine the annual requirements to amortize this noninterest-bearing note.

CITY OF SHOREVIEW
Notes to Financial Statements
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BUSINESS-TYPE ACTIVITIES

Annual debt service requirements to maturity for the business-type long-term debt are as follows:

Year Ending December 31,	G.O. Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
2023	\$ 2,340,000	\$ 734,500
2024	2,175,000	663,503
2025	2,240,000	596,256
2026	2,030,000	532,904
2027	1,885,000	475,387
2028	1,935,000	418,357
2029	2,000,000	359,577
2030	2,020,000	304,666
2031	2,075,000	253,940
2032	1,675,000	206,360
2033	1,730,000	163,879
2034	1,765,000	120,642
2035	1,590,000	78,567
2036	1,635,000	37,425
2037	245,000	12,357
2038	250,000	4,187
Total	<u>\$ 27,590,000</u>	<u>\$ 4,962,507</u>

It is not practical to determine the specific year for payment of long-term accrued compensated absences and net pension liability.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2022

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 2,405,000	\$ —	\$ 185,000	\$ 2,220,000	\$ 195,000
Other G.O. improvement bonds	18,775,000	2,425,000	1,380,000	19,820,000	1,205,000
Premium	1,032,613	172,594	86,199	1,119,008	—
Total bonds payable	<u>22,212,613</u>	<u>2,597,594</u>	<u>1,651,199</u>	<u>23,159,008</u>	<u>1,400,000</u>
Loan payable	5,195,035	—	—	5,195,035	—
Certificates of participation	900,000	—	440,000	460,000	460,000
Compensated absences	405,847	508,631	514,709	399,769	50,018
Net pension liability	3,314,183	3,483,211	450,597	6,346,797	—
Total governmental activity long-term liabilities	<u>\$ 32,027,678</u>	<u>\$ 6,589,436</u>	<u>\$ 3,056,505</u>	<u>\$ 35,560,609</u>	<u>\$ 1,910,018</u>
Business-type activities					
G.O. revenue bonds	\$ 27,035,000	\$ 2,870,000	\$ 2,315,000	\$ 27,590,000	\$ 2,340,000
Premium	1,009,206	206,364	115,163	1,100,407	—
Total bonds payable	<u>28,044,206</u>	<u>3,076,364</u>	<u>2,430,163</u>	<u>28,690,407</u>	<u>2,340,000</u>
Compensated absences	124,171	141,455	149,506	116,120	14,529
Net pension liability	905,020	847,768	116,192	1,636,596	—
Total business-type activity long-term liabilities	<u>\$ 29,073,397</u>	<u>\$ 4,065,587</u>	<u>\$ 2,695,861</u>	<u>\$ 30,443,123</u>	<u>\$ 2,354,529</u>

The governmental activities loans payable, compensated absences, and net pension liability are generally liquidated by the General Fund, special revenue funds, and capital project funds.

Financing of the certificates of participation will be provided from the General Fund, Capital Asset Replacement Fund, Community Investment Fund and Closed Bond Fund.

All general obligation indebtedness outstanding at December 31, 2022 is backed by the full faith and credit of the City, including improvement, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2022 totaled \$3,373.

DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT

General obligation bond issues sold by the City are financed by ad valorem tax levies. General obligation improvement bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the county auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest. These future scheduled tax levies are not shown as assets

CITY OF SHOREVIEW

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in the accompanying financial statements at December 31, 2022. Future scheduled tax levies for all bonds outstanding at December 31, 2022 totaled \$12,952,597.

TAX ABATEMENT AGREEMENTS

The City in order to spur economic development and redevelopment has entered into private development agreements regarding certain tax increment properties. These agreements may in substance be a tax abatement but will depend on their individual circumstances. The City currently has six agreements that would be considered a tax abatement under GASB Statement No. 77. Included in the developer agreements are provisions for tax increment pay-as-you-go revenue notes in accordance with Minnesota Statute, Chapter 469. These notes provide for the payment of principal and interest at set rates and terms. The notes are not a general obligation of the City and are payable solely from available tax increments (repayment is required only if sufficient tax increments are received) and the note is cancelled at the end of the repayment term, whether or not the note has been repaid in full. Accordingly, these note balances are not reflected in the long-term debt balances of the City.

In addition to pay-as-you-go tax increment revenue notes, the City in order to provide affordable rental housing opportunities has entered into private development agreements regarding certain housing developments. These agreements may in substance be a tax abatement but will depend on their individual circumstances. The City has established a tax abatement program and currently has two agreements that would be considered a tax abatement under GASB Statement No. 77. Included in the developer agreements are provisions for tax abatement in accordance with Minnesota Statute, Chapter 469. These agreements provide for the payment of tax abatement at set terms. The tax abatement agreements are not general obligations of the City and are payable solely from available property tax collections (repayment is required only if sufficient property tax payments are received) and the agreement is cancelled at the end of the repayment term, whether or not the amount stated in the agreement has been repaid in full. Accordingly, these note balances are not reflected in the long-term debt balances of the City.

Details of the pay-as-you-go tax increment revenue notes are as follows:

TIF District #6 Lexington Shores, LLC (Gateway)

In 2001 the City entered into a development agreement with Lexington Shores, LLC to assist the developer with the financing of certain costs associated with the Gateway redevelopment project within TIF District #6. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2001 the City issued two Tax Increment Notes in the amount of \$1,500,000 (Note 1) and \$527,000 (Note 2), with interest of 7.0%. The City will abate 100 percent of the incremental taxes received less administrative costs through execution of the tax increment revenue pay-as-you-go notes to be retired in 2028. No payments are made on Note 2 until Note 1 is paid in full. The outstanding principal balance of Note 1 as of December 31, 2022, was \$973,666 and the City rebated \$171,114 in the current year. The outstanding principal balance on Note 2 was \$527,000 and the City did not have any rebate in the current year.

CITY OF SHOREVIEW

Notes to Financial Statements
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TIF District #8 Lakeview Terrace, LLC (Lakeview Terrace)

In 2013 the City entered into a development agreement with Lakeview Terrace, LLC to assist the developer with the financing of certain costs associated with the Lakeview Terrace apartment project within TIF District #8. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2015 the City issued a Tax increment note in the amount of \$2,000,000 with interest of 5.5%. The City will abate 67 percent of incremental taxes received after a 10% administrative fee through execution of the tax increment revenue pay-as-you-go note to be retired in 2040. The outstanding principal balance as of December 31, 2022, was \$1,262,531 and the City rebated \$199,877 in the current year.

TIF District #10 McMillan Group, LLC (Elevage)

In 2016 the City entered into a development agreement with Elevage Development Group, LLC to assist the developer with the financing of certain costs associated with the McMillan apartment project within TIF District #10. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2018 the City issued a Tax increment note in the amount of \$2,950,000 with interest of 4.5%. The City will rebate 75 percent of incremental taxes received through execution of the tax increment revenue pay-as-you-go note to be retired in 2044. The outstanding principal balance as of December 31, 2022, was \$2,222,349 and the City rebated \$373,722 in the current year.

TIF District #11 Greco Ridge, LLC (Loden)

In 2017 the City entered into a development agreement with Greco Ridge, LLC to assist the developer with the financing of certain costs associated with the Loden apartment project within TIF District #11. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2019 the City issued a Tax increment note in the amount of \$7,400,000 with interest of 5.5% for phase I of the project. The City will rebate 90 percent of incremental taxes received through execution of the tax increment revenue pay-as-you-go note to be retired in 2043. The outstanding principal balance as of December 31, 2022, was \$7,400,000 and the City rebated \$524,993 in the current year.

TIF District #12 Mead Metals

In 2021 the City entered into a development agreement with Mead Metals to assist the company with the financing of certain costs associated with site improvements within TIF District #12. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2022 the City issued a Tax increment note in the amount of \$360,000 with interest of 5.0%. The City will rebate 85 percent of incremental taxes received through execution of the tax increment revenue pay-as-you-go note to be retired in 2032. The outstanding principal balance as of December 31, 2022, was \$359,504 and the City rebated \$1,996 in the current year.

TIF District #13 Shoreview Ridge, LLC (4100 Lexington)

In 2019 the City entered into a development agreement with Shoreview Ridge, LLC to assist the developer with the financing of certain costs associated with the 4100 Lexington project within TIF District #13. For this agreement, the City used an economic development vehicle known as tax increment financing whereby tax increment revenue is

CITY OF SHOREVIEW

Notes to Financial Statements
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generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2020 the City issued a Tax increment note in the amount of \$3,400,000 with interest of 4.75%. The City will rebate 90 percent of incremental taxes received through execution of the tax increment revenue pay-as-you-go note to be retired in 2047. The outstanding principal balance as of December 31, 2022, was \$3,400,000 and the City rebated \$22,703 in the current year.

The City is authorized to create a tax increment financing plan under Minnesota Statute, Chapter 469.175. The criteria that must be met under the statute are that, in the opinion of the municipality:

- The proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future;
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;
- The tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole; and
- The tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

Details of the tax abatement agreements are as follows:

Edison Tax Abatement Phase I

In 2021 the City entered into a tax abatement agreement with KJPL Shoreview LLC to assist the developer with the financing of certain costs associated with the Edison phase I housing project. For this agreement, the City used an economic development vehicle known as tax abatement whereby the City's share of real estate taxes is abated in accordance with state statute section 469. The City has agreed to reimburse the developer \$43,000 annually for a period up to twenty years beginning with real estate taxes payable in 2022, for a total reimbursement not to exceed \$860,000. The City rebated \$21,500 in the current year.

Edison Tax Abatement Phase II

In 2021 the City entered into a tax abatement agreement with KJPL Shoreview Two LLC to assist the developer with the financing of certain costs associated with the Edison phase II housing project. For this agreement, the City used an economic development vehicle known as tax abatement whereby the City's share of real estate taxes is abated in accordance with state statute section 469. The City has agreed to reimburse the developer \$39,000 annually for a period up to twenty years beginning with real estate taxes payable in 2024, for a total reimbursement not to exceed \$780,000. The City rebated \$0 in the current year.

The City is authorized to grant a tax abatement under Minnesota Statute, Chapter 469.1812 to 469.1815. The criteria that must be met under the statute are that, in the opinion of the municipality:

- The project is in the public interest because it will preserve and increase tax base and provide for employment opportunities within the City;

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- The City expects that the benefits of the abatement are not less than the cost of the abatement;
- The project is not located in a tax increment district; and
- The granting of the abatement will not cause the aggregate amount of abatements granted by the City under the Act in any year to exceed the greater of (i) ten percent of the City's net tax capacity for the taxes payable year to which the abatement applies or (ii) \$200,000.

PLEDGED REVENUE

The City has issued Certificates of Participation, Capital Improvement, Tax Abatement and Utility Improvement bonds for the construction of buildings, public works infrastructure, and park and recreation facilities. Specific revenues are pledged for the payments of interest and future retirement of the obligations. As of December 31, 2022, the following pledges were in place:

G.O. Capital Improvement Plan Refunding Bonds of 2014

The City pledged \$896,310 of Central Garage charges, property tax collections, earnings on investments, intergovernmental revenue, and transfers from utility funds to meet the debt service commitment on the bonds. The debt was originally issued in 2010 to finance the Central Garage building renovation. Refunding Bonds were issued in 2014 and the 2010 bonds were called for redemption in 2015. The 2014 Refunding Bonds have a final maturity date of February 1, 2030. The pledged revenues represent 55 percent of the revenue stream, and \$3,074,494 of the pledge commitment remains outstanding.

G.O. Water Revenue Bonds

The City pledged \$1,957,840 of operating revenue, intergovernmental revenue, earnings on investments and capital contributions to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2022 to finance water system infrastructure improvements and has a final maturity date of years 2023–2038. The pledged revenues represent 43 percent of the revenue stream, and \$18,842,272 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$738,023 of operating revenue, intergovernmental revenue earnings on investments and contributions to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2022 to finance sewer system infrastructure improvements and it has a final maturity date of years 2023–2038. The pledged revenues represent 15 percent of the revenue stream, and \$7,640,667 of the pledge commitment remains outstanding.

G.O. Surface Water Revenue Bonds

The City pledged \$869,192 of operating revenue, intergovernmental revenue, earnings on investments and capital contributions to meet the debt service commitment on the bonds. The debt was originally issued in years 2007–2022 to finance surface water system infrastructure improvements and it has a final maturity date of years 2023–2038. The pledged revenues represent 39 percent of the revenue stream, and \$6,069,568 of the pledge commitment remains outstanding.

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Refunding Certificates of Participation of 2011

The City pledged \$456,267 of earnings on investments and transfers from other funds to meet the debt service commitment on the certificates. The certificates were issued in 2011 to refund the Certificates of Participation of 2002 which financed the community center expansion and they have a final maturity date of August 1, 2023. The pledged revenues represent 100 percent of the revenue stream, and \$477,250 of the pledge commitment remains outstanding.

G.O. Tax Abatement Bonds of 2017

The City pledged \$875,437 of property taxes and transfers from other funds to meet the debt service commitment on the bonds. The bonds were issued in 2017 to financed the 2017 community center expansion and they have a final maturity date of February 1, 2038. The pledged revenues represent 100 percent of the revenue stream, and \$13,866,550 of the pledge commitment remains outstanding.

Revenue available to meet debt service requirements is shown in the following table:

Bond Issue	Gross Revenue	Direct Operating Expenses	Available Net Revenue	Debt Service Requirements		
				Principal	Interest and Paying Agent Fees	Total
G.O. Capital Improvement Plan Refunding Bonds of 2014	\$ 1,638,013	\$ 741,703 *	\$ 896,310	\$ 310,000	\$ 65,164	\$ 375,164
G.O. Water Revenue Bonds	4,564,199	2,606,359 *	1,957,840	1,365,000	393,105	1,758,105
G.O. Sewer Revenue Bonds	4,913,409	4,175,386 *	738,023	475,000	145,226	620,226
G.O. Surface Water Revenue Bonds	2,251,189	1,381,997 *	869,192	475,000	117,448	592,448
Refunding Certificates of Participation of 2011	456,267	—	456,267	440,000	35,750	475,750
G.O. Tax Abatement Bonds of 2017	875,437	—	875,437	525,000	395,500	920,500
	<u>\$ 14,698,514</u>	<u>\$ 8,905,445</u>	<u>\$ 5,793,069</u>	<u>\$ 3,590,000</u>	<u>\$ 1,152,193</u>	<u>\$ 4,742,193</u>

* Direct operating expenses exclude depreciation expense

NOTE 7 DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Description

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

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the GERF. The GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

The 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.

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GERF Benefits

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

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase, will receive the full increase. 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.

C. Contributions

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

GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2022. The City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2022 were \$585,661. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

GERF Pension Costs

At December 31, 2022, the City reported a liability of \$7,983,393 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction, due to the state of Minnesota's contribution of \$16.0 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the pension liability associated with the City totaled \$234,150. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was .1008 percent at the end of the measurement period and .0988 percent for the beginning of the period.

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

City's proportionate share of the net pension liability	\$ 7,983,393
State's proportionate share of the net pension liability associated with the City	\$ 234,150

For the year ended December 31, 2022, the City recognized pension expense of \$1,219,782 for its proportionate share of the GERS's pension expense. In addition, the City recognized an additional \$34,987 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the GERS.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 66,683	\$ 83,453
Changes in actuarial assumptions	1,772,021	31,246
Net collective differences between projected and actual investment earnings	186,985	-
Changes in proportion	221,680	-
Contributions paid to the PERA subsequent to the measurement date	<u>315,012</u>	<u>-</u>
 Total	 <u>\$ 2,562,381</u>	 <u>\$ 114,699</u>

A total of \$315,012 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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2023	\$ 848,318
2024	775,260
2025	(212,886)
2026	<u>721,978</u>
 Total	 <u>\$ 2,132,670</u>

E. Long-Term Expected Return on Investments

The Minnesota State Board of Investment, which manages the investments of the 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	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100.0%	

F. Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent. Benefit increases after retirement are assumed to be 1.25 percent.

Salary growth assumptions range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service.

Mortality rates are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit the PERA’s experience.

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

The following changes in actuarial assumptions occurred in 2022:

Changes in Actuarial Assumptions

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was 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.

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
The City’s proportionate share of the GERF net pension liability	\$ 12,610,188	\$ 7,983,393	\$ 4,188,708

I. Pension Plan Fiduciary Net Position

Detailed information about the pensions 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.

Note 8 – DEFINED CONTRIBUTION PLAN

Councilmembers of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employee contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment

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Fund. For administering the plan, the PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.25 percent) of the assets in each member’s account annually.

Total contributions made by the City for the last three fiscal years were:

For the Year Ended December 31,	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
2022	\$ 1,836	\$ 1,836	5%	5%	5%
2021	\$ 2,011	\$ 2,011	5%	5%	5%
2020	\$ 1,951	\$ 1,951	5%	5%	5%

Note 9 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivable and payable balances at December 31, 2022 are as follows:

Fund	Receivable	Payable
Nonmajor governmental funds	\$ 587,464	\$ 587,464

These balances represent infrastructure costs incurred in advance of future tax increment collections. This interfund balance will be repaid upon receipt of sufficient tax increment financing collections.

Interfund transfers for the year ended December 31, 2022 are as follows:

Transfers out	Transfer In			
	General Fund	Community Center Operation Fund	Recreation Programs Fund	Street Renewal
General Fund	\$ —	\$ 295,000	\$ 250,000	\$ —
Municipal State Aid Fund	—	—	—	—
Street Renewal Fund	—	—	—	—
Capital Asset Replacement Fund	—	—	—	—
Community Investment Fund	—	—	—	—
Nonmajor Governmental Funds	150,000	—	—	5,403
Water Fund	390,000	—	—	—
Sewer Fund	170,000	—	—	—
Surface Water Fund	165,000	—	—	—
Street Lights Fund	45,000	—	—	—
Total transfers out	\$ 920,000	\$ 295,000	\$ 250,000	\$ 5,403

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Transfers out	Transfer In			Total
	Capital Asset Replacement Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ 587,784	\$ 70,000	\$ –	\$ 1,202,784
Municipal State Aid Fund	–	310,708	–	310,708
Street Renewal Fund	–	170,083	–	170,083
Capital Asset Replacement Fund	–	608,762	–	608,762
Community Investment Fund	–	502,000	–	502,000
Nonmajor Governmental Funds	–	1,774,749	–	1,930,152
Water Fund	–	–	43,000	433,000
Sewer Fund	–	–	43,000	213,000
Surface Water Fund	–	–	31,000	196,000
Street Lights Fund	–	–	2,400	47,400
Total transfers out	\$ 587,784	\$ 3,436,302	\$ 119,400	\$ 5,613,889

Interfund transfers allow the City to allocate financial resources to the funds that receive benefits from services provided by another fund. All of the City’s interfund transfers fall under that category. All of the 2022 transfers are considered routine and consistent with previous practices.

Note 10 COMMITMENTS AND CONTINGENCIES

A. 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.

Workers’ compensation coverage for City employees and councilmembers is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers’ Compensation Reinsurance Association (WCRA) as required by law. For workers’ compensation, the City is not subject to a deductible. The City’s workers’ compensation coverage prior to December 1, 2004 is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Other insurance coverage is provided through a pooled self-insurance program through LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for deductible portions. These deductibles are considered immaterial to the financial statements.

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The City continues to carry commercial insurance for other risks of loss, including disability 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.

The City established the Short-Term Disability Self-Insurance Fund to account for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis. Under this program, the Short-Term Disability Self-Insurance Fund provides coverage for losses up to two-thirds of any employee's gross wages. Benefits begin on the sixteenth working day and cover up to three calendar months. The City purchases commercial insurance for long-term disability for claims which exceed three months.

The City established the Liability Claims Fund to account for losses in the City's general package insurance. Under this program, the Liability Claims Fund provides coverage for losses up to \$25,000 for each claim (annual aggregate is \$75,000).

All funds of the City participate in these two programs and make payments to these funds based on historical cost information. GASB Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of the date of the report, liabilities that have occurred are immaterial.

B. LITIGATION

The City attorney has indicated that existing and pending lawsuits, claims, and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

C. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2022.

D. TAX INCREMENT DISTRICTS

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

E. PURCHASE POWER COMMITMENT

During 2019 the City entered into an agreement with Ideal Energy to install two solar array systems on the roof of the City’s public works maintenance facility. Ideal Energy will own and operate the systems for thirteen and fifteen years respectively and the City has agreed to purchase the electricity generated from the systems at an agreed upon rate.

Note 11 NET POSITION/FUND BALANCE

A. NET INVESTMENT IN CAPITAL ASSETS

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net investment in capital assets:			
Capital assets			
Nondepreciable	\$ 7,465,216	\$ 1,846,955	\$ 9,312,171
Depreciable, net of accumulated depreciation	83,988,663	54,389,972	138,378,635
Less capital related long-term debt outstanding	(28,814,043)	(28,690,407)	(57,504,450)
Less capital related accounts/contracts payable	(418,790)	(123,930)	(542,720)
Add debt adjustment for unspent bond proceeds	–	336,207	336,207
Total net investment in capital assets	<u>\$ 62,221,046</u>	<u>\$ 27,758,797</u>	<u>\$ 89,979,843</u>

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B. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

At December 31, 2022, a summary of the governmental fund balance classifications are as follows:

	General Fund	Major Special Revenue Funds	Major Capital Project Funds	Other Funds	Total
Nonspendable					
Prepaid items	\$ 1,007,983	\$ 13,430	\$ —	\$ 16,437	\$ 1,037,850
Restricted for					
Debt service	—	—	—	1,631,483	1,631,483
Economic development	—	—	—	69,795	69,795
Housing and redevelopment	—	—	—	398,057	398,057
Recycling	—	—	—	1,312,901	1,312,901
Tax increment purposes	—	—	—	3,414,279	3,414,279
Tax abatement purposes	—	—	—	62,617	62,617
Infrastructure improvements	—	—	—	406,716	406,716
Total restricted	—	—	—	7,295,848	7,295,848
Committed to					
Community center operations	—	1,610,890	—	—	1,610,890
Recreation programs	—	967,829	—	—	967,829
Street improvements	—	—	3,021,251	—	3,021,251
Capital asset replacements	—	—	2,952,064	—	2,952,064
Community projects	—	—	2,905,783	—	2,905,783
Cable television	—	—	—	173,105	173,105
Slice of Shoreview event	—	—	—	96,541	96,541
Total committed	—	2,578,719	8,879,098	269,646	11,727,463
Assigned to					
Debt service	—	—	—	879,366	879,366
Computer systems	—	—	—	226,745	226,745
Total assigned	—	—	—	1,106,111	1,106,111
Unassigned	5,756,640	—	(1,251,593)	(369,335)	4,135,712
Total	\$ 6,764,623	\$ 2,592,149	\$ 7,627,505	\$ 8,318,707	\$ 25,302,984

C. MINIMUM UNASSIGNED FUND BALANCE POLICY

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year—June and December. As such, it is the City’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The policy also addresses the potential for unanticipated events and special temporary allocations as established by the City Council for specific purposes.

