



Annual Comprehensive Financial Report

City of Shoreview, Minnesota
For the Fiscal Year Ended December 31, 2023

CITY OF SHOREVIEW, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

DEPARTMENT OF FINANCE

Travis Byrne, 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
651.490.4600 | shoreviewmn.gov

May 31, 2024

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, 2023.

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, 2023. 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 27,141. 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 high-profile companies such as Aspect Automation, Cummins Power, Hillrom-Baxter Corporation, PaR Systems, Target Corporation, TSI Inc., Wells Fargo, 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 2.0 percent in 2022, to a high of 5.3 percent in 2020. The April 30, 2024 rate (most current data available) is 2.2 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 41.5 percent in 2014 to 44.7 percent in the current fiscal year (a 10-year increase of 3.2 percent). Intergovernmental revenues have decreased from 10.7 percent in 2014, to 8.4 percent of total revenues in the current fiscal year (a 10-year decrease of 2.3 percent). Charges for services have increased from 24.6 percent of total revenue in 2014 to 24.8 percent in the current fiscal year (a 10-year increase of 0.2 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 \$354,720 in franchise revenue during 2021. Over the past 10 years, franchise taxes and billboard and antenna rental fees have increased in amount, but have decreased as a percentage of total governmental fund revenues, from 6.4 percent (\$1,471,918) in 2014 to 5.7 percent (\$1,923,393) in the current fiscal year (a 10-year decrease of 0.7 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 21.4 percent (\$3,483,427) in 2014, to 23.7 percent (\$5,811,467) in the current fiscal year (a 10-year increase of 2.3 percent).

Long-Term Financial Planning

Total General Fund balance (53.0 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 2024 (to accommodate cash flows and the timing for receipt of taxes and state aids), and an allocation of 10 percent of 2024 budgeted expenditures for unanticipated events.

The City's five-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 0.9 percent per year, and user fees are projected to increase between 2.0 percent and 5.0 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.

Housing

The City continues to see significant new commercial and residential development, reinvestment, and construction activity. In just the past few years, Shoreview has seen over 1,600 housing units of apartments and townhomes built, under construction, or approved greatly expanding the variety of housing choices that are available. These developments have included affordable housing mixed with the market rate residential adding 222 affordable units within these projects providing quality housing opportunities for people with modest or low incomes.

The following is a summary of recent housing development, affordable housing initiatives, and housing programs:

- Housing development projects:
 - Aloma Phase 3 Apartments – construction is well underway on the third phase of 200 additional apartments adjacent to the Emrik SV and Loden SV, that will include 20 affordable units. Total number of apartments will total 610, including 44 affordable units once the Aloma is completed later in 2024.
 - Gramsie/Hodgson Multifamily – project approved and under construction for 53 apartments and 21 rental row-style townhomes that will target moderate income residents.
 - Shoreview Villas – approval of 8 single-family lake lots and 17 detached villas.
- Acquired forfeiture property at 5931 Lexington Avenue with Community Development Block Grant funding and Community Action Partnerships of Ramsey and Washington Counties for up to 3 affordable units (including major renovation of an existing house).
- Partnering with Rondo Community Land Trust and Twin Cities Habitat for Humanity to develop 6 owner-occupied units in 3 twin-homes on city-purchased property through a CDBG grant.

- Adopted the Shoreview Housing Improvement Area Policy (HIA) to support housing reinvestment and maintenance of common area improvements.
- Approved a revised loan administrator agreement with non-profit NeighborWorks Home Partners for the Shoreview home loan program.
- Adopted Inclusionary Housing requirements and established the Shoreview Affordable Housing Trust Fund.
- Updated the Manufactured Home Loan Program guidelines and created a new Manufactured Home Pilot Loan with loans being deferred until sale or forgiven after 10 years.
- EDA and City Council earmarked an additional \$500,000 towards new housing programs and affordable housing projects.
- 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.

Economic Development

The City also continues to see significant economic development, job growth, and major redevelopment of older commercial areas, as summarized below:

- Adopted a Written Spending Plan, based on legislation that granted cities greater flexibility in the use of unallocated tax increment funds as a tool to help support economic recovery and job creation, and established a Temporary TIF Authority Fund to utilize for qualifying projects
- The Lex at 4100 – a project involving a major renovation of an older office building in the Shoreview Corporate Center with the City assisting with the renovations to modernize the corporate offices to convert it from a single user to a high-end multi-tenant facility. An older vacant adjacent building has been torn down to make way for a new upgraded parking area and entrance. The building is fully leased with companies including technology company PTC, Progressive Insurance, Great Waters Financial, Alerus Financial, and Circle of Life administrative offices.
- Approved the Seven Lakes master planned mixed-use redevelopment of the 50-acre former Deluxe corporate campus by Scannell Properties that will include upwards of 500,000 square feet of med tech/high tech and manufacturing space, and a multifamily apartment development. Construction of the three-large commercial buildings has begun, and include build-to-suit projects for the following companies:
 - Scannell has begun construction of the first 150,000 square foot building in Seven Lakes Phase 1, with global company Carlisle Fluid Technologies occupying the majority of the facility.
 - Scannell and the City are working closely with Shoreview-based technology/robotics company PaR Systems on a major expansion of their local operations. The ownership group of PaR Systems will own the new 120,000 square foot building to be constructed by Scannell. Construction is expected to start by fall of 2024.
 - The City approved a new tax increment district and financial assistance for Seven Lakes Phase 2 to support the construction of a 150,000 square foot building that will contain the new pharmaceutical operations of Fairview Health

Services as well other medical services and operations. Fairview is expected to bring around 650 jobs to Shoreview through this project, with potential growth of 200-300 additional jobs in the future. The developer, Scannell Properties, has begun construction on the project that should be complete by the end of 2025. In addition to the building value of \$27.5 million, Fairview is also investing over \$45 million in tenant improvements.

- The development plans and rezoning of the Rice Street Crossing redevelopment project at 3377 Rice Street have been approved by the City. The project will develop the 11-acre city-owned brownfield property at the southwest quadrant of I-694 and Rice Street with a 295-unit, four story mixed use apartment building that will include eight live/work apartment/office units, a quasi-public outdoor community space, and approximately 4,500 square feet of restaurant/retail space. The project will include 20% of the apartment units being dedicated to people at 50% of the area median income, which will be the most deeply affordable housing the City has financially supported. The developer, Enclave Companies, hopes to begin environmental cleanup and site work by early fall of this year.
- Approved a MnDEED Minnesota Investment Fund application and city assistance for Mozarc Medical to locate world headquarter operations in Shoreview.
- Other commercial projects that have been completed this past year include:
 - Cafesjian Art Museum at 4600 Churchill Street
 - Holiday Station Store at 3467 Rice Street
 - Schoonover Bodyworks major expansion and renovation
 - Wells Fargo major security & infrastructure upgrades at their data center, building expansion, and installation of a solar energy system on the roof and over part of the parking lot at the operations center
 - Opening of a new wine bar “In Vino Veritas” at 1080 County Road E, with the EDA approving City participation in a SAC deferrment program through the Metropolitan Council to assist small businesses

The City continues to focus on our important local business community by proactive engagement and communication efforts to maintain and enhance positive relationships and provide resources to support businesses, including:

- Continued partnerships with BizRecycling and Open to Business to assist and support the local business community.
- Operate and maintain a business and economic development focused website: ThinkShoreview.com
- EDC completed an online business survey of all local businesses to learn more about business needs, concerns, resource needs, and communication preferences.
- EDC partnered with Ramsey County to conduct workforce-oriented business visits.
- Held 4 quarterly Arden Hills-Shoreview Business Council meetings in 2023.
- Shoreview became a founding partner/supporter of a Manufacturer’s Cohort initiated by the Twin Cities North Chamber of Commerce and manufacturer’s in the area.
- Shoreview, partnered with the Twin Cities North Chamber of Commerce and Arden Hills, launched a promotional effort “Welcome back to Lexington Avenue” to support and assist businesses impacted by the Lexington Avenue reconstruction project. The campaign included a special website, which along with digital marketing, billboard

advertisements, and social media, as an effort to help promote businesses in the Lexington Avenue corridor.

The City experienced another very busy year with construction permits in 2023. Some of the highlights included:

- \$97,078,786 total building valuation in 2023, up from \$90.9 million in 2022.
- A total of 4 new single-family homes constructed in 2023.

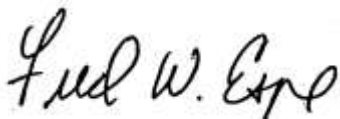
Awards and Acknowledgements

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, 2022. This was the thirty-eighth 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



Travis Byrne
Assistant Finance Director

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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, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF SHOREVIEW, MINNESOTA

Principal City Officials

December 31, 2023

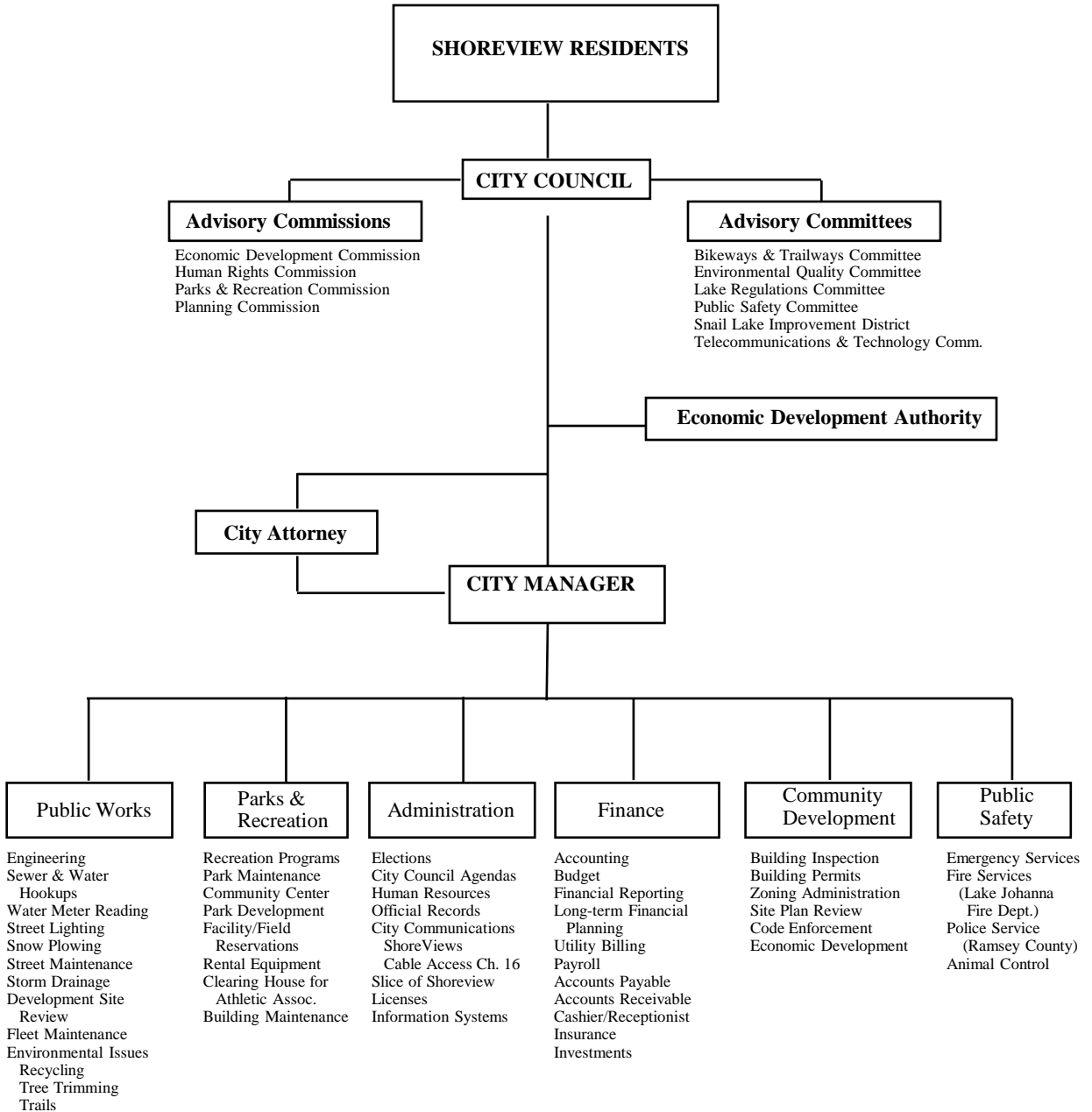
City Council

	<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 Tom Wesolowski	July 22, 2023
Human Resources Director Charnelle Dengoue	November 6, 2023
Parks and Recreation Director Steven Benoit	July 7, 2020

City Of Shoreview
Organizational Chart
 December 31, 2023



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

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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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

(continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

(continued)

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund statements and schedules and the other City financial Information, 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 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 May 31, 2024, 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
May 31, 2024

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, 2023. 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–ix 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 \$138,950,299 (net position). Of this amount, \$36,013,797 (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 \$8,632,057 as a result of a \$6,019,155 increase in net position for governmental activities and a \$2,612,902 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 \$32,113,927, an increase of \$6,810,943 in comparison with the prior year. Approximately 21.0 percent of this amount (\$6,741,138) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$7,192,932 or 52.4 percent of the total General Fund expenditures. Fund balance in the General Fund increased \$513,331 during the year.
- The City's total governmental activity bonded and certificate of participation debt decreased by \$1,860,000 (excluding premiums) from the prior year.
- During 2023, the City's business-type activity bonded debt decreased \$2,340,000 (excluding premiums) from the prior year. 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) decreased \$2,553,415, or 2.8 percent for governmental activities, and increased \$1,120,950, or 2.0 percent for business-type activities.

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 page 32 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 33 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 \$138,950,299 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (\$93,153,681 or 67.1 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	
	2023	2022	2023	2022	2023	2022
	Current and other assets	\$ 50,920,375	\$ 43,429,022	\$ 15,573,576	\$ 16,645,852	\$ 66,493,951
Capital assets	88,900,464	91,453,879	57,357,877	56,236,927	146,258,341	147,690,806
Total assets	<u>\$ 139,820,839</u>	<u>\$ 134,882,901</u>	<u>\$ 72,931,453</u>	<u>\$ 72,882,779</u>	<u>\$ 212,752,292</u>	<u>\$ 207,765,680</u>
Deferred outflows of resources	\$ 1,309,507	\$ 2,037,093	\$ 334,158	\$ 525,288	\$ 1,643,665	\$ 2,562,381
Long-term liabilities outstanding	\$ 30,205,316	\$ 33,650,591	\$ 25,338,969	\$ 28,088,594	\$ 55,544,285	\$ 61,739,185
Other liabilities	3,992,042	4,893,981	2,634,494	2,987,848	6,626,536	7,881,829
Total liabilities	<u>\$ 34,197,358</u>	<u>\$ 38,544,572</u>	<u>\$ 27,973,463</u>	<u>\$ 31,076,442</u>	<u>\$ 62,170,821</u>	<u>\$ 69,621,014</u>
Deferred inflows of resources	\$ 12,903,704	\$ 10,365,293	\$ 371,133	\$ 23,512	\$ 13,274,837	\$ 10,388,805
Net position						
Net investment in capital assets	\$ 61,835,615	\$ 62,221,046	\$ 31,318,066	\$ 27,758,797	\$ 93,153,681	\$ 89,979,843
Restricted	9,745,319	8,716,543	37,502	–	9,782,821	8,716,543
Unrestricted	22,448,350	17,072,540	13,565,447	14,549,316	36,013,797	31,621,856
Total net position	<u>\$ 94,029,284</u>	<u>\$ 88,010,129</u>	<u>\$ 44,921,015</u>	<u>\$ 42,308,113</u>	<u>\$ 138,950,299</u>	<u>\$ 130,318,242</u>

An additional portion of the City's net position (\$9,782,821 or 7.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$36,013,797 or 25.9 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 \$8,632,057 (6.6 percent) from \$130,318,242 at December 31, 2022 to \$138,950,299 at December 31, 2023. Governmental activities increased \$6,019,155 (6.8 percent) from the prior year while the business-type activities increased \$2,612,902 (6.2 percent) during the same period.

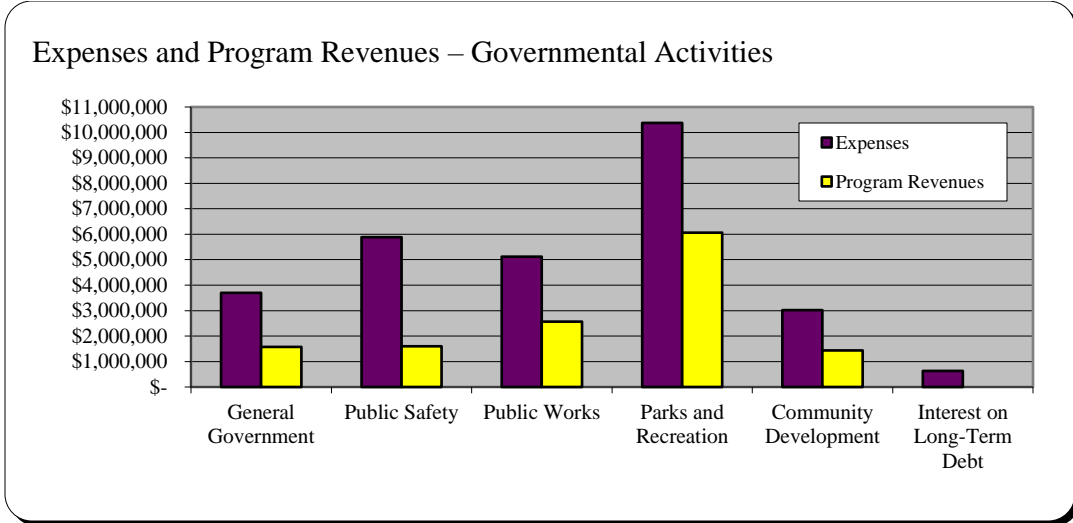
Fluctuations in deferred outflows and inflows and long-term liabilities is due mainly, to changes in the City's proportionate share of the state-wide pension benefits.