The policy establishes a year-end targeted unassigned fund balance for working capital needs at 50 percent of the ensuing years’ General Fund tax levy, and levy-based state aids. The working capital allocation shall be reduced by the balance of any prepaid items at year-end. The unassigned unanticipated event fund balance is established at 10 percent of the ensuing years’ budgeted General Fund expenditures. At December 31,

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2022, the unassigned working capital fund balance was 50 percent of the ensuing years' General Fund tax levy, and levy-based aids. The unassigned unanticipated event fund balance was ten percent of the ensuing years' budgeted General Fund expenditures.

D. DEFICIT FUND BALANCES

The City had deficit fund balances at December 31, 2022 as follows:

	<u>Amount</u>
Major Funds	
Capital Project	
Municipal State Aid	\$ 1,251,593
Nonmajor Funds	
Capital Project	
District #8 Lakeview Terrace	<u>369,335</u>
 Total	 <u><u>\$ 1,620,928</u></u>

The Municipal State Aid deficit will be eliminated through the recognition of future state aid allotments. The District #8 Lakeview Terrace deficit will be eliminated through future tax increment revenue.

NOTE 12 – SUBSEQUENT EVENTS

A. NEW ACCOUNTING STANDARDS

A new standard was issued by the GASB for Subscription Based Information Technology Arrangements (SBITAs). An SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlining assets), as specified in the contract for a period of time in an exchange-like transaction. At the commencement of the subscription term, a government should recognize a subscription liability and an intangible right-to-use asset. This standard will be adopted by the City beginning in 2023, and will require the restatement of certain balances reported as of December 31, 2022. The effects of this change have not yet been determined and are not reflected in these financial statements.

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Note 13 HOME ENERGY IMPROVEMENT LOAN RECEIVABLE

In 2010, the Economic Development Authority (EDA) started a home energy improvement loan program. As of December 31, 2022, the EDA had ten loans outstanding with interest rates ranging from 1.00 to 5.25 percent. The terms are 96 to 360 months and call for monthly payments. Six of the loans are interest only loans with a balloon payment at the end of the repayment term.

Future minimum loan receipts at December 31, 2022 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2023	\$ 7,399
2024	7,399
2025	6,540
2026	4,824
2027	4,824
2028	4,824
2029	4,643
2030	3,742
2031	3,742
2032	6,282
2033	3,742
2034	3,742
2035	3,742
2036	3,742
2037	3,742
2038	3,742
2039	3,742
2040	3,742
2041	2,632
2042	1,080
2043	1,080
2044	1,080
2045	1,080
2046	1,080
2047	1,080
2048	1,080
2049	1,080
2050	92,129
2051	-
2052	<u>30,000</u>
Total	217,556
Less amount representing interest	<u>(47,388)</u>
Total loan receivable	<u>\$ 170,168</u>

**FINANCIAL SECTION –
REQUIRED SUPPLEMENTARY FINANCIAL
INFORMATION OTHER THAN MD&A**

TAB

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHOREVIEW, MINNESOTA
 Required Supplementary Information
 Budgetary Comparison Schedule – General Fund
 For The Year Ended December 31, 2022

Statement 11
Page 1 of 2

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 9,809,785	\$ 9,803,801	\$ (5,984)
Other	–	6,424	6,424
Total general property taxes	<u>9,809,785</u>	<u>9,810,225</u>	<u>440</u>
Licenses and permits			
Business	47,650	49,045	1,395
Non-business	402,300	979,229	576,929
Total licenses and permits	<u>449,950</u>	<u>1,028,274</u>	<u>578,324</u>
Intergovernmental			
State			
Road maintenance	278,000	303,673	25,673
Market value homestead credit	–	182	182
State fire aid	280,000	351,964	71,964
Local			
Aggregate gravel tax	1,000	1,578	578
Other	39,400	39,393	(7)
Total intergovernmental	<u>598,400</u>	<u>696,790</u>	<u>98,390</u>
Charges for services			
General government	600	625	25
Public works	412,500	398,284	(14,216)
Parks and recreation	29,000	48,117	19,117
Community development	96,700	287,329	190,629
Administrative charges			
Special revenue funds	84,750	84,750	–
Capital project funds	100,000	142,232	42,232
Enterprise funds	957,830	957,830	–
Total charges for services	<u>1,681,380</u>	<u>1,919,167</u>	<u>237,787</u>
Fines and forfeits	53,500	42,271	(11,229)
Earnings on investments (charges)	80,000	(169,243)	(249,243)
Other	11,850	27,449	15,599
Total revenues	<u>12,684,865</u>	<u>13,354,933</u>	<u>670,068</u>
Expenditures			
General government			
Current			
Council and Commissions	179,324	169,424	9,900
Administration	585,763	550,646	35,117
Human resources	314,746	266,448	48,298
Elections	65,863	64,047	1,816
Communications	330,401	336,002	(5,601)
Finance and accounting	702,586	696,670	5,916
Information systems	550,464	458,292	92,172
Legal	128,750	103,956	24,794
Total general government	<u>2,857,897</u>	<u>2,645,485</u>	<u>212,412</u>

CITY OF SHOREVIEW, MINNESOTA
 Required Supplementary Information
 Budgetary Comparison Schedule – General Fund
 For The Year Ended December 31, 2022

Statement 11
Page 2 of 2

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)			
Public safety			
Current			
Police	2,786,150	2,771,728	14,422
Fire	1,970,188	2,046,643	(76,455)
Total public safety	<u>4,756,338</u>	<u>4,818,371</u>	<u>(62,033)</u>
Public works			
Current			
Public works administration and engineering	514,385	483,840	30,545
Streets	1,036,451	933,616	102,835
Trail management	200,144	168,017	32,127
Forestry	242,465	194,063	48,402
Total public works	<u>1,993,445</u>	<u>1,779,536</u>	<u>213,909</u>
Parks and recreation			
Current			
Parks and recreation administration	632,969	605,642	27,327
Municipal buildings	137,283	151,900	(14,617)
Park and sports area maintenance	1,804,696	1,718,516	86,180
Total parks and recreation	<u>2,574,948</u>	<u>2,476,058</u>	<u>98,890</u>
Community development			
Current			
Planning and zoning administration	455,369	374,281	81,088
Building inspection	351,868	392,675	(40,807)
Total community development	<u>807,237</u>	<u>766,956</u>	<u>40,281</u>
Total expenditures	<u>12,989,865</u>	<u>12,486,406</u>	<u>503,459</u>
Revenues over (under) expenditures	<u>(305,000)</u>	<u>868,527</u>	<u>1,173,527</u>
Other financing sources (uses)			
Transfers in	920,000	920,000	–
Transfers out	(615,000)	(1,202,784)	(587,784)
Total other financing sources (uses)	<u>305,000</u>	<u>(282,784)</u>	<u>(587,784)</u>
Net change in fund balance	<u>\$ –</u>	<u>585,743</u>	<u>\$ 585,743</u>
Fund balance – January 1		6,178,880	
Fund balance – December 31		<u>\$ 6,764,623</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2022

Statement 12

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 3,248,240	\$ 3,331,753	\$ 83,513
Earnings on investments (charges)	10,000	(84,186)	(94,186)
Other	12,500	12,689	189
Total revenues	<u>3,270,740</u>	<u>3,260,256</u>	<u>(10,484)</u>
Expenditures			
Parks and recreation			
Current			
Personal services	2,275,718	2,307,330	(31,612)
Materials and supplies	596,000	654,864	(58,864)
Contractual services	763,108	770,384	(7,276)
Total expenditures	<u>3,634,826</u>	<u>3,732,578</u>	<u>(97,752)</u>
Revenues over (under) expenditures	<u>(364,086)</u>	<u>(472,322)</u>	<u>(108,236)</u>
Other financing sources (uses)			
Transfers in	295,000	295,000	–
Net change in fund balance	<u>\$ (69,086)</u>	<u>(177,322)</u>	<u>\$ (108,236)</u>
Fund balance – January 1		<u>1,796,090</u>	
Fund balance – December 31		<u>\$ 1,618,768</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2022

Statement 13

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 1,545,900	\$ 1,572,005	\$ 26,105
Earnings on investments (charges)	2,000	(44,288)	(46,288)
Other	–	745	745
Total revenues	<u>1,547,900</u>	<u>1,528,462</u>	<u>(19,438)</u>
Expenditures			
Parks and recreation			
Current			
Personal services	1,486,838	1,407,109	79,729
Materials and supplies	96,275	83,674	12,601
Contractual services	281,777	307,702	(25,925)
Total expenditures	<u>1,864,890</u>	<u>1,798,485</u>	<u>66,405</u>
Revenues over (under) expenditures	<u>(316,990)</u>	<u>(270,023)</u>	<u>46,967</u>
Other financing sources (uses)			
Transfers in	250,000	250,000	–
Net change in fund balance	<u>\$ (66,990)</u>	<u>(20,023)</u>	<u>\$ 46,967</u>
Fund balance – January 1		<u>993,404</u>	
Fund balance – December 31		<u>\$ 973,381</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information (Last Ten Years*)

Statement 14

Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability –

PERA – General Employees Retirement Fund

Schedule of City Contributions –

PERA – General Employees Retirement Fund

For The Year Ended December 31, 2022

PERA – General Employees Retirement Fund
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0939%	\$ 4,866,385	\$ –	\$ 4,866,385	\$ 5,518,544		88.18%	78.20%
12/31/2016	06/30/2016	0.0927%	\$ 7,526,779	\$ 98,291	\$ 7,625,070	\$ 5,751,467		130.87%	68.90%
12/31/2017	06/30/2017	0.0900%	\$ 5,745,541	\$ 72,239	\$ 5,817,780	\$ 5,792,074		99.20%	75.90%
12/31/2018	06/30/2018	0.0892%	\$ 4,948,450	\$ 162,272	\$ 5,110,722	\$ 5,947,266		83.21%	79.50%
12/31/2019	06/30/2019	0.0895%	\$ 4,948,256	\$ 153,660	\$ 5,101,916	\$ 6,331,126		78.16%	80.20%
12/31/2020	06/30/2020	0.0970%	\$ 5,815,595	\$ 179,348	\$ 5,994,943	\$ 6,828,899		85.16%	79.10%
12/31/2021	06/30/2021	0.0988%	\$ 4,219,203	\$ 128,824	\$ 4,348,027	\$ 7,076,701		59.62%	87.00%
12/31/2022	06/30/2022	0.1008%	\$ 7,983,393	\$ 234,150	\$ 8,217,543	\$ 7,553,225		105.70%	76.70%

PERA – General Employees Retirement Fund
Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 417,738	\$ 417,738	\$ –	\$ 5,569,840	7.50%
12/31/2016	\$ 437,884	\$ 437,884	\$ –	\$ 5,838,453	7.50%
12/31/2017	\$ 439,966	\$ 439,966	\$ –	\$ 5,866,213	7.50%
12/31/2018	\$ 448,635	\$ 448,635	\$ –	\$ 5,981,792	7.50%
12/31/2019	\$ 501,753	\$ 501,753	\$ –	\$ 6,690,030	7.50%
12/31/2020	\$ 541,046	\$ 541,046	\$ –	\$ 7,215,621	7.50%
12/31/2021	\$ 544,303	\$ 544,303	\$ –	\$ 7,257,373	7.50%
12/31/2022	\$ 585,661	\$ 585,661	\$ –	\$ 7,808,784	7.50%

Note 1: *The City implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This information is not available for previous fiscal years. Ten years of information will be presented as it becomes available.

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Notes to RSI

December 31, 2022

Note A LEGAL COMPLIANCE – BUDGETS

The General Fund, Community Center Operations Fund, and Recreation Programs Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level (general government, public safety, public works, parks and recreation, community development, and miscellaneous) for all funds. For the year ended December 31, 2022, the following is a list of funds whose departments exceeded budgeted appropriations:

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major funds			
General Fund			
Public safety	\$ 4,756,338	\$ 4,818,371	\$ 62,033
Community Center Operations Fund			
Parks and recreation	3,634,826	3,732,578	97,752

The General Fund over expenditures were funded by greater than anticipated revenues. Community Center Operations Fund over expenditures were funded by existing fund balance.

Note B PERA – GENERAL EMPLOYEES RETIREMENT FUND

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- 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 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Notes to RSI

December 31, 2022

- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

2020 CHANGES IN PLAN PROVISIONS

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 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 IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 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 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Notes to RSI

December 31, 2022

Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 CHANGES IN PLAN PROVISIONS

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

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- 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 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS:

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

2015 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 increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, is due September 2015.

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**FINANCIAL SECTION –
COMBINING AND INDIVIDUAL NONMAJOR FUND
STATEMENTS AND SCHEDULES**

TAB

**COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND
SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report the accumulation of restricted, committed, or assigned resources for the payment of interest, principal, and related costs on long-term debt.

CAPITAL PROJECT FUNDS

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

CITY OF SHOREVIEW, MINNESOTA

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

Statement 15

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 2,132,820	\$ 2,493,977	\$ 4,248,277	\$ 8,875,074
Accrued interest receivable	7,126	8,599	9,479	25,204
Accounts receivable	97,650	-	-	97,650
Loan receivable	-	-	170,168	170,168
Taxes receivable	5,681	11,551	2,127	19,359
Special assessments receivable	-	1,567,969	-	1,567,969
Interfund receivable	-	-	587,464	587,464
Due from other governmental units	812	-	406,716	407,528
Prepaid items	16,437	-	-	16,437
Total assets	\$ 2,260,526	\$ 4,082,096	\$ 5,424,231	\$ 11,766,853
Liabilities				
Accounts payable	\$ 180,984	\$ 549	\$ 422,552	\$ 604,085
Salaries payable	8,384	-	-	8,384
Deposits payable	1,000	-	-	1,000
Interfund payable	-	-	587,464	587,464
Due to other governmental units	-	-	502,657	502,657
Total liabilities	190,368	549	1,512,673	1,703,590
Deferred inflows of resources				
Unavailable revenue – loan receivable	-	-	170,168	170,168
Unavailable revenue – property taxes	3,322	7,039	368	10,729
Unavailable revenue – special assessments	-	1,563,659	-	1,563,659
Total deferred inflows of resources	3,322	1,570,698	170,536	1,744,556
Fund balances (deficits)				
Nonspendable	16,437	-	-	16,437
Restricted	1,780,753	1,631,483	3,883,612	7,295,848
Committed	269,646	-	-	269,646
Assigned	-	879,366	226,745	1,106,111
Unassigned	-	-	(369,335)	(369,335)
Total fund balances (deficits)	2,066,836	2,510,849	3,741,022	8,318,707
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,260,526	\$ 4,082,096	\$ 5,424,231	\$ 11,766,853

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended December 31, 2022

Statement 16

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Revenues				
Taxes				
General property taxes	\$ 469,439	\$ 886,591	\$ 92,958	\$ 1,448,988
Tax increments	-	-	2,090,517	2,090,517
Franchise tax	381,536	-	-	381,536
Special assessments	-	353,001	-	353,001
Intergovernmental	172,479	-	8,907	181,386
Charges for services	1,013,150	-	27,139	1,040,289
Earnings on investments (charges)	(70,128)	(66,434)	(32,826)	(169,388)
Other	51,713	-	-	51,713
Total revenues	<u>2,018,189</u>	<u>1,173,158</u>	<u>2,186,695</u>	<u>5,378,042</u>
Expenditures				
Current				
General government	176,655	-	145,479	322,134
Public works	756,404	-	120,000	876,404
Parks and recreation	-	-	8,907	8,907
Community development	441,698	-	1,395,869	1,837,567
Capital outlay				
General government	236,650	-	1,450	238,100
Public works	-	-	3,017,153	3,017,153
Community development	15,000	-	130,763	145,763
Debt service				
Principal	-	1,695,000	-	1,695,000
Interest	-	630,629	-	630,629
Fiscal charges	-	47,826	-	47,826
Total expenditures	<u>1,626,407</u>	<u>2,373,455</u>	<u>4,819,621</u>	<u>8,819,483</u>
Revenues over (under) expenditures	<u>391,782</u>	<u>(1,200,297)</u>	<u>(2,632,926)</u>	<u>(3,441,441)</u>
Other financing sources (uses)				
Bond issuance	-	43,558	2,381,442	2,425,000
Premium on bond issuance	-	-	172,594	172,594
Transfers in	20,000	1,049,690	2,366,612	3,436,302
Transfers out	(150,000)	(85,967)	(1,694,185)	(1,930,152)
Total other financing sources (uses)	<u>(130,000)</u>	<u>1,007,281</u>	<u>3,226,463</u>	<u>4,103,744</u>
Net change in fund balances	261,782	(193,016)	593,537	662,303
Fund balances – January 1	1,805,054	2,703,865	3,147,485	7,656,404
Fund balances – December 31	<u>\$ 2,066,836</u>	<u>\$ 2,510,849</u>	<u>\$ 3,741,022</u>	<u>\$ 8,318,707</u>

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NONMAJOR SPECIAL REVENUE FUNDS

The City had the following special revenue funds during the year:

Recycling – This fund was established to account for the City’s recycling program. Revenues are received through a joint powers agreement with Ramsey County and a user charge is assessed on property tax statements to all residential property. The City maintains a contract with a private hauler for the curbside collection of all recyclable materials.

Cable TV – This fund was established to account for transactions associated with cable television in the City. Franchise and Public Education and Government (PEG) Access fees are restricted for cable television operating and capital expenditures.

Slice of Shoreview Event – This fund was established to account for all costs, donations, sponsorships, and entrance fees associated with the Slice of Shoreview event.

Economic Development Authority – This fund was established to account for economic development programs and activities within the City. Minnesota Statutes restrict the use of revenues for economic development purposes.

Housing and Redevelopment Authority – This fund was established to account for housing and redevelopment programs and activities within the City. Minnesota Statutes restrict the use of revenues for housing and redevelopment purposes.

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2022

Statement 17

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
Assets						
Cash and investments	\$ 1,392,627	\$ 160,513	\$ 100,132	\$ 81,939	\$ 397,609	\$ 2,132,820
Accrued interest receivable	4,577	918	407	220	1,004	7,126
Accounts receivable	-	94,520	-	-	3,130	97,650
Taxes receivable	-	-	-	2,269	3,412	5,681
Due from other governmental units	405	-	-	407	-	812
Prepaid items	63	16,052	-	135	187	16,437
Total assets	\$ 1,397,672	\$ 272,003	\$ 100,539	\$ 84,970	\$ 405,342	\$ 2,260,526
Liabilities						
Accounts payable	\$ 83,565	\$ 82,138	\$ 3,998	\$ 11,242	\$ 41	\$ 180,984
Salaries payable	1,143	708	-	2,487	4,046	8,384
Deposits payable	-	-	-	-	1,000	1,000
Total liabilities	84,708	82,846	3,998	13,729	5,087	190,368
Deferred inflows of resources						
Unavailable revenue – property taxes	-	-	-	1,311	2,011	3,322
Fund balances						
Nonspendable	63	16,052	-	135	187	16,437
Restricted	1,312,901	-	-	69,795	398,057	1,780,753
Committed	-	173,105	96,541	-	-	269,646
Total fund balances	1,312,964	189,157	96,541	69,930	398,244	2,066,836
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,397,672	\$ 272,003	\$ 100,539	\$ 84,970	\$ 405,342	\$ 2,260,526

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2022

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	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
Revenues						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 189,774	\$ 279,665	\$ 469,439
Franchise tax	-	381,536	-	-	-	381,536
Intergovernmental	67,979	-	-	-	104,500	172,479
Charges for services	986,875	-	26,275	-	-	1,013,150
Earnings on investments (charges)	(45,042)	(9,036)	(4,002)	(2,161)	(9,887)	(70,128)
Other	-	600	51,113	-	-	51,713
Total revenues	<u>1,009,812</u>	<u>373,100</u>	<u>73,386</u>	<u>187,613</u>	<u>374,278</u>	<u>2,018,189</u>
Expenditures						
Current						
General government	-	96,366	80,289	-	-	176,655
Public works	756,404	-	-	-	-	756,404
Community development	-	-	-	211,874	229,824	441,698
Capital outlay						
General government	-	236,650	-	-	-	236,650
Community development	-	-	-	-	15,000	15,000
Total expenditures	<u>756,404</u>	<u>333,016</u>	<u>80,289</u>	<u>211,874</u>	<u>244,824</u>	<u>1,626,407</u>
Revenues over (under) expenditures	<u>253,408</u>	<u>40,084</u>	<u>(6,903)</u>	<u>(24,261)</u>	<u>129,454</u>	<u>391,782</u>
Other financing sources (uses)						
Transfers in	-	-	20,000	-	-	20,000
Transfers out	-	(150,000)	-	-	-	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>(150,000)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>(130,000)</u>
Net change in fund balances	253,408	(109,916)	13,097	(24,261)	129,454	261,782
Fund balances – January 1	1,059,556	299,073	83,444	94,191	268,790	1,805,054
Fund balances – December 31	<u>\$ 1,312,964</u>	<u>\$ 189,157</u>	<u>\$ 96,541</u>	<u>\$ 69,930</u>	<u>\$ 398,244</u>	<u>\$ 2,066,836</u>

NONMAJOR DEBT SERVICE FUNDS

The City had the following debt service funds during the year:

Refunding Certificates of Participation of 2011 – This fund was established to provide financing for the 2011 refunding lease. Revenue sources are from transfers from other funds.