Governmental activities. Governmental activities increased the City's net position by \$6,019,155. Key elements of this increase are as follows:

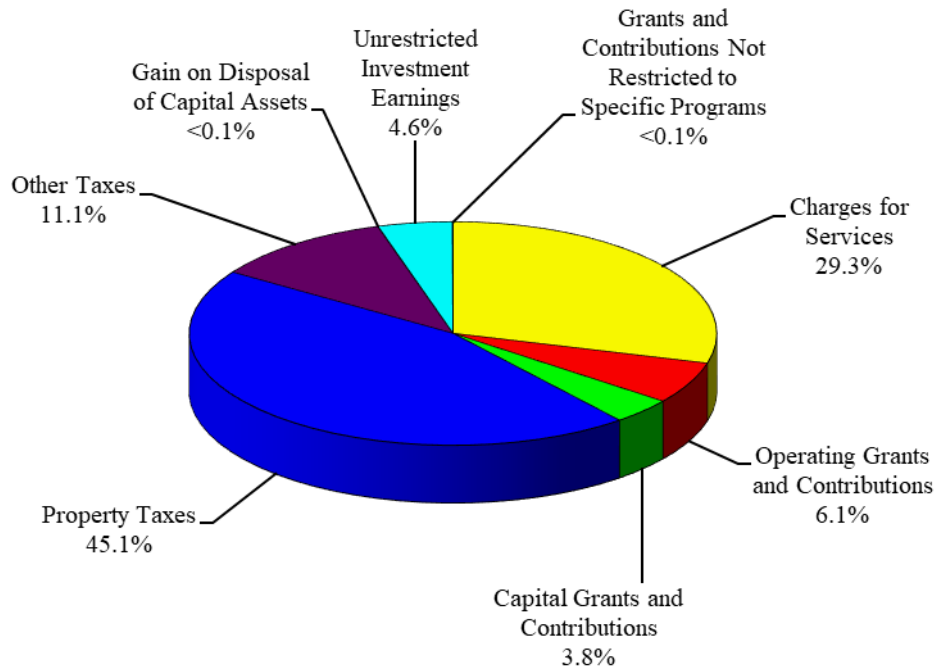
	City of Shoreview's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 9,913,583	\$ 9,681,737	\$ 13,400,067	\$ 12,664,096	\$ 23,313,650	\$ 22,345,833
Operating grants and contributions	2,052,141	927,808	18,351	8,818	2,070,492	936,626
Capital grants and contributions	1,276,694	1,686,756	133,846	193,814	1,410,540	1,880,570
General revenues						
Property taxes	15,254,886	14,359,768	—	—	15,254,886	14,359,768
Tax increment collections	2,158,086	2,089,007	—	—	2,158,086	2,089,007
Franchise tax	1,612,304	1,631,875	—	—	1,612,304	1,631,875
Grants and contributions not restricted to specific programs	12,326	39,995	—	—	12,326	39,995
Unrestricted investment earnings (charges)	1,542,339	(940,667)	626,984	(333,478)	2,169,323	(1,274,145)
Gain on disposal of capital assets	6,526	92,811	—	—	6,526	92,811
Total revenues	<u>33,828,885</u>	<u>29,569,090</u>	<u>14,179,248</u>	<u>12,533,250</u>	<u>48,008,133</u>	<u>42,102,340</u>
Expenses						
General government	3,704,397	3,310,117	—	—	3,704,397	3,310,117
Public safety	5,883,542	5,140,852	—	—	5,883,542	5,140,852
Public works	5,118,540	4,889,371	—	—	5,118,540	4,889,371
Parks and recreation	10,372,247	9,898,074	—	—	10,372,247	9,898,074
Community development	3,017,685	2,636,634	—	—	3,017,685	2,636,634
Interest on long-term debt	627,719	682,259	—	—	627,719	682,259
Water	—	—	3,897,619	3,550,081	3,897,619	3,550,081
Sewer	—	—	4,559,599	4,457,530	4,559,599	4,457,530
Surface water	—	—	1,690,690	1,696,349	1,690,690	1,696,349
Street lights	—	—	504,038	426,706	504,038	426,706
Total expenses	<u>28,724,130</u>	<u>26,557,307</u>	<u>10,651,946</u>	<u>10,130,666</u>	<u>39,376,076</u>	<u>36,687,973</u>
Increase (decrease) in net position before transfers	5,104,755	3,011,783	3,527,302	2,402,584	8,632,057	5,414,367
Transfers	914,400	833,015	(914,400)	(833,015)	—	—
Increase (decrease) in net position	6,019,155	3,844,798	2,612,902	1,569,569	8,632,057	5,414,367
Net position – January 1	88,010,129	84,165,331	42,308,113	40,738,544	130,318,242	124,903,875
Net position – December 31	<u>\$ 94,029,284</u>	<u>\$ 88,010,129</u>	<u>\$ 44,921,015</u>	<u>\$ 42,308,113</u>	<u>\$ 138,950,299</u>	<u>\$ 130,318,242</u>

- Operating grants and contributions increased \$1,124,333 (121.3 percent) during the year. The increase is due to a \$1,180,084 public safety aid grant from the State of Minnesota.
- Capital grants and contributions decreased \$410,062 (24.3 percent) during the year. The prior year 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. These were one-time revenue source increases and did not occur in 2023.
- Property taxes for governmental activities increased by \$895,118 (6.2 percent) during the year, due to levy increases for the General Fund, permanent Capital Project Funds, and Special Revenue Funds.
- Investment earnings increased by \$2,483,006 (264.0 percent) during the year, due to year-end adjustments to fair value.
- General government expenses increased by \$394,280 (11.9 percent) during the year. A significant portion of the increase was a result of salaries and benefits across all departments. Information technology contractual makes up the other significant portion of the increase, as the City implemented several new software conversions in 2023.
- Public safety expenses increased by \$742,690 (14.4 percent) during the year. The increase is due primarily to an increase in contracts for both police and fire services. The state fire aid, which is passed through to Lake Johanna Fire Department, also increased in 2023.
- Parks and recreation expenses increased \$474,173 (4.8 percent) during the year. The increase is due mainly, to increased service levels in 2023 as the Community Center and Recreation Programs recover from the effects of the COVID-19 pandemic.
- Community development expenses increased by \$381,051 (14.5 percent) during the year. A significant portion of the increase is the result of increased developer assistance payments in TIF Districts in 2023.
- Interest on long-term debt decreased by \$54,540 (8.0 percent) during the year.
- Governmental activities reported net transfers of \$914,400 from business-type activities.

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



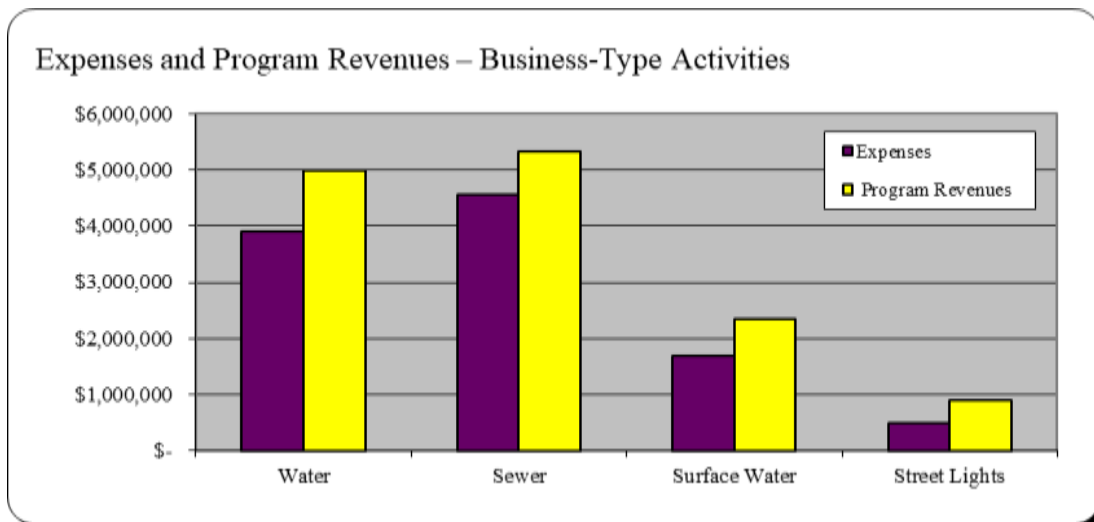
Governmental Activities – Revenues



Business-type activities. Business-type activities increased the City’s net position by \$2,612,902. Key elements of this increase are as follows:

- Charges for services for business-type activities increased \$735,971 (5.8 percent). Water operations increased \$375,300 (8.1 percent); this increase was due to a water rate increase of 3.0 percent for the average residential customer, and a 4.3 percent decrease in the gallons of water sold during the year. Sewer operations increased \$186,456 (3.7 percent); rates increased 3.0 percent and connection charges increased \$54,760. Surface Water operations increased \$121,880 (5.5 percent), due to a 4.0 percent rate increase. Street Light operations increased \$52,335 (6.2 percent), due to the impact of a street light rate increase of 5 percent.
- Capital grants and contributions decreased \$59,968 (30.9 percent) during the year due to less developer contributions in the current year.
- Investment earnings increased by \$960,462 during the year, due to year-end adjustments to fair value.
- Expenses for business-type activities increased \$521,280 (5.1 percent). A significant portion of the increase was a result of depreciation expense, loss on sale of assets, and internal charges.
- Business-type activities reported net transfers of \$914,400 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 \$32,113,927, an increase of \$6,810,943 in comparison with the prior year. Approximately 21.0 percent of this amount (\$6,741,138) 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 \$7,192,932. 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 52.4 percent of total General Fund expenditures, while total fund balance represents 53.0 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 2024 are \$809,402 more than in 2023; consequently, the unassigned General Fund balance for working capital increased \$404,701 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 \$15,215,797, which results in an unassigned fund balance for unanticipated expenditures of \$1,521,580 (an increase of \$108,630). 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 \$7,192,932, as compared to \$5,756,640 for the previous year, an increase of \$1,436,292 (due to a decrease of nonspendable items of \$922,961).

The Community Center Operation Fund balance increased \$355,872 and the Recreation Programs Fund balance increased \$169,942, the increases are attributable to increased services levels associated with the rebound from the COVID-19 pandemic.

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 \$1,044,669, due to state aid and earnings on investments exceeding transfers out for costs related to street reconstruction. The fund balance of the Street Renewal Fund increased \$1,113,482. 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 \$2,053,751 in the Capital Asset Replacement Fund. Significant operating expenditures in 2023 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 2017 Tax Abatement Bonds (\$200,000) and computer acquisitions (\$432,946). In accordance with the General Fund, fund balance policy, a \$835,611 transfer was made into the Capital Asset Replacement Fund to build up fund balance. Revenues for the Municipal State Aid and Street Renewal Funds were consistent with prior years. Revenues for the Capital Asset Replacement fund was \$1,420,905 higher than prior year due to the \$1,180,084 public safety aid grant from the State of Minnesota mentioned previously.

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 \$1,572,126. Significant expenditures include operating costs in the amount of \$54,783 for Community Center and park improvements. Transfers out represent the fund's share of debt service costs for the 2011 Refunding Certificates of Participation (\$48,096), 2017 Tax Abatement Bonds (\$322,000) and preliminary cost related to the 2024 park building project (\$99,168).

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 \$2,885,331 for water, \$6,610,073 for sewer, \$2,899,292 for surface water management, and \$1,216,647 for street lights. Water Fund net position increased \$849,319, primarily due to increased summer irrigation and a rate increase. Sewer Fund net position increased \$849,103, primarily due to a rate increase and contributions. Surface Water Fund net position increased \$641,940, primarily due to a rate increase. The Street Lights Fund net position increased \$401,290, primarily as a result of a rate increase and contributions.

General Fund Budgetary Highlights

Total General Fund revenues were \$942,586 more than estimated in the budget. Property taxes were under budget by \$66,457, due to the settlement of prior year's tax appeals. Licenses and permits surpassed anticipated levels by \$563,058, primarily due to building permits and the city's policy to conservatively budget this revenue source, intergovernmental revenues exceeded budget by \$92,516, due to state fire aid and state road maintenance aid, charges for services surpassed anticipated levels by \$142,078, primarily as a result of plan check fees. Earnings on investments were over budget by \$211,287 as a result of the year-end fair value adjustment.

Total General Fund expenditures were under budget by \$406,356 (2.9 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 unfilled positions leading to lower than expected wages. Community development was under budget as a result of personal services. The unbudgeted transfer out (\$835,611) 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, 2023 amounts to \$146,258,341 (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 decrease in the City's investment in capital assets for the current fiscal year was 1.0 percent (a 2.8 percent decrease for governmental activities and a 2.0 percent increase for business-type activities).

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 7,306,415	\$ 7,230,173	\$ 325,202	\$ 325,202	\$ 7,631,617	\$ 7,555,375
Buildings and structures	43,466,155	44,359,494	13,719,232	14,286,634	57,185,387	58,646,128
Machinery and equipment	4,633,552	4,826,190	1,210,371	1,280,914	5,843,923	6,107,104
Distribution and collection systems	–	–	41,175,119	38,822,424	41,175,119	38,822,424
Infrastructure	33,158,768	34,802,979	–	–	33,158,768	34,802,979
Construction in progress	335,574	235,043	927,953	1,521,753	1,263,527	1,756,796
Total	<u>\$ 88,900,464</u>	<u>\$ 91,453,879</u>	<u>\$ 57,357,877</u>	<u>\$ 56,236,927</u>	<u>\$ 146,258,341</u>	<u>\$ 147,690,806</u>

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 \$1,360,565. Construction in progress at year-end for governmental activities is \$335,574.
- Various capital assets for business-type activities were completed at a cumulative cost of \$3,953,902. Construction in progress for business-type activities as of the end of the current fiscal year is \$927,953.

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 \$45,890,000 (excluding unamortized premiums), a decrease of \$3,740,000 from 2022. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$5,195,035 loan payable financed land acquisition. Unamortized premium on City debt totaled \$2,009,284. The liability for compensated absences totals \$465,732. The City's net pension liability is \$5,821,155.

City of Shoreview's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation improvement bonds	\$ 2,115,136	\$ 2,322,546	\$ –	\$ –	\$ 2,115,136	\$ 2,322,546
General obligation bonds	19,551,028	20,836,462	–	–	19,551,028	20,836,462
General obligation revenue bonds	–	–	26,233,120	28,690,407	26,233,120	28,690,407
Loan payable	5,195,035	5,195,035	–	–	5,195,035	5,195,035
Certificates of participation	–	460,000	–	–	–	460,000
Compensated absences	362,348	399,769	103,384	116,120	465,732	515,889
Net pension liability	4,637,714	6,346,797	1,183,441	1,636,596	5,821,155	7,983,393
Total	<u>\$ 31,861,261</u>	<u>\$ 35,560,609</u>	<u>\$ 27,519,945</u>	<u>\$ 30,443,123</u>	<u>\$ 59,381,206</u>	<u>\$ 66,003,732</u>

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 \$134,931,080. The City's net debt applicable to this limit totals \$7,676,044.

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 2023 annual average unemployment rate (not seasonally adjusted) for the City was 2.2 percent, which compares favorably to 2.8 percent unemployment for the state of Minnesota, and 3.6 percent unemployment nationally.
- The current property tax collection rate for the current period is 99.4 percent.
- Building permit activity in the current period resulted in permit valuation equal to \$97.1 million. New residential and commercial construction accounted for 50 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 27 percent of building permit values, and commercial property accounted for the remaining 23 percent of building permit values.
- The 2024 adopted levy supports the 2024 budget.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2024 budget year. The increase for the average customer was 3.0 percent for water, 2.0 percent for sewer, 2.0 percent for surface water management, and 2.0 percent for street lights. The total impact on the average residential customer is estimated to be 2.3 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**

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BASIC FINANCIAL STATEMENTS

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CITY OF SHOREVIEW, MINNESOTA
Statement of Net Position
December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 40,335,170	\$ 12,212,326	\$ 52,547,496
Accrued interest receivable	143,851	52,865	196,716
Accounts receivable	433,099	3,116,312	3,549,411
Loan receivable	339,901	-	339,901
Lease receivable	7,758,456	-	7,758,456
Taxes receivable	137,569	-	137,569
Special assessments receivable	1,507,945	16,405	1,524,350
Internal balances	45,896	(45,896)	-
Due from other governmental units	89,098	3,152	92,250
Prepaid items	129,390	218,412	347,802
Capital assets			
Nondepreciable	7,641,989	1,253,155	8,895,144
Depreciable (net of accumulated depreciation)	81,258,475	56,104,722	137,363,197
Total assets	<u>139,820,839</u>	<u>72,931,453</u>	<u>212,752,292</u>
Deferred outflows of resources			
Deferred pension resources	<u>1,309,507</u>	<u>334,158</u>	<u>1,643,665</u>
Liabilities			
Accounts payable	1,033,482	101,093	1,134,575
Salaries payable	171,747	43,411	215,158
Contracts payable	-	3,971	3,971
Accrued bond interest payable	290,994	290,075	581,069
Deposits payable	435,440	11,673	447,113
Due to other governmental units	329,384	3,295	332,679
Unearned revenue	75,050	-	75,050
Compensated absences payable			
Due within one year	20,945	5,976	26,921
Due in more than one year	341,403	97,408	438,811
Loan payable			
Due in more than one year	5,195,035	-	5,195,035
Bonds payable			
Due within one year	1,635,000	2,175,000	3,810,000
Due in more than one year	20,031,164	24,058,120	44,089,284
Net pension liability			
Due in more than one year	4,637,714	1,183,441	5,821,155
Total liabilities	<u>34,197,358</u>	<u>27,973,463</u>	<u>62,170,821</u>
Deferred inflows of resources			
Lease revenues for subsequent years	7,758,456	-	7,758,456
State aid received for subsequent years	3,690,836	-	3,690,836
Deferred pension resources	1,454,412	371,133	1,825,545
Total deferred inflows of resources	<u>12,903,704</u>	<u>371,133</u>	<u>13,274,837</u>
Net position			
Net investment in capital assets	61,835,615	31,318,066	93,153,681
Restricted for			
Business loan program	165,777	-	165,777
Debt service	2,406,923	-	2,406,923
Economic development	19,635	-	19,635
Housing and redevelopment	354,886	-	354,886
Recycling	1,575,702	-	1,575,702
Trunk facility	-	37,502	37,502
Tax increment purposes	3,977,374	-	3,977,374
Tax abatement	64,938	-	64,938
Public safety	1,180,084	-	1,180,084
Unrestricted	22,448,350	13,565,447	36,013,797
Total net position	<u>\$ 94,029,284</u>	<u>\$ 44,921,015</u>	<u>\$ 138,950,299</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, 2023

	<u>Expenses</u>	<u>Charges For Services</u>
Functions/programs		
Primary government		
Governmental activities		
General government	\$ 3,704,397	\$ 1,529,869
Public safety	5,883,542	30,129
Public works	5,118,540	1,279,636
Parks and recreation	10,372,247	5,634,820
Community development	3,017,685	1,439,129
Interest on long-term debt	627,719	-
Total governmental activities	<u>28,724,130</u>	<u>9,913,583</u>
Business-type activities		
Water	3,897,619	4,992,128
Sewer	4,559,599	5,184,983
Surface water	1,690,690	2,324,998
Street lights	504,038	897,958
Total business-type activities	<u>10,651,946</u>	<u>13,400,067</u>
Total primary government	<u>\$ 39,376,076</u>	<u>\$ 23,313,650</u>