G.O. Street Reconstruction Refunding Bonds of 2013 – This fund was established to provide financing for the 2013 Refunding Street Reconstruction Bonds. Revenue sources are from property tax collections.

G.O. Street Reconstruction Bonds of 2013 – This fund was established to provide financing for the 2013 Street Reconstruction Bonds. Revenue sources are from property tax collections.

G.O. Street Reconstruction Bonds of 2018 – This fund was established to provide financing for the 2018 Street Reconstruction Bonds. Revenue sources are from property tax collections and transfers from other funds.

G.O. Street Reconstruction Bonds of 2022 – This fund was established to provide financing for the 2022 Street Reconstruction Bonds. Revenue sources are from property tax collections and transfers from other funds.

G.O. Tax Abatement Bonds of 2017 – This fund was established to provide financing for the 2017 Tax Abatement Bonds of 2017. Revenue sources are from tax collections and transfers in from other funds.

G.O. Improvement Refunding Bonds of 2013 – This fund was established to provide financing for the 2013 Refunding Improvement Bonds. The 2013 bonds refunded the 2006 bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2008/Refunding 2018 – This fund was established to provide financing for the 2008 Improvement Bonds. Revenue sources are from special assessments and property tax collections. These bonds were refunded by the G.O. Improvement Bonds of 2018, and were called for redemption on February 1, 2019.

G.O. Improvement Bonds of 2013 – This fund was established to provide financing for the 2013 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Refunding Bonds of 2014 – This fund was established to provide financing for the 2014 Refunding Improvement Bonds. The 2010 bonds were refunded by the 2014 bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2015 – This fund was established to provide financing for the 2015 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2020 – This fund was established to provide financing for the 2020 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

Closed Bonds – This fund is used to account for previous special assessment bond issues refunded with existing funds. Outstanding special assessment balances are used for related debt service expenditures (fiscal and paying agent fees) and temporary and permanent financing of various capital improvements.

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2022

	Refunding Certificates of Participation of 2011	G.O. Street Reconstruction Bonds of 2013	G.O. Street Reconstruction Bonds of 2018	G.O. Street Reconstruction Bonds of 2022
Assets				
Cash and investments	\$ 417,051	\$ 167,906	\$ 218,849	\$ 104,515
Accrued interest receivable	2,194	228	370	85
Taxes receivable				
Delinquent	-	1,424	1,828	407
Due from county	-	963	1,265	520
Special assessments receivable				
Delinquent	-	-	-	-
Deferred	-	-	-	-
Due from county	-	-	-	-
Total assets	<u>\$ 419,245</u>	<u>\$ 170,521</u>	<u>\$ 222,312</u>	<u>\$ 105,527</u>
Liabilities				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources				
Unavailable revenue – property taxes	-	1,424	1,828	407
Unavailable revenue – special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>1,424</u>	<u>1,828</u>	<u>407</u>
Fund balances				
Restricted	419,245	169,097	220,484	105,120
Assigned	-	-	-	-
Total fund balances	<u>419,245</u>	<u>169,097</u>	<u>220,484</u>	<u>105,120</u>
Total deferred inflows of resources, and fund balances	<u>\$ 419,245</u>	<u>\$ 170,521</u>	<u>\$ 222,312</u>	<u>\$ 105,527</u>

G.O. Tax Abatement Bonds of 2017	G.O. Improvement Bonds of 2008/ Refunding 2018	G.O. Improvement Bonds of 2013	G.O. Improvement Bonds of 2015	G.O. Improvement Bonds of 2020	Closed Bonds	Total Nonmajor Debt Service Funds
\$ -	\$ 36,451	\$ 190,203	\$ 87,720	\$ 395,924	\$ 875,358	\$ 2,493,977
-	118	543	333	937	3,791	8,599
2,465	-	-	-	-	915	7,039
1,691	-	-	-	-	73	4,512
-	-	1,477	36	596	1,265	3,374
-	20,402	1,016,851	49,348	461,361	12,323	1,560,285
-	354	-	714	3,098	144	4,310
<u>\$ 4,156</u>	<u>\$ 57,325</u>	<u>\$ 1,209,074</u>	<u>\$ 138,151</u>	<u>\$ 861,916</u>	<u>\$ 893,869</u>	<u>\$ 4,082,096</u>
\$ 500	\$ -	\$ -	\$ -	\$ 49	\$ -	\$ 549
2,465	-	-	-	-	915	7,039
-	20,402	1,018,328	49,384	461,957	13,588	1,563,659
<u>2,465</u>	<u>20,402</u>	<u>1,018,328</u>	<u>49,384</u>	<u>461,957</u>	<u>14,503</u>	<u>1,570,698</u>
1,191	36,923	190,746	88,767	399,910	-	1,631,483
-	-	-	-	-	879,366	879,366
<u>1,191</u>	<u>36,923</u>	<u>190,746</u>	<u>88,767</u>	<u>399,910</u>	<u>879,366</u>	<u>2,510,849</u>
<u>\$ 4,156</u>	<u>\$ 57,325</u>	<u>\$ 1,209,074</u>	<u>\$ 138,151</u>	<u>\$ 861,916</u>	<u>\$ 893,869</u>	<u>\$ 4,082,096</u>

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CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Debt Service Funds
 For The Year Ended December 31, 2022

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	Refunding Certificates of Participation of 2011	G.O. Street Reconstruction Refunding Bonds of 2013	G.O. Street Reconstruction Bonds of 2013	G.O. Street Reconstruction Bonds of 2018
Revenues				
General property taxes	\$ —	\$ 580	\$ 189,850	\$ 249,769
Special assessments	—	—	—	—
Earnings on investments (charges)	(3,733)	(196)	(2,245)	(3,639)
Total revenues	<u>(3,733)</u>	<u>384</u>	<u>187,605</u>	<u>246,130</u>
Expenditures				
Debt service				
Principal	440,000	210,000	165,000	170,000
Interest	33,750	2,100	25,319	102,745
Fiscal charges	2,000	—	347	259
Total expenditures	<u>475,750</u>	<u>212,100</u>	<u>190,666</u>	<u>273,004</u>
Revenues over (under) expenditures	<u>(479,483)</u>	<u>(211,716)</u>	<u>(3,061)</u>	<u>(26,874)</u>
Other financing sources (uses)				
Bond issuance	—	—	—	—
Transfers in	460,000	9,752	—	—
Transfers out	—	—	—	—
Total other financing sources (uses)	<u>460,000</u>	<u>9,752</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(19,483)</u>	<u>(201,964)</u>	<u>(3,061)</u>	<u>(26,874)</u>
Fund balances – January 1	438,728	201,964	172,158	247,358
Fund balances – December 31	<u>\$ 419,245</u>	<u>\$ —</u>	<u>\$ 169,097</u>	<u>\$ 220,484</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Debt Service Funds
 For The Year Ended December 31, 2022

	G.O. Street Reconstruction Bonds of 2022	G.O. Tax Abatement Bonds of 2017	G.O. Improvement Refunding Bonds of 2013	G.O. Improvement Bonds of 2008/ Refunding 2018
Revenues				
General property taxes	\$ 105,628	\$ 333,708	\$ 6,997	\$ –
Special assessments	–	–	–	15,256
Earnings on investments (charges)	(508)	–	–	(1,157)
Total revenues	<u>105,120</u>	<u>333,708</u>	<u>6,997</u>	<u>14,099</u>
Expenditures				
Debt service				
Principal	–	525,000	10,000	25,000
Interest	–	395,000	100	4,625
Fiscal charges	43,558	500	–	49
Total expenditures	<u>43,558</u>	<u>920,500</u>	<u>10,100</u>	<u>29,674</u>
Revenues over (under) expenditures	<u>61,562</u>	<u>(586,792)</u>	<u>(3,103)</u>	<u>(15,575)</u>
Other financing sources (uses)				
Bond issuance	43,558	–	–	–
Transfers in	–	541,729	1,137	–
Transfers out	–	–	–	–
Total other financing sources (uses)	<u>43,558</u>	<u>541,729</u>	<u>1,137</u>	<u>–</u>
Net change in fund balances	<u>105,120</u>	<u>(45,063)</u>	<u>(1,966)</u>	<u>(15,575)</u>
Fund balances – January 1	–	46,254	1,966	52,498
Fund balances – December 31	<u>\$ 105,120</u>	<u>\$ 1,191</u>	<u>\$ –</u>	<u>\$ 36,923</u>

G.O. Improvement Bonds of 2013	G.O. Improvement Refunding Bonds of 2014	G.O. Improvement Bonds of 2015	G.O. Improvement Bonds of 2020	Closed Bonds	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ 59	\$ 886,591
112,991	-	17,334	198,485	8,935	353,001
(5,341)	(265)	(3,277)	(9,217)	(36,856)	(66,434)
<u>107,650</u>	<u>(265)</u>	<u>14,057</u>	<u>189,268</u>	<u>(27,862)</u>	<u>1,173,158</u>
95,000	15,000	30,000	10,000	-	1,695,000
42,435	225	3,750	20,580	-	630,629
458	1	11	49	594	47,826
<u>137,893</u>	<u>15,226</u>	<u>33,761</u>	<u>30,629</u>	<u>594</u>	<u>2,373,455</u>
<u>(30,243)</u>	<u>(15,491)</u>	<u>(19,704)</u>	<u>158,639</u>	<u>(28,456)</u>	<u>(1,200,297)</u>
-	-	-	-	-	43,558
-	-	-	31,723	5,349	1,049,690
-	(5,349)	-	-	(80,618)	(85,967)
-	(5,349)	-	31,723	(75,269)	1,007,281
(30,243)	(20,840)	(19,704)	190,362	(103,725)	(193,016)
220,989	20,840	108,471	209,548	983,091	2,703,865
<u>\$ 190,746</u>	<u>\$ -</u>	<u>\$ 88,767</u>	<u>\$ 399,910</u>	<u>\$ 879,366</u>	<u>\$ 2,510,849</u>

NONMAJOR CAPITAL PROJECT FUNDS

The City had the following capital project funds during the year:

Tax Increment Financing District #1 Deluxe – This fund accounts for the receipt and use of tax increment collections in development district number two.

Tax Increment Financing District #4 Scandia Shores – This fund is used to account for the receipt and use of tax increment collections in tax increment district number four within development district number two.

Tax Increment Financing District #6 Gateway – This fund is used to account for the receipt and use of tax increment collections in tax increment district number six within development district number two.

Tax Increment Financing District #8 Lakeview Terrace – This fund is used to account for the receipt and use of tax increment collections in tax increment district number eight within development district number two.

Tax Increment Financing District #9 TSI Inc. – This fund is used to account for the receipt and use of tax increment collections in tax increment district number nine within development district number two.

Tax Increment Financing District #10 Elevage – This fund is used to account for the receipt and use of tax increment collections in tax increment district number ten within development district number two.

Tax Increment Financing District #11 Loden – This fund is used to account for the receipt and use of tax increment collections in tax increment district number eleven within development district number two.

Tax Increment Financing District #12 Mead Metals/TSI – This fund is used to account for the receipt and use of tax increment collections in tax increment district number twelve within development district number two.

Tax Increment Financing District #13 Shoreview Ridge – This fund is used to account for the receipt and use of tax increment collections in tax increment district number thirteen within development district number two.

Temporary TIF Authority – This fund is used to account for unallocated tax increment from tax increment districts 1, 4, 9, 10 and 11 and will be spent in accordance with the City's Written Spending Plan authorized by special state legislation.

Edison Tax Abatement – This fund is used to account for the receipt and use of tax abatement related to the Edison phase I & II housing project.

Information Technology – This fund is used to account for the planned replacement and or improvement of computer systems.

The following city improvement project funds are temporary capital project funds which are setup to account for construction costs and capital purchases indicated by the title of each fund.

Edgetown Acres Reconstruction
Lexington Avenue Reconstruction
Owasso Blvd. North Reconstruction
2022 Street Rehabilitation

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2022

	<u>Tax Increment Financing</u>		
	<u>District #1 Deluxe</u>	<u>District #4 Scandia Shores</u>	<u>District #6 Gateway</u>
Assets			
Cash and investments	\$ 537,391	\$ 298,554	\$ 93,561
Accrued interest receivable	4,500	709	112
Loan receivable	71,614	98,554	-
Taxes receivable			
Delinquent	-	-	-
Due from county	-	-	1,506
Interfund receivable	587,464	-	-
Due from other governmental units	-	-	-
Total assets	<u>\$ 1,200,969</u>	<u>\$ 397,817</u>	<u>\$ 95,179</u>
Liabilities			
Accounts payable	\$ -	\$ 21,500	\$ 81,570
Contracts payable	-	-	-
Interfund payable	-	-	-
Due to other governmental units	-	-	-
Total liabilities	<u>-</u>	<u>21,500</u>	<u>81,570</u>
Deferred inflows of resources			
Unavailable revenue – loan receivable	71,614	98,554	-
Unavailable revenue – property taxes	-	-	-
Total deferred inflows of resources	<u>71,614</u>	<u>98,554</u>	<u>-</u>
Fund balances (deficits)			
Restricted	1,129,355	277,763	13,609
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>1,129,355</u>	<u>277,763</u>	<u>13,609</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,200,969</u>	<u>\$ 397,817</u>	<u>\$ 95,179</u>

Tax Increment Financing

District #8 Lakeview Terrace	District #9 TSI Inc.	District #10 Elevage	District #11 Loden	District #12 Mead Metals/ TSI
\$ 317,154	\$ -	\$ 186,861	\$ 316,246	\$ 691
914	364	1,442	626	6
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 318,068</u>	<u>\$ 364</u>	<u>\$ 188,303</u>	<u>\$ 316,872</u>	<u>\$ 697</u>
\$ 99,939	\$ -	\$ 186,861	\$ -	\$ 350
-	-	-	-	-
587,464	-	-	-	-
-	-	-	-	-
<u>687,403</u>	<u>-</u>	<u>186,861</u>	<u>-</u>	<u>350</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	364	1,442	316,872	347
-	-	-	-	-
(369,335)	-	-	-	-
<u>(369,335)</u>	<u>364</u>	<u>1,442</u>	<u>316,872</u>	<u>347</u>
<u>\$ 318,068</u>	<u>\$ 364</u>	<u>\$ 188,303</u>	<u>\$ 316,872</u>	<u>\$ 697</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2022

	<u>Tax Increment Financing</u>		
	<u>District #13 Shoreview Ridge</u>	<u>Temporary TIF Authority</u>	<u>Edison Tax Abatement</u>
Assets			
Cash and investments	\$ 17,457	\$ 1,657,059	\$ 62,430
Accrued interest receivable	11	-	187
Loan receivable	-	-	-
Taxes receivable			
Delinquent	-	-	-
Due from county	-	-	-
Interfund receivable	-	-	-
Due from other governmental units	-	-	-
Total assets	<u>\$ 17,468</u>	<u>\$ 1,657,059</u>	<u>\$ 62,617</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Contracts payable	-	-	-
Interfund payable	-	-	-
Due to other governmental units	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue – loan receivable	-	-	-
Unavailable revenue – property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)			
Restricted	17,468	1,657,059	62,617
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>17,468</u>	<u>1,657,059</u>	<u>62,617</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 17,468</u>	<u>\$ 1,657,059</u>	<u>\$ 62,617</u>

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<u>Information Technology</u>	<u>Lexington Avenue Reconstruction</u>	<u>Owasso Blvd. North Reconstruction</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 258,216	\$ 502,657	\$ -	\$ 4,248,277
608	-	-	9,479
-	-	-	170,168
368	-	-	368
253	-	-	1,759
-	-	-	587,464
-	-	406,716	406,716
<u>\$ 259,445</u>	<u>\$ 502,657</u>	<u>\$ 406,716</u>	<u>\$ 5,424,231</u>
\$ 32,332	\$ -	\$ -	\$ 422,552
-	-	-	-
-	-	-	587,464
-	502,657	-	502,657
<u>32,332</u>	<u>502,657</u>	<u>-</u>	<u>1,512,673</u>
-	-	-	170,168
368	-	-	368
<u>368</u>	<u>-</u>	<u>-</u>	<u>170,536</u>
-	-	406,716	3,883,612
226,745	-	-	226,745
-	-	-	(369,335)
<u>226,745</u>	<u>-</u>	<u>406,716</u>	<u>3,741,022</u>
<u>\$ 259,445</u>	<u>\$ 502,657</u>	<u>\$ 406,716</u>	<u>\$ 5,424,231</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Capital Project Funds
 For The Year Ended December 31, 2022

	<u>Tax Increment Financing</u>		
	<u>District #1 Deluxe</u>	<u>District #4 Scandia Shores</u>	<u>District #6 Gateway</u>
Revenues			
Taxes			
General property taxes	\$ -	\$ -	\$ -
Tax increments	-	220,879	172,334
Intergovernmental	-	-	-
Charges for services	3,752	23,387	-
Earnings on investments (charges)	(20,834)	(3,347)	(1,102)
Total revenues	<u>(17,082)</u>	<u>240,919</u>	<u>171,232</u>
Expenditures			
Current			
General government	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Community development	484	36,727	172,334
Capital outlay			
General government	-	-	-
Public works	-	-	-
Community development	130,763	-	-
Total expenditures	<u>131,247</u>	<u>36,727</u>	<u>172,334</u>
Revenues over (under) expenditures	<u>(148,329)</u>	<u>204,192</u>	<u>(1,102)</u>
Other financing sources (uses)			
Bond issuance	-	-	-
Premium on bond issuance	-	-	-
Transfers in	-	-	-
Transfers out	(794,646)	(166,671)	-
Total other financing sources (uses)	<u>(794,646)</u>	<u>(166,671)</u>	<u>-</u>
Net change in fund balances	(942,975)	37,521	(1,102)
Fund balances (deficits) – January 1	2,072,330	240,242	14,711
Fund balances (deficits) – December 31	<u>\$ 1,129,355</u>	<u>\$ 277,763</u>	<u>\$ 13,609</u>

Tax Increment Financing

District #8 Lakeview Terrace	District #9 TSI Inc.	District #10 Elevage	District #11 Loden	District #12 Mead Metals/ TSI
\$ -	\$ -	\$ -	\$ -	\$ -
332,669	106,526	500,097	705,307	2,072
-	-	-	-	-
-	-	-	-	-
(8,994)	(3,584)	(14,196)	(6,164)	(56)
<u>323,675</u>	<u>102,942</u>	<u>485,901</u>	<u>699,143</u>	<u>2,016</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
219,399	764	376,108	531,912	3,588
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>219,399</u>	<u>764</u>	<u>376,108</u>	<u>531,912</u>	<u>3,588</u>
<u>104,276</u>	<u>102,178</u>	<u>109,793</u>	<u>167,231</u>	<u>(1,572)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(161,662)	(401,588)	(132,492)	-
-	(161,662)	(401,588)	(132,492)	-
104,276	(59,484)	(291,795)	34,739	(1,572)
(473,611)	59,848	293,237	282,133	1,919
<u>\$ (369,335)</u>	<u>\$ 364</u>	<u>\$ 1,442</u>	<u>\$ 316,872</u>	<u>\$ 347</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Capital Project Funds
 For The Year Ended December 31, 2022

	<u>Tax Increment Financing</u>		
	<u>District #13 Shoreview Ridge</u>	<u>Temporary TIF Authority</u>	<u>Edison Tax Abatement</u>
Revenues			
Taxes			
General property taxes	\$ —	\$ —	\$ 43,000
Tax increments	50,633	—	—
Intergovernmental	—	—	—
Charges for services	—	—	—
Earnings on investments (charges)	(112)	—	(1,840)
Total revenues	<u>50,521</u>	<u>—</u>	<u>41,160</u>
Expenditures			
Current			
General government	—	—	—
Public works	—	—	—
Parks and recreation	—	—	—
Community development	33,053	—	21,500
Capital outlay			
General government	—	—	—
Public works	—	—	—
Community development	—	—	—
Total expenditures	<u>33,053</u>	<u>—</u>	<u>21,500</u>
Revenues over (under) expenditures	<u>17,468</u>	<u>—</u>	<u>19,660</u>
Other financing sources (uses)			
Bond issuance	—	—	—
Premium on bond issuance	—	—	—
Transfers in	—	1,657,059	—
Transfers out	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>1,657,059</u>	<u>—</u>
Net change in fund balances	17,468	1,657,059	19,660
Fund balances – January 1	—	—	42,957
Fund balances – December 31	<u>\$ 17,468</u>	<u>\$ 1,657,059</u>	<u>\$ 62,617</u>

Information Technology	Edgetown Acres Reconstruction	Lexington Avenue Reconstruction	Owasso Blvd. North Reconstruction	2022 Street Rehabilitation	Total Nonmajor Capital Project Funds
\$ 49,958	\$ -	\$ -	\$ -	\$ -	\$ 92,958
-	-	-	-	-	2,090,517
-	-	-	8,907	-	8,907
-	-	-	-	-	27,139
(5,982)	4,728	-	-	28,657	(32,826)
<u>43,976</u>	<u>4,728</u>	<u>-</u>	<u>8,907</u>	<u>28,657</u>	<u>2,186,695</u>
145,479	-	-	-	-	145,479
-	-	120,000	-	-	120,000
-	-	-	8,907	-	8,907
-	-	-	-	-	1,395,869
1,450	-	-	-	-	1,450
-	19,378	100,000	44,999	2,852,776	3,017,153
-	-	-	-	-	130,763
<u>146,929</u>	<u>19,378</u>	<u>220,000</u>	<u>53,906</u>	<u>2,852,776</u>	<u>4,819,621</u>
<u>(102,953)</u>	<u>(14,650)</u>	<u>(220,000)</u>	<u>(44,999)</u>	<u>(2,824,119)</u>	<u>(2,632,926)</u>
-	-	-	-	2,381,442	2,381,442
-	-	-	-	172,594	172,594
128,762	-	220,000	90,708	270,083	2,366,612
-	(37,126)	-	-	-	(1,694,185)
<u>128,762</u>	<u>(37,126)</u>	<u>220,000</u>	<u>90,708</u>	<u>2,824,119</u>	<u>3,226,463</u>
25,809	(51,776)	-	45,709	-	593,537
200,936	51,776	-	361,007	-	3,147,485
<u>\$ 226,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,716</u>	<u>\$ -</u>	<u>\$ 3,741,022</u>

CITY OF SHOREVIEW, MINNESOTA
 Nonmajor Special Revenue Fund – Recycling
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 For The Year Ended December 31, 2022

Statement 23

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 64,000	\$ 67,979	\$ 3,979
Charges for services			
Recycling fees	884,900	986,875	101,975
Earnings on investments (charges)	–	(45,042)	(45,042)
Total revenues	<u>948,900</u>	<u>1,009,812</u>	<u>60,912</u>
Expenditures			
Public works			
Current			
Personal services	75,974	57,385	18,589
Materials and supplies	25,000	1,675	23,325
Contractual services	681,353	697,344	(15,991)
Total expenditures	<u>782,327</u>	<u>756,404</u>	<u>25,923</u>
Net change in fund balances	<u>\$ 166,573</u>	<u>253,408</u>	<u>\$ 86,835</u>
Fund balances – January 1		1,059,556	
Fund balances – December 31		<u>\$ 1,312,964</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Cable TV
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 For The Year Ended December 31, 2022

Statement 24

	Original and Final Budget	Actual Amounts	Variance With Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Franchise Taxes			
General Franchise tax	\$ 276,500	\$ 298,676	\$ 22,176
PEG Access tax	85,500	82,860	(2,640)
Total franchise tax	<u>362,000</u>	<u>381,536</u>	<u>19,536</u>
Earnings on investments (charges)	2,000	(9,036)	(11,036)
Other	1,200	600	(600)
Total revenues	<u>365,200</u>	<u>373,100</u>	<u>7,900</u>
Expenditures			
General government			
Current			
Personal services	37,925	38,434	(509)
Materials and supplies	500	48	452
Contractual services	81,139	57,884	23,255
Capital outlay	<u>200,000</u>	<u>236,650</u>	<u>(36,650)</u>
Total expenditures	<u>319,564</u>	<u>333,016</u>	<u>(13,452)</u>
Revenues over (under) expenditures	<u>45,636</u>	<u>40,084</u>	<u>(5,552)</u>
Other financing sources (uses)			
Transfers out	(150,000)	(150,000)	-
Net change in fund balances	<u>\$ (104,364)</u>	<u>(109,916)</u>	<u>\$ (5,552)</u>
Fund balances – January 1		299,073	
Fund balances – December 31		<u>\$ 189,157</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Slice of Shoreview Event
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 For The Year Ended December 31, 2022

Statement 25

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 25,000	\$ 26,275	\$ 1,275
Earnings on investments (charges)	–	(4,002)	(4,002)
Contributions	25,000	51,113	26,113
Total revenues	<u>50,000</u>	<u>73,386</u>	<u>23,386</u>
Expenditures			
General government			
Current			
Materials and supplies	1,500	1,446	54
Contractual services	78,070	78,843	(773)
Total expenditures	<u>79,570</u>	<u>80,289</u>	<u>(719)</u>
Revenues over (under) expenditures	<u>(29,570)</u>	<u>(6,903)</u>	<u>22,667</u>
Other financing sources (uses)			
Transfer in	20,000	20,000	–
Net change in fund balances	<u>\$ (9,570)</u>	<u>13,097</u>	<u>\$ 22,667</u>
Fund balances – January 1		<u>83,444</u>	
Fund balances – December 31		<u>\$ 96,541</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Economic Development Authority
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 For The Year Ended December 31, 2022

Statement 26

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 190,000	\$ 189,229	\$ (771)
Other	–	545	545
Total general property taxes	<u>190,000</u>	<u>189,774</u>	<u>(226)</u>
Earnings on investments (charges)	–	(2,161)	(2,161)
Total revenues	<u>190,000</u>	<u>187,613</u>	<u>(2,387)</u>
Expenditures			
Community development			
Current			
Personal services	130,640	139,853	(9,213)
Supplies	11,000	2,512	8,488
Contractual services	73,132	69,509	3,623
Total expenditures	<u>214,772</u>	<u>211,874</u>	<u>2,898</u>
Net change in fund balance	<u>\$ (24,772)</u>	<u>(24,261)</u>	<u>\$ 511</u>
Fund balances – January 1		94,191	
Fund balances – December 31		<u>\$ 69,930</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Housing and Redevelopment Authority
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 For The Year Ended December 31, 2022

Statement 27

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 280,000	\$ 278,865	\$ (1,135)
Other	–	800	800
Total general property taxes	<u>280,000</u>	<u>279,665</u>	<u>(335)</u>
Intergovernmental	–	104,500	104,500
Earnings on investments (charges)	–	(9,887)	(9,887)
Total revenues	<u>280,000</u>	<u>374,278</u>	<u>94,278</u>
Expenditures			
Community development			
Current			
Personal services	198,666	216,289	(17,623)
Contractual services	53,840	13,535	40,305
Capital outlay	20,000	15,000	5,000
Total expenditures	<u>272,506</u>	<u>244,824</u>	<u>27,682</u>
Net change in fund balance	<u>\$ 7,494</u>	<u>129,454</u>	<u>\$ 121,960</u>
Fund balances – January 1		<u>268,790</u>	
Fund balances – December 31		<u>\$ 398,244</u>	

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INTERNAL SERVICE FUNDS

The internal service funds were established to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. Records are maintained on the accrual basis of accounting.

Short-Term Disability Self-Insurance Fund – This fund accounts for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis.

Liability Claims Fund – This fund was established to account for losses in the City’s general package insurance under the deductible amount of \$25,000 per loss/\$75,000 annual limit.

Central Garage Fund – This fund accounts for the operation of the Service Center and vehicle maintenance and replacement. Rental rates and user fees are charged to various departments for the use of the facility and equipment.

CITY OF SHOREVIEW, MINNESOTA
Combining Statement of Net Position
Internal Service Funds
December 31, 2022

Statement 28

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Assets				
Current assets				
Cash and investments	\$ 25,461	\$ 193,177	\$ 3,121,203	\$ 3,339,841
Accrued interest receivable	181	707	11,698	12,586
Taxes receivable	-	-	2,312	2,312
Prepaid items	-	-	1,444	1,444
Total current assets	25,642	193,884	3,136,657	3,356,183
Noncurrent assets				
Capital assets				
Land	-	-	36,293	36,293
Buildings and structures	-	-	6,929,379	6,929,379
Machinery and equipment	-	-	7,284,230	7,284,230
Total capital assets	-	-	14,249,902	14,249,902
Less accumulated depreciation	-	-	(7,773,036)	(7,773,036)
Total capital assets (net of accumulated depreciation)	-	-	6,476,866	6,476,866
Total assets	25,642	193,884	9,613,523	9,833,049
Deferred outflows of resources				
Deferred pension resources	-	-	59,191	59,191
Liabilities				
Current liabilities				
Accounts payable	-	23,375	43,285	66,660
Salaries payable	-	-	3,486	3,486
Accrued bond interest payable	-	-	31,609	31,609
Due to other governmental units	-	-	10	10
Compensated absences payable	-	-	1,210	1,210
Bonds payable	-	-	320,000	320,000
Total current liabilities	-	23,375	399,600	422,975
Noncurrent liabilities				
Compensated absences payable (net of current portion)	-	-	8,464	8,464
Bonds payable (net of current portion)	-	-	2,509,070	2,509,070
Net pension liability	-	-	184,416	184,416
Total noncurrent liabilities	-	-	2,701,950	2,701,950
Total liabilities	-	23,375	3,101,550	3,124,925
Deferred inflows of resources				
Deferred pension resources	-	-	2,650	2,650
Net position				
Net investment in capital assets	-	-	3,637,500	3,637,500
Unrestricted	25,642	170,509	2,931,014	3,127,165
Total net position	\$ 25,642	\$ 170,509	\$ 6,568,514	\$ 6,764,665

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
For The Year Ended December 31, 2022

Statement 29

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Customer billings	\$ 8,828	\$ –	\$ 1,449,023	\$ 1,457,851
Operating expenses				
Personal services	30,575	–	244,974	275,549
Materials and supplies	–	–	325,003	325,003
Contractual services	–	32,001	120,068	152,069
Utilities	–	–	33,270	33,270
Insurance	–	–	18,388	18,388
Depreciation	–	–	751,524	751,524
Total operating expenses	<u>30,575</u>	<u>32,001</u>	<u>1,493,227</u>	<u>1,555,803</u>
Operating income (loss)	<u>(21,747)</u>	<u>(32,001)</u>	<u>(44,204)</u>	<u>(97,952)</u>
Nonoperating revenues (expenses)				
General property taxes	–	–	183,910	183,910
Earnings on investments (charges)	(1,785)	(6,958)	(115,128)	(123,871)
Intergovernmental revenue	–	–	808	808
Gain on sale of capital assets	–	–	92,811	92,811
Other	–	28,264	1,949	30,213
Interest	–	–	(64,769)	(64,769)
Fiscal charges	–	–	(395)	(395)
Total nonoperating revenues (expenses)	<u>(1,785)</u>	<u>21,306</u>	<u>99,186</u>	<u>118,707</u>
Income (loss) before transfers	<u>(23,532)</u>	<u>(10,695)</u>	<u>54,982</u>	<u>20,755</u>
Transfers				
Transfer in	–	–	119,400	119,400
Change in net position	<u>(23,532)</u>	<u>(10,695)</u>	<u>174,382</u>	<u>140,155</u>
Net position – January 1,	49,174	181,204	6,394,132	6,624,510
Net position – December 31	<u>\$ 25,642</u>	<u>\$ 170,509</u>	<u>\$ 6,568,514</u>	<u>\$ 6,764,665</u>

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2022

Statement 30

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 8,828	\$ -	\$ 1,449,023	\$ 1,457,851
Payments to suppliers	-	(8,626)	(483,838)	(492,464)
Payments to employees	(30,575)	-	(246,800)	(277,375)
Miscellaneous revenue	-	28,264	2,757	31,021
Net cash flows from operating activities	<u>(21,747)</u>	<u>19,638</u>	<u>721,142</u>	<u>719,033</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	-	119,400	119,400
Cash flows from capital and related financing activities				
Proceeds from sales of capital assets	-	-	135,273	135,273
Acquisition and construction of capital assets	-	-	(627,811)	(627,811)
Receipts from taxpayers	-	-	186,247	186,247
Principal paid on capital debt	-	-	(310,000)	(310,000)
Interest and paying agent fees on capital debt	-	-	(80,907)	(80,907)
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(697,198)</u>	<u>(697,198)</u>
Cash flows from investing activities				
Earnings on investments and changes in fair value on investments	<u>(1,848)</u>	<u>(7,163)</u>	<u>(119,910)</u>	<u>(128,921)</u>
Net change in cash and cash equivalents	(23,595)	12,475	23,434	12,314
Cash and cash equivalents – January 1	49,056	180,702	3,097,769	3,327,527
Cash and cash equivalents – December 31	<u>\$ 25,461</u>	<u>\$ 193,177</u>	<u>\$ 3,121,203</u>	<u>\$ 3,339,841</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	<u>\$ (21,747)</u>	<u>\$ (32,001)</u>	<u>\$ (44,204)</u>	<u>\$ (97,952)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous revenue	-	28,264	2,757	31,021
Depreciation	-	-	751,524	751,524
Decrease (increase) in receivables	-	-	1,343	1,343
Decrease (increase) in prepaid items	-	-	252	252
Decrease (increase) in deferred outflows	-	-	21,463	21,463
Increase (decrease) in payables	-	23,375	83,283	106,658
Increase (decrease) in deferred inflows	-	-	(95,276)	(95,276)
Total adjustments	<u>-</u>	<u>51,639</u>	<u>765,346</u>	<u>816,985</u>
Net cash flows from operating activities	<u>\$ (21,747)</u>	<u>\$ 19,638</u>	<u>\$ 721,142</u>	<u>\$ 719,033</u>
Noncash investing, capital, and financing activities				
Capital asset purchased on account –				
Accounts payable	\$ -	\$ -	\$ (401)	\$ (401)
Accounts receivable –				
Proceeds from sales of capital assets	-	-	(42,462)	(42,462)
Taxes receivable	-	-	(2,337)	(2,337)

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**FINANCIAL SECTION –
OTHER CITY FINANCIAL INFORMATION
TAB**

OTHER CITY FINANCIAL INFORMATION

CITY OF SHOREVIEW, MINNESOTA
Combining Schedule of Indebtedness
December 31, 2022

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Bonded indebtedness			
G.O. improvement bonds			
2013 Refunding Improvement Bonds	2.00%	03/06/2013	02/01/2022
2013 Improvement Bonds	3.00–4.00%	12/05/2013	02/01/2035
2014 Refunding Improvement Bonds	2.00–3.00%	12/04/2014	02/01/2022
2015 Improvement Bonds	2.00–4.00%	09/17/2015	02/01/2026
2018 Refunding Improvement Bonds	5.00%	12/27/2018	02/01/2025
2020 Improvement Bonds	1.00–5.00%	11/24/2020	02/01/2036
Total G.O. improvement bonds			
Other G.O. improvement bonds			
G.O. Refunding Street Reconstruction Bonds of 2013	2.00%	03/06/2013	02/01/2022
G.O. Street Reconstruction Bonds of 2013	2.00–2.375%	03/06/2013	02/01/2028
G.O. Capital Improvement Plan Refunding Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2030
G.O. Tax Abatement Bonds of 2017	3.00–5.00%	11/16/2017	02/01/2038
G.O. Street Reconstruction Bonds of 2018	3.00–5.00%	12/27/2018	02/01/2034
G.O. Street Reconstruction Bonds of 2022	3.00–5.00%	08/18/2022	02/01/2038
Total other G.O. improvement bonds			
G.O. revenue bonds			
G.O. Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023
G.O. Water Revenue Bonds of 2013A	2.00%	03/06/2013	02/01/2023
G.O. Water Refunding Revenue Bonds of 2013B	2.00%	03/06/2013	02/01/2022
G.O. Water Revenue Bonds of 2013C	3.00%	12/05/2013	02/01/2024
G.O. Water Refunding Revenue Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2026
G.O. Water Revenue Bonds of 2015	2.00–4.00%	09/17/2015	02/01/2036
G.O. Water Revenue Bonds of 2016	2.00–3.00%	01/14/2016	02/01/2036
G.O. Water Refunding Revenue Bonds of 2018	5.00%	12/27/2018	02/01/2025
G.O. Water Revenue Bonds of 2018	3.00–5.00%	12/27/2018	02/01/2034
G.O. Water Revenue Bonds of 2020	1.00–5.00%	11/24/2020	02/01/2036
G.O. Water Revenue Bonds of 2022	3.00–5.00%	08/18/2022	02/01/2038
G.O. Sewer Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023
G.O. Sewer Refunding Revenue Bonds of 2013B	2.00%	03/06/2013	02/01/2022
G.O. Sewer Refunding Revenue Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2026
G.O. Sewer Revenue Bonds of 2015	2.00–4.00%	09/17/2015	02/01/2031
G.O. Sewer Revenue Bonds of 2016	2.00–3.00%	01/14/2016	02/01/2031
G.O. Sewer Refunding Revenue Bonds of 2018	5.00%	12/27/2018	02/01/2025
G.O. Sewer Revenue Bonds of 2018	3.00–5.00%	12/27/2018	02/01/2029
G.O. Sewer Revenue Bonds of 2020	1.00–5.00%	11/24/2020	02/01/2036
G.O. Sewer Revenue Bonds of 2022	3.00–5.00%	08/18/2022	02/01/2038
G.O. Surface Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023
G.O. Surface Water Revenue Bonds of 2013A	2.00%	03/06/2013	02/01/2023
G.O. Surface Water Revenue Bonds of 2013C	3.00%	12/05/2013	02/01/2024
G.O. Surface Water Refunding Revenue Bonds of 2014	2.00–3.00%	12/04/2014	02/01/2026
G.O. Surface Water Revenue Bonds of 2015	2.00–4.00%	09/17/2015	02/01/2031
G.O. Surface Water Revenue Bonds of 2016	2.00–3.00%	01/14/2016	02/01/2031
G.O. Surface Water Refunding Revenue Bonds of 2018	5.00%	12/27/2018	02/01/2025
G.O. Surface Water Revenue Bonds of 2018	3.00–5.00%	12/27/2018	02/01/2034
G.O. Surface Water Revenue Bonds of 2020	1.00–5.00%	11/24/2020	02/01/2036
G.O. Surface Water Revenue Bonds of 2022	3.00–5.00%	08/18/2022	02/01/2038
Total G.O. revenue bonds			
Total bonded indebtedness			
Unamortized premium	N/A	N/A	N/A
Refunding Certificates of Participation of 2011	2.00–3.75%	04/01/2011	08/01/2023
Loan payable	–	09/26/2006	N/A
Compensated absences	N/A	N/A	N/A
Net pension liability	N/A	N/A	N/A
Total city indebtedness			

N/A – Not Applicable

Exhibit 1

Prior Years		Outstanding 12/31/2021	2022		Outstanding 12/31/2022	Principal Due in 2023	Interest Due in 2023
Authorized and Issued	Payments		Issued	Payments			
\$ 235,000	\$ 225,000	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
1,775,000	515,000	1,260,000	-	95,000	1,165,000	95,000	39,585
100,000	85,000	15,000	-	15,000	-	-	-
295,000	130,000	165,000	-	30,000	135,000	30,000	2,700
150,000	45,000	105,000	-	25,000	80,000	25,000	3,375
850,000	-	850,000	-	10,000	840,000	45,000	19,205
<u>3,405,000</u>	<u>1,000,000</u>	<u>2,405,000</u>	<u>-</u>	<u>185,000</u>	<u>2,220,000</u>	<u>195,000</u>	<u>64,865</u>
1,380,000	1,170,000	210,000	-	210,000	-	-	-
2,415,000	1,200,000	1,215,000	-	165,000	1,050,000	165,000	22,019
4,670,000	1,615,000	3,055,000	-	310,000	2,745,000	320,000	72,263
12,865,000	1,440,000	11,425,000	-	525,000	10,900,000	540,000	371,000
3,180,000	310,000	2,870,000	-	170,000	2,700,000	180,000	94,845
-	-	-	2,425,000	-	2,425,000	-	95,678
<u>24,510,000</u>	<u>5,735,000</u>	<u>18,775,000</u>	<u>2,425,000</u>	<u>1,380,000</u>	<u>19,820,000</u>	<u>1,205,000</u>	<u>655,805</u>
845,000	700,000	145,000	-	70,000	75,000	75,000	1,556
775,000	605,000	170,000	-	85,000	85,000	85,000	850
610,000	540,000	70,000	-	70,000	-	-	-
305,000	210,000	95,000	-	30,000	65,000	30,000	1,500
915,000	475,000	440,000	-	80,000	360,000	85,000	8,094
6,885,000	1,455,000	5,430,000	-	330,000	5,100,000	340,000	134,653
6,995,000	1,590,000	5,405,000	-	335,000	5,070,000	340,000	130,150
1,010,000	295,000	715,000	-	165,000	550,000	175,000	23,125
1,585,000	155,000	1,430,000	-	85,000	1,345,000	90,000	47,297
2,360,000	-	2,360,000	-	115,000	2,245,000	135,000	46,250
-	-	-	920,000	-	920,000	-	35,924
260,000	215,000	45,000	-	20,000	25,000	25,000	519
285,000	260,000	25,000	-	25,000	-	-	-
730,000	390,000	340,000	-	65,000	275,000	65,000	6,156
1,650,000	470,000	1,180,000	-	105,000	1,075,000	110,000	24,968
230,000	75,000	155,000	-	15,000	140,000	15,000	3,262
245,000	75,000	170,000	-	40,000	130,000	40,000	5,500
345,000	60,000	285,000	-	30,000	255,000	30,000	10,050
3,545,000	-	3,545,000	-	175,000	3,370,000	200,000	69,330
-	-	-	1,285,000	-	1,285,000	-	50,326
600,000	500,000	100,000	-	50,000	50,000	50,000	1,038
960,000	755,000	205,000	-	100,000	105,000	105,000	1,050
190,000	130,000	60,000	-	20,000	40,000	20,000	900
265,000	135,000	130,000	-	25,000	105,000	25,000	2,369
860,000	245,000	615,000	-	55,000	560,000	55,000	13,013
380,000	120,000	260,000	-	25,000	235,000	25,000	5,475
100,000	30,000	70,000	-	15,000	55,000	15,000	2,375
1,020,000	100,000	920,000	-	55,000	865,000	55,000	30,480
2,670,000	-	2,670,000	-	130,000	2,540,000	150,000	52,315
-	-	-	665,000	-	665,000	-	25,975
<u>36,620,000</u>	<u>9,585,000</u>	<u>27,035,000</u>	<u>2,870,000</u>	<u>2,315,000</u>	<u>27,590,000</u>	<u>2,340,000</u>	<u>734,500</u>
<u>64,535,000</u>	<u>16,320,000</u>	<u>48,215,000</u>	<u>5,295,000</u>	<u>3,880,000</u>	<u>49,630,000</u>	<u>3,740,000</u>	<u>1,455,170</u>
N/A	N/A	2,041,819	378,958	201,362	2,219,415	N/A	N/A
4,620,000	3,720,000	900,000	-	440,000	460,000	460,000	17,250
6,000,000	804,965	5,195,035	-	-	5,195,035	-	-
N/A	N/A	530,018	650,086	664,215	515,889	64,547	-
N/A	N/A	4,219,203	4,330,979	566,789	7,983,393	N/A	N/A
<u>\$ 75,155,000</u>	<u>\$ 20,844,965</u>	<u>\$ 61,101,075</u>	<u>\$ 10,655,023</u>	<u>\$ 5,752,366</u>	<u>\$ 66,003,732</u>	<u>\$ 4,264,547</u>	<u>\$ 1,472,420</u>