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

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
\$ 49,987	\$ –	\$ (2,124,541)	\$ –	\$ (2,124,541)
1,565,846	–	(4,287,567)	–	(4,287,567)
361,185	924,906	(2,552,813)	–	(2,552,813)
75,123	351,788	(4,310,516)	–	(4,310,516)
–	–	(1,578,556)	–	(1,578,556)
–	–	(627,719)	–	(627,719)
<u>2,052,141</u>	<u>1,276,694</u>	<u>(15,481,712)</u>	<u>–</u>	<u>(15,481,712)</u>
3,269	–	–	1,097,778	1,097,778
54	133,846	–	759,284	759,284
15,028	–	–	649,336	649,336
–	–	–	393,920	393,920
<u>18,351</u>	<u>133,846</u>	<u>–</u>	<u>2,900,318</u>	<u>2,900,318</u>
<u>\$ 2,070,492</u>	<u>\$ 1,410,540</u>	<u>(15,481,712)</u>	<u>2,900,318</u>	<u>(12,581,394)</u>
General revenues				
Property taxes		15,254,886	–	15,254,886
Tax increment collections		2,158,086	–	2,158,086
Franchise tax		1,612,304	–	1,612,304
Grants and contributions not restricted to specific programs		12,326	–	12,326
Unrestricted investment earnings		1,542,339	626,984	2,169,323
Gain on disposal of capital assets		6,526	–	6,526
Transfers		914,400	(914,400)	–
Total general revenues and transfers		<u>21,500,867</u>	<u>(287,416)</u>	<u>21,213,451</u>
Change in net position		6,019,155	2,612,902	8,632,057
Net position – beginning		<u>88,010,129</u>	<u>42,308,113</u>	<u>130,318,242</u>
Net position – ending		<u>\$ 94,029,284</u>	<u>\$ 44,921,015</u>	<u>\$ 138,950,299</u>

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

CITY OF SHOREVIEW, MINNESOTA

Balance Sheet

Governmental Funds

December 31, 2023

	General	Community Center Operation	Recreation Programs	Municipal State Aid
Assets				
Cash and investments	\$ 7,635,433	\$ 2,283,529	\$ 1,161,840	\$ 3,475,120
Accrued interest receivable	28,101	10,198	5,554	8,792
Accounts receivable (net of allowance for uncollectibles)	28,132	-	-	-
Loan receivable	-	-	-	-
Lease receivable	-	-	-	-
Taxes receivable	91,770	-	-	-
Special assessments receivable	-	-	-	-
Interfund receivable	-	-	-	-
Due from other governmental units	2,640	72	646	-
Prepaid items	85,022	11,312	5,864	-
Total assets	<u>\$ 7,871,098</u>	<u>\$ 2,305,111</u>	<u>\$ 1,173,904</u>	<u>\$ 3,483,912</u>
Liabilities				
Accounts payable	\$ 88,791	\$ 114,707	\$ 7,964	\$ -
Salaries payable	86,232	57,360	16,237	-
Deposits payable	300,842	132,475	1,123	-
Interfund payable	-	-	-	-
Due to other governmental units	39,344	25,929	5,257	-
Unearned revenue	-	-	-	-
Total liabilities	<u>515,209</u>	<u>330,471</u>	<u>30,581</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue – loan receivable	-	-	-	-
Unavailable revenue – property taxes	77,935	-	-	-
Unavailable revenue – special assessments	-	-	-	-
Lease revenues for subsequent years	-	-	-	-
State aid received for subsequent years	-	-	-	3,690,836
Total deferred inflows of resources	<u>77,935</u>	<u>-</u>	<u>-</u>	<u>3,690,836</u>
Fund balances (deficits)				
Nonspendable	85,022	11,312	5,864	-
Restricted	-	-	-	-
Committed	-	1,963,328	1,137,459	-
Assigned	-	-	-	-
Unassigned	7,192,932	-	-	(206,924)
Total fund balances (deficits)	<u>7,277,954</u>	<u>1,974,640</u>	<u>1,143,323</u>	<u>(206,924)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 7,871,098</u>	<u>\$ 2,305,111</u>	<u>\$ 1,173,904</u>	<u>\$ 3,483,912</u>

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

Street Renewal	Capital Asset Replacement	Community Investment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 4,116,784	\$ 5,082,023	\$ 4,237,102	\$ 8,904,459	\$ -	\$ 36,896,290
16,014	14,057	16,279	29,743	-	128,738
-	-	311,233	93,734	-	433,099
-	-	-	339,901	-	339,901
-	-	7,758,456	-	-	7,758,456
9,129	16,123	-	18,882	-	135,904
119,297	-	-	1,388,648	-	1,507,945
-	-	-	507,533	(507,533)	-
-	-	-	85,740	-	89,098
-	-	-	25,507	-	127,705
<u>\$ 4,261,224</u>	<u>\$ 5,112,203</u>	<u>\$ 12,323,070</u>	<u>\$ 11,394,147</u>	<u>\$ (507,533)</u>	<u>\$ 47,417,136</u>
\$ -	\$ 92,551	\$ 11,655	\$ 579,852	\$ -	\$ 895,520
-	-	-	7,409	-	167,238
-	-	-	1,000	-	435,440
-	-	-	507,533	(507,533)	-
-	-	-	255,889	-	326,419
-	-	75,050	-	-	75,050
-	92,551	86,705	1,351,683	(507,533)	1,899,667
-	-	-	339,901	-	339,901
7,962	13,837	-	14,941	-	114,675
118,529	-	-	1,381,145	-	1,499,674
-	-	7,758,456	-	-	7,758,456
-	-	-	-	-	3,690,836
<u>126,491</u>	<u>13,837</u>	<u>7,758,456</u>	<u>1,735,987</u>	<u>-</u>	<u>13,403,542</u>
-	-	-	25,507	-	127,705
-	1,180,084	-	7,125,473	-	8,305,557
4,134,733	3,825,731	4,477,909	376,187	-	15,915,347
-	-	-	1,024,180	-	1,024,180
-	-	-	(244,870)	-	6,741,138
<u>4,134,733</u>	<u>5,005,815</u>	<u>4,477,909</u>	<u>8,306,477</u>	<u>-</u>	<u>32,113,927</u>
<u>\$ 4,261,224</u>	<u>\$ 5,112,203</u>	<u>\$ 12,323,070</u>	<u>\$ 11,394,147</u>	<u>\$ (507,533)</u>	<u>\$ 47,417,136</u>
Fund balance reported above					\$ 32,113,927
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.					82,734,382
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.					1,954,250
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.					6,846,596
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					(24,977,123)
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.					(4,642,748)
Net position of governmental activities					<u>\$ 94,029,284</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, 2023

	General	Community Center Operation	Recreation Programs	Municipal State Aid
Revenues				
Taxes				
General property taxes	\$10,636,888	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Franchise tax	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	1,198,008	-	-	-
Intergovernmental	718,116	-	-	871,201
Charges for services	1,845,778	3,851,058	1,739,265	-
Fines and forfeits	29,589	-	-	-
Earnings on investments	291,287	105,868	57,567	91,134
Billboard fees	-	-	-	-
Antenna fees	-	-	-	-
Park dedication fees	-	-	-	-
Other	37,415	18,048	-	1,000
Total revenues	<u>14,757,081</u>	<u>3,974,974</u>	<u>1,796,832</u>	<u>963,335</u>
Expenditures				
Current				
General government	2,963,840	-	-	-
Public safety	5,408,614	-	-	-
Public works	2,000,431	-	-	-
Parks and recreation	2,613,311	3,924,102	1,926,890	-
Community development	736,943	-	-	-
Capital outlay				
General government	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Total expenditures	<u>13,723,139</u>	<u>3,924,102</u>	<u>1,926,890</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,033,942</u>	<u>50,872</u>	<u>(130,058)</u>	<u>963,335</u>
Other financing sources (uses)				
Transfers in	945,000	305,000	300,000	406,716
Transfers out	<u>(1,465,611)</u>	<u>-</u>	<u>-</u>	<u>(325,382)</u>
Total other financing sources (uses)	<u>(520,611)</u>	<u>305,000</u>	<u>300,000</u>	<u>81,334</u>
Net change in fund balances	513,331	355,872	169,942	1,044,669
Fund balances (deficits) – January 1	6,764,623	1,618,768	973,381	(1,251,593)
Fund balances (deficits) – December 31	<u>\$ 7,277,954</u>	<u>\$ 1,974,640</u>	<u>\$ 1,143,323</u>	<u>\$ (206,924)</u>

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

Street Renewal	Capital Asset Replacement	Community Investment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 1,018,434	\$ 1,843,239	\$ -	\$ 1,564,272	\$ -	\$15,062,833
-	-	-	2,154,817	-	2,154,817
-	-	1,248,294	364,010	-	1,612,304
31,579	-	-	230,808	-	262,387
-	-	-	10,298	-	1,208,306
-	1,180,084	-	70,785	-	2,840,186
-	-	-	910,329	-	8,346,430
-	-	-	-	-	29,589
165,999	145,713	168,502	359,615	-	1,385,685
-	-	52,191	-	-	52,191
-	-	258,898	-	-	258,898
-	-	351,788	-	-	351,788
-	1,006	16,500	45,314	-	119,283
<u>1,216,012</u>	<u>3,170,042</u>	<u>2,096,173</u>	<u>5,710,248</u>	<u>-</u>	<u>33,684,697</u>
-	-	-	386,804	-	3,350,644
-	402,853	-	-	-	5,811,467
35,052	75,593	-	1,065,427	-	3,176,503
-	528,614	54,783	-	-	9,047,700
-	-	-	2,398,701	-	3,135,644
-	-	-	379,177	-	379,177
-	-	-	67,478	-	67,478
-	311,896	-	99,168	-	411,064
-	-	-	76,241	-	76,241
-	-	-	1,540,000	-	1,540,000
-	-	-	665,657	-	665,657
-	-	-	7,179	-	7,179
<u>35,052</u>	<u>1,318,956</u>	<u>54,783</u>	<u>6,685,832</u>	<u>-</u>	<u>27,668,754</u>
<u>1,180,960</u>	<u>1,851,086</u>	<u>2,041,390</u>	<u>(975,584)</u>	<u>-</u>	<u>6,015,943</u>
-	835,611	-	1,745,782	(3,743,109)	795,000
(67,478)	(632,946)	(469,264)	(782,428)	3,743,109	-
(67,478)	202,665	(469,264)	963,354	-	795,000
1,113,482	2,053,751	1,572,126	(12,230)	-	6,810,943
3,021,251	2,952,064	2,905,783	8,318,707	-	25,302,984
<u>\$ 4,134,733</u>	<u>\$ 5,005,815</u>	<u>\$ 4,477,909</u>	<u>\$ 8,306,477</u>	<u>\$ -</u>	<u>\$32,113,927</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, 2023

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

Net change in fund balances – total governmental funds.	\$ 6,810,943
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.	(2,071,185)
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.	(171,446)
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.	(26,523)
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.	1,620,975
Long-term pension activity is not reported in governmental funds.	(369,732)
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.	61,338
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.	164,785
Change in net position of governmental activities.	<u>\$ 6,019,155</u>

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

CITY OF SHOREVIEW, MINNESOTA

Statement of Net Position

Proprietary Funds

December 31, 2023

	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	\$ 2,700,860	\$ 5,798,941	\$ 2,640,052	\$ 1,072,473	\$ 12,212,326	\$ 3,438,880
Accrued interest receivable	13,312	22,292	11,579	5,682	52,865	15,113
Accounts receivable						
Customers	980,508	1,193,880	552,063	141,109	2,867,560	–
Customer accounts certified to county	89,440	101,653	40,547	17,112	248,752	–
Taxes receivable	–	–	–	–	–	1,665
Due from other governmental units	707	100	2,041	304	3,152	–
Prepaid items	9,025	204,667	4,271	449	218,412	1,685
Total current assets	3,793,852	7,321,533	3,250,553	1,237,129	15,603,067	3,457,343
Noncurrent assets						
Special assessments receivable	6,082	8,664	1,154	505	16,405	–
Capital assets						
Land	27,577	11,459	286,166	–	325,202	36,293
Buildings and structures	18,830,877	2,115,356	–	–	20,946,233	6,929,379
Machinery and equipment	2,568,888	112,944	6,787	–	2,688,619	7,528,479
Distribution and collection systems	25,240,674	18,796,655	20,691,710	4,918,422	69,647,461	–
Construction in progress	400,150	150,000	377,803	–	927,953	–
Total capital assets	47,068,166	21,186,414	21,362,466	4,918,422	94,535,468	14,494,151
Less accumulated depreciation	(19,484,262)	(10,613,279)	(5,503,257)	(1,576,793)	(37,177,591)	(8,328,069)
Total capital assets (net of accumulated depreciation)	27,583,904	10,573,135	15,859,209	3,341,629	57,357,877	6,166,082
Total noncurrent assets	27,589,986	10,581,799	15,860,363	3,342,134	57,374,282	6,166,082
Total assets	31,383,838	17,903,332	19,110,916	4,579,263	72,977,349	9,623,425
Deferred outflows of resources						
Deferred pension resources	145,629	123,604	64,925	–	334,158	38,297
Liabilities						
Current liabilities						
Accounts payable	70,778	11,313	2,561	16,441	101,093	137,962
Salaries payable	16,001	15,398	10,781	1,231	43,411	4,509
Contracts payable	–	–	3,971	–	3,971	–
Accrued bond interest payable	169,653	67,606	52,816	–	290,075	28,609
Deposits payable	11,673	–	–	–	11,673	–
Due to other governmental units	3,295	–	–	–	3,295	2,965
Compensated absences payable	2,403	2,160	1,221	192	5,976	671
Bonds payable	1,260,000	525,000	390,000	–	2,175,000	325,000
Total current liabilities	1,533,803	621,477	461,350	17,864	2,634,494	499,716
Noncurrent liabilities						
Compensated absences payable (net of current portion)	39,167	35,207	19,911	3,123	97,408	10,937
Bonds payable (net of current portion)	13,656,243	5,848,971	4,552,906	–	24,058,120	2,172,201
Net pension liability	515,754	437,751	229,936	–	1,183,441	135,633
Total noncurrent liabilities	14,211,164	6,321,929	4,802,753	3,123	25,338,969	2,318,771
Total liabilities	15,744,967	6,943,406	5,264,103	20,987	27,973,463	2,818,487
Deferred inflows of resources						
Deferred pension resources	161,743	137,281	72,109	–	371,133	42,535
Net position						
Net investment in capital assets	12,737,426	4,298,674	10,940,337	3,341,629	31,318,066	3,552,545
Restricted for trunk facility	–	37,502	–	–	37,502	–
Unrestricted	2,885,331	6,610,073	2,899,292	1,216,647	13,611,343	3,248,155
Total net position	\$ 15,622,757	\$ 10,946,249	\$ 13,839,629	\$ 4,558,276	44,966,911	\$ 6,800,700
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(45,896)	
Net position of business-type activities					\$ 44,921,015	

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, 2023

	Business-Type Activities – Enterprise Funds					Governmental
	Water	Sewer	Surface Water	Street Lights	Totals Current Year	Activities – Internal Service Funds
Operating revenues						
Customer billings	\$ 4,980,545	\$ 5,182,681	\$ 2,311,719	\$ 895,460	\$ 13,370,405	\$ 1,285,702
Water meter sales	7,894	–	–	–	7,894	–
Other	3,689	2,302	13,279	2,498	21,768	–
Total operating revenues	4,992,128	5,184,983	2,324,998	897,958	13,400,067	1,285,702
Operating expenses						
MCES sewer service charges	–	2,184,357	–	–	2,184,357	–
Administrative charges	300,310	417,180	189,007	50,210	956,707	–
Personal services	992,298	837,988	436,191	56,732	2,323,209	284,344
Materials and supplies	133,803	55,778	34,785	1,895	226,261	338,725
Water meters	24,699	–	–	–	24,699	–
Contractual services	548,303	422,242	445,152	64,095	1,479,792	154,673
Utilities	261,581	16,215	7,268	176,734	461,798	34,524
Insurance	18,260	17,330	2,469	281	38,340	19,820
Depreciation	1,040,056	401,353	416,396	153,220	2,011,025	785,898
Total operating expenses	3,319,310	4,352,443	1,531,268	503,167	9,706,188	1,617,984
Operating income (loss)	1,672,818	832,540	793,730	394,791	3,693,879	(332,282)
Nonoperating revenues (expenses)						
General property taxes	–	–	–	–	–	182,896
Earnings on investments	170,294	258,396	139,395	58,899	626,984	156,654
Intergovernmental revenue	3,269	54	15,028	–	18,351	17
Gain on sale of capital assets	–	–	–	–	–	6,526
Loss on disposal of capital assets	(201,328)	(26,799)	–	–	(228,127)	(52,022)
Other	–	–	–	–	–	12,687
Interest	(351,045)	(130,368)	(104,774)	–	(586,187)	(57,394)
Fiscal charges	(1,689)	(566)	(439)	–	(2,694)	(447)
Total nonoperating revenues (expenses)	(380,499)	100,717	49,210	58,899	(171,673)	248,917
Income (loss) before transfers	1,292,319	933,257	842,940	453,690	3,522,206	(83,365)
Contributions	–	133,846	–	–	133,846	–
Transfers						
Transfers in	–	–	–	–	–	119,400
Transfers out	(443,000)	(218,000)	(201,000)	(52,400)	(914,400)	–
Total transfers	(443,000)	(218,000)	(201,000)	(52,400)	(914,400)	119,400
Change in net position	849,319	849,103	641,940	401,290	2,741,652	36,035
Net position – January 1,	14,773,438	10,097,146	13,197,689	4,156,986	42,225,259	6,764,665
Net position – December 31	<u>\$ 15,622,757</u>	<u>\$ 10,946,249</u>	<u>\$ 13,839,629</u>	<u>\$ 4,558,276</u>	<u>\$ 44,966,911</u>	<u>\$ 6,800,700</u>
Change in net position reported above					\$ 2,741,652	
Amounts reported for business-type activities in the Statement of Activities are different because:						
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.					(128,750)	
Change in net position of business-type activities					<u>\$ 2,612,902</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, 2023

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Activities – Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 4,993,823	\$ 5,122,595	\$ 2,276,372	\$ 881,416	\$13,274,206	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,285,702
Payments to suppliers	(1,025,336)	(2,735,351)	(495,038)	(243,218)	(4,498,943)	(579,766)
Payments to employees	(949,239)	(805,248)	(433,662)	(55,289)	(2,243,438)	(269,391)
Payments for interfund services used	(300,310)	(417,180)	(189,007)	(50,210)	(956,707)	–
Miscellaneous revenue	2,790	54	15,028	–	17,872	12,704
Net cash flows from operating activities	<u>2,721,728</u>	<u>1,164,870</u>	<u>1,173,693</u>	<u>532,699</u>	<u>5,592,990</u>	<u>449,249</u>
Cash flows from noncapital financing activities						
Transfers from other funds	–	–	–	–	–	119,400
Transfer to other funds	(443,000)	(218,000)	(201,000)	(52,400)	(914,400)	–
Net cash flows from noncapital financing activities	<u>(443,000)</u>	<u>(218,000)</u>	<u>(201,000)</u>	<u>(52,400)</u>	<u>(914,400)</u>	<u>119,400</u>
Cash flows from capital and related financing activities						
Proceeds from sales of capital assets	–	–	–	–	–	6,526
Acquisition and construction of capital assets	(1,878,609)	(89,818)	(796,136)	(689,247)	(3,453,810)	(421,096)
Receipts from taxpayers	–	–	–	–	–	183,543
Contributions	–	133,846	–	–	133,846	–
Principal paid on capital debt	(1,355,000)	(485,000)	(500,000)	–	(2,340,000)	(320,000)
Interest and paying agent fees on capital debt	(431,089)	(170,678)	(135,426)	–	(737,193)	(72,710)
Net cash flows from capital and related financing activities	<u>(3,664,698)</u>	<u>(611,650)</u>	<u>(1,431,562)</u>	<u>(689,247)</u>	<u>(6,397,157)</u>	<u>(623,737)</u>
Cash flows from investing activities						
Earnings on investments and changes in fair value on investments	168,499	250,705	135,686	58,804	613,694	154,127
Net change in cash and cash equivalents	<u>(1,217,471)</u>	<u>585,925</u>	<u>(323,183)</u>	<u>(150,144)</u>	<u>(1,104,873)</u>	<u>99,039</u>
Cash and cash equivalents – January 1	3,918,331	5,213,016	2,963,235	1,222,617	13,317,199	3,339,841
Cash and cash equivalents – December 31	<u>\$ 2,700,860</u>	<u>\$ 5,798,941</u>	<u>\$ 2,640,052</u>	<u>\$ 1,072,473</u>	<u>\$ 12,212,326</u>	<u>\$ 3,438,880</u>
Reconciliation of operating income (loss) to net cash flows from operating activities						
Operating income (loss)	\$ 1,672,818	\$ 832,540	\$ 793,730	\$ 394,791	\$ 3,693,879	\$ (332,282)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	2,790	54	15,028	–	17,872	12,704
Depreciation	1,040,056	401,353	416,396	153,220	2,011,025	785,898
Decrease (increase) in receivables	1,695	(62,388)	(48,626)	(16,542)	(125,861)	–
Decrease (increase) in prepaid items	(3,025)	(17,306)	(1,248)	(138)	(21,717)	(241)
Decrease (increase) in deferred outflows	77,042	68,062	46,026	–	191,130	20,894
Increase (decrease) in payables	(221,424)	(186,147)	(114,756)	1,368	(520,959)	(77,609)
Increase (decrease) in deferred inflows	151,776	128,702	67,143	–	347,621	39,885
Total adjustments	<u>1,048,910</u>	<u>332,330</u>	<u>379,963</u>	<u>137,908</u>	<u>1,899,111</u>	<u>781,531</u>
Net cash flows from operating activities	<u>\$ 2,721,728</u>	<u>\$ 1,164,870</u>	<u>\$ 1,173,693</u>	<u>\$ 532,699</u>	<u>\$ 5,592,990</u>	<u>\$ 449,249</u>
Noncash investing, capital, and financing activities						
Capital asset purchase on account –						
Accounts payable	\$ 20,066	\$ (28,367)	\$ (3,203)	\$ (1,196)	\$ (12,700)	\$ 106,040
Contracts payable	–	(51,545)	(13,125)	(16,338)	(81,008)	–
Due from other governmental units –						
Miscellaneous revenue	479	–	–	–	479	–
Taxes receivable	–	–	–	–	–	(647)
Amortization of bond premium	60,119	33,604	23,564	–	117,287	11,869

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, 2023

	<u>Custodial Fund</u>
Additions	
Earnings on investments	<u>\$ 13,279</u>
Deductions	
Contractual services	<u>368,505</u>
Total deductions	368,505
Net change in fiduciary net position	(355,226)
Net position - beginning	<u>355,226</u>
Net position - ending	<u><u>\$ -</u></u>

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

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

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, 2023

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, 2023

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, 2023

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. This fund was closed in the current year.

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, 2023

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:

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Nonmajor funds			
Special revenue funds			
Economic Development Authority	\$ 217,752	\$ 264,510	\$ 46,758
Housing and Redevelopment Authority	287,768	355,824	68,056

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.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

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

Notes to Financial Statements
December 31, 2023

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 2023 totaled \$1,272,652. 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:

Assets	
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.

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 (\$24,977,123) difference are as follows:

Long-term debt payable	\$ (23,410,035)
Issuance premium	(953,963)
Accrued interest payable	(262,385)
Compensated absences	<u>(350,740)</u>
 Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	 <u><u>\$ (24,977,123)</u></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 funds. The net position of the internal service funds is included in governmental activities in the Statement of Net Position.” The details of this \$6,846,596 difference are as follows:

Net position of the internal service funds	\$ 6,800,700
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(82,854)
Add: Internal receivable representing costs in excess of charges to business-type activities – current year	<u>128,750</u>
 Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities	 <u><u>\$ 6,846,596</u></u>

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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 (\$4,642,748) difference are as follows:

Deferred outflows of pension resources	\$ 1,271,210
Long-term net pension liability	(4,502,081)
Deferred inflows of pension resources	<u>(1,411,877)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (4,642,748)</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 (\$2,071,185) difference are as follows:

Capital outlay	\$ 933,960
Depreciation expense	<u>(3,005,145)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,071,185)</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 (\$26,523) difference are as follows:

Loan receivable deferred inflow of resources	
At December 31, 2022	\$ (170,168)
At December 31, 2023	339,901
Property taxes deferred inflow of resources	
At December 31, 2022	(102,249)
At December 31, 2023	114,675
Special assessments deferred inflow of resources	
At December 31, 2022	(1,708,356)
At December 31, 2023	<u>1,499,674</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (26,523)</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 \$1,620,975 difference are as follows:

Principal repayments	
General obligation improvement bonds	\$ 195,000
General obligation street reconstruction bonds	345,000
General obligation tax abatement bonds	540,000
Certificates of participation	460,000
Premium/discount on debt issuance	<u>80,975</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,620,975</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 \$61,338 difference are as follows:

Compensated absences	\$ 39,355
Accrued interest	<u>21,983</u>
Net adjustment to net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 61,338</u></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.

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The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount and bank balance of the City’s deposits was \$4,049. 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, 2023, 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	5.1%	Level 2	\$ –	\$ 2,692,006	\$ –	\$ 2,692,006
Federal Farm Credit Bank	**	Level 2	873,724	461,198	–	1,334,922
Municipal bonds	**	Level 2	1,383,820	15,908,489	157,451	17,449,760
Marketable certificates of deposit	**	Level 2	3,658,440	8,351,524	–	12,009,964
Investment pools/mutual funds						
Minnesota Municipal Money Market						
4M Fund	N/A	Amortized Cost	17,050,768	–	–	17,050,768
4M Plus Fund	N/A	Amortized Cost	1,980,053	–	–	1,980,053
Federated Hermes Govt. Oblig.	N/A	Level 1	11,381	–	–	11,381
First American Govt. Oblig.	N/A	Level 1	1,293	–	–	1,293
Total investments			<u>\$ 24,959,479</u>	<u>\$ 27,413,217</u>	<u>\$ 157,451</u>	52,530,147
Deposits						4,049
Petty cash						<u>13,300</u>
Totals						<u>\$ 52,547,496</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.

CITY OF SHOREVIEW

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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, 2023, 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. 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 Standard & Poor’s Ratings Services in the amount of \$1,104,852, \$5,383,532, \$542,611, \$847,624, \$7,797,801 and \$1,773,340 respectively.

CITY OF SHOREVIEW

Notes to Financial Statements
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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 \$311,089. The principal and interest payments received on these leases totaled \$372,060 and \$104,562, respectively in the current year.

CITY OF SHOREVIEW
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Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,230,173	\$ 76,242	\$ –	\$ –	\$ 7,306,415
Construction in progress	235,043	357,084	–	(256,553)	335,574
Total capital assets, not being depreciated	<u>7,465,216</u>	<u>433,326</u>	<u>–</u>	<u>(256,553)</u>	<u>7,641,989</u>
Capital assets, being depreciated					
Building and structures	63,505,350	359,012	458,141	213,533	63,619,754
Machinery and equipment	12,196,923	668,758	1,111,324	43,020	11,797,377
Infrastructure	73,582,980	–	–	–	73,582,980
Total capital assets, being depreciated	<u>149,285,253</u>	<u>1,027,770</u>	<u>1,569,465</u>	<u>256,553</u>	<u>149,000,111</u>
Less accumulated depreciation for					
Building and structures	19,145,856	1,347,067	339,324	–	20,153,599
Machinery and equipment	7,370,733	799,765	1,006,673	–	7,163,825
Infrastructure	38,780,001	1,644,211	–	–	40,424,212
Total accumulated depreciation	<u>65,296,590</u>	<u>3,791,043</u>	<u>1,345,997</u>	<u>–</u>	<u>67,741,636</u>
Total capital assets being depreciated – net	<u>83,988,663</u>	<u>(2,763,273)</u>	<u>223,468</u>	<u>256,553</u>	<u>81,258,475</u>
Governmental activities capital assets – net	<u>\$ 91,453,879</u>	<u>\$ (2,329,947)</u>	<u>\$ 223,468</u>	<u>\$ –</u>	<u>\$ 88,900,464</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	1,521,753	2,038,540	–	(2,632,340)	927,953
Total capital assets, not being depreciated	<u>1,846,955</u>	<u>2,038,540</u>	<u>–</u>	<u>(2,632,340)</u>	<u>1,253,155</u>
Capital assets, being depreciated					
Building and structures	21,335,294	–	389,061	–	20,946,233
Machinery and equipment	2,661,864	–	11,068	37,823	2,688,619
Distribution and collection systems	66,517,594	1,321,562	786,212	2,594,517	69,647,461
Total capital assets, being depreciated	<u>90,514,752</u>	<u>1,321,562</u>	<u>1,186,341</u>	<u>2,632,340</u>	<u>93,282,313</u>
Less accumulated depreciation for					
Building and structures	7,048,660	497,668	319,327	–	7,227,001
Machinery and equipment	1,380,950	108,366	11,068	–	1,478,248
Distribution and collection systems	27,695,170	1,404,991	627,819	–	28,472,342
Total accumulated depreciation	<u>36,124,780</u>	<u>2,011,025</u>	<u>958,214</u>	<u>–</u>	<u>37,177,591</u>
Total capital assets being depreciated – net	<u>54,389,972</u>	<u>(689,463)</u>	<u>228,127</u>	<u>2,632,340</u>	<u>56,104,722</u>
Business-type activities capital assets – net	<u>\$ 56,236,927</u>	<u>\$ 1,349,077</u>	<u>\$ 228,127</u>	<u>\$ –</u>	<u>\$ 57,357,877</u>

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

Governmental activities	
General government	\$ 246,805
Public safety	72,075
Public works	1,652,500
Parks and recreation	1,026,037
Community development	7,728
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>785,898</u>
Total depreciation expense – governmental activities	<u><u>\$ 3,791,043</u></u>
Business-type activities	
Water	\$ 1,040,056
Sewer	401,353
Surface water	416,396
Street lights	<u>153,220</u>
Total depreciation expense – business-type activities	<u><u>\$ 2,011,025</u></u>

COMMITMENTS

At December 31, 2023, 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>
2023 Storm Sewer Rehabilitation	<u><u>\$ 2,917</u></u>

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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, 2023, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2023
G.O. improvement bonds					
2013 Improvement Bonds	12/05/2013	02/01/2035	3.00-4.00 %	\$ 1,775,000	\$ 1,070,000
2015 Improvement Bonds	09/17/2015	02/01/2026	2.00-4.00	295,000	105,000
2018 Refunding Improvement Bonds	12/27/2018	02/01/2025	5.00	150,000	55,000
2020 Improvement Bonds	11/24/2020	02/01/2036	1.00-5.00	850,000	795,000
Total G.O. improvement bonds				<u>3,070,000</u>	<u>2,025,000</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	885,000
G.O. Capital Improvement Plan Refunding Bonds of 2014	12/04/2014	02/01/2030	2.00-3.00	4,670,000	2,425,000
G.O. Tax Abatement Bonds of 2017	11/16/2017	02/01/2038	3.00-5.00	12,865,000	10,360,000
G.O. Street Reconstruction Bonds of 2018	12/27/2018	02/01/2034	3.00-5.00	3,180,000	2,520,000
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>18,615,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	<u>1,026,164</u>
Loan payable					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	-	<u>6,000,000</u>	<u>5,195,035</u>
Compensated absences	N/A	N/A	N/A	N/A	362,348
Net pension liability	N/A	N/A	N/A	N/A	<u>4,637,714</u>
Total city indebtedness – governmental activities				<u>\$ 34,625,000</u>	<u>\$ 31,861,261</u>

N/A – Not Applicable

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

BUSINESS-TYPE ACTIVITIES

As of December 31, 2023, the business-type activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2023
G.O. revenue bonds					
Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00 %	\$ 305,000	\$ 35,000
Surface Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	190,000	20,000
Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	915,000	275,000
Sewer Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	730,000	210,000
Surface Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00-3.00	265,000	80,000
Water Revenue Bonds of 2015	09/17/2015	02/01/2036	2.00-4.00	6,885,000	4,760,000
Sewer Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00-4.00	1,650,000	965,000
Surface Water Revenue Bonds of 2015	09/17/2015	02/01/2031	2.00-4.00	860,000	505,000
Water Revenue Bonds of 2016	01/14/2016	02/01/2036	2.00-3.00	6,995,000	4,730,000
Sewer Revenue Bonds of 2016	01/14/2016	02/01/2031	2.00-3.00	230,000	125,000
Surface Water Revenue Bonds of 2016	01/14/2016	02/01/2031	2.00-3.00	380,000	210,000
Water Refunding Revenue Bonds of 2018	12/27/2018	02/01/2025	5.00	1,010,000	375,000
Sewer Refunding Revenue Bonds of 2018	12/27/2018	02/01/2025	5.00	245,000	90,000
Surface Water Refunding Revenue Bonds of 2018	12/27/2018	02/01/2025	5.00	100,000	40,000
Water Revenue Bonds of 2018	12/27/2018	02/01/2034	3.00-5.00	1,585,000	1,255,000
Sewer Revenue Bonds of 2018	12/27/2018	02/01/2029	3.00-5.00	345,000	225,000
Surface Water Revenue Bonds of 2018	12/27/2018	02/01/2034	3.00-5.00	1,020,000	810,000
Water Revenue Bonds of 2020	11/24/2020	02/01/2036	1.00-5.00	2,360,000	2,110,000
Sewer Revenue Bonds of 2020	11/24/2020	02/01/2036	1.00-5.00	3,545,000	3,170,000
Surface Water Revenue Bonds of 2020	11/24/2020	02/01/2036	1.00-5.00	2,670,000	2,390,000
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				35,155,000	25,250,000
Unamortized premium	N/A	N/A	N/A	N/A	983,120
Compensated absences payable	N/A	N/A	N/A	N/A	103,384
Net pension liability	N/A	N/A	N/A	N/A	1,183,441
Total city indebtedness – business-type activities				\$ 35,155,000	\$ 27,519,945

N/A – Not Applicable

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

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	
	Governmental Activities		G.O. Improvement Bonds	
	Principal	Interest	Principal	Interest
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	<u>\$ 2,025,000</u>	<u>\$ 324,065</u>	<u>\$ 18,615,000</u>	<u>\$ 4,117,948</u>

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
December 31, 2023

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
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>\$ 25,250,000</u>	<u>\$ 4,228,007</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, 2023

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 2,220,000	\$ –	\$ 195,000	\$ 2,025,000	\$ 230,000
Other G.O. improvement bonds	19,820,000	–	1,205,000	18,615,000	1,405,000
Premium	1,119,008	–	92,844	1,026,164	–
Total bonds payable	23,159,008	–	1,492,844	21,666,164	1,635,000
Loan payable	5,195,035	–	–	5,195,035	–
Certificates of participation	460,000	–	460,000	–	–
Compensated absences	399,769	473,010	510,431	362,348	20,945
Net pension liability	6,346,797	984,000	2,693,083	4,637,714	–
Total governmental activity long-term liabilities	<u>\$ 35,560,609</u>	<u>\$ 1,457,010</u>	<u>\$ 5,156,358</u>	<u>\$ 31,861,261</u>	<u>\$ 1,655,945</u>
Business-type activities					
G.O. revenue bonds					
G.O. revenue bonds	\$ 27,590,000	\$ –	\$ 2,340,000	\$ 25,250,000	\$ 2,175,000
Premium	1,100,407	–	117,287	983,120	–
Total bonds payable	28,690,407	–	2,457,287	26,233,120	2,175,000
Compensated absences	116,120	132,898	145,634	103,384	5,976
Net pension liability	1,636,596	234,060	687,215	1,183,441	–
Total business-type activity long-term liabilities	<u>\$ 30,443,123</u>	<u>\$ 366,958</u>	<u>\$ 3,290,136</u>	<u>\$ 27,519,945</u>	<u>\$ 2,180,976</u>

The governmental activities loan 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 was provided from the General Fund, Capital Asset Replacement Fund, Community Investment Fund and Closed Bond Fund.

All general obligation indebtedness outstanding at December 31, 2023 is backed by the full faith and credit of the City, including improvement, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2023 totaled \$3,344.

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 in the accompanying financial statements at December 31, 2023. Future scheduled tax levies for all bonds outstanding at December 31, 2023 totaled \$11,383,118.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

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 tax increment districts with 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, 2023, was \$826,949 and the City rebated \$208,808 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.

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, 2023, was \$1,136,056 and the City rebated \$194,185 in the current year.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

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, 2023, was \$1,954,942 and the City rebated \$364,438 in the current year.

TIF District #11 Shoreview Housing Phase I LLC (Loden)

In 2017 the City entered into a development agreement with Shoreview Housing Phase I 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, 2023, was \$7,400,000 and the City rebated \$613,630 in the current year.

TIF District #11 Shoreview Housing Phase II LLC (Loden)

In 2021 the City entered into a development agreement with Shoreview Housing Phase II LLC to assist the developer with the financing of certain costs associated with the Emrik 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 2022 the City issued two Tax increment notes in the amounts of \$5,400,000 (note 1) and \$400,000 (note 2) with interest of 5.5% and 0.0% respectively for phase II 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 2040 for note 1 and the lessor of 10% of tax increment received or \$13,739 for note 2. The outstanding principal balance as of December 31, 2023 for note 1 was \$5,400,000 and note 2 was \$400,000 and the City did not have any rebate 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, 2023, was \$358,927 and the City rebated \$18,553 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 generated on the incremental increase in value above a base value established on the date that the tax increment district is created. In 2023 the City issued a Tax increment note in the amount of \$4,700,000 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, 2023, was \$4,700,000 and the City rebated \$190,579 in the current year.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

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 \$43,000 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;
- 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

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

- 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 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, 2023, the following pledges were in place:

G.O. Capital Improvement Plan Refunding Bonds of 2014

The City pledged \$948,068 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 \$2,682,231 of the pledge commitment remains outstanding.