CITY OF SHOREVIEW, MINNESOTA
 Taxable Valuations, Tax Levies, and Tax Rates

Exhibit 2

	<u>Tax Capacity Values</u> <u>2020/2021</u>		<u>Tax Capacity Values</u> <u>2021/2022</u>	
Taxable valuations				
Real estate	\$ 42,122,634		\$ 43,393,366	
Personal property	253,438		271,234	
Fiscal disparities net	796,314		932,383	
Less captured tax increment value	<u>(1,555,347)</u>		<u>(1,813,786)</u>	
Totals	<u>\$ 41,617,039</u>		<u>\$ 42,783,197</u>	
Tax levies				
Year of extension	2020		2021	
Year of collection	2021		2022	
	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>
Taxes levied				
General Fund	\$ 9,279,666	22.429%	\$ 9,809,785	23.068%
Shoreview EDA	165,000	0.399%	190,000	0.447%
Capital project funds	2,843,208	6.675%	3,005,922	6.938%
Debt service funds	994,000	2.386%	887,000	2.076%
Central Garage Fund	<u>184,000</u>	<u>0.442%</u>	<u>184,000</u>	<u>0.431%</u>
Totals	<u>\$ 13,465,874</u>	<u>32.331%</u>	<u>\$ 14,076,707</u>	<u>32.960%</u>
Shoreview HRA	<u>\$ 265,000</u>	<u>0.634%</u>	<u>\$ 280,000</u>	<u>0.657%</u>

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2022

Exhibit 3

Year of Tax Levy/Collection	G.O. Street Reconstruction Bonds of 2013	G.O. Capital Improvement Plan Refunding Bonds of 2014	G.O. Tax Abatement Bonds of 2017	G.O. Street Reconstruction Bonds of 2018	G.O. Street Reconstruction Bonds of 2022	Total
2022/2023	\$ 190,000	\$ 184,000	\$ 334,000	\$ 250,000	\$ 197,000	\$ 1,155,000
2023/2024	201,121	410,917	411,566	289,900	222,779	1,536,283
2024/2025	196,987	412,755	369,751	290,162	221,729	1,491,384
2025/2026	198,102	407,295	331,149	292,052	220,416	1,449,014
2026/2027	198,863	406,928	290,182	291,265	218,841	1,406,079
2027/2028	–	400,995	254,757	289,427	222,254	1,167,433
2028/2029	–	400,155	222,662	292,683	219,891	1,135,391
2029/2030	–	–	188,437	290,372	222,516	701,325
2030/2031	–	–	152,011	287,905	219,366	659,282
2031/2032	–	–	113,316	290,530	221,204	625,050
2032/2033	–	–	72,287	292,430	220,941	585,658
2033/2034	–	–	34,096	–	220,521	254,617
2034/2035	–	–	–	–	219,749	219,749
2035/2036	–	–	–	–	218,615	218,615
2036/2037	–	–	–	–	222,461	222,461
Totals	<u>\$ 985,073</u>	<u>\$ 2,623,045</u>	<u>\$ 2,774,214</u>	<u>\$ 3,156,726</u>	<u>\$ 3,288,283</u>	<u>\$ 12,827,341</u>

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies
 General Obligation Improvement Bonds
 December 31, 2022

Exhibit 4

Year of Tax Levy/ Collection	G.O. Improvement Bonds			Total
	2013C	Refunding 2018B	2020A	
2022/2023	\$ -	\$ -	\$ -	\$ -
2023/2024	13,228	19,968	-	33,196
2024/2025	10,764	-	-	10,764
2025/2026	8,076	-	-	8,076
2026/2027	10,638	-	1,357	11,995
2027/2028	7,782	-	-	7,782
2028/2029	10,176	-	1,252	11,428
2029/2030	10,461	-	-	10,461
2030/2031	6,891	-	-	6,891
2031/2032	8,571	-	-	8,571
2032/2033	10,041	-	-	10,041
2033/2034	6,051	-	-	6,051
Total	<u>\$ 102,679</u>	<u>\$ 19,968</u>	<u>\$ 2,609</u>	<u>\$ 125,256</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2022

Exhibit 5

Page 1 of 3

	Water Revenue Bonds				
	2007	2013A	2013C	Refunding 2014	2015
Bonds payable	\$ 75,000	\$ 85,000	\$ 65,000	\$ 360,000	\$ 5,100,000
Future interest payable	1,556	850	2,025	19,738	1,047,157
Totals	<u>\$ 76,556</u>	<u>\$ 85,850</u>	<u>\$ 67,025</u>	<u>\$ 379,738</u>	<u>\$ 6,147,157</u>
Payments to maturity					
2023	\$ 76,556	\$ 85,850	\$ 31,500	\$ 93,094	\$ 474,653
2024	-	-	35,525	91,181	479,302
2025	-	-	-	99,038	477,153
2026	-	-	-	96,425	479,852
2027	-	-	-	-	477,028
2028	-	-	-	-	473,152
2029	-	-	-	-	477,971
2030	-	-	-	-	472,340
2031	-	-	-	-	476,538
2032	-	-	-	-	371,455
2033	-	-	-	-	371,613
2034	-	-	-	-	370,725
2035	-	-	-	-	373,988
2036	-	-	-	-	371,387
2037	-	-	-	-	-
2038	-	-	-	-	-
Totals	<u>\$ 76,556</u>	<u>\$ 85,850</u>	<u>\$ 67,025</u>	<u>\$ 379,738</u>	<u>\$ 6,147,157</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2022

	Water Revenue Bonds				
	2016	Refunding 2018	2018A	2020	2022
Bonds payable	\$ 5,070,000	\$ 550,000	\$ 1,345,000	\$ 2,245,000	\$ 920,000
Future interest payable	1,018,900	42,250	285,201	284,723	324,872
Totals	<u>\$ 6,088,900</u>	<u>\$ 592,250</u>	<u>\$ 1,630,201</u>	<u>\$ 2,529,723</u>	<u>\$ 1,244,872</u>
Payments to maturity					
2023	\$ 470,150	\$ 198,125	\$ 137,297	\$ 181,250	\$ 35,924
2024	463,350	194,250	137,673	180,775	66,955
2025	461,500	199,875	137,797	181,500	80,080
2026	469,000	-	133,298	182,075	82,705
2027	465,387	-	133,672	182,500	80,205
2028	461,200	-	134,398	177,850	82,580
2029	461,350	-	136,022	178,125	79,830
2030	460,763	-	137,498	179,900	81,955
2031	459,400	-	133,897	183,140	78,955
2032	383,375	-	135,223	181,185	80,830
2033	383,175	-	136,300	179,060	83,155
2034	382,675	-	137,126	181,730	81,055
2035	381,875	-	-	179,193	83,843
2036	385,700	-	-	181,440	81,480
2037	-	-	-	-	83,980
2038	-	-	-	-	81,340
Totals	<u>\$ 6,088,900</u>	<u>\$ 592,250</u>	<u>\$ 1,630,201</u>	<u>\$ 2,529,723</u>	<u>\$ 1,244,872</u>

Sewer Revenue Bonds					
2007	Refunding 2014	2015	2016	Refunding 2018	2018
\$ 25,000	\$ 275,000	\$ 1,075,000	\$ 140,000	\$ 130,000	\$ 255,000
519	14,818	125,208	17,156	10,000	36,050
\$ 25,519	\$ 289,818	\$ 1,200,208	\$ 157,156	\$ 140,000	\$ 291,050
\$ 25,519	\$ 71,156	\$ 134,968	\$ 18,262	\$ 45,500	\$ 40,050
-	74,637	131,667	17,963	48,375	43,425
-	72,975	134,418	17,662	46,125	41,675
-	71,050	132,117	17,344	-	40,100
-	-	134,647	16,987	-	43,400
-	-	131,827	16,613	-	41,800
-	-	133,609	16,219	-	40,600
-	-	135,200	15,806	-	-
-	-	131,755	20,300	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 25,519	\$ 289,818	\$ 1,200,208	\$ 157,156	\$ 140,000	\$ 291,050

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2022

	Sewer Revenue Bonds		Surface Water Revenue Bonds			
	2020	2022	2007	2013A	2013C	Refunding 2014
Bonds payable	\$ 3,370,000	\$ 1,285,000	\$ 50,000	\$ 105,000	\$ 40,000	\$ 105,000
Future interest payable	428,295	453,621	1,038	1,050	1,200	5,837
Totals	<u>\$ 3,798,295</u>	<u>\$ 1,738,621</u>	<u>\$ 51,038</u>	<u>\$ 106,050</u>	<u>\$ 41,200</u>	<u>\$ 110,837</u>
Payments to maturity						
2023	\$ 269,330	\$ 50,326	\$ 51,038	\$ 106,050	\$ 20,900	\$ 27,369
2024	271,180	91,820	–	–	20,300	26,806
2025	269,805	114,195	–	–	–	26,212
2026	268,280	115,820	–	–	–	30,450
2027	271,530	112,320	–	–	–	–
2028	269,555	113,695	–	–	–	–
2029	272,355	114,820	–	–	–	–
2030	272,430	115,695	–	–	–	–
2031	274,777	116,320	–	–	–	–
2032	271,845	111,820	–	–	–	–
2033	273,625	113,145	–	–	–	–
2034	270,115	115,220	–	–	–	–
2035	271,308	112,170	–	–	–	–
2036	272,160	113,940	–	–	–	–
2037	–	115,473	–	–	–	–
2038	–	111,842	–	–	–	–
Totals	<u>\$ 3,798,295</u>	<u>\$ 1,738,621</u>	<u>\$ 51,038</u>	<u>\$ 106,050</u>	<u>\$ 41,200</u>	<u>\$ 110,837</u>

Surface Water Revenue Bonds						
2015	2016	Refunding 2018	2018	2020	2022	Total
\$ 560,000	\$ 235,000	\$ 55,000	\$ 865,000	\$ 2,540,000	\$ 665,000	\$ 27,590,000
65,337	28,775	4,375	184,005	322,842	235,109	4,962,507
<u>\$ 625,337</u>	<u>\$ 263,775</u>	<u>\$ 59,375</u>	<u>\$ 1,049,005</u>	<u>\$ 2,862,842</u>	<u>\$ 900,109</u>	<u>\$ 32,552,507</u>
\$ 68,013	\$ 30,475	\$ 17,375	\$ 85,480	\$ 202,315	\$ 25,975	\$ 3,074,500
71,312	29,975	21,500	87,605	206,165	46,762	2,838,503
70,113	29,475	20,500	89,480	206,290	60,388	2,836,256
68,912	28,944	–	86,555	201,340	58,637	2,562,904
67,653	28,350	–	88,505	201,315	56,888	2,360,387
71,180	27,725	–	85,705	206,065	60,012	2,353,357
69,474	27,069	–	88,530	205,590	58,013	2,359,577
67,735	31,312	–	86,280	206,865	60,887	2,324,666
70,945	30,450	–	88,955	204,870	58,638	2,328,940
–	–	–	86,555	202,685	56,387	1,881,360
–	–	–	89,016	205,277	59,513	1,893,879
–	–	–	86,339	202,645	58,012	1,885,642
–	–	–	–	204,780	61,410	1,668,567
–	–	–	–	206,640	59,678	1,672,425
–	–	–	–	–	57,904	257,357
–	–	–	–	–	61,005	254,187
<u>\$ 625,337</u>	<u>\$ 263,775</u>	<u>\$ 59,375</u>	<u>\$ 1,049,005</u>	<u>\$ 2,862,842</u>	<u>\$ 900,109</u>	<u>\$ 32,552,507</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity
 General Obligation Improvement Bonds
 December 31, 2022

Exhibit 6

		G.O. Improvement Bonds				
		2013C	2015	Refunding 2018	2020	Total
Bonds payable		\$ 1,165,000	\$ 135,000	\$ 80,000	\$ 840,000	\$ 2,220,000
Future interest payable		283,895	5,850	6,250	92,935	388,930
Total		<u>\$ 1,448,895</u>	<u>\$ 140,850</u>	<u>\$ 86,250</u>	<u>\$ 932,935</u>	<u>\$ 2,608,930</u>
Payments to maturity						
	2023	\$ 134,585	\$ 32,700	\$ 28,375	\$ 64,205	\$ 259,865
	2024	131,735	36,750	27,125	91,955	287,565
	2025	138,735	36,050	30,750	89,705	295,240
	2026	110,880	35,350	-	87,455	233,685
	2027	108,320	-	-	95,055	203,375
	2028	110,680	-	-	92,505	203,185
	2029	107,960	-	-	94,880	202,840
	2030	109,800	-	-	93,080	202,880
	2031	101,300	-	-	92,135	193,435
	2032	97,900	-	-	81,160	179,060
	2033	99,400	-	-	35,452	134,852
	2034	100,700	-	-	5,190	105,890
	2035	96,900	-	-	5,118	102,018
	2036	-	-	-	5,040	5,040
		<u>\$ 1,448,895</u>	<u>\$ 140,850</u>	<u>\$ 86,250</u>	<u>\$ 932,935</u>	<u>\$ 2,608,930</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Other General Obligation Bonds

December 31, 2022

Exhibit 7

	Street 2013	Capital Plan Refunding 2014	Tax Abatement 2017	Street 2018	Street 2022	Total
Bonds payable	\$ 1,050,000	\$ 2,745,000	\$ 10,900,000	\$ 2,700,000	\$ 2,425,000	\$ 19,820,000
Future interest payable	74,416	329,494	2,966,550	573,328	829,965	4,773,753
Total	<u>\$ 1,124,416</u>	<u>\$ 3,074,494</u>	<u>\$ 13,866,550</u>	<u>\$ 3,273,328</u>	<u>\$ 3,254,965</u>	<u>\$ 24,593,753</u>
Payments to maturity						
2023	\$ 187,019	\$ 392,263	\$ 911,000	\$ 274,845	\$ 95,678	\$ 1,860,805
2024	188,456	390,006	903,500	270,720	261,295	2,013,977
2025	189,575	387,225	890,125	271,220	209,170	1,947,315
2026	185,638	388,000	876,000	272,245	208,045	1,929,928
2027	186,531	382,725	866,000	272,770	206,670	1,914,696
2028	187,197	382,225	861,300	274,020	205,045	1,909,787
2029	-	376,500	857,175	272,195	208,045	1,713,915
2030	-	375,550	857,525	275,145	205,670	1,713,890
2031	-	-	857,275	272,870	207,920	1,338,065
2032	-	-	856,425	270,445	204,795	1,331,665
2033	-	-	854,975	272,600	208,045	1,335,620
2034	-	-	852,925	274,253	207,720	1,334,898
2035	-	-	855,200	-	207,152	1,062,352
2036	-	-	851,800	-	206,245	1,058,045
2037	-	-	857,650	-	205,036	1,062,686
2038	-	-	857,675	-	208,434	1,066,109
	<u>\$ 1,124,416</u>	<u>\$ 3,074,494</u>	<u>\$ 13,866,550</u>	<u>\$ 3,273,328</u>	<u>\$ 3,254,965</u>	<u>\$ 24,593,753</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Certificates of Participation

December 31, 2022

Exhibit 8

	Refunding Certificates of Participation 2011
Bonds payable	\$ 460,000
Future interest payable	17,250
Total	<u>\$ 477,250</u>
Payments to maturity 2023	<u>\$ 477,250</u>

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CITY OF SHOREVIEW, MINNESOTA
Combining Schedule of Property and Equipment
For The Year Ended December 31, 2022

	Capital Assets				Balance – December 31, 2022
	Balance – January 1, 2022	Increases	Decreases	Adjustments	
Governmental activities					
Governmental activities (excluding internal service funds)					
Land	\$ 7,048,117	\$ 145,763	\$ –	\$ –	\$ 7,193,880
Buildings and structures	51,717,125	581,749	–	4,277,097	56,575,971
Machinery and equipment	4,607,336	94,259	–	211,098	4,912,693
Infrastructure	65,857,282	2,952,776	3,229,800	8,002,722	73,582,980
Construction in progress	11,622,847	1,103,113	–	(12,490,917)	235,043
Total	<u>140,852,707</u>	<u>4,877,660</u>	<u>3,229,800</u>	<u>–</u>	<u>142,500,567</u>
Internal service fund					
Central garage					
Land	36,293	–	–	–	36,293
Buildings and structures	6,929,379	–	–	–	6,929,379
Machinery and equipment	7,087,338	627,410	430,518	–	7,284,230
Total central garage	<u>14,053,010</u>	<u>627,410</u>	<u>430,518</u>	<u>–</u>	<u>14,249,902</u>
Total governmental activities	<u>154,905,717</u>	<u>5,505,070</u>	<u>3,660,318</u>	<u>–</u>	<u>156,750,469</u>
Business-type activities					
Water utility					
Land	27,577	–	–	–	27,577
Buildings and structures	19,181,579	–	–	–	19,181,579
Machinery and equipment	2,579,239	–	4,817	–	2,574,422
Distribution system	21,972,045	482,833	–	1,472,620	23,927,498
Construction in progress	1,455,150	441,325	–	(1,472,620)	423,855
Total water utility	<u>45,215,590</u>	<u>924,158</u>	<u>4,817</u>	<u>–</u>	<u>46,134,931</u>
Sewer utility					
Land	11,459	–	–	–	11,459
Buildings and structures	2,080,742	72,973	–	–	2,153,715
Machinery and equipment	87,475	–	6,820	–	80,655
Collection system	15,279,472	181,445	–	2,808,300	18,269,217
Construction in progress	2,813,574	700,081	–	(2,808,300)	705,355
Total sewer utility	<u>20,272,722</u>	<u>954,499</u>	<u>6,820</u>	<u>–</u>	<u>21,220,401</u>
Surface water management utility					
Land	286,166	–	–	–	286,166
Machinery and equipment	8,538	–	1,751	–	6,787
Collection system	16,928,184	105,000	–	3,238,703	20,271,887
Construction in progress	2,468,818	787,703	–	(3,238,703)	17,818
Total surface water management utility	<u>19,691,706</u>	<u>892,703</u>	<u>1,751</u>	<u>–</u>	<u>20,582,658</u>
Street light utility					
Machinery and equipment	723	–	723	–	–
Distribution system	3,528,992	13,000	–	507,000	4,048,992
Construction in progress	479,914	401,811	–	(507,000)	374,725
Total street light utility	<u>4,009,629</u>	<u>414,811</u>	<u>723</u>	<u>–</u>	<u>4,423,717</u>
Total business-type activities	<u>89,189,647</u>	<u>3,186,171</u>	<u>14,111</u>	<u>–</u>	<u>92,361,707</u>
Total government	<u>\$ 244,095,364</u>	<u>\$ 8,691,241</u>	<u>\$ 3,674,429</u>	<u>\$ –</u>	<u>\$ 249,112,176</u>

Exhibit 9

Accumulated Depreciation				Net Capital Assets		
Balance – January 1, 2022	Increases	Decreases	Adjustments	Balance – December 31, 2022	Balance – January 1, 2022	Balance – December 31, 2022
\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,048,117	\$ 7,193,880
14,363,382	1,031,430	–	–	15,394,812	37,353,743	41,181,159
3,109,213	239,528	–	–	3,348,741	1,498,123	1,563,952
39,972,331	1,727,421	2,919,751	–	38,780,001	25,884,951	34,802,979
–	–	–	–	–	11,622,847	235,043
<u>57,444,926</u>	<u>2,998,379</u>	<u>2,919,751</u>	<u>–</u>	<u>57,523,554</u>	<u>83,407,781</u>	<u>84,977,013</u>
–	–	–	–	–	36,293	36,293
3,500,380	250,664	–	–	3,751,044	3,428,999	3,178,335
3,951,650	500,860	430,518	–	4,021,992	3,135,688	3,262,238
<u>7,452,030</u>	<u>751,524</u>	<u>430,518</u>	<u>–</u>	<u>7,773,036</u>	<u>6,600,980</u>	<u>6,476,866</u>
<u>64,896,956</u>	<u>3,749,903</u>	<u>3,350,269</u>	<u>–</u>	<u>65,296,590</u>	<u>90,008,761</u>	<u>91,453,879</u>
–	–	–	–	–	27,577	27,577
5,377,162	429,012	–	–	5,806,174	13,804,417	13,375,405
1,224,236	103,966	4,817	–	1,323,385	1,355,003	1,251,037
11,634,879	443,880	–	–	12,078,759	10,337,166	11,848,739
–	–	–	–	–	1,455,150	423,855
<u>18,236,277</u>	<u>976,858</u>	<u>4,817</u>	<u>–</u>	<u>19,208,318</u>	<u>26,979,313</u>	<u>26,926,613</u>
–	–	–	–	–	11,459	11,459
1,167,902	74,584	–	–	1,242,486	912,840	911,229
54,458	3,140	6,820	–	50,778	33,017	29,877
8,673,625	262,131	–	–	8,935,756	6,605,847	9,333,461
–	–	–	–	–	2,813,574	705,355
<u>9,895,985</u>	<u>339,855</u>	<u>6,820</u>	<u>–</u>	<u>10,229,020</u>	<u>10,376,737</u>	<u>10,991,381</u>
–	–	–	–	–	286,166	286,166
8,538	–	1,751	–	6,787	–	–
4,697,145	382,929	–	–	5,080,074	12,231,039	15,191,813
–	–	–	–	–	2,468,818	17,818
<u>4,705,683</u>	<u>382,929</u>	<u>1,751</u>	<u>–</u>	<u>5,086,861</u>	<u>14,986,023</u>	<u>15,495,797</u>
723	–	723	–	–	–	–
1,478,578	122,003	–	–	1,600,581	2,050,414	2,448,411
–	–	–	–	–	479,914	374,725
<u>1,479,301</u>	<u>122,003</u>	<u>723</u>	<u>–</u>	<u>1,600,581</u>	<u>2,530,328</u>	<u>2,823,136</u>
<u>34,317,246</u>	<u>1,821,645</u>	<u>14,111</u>	<u>–</u>	<u>36,124,780</u>	<u>54,872,401</u>	<u>56,236,927</u>
<u>\$ 99,214,202</u>	<u>\$ 5,571,548</u>	<u>\$ 3,364,380</u>	<u>\$ –</u>	<u>\$ 101,421,370</u>	<u>\$ 144,881,162</u>	<u>\$ 147,690,806</u>

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STATISTICAL SECTION

TAB

III. STATISTICAL SECTION (UNAUDITED)

This part of the City of Shoreview, Minnesota’s (the City) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents:	Table No.
Financial Trends	1–5
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	6–12
These schedules contain information to help the reader assess the City’s most significant revenue source, including the property tax and utility revenue.	
Debt Capacity	13–17
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	18–19
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Indicators	20–22
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides, and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

CITY OF SHOREVIEW
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 41,391,324	\$ 40,908,853	\$ 41,037,296	\$ 42,222,816
Restricted	4,646,335	7,253,717	7,856,109	6,620,922
Unrestricted	10,639,322	13,905,130	12,962,834	14,277,070
Total governmental activities net position	<u>\$ 56,676,981</u>	<u>\$ 62,067,700</u>	<u>\$ 61,856,239</u>	<u>\$ 63,120,808</u>
Business-type activities				
Net investment in capital assets	\$ 21,332,825	\$ 22,829,472	\$ 24,444,045	\$ 22,950,528
Restricted	217,442	224,368	23,338	13,267
Unrestricted	8,556,468	8,141,056	7,264,111	9,716,503
Total business-type activities net position	<u>\$ 30,106,735</u>	<u>\$ 31,194,896</u>	<u>\$ 31,731,494</u>	<u>\$ 32,680,298</u>
Primary government				
Net investment in capital assets	\$ 62,724,149	\$ 63,738,325	\$ 65,481,341	\$ 65,173,344
Restricted	4,863,777	7,478,085	7,879,447	6,634,189
Unrestricted	19,195,790	22,046,186	20,226,945	23,993,573
Total primary government net position	<u>\$ 86,783,716</u>	<u>\$ 93,262,596</u>	<u>\$ 93,587,733</u>	<u>\$ 95,801,106</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015.
Years prior to 2015 have not been restated.