G.O. Water Revenue Bonds

The City pledged \$2,444,854 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 47 percent of the revenue stream, and \$17,057,873 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$1,276,906 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 23 percent of the revenue stream, and \$6,985,556 of the pledge commitment remains outstanding.

G.O. Surface Water Revenue Bonds

The City pledged \$1,150,036 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 47 percent of the revenue stream, and \$5,434,578 of the pledge commitment remains outstanding.

G.O. Tax Abatement Bonds of 2017

The City pledged \$913,804 of property taxes and transfers from other funds to meet the debt service commitment on the bonds. The bonds were issued in 2017 to finance 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 \$12,955,550 of the pledge commitment remains outstanding.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

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	\$ 1,727,071	\$ 779,003 *	\$ 948,068	\$ 310,000	\$ 57,841	\$ 367,841
G.O. Water Revenue Bonds	5,167,108	2,722,254 *	2,444,854	1,355,000	352,734	1,707,734
G.O. Sewer Revenue Bonds	5,445,996	4,169,090 *	1,276,906	485,000	130,934	615,934
G.O. Surface Water Revenue Bonds	2,465,908	1,315,872 *	1,150,036	500,000	105,213	605,213
G.O. Tax Abatement Bonds of 2017	913,804	–	913,804	540,000	374,600	914,600
	<u>\$ 15,719,887</u>	<u>\$ 8,986,219</u>	<u>\$ 6,733,668</u>	<u>\$ 3,190,000</u>	<u>\$ 1,021,322</u>	<u>\$ 4,211,322</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 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 statutes 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.

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 Plan 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 age 66.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

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 the June 30 before the effective date of the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

In 2023, the Legislature allocated funding for a one-time lump-sum payment to the General Employee benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is noncompounding towards future benefits.

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 2023, and 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, 2023, were \$599,258. The City's contributions were equal to the required contributions as set by state statutes.

D. Pension Costs

GERF Pension Costs

At December 31, 2023, the City reported a liability of \$5,821,155 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 net pension liability associated with the City totaled \$160,515. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.1041 percent at the end of the measurement period and 0.1008 percent for the beginning of the period.

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	\$ 5,821,155
State's proportionate share of the net pension liability associated with the City	<u>160,515</u>
Total	<u><u>\$ 5,981,670</u></u>

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

For the year ended December 31, 2023, the City recognized pension expense of \$1,066,976 for its proportionate share of the GERS's pension expense. In addition, the City recognized an additional \$721 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, 2023, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 189,713	\$ 38,059
Changes in actuarial assumptions	895,107	1,595,528
Net collective differences between projected and actual investment earnings	–	191,958
Changes in proportion	265,705	–
Contributions paid to the PERA subsequent to the measurement date	293,140	–
	<u>293,140</u>	<u>–</u>
Total	<u>\$ 1,643,665</u>	<u>\$ 1,825,545</u>

A total of \$293,140 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2024	\$ 230,896
2025	(757,250)
2026	177,615
2027	<u>(126,281)</u>
Total	<u>\$ (475,020)</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, 2023, 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 7.00 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 7.00 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

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

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

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

The following change in actuarial assumptions and plan provisions occurred in 2023:

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.00 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 General Employees Fund 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 for the plan it participates in, calculated using the discount rate disclosed on the preceding page, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
The City’s proportionate share of the GERF net pension liability	\$ 10,298,091	\$ 5,821,155	\$ 2,138,705

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.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2023

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 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	
2023	\$ 2,040	\$ 2,040	5%	5%	5%
2022	\$ 1,836	\$ 1,836	5%	5%	5%
2021	\$ 2,011	\$ 2,011	5%	5%	5%

Note 9 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivable and payable balances at December 31, 2023 are as follows:

Fund	Receivable	Payable
Nonmajor governmental funds	\$ 507,533	\$ 507,533
Total	\$ 507,533	\$ 507,533

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.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

Interfund transfers for the year ended December 31, 2023 are as follows:

Transfers out	Transfer In			
	General Fund	Community Center Operation Fund	Recreation Programs Fund	Municipal State Aid Fund
General Fund	\$ -	\$ 305,000	\$ 300,000	\$ -
Municipal State Aid Fund	-	-	-	-
Street Renewal Fund	-	-	-	-
Capital Asset Replacement Fund	-	-	-	-
Community Investment Fund	-	-	-	-
Nonmajor Governmental Funds	150,000	-	-	406,716
Water Fund	400,000	-	-	-
Sewer Fund	175,000	-	-	-
Surface Water Fund	170,000	-	-	-
Street Lights Fund	50,000	-	-	-
Total transfers out	\$ 945,000	\$ 305,000	\$ 300,000	\$ 406,716

Transfers out	Transfer In			
	Capital Asset Replacement Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	\$ 835,611	\$ 25,000	\$ -	\$ 1,465,611
Municipal State Aid Fund	-	325,382	-	325,382
Street Renewal Fund	-	67,478	-	67,478
Capital Asset Replacement Fund	-	632,946	-	632,946
Community Investment Fund	-	469,264	-	469,264
Nonmajor Governmental Funds	-	225,712	-	782,428
Water Fund	-	-	43,000	443,000
Sewer Fund	-	-	43,000	218,000
Surface Water Fund	-	-	31,000	201,000
Street Lights Fund	-	-	2,400	52,400
Total transfers out	\$ 835,611	\$ 1,745,782	\$ 119,400	\$ 4,657,509

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 and are considered routine and consistent with previous practices. During 2023 the City had the following transfers: debt service \$630,030, capital funding \$1,331,690, operating \$1,860,178, and a transfer out of the general fund in accordance with the City's fund balance policy in the amount of \$835,611.

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.

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, 2023.

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, 2023 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	\$ 7,641,989	\$ 1,253,155	\$ 8,895,144
Depreciable, net of accumulated depreciation	81,258,475	56,104,722	137,363,197
Less capital related long-term debt outstanding	(26,861,199)	(26,233,120)	(53,094,319)
Less capital related accounts/contracts payable	(203,650)	(30,222)	(233,872)
Add debt adjustment for unspent bond proceeds	—	223,531	223,531
Total net investment in capital assets	<u>\$ 61,835,615</u>	<u>\$ 31,318,066</u>	<u>\$ 93,153,681</u>

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

B. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

At December 31, 2023, 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	\$ 85,022	\$ 17,176	\$ —	\$ 25,507	\$ 127,705
Restricted for					
Business loan program	—	—	—	165,777	165,777
Debt service	—	—	—	1,289,815	1,289,815
Economic development	—	—	—	28,354	28,354
Housing and redevelopment	—	—	—	362,719	362,719
Recycling	—	—	—	1,579,666	1,579,666
Tax increment purposes	—	—	—	3,634,204	3,634,204
Tax abatement purposes	—	—	—	64,938	64,938
Public safety	—	—	1,180,084	—	1,180,084
Total restricted	—	—	1,180,084	7,125,473	8,305,557
Committed to					
Community center operations	—	1,963,328	—	—	1,963,328
Recreation programs	—	1,137,459	—	—	1,137,459
Street improvements	—	—	4,134,733	—	4,134,733
Capital asset replacements	—	—	3,825,731	—	3,825,731
Community projects	—	—	4,477,909	—	4,477,909
Cable television	—	—	—	255,579	255,579
Slice of Shoreview event	—	—	—	120,608	120,608
Total committed	—	3,100,787	12,438,373	376,187	15,915,347
Assigned to					
Debt service	—	—	—	867,041	867,041
Computer systems	—	—	—	157,139	157,139
Total assigned	—	—	—	1,024,180	1,024,180
Unassigned	7,192,932	—	(206,924)	(244,870)	6,741,138
Total	\$ 7,277,954	\$ 3,117,963	\$ 13,411,533	\$ 8,306,477	\$ 32,113,927

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.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

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, 2023, 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, 2023 as follows:

	<u>Amount</u>
Major Funds	
Capital Project	
Municipal State Aid	\$ 206,924
Nonmajor Funds	
Capital Project	
District #8 Lakeview Terrace	<u>244,870</u>
Total	<u><u>\$ 451,794</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.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2023

Note 12 HOME ENERGY IMPROVEMENT LOAN RECEIVABLE

In 2010, the Economic Development Authority (EDA) started a home energy improvement loan program. As of December 31, 2023, 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, 2023 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2024	\$ 12,120
2025	11,262
2026	9,546
2027	9,546
2028	9,546
2029	9,365
2030	8,463
2031	8,463
2032	11,003
2033	8,463
2034	8,463
2035	8,463
2036	8,463
2037	8,463
2038	8,463
2039	8,463
2040	8,463
2041	7,354
2042	5,801
2043	28,691
2044	1,080
2045	1,080
2046	1,080
2047	1,080
2048	1,080
2049	1,080
2050	92,129
2051	-
2052	30,000
2053	60,000
2054	20,000
Total	<u>407,473</u>
Less amount representing interest	<u>(67,572)</u>
Total loan receivable	<u><u>\$ 339,901</u></u>

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

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHOREVIEW, MINNESOTA
 Required Supplementary Information
 Budgetary Comparison Schedule – General Fund
 For The Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 10,703,345	\$ 10,629,686	\$ (73,659)
Other	–	7,202	7,202
Total general property taxes	<u>10,703,345</u>	<u>10,636,888</u>	<u>(66,457)</u>
Licenses and permits			
Business	47,650	57,193	9,543
Non-business	587,300	1,140,815	553,515
Total licenses and permits	<u>634,950</u>	<u>1,198,008</u>	<u>563,058</u>
Intergovernmental			
State			
Road maintenance	304,000	290,400	(13,600)
State fire aid	280,000	385,762	105,762
Local			
Aggregate gravel tax	1,000	1,379	379
Other	40,600	40,575	(25)
Total intergovernmental	<u>625,600</u>	<u>718,116</u>	<u>92,516</u>
Charges for services			
General government	800	6,794	5,994
Public works	378,500	403,268	24,768
Parks and recreation	32,000	44,497	12,497
Community development	168,450	288,542	120,092
Administrative charges			
Special revenue funds	88,970	88,970	–
Capital project funds	100,000	78,727	(21,273)
Enterprise funds	934,980	934,980	–
Total charges for services	<u>1,703,700</u>	<u>1,845,778</u>	<u>142,078</u>
Fines and forfeits	55,000	29,589	(25,411)
Earnings on investments	80,000	291,287	211,287
Other	11,900	37,415	25,515
Total revenues	<u>13,814,495</u>	<u>14,757,081</u>	<u>942,586</u>
Expenditures			
General government			
Current			
Council and Commissions	186,257	183,485	2,772
Administration	586,734	579,481	7,253
Human resources	334,019	324,786	9,233
Elections	14,000	78,695	(64,695)
Communications	355,679	347,451	8,228
Finance and accounting	771,292	752,475	18,817
Information systems	710,266	572,718	137,548
Legal	132,000	124,749	7,251
Total general government	<u>3,090,247</u>	<u>2,963,840</u>	<u>126,407</u>

CITY OF SHOREVIEW, MINNESOTA
 Required Supplementary Information
 Budgetary Comparison Schedule – General Fund
 For The Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)			
Public safety			
Current			
Police	3,103,997	3,188,219	(84,222)
Fire	2,114,517	2,220,395	(105,878)
Total public safety	<u>5,218,514</u>	<u>5,408,614</u>	<u>(190,100)</u>
Public works			
Current			
Public works administration and engineering	534,465	448,778	85,687
Streets	1,027,516	1,024,556	2,960
Trail management	221,500	202,039	19,461
Forestry	428,054	325,058	102,996
Total public works	<u>2,211,535</u>	<u>2,000,431</u>	<u>211,104</u>
Parks and recreation			
Current			
Parks and recreation administration	670,066	636,327	33,739
Municipal buildings	143,488	148,194	(4,706)
Park and sports area maintenance	1,912,273	1,828,790	83,483
Total parks and recreation	<u>2,725,827</u>	<u>2,613,311</u>	<u>112,516</u>
Community development			
Current			
Planning and zoning administration	489,878	377,073	112,805
Building inspection	393,494	359,870	33,624
Total community development	<u>883,372</u>	<u>736,943</u>	<u>146,429</u>
Total expenditures	<u>14,129,495</u>	<u>13,723,139</u>	<u>406,356</u>
Revenues over (under) expenditures	<u>(315,000)</u>	<u>1,033,942</u>	<u>1,348,942</u>
Other financing sources (uses)			
Transfers in	945,000	945,000	–
Transfers out	(630,000)	(1,465,611)	(835,611)
Total other financing sources (uses)	<u>315,000</u>	<u>(520,611)</u>	<u>(835,611)</u>
Net change in fund balance	<u>\$ –</u>	<u>513,331</u>	<u>\$ 513,331</u>
Fund balance – January 1		6,764,623	
Fund balance – December 31		<u>\$ 7,277,954</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 3,397,413	\$ 3,851,058	\$ 453,645
Earnings on investments	10,000	105,868	95,868
Other	12,500	18,048	5,548
Total revenues	<u>3,419,913</u>	<u>3,974,974</u>	<u>555,061</u>
Expenditures			
Parks and recreation			
Current			
Personal services	2,355,335	2,447,208	(91,873)
Materials and supplies	686,200	631,227	54,973
Contractual services	827,101	845,667	(18,566)
Total expenditures	<u>3,868,636</u>	<u>3,924,102</u>	<u>(55,466)</u>
Revenues over (under) expenditures	<u>(448,723)</u>	<u>50,872</u>	<u>499,595</u>
Other financing sources (uses)			
Transfers in	305,000	305,000	–
Net change in fund balance	<u>\$ (143,723)</u>	355,872	<u>\$ 499,595</u>
Fund balance – January 1		1,618,768	
Fund balance – December 31		<u>\$ 1,974,640</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 1,731,010	\$ 1,739,265	\$ 8,255
Earnings on investments	2,000	57,567	55,567
Total revenues	<u>1,733,010</u>	<u>1,796,832</u>	<u>63,822</u>
Expenditures			
Parks and recreation			
Current			
Personal services	1,661,145	1,495,472	165,673
Materials and supplies	97,840	99,441	(1,601)
Contractual services	326,225	331,977	(5,752)
Total expenditures	<u>2,085,210</u>	<u>1,926,890</u>	<u>158,320</u>
Revenues over (under) expenditures	<u>(352,200)</u>	<u>(130,058)</u>	<u>222,142</u>
Other financing sources (uses)			
Transfers in			
Net change in fund balance	<u>\$ (52,200)</u>	<u>300,000</u>	<u>–</u>
Fund balance – January 1		973,381	
Fund balance – December 31		<u>\$ 1,143,323</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information (Last Ten Years*)

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, 2023

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%
12/31/2023	06/30/2023	0.1041%	\$ 5,821,155	\$ 160,515	\$ 5,981,670	\$ 8,281,714		70.29%	83.10%

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%
12/31/2023	\$ 599,258	\$ 599,258	\$ –	\$ 7,990,096	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, 2023

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, 2023, 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	\$ 5,218,514	\$ 5,408,614	\$ 190,100
Community Center Operations Fund			
Parks and recreation	3,868,636	3,924,102	55,466

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

Note B PERA – GENERAL EMPLOYEES RETIREMENT FUND

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2023 CHANGES IN PLAN PROVISIONS

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

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

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

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Notes to RSI

December 31, 2023

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.
- 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.

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Notes to RSI

December 31, 2023

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 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.

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Notes to RSI

December 31, 2023

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.

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

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**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, 2023

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 2,445,542	\$ 2,140,372	\$ 4,318,545	\$ 8,904,459
Accrued interest receivable	9,890	7,814	12,039	29,743
Accounts receivable	93,734	-	-	93,734
Loan receivable	-	-	339,901	339,901
Taxes receivable	4,784	8,705	5,393	18,882
Special assessments receivable	-	1,388,648	-	1,388,648
Interfund receivable	-	-	507,533	507,533
Due from other governmental units	85,740	-	-	85,740
Prepaid items	18,042	-	7,465	25,507
Total assets	<u>\$ 2,657,732</u>	<u>\$ 3,545,539</u>	<u>\$ 5,190,876</u>	<u>\$ 11,394,147</u>
Liabilities				
Accounts payable	\$ 114,312	\$ -	\$ 465,540	\$ 579,852
Salaries payable	7,409	-	-	7,409
Deposits payable	1,000	-	-	1,000
Interfund payable	-	-	507,533	507,533
Due to other governmental units	512	-	255,377	255,889
Total liabilities	<u>123,233</u>	<u>-</u>	<u>1,228,450</u>	<u>1,351,683</u>
Deferred inflows of resources				
Unavailable revenue – loan receivable	-	-	339,901	339,901
Unavailable revenue – property taxes	3,754	7,538	3,649	14,941
Unavailable revenue – special assessments	-	1,381,145	-	1,381,145
Total deferred inflows of resources	<u>3,754</u>	<u>1,388,683</u>	<u>343,550</u>	<u>1,735,987</u>
Fund balances (deficits)				
Nonspendable	18,042	-	7,465	25,507
Restricted	2,136,516	1,289,815	3,699,142	7,125,473
Committed	376,187	-	-	376,187
Assigned	-	867,041	157,139	1,024,180
Unassigned	-	-	(244,870)	(244,870)
Total fund balances	<u>2,530,745</u>	<u>2,156,856</u>	<u>3,618,876</u>	<u>8,306,477</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,657,732</u>	<u>\$ 3,545,539</u>	<u>\$ 5,190,876</u>	<u>\$ 11,394,147</u>

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For The Year Ended December 31, 2023

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Revenues				
Taxes				
General property taxes	\$ 506,769	\$ 964,822	\$ 92,681	\$ 1,564,272
Tax increments	-	-	2,154,817	2,154,817
Franchise tax	364,010	-	-	364,010
Special assessments	-	230,808	-	230,808
Licenses and permits	10,298	-	-	10,298
Intergovernmental	70,785	-	-	70,785
Charges for services	904,121	-	6,208	910,329
Earnings on investments	102,518	93,117	163,980	359,615
Other	45,314	-	-	45,314
Total revenues	2,003,815	1,288,747	2,417,686	5,710,248
Expenditures				
Current				
General government	195,926	-	190,878	386,804
Public works	740,045	-	325,382	1,065,427
Community development	544,093	-	1,854,608	2,398,701
Capital outlay				
General government	24,379	-	354,798	379,177
Public works	-	-	67,478	67,478
Parks and recreation	-	-	99,168	99,168
Community development	76,241	-	-	76,241
Debt service				
Principal	-	1,540,000	-	1,540,000
Interest	-	665,657	-	665,657
Fiscal charges	-	7,179	-	7,179
Total expenditures	1,580,684	2,212,836	2,892,312	6,685,832
Revenues over (under) expenditures	423,131	(924,089)	(474,626)	(975,584)
Other financing sources (uses)				
Transfers in	190,778	630,030	924,974	1,745,782
Transfers out	(150,000)	(59,934)	(572,494)	(782,428)
Total other financing sources (uses)	40,778	570,096	352,480	963,354
Net change in fund balances	463,909	(353,993)	(122,146)	(12,230)
Fund balances – January 1	2,066,836	2,510,849	3,741,022	8,318,707
Fund balances – December 31	\$ 2,530,745	\$ 2,156,856	\$ 3,618,876	\$ 8,306,477

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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, 2023

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
Assets						
Cash and investments	\$ 1,534,708	\$ 195,850	\$ 120,271	\$ 204,675	\$ 390,038	\$ 2,445,542
Accrued interest receivable	6,004	785	533	909	1,659	9,890
Accounts receivable	-	88,925	-	-	4,809	93,734
Taxes receivable	-	-	-	1,806	2,978	4,784
Due from other governmental units	85,333	-	-	407	-	85,740
Prepaid items	86	17,498	-	149	309	18,042
Total assets	\$ 1,626,131	\$ 303,058	\$ 120,804	\$ 207,946	\$ 399,793	\$ 2,657,732
Liabilities						
Accounts payable	\$ 43,885	\$ 29,252	\$ 196	\$ 9,547	\$ 31,432	\$ 114,312
Salaries payable	2,494	729	-	2,093	2,093	7,409
Deposits payable	-	-	-	-	1,000	1,000
Due to other governmental units	-	-	-	512	-	512
Total liabilities	46,379	29,981	196	12,152	34,525	123,233
Deferred inflows of resources						
Unavailable revenue – property taxes	-	-	-	1,514	2,240	3,754
Fund balances						
Nonspendable	86	17,498	-	149	309	18,042
Restricted	1,579,666	-	-	194,131	362,719	2,136,516
Committed	-	255,579	120,608	-	-	376,187
Total fund balances	1,579,752	273,077	120,608	194,280	363,028	2,530,745
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,626,131	\$ 303,058	\$ 120,804	\$ 207,946	\$ 399,793	\$ 2,657,732

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and

Changes in Fund Balances

Nonmajor Special Revenue Funds

For The Year Ended December 31, 2023

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing and Redevelopment Authority	Total Nonmajor Special Revenue Funds
Revenues						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 213,656	\$ 293,113	\$ 506,769
Franchise tax	-	364,010	-	-	-	364,010
Licenses and permits	-	-	-	-	10,298	10,298
Intergovernmental	70,785	-	-	-	-	70,785
Charges for services	873,819	-	30,302	-	-	904,121
Earnings on investments	62,229	8,135	5,531	9,426	17,197	102,518
Other	-	2,900	42,414	-	-	45,314
Total revenues	<u>1,006,833</u>	<u>375,045</u>	<u>78,247</u>	<u>223,082</u>	<u>320,608</u>	<u>2,003,815</u>
Expenditures						
Current						
General government	-	116,746	79,180	-	-	195,926
Public works	740,045	-	-	-	-	740,045
Community development	-	-	-	264,510	279,583	544,093
Capital outlay						
General government	-	24,379	-	-	-	24,379
Community development	-	-	-	-	76,241	76,241
Total expenditures	<u>740,045</u>	<u>141,125</u>	<u>79,180</u>	<u>264,510</u>	<u>355,824</u>	<u>1,580,684</u>
Revenues over (under) expenditures	<u>266,788</u>	<u>233,920</u>	<u>(933)</u>	<u>(41,428)</u>	<u>(35,216)</u>	<u>423,131</u>
Other financing sources (uses)						
Transfers in	-	-	25,000	165,778	-	190,778
Transfers out	-	(150,000)	-	-	-	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>(150,000)</u>	<u>25,000</u>	<u>165,778</u>	<u>-</u>	<u>40,778</u>
Net change in fund balances	266,788	83,920	24,067	124,350	(35,216)	463,909
Fund balances – January 1	1,312,964	189,157	96,541	69,930	398,244	2,066,836
Fund balances – December 31	<u>\$ 1,579,752</u>	<u>\$ 273,077</u>	<u>\$ 120,608</u>	<u>\$ 194,280</u>	<u>\$ 363,028</u>	<u>\$ 2,530,745</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 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 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 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, 2023

	G.O. Street Reconstruction Bonds of 2013	G.O. Street Reconstruction Bonds of 2018	G.O. Street Reconstruction Bonds of 2022	G.O. Tax Abatement Bonds of 2017
Assets				
Cash and investments	\$ 172,728	\$ 196,198	\$ 210,030	\$ -
Accrued interest receivable	268	292	549	-
Taxes receivable				
Delinquent	1,498	1,948	1,039	2,614
Due from county (rebates)	222	299	377	395
Special assessments receivable				
Delinquent	-	-	-	-
Deferred	-	-	-	-
Due from county	-	-	-	-
Total assets	<u>\$ 174,716</u>	<u>\$ 198,737</u>	<u>\$ 211,995</u>	<u>\$ 3,009</u>
Deferred inflows of resources				
Unavailable revenue – property taxes	\$ 1,498	\$ 1,948	\$ 1,039	\$ 2,614
Unavailable revenue – special assessments	-	-	-	-
Total deferred inflows of resources	<u>1,498</u>	<u>1,948</u>	<u>1,039</u>	<u>2,614</u>
Fund balances				
Restricted	173,218	196,789	210,956	395
Assigned	-	-	-	-
Total fund balances	<u>173,218</u>	<u>196,789</u>	<u>210,956</u>	<u>395</u>
Total deferred inflows of resources, and fund balances	<u>\$ 174,716</u>	<u>\$ 198,737</u>	<u>\$ 211,995</u>	<u>\$ 3,009</u>

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
\$ 20,593	\$ 175,107	\$ 75,135	\$ 427,614	\$ 862,967	\$ 2,140,372
70	514	302	1,755	4,064	7,814
-	-	-	-	439	7,538
-	-	-	-	(126)	1,167
-	369	302	2,000	356	3,027
9,665	941,765	32,835	385,458	8,395	1,378,118
444	-	1,620	5,303	136	7,503
<u>\$ 30,772</u>	<u>\$ 1,117,755</u>	<u>\$ 110,194</u>	<u>\$ 822,130</u>	<u>\$ 876,231</u>	<u>\$ 3,545,539</u>
\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 7,538
9,665	942,134	33,137	387,458	8,751	1,381,145
<u>9,665</u>	<u>942,134</u>	<u>33,137</u>	<u>387,458</u>	<u>9,190</u>	<u>1,388,683</u>
21,107	175,621	77,057	434,672	-	1,289,815
-	-	-	-	867,041	867,041
<u>21,107</u>	<u>175,621</u>	<u>77,057</u>	<u>434,672</u>	<u>867,041</u>	<u>2,156,856</u>
<u>\$ 30,772</u>	<u>\$ 1,117,755</u>	<u>\$ 110,194</u>	<u>\$ 822,130</u>	<u>\$ 876,231</u>	<u>\$ 3,545,539</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, 2023

	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
Revenues				
General property taxes (rebates)	\$ -	\$ 188,787	\$ 248,408	\$ 195,845
Special assessments	-	-	-	-
Earnings on investments	11,909	2,785	3,028	5,899
Total revenues	<u>11,909</u>	<u>191,572</u>	<u>251,436</u>	<u>201,744</u>
Expenditures				
Debt service				
Principal	460,000	165,000	180,000	-
Interest	17,250	22,019	94,845	95,678
Fiscal charges	2,000	432	286	230
Total expenditures	<u>479,250</u>	<u>187,451</u>	<u>275,131</u>	<u>95,908</u>
Revenues over (under) expenditures	<u>(467,341)</u>	<u>4,121</u>	<u>(23,695)</u>	<u>105,836</u>
Other financing sources (uses)				
Transfers in	48,096	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>48,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(419,245)</u>	<u>4,121</u>	<u>(23,695)</u>	<u>105,836</u>
Fund balances – January 1	419,245	169,097	220,484	105,120
Fund balances – December 31	<u>\$ -</u>	<u>\$ 173,218</u>	<u>\$ 196,789</u>	<u>\$ 210,956</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
\$ 331,870	\$ -	\$ -	\$ -	\$ -	\$ (88)	\$ 964,822
-	11,885	114,650	17,870	80,832	5,571	230,808
-	727	5,329	3,128	18,186	42,126	93,117
<u>331,870</u>	<u>12,612</u>	<u>119,979</u>	<u>20,998</u>	<u>99,018</u>	<u>47,609</u>	<u>1,288,747</u>
540,000	25,000	95,000	30,000	45,000	-	1,540,000
371,000	3,375	39,585	2,700	19,205	-	665,657
3,600	53	519	8	51	-	7,179
<u>914,600</u>	<u>28,428</u>	<u>135,104</u>	<u>32,708</u>	<u>64,256</u>	<u>-</u>	<u>2,212,836</u>
<u>(582,730)</u>	<u>(15,816)</u>	<u>(15,125)</u>	<u>(11,710)</u>	<u>34,762</u>	<u>47,609</u>	<u>(924,089)</u>
581,934	-	-	-	-	-	630,030
-	-	-	-	-	(59,934)	(59,934)
<u>581,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,934)</u>	<u>570,096</u>
(796)	(15,816)	(15,125)	(11,710)	34,762	(12,325)	(353,993)
1,191	36,923	190,746	88,767	399,910	879,366	2,510,849
<u>\$ 395</u>	<u>\$ 21,107</u>	<u>\$ 175,621</u>	<u>\$ 77,057</u>	<u>\$ 434,672</u>	<u>\$ 867,041</u>	<u>\$ 2,156,856</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.

Hwy 49/Hodgson Rd. Reconstruction
Lexington Avenue Reconstruction
Park Building Replacements
Hodgson Rd/Co. Rd. J Reconstruction
Owasso Blvd. North Reconstruction
2024 Street Rehabilitation

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2023

	<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	\$ 415,132	\$ 430,345	\$ 115,566
Accrued interest receivable	348	1,055	183
Loan receivable	139,442	200,459	-
Taxes receivable			
Delinquent	-	-	3,269
Due from county	-	(10)	1,695
Interfund receivable	507,533	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 1,062,455</u>	<u>\$ 631,849</u>	<u>\$ 120,713</u>
Liabilities			
Accounts payable	\$ -	\$ 21,500	\$ 100,243
Interfund payable	-	-	-
Due to other governmental units	512	512	743
Total liabilities	<u>512</u>	<u>22,012</u>	<u>100,986</u>
Deferred inflows of resources			
Unavailable revenue – loan receivable	139,442	200,459	-
Unavailable revenue – property taxes	-	-	3,269
Total deferred inflows of resources	<u>139,442</u>	<u>200,459</u>	<u>3,269</u>
Fund balances (deficits)			
Nonspendable	-	-	-
Restricted	922,501	409,378	16,458
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>922,501</u>	<u>409,378</u>	<u>16,458</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,062,455</u>	<u>\$ 631,849</u>	<u>\$ 120,713</u>

Tax Increment Financing

District #8 Lakeview Terrace	District #9 TSI Inc.	District #10 Elevage	District #11 Loden	District #12 Mead Metals/ TSI
\$ 358,500	\$ 382	\$ 308,916	\$ 368,509	\$ 38,059
1,240	2	403	471	41
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 359,740</u>	<u>\$ 384</u>	<u>\$ 309,319</u>	<u>\$ 368,980</u>	<u>\$ 38,100</u>
\$ 96,550	\$ -	\$ 182,219	\$ -	\$ -
507,533	-	-	-	-
527	-	728	512	692
<u>604,610</u>	<u>-</u>	<u>182,947</u>	<u>512</u>	<u>692</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	384	126,372	368,468	37,408
-	-	-	-	-
(244,870)	-	-	-	-
<u>(244,870)</u>	<u>384</u>	<u>126,372</u>	<u>368,468</u>	<u>37,408</u>
<u>\$ 359,740</u>	<u>\$ 384</u>	<u>\$ 309,319</u>	<u>\$ 368,980</u>	<u>\$ 38,100</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2023

	<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	\$ 14,257	\$ 1,730,994	\$ 64,714
Accrued interest receivable	90	7,894	224
Loan receivable	-	-	-
Taxes receivable			
Delinquent	-	-	-
Due from county	-	-	-
Interfund receivable	-	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 14,347</u>	<u>\$ 1,738,888</u>	<u>\$ 64,938</u>
Liabilities			
Accounts 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)			
Nonspendable	-	-	-
Restricted	14,347	1,738,888	64,938
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>14,347</u>	<u>1,738,888</u>	<u>64,938</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 14,347</u>	<u>\$ 1,738,888</u>	<u>\$ 64,938</u>

<u>Information Technology</u>	<u>Hwy 49/ Hodgson Rd. Reconstruction</u>	<u>Lexington Avenue Reconstruction</u>	<u>Park Building Replacements</u>	<u>Hodgson Rd. Co. Rd. J Reconstruction</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 201,409	\$ 60,776	\$ 113,123	\$ 20,611	\$ 77,252	\$ 4,318,545
88	-	-	-	-	12,039
-	-	-	-	-	339,901
380	-	-	-	-	3,649
59	-	-	-	-	1,744
-	-	-	-	-	507,533
7,465	-	-	-	-	7,465
<u>\$ 209,401</u>	<u>\$ 60,776</u>	<u>\$ 113,123</u>	<u>\$ 20,611</u>	<u>\$ 77,252</u>	<u>\$ 5,190,876</u>
\$ 44,417	\$ -	\$ -	\$ 20,611	\$ -	\$ 465,540
-	-	-	-	-	507,533
-	60,776	113,123	-	77,252	255,377
<u>44,417</u>	<u>60,776</u>	<u>113,123</u>	<u>20,611</u>	<u>77,252</u>	<u>1,228,450</u>
-	-	-	-	-	339,901
380	-	-	-	-	3,649
<u>380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,550</u>
7,465	-	-	-	-	7,465
-	-	-	-	-	3,699,142
157,139	-	-	-	-	157,139
-	-	-	-	-	(244,870)
<u>164,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,618,876</u>
<u>\$ 209,401</u>	<u>\$ 60,776</u>	<u>\$ 113,123</u>	<u>\$ 20,611</u>	<u>\$ 77,252</u>	<u>\$ 5,190,876</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, 2023

	Tax Increment Financing			
	District #1 Deluxe	District #4 Scandia Shores	District #6 Gateway	District #8 Lakeview Terrace
Revenues				
Taxes				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	226,032	211,263	323,194
Charges for services	2,773	3,435	-	-
Earnings on investments	35,610	18,121	1,897	12,858
Total revenues	<u>38,383</u>	<u>247,588</u>	<u>213,160</u>	<u>336,052</u>
Expenditures				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Community development	79,459	115,973	210,311	211,587
Capital outlay				
General government	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Total expenditures	<u>79,459</u>	<u>115,973</u>	<u>210,311</u>	<u>211,587</u>
Revenues over (under) expenditures	<u>(41,076)</u>	<u>131,615</u>	<u>2,849</u>	<u>124,465</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(165,778)	-	-	-
Total other financing sources (uses)	<u>(165,778)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(206,854)	131,615	2,849	124,465
Fund balances (deficits) – January 1	1,129,355	277,763	13,609	(369,335)
Fund balances (deficits) – December 31	<u>\$ 922,501</u>	<u>\$ 409,378</u>	<u>\$ 16,458</u>	<u>\$ (244,870)</u>

Tax Increment Financing

District #9 TSI Inc.	District #10 Elevage	District #11 Loden	District #12 Mead Metals/ TSI	District #13 Shoreview Ridge
\$ -	\$ -	\$ -	\$ -	\$ -
-	487,674	663,241	56,210	187,203
-	-	-	-	-
20	4,178	4,885	424	929
20	491,852	668,126	56,634	188,132
-	-	-	-	-
-	-	-	-	-
-	366,922	616,530	19,573	191,253
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	366,922	616,530	19,573	191,253
20	124,930	51,596	37,061	(3,121)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20	124,930	51,596	37,061	(3,121)
364	1,442	316,872	347	17,468
\$ 384	\$ 126,372	\$ 368,468	\$ 37,408	\$ 14,347

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Capital Project Funds
 For The Year Ended December 31, 2023

	<u>Tax Increment Financing</u>			
	<u>Temporary TIF Authority</u>	<u>Edison Tax Abatement</u>	<u>Information Technology</u>	<u>Hwy 49/ Hodgson Rd. Reconstruction</u>
Revenues				
Taxes				
General property taxes	\$ —	\$ 43,000	\$ 49,681	\$ —
Tax increments	—	—	—	—
Charges for services	—	—	—	—
Earnings on investments	81,829	2,321	908	—
Total revenues	<u>81,829</u>	<u>45,321</u>	<u>50,589</u>	<u>—</u>
Expenditures				
Current				
General government	—	—	190,878	—
Public works	—	—	—	135,007
Community development	—	43,000	—	—
Capital outlay				
General government	—	—	354,798	—
Public works	—	—	—	—
Parks and recreation	—	—	—	—
Total expenditures	<u>—</u>	<u>43,000</u>	<u>545,676</u>	<u>135,007</u>
Revenues over (under) expenditures	<u>81,829</u>	<u>2,321</u>	<u>(495,087)</u>	<u>(135,007)</u>
Other financing sources (uses)				
Transfers in	—	—	432,946	135,007
Transfers out	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>432,946</u>	<u>135,007</u>
Net change in fund balances	81,829	2,321	(62,141)	—
Fund balances – January 1	1,657,059	62,617	226,745	—
Fund balances – December 31	<u>\$ 1,738,888</u>	<u>\$ 64,938</u>	<u>\$ 164,604</u>	<u>\$ —</u>