Table 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 42,933,016	\$ 46,904,126	\$ 50,530,530	\$ 57,978,651	\$ 61,634,118	\$ 62,221,046
6,692,255	6,640,221	6,681,314	7,067,639	7,873,448	8,716,543
16,713,271	16,300,744	17,755,350	12,306,883	14,657,765	17,072,540
<u>\$ 66,338,542</u>	<u>\$ 69,845,091</u>	<u>\$ 74,967,194</u>	<u>\$ 77,353,173</u>	<u>\$ 84,165,331</u>	<u>\$ 88,010,129</u>
\$ 23,889,946	\$ 23,247,084	\$ 26,376,882	\$ 25,874,728	\$ 27,017,007	\$ 27,758,797
80,825	47,983	36,105	95,090	87,258	–
9,843,259	12,157,890	10,156,560	12,901,072	13,634,279	14,549,316
<u>\$ 33,814,030</u>	<u>\$ 35,452,957</u>	<u>\$ 36,569,547</u>	<u>\$ 38,870,890</u>	<u>\$ 40,738,544</u>	<u>\$ 42,308,113</u>
\$ 66,822,962	\$ 70,151,210	\$ 76,907,412	\$ 83,853,379	\$ 88,651,125	\$ 89,979,843
6,773,080	6,688,204	6,717,419	7,162,729	7,960,706	8,716,543
26,556,530	28,458,634	27,911,910	25,207,955	28,292,044	31,621,856
<u>\$ 100,152,572</u>	<u>\$ 105,298,048</u>	<u>\$ 111,536,741</u>	<u>\$ 116,224,063</u>	<u>\$ 124,903,875</u>	<u>\$ 130,318,242</u>

CITY OF SHOREVIEW
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year		
	2013	2014	2015
Expenses			
Governmental activities			
General government	\$ 2,582,399	\$ 2,529,960	\$ 2,561,018
Public safety	3,543,388	3,568,459	3,676,952
Public works	6,798,886	5,178,104	4,201,869
Parks and recreation	6,123,840	6,726,335	6,800,000
Community development	2,210,253	1,580,709	1,459,408
Interest on long-term debt	730,200	680,281	409,442
Total governmental activities expenses	<u>21,988,966</u>	<u>20,263,848</u>	<u>19,108,689</u>
Business-type activities			
Water	2,238,481	2,251,547	2,376,328
Sewer	3,498,374	3,569,836	3,599,737
Surface water	954,828	1,032,375	1,095,693
Street lights	295,949	305,615	305,572
Total business-type activities expenses	<u>6,987,632</u>	<u>7,159,373</u>	<u>7,377,330</u>
Total primary government expenses	<u>\$ 28,976,598</u>	<u>\$ 27,423,221</u>	<u>\$ 26,486,019</u>
Program revenues			
Government activities			
Charges for services			
General government	\$ 1,405,214	\$ 1,286,854	\$ 1,493,962
Public safety	55,362	52,034	56,076
Public works	918,543	833,176	840,649
Parks and recreation	3,744,316	3,837,325	3,866,453
Community development	758,157	746,075	541,413
Operating grants and contributions	1,345,155	1,401,114	670,100
Capital grants and contributions	911,375	3,360,726	1,342,886
Total governmental activities program revenues	<u>9,138,122</u>	<u>11,517,304</u>	<u>8,811,539</u>
Business-type activities			
Charges for services			
Water	2,694,959	2,481,331	2,589,260
Sewer	3,777,352	3,859,639	3,945,284
Surface water	1,221,047	1,371,166	1,474,485
Street lights	474,872	495,367	521,184
Operating grants and contributions	—	—	129,750
Capital grants and contributions	76,008	173,961	656,855
Total business-type activities program revenues	<u>8,244,238</u>	<u>8,381,464</u>	<u>9,316,818</u>
Total primary government program revenues	<u>\$ 17,382,360</u>	<u>\$ 19,898,768</u>	<u>\$ 18,128,357</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Years prior to 2015 have not been restated.

Table 2
Page 1 of 2

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
\$ 2,779,242	\$ 2,889,824	\$ 2,738,134	\$ 2,818,666	\$ 3,026,853	\$ 2,934,432	\$ 3,310,117
3,836,127	4,469,412	4,145,531	4,369,668	5,309,626	5,055,046	5,140,852
4,591,903	4,191,821	4,619,159	4,272,497	4,872,473	4,347,558	4,889,371
7,247,189	7,265,886	7,180,495	8,436,181	7,112,278	8,069,134	9,898,074
3,047,976	1,658,775	1,566,796	2,006,036	2,329,567	2,793,289	2,636,634
342,529	479,563	759,972	768,658	716,615	664,312	682,259
<u>21,844,966</u>	<u>20,955,281</u>	<u>21,010,087</u>	<u>22,671,706</u>	<u>23,367,412</u>	<u>23,863,771</u>	<u>26,557,307</u>
2,736,575	2,867,238	3,090,385	3,123,860	3,330,641	3,354,801	3,550,081
3,721,041	3,813,241	3,777,594	4,118,957	4,361,002	4,240,960	4,457,530
1,275,433	1,273,020	1,306,195	1,366,392	1,607,915	1,639,956	1,696,349
295,184	305,275	317,788	325,531	384,425	388,835	426,706
<u>8,028,233</u>	<u>8,258,774</u>	<u>8,491,962</u>	<u>8,934,740</u>	<u>9,683,983</u>	<u>9,624,552</u>	<u>10,130,666</u>
<u>\$ 29,873,199</u>	<u>\$ 29,214,055</u>	<u>\$ 29,502,049</u>	<u>\$ 31,606,446</u>	<u>\$ 33,051,395</u>	<u>\$ 33,488,323</u>	<u>\$ 36,687,973</u>
\$ 1,513,923	\$ 1,428,626	\$ 1,506,804	\$ 1,572,258	\$ 1,726,043	\$ 1,537,641	\$ 2,031,516
55,164	50,779	62,596	59,193	39,299	36,945	42,601
922,381	912,497	961,129	983,472	1,178,316	1,259,366	1,389,309
3,832,222	4,066,937	3,824,104	5,144,790	1,558,277	3,180,362	4,951,875
797,376	1,232,151	697,794	1,265,253	1,203,753	1,454,135	1,266,436
985,665	797,103	1,012,976	912,161	910,572	976,484	927,808
1,112,367	1,300,509	1,243,109	1,468,899	1,371,401	1,266,920	1,686,756
<u>9,219,098</u>	<u>9,788,602</u>	<u>9,308,512</u>	<u>11,406,026</u>	<u>7,987,661</u>	<u>9,711,853</u>	<u>12,296,301</u>
2,871,346	3,244,714	3,313,619	3,102,813	3,798,620	4,592,272	4,616,828
4,054,563	4,280,337	4,346,724	4,509,362	4,604,235	4,791,667	4,998,527
1,618,068	1,782,349	1,855,874	1,947,975	2,017,272	2,114,438	2,203,118
555,704	640,876	681,628	724,438	749,902	795,591	845,623
22,715	406	7,379	9,635	7,864	6,086	8,818
417,907	40,561	501,000	207,943	8,091	—	193,814
<u>9,540,303</u>	<u>9,989,243</u>	<u>10,706,224</u>	<u>10,502,166</u>	<u>11,185,984</u>	<u>12,300,054</u>	<u>12,866,728</u>
<u>\$ 18,759,401</u>	<u>\$ 19,777,845</u>	<u>\$ 20,014,736</u>	<u>\$ 21,908,192</u>	<u>\$ 19,173,645</u>	<u>\$ 22,011,907</u>	<u>\$ 25,163,029</u>

CITY OF SHOREVIEW
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year		
	2013	2014	2015
Net (expense) revenue			
Governmental activities	\$ (12,850,844)	\$ (8,746,544)	\$ (10,297,150)
Business-type activities	1,256,606	1,222,091	1,939,488
Total primary government net expense	<u>\$ (11,594,238)</u>	<u>\$ (7,524,453)</u>	<u>\$ (8,357,662)</u>
General revenues and other changes in net position			
Governmental activities			
Taxes			
Property taxes	\$ 9,666,218	\$ 9,776,446	\$ 10,347,760
Tax increment collections	1,882,775	1,816,702	1,148,397
Franchise tax	456,242	1,120,948	1,395,125
Grants and contributions not restricted to specific programs	33,500	33,218	35,331
Unrestricted investment earnings (charges)	(553,422)	849,339	294,151
Gain on disposal of capital assets	56,763	78,143	44,577
Transfers	(130,957)	462,467	588,446
Total governmental activities	<u>11,411,119</u>	<u>14,137,263</u>	<u>13,853,787</u>
Business-type activities			
Unrestricted investment earnings (charges)	(235,147)	328,537	98,325
Transfers	130,957	(462,467)	(588,446)
Total business-type activities	<u>(104,190)</u>	<u>(133,930)</u>	<u>(490,121)</u>
Total primary government	<u>\$ 11,306,929</u>	<u>\$ 14,003,333</u>	<u>\$ 13,363,666</u>
Change in net position			
Governmental activities	\$ (1,439,725)	\$ 5,390,719	\$ 3,556,637
Business-type activities	1,152,416	1,088,161	1,449,367
Total primary government	<u>\$ (287,309)</u>	<u>\$ 6,478,880</u>	<u>\$ 5,006,004</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Years prior to 2015 have not been restated.

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
\$ (12,625,868)	\$ (11,166,679)	\$ (11,701,575)	\$ (11,265,680)	\$ (15,379,751)	\$ (14,151,918)	\$ (14,261,006)
1,512,070	1,730,469	2,214,262	1,567,426	1,502,001	2,675,502	2,736,062
<u>\$ (11,113,798)</u>	<u>\$ (9,436,210)</u>	<u>\$ (9,487,313)</u>	<u>\$ (9,698,254)</u>	<u>\$ (13,877,750)</u>	<u>\$ (11,476,416)</u>	<u>\$ (11,524,944)</u>
\$ 10,903,874	\$ 11,088,974	\$ 11,616,082	\$ 12,365,629	\$ 12,945,692	\$ 13,890,264	\$ 14,359,768
753,738	861,608	1,027,508	959,072	1,631,801	1,754,624	2,089,007
1,278,643	1,275,995	1,259,315	1,254,280	1,248,483	1,603,203	1,631,875
58,743	34,541	65,663	41,864	2,035,827	2,982,350	39,995
208,622	328,996	473,304	926,217	502,407	(57,592)	(940,667)
43,147	91,798	71,356	90,307	70,694	14,143	92,811
643,670	702,501	694,896	750,414	(669,174)	777,084	833,015
<u>13,890,437</u>	<u>14,384,413</u>	<u>15,208,124</u>	<u>16,387,783</u>	<u>17,765,730</u>	<u>20,964,076</u>	<u>18,105,804</u>
80,404	105,764	119,561	299,578	130,168	(30,764)	(333,478)
<u>(643,670)</u>	<u>(702,501)</u>	<u>(694,896)</u>	<u>(750,414)</u>	<u>669,174</u>	<u>(777,084)</u>	<u>(833,015)</u>
<u>(563,266)</u>	<u>(596,737)</u>	<u>(575,335)</u>	<u>(450,836)</u>	<u>799,342</u>	<u>(807,848)</u>	<u>(1,166,493)</u>
<u>\$ 13,327,171</u>	<u>\$ 13,787,676</u>	<u>\$ 14,632,789</u>	<u>\$ 15,936,947</u>	<u>\$ 18,565,072</u>	<u>\$ 20,156,228</u>	<u>\$ 16,939,311</u>
\$ 1,264,569	\$ 3,217,734	\$ 3,506,549	\$ 5,122,103	\$ 2,385,979	\$ 6,812,158	\$ 3,844,798
948,804	1,133,732	1,638,927	1,116,590	2,301,343	1,867,654	1,569,569
<u>\$ 2,213,373</u>	<u>\$ 4,351,466</u>	<u>\$ 5,145,476</u>	<u>\$ 6,238,693</u>	<u>\$ 4,687,322</u>	<u>\$ 8,679,812</u>	<u>\$ 5,414,367</u>

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CITY OF SHOREVIEW

Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 3

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Tax</u>	<u>Total</u>
2013	\$ 9,666,218	\$ 1,882,775	\$ 456,242	\$ 12,005,235
2014	9,776,446	1,816,702	1,120,948	12,714,096
2015	10,347,760	1,148,397	1,395,125	12,891,282
2016	10,903,874	753,738	1,278,643	12,936,255
2017	11,088,974	861,608	1,275,995	13,226,577
2018	11,616,082	1,027,508	1,259,315	13,902,905
2019	12,365,629	959,072	1,254,280	14,578,981
2020	12,945,692	1,631,801	1,248,483	15,825,976
2021	13,890,264	1,754,624	1,603,203	17,248,091
2022	14,359,768	2,089,007	1,631,875	18,080,650

CITY OF SHOREVIEW

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable				
Prepaid items	\$ 82,971	\$ 63,953	\$ 11,164	\$ 135,985
Assigned	–	–	–	–
Unassigned	<u>4,220,635</u>	<u>4,383,445</u>	<u>4,615,960</u>	<u>4,673,293</u>
Total General Fund	<u>\$ 4,303,606</u>	<u>\$ 4,447,398</u>	<u>\$ 4,627,124</u>	<u>\$ 4,809,278</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ 14,642	\$ 2,350	\$ 3,925	\$ 22,169
Restricted	6,832,418	7,097,111	6,220,156	4,954,524
Committed	5,517,902	7,046,321	8,957,012	10,065,588
Assigned	967,183	2,090,550	2,804,058	2,936,626
Unassigned	<u>(1,294,351)</u>	<u>(907,931)</u>	<u>(1,104,502)</u>	<u>(989,146)</u>
Total all other governmental funds	<u>\$ 12,037,794</u>	<u>\$ 15,328,401</u>	<u>\$ 16,880,649</u>	<u>\$ 16,989,761</u>

Table 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 80,440	\$ 863,722	\$ 28,641	\$ 846,669	\$ 922,305	\$ 1,007,983
30,000	-	-	211,228	-	-
<u>4,915,075</u>	<u>4,321,592</u>	<u>5,554,310</u>	<u>4,998,626</u>	<u>5,256,575</u>	<u>5,756,640</u>
<u>\$ 5,025,515</u>	<u>\$ 5,185,314</u>	<u>\$ 5,582,951</u>	<u>\$ 6,056,523</u>	<u>\$ 6,178,880</u>	<u>\$ 6,764,623</u>
\$ 4,058	\$ 20,541	\$ 26,585	\$ 15,349	\$ 32,139	\$ 29,867
16,266,250	7,301,624	5,490,701	6,147,842	6,643,000	7,295,848
12,466,505	11,101,004	11,339,921	9,510,921	10,164,929	11,727,463
2,619,061	3,022,851	3,449,549	1,244,923	1,184,027	1,106,111
<u>(904,624)</u>	<u>(803,321)</u>	<u>(794,115)</u>	<u>(2,928,465)</u>	<u>(2,269,832)</u>	<u>(1,620,928)</u>
<u>\$ 30,451,250</u>	<u>\$ 20,642,699</u>	<u>\$ 19,512,641</u>	<u>\$ 13,990,570</u>	<u>\$ 15,754,263</u>	<u>\$ 18,538,361</u>

CITY OF SHOREVIEW

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes				
General property taxes	\$ 9,463,973	\$ 9,617,824	\$ 10,124,526	\$ 10,726,142
Tax increments	1,882,775	1,811,837	1,193,506	753,761
Franchise tax	456,242	1,120,948	1,395,125	1,278,643
Special assessments	149,647	262,313	294,239	323,464
Licenses and permits	648,306	628,033	500,102	695,250
Intergovernmental	1,973,301	2,474,156	1,341,381	1,674,144
Charges for services	5,857,355	5,698,863	5,886,182	5,896,213
Fines and forfeits	52,440	49,430	52,581	51,264
Earnings on investments (charges)	(508,781)	787,765	274,698	196,028
Billboard fees	51,667	50,300	51,809	53,363
Antenna fees	243,606	300,670	359,711	399,928
Miscellaneous	147,399	365,766	155,786	223,692
Total revenues	<u>20,417,930</u>	<u>23,167,905</u>	<u>21,629,646</u>	<u>22,271,892</u>
Expenditures				
Current				
General government	2,385,455	2,352,792	2,355,197	2,516,388
Public safety	3,458,358	3,483,427	3,592,309	3,751,349
Public works	5,172,372	2,614,448	2,551,991	2,886,255
Parks and recreation	5,634,141	6,218,662	6,260,728	6,551,569
Community development	2,206,684	1,581,136	1,444,053	3,016,431
Capital outlay	6,938,968	1,600,173	1,498,097	2,574,263
Debt service				
Principal	1,395,000	1,265,000	1,265,000	1,030,000
Interest	329,902	408,211	326,013	267,231
Fiscal charges	126,892	5,254	9,526	3,082
Total expenditures	<u>27,647,772</u>	<u>19,529,103</u>	<u>19,302,914</u>	<u>22,596,568</u>
Revenues over (under) expenditures	<u>(7,229,842)</u>	<u>3,638,802</u>	<u>2,326,732</u>	<u>(324,676)</u>
Other financing sources (uses)				
Issuance of refunding debt	2,365,000	100,000	–	–
Debt issuance	4,190,000	–	295,000	–
Premium on debt issuance	285,435	5,822	14,637	–
Payments to refunded bond escrow agent	(135,000)	(860,000)	(1,490,000)	–
Sale of capital assets	3,290	7,914	4,107	4,369
Transfers in	413,426	541,861	581,498	611,573
Transfers out	–	–	–	–
Total other financing sources (uses)	<u>7,122,151</u>	<u>(204,403)</u>	<u>(594,758)</u>	<u>615,942</u>
Net change in fund balances	<u>\$ (107,691)</u>	<u>\$ 3,434,399</u>	<u>\$ 1,731,974</u>	<u>\$ 291,266</u>
Debt service as a percentage of noncapital expenditures	<u>8.3%</u>	<u>9.3%</u>	<u>8.9%</u>	<u>6.5%</u>

Table 5

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 10,907,023	\$ 11,433,913	\$ 12,189,888	\$ 12,756,667	\$ 13,681,486	\$ 14,169,312
861,608	1,027,508	956,923	1,633,950	1,753,114	2,090,517
1,275,995	1,259,315	1,254,280	1,248,483	1,603,203	1,631,875
311,968	351,436	310,318	292,214	357,681	386,124
1,000,637	634,797	1,097,166	1,034,606	1,126,540	1,028,274
1,484,186	1,778,150	1,681,388	3,897,006	4,690,738	1,868,277
6,126,896	5,832,229	7,464,997	4,151,776	5,759,473	7,868,214
47,899	59,366	55,843	36,689	36,685	42,271
307,559	445,005	851,395	462,585	(47,439)	(816,796)
58,716	52,862	58,312	54,091	61,863	73,524
430,740	464,364	427,865	444,904	454,047	681,198
426,631	118,077	398,013	193,060	229,128	172,841
<u>23,239,858</u>	<u>23,457,022</u>	<u>26,746,388</u>	<u>26,206,031</u>	<u>29,706,519</u>	<u>29,195,631</u>
2,633,535	2,518,533	2,597,979	2,829,339	2,786,793	2,967,619
4,384,589	4,059,505	4,282,209	5,222,852	4,969,987	5,068,777
2,116,201	2,586,700	2,277,693	2,457,973	2,466,832	2,752,696
6,622,590	6,593,145	7,695,620	6,363,005	7,277,855	8,592,269
1,626,053	1,643,991	2,012,138	2,435,190	2,870,481	2,604,523
5,166,469	18,232,967	6,957,100	11,124,686	5,845,499	4,834,045
1,010,000	1,849,965	1,475,000	1,730,000	1,665,000	1,695,000
245,175	538,698	708,939	712,756	677,096	630,629
126,460	51,392	12,131	15,211	6,726	47,826
<u>23,931,072</u>	<u>38,074,896</u>	<u>28,018,809</u>	<u>32,891,012</u>	<u>28,566,269</u>	<u>29,193,384</u>
<u>(691,214)</u>	<u>(14,617,874)</u>	<u>(1,272,421)</u>	<u>(6,684,981)</u>	<u>1,140,250</u>	<u>2,247</u>
–	150,000	–	–	–	–
12,865,000	3,180,000	–	850,000	–	2,425,000
831,537	164,640	–	68,727	–	172,594
–	–	(160,000)	–	–	–
13,849	807,190	–	–	800	–
658,554	667,292	700,000	720,190	745,000	770,000
–	–	–	(2,435)	–	–
<u>14,368,940</u>	<u>4,969,122</u>	<u>540,000</u>	<u>1,636,482</u>	<u>745,800</u>	<u>3,367,594</u>
<u>\$ 13,677,726</u>	<u>\$ (9,648,752)</u>	<u>\$ (732,421)</u>	<u>\$ (5,048,499)</u>	<u>\$ 1,886,050</u>	<u>\$ 3,369,841</u>
<u>6.7%</u>	<u>12.0%</u>	<u>10.4%</u>	<u>11.2%</u>	<u>10.3%</u>	<u>9.5%</u>