<u>Lexington Avenue Reconstruction</u>	<u>Park Building Replacements</u>	<u>Hodgson Rd. Co. Rd. J Reconstruction</u>	<u>Owasso Blvd. North Reconstruction</u>	<u>2024 Street Rehabilitation</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,681
-	-	-	-	-	2,154,817
-	-	-	-	-	6,208
-	-	-	-	-	163,980
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,417,686</u>
-	-	-	-	-	190,878
113,123	-	77,252	-	-	325,382
-	-	-	-	-	1,854,608
-	-	-	-	-	354,798
-	-	-	-	67,478	67,478
-	99,168	-	-	-	99,168
<u>113,123</u>	<u>99,168</u>	<u>77,252</u>	<u>-</u>	<u>67,478</u>	<u>2,892,312</u>
<u>(113,123)</u>	<u>(99,168)</u>	<u>(77,252)</u>	<u>-</u>	<u>(67,478)</u>	<u>(474,626)</u>
113,123	99,168	77,252	-	67,478	924,974
-	-	-	(406,716)	-	(572,494)
<u>113,123</u>	<u>99,168</u>	<u>77,252</u>	<u>(406,716)</u>	<u>67,478</u>	<u>352,480</u>
-	-	-	(406,716)	-	(122,146)
-	-	-	406,716	-	3,741,022
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,618,876</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, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 65,000	\$ 70,785	\$ 5,785
Charges for services			
Recycling fees	885,260	873,819	(11,441)
Earnings on investments	–	62,229	62,229
Total revenues	<u>950,260</u>	<u>1,006,833</u>	<u>56,573</u>
Expenditures			
Public works			
Current			
Personal services	75,081	68,570	6,511
Materials and supplies	10,000	3,221	6,779
Contractual services	734,912	668,254	66,658
Total expenditures	<u>819,993</u>	<u>740,045</u>	<u>79,948</u>
Net change in fund balances	<u>\$ 130,267</u>	<u>266,788</u>	<u>\$ 136,521</u>
Fund balances – January 1		1,312,964	
Fund balances – December 31		<u>\$ 1,579,752</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, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Franchise Taxes			
General Franchise tax	\$ 268,000	\$ 288,656	\$ 20,656
PEG Access tax	81,250	75,354	(5,896)
Total franchise tax	<u>349,250</u>	<u>364,010</u>	<u>14,760</u>
Earnings on investments	2,000	8,135	6,135
Other	1,200	2,900	1,700
Total revenues	<u>352,450</u>	<u>375,045</u>	<u>22,595</u>
Expenditures			
General government			
Current			
Personal services	39,952	39,621	331
Materials and supplies	500	901	(401)
Contractual services	103,539	76,224	27,315
Capital outlay	<u>50,000</u>	<u>24,379</u>	<u>25,621</u>
Total expenditures	<u>193,991</u>	<u>141,125</u>	<u>52,866</u>
Revenues over (under) expenditures	<u>158,459</u>	<u>233,920</u>	<u>75,461</u>
Other financing sources (uses)			
Transfers out	(150,000)	(150,000)	-
Net change in fund balances	<u>\$ 8,459</u>	<u>83,920</u>	<u>\$ 75,461</u>
Fund balances – January 1		<u>189,157</u>	
Fund balances – December 31		<u>\$ 273,077</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, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 25,000	\$ 30,302	\$ 5,302
Earnings on investments	–	5,531	5,531
Contributions	25,000	42,414	17,414
Total revenues	<u>50,000</u>	<u>78,247</u>	<u>28,247</u>
Expenditures			
General government			
Current			
Materials and supplies	1,500	527	973
Contractual services	83,880	78,653	5,227
Total expenditures	<u>85,380</u>	<u>79,180</u>	<u>6,200</u>
Revenues over (under) expenditures	<u>(35,380)</u>	<u>(933)</u>	<u>34,447</u>
Other financing sources (uses)			
Transfer in	25,000	25,000	–
Net change in fund balances	<u>\$ (10,380)</u>	<u>24,067</u>	<u>\$ 34,447</u>
Fund balances – January 1		<u>96,541</u>	
Fund balances – December 31		<u>\$ 120,608</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, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 215,000	\$ 213,680	\$ (1,320)
Other (rebates)	–	(24)	(24)
Total general property taxes	<u>215,000</u>	<u>213,656</u>	<u>(1,344)</u>
Earnings on investments	–	9,426	9,426
Total revenues	<u>215,000</u>	<u>223,082</u>	<u>8,082</u>
Expenditures			
Community development			
Current			
Personal services	137,227	137,023	204
Materials and supplies	12,000	2,327	9,673
Contractual services	68,525	125,160	(56,635)
Total expenditures	<u>217,752</u>	<u>264,510</u>	<u>(46,758)</u>
Revenues over (under) expenditures	<u>(2,752)</u>	<u>(41,428)</u>	<u>(38,676)</u>
Other financing sources (uses)			
Transfer in	–	165,778	165,778
Net change in fund balance	<u>\$ (2,752)</u>	<u>124,350</u>	<u>\$ 127,102</u>
Fund balances – January 1		69,930	
Fund balances – December 31		<u>\$ 194,280</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, 2023

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 295,000	\$ 293,241	\$ (1,759)
Other (rebates)	–	(128)	(128)
Total general property taxes	<u>295,000</u>	<u>293,113</u>	<u>(1,887)</u>
Licenses and permits	–	10,298	10,298
Earnings on investments	–	17,197	17,197
Total revenues	<u>295,000</u>	<u>320,608</u>	<u>25,608</u>
Expenditures			
Community development			
Current			
Personal services	212,366	202,608	9,758
Materials and supplies	–	86	(86)
Contractual services	55,402	76,889	(21,487)
Capital outlay	20,000	76,241	(56,241)
Total expenditures	<u>287,768</u>	<u>355,824</u>	<u>(68,056)</u>
Net change in fund balance	<u>\$ 7,232</u>	<u>(35,216)</u>	<u>\$ (42,448)</u>
Fund balances – January 1		<u>398,244</u>	
Fund balances – December 31		<u>\$ 363,028</u>	

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, 2023

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Assets				
Current assets				
Cash and investments	\$ 7,586	\$ 166,825	\$ 3,264,469	\$ 3,438,880
Accrued interest receivable	82	777	14,254	15,113
Taxes receivable	-	-	1,665	1,665
Prepaid items	-	-	1,685	1,685
Total current assets	7,668	167,602	3,282,073	3,457,343
Noncurrent assets				
Capital assets				
Land	-	-	36,293	36,293
Buildings and structures	-	-	6,929,379	6,929,379
Machinery and equipment	-	-	7,528,479	7,528,479
Total capital assets	-	-	14,494,151	14,494,151
Less accumulated depreciation	-	-	(8,328,069)	(8,328,069)
Total capital assets (net of accumulated depreciation)	-	-	6,166,082	6,166,082
Total assets	7,668	167,602	9,448,155	9,623,425
Deferred outflows of resources				
Deferred pension resources	-	-	38,297	38,297
Liabilities				
Current liabilities				
Accounts payable	-	1,917	136,045	137,962
Salaries payable	-	-	4,509	4,509
Accrued bond interest payable	-	-	28,609	28,609
Due to other governmental units	-	-	2,965	2,965
Compensated absences payable	-	-	671	671
Bonds payable	-	-	325,000	325,000
Total current liabilities	-	1,917	497,799	499,716
Noncurrent liabilities				
Compensated absences payable (net of current portion)	-	-	10,937	10,937
Bonds payable (net of current portion)	-	-	2,172,201	2,172,201
Net pension liability	-	-	135,633	135,633
Total noncurrent liabilities	-	-	2,318,771	2,318,771
Total liabilities	-	1,917	2,816,570	2,818,487
Deferred inflows of resources				
Deferred pension resources	-	-	42,535	42,535
Net position				
Net investment in capital assets	-	-	3,552,545	3,552,545
Unrestricted	7,668	165,685	3,074,802	3,248,155
Total net position	\$ 7,668	\$ 165,685	\$ 6,627,347	\$ 6,800,700

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenses, and
 Changes in Fund Net Position
 Internal Service Funds
 For The Year Ended December 31, 2023

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Customer billings	\$ 8,696	\$ –	\$ 1,277,006	\$ 1,285,702
Operating expenses				
Personal services	27,518	–	256,826	284,344
Materials and supplies	–	–	338,725	338,725
Contractual services	–	25,565	129,108	154,673
Utilities	–	–	34,524	34,524
Insurance	–	–	19,820	19,820
Depreciation	–	–	785,898	785,898
Total operating expenses	<u>27,518</u>	<u>25,565</u>	<u>1,564,901</u>	<u>1,617,984</u>
Operating income (loss)	<u>(18,822)</u>	<u>(25,565)</u>	<u>(287,895)</u>	<u>(332,282)</u>
Nonoperating revenues (expenses)				
General property taxes	–	–	182,896	182,896
Earnings on investments	848	8,054	147,752	156,654
Intergovernmental revenue	–	–	17	17
Gain on sale of capital assets	–	–	6,526	6,526
Loss on sale of capital assets	–	–	(52,022)	(52,022)
Other	–	12,687	–	12,687
Interest	–	–	(57,394)	(57,394)
Fiscal charges	–	–	(447)	(447)
Total nonoperating revenues (expenses)	<u>848</u>	<u>20,741</u>	<u>227,328</u>	<u>248,917</u>
Income (loss) before transfers	<u>(17,974)</u>	<u>(4,824)</u>	<u>(60,567)</u>	<u>(83,365)</u>
Transfers				
Transfer in	–	–	119,400	119,400
Change in net position	<u>(17,974)</u>	<u>(4,824)</u>	<u>58,833</u>	<u>36,035</u>
Net position – January 1,	<u>25,642</u>	<u>170,509</u>	<u>6,568,514</u>	<u>6,764,665</u>
Net position – December 31	<u>\$ 7,668</u>	<u>\$ 165,685</u>	<u>\$ 6,627,347</u>	<u>\$ 6,800,700</u>

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2023

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 8,696	\$ -	\$ 1,277,006	\$ 1,285,702
Payments to suppliers	-	(47,023)	(532,743)	(579,766)
Payments to employees	(27,518)	-	(241,873)	(269,391)
Miscellaneous revenue	-	12,687	17	12,704
Net cash flows from operating activities	<u>(18,822)</u>	<u>(34,336)</u>	<u>502,407</u>	<u>449,249</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	-	-	6,526	6,526
Acquisition and construction of capital assets	-	-	(421,096)	(421,096)
Receipts from taxpayers	-	-	183,543	183,543
Principal paid on capital debt	-	-	(320,000)	(320,000)
Interest and paying agent fees on capital debt	-	-	(72,710)	(72,710)
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(623,737)</u>	<u>(623,737)</u>
Cash flows from investing activities				
Earnings on investments and changes in fair value on investments	947	7,984	145,196	154,127
Net change in cash and cash equivalents	(17,875)	(26,352)	143,266	99,039
Cash and cash equivalents – January 1	25,461	193,177	3,121,203	3,339,841
Cash and cash equivalents – December 31	<u>\$ 7,586</u>	<u>\$ 166,825</u>	<u>\$ 3,264,469</u>	<u>\$ 3,438,880</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (18,822)	\$ (25,565)	\$ (287,895)	\$ (332,282)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous revenue	-	12,687	17	12,704
Depreciation	-	-	785,898	785,898
Decrease (increase) in prepaid items	-	-	(241)	(241)
Decrease (increase) in deferred outflows	-	-	20,894	20,894
Increase (decrease) in payables	-	(21,458)	(56,151)	(77,609)
Increase (decrease) in deferred inflows	-	-	39,885	39,885
Total adjustments	<u>-</u>	<u>(8,771)</u>	<u>790,302</u>	<u>781,531</u>
Net cash flows from operating activities	<u>\$ (18,822)</u>	<u>\$ (34,336)</u>	<u>\$ 502,407</u>	<u>\$ 449,249</u>
Noncash investing, capital, and financing activities				
Capital asset purchased on account –				
Accounts payable	\$ -	\$ -	\$ 106,040	\$ 106,040
Taxes receivable	-	-	(647)	(647)
Amortization of bond premium	-	-	11,869	11,869

**FINANCIAL SECTION –
OTHER CITY FINANCIAL INFORMATION**

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OTHER CITY FINANCIAL INFORMATION

CITY OF SHOREVIEW, MINNESOTA
Combining Schedule of Indebtedness
December 31, 2023

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Bonded indebtedness			
G.O. improvement bonds			
2013 Improvement Bonds	3.00–4.00%	12/05/2013	02/01/2035
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. 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 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 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

Prior Years		Outstanding 12/31/2022	2023		Outstanding 12/31/2023	Principal Due in 2024	Interest Due in 2024
Authorized and Issued	Payments		Issued	Payments			
\$ 1,775,000	\$ 610,000	\$ 1,165,000	\$ –	\$ 95,000	\$ 1,070,000	\$ 95,000	\$ 36,735
295,000	160,000	135,000	–	30,000	105,000	35,000	1,750
150,000	70,000	80,000	–	25,000	55,000	25,000	2,125
850,000	10,000	840,000	–	45,000	795,000	75,000	16,955
<u>3,070,000</u>	<u>850,000</u>	<u>2,220,000</u>	<u>–</u>	<u>195,000</u>	<u>2,025,000</u>	<u>230,000</u>	<u>57,565</u>
2,415,000	1,365,000	1,050,000	–	165,000	885,000	170,000	18,456
4,670,000	1,925,000	2,745,000	–	320,000	2,425,000	325,000	65,006
12,865,000	1,965,000	10,900,000	–	540,000	10,360,000	560,000	343,500
3,180,000	480,000	2,700,000	–	180,000	2,520,000	185,000	85,720
2,425,000	–	2,425,000	–	–	2,425,000	165,000	96,295
<u>25,555,000</u>	<u>5,735,000</u>	<u>19,820,000</u>	<u>–</u>	<u>1,205,000</u>	<u>18,615,000</u>	<u>1,405,000</u>	<u>608,977</u>
845,000	770,000	75,000	–	75,000	–	–	–
775,000	690,000	85,000	–	85,000	–	–	–
305,000	240,000	65,000	–	30,000	35,000	35,000	525
915,000	555,000	360,000	–	85,000	275,000	85,000	6,181
6,885,000	1,785,000	5,100,000	–	340,000	4,760,000	355,000	124,302
6,995,000	1,925,000	5,070,000	–	340,000	4,730,000	340,000	123,350
1,010,000	460,000	550,000	–	175,000	375,000	180,000	14,250
1,585,000	240,000	1,345,000	–	90,000	1,255,000	95,000	42,673
2,360,000	115,000	2,245,000	–	135,000	2,110,000	140,000	40,775
920,000	–	920,000	–	–	920,000	30,000	36,955
260,000	235,000	25,000	–	25,000	–	–	–
730,000	455,000	275,000	–	65,000	210,000	70,000	4,637
1,650,000	575,000	1,075,000	–	110,000	965,000	110,000	21,667
230,000	90,000	140,000	–	15,000	125,000	15,000	2,963
245,000	115,000	130,000	–	40,000	90,000	45,000	3,375
345,000	90,000	255,000	–	30,000	225,000	35,000	8,425
3,545,000	175,000	3,370,000	–	200,000	3,170,000	210,000	61,180
1,285,000	–	1,285,000	–	–	1,285,000	40,000	51,820
600,000	550,000	50,000	–	50,000	–	–	–
960,000	855,000	105,000	–	105,000	–	–	–
190,000	150,000	40,000	–	20,000	20,000	20,000	300
265,000	160,000	105,000	–	25,000	80,000	25,000	1,806
860,000	300,000	560,000	–	55,000	505,000	60,000	11,312
380,000	145,000	235,000	–	25,000	210,000	25,000	4,975
100,000	45,000	55,000	–	15,000	40,000	20,000	1,500
1,020,000	155,000	865,000	–	55,000	810,000	60,000	27,605
2,670,000	130,000	2,540,000	–	150,000	2,390,000	160,000	46,165
665,000	–	665,000	–	–	665,000	20,000	26,762
<u>38,595,000</u>	<u>11,005,000</u>	<u>27,590,000</u>	<u>–</u>	<u>2,340,000</u>	<u>25,250,000</u>	<u>2,175,000</u>	<u>663,503</u>
<u>67,220,000</u>	<u>17,590,000</u>	<u>49,630,000</u>	<u>–</u>	<u>3,740,000</u>	<u>45,890,000</u>	<u>3,810,000</u>	<u>1,330,045</u>
N/A	N/A	2,219,415	–	210,131	2,009,284	N/A	N/A
4,620,000	4,160,000	460,000	–	460,000	–	–	–
6,000,000	804,965	5,195,035	–	–	5,195,035	–	–
N/A	N/A	515,889	605,908	656,065	465,732	26,921	–
N/A	N/A	7,983,393	1,218,060	3,380,298	5,821,155	N/A	N/A
<u>\$ 77,840,000</u>	<u>\$ 22,554,965</u>	<u>\$ 66,003,732</u>	<u>\$ 1,823,968</u>	<u>\$ 8,446,494</u>	<u>\$ 59,381,206</u>	<u>\$ 3,836,921</u>	<u>\$ 1,330,045</u>

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

	<u>Tax Capacity Values 2021/2022</u>		<u>Tax Capacity Values 2022/2023</u>	
Taxable valuations				
Real estate	\$ 43,393,366		\$ 50,478,504	
Personal property	271,234		284,794	
Fiscal disparities net	932,383		739,250	
Less captured tax increment value	<u>(1,813,786)</u>		<u>(2,117,727)</u>	
Totals	<u>\$ 42,783,197</u>		<u>\$ 49,384,821</u>	
Tax levies				
Year of extension	2021		2022	
Year of collection	2022		2023	
	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>
Taxes levied				
General Fund	\$ 9,809,785	23.068%	\$ 10,703,345	21.609%
Shoreview EDA	190,000	0.447%	215,000	0.434%
Capital project funds	3,005,922	6.938%	2,973,000	5.892%
Debt service funds	887,000	2.076%	971,000	1.953%
Central Garage Fund	<u>184,000</u>	<u>0.431%</u>	<u>184,000</u>	<u>0.370%</u>
Totals	<u>\$ 14,076,707</u>	<u>32.960%</u>	<u>\$ 15,046,345</u>	<u>30.258%</u>
Shoreview HRA	<u>\$ 280,000</u>	<u>0.657%</u>	<u>\$ 295,000</u>	<u>0.592%</u>

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2023

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
2023/2024	\$ 190,000	\$ 184,000	\$ 334,000	\$ 250,000	\$ 197,000	\$ 1,155,000
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
2037/2038	-	-	-	-	-	-
Totals	<u>\$ 783,952</u>	<u>\$ 2,212,128</u>	<u>\$ 2,362,648</u>	<u>\$ 2,866,826</u>	<u>\$ 3,065,504</u>	<u>\$ 11,291,058</u>

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies

General Obligation Improvement Bonds

December 31, 2023

Year of Tax Levy/ Collection	G.O. Improvement Bonds		
	2013C	2020A	Total
2023/2024	\$ -	\$ -	\$ -
2024/2025	10,764	-	10,764
2025/2026	8,076	1,357	9,433
2026/2027	10,638	-	10,638
2027/2028	7,782	1,252	9,034
2028/2029	10,176	-	10,176
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
2034/2035	-	-	-
Total	<u>\$ 89,451</u>	<u>\$ 2,609</u>	<u>\$ 92,060</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2023