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CITY OF SHOREVIEW

Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property	Agricultural and Miscellaneous	Less Captured Tax Increment Value	Total Taxable Net Tax Capacity Value	Total Direct Tax Rate	Total Market Value	Net Tax Capacity as a Percentage of Market Value
	Residential Property	Commercial Property							
2013	\$ 20,538,954	\$6,704,036	\$ 311,101	\$ 60,854	\$ 1,379,783	\$ 26,235,162	36.970%	\$2,404,938,000	1.1%
2014	20,887,523	6,674,198	192,279	59,021	1,319,882	26,493,139	37.490%	2,412,883,200	1.1%
2015	23,239,953	6,664,044	206,444	60,102	920,195	29,250,348	34.873%	2,640,693,400	1.1%
2016	24,122,506	6,414,987	217,494	60,810	607,343	30,208,454	35.357%	2,698,385,600	1.1%
2017	26,119,554	6,513,377	234,673	62,086	702,515	32,227,175	34.302%	2,861,312,100	1.1%
2018	28,149,733	6,915,965	239,129	59,841	828,481	34,536,187	33.617%	3,068,151,200	1.1%
2019	30,228,796	7,158,969	216,621	54,913	840,268	36,819,031	32.960%	3,271,366,800	1.1%
2020	33,291,754	7,081,355	230,113	14,654	1,360,590	39,257,286	32.626%	3,542,781,700	1.1%
2021	35,366,348	7,547,387	253,438	5,213	1,555,347	41,617,039	32.331%	3,744,727,900	1.1%
2022	36,732,406	7,593,343	271,234	-	1,813,786	42,783,197	32.960%	3,851,462,600	1.1%
Percentage of Total Net Tax Capacity Value									
2013	78.3%	25.6%	1.2%	0.2%	5.3%	100.0%			
2014	78.9%	25.2%	0.7%	0.3%	5.1%	100.0%			
2015	79.4%	22.8%	0.7%	0.2%	3.1%	100.0%			
2016	79.9%	21.2%	0.7%	0.2%	2.0%	100.0%			
2017	81.1%	20.2%	0.7%	0.2%	2.2%	100.0%			
2018	81.5%	20.0%	0.7%	0.2%	2.4%	100.0%			
2019	82.1%	19.4%	0.6%	0.2%	2.3%	100.0%			
2020	84.8%	18.0%	0.6%	0.0%	3.4%	100.0%			
2021	85.0%	18.1%	0.6%	0.0%	3.7%	100.0%			
2022	85.9%	17.7%	0.6%	0.0%	4.2%	100.0%			

Tax exempt property values are not included in total net capacity value.

Source: Ramsey County Assessor's Office

CITY OF SHOREVIEW

Property Tax Rates

Direct and Overlapping (1) Governments

Last Ten Fiscal Years

	Fiscal Year		
	2013	2014	2015
Tax Capacity Rates:			
City of Shoreview			
General Fund	25.557%	25.842%	23.853%
Special revenue	0.231%	0.302%	0.306%
Capital project	8.545%	8.580%	8.160%
Debt service	1.929%	2.071%	1.848%
Internal service	0.708%	0.695%	0.706%
Total city tax rate	36.970%	37.490%	34.873%
Shoreview HRA	0.289%	0.345%	0.323%
Overlapping rates			
Ramsey County	60.638%	59.105%	54.462%
Ramsey County Library	4.602%	4.630%	4.460%
Total county tax rate	65.240%	63.735%	58.922%
Rice Creek Watershed	2.322%	2.346%	2.205%
Metro Watershed	3.643%	4.499%	4.259%
School Districts			
District No. 621	29.444%	29.734%	27.378%
District No. 623	15.464%	16.251%	17.180%
Other			
Regional rail	4.528%	4.196%	3.938%
Metropolitan Council	2.776%	2.729%	2.525%
Mosquito Control	0.573%	0.554%	0.511%
Total Direct and Overlapping Tax Capacity Rates:			
Grass Lake, No. 621	139.820%	138.783%	128.470%
Rice Creek, No. 621	142.142%	141.129%	130.675%
Metro Watershed, No. 621	143.463%	143.282%	132.729%
Grass Lake, No. 623	125.840%	125.300%	118.272%
Rice Creek, No. 623	128.162%	127.646%	120.477%
Metro Watershed, No. 623	129.483%	129.799%	122.531%
State-Wide Tax Capacity Rates:			
Commercial, industrial, and non-electric public utilities	52.523%	52.160%	50.840%
Cabins	22.327%	22.836%	21.703%
Market Value Tax Rates:			
Overlapping rates			
School Districts			
District No. 621	0.22834%	0.21069%	0.21901%
District No. 623	0.24553%	0.25826%	0.25930%

Source: Ramsey County Assessor's office

(1) Overlapping rates are those of local, county, regional, and state 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 portion of the government's property owners whose property is located within the geographic boundaries of the special district).

Table 7

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
24.267%	23.588%	22.822%	22.191%	22.454%	22.429%	23.068%
0.365%	0.356%	0.347%	0.407%	0.407%	0.399%	0.447%
8.302%	8.096%	7.771%	6.808%	6.762%	6.675%	6.938%
1.813%	1.693%	2.145%	3.055%	2.535%	2.386%	2.076%
0.610%	0.569%	0.532%	0.499%	0.468%	0.442%	0.431%
35.357%	34.302%	33.617%	32.960%	32.626%	32.331%	32.960%
0.332%	0.325%	0.318%	0.595%	0.669%	0.634%	0.657%
54.012%	51.173%	49.473%	48.565%	48.081%	43.859%	43.987%
4.873%	4.677%	4.489%	4.315%	4.221%	3.901%	4.080%
58.885%	55.850%	53.962%	52.880%	52.302%	47.760%	48.067%
2.108%	1.985%	1.826%	1.858%	1.925%	1.822%	1.830%
4.214%	3.813%	3.746%	3.387%	3.248%	2.938%	2.893%
26.245%	25.305%	28.464%	26.330%	24.964%	23.863%	23.420%
20.958%	18.894%	34.396%	31.686%	30.668%	31.250%	26.914%
4.091%	3.875%	3.830%	3.886%	3.918%	3.825%	4.054%
2.379%	2.243%	2.153%	2.098%	2.003%	1.809%	1.882%
0.475%	0.455%	0.440%	0.423%	0.403%	0.366%	0.381%
127.764%	122.355%	122.784%	119.172%	116.885%	110.588%	111.421%
129.872%	124.340%	124.610%	121.030%	118.810%	112.410%	113.251%
131.978%	126.168%	126.530%	122.559%	120.133%	113.526%	114.314%
122.477%	115.944%	128.716%	124.528%	122.589%	117.975%	114.915%
124.585%	117.929%	130.542%	126.386%	124.514%	119.797%	116.745%
126.691%	119.757%	132.462%	127.915%	125.837%	120.913%	117.808%
48.641%	45.802%	43.865%	42.416%	38.846%	35.978%	36.289%
21.167%	20.845%	20.779%	19.962%	17.997%	17.306%	16.306%
0.22261%	0.20712%	0.19725%	0.18765%	0.29347%	0.25290%	0.25639%
0.21044%	0.19350%	0.21951%	0.22529%	0.19816%	0.16876%	0.26937%

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CITY OF SHOREVIEW
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

Taxpayer	2022				2013			
	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value
Wells Fargo	\$ 33,576,600	\$ 670,782	1	1.57%	\$ 36,898,500	\$ 737,220	2	2.81%
Shoreview Housing Phase 1 LLC	50,900,000	636,250	2	1.49%	–	–	–	–
KJPL Shoreview LLC	50,670,000	633,375	3	1.48%	–	–	–	–
Terrace Apartments Company	37,347,600	466,846	4	1.09%	22,366,500	279,581	6	1.07%
McMillan Group LLC	30,171,500	395,267	5	0.92%	–	–	–	–
Lakeshore Oaks Apts LLP	30,118,000	376,475	6	0.88%	–	–	–	–
Shoreview Senior Living LLC	29,920,000	374,000	7	0.87%	–	–	–	–
Scannell Properties 452 LLC	17,424,000	347,730	8	0.81%	–	–	–	–
WPT Rice Creek LP	16,186,100	322,222	9	0.75%	–	–	–	–
TSI Inc.	16,097,700	320,454	10	0.75%	8,972,900	178,708	10	0.68%
JPMCC 2006 LDP7 Gramsie Rd LLC	–	–	–	–	40,561,500	810,480	1	3.09%
Deluxe Corporation	–	–	–	–	21,900,000	437,250	3	1.67%
Medtronic	–	–	–	–	14,870,000	296,650	4	1.13%
Dayton Hudson Corporation	–	–	–	–	14,598,700	290,474	5	1.11%
Carroll Ventures Company	–	–	–	–	16,621,300	207,766	7	0.79%
Fox UTV Holdings & Deaware Corp	–	–	–	–	10,243,200	202,456	8	0.77%
Northern States Power Co	–	–	–	–	9,296,500	180,170	9	0.69%
Total	\$ 312,411,500	\$ 4,543,401		10.61%	\$ 196,329,100	\$ 3,620,755		13.81%

Rank is based on taxable net tax capacity value.

Source: Ramsey County Board of Equalization and Assessment

CITY OF SHOREVIEW
Property Tax Levies and Collections
Last Ten Fiscal Years

Levy Year	Total Tax Levy for Fiscal Year (1)	Collections (Refunds) Within the Fiscal Year						
		2013	2014	2015	2016	2017	2018	2019
Property Taxes:								
2012 and prior	\$ 9,360,028	\$ 13,324	\$ (101,019)	\$ (31,614)	\$ 11,495	\$ (1,136)	\$ 2,777	\$ -
2013	9,679,510	9,607,386	14,812	(26,344)	5,740	157	1,249	150
2014	10,009,093	-	9,922,551	11,781	1,371	458	1,696	350
2015	10,362,788	-	-	10,283,315	32,320	(21,193)	2,436	1,064
2016	10,767,725	-	-	-	10,708,778	17,544	(8,941)	2,990
2017	11,190,497	-	-	-	-	11,105,813	30,948	(25,606)
2018	11,741,840	-	-	-	-	-	11,690,537	(7,701)
2019	12,367,045	-	-	-	-	-	-	12,224,575
2020	13,079,686	-	-	-	-	-	-	-
2021	13,730,874	-	-	-	-	-	-	-
2022	14,356,707	-	-	-	-	-	-	-
Non-levy collections (2)		26,253	(38,859)	94,302	150,889	(12,367)	(105,163)	177,146
Total collections within fiscal year		<u>\$ 9,646,963</u>	<u>\$ 9,797,485</u>	<u>\$10,331,440</u>	<u>\$10,910,593</u>	<u>\$11,089,276</u>	<u>\$11,615,539</u>	<u>\$12,372,968</u>
Tax Increments:								
2012 and prior	\$ 2,013,059	\$ (8,553)	\$ (20,805)	\$ -	\$ -	\$ -	\$ -	\$ -
2013	1,917,808	1,891,327	10,706	-	(5,625)	-	-	-
2014	1,837,507	-	1,821,936	25	(5,622)	-	-	-
2015	1,193,512	-	-	1,193,481	(5,630)	-	-	-
2016	776,270	-	-	-	770,638	-	-	-
2017	868,354	-	-	-	-	861,608	-	-
2018	1,027,508	-	-	-	-	-	1,027,508	-
2019	1,013,478	-	-	-	-	-	-	956,923
2020	1,616,200	-	-	-	-	-	-	-
2021	1,754,624	-	-	-	-	-	-	-
2022	2,089,007	-	-	-	-	-	-	-
Total collections within fiscal year		<u>\$ 1,882,774</u>	<u>\$ 1,811,837</u>	<u>\$ 1,193,506</u>	<u>\$ 753,761</u>	<u>\$ 861,608</u>	<u>\$ 1,027,508</u>	<u>\$ 956,923</u>

(1) Net of county rounding adjustment.

(2) Non-levy collections include interest, petitions, and other collections that do not reduce uncollected taxes.

Table 9

Collections (Refunds) Within the Fiscal Year			Percentage Collected Within the Fiscal Year of the Levy	Total Collections to Date		Adjustments	Total Uncollected	
2020	2021	2022		Amount	Percentage of Levy		Amount	Percentage of Levy
\$ -	\$ -	\$ -	99.0%	\$9,156,822	97.8%	\$ (203,206)	\$ -	0.00%
-	-	-	99.3%	9,603,150	99.2%	(76,360)	-	0.00%
15	-	-	99.1%	9,938,222	99.3%	(70,871)	-	0.00%
-	1,015	-	99.2%	10,298,957	99.4%	(63,831)	-	0.00%
986	1,642	223	99.5%	10,723,222	99.6%	(42,834)	1,669	0.02%
2,688	1,941	801	99.2%	11,116,585	99.3%	(72,540)	1,372	0.01%
(7,787)	1,989	1,422	99.6%	11,678,460	99.5%	(61,209)	2,171	0.02%
19,129	(20,493)	(1,526)	98.8%	12,221,685	98.8%	(137,974)	7,386	0.06%
13,020,882	14,352	(63)	99.6%	13,035,171	99.7%	(27,045)	17,470	0.13%
-	13,658,454	34,660	99.5%	13,693,114	99.7%	(19,287)	18,473	0.13%
-	-	14,297,086	99.6%	14,297,086	99.6%	(4,536)	55,085	0.38%
(97,461)	208,401	20,566					-	
<u>\$12,938,452</u>	<u>\$13,867,301</u>	<u>\$14,353,168</u>					<u>\$ 103,626</u>	
\$ -	\$ -	\$ -	96.3%	\$1,910,171	94.9%	\$ (102,888)	\$ -	0.00%
-	-	-	98.6%	1,896,408	98.9%	(21,400)	-	0.00%
-	-	-	99.2%	1,816,339	98.8%	(21,168)	-	0.00%
-	-	-	100.0%	1,187,851	99.5%	(5,661)	-	0.00%
-	-	-	99.3%	770,638	99.3%	(5,632)	-	0.00%
-	-	-	99.2%	861,608	99.2%	(6,746)	-	0.00%
-	-	-	100.0%	1,027,508	100.0%	-	-	0.00%
17,750	-	-	94.4%	974,673	96.2%	(38,805)	-	0.00%
1,616,200	-	-	100.0%	1,616,200	100.0%	-	-	0.00%
-	1,753,114	1,510	99.9%	1,754,624	100.0%	-	-	0.00%
-	-	2,089,007	0.0%	2,089,007	100.0%	-	-	0.00%
<u>\$ 1,633,950</u>	<u>\$ 1,753,114</u>	<u>\$ 2,090,517</u>					<u>\$ -</u>	

CITY OF SHOREVIEW

Water Sold by Type of Customer

Last Ten Fiscal Years

(in millions of gallons)

	Residential				Total Residential
	Tier 1 – First 5,000 Gallons	Tier 2 – Second 5,000 Gallons	Tier 3 – Third 20,000 Gallons	Tier 4 – Remaining Gallons	
2013	201.1	161.8	219.1	107.5	689.5
2014	201.6	155.9	187.6	55.5	600.6
2015	202.7	153.9	176.5	63.1	596.2
2016	205.8	154.2	177.5	66.6	604.1
2017	207.5	157.7	185.2	62.3	612.7
2018	205.1	151.0	168.6	63.7	588.4
2019	213.4	154.3	148.0	34.8	550.5
2020	214.8	159.8	186.2	65.1	625.9
2021	214.4	155.8	200.5	105.2	675.9
2022	223.2	155.5	184.3	83.9	646.9

	Percentage of Total Water Sold				
2013	22.1%	17.8%	24.0%	11.8%	75.7%
2014	25.3%	19.6%	23.6%	7.0%	75.5%
2015	25.7%	19.5%	22.4%	8.0%	75.6%
2016	26.2%	19.7%	22.7%	8.5%	77.1%
2017	26.2%	19.9%	23.4%	7.9%	77.4%
2018	26.5%	19.5%	21.8%	8.2%	76.0%
2019	30.2%	21.9%	21.0%	4.9%	78.0%
2020	27.2%	20.2%	23.5%	8.2%	79.1%
2021	24.6%	17.8%	22.9%	12.0%	77.3%
2022	26.5%	18.4%	21.8%	9.9%	76.5%

(1) The City does not bill the various departments for water use; this consumption is for tracking purposes only.

Source: City of Shoreview utility billing department

Table 10

Commercial/Industrial/Hotel/Motel/Public Institutions Religious/Charitable/Residential Irrigation Only Accounts					
Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial, Etc.	Shoreview City Accounts (1)	Total Water Sold
27.0	135.3	39.1	201.4	20.2	911.1
26.7	126.0	26.4	179.1	16.8	796.5
26.8	118.8	26.0	171.6	21.6	789.4
26.5	114.4	17.4	158.3	21.2	783.6
25.9	107.6	18.8	152.4	26.0	791.1
26.7	117.9	21.7	166.3	20.4	775.1
25.3	94.7	20.2	140.2	15.4	706.1
25.8	101.1	15.7	142.6	22.6	791.1
27.7	121.6	23.5	172.8	25.8	874.5
27.2	121.6	26.1	174.9	23.4	845.2
Percentage of Total Water Sold					
3.0%	14.8%	4.3%	22.1%	2.2%	100.0%
3.4%	15.7%	3.3%	22.4%	2.1%	100.0%
3.4%	15.0%	3.3%	21.7%	2.7%	100.0%
3.4%	14.6%	2.2%	20.2%	2.7%	100.0%
3.3%	13.6%	2.4%	19.3%	3.3%	100.0%
3.4%	15.2%	2.8%	21.4%	2.6%	100.0%
3.6%	13.4%	2.9%	19.9%	2.2%	100.0%
3.3%	12.7%	2.0%	18.0%	2.9%	100.0%
3.2%	13.8%	2.7%	19.7%	3.0%	100.0%
3.2%	14.3%	3.1%	20.6%	2.8%	100.0%

CITY OF SHOREVIEW

Residential Utility Rates per Quarter

Last Ten Fiscal Years

	Water					Surface Water Management			
	Base Rate Per Unit	Rate per 1,000 Gallons				Per Unit		Per Acre	
		Tier 1 First 5,000 Gallons	Tier 2 Second 5,000 Gallons	Tier 3 Third 20,000 Gallons	Tier 4 Remaining Gallons	Single-Family	Town Home	Condos	Apartments and Mobile Homes
2013	\$ 13.40	\$ 1.08	\$ 1.74	\$ 2.41	\$ 3.96	\$ 19.33	\$ 20.47	\$ 161.63	\$ 161.63
2014	13.96	1.13	1.81	2.51	4.13	21.26	22.52	177.79	177.79
2015	14.94	1.21	1.94	2.69	4.42	23.39	24.77	195.57	195.57
2016	16.73	1.36	2.17	3.01	4.95	25.73	27.25	215.13	215.13
2017	18.74	1.52	2.43	3.37	5.54	28.30	29.98	236.64	236.64
2018	19.49	1.58	2.53	3.50	5.76	29.72	31.48	248.47	248.47
2019	20.27	1.64	2.63	3.64	5.99	31.21	33.05	260.89	260.89
2020	25.00	1.67	2.68	3.71	6.11	32.30	34.21	270.02	270.02
2021	29.00	1.77	2.84	3.93	6.48	33.27	35.24	278.12	278.12
2022	32.00	1.82	2.93	4.05	6.67	35.27	37.35	294.81	294.81

Source: City of Shoreview utility billing department

Table 11

	Sewer					Street Lighting	
	Use Rate per unit (Based on Winter Water Use)					Per Unit	
	Tier 1 Less Than 5,000 Gallons	Tier 2 Between 5,000 and 10,000 Gallons	Tier 3 Between 10,001 and 20,000 Gallons	Tier 4 Between 20,001 and 30,000 Gallons	Tier 5 Greater Than 30,000 Gallons	Single- and Multi- Family	Condos, Apartments, and Mobile Homes
\$ 37.91	\$ 16.02	\$ 27.58	\$ 42.29	\$ 57.52	\$ 74.73	\$ 9.47	\$ 7.10
39.05	16.50	28.41	43.56	59.25	76.97	9.85	7.38
40.22	17.00	29.26	44.87	61.03	79.28	10.24	7.68
41.43	17.51	30.14	46.22	62.86	81.66	10.85	8.14
42.67	18.04	31.04	47.61	64.75	84.11	12.48	9.36
43.95	18.58	31.97	49.04	66.69	86.63	13.23	9.92
45.27	19.14	32.93	50.51	68.69	89.23	13.89	10.42
46.18	19.52	33.59	51.52	70.06	91.01	14.31	10.73
47.10	19.91	34.26	52.55	71.46	92.83	15.03	11.27
48.98	20.71	35.63	54.65	74.32	96.54	15.63	11.72

CITY OF SHOREVIEW

Commercial Utility Rates per Quarter

Last Ten Fiscal Years

Fiscal Year	Water			
	Base Rate Per Account	Rate per 1,000 Gallons		
		First 50,000	Next 1,150,000	All Remaining
2013	\$ 13.40	\$ 1.74	\$ 2.41	\$ 3.96
2014	13.96	1.81	2.51	4.13
2015	14.94	1.94	2.69	4.42
2016	16.73	2.17	3.01	4.95
2017	18.74	2.43	3.37	5.54
2018	19.49	2.53	3.50	5.76
2019	20.27	2.63	3.64	5.99
2020	25.00	2.68	3.71	6.11
2021	29.00	2.84	3.93	6.48
2022	32.00	2.93	4.05	6.67

Source: City of Shoreview utility billing department

Table 12

Sewer		Surface Water Management	Street Lights
Sewer Availability Charge Per Account	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
\$ 37.91	\$ 4.05	\$ 161.63	\$ 28.42
39.05	4.17	177.79	29.56
40.22	4.30	195.57	30.74
41.43	4.43	215.13	32.58
42.67	4.56	236.64	37.47
43.95	4.70	248.47	39.72
45.27	4.84	260.89	41.71
46.18	4.94	270.02	42.96
47.10	5.04	278.12	45.11
48.98	5.24	294.81	46.91

CITY OF SHOREVIEW

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business- Type Activities
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Certificates of Participation	Loan Payable	Water Bonds
2013	\$ 2,780,000	\$ 12,395,000	\$ 690,000	\$ 3,985,000	\$ 6,000,000	\$ 5,930,000
2014	2,620,000	15,645,000	350,000	3,635,000	6,000,000	5,880,000
2015	2,680,000	8,810,000	–	3,275,000	6,000,000	11,355,000
2016	2,480,000	8,125,000	–	2,910,000	6,000,000	17,900,000
2017	2,305,000	20,270,000	–	2,535,000	6,000,000	16,940,000
2018	2,270,000	22,710,000	–	2,145,000	5,195,035	18,470,000
2019	1,935,000	21,530,000	–	1,745,000	5,195,035	16,280,000
2020	2,600,000	20,115,000	–	1,330,000	5,195,035	17,465,000
2021	2,405,000	18,775,000	–	900,000	5,195,035	16,260,000
2022	2,220,000	19,820,000	–	460,000	5,195,035	15,815,000

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

- (1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value.
- (2) See Table 18 – Demographic and Economic Statistics schedule for estimated personal income and population data.

Table 13

<u>Business-Type Activities</u>				Percentage of	Percentage of	
<u>Sewer</u>	<u>Surface</u>	<u>Unamortized</u>	<u>Total Primary</u>	<u>Estimated</u>	<u>Estimated actual</u>	
<u>Bonds</u>	<u>Water</u>	<u>Premium</u>	<u>Government</u>	<u>Personal</u>	<u>Market Value of</u>	<u>Per Capita (2)</u>
	<u>Bonds</u>			<u>Income (2)</u>	<u>Property (1)</u>	
\$ 1,995,000	\$ 3,190,000	\$ 403,427	\$ 37,368,427	3.28%	1.55%	\$ 1,470
2,400,000	3,095,000	632,915	40,257,915	3.35%	1.67%	1,571
3,135,000	3,345,000	869,556	39,469,556	3.09%	1.49%	1,534
3,190,000	3,390,000	958,363	44,953,363	3.36%	1.67%	1,723
2,960,000	3,030,000	1,699,503	55,739,503	4.03%	1.95%	2,114
3,300,000	3,770,000	2,022,106	59,882,141	4.21%	1.95%	2,264
2,775,000	3,275,000	1,848,428	54,583,463	3.72%	1.67%	2,061
6,035,000	5,500,000	2,247,615	60,487,650	3.87%	1.71%	2,266
5,745,000	5,030,000	2,041,819	56,351,854	3.34%	1.50%	2,093
6,555,000	5,220,000	2,219,415	57,504,450	3.14%	1.49%	2,132

CITY OF SHOREVIEW

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Water Bonds	Sewer Bonds	Surface Water Bonds
2013	\$ 2,780,000	\$12,395,000	\$ 690,000	\$ 5,930,000	\$ 1,995,000	\$ 3,190,000
2014	2,620,000	15,645,000	350,000	5,880,000	2,400,000	3,095,000
2015	2,680,000	8,810,000	–	11,355,000	3,135,000	3,345,000
2016	2,480,000	8,125,000	–	17,900,000	3,190,000	3,390,000
2017	2,305,000	20,270,000	–	16,940,000	2,960,000	3,030,000
2018	2,270,000	22,710,000	–	18,470,000	3,300,000	3,770,000
2019	1,935,000	21,530,000	–	16,280,000	2,775,000	3,275,000
2020	2,600,000	20,115,000	–	17,465,000	6,035,000	5,500,000
2021	2,405,000	18,775,000	–	16,260,000	5,745,000	5,030,000
2022	2,220,000	19,820,000	–	15,815,000	6,555,000	5,220,000

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

- (1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value.
- (2) See Table 18 – Demographic and Economic Statistics schedule.

Table 14

<u>Unamortized Premium</u>	<u>Total</u>	<u>Resources Restricted for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
\$ 403,427	\$27,383,427	\$ 3,325,237	\$24,058,190	1.00%	\$ 946
632,915	30,622,915	2,577,845	28,045,070	1.16%	1,094
869,556	30,194,556	1,136,688	29,057,868	1.10%	1,130
958,363	36,043,363	1,145,579	34,897,784	1.29%	1,337
1,699,503	47,204,503	1,110,868	46,093,635	1.61%	1,748
2,022,106	52,542,106	1,508,902	51,033,204	1.66%	1,930
1,848,428	47,643,428	1,490,238	46,153,190	1.41%	1,743
2,247,615	53,962,615	1,293,283	52,669,332	1.49%	1,973
2,041,819	50,256,819	1,282,046	48,974,773	1.31%	1,819
2,219,415	51,849,415	1,212,238	50,637,177	1.31%	1,878

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CITY OF SHOREVIEW

Direct and Overlapping Governmental Activities Debt
as of December 31, 2022

Table 15

Governmental Unit	Gross Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Overlapping debt			
Ramsey County	\$ 232,787,000	6.274%	\$ 14,604,154
Independent School District No. 621 (Mounds View)	184,390,000	30.647%	56,509,850
Independent School District No. 623 (Roseville)	142,690,000	3.568%	5,091,254
Metropolitan Council	1,717,186,171	0.839%	14,414,635
Metro Watershed District	3,149,000	7.712%	242,844
Total overlapping debt			90,862,737
City of Shoreview direct debt (1)			28,814,043
Total direct and overlapping debt			\$ 119,676,780

Debt Ratios

Ratio of debt per capita (26,967 population, Table 18)	\$ 4,437.90
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$42,783,197, Table 6)	279.73%
Ratio of debt to estimated actual market value of property (\$3,851,462,600, Table 6)	3.11%

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

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

- (1) Gross bonded and direct debt outstanding includes all general obligation, certificate of participation debt and loans.
- (2) 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 government’s boundaries and dividing it by the county’s total taxable assessed value.

CITY OF SHOREVIEW
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	\$ 72,148,140	\$ 72,386,496	\$ 79,220,802	\$ 80,951,568
Total net debt applicable to limit	13,168,149	16,872,663	11,095,214	10,064,636
Legal debt margin	<u>\$ 58,979,991</u>	<u>\$ 55,513,833</u>	<u>\$ 68,125,588</u>	<u>\$ 70,886,932</u>
Total net debt applicable to the limit as a percentage of debt limit	18.25%	23.31%	14.01%	12.43%

Table 16

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 85,839,363	\$ 92,044,536	\$ 98,141,004	\$ 106,283,451	\$ 112,341,837	\$ 115,543,878
8,985,056	10,947,380	9,620,097	8,422,988	7,204,348	8,471,679
<u>\$ 76,854,307</u>	<u>\$ 81,097,156</u>	<u>\$ 88,520,907</u>	<u>\$ 97,860,463</u>	<u>\$ 105,137,489</u>	<u>\$ 107,072,199</u>
10.47%	11.89%	9.80%	7.93%	6.41%	7.33%

Legal Debt Margin Calculation for Fiscal Year 2022

Market value (payable 2022 value, Table 6)	\$3,851,462,600
Debt limit (3% of market value)	115,543,878
Debt applicable to limit	
Other general obligation bonds	8,920,000
Certificates of participation	460,000
Less cash set aside for repayment of general obligation debt	<u>(908,321)</u>
Total net debt applicable to limit	<u>8,471,679</u>
Legal debt margin	<u>\$ 107,072,199</u>

CITY OF SHOREVIEW
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 17

Fiscal Year	Utility Revenues	Less Operating Expenses (1)	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
Water Revenue Bonds						
2013	\$ 2,585,461	\$ 1,403,838	\$ 1,181,623	\$ 460,000	\$ 183,026	1.84
2014	2,668,132	1,432,452	1,235,680	965,000	163,432	1.10
2015	2,639,110	1,430,934	1,208,176	1,410,000	181,749	0.76
2016	2,929,180	1,570,611	1,358,569	450,000	462,503	1.49
2017	3,285,821	1,609,969	1,675,852	960,000	436,998	1.20
2018	3,354,356	1,693,957	1,660,399	1,065,000	409,713	1.13
2019	3,190,556	1,740,009	1,450,547	2,190,000	426,613	0.55
2020	3,832,806	1,933,768	1,899,038	1,175,000	396,199	1.21
2021	4,589,799	1,969,936	2,619,863	1,205,000	402,072	1.63
2022	4,519,199	2,173,359	2,345,840	1,365,000	374,605	1.35
Sewer Revenue Bonds						
2013	\$ 3,718,390	\$ 3,100,871	\$ 617,519	\$ 275,000	\$ 67,690	1.80
2014	3,973,536	3,163,229	810,307	325,000	58,703	2.11
2015	3,981,855	3,191,670	790,185	915,000	53,375	0.82
2016	4,085,178	3,328,440	756,738	175,000	82,853	2.93
2017	4,324,274	3,403,098	921,176	230,000	75,034	3.02
2018	4,402,907	3,377,484	1,025,423	250,000	68,294	3.22
2019	4,642,639	3,715,864	926,775	525,000	70,471	1.56
2020	4,661,074	3,913,924	747,150	285,000	68,536	2.11
2021	4,778,867	3,767,841	1,011,026	290,000	121,193	2.46
2022	4,883,409	3,962,386	921,023	475,000	121,560	1.54
Surface Water Management Revenue Bonds						
2013	\$ 1,188,105	\$ 621,960	\$ 566,145	\$ 415,000	\$ 84,608	1.13
2014	1,411,270	695,548	715,722	360,000	80,992	1.62
2015	1,485,119	752,030	733,089	610,000	73,517	1.07
2016	1,630,559	922,576	707,983	335,000	88,721	1.67
2017	1,799,161	903,944	895,217	360,000	78,096	2.04
2018	1,878,164	930,275	947,889	380,000	67,526	2.12
2019	2,008,708	966,391	1,042,317	495,000	90,014	1.78
2020	2,047,484	1,169,906	877,578	445,000	81,365	1.67
2021	2,108,781	1,177,555	931,226	470,000	112,843	1.60
2022	2,146,189	1,185,997	960,192	475,000	104,941	1.66

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements. Utility revenues include operating revenue, earnings on investments and the federal credit associated with Build America Bonds and Intergovernmental revenue.

(1) Operating expenses do not include depreciation.

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Estimated Personal Income (Amounts Expressed in Whole Dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment District No. 621 (4)</u>	<u>School Enrollment District No. 623 (4)</u>	<u>Unemployment Rate (5)</u>
2013	25,429	\$ 1,138,863,194	\$ 44,786	10,232	7,196	4.0 %
2014	25,630	1,202,047,000	46,900	10,521	7,271	3.3 %
2015	25,723	1,275,269,171	49,577	10,762	7,500	3.0 %
2016	26,092	1,339,563,280	51,340	11,146	7,549	3.2 %
2017	26,366	1,383,265,824	52,464	11,297	7,615	2.9 %
2018	26,447	1,420,944,416	53,728	11,389	7,652	2.3 %
2019	26,480	1,468,104,160	55,442	11,656	7,580	2.6 %
2020	26,695	1,563,179,115	58,557	11,726	7,580	4.8 %
2021	26,921	1,685,093,074	62,594	11,507	7,299	2.7 %
2022	26,967	1,834,025,670	68,010	11,486	7,471	2.1 %

Notes/Sources:

- (1) Population figures other than census year are estimates provided by the Metropolitan Council. The last census figures available are for 2020. Figures are as of December 31 of the prior year.
- (2) This estimated personal income number is calculated by taking the per capita personal income and multiplying it by the City's population. Also see note (3) regarding the per capita personal income figures.
- (3) Per capital personal income data is provided by the Bureau of Economic Analysis. The 2013–2021 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2022 figure is an estimate for the state of Minnesota as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts. District No. 621 covers approximately 90% of the City, while District No. 623 covers approximately 10% of the City. Not all students enrolled in District No. 621 or District No. 623 live in the City.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development.

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CITY OF SHOREVIEW

Principal Employers
Current Year and Nine Years Ago

Table 19

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wells Fargo	1,200	1	8.19%	1,200	1	8.71%
Cummins Power Generation	600	2	4.09%	600	4	4.36%
Target Corporation	500	3	3.41%	500	5	3.63%
TSI Inc.	485	4	3.31%	440	6	3.19%
Westinghouse (PaR Nuclear)	300	5	2.05%	300	8	2.18%
PaR Systems	250	6	1.71%	200	9	1.45%
Hill-Rom Corporation	250	6	1.71%	–	–	–
Kowalski's	219	8	1.49%	–	–	–
Fiserv	200	9	1.36%	200	9	1.45%
Ally Financial Services	115	10	0.78%	–	–	–
Deluxe Corporation	–	–	–	1,150	2	8.35%
Land O' Lakes	–	–	–	800	3	5.81%
DJO Global - Empi Inc	–	–	–	430	7	3.12%
Total	4,119		28.10%	5,820		42.26%

Source: City of Shoreview Community Development Department

Total City employment provided by the Minnesota Department of Employment & Economic Development.

CITY OF SHOREVIEW

Budgeted Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Budgeted Full-Time Equivalent Employees as of December 31,			
	2013	2014	2015	2016
General government	13.46	14.22	13.80	14.59
Public safety				
Emergency services	0.08	0.08	–	–
Public works				
Engineering	4.03	4.03	3.83	4.01
Maintenance	7.12	7.68	7.68	7.63
Parks and recreation				
Administration	4.00	4.44	4.50	4.10
Maintenance	9.95	10.00	10.00	10.02
Community center	36.61	38.44	38.52	37.55
Recreation programs	29.74	32.73	31.52	34.47
Community development	6.56	6.95	7.00	7.25
Water	8.39	8.41	8.28	8.18
Sewer	7.41	7.44	7.30	7.20
Surface water	3.55	3.67	3.74	3.96
Street lights	0.20	0.28	0.20	0.25
Central garage	2.40	2.40	2.40	2.40
Total	133.50	140.77	138.77	141.61
Full-time	79.00	83.36	82.00	84.32
Part-time	1.55	0.42	1.10	1.60
Associate	52.95	56.99	55.67	55.69
Total	133.50	140.77	138.77	141.61

Source: City Finance Department

Table 20

Budgeted Full-Time Equivalent Employees as of December 31,					
2017	2018	2019	2020	2021	2022
14.08	13.60	13.40	13.42	14.39	15.09
–	–	–	–	–	–
3.43	3.05	3.05	3.13	3.13	3.13
7.64	8.07	8.33	8.78	8.14	8.89
4.60	5.02	5.44	6.10	6.44	5.44
9.83	11.25	11.55	11.58	12.20	12.20
37.04	42.25	43.52	46.13	44.87	44.98
32.94	33.90	37.93	40.25	34.67	32.61
7.25	7.39	8.14	8.92	8.39	9.68
8.29	8.02	8.69	8.41	8.52	8.54
7.31	7.03	7.15	7.42	7.54	7.56
4.04	4.03	4.03	4.45	4.46	4.37
0.15	0.10	0.20	0.35	0.50	0.50
2.40	2.40	2.40	2.35	2.35	2.35
<u>139.00</u>	<u>146.11</u>	<u>153.83</u>	<u>161.29</u>	<u>155.60</u>	<u>155.34</u>
84.86	84.56	87.47	91.08	91.67	91.17
0.50	0.60	1.13	1.63	2.00	1.63
<u>53.64</u>	<u>60.95</u>	<u>65.23</u>	<u>68.58</u>	<u>61.93</u>	<u>62.54</u>
<u>139.00</u>	<u>146.11</u>	<u>153.83</u>	<u>161.29</u>	<u>155.60</u>	<u>155.34</u>

CITY OF SHOREVIEW
 Operating Indicators by Function
 Last Ten Fiscal Years

Function	Fiscal Year		
	2013	2014	2015
Police (contracted with Ramsey County Sheriff's Department)			
Calls for service	7,057	8,128	8,574
Fire (contractual service with Lake Johanna Fire Department)			
Calls for service	1,275	1,449	1,597
Public works			
Salt (tons)	500	460	250
Crack sealant (pounds)	12,000	7,500	12,600
Asphalt repairs (tons of asphalt)	380	278	265
Recyclables collected (tons)	3,242	2,762	2,735
Trails resurfaced (miles)	5.00	–	6.20
Parks and recreation			
Recreation program users (registered participants)	25,726	29,270	28,404
Community program attendance (non-fee programs)	47,964	39,261	43,218
Community center users	698,892	593,172	620,509
Community development			
Permits issued	1,312	1,053	1,141
Permit valuation (millions)	\$ 42.4	\$ 40.3	\$ 21.7
Water			
Water main breaks	10	15	5
Meters replaced	23	45	34
Curb box repairs (water valves)	75	105	97
Hydrants repaired	25	35	11
Average annual residential water use per household	82,554	73,557	72,575
Average daily consumption (millions of gallons)	2.69	2.43	2.14
Maximum daily gallons pumped (millions)	7.68	5.88	5.24
Sewer			
Sewage flow (millions of gallons)	871	813	764
Miles jettied	62	81	52
Miles rodded	32	30	22
Miles inspected	40	44	62
Surface water management			
Material dredged from ponds (yards)	–	–	–
Sweepings collected (tons of material)	350	350	250
Miles of street swept	794	794	904
Street sweeping rounds per year	9	9	8
Lake augmentation, gallons pumped (millions)	8.7	–	–
Central garage			
Gallons of gas	17,333	14,469	19,780
Gallons of diesel	24,727	20,914	17,677
Oil changes	78	89	90
Tires replaced	53	39	29

Sources: Various city departments

Note: Indicators are not available for the general government city functions.

Public works Crack sealant and Park and recreation 2020 operating indicators were affected by the COVID-19 pandemic.

Table 21

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
8,533	8,839	8,895	9,150	8,110	8,268	8,470
1,784	1,858	1,948	2,037	2,020	2,211	2,536
300	400	678	552	484	588	404
15,000	10,000	8,000	9,500	1,000	14,000	6,000
232	453	770	436	245	254	253
2,683	2,421	2,508	2,488	2,583	2,688	2,481
7.72	7.30	6.50	–	5.30	7.00	10.50
27,478	27,814	25,089	53,288	7,910	11,607	30,092
33,150	36,524	17,245	32,666	28,305	41,570	40,644
564,444	544,713	528,918	511,220	194,896	299,856	476,150
1,332	1,602	1,307	2,222	2,715	2,616	2,286
\$ 41.9	\$ 100.3	\$ 27.9	\$ 77.0	\$ 69.3	\$ 88.7	\$ 90.9
7	10	16	12	7	3	7
52	32	20	32	33	29	12
85	128	105	138	131	162	317
32	10	22	35	12	36	38
73,879	70,850	69,882	64,069	73,724	79,411	75,726
2.26	2.24	2.27	2.04	2.25	2.53	2.39
5.54	4.86	4.84	4.33	4.92	5.88	5.47
840	763	840	865	772	680	680
62	72	68	80	63	60	59
–	–	–	–	–	–	–
45	45	50	85	68	60	60
–	–	–	–	1,000	–	2,500
83	180	188	719	257	286	213
792	1,017	904	678	618	678	580
7	9	8	6	6	6	5
–	–	–	–	–	–	0.7
20,053	18,608	24,054	24,962	24,890	25,360	24,924
17,497	16,572	17,030	22,440	17,592	15,918	18,173
84	81	64	87	85	76	81
35	53	53	40	58	84	28

CITY OF SHOREVIEW

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2013	2014	2015	2016
Public safety				
Police (contractual service with Ramsey County Sheriff's Department)				
Patrol units (24-hour)	2	2	2	2
Fire (contractual service with Lake Johanna Fire Department)				
Fire stations in service	4	4	4	4
Number of firefighters	60	60	60	79
Public works				
Streets (miles)	92.69	93.21	93.21	93.32
Culture and recreation				
Parks acreage	268	268	268	268
Parks	10	10	10	10
Park buildings	8	8	8	8
Picnic shelters	7	7	7	7
Community center (square footage)	111,000	111,000	111,000	111,000
Water				
Water mains (miles)	103.0	103.0	103.0	103.4
Fire hydrants	1,328	1,330	1,328	1,332
Wells	6	6	6	6
Maximum storage capacity (millions of gallons)	4	4	4	4
Sewer				
Sanitary sewers (miles)	108.2	108.5	108.5	108.6
Lift stations	17	17	18	19
Surface water management				
Storm water lift stations	4	4	4	4
Storm ponds	201	202	198	198
Street lights	717	731	764	787

Sources: Various city departments

Note: No capital asset indicators are available for the general government and community development functions.

Table 22

Fiscal Year						
2017	2018	2019	2020	2021	2022	
2	2	2	2	2	2	2
3	3	3	3	3	3	3
78	82	79	83	83	83	85
93.32	93.32	93.32	93.32	93.32	93.32	93.38
268	268	273	273	273	273	273
10	10	11	11	11	11	11
8	8	8	8	8	8	8
7	7	7	7	8	8	8
111,000	134,992	134,992	134,992	134,992	134,992	134,992
103.4	104.0	104.0	104.2	104.2	104.2	104.2
1,336	1,340	1,340	1,340	1,340	1,340	1,340
6	6	6	6	6	6	6
4	4	4	4	4	4	4
108.6	108.6	108.6	108.6	108.6	108.6	108.6
19	19	19	19	19	19	19
4	4	4	4	4	4	5
198	198	198	198	198	198	198
809	809	807	821	821	821	821

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