	Water Revenue Bonds				
	2013C	Refunding 2014	2015	2016	Refunding 2018
Bonds payable	\$ 35,000	\$ 275,000	\$ 4,760,000	\$ 4,730,000	\$ 375,000
Future interest payable	525	11,644	912,504	888,750	19,125
Totals	<u>\$ 35,525</u>	<u>\$ 286,644</u>	<u>\$ 5,672,504</u>	<u>\$ 5,618,750</u>	<u>\$ 394,125</u>
Payments to maturity					
2024	\$ 35,525	\$ 91,181	\$ 479,302	\$ 463,350	\$ 194,250
2025	-	99,038	477,153	461,500	199,875
2026	-	96,425	479,852	469,000	-
2027	-	-	477,028	465,387	-
2028	-	-	473,152	461,200	-
2029	-	-	477,971	461,350	-
2030	-	-	472,340	460,763	-
2031	-	-	476,538	459,400	-
2032	-	-	371,455	383,375	-
2033	-	-	371,613	383,175	-
2034	-	-	370,725	382,675	-
2035	-	-	373,988	381,875	-
2036	-	-	371,387	385,700	-
2037	-	-	-	-	-
2038	-	-	-	-	-
Totals	<u>\$ 35,525</u>	<u>\$ 286,644</u>	<u>\$ 5,672,504</u>	<u>\$ 5,618,750</u>	<u>\$ 394,125</u>

Water Revenue Bonds			Sewer Revenue Bonds		
2018A	2020	2022	Refunding 2014	2015	2016
\$ 1,255,000	\$ 2,110,000	\$ 920,000	\$ 210,000	\$ 965,000	\$ 125,000
237,904	238,473	288,948	8,662	100,240	13,894
<u>\$ 1,492,904</u>	<u>\$ 2,348,473</u>	<u>\$ 1,208,948</u>	<u>\$ 218,662</u>	<u>\$ 1,065,240</u>	<u>\$ 138,894</u>
\$ 137,673	\$ 180,775	\$ 66,955	\$ 74,637	\$ 131,667	\$ 17,963
137,797	181,500	80,080	72,975	134,418	17,662
133,298	182,075	82,705	71,050	132,117	17,344
133,672	182,500	80,205	–	134,647	16,987
134,398	177,850	82,580	–	131,827	16,613
136,022	178,125	79,830	–	133,609	16,219
137,498	179,900	81,955	–	135,200	15,806
133,897	183,140	78,955	–	131,755	20,300
135,223	181,185	80,830	–	–	–
136,300	179,060	83,155	–	–	–
137,126	181,730	81,055	–	–	–
–	179,193	83,843	–	–	–
–	181,440	81,480	–	–	–
–	–	83,980	–	–	–
–	–	81,340	–	–	–
<u>\$ 1,492,904</u>	<u>\$ 2,348,473</u>	<u>\$ 1,208,948</u>	<u>\$ 218,662</u>	<u>\$ 1,065,240</u>	<u>\$ 138,894</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2023

	Sewer Revenue Bonds				Surface Water Revenue Bonds	
	Refunding 2018	2018	2020	2022	2013C	Refunding 2014
Bonds payable	\$ 90,000	\$ 225,000	\$ 3,170,000	\$ 1,285,000	\$ 20,000	\$ 80,000
Future interest payable	4,500	26,000	358,965	403,295	300	3,468
Totals	<u>\$ 94,500</u>	<u>\$ 251,000</u>	<u>\$ 3,528,965</u>	<u>\$ 1,688,295</u>	<u>\$ 20,300</u>	<u>\$ 83,468</u>
Payments to maturity						
2024	\$ 48,375	\$ 43,425	\$ 271,180	\$ 91,820	\$ 20,300	\$ 26,806
2025	46,125	41,675	269,805	114,195	–	26,212
2026	–	40,100	268,280	115,820	–	30,450
2027	–	43,400	271,530	112,320	–	–
2028	–	41,800	269,555	113,695	–	–
2029	–	40,600	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>\$ 94,500</u>	<u>\$ 251,000</u>	<u>\$ 3,528,965</u>	<u>\$ 1,688,295</u>	<u>\$ 20,300</u>	<u>\$ 83,468</u>

Surface Water Revenue Bonds						
2015	2016	Refunding 2018	2018	2020	2022	Total
\$ 505,000	\$ 210,000	\$ 40,000	\$ 810,000	\$ 2,390,000	\$ 665,000	\$25,250,000
52,324	23,300	2,000	153,525	270,527	209,134	4,228,007
<u>\$ 557,324</u>	<u>\$ 233,300</u>	<u>\$ 42,000</u>	<u>\$ 963,525</u>	<u>\$ 2,660,527</u>	<u>\$ 874,134</u>	<u>\$ 29,478,007</u>
\$ 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>\$ 557,324</u>	<u>\$ 233,300</u>	<u>\$ 42,000</u>	<u>\$ 963,525</u>	<u>\$ 2,660,527</u>	<u>\$ 874,134</u>	<u>\$ 29,478,007</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

General Obligation Improvement Bonds

December 31, 2023

		G.O. Improvement Bonds				
		2013C	2015	Refunding 2018	2020	Total
Bonds payable		\$ 1,070,000	\$ 105,000	\$ 55,000	\$ 795,000	\$ 2,025,000
Future interest payable		244,310	3,150	2,875	73,730	324,065
Total		<u>\$ 1,314,310</u>	<u>\$ 108,150</u>	<u>\$ 57,875</u>	<u>\$ 868,730</u>	<u>\$ 2,349,065</u>
Payments to maturity						
	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
	2037	-	-	-	-	-
		<u>\$ 1,314,310</u>	<u>\$ 108,150</u>	<u>\$ 57,875</u>	<u>\$ 868,730</u>	<u>\$ 2,349,065</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Other General Obligation Bonds

December 31, 2023

	Street 2013	Capital Plan Refunding 2014	Tax Abatement 2017	Street 2018	Street 2022	Total
Bonds payable	\$ 885,000	\$ 2,425,000	\$ 10,360,000	\$ 2,520,000	\$ 2,425,000	\$ 18,615,000
Future interest payable	52,397	257,231	2,595,550	478,483	734,287	4,117,948
Total	<u>\$ 937,397</u>	<u>\$ 2,682,231</u>	<u>\$ 12,955,550</u>	<u>\$ 2,998,483</u>	<u>\$ 3,159,287</u>	<u>\$ 22,732,948</u>
Payments to maturity						
2023	\$ 188,456	\$ 390,006	\$ 903,500	\$ 270,720	\$ 261,295	\$ 2,013,977
2024	189,575	387,225	890,125	271,220	209,170	1,947,315
2025	185,638	388,000	876,000	272,245	208,045	1,929,928
2026	186,531	382,725	866,000	272,770	206,670	1,914,696
2027	187,197	382,225	861,300	274,020	205,045	1,909,787
2028	-	376,500	857,175	272,195	208,045	1,713,915
2029	-	375,550	857,525	275,145	205,670	1,713,890
2030	-	-	857,275	272,870	207,920	1,338,065
2031	-	-	856,425	270,445	204,795	1,331,665
2032	-	-	854,975	272,600	208,045	1,335,620
2033	-	-	852,925	274,253	207,720	1,334,898
2034	-	-	855,200	-	207,152	1,062,352
2035	-	-	851,800	-	206,245	1,058,045
2036	-	-	857,650	-	205,036	1,062,686
2037	-	-	857,675	-	208,434	1,066,109
2038	-	-	-	-	-	-
	<u>\$ 937,397</u>	<u>\$ 2,682,231</u>	<u>\$ 12,955,550</u>	<u>\$ 2,998,483</u>	<u>\$ 3,159,287</u>	<u>\$ 22,732,948</u>

CITY OF SHOREVIEW, MINNESOTA
Combining Schedule of Property and Equipment
For The Year Ended December 31, 2023

	Capital Assets				Balance – December 31, 2023
	Balance – January 1, 2023	Increases	Decreases	Adjustments	
Governmental activities					
Governmental activities (excluding internal service funds)					
Land	\$ 7,193,880	\$ 76,242	\$ –	\$ –	\$ 7,270,122
Buildings and structures	56,575,971	359,012	458,141	213,533	56,690,375
Machinery and equipment	4,912,693	141,622	828,437	43,020	4,268,898
Infrastructure	73,582,980	–	–	–	73,582,980
Construction in progress	235,043	357,084	–	(256,553)	335,574
Total	<u>142,500,567</u>	<u>933,960</u>	<u>1,286,578</u>	<u>–</u>	<u>142,147,949</u>
Internal service fund					
Central garage					
Land	36,293	–	–	–	36,293
Buildings and structures	6,929,379	–	–	–	6,929,379
Machinery and equipment	7,284,230	527,136	282,887	–	7,528,479
Total central garage	<u>14,249,902</u>	<u>527,136</u>	<u>282,887</u>	<u>–</u>	<u>14,494,151</u>
Total governmental activities	<u>156,750,469</u>	<u>1,461,096</u>	<u>1,569,465</u>	<u>–</u>	<u>156,642,100</u>
Business-type activities					
Water utility					
Land	27,577	–	–	–	27,577
Buildings and structures	19,181,579	–	350,702	–	18,830,877
Machinery and equipment	2,574,422	–	5,534	–	2,568,888
Distribution system	23,927,498	1,321,562	609,204	600,818	25,240,674
Construction in progress	423,855	577,113	–	(600,818)	400,150
Total water utility	<u>46,134,931</u>	<u>1,898,675</u>	<u>965,440</u>	<u>–</u>	<u>47,068,166</u>
Sewer utility					
Land	11,459	–	–	–	11,459
Buildings and structures	2,153,715	–	38,359	–	2,115,356
Machinery and equipment	80,655	–	5,534	37,823	112,944
Collection system	18,269,217	–	–	527,438	18,796,655
Construction in progress	705,355	9,906	–	(565,261)	150,000
Total sewer utility	<u>21,220,401</u>	<u>9,906</u>	<u>43,893</u>	<u>–</u>	<u>21,186,414</u>
Surface water management utility					
Land	286,166	–	–	–	286,166
Machinery and equipment	6,787	–	–	–	6,787
Collection system	20,271,887	–	–	419,823	20,691,710
Construction in progress	17,818	779,808	–	(419,823)	377,803
Total surface water management utility	<u>20,582,658</u>	<u>779,808</u>	<u>–</u>	<u>–</u>	<u>21,362,466</u>
Street light utility					
Distribution system	4,048,992	–	177,008	1,046,438	4,918,422
Construction in progress	374,725	671,713	–	(1,046,438)	–
Total street light utility	<u>4,423,717</u>	<u>671,713</u>	<u>177,008</u>	<u>–</u>	<u>4,918,422</u>
Total business-type activities	<u>92,361,707</u>	<u>3,360,102</u>	<u>1,186,341</u>	<u>–</u>	<u>94,535,468</u>
Total government	<u>\$ 249,112,176</u>	<u>\$ 4,821,198</u>	<u>\$ 2,755,806</u>	<u>\$ –</u>	<u>\$ 251,177,568</u>

Accumulated Depreciation				Net Capital Assets		
Balance – January 1, 2023	Increases	Decreases	Adjustments	Balance – December 31, 2023	Balance – January 1, 2023	Balance – December 31, 2023
\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,193,880	\$ 7,270,122
15,394,812	1,098,081	339,324	–	16,153,569	41,181,159	40,536,806
3,348,741	262,853	775,808	–	2,835,786	1,563,952	1,433,112
38,780,001	1,644,211	–	–	40,424,212	34,802,979	33,158,768
–	–	–	–	–	235,043	335,574
<u>57,523,554</u>	<u>3,005,145</u>	<u>1,115,132</u>	<u>–</u>	<u>59,413,567</u>	<u>84,977,013</u>	<u>82,734,382</u>
–	–	–	–	–	36,293	36,293
3,751,044	248,986	–	–	4,000,030	3,178,335	2,929,349
4,021,992	536,912	230,865	–	4,328,039	3,262,238	3,200,440
<u>7,773,036</u>	<u>785,898</u>	<u>230,865</u>	<u>–</u>	<u>8,328,069</u>	<u>6,476,866</u>	<u>6,166,082</u>
<u>65,296,590</u>	<u>3,791,043</u>	<u>1,345,997</u>	<u>–</u>	<u>67,741,636</u>	<u>91,453,879</u>	<u>88,900,464</u>
–	–	–	–	–	27,577	27,577
5,806,174	429,024	307,767	–	5,927,431	13,375,405	12,903,446
1,323,385	103,965	5,534	–	1,421,816	1,251,037	1,147,072
12,078,759	507,067	450,811	–	12,135,015	11,848,739	13,105,659
–	–	–	–	–	423,855	400,150
<u>19,208,318</u>	<u>1,040,056</u>	<u>764,112</u>	<u>–</u>	<u>19,484,262</u>	<u>26,926,613</u>	<u>27,583,904</u>
–	–	–	–	–	11,459	11,459
1,242,486	68,643	11,560	–	1,299,569	911,229	815,787
50,778	4,401	5,534	–	49,645	29,877	63,299
8,935,756	328,309	–	–	9,264,065	9,333,461	9,532,590
–	–	–	–	–	705,355	150,000
<u>10,229,020</u>	<u>401,353</u>	<u>17,094</u>	<u>–</u>	<u>10,613,279</u>	<u>10,991,381</u>	<u>10,573,135</u>
–	–	–	–	–	286,166	286,166
6,787	–	–	–	6,787	–	–
5,080,074	416,396	–	–	5,496,470	15,191,813	15,195,240
–	–	–	–	–	17,818	377,803
<u>5,086,861</u>	<u>416,396</u>	<u>–</u>	<u>–</u>	<u>5,503,257</u>	<u>15,495,797</u>	<u>15,859,209</u>
1,600,581	153,220	177,008	–	1,576,793	2,448,411	3,341,629
–	–	–	–	–	374,725	–
<u>1,600,581</u>	<u>153,220</u>	<u>177,008</u>	<u>–</u>	<u>1,576,793</u>	<u>2,823,136</u>	<u>3,341,629</u>
36,124,780	2,011,025	958,214	–	37,177,591	56,236,927	57,357,877
<u>\$ 101,421,370</u>	<u>\$ 5,802,068</u>	<u>\$ 2,304,211</u>	<u>\$ –</u>	<u>\$ 104,919,227</u>	<u>\$ 147,690,806</u>	<u>\$ 146,258,341</u>

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STATISTICAL SECTION

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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:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

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

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			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 40,908,853	\$ 41,037,296	\$ 42,222,816	\$ 42,933,016
Restricted	7,253,717	7,856,109	6,620,922	6,692,255
Unrestricted	13,905,130	12,962,834	14,277,070	16,713,271
Total governmental activities net position	<u>\$ 62,067,700</u>	<u>\$ 61,856,239</u>	<u>\$ 63,120,808</u>	<u>\$ 66,338,542</u>
Business-type activities				
Net investment in capital assets	\$ 22,829,472	\$ 24,444,045	\$ 22,950,528	\$ 23,889,946
Restricted	224,368	23,338	13,267	80,825
Unrestricted	8,141,056	7,264,111	9,716,503	9,843,259
Total business-type activities net position	<u>\$ 31,194,896</u>	<u>\$ 31,731,494</u>	<u>\$ 32,680,298</u>	<u>\$ 33,814,030</u>
Primary government				
Net investment in capital assets	\$ 63,738,325	\$ 65,481,341	\$ 65,173,344	\$ 66,822,962
Restricted	7,478,085	7,879,447	6,634,189	6,773,080
Unrestricted	22,046,186	20,226,945	23,993,573	26,556,530
Total primary government net position	<u>\$ 93,262,596</u>	<u>\$ 93,587,733</u>	<u>\$ 95,801,106</u>	<u>\$ 100,152,572</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					
2018	2019	2020	2021	2022	2023
\$ 46,904,126	\$ 50,530,530	\$ 57,978,651	\$ 61,634,118	\$ 62,221,046	\$ 61,835,615
6,640,221	6,681,314	7,067,639	7,873,448	8,716,543	9,745,319
16,300,744	17,755,350	12,306,883	14,657,765	17,072,540	22,448,350
<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>	<u>\$ 94,029,284</u>
\$ 23,247,084	\$ 26,376,882	\$ 25,874,728	\$ 27,017,007	\$ 27,758,797	\$ 31,318,066
47,983	36,105	95,090	87,258	–	37,502
12,157,890	10,156,560	12,901,072	13,634,279	14,549,316	13,565,447
<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>	<u>\$ 44,921,015</u>
\$ 70,151,210	\$ 76,907,412	\$ 83,853,379	\$ 88,651,125	\$ 89,979,843	\$ 93,153,681
6,688,204	6,717,419	7,162,729	7,960,706	8,716,543	9,782,821
28,458,634	27,911,910	25,207,955	28,292,044	31,621,856	36,013,797
<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>	<u>\$ 138,950,299</u>

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

	Fiscal Year		
	2014	2015	2016
Expenses			
Governmental activities			
General government	\$ 2,529,960	\$ 2,561,018	\$ 2,779,242
Public safety	3,568,459	3,676,952	3,836,127
Public works	5,178,104	4,201,869	4,591,903
Parks and recreation	6,726,335	6,800,000	7,247,189
Community development	1,580,709	1,459,408	3,047,976
Interest on long-term debt	680,281	409,442	342,529
Total governmental activities expenses	<u>20,263,848</u>	<u>19,108,689</u>	<u>21,844,966</u>
Business-type activities			
Water	2,251,547	2,376,328	2,736,575
Sewer	3,569,836	3,599,737	3,721,041
Surface water	1,032,375	1,095,693	1,275,433
Street lights	305,615	305,572	295,184
Total business-type activities expenses	<u>7,159,373</u>	<u>7,377,330</u>	<u>8,028,233</u>
Total primary government expenses	<u>\$ 27,423,221</u>	<u>\$ 26,486,019</u>	<u>\$ 29,873,199</u>
Program revenues			
Government activities			
Charges for services			
General government	\$ 1,286,854	\$ 1,493,962	\$ 1,513,923
Public safety	52,034	56,076	55,164
Public works	833,176	840,649	922,381
Parks and recreation	3,837,325	3,866,453	3,832,222
Community development	746,075	541,413	797,376
Operating grants and contributions	1,401,114	670,100	985,665
Capital grants and contributions	3,360,726	1,342,886	1,112,367
Total governmental activities program revenues	<u>11,517,304</u>	<u>8,811,539</u>	<u>9,219,098</u>
Business-type activities			
Charges for services			
Water	2,481,331	2,589,260	2,871,346
Sewer	3,859,639	3,945,284	4,054,563
Surface water	1,371,166	1,474,485	1,618,068
Street lights	495,367	521,184	555,704
Operating grants and contributions	-	129,750	22,715
Capital grants and contributions	173,961	656,855	417,907
Total business-type activities program revenues	<u>8,381,464</u>	<u>9,316,818</u>	<u>9,540,303</u>
Total primary government program revenues	<u>\$ 19,898,768</u>	<u>\$ 18,128,357</u>	<u>\$ 18,759,401</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						
2017	2018	2019	2020	2021	2022	2023
\$ 2,889,824	\$ 2,738,134	\$ 2,818,666	\$ 3,026,853	\$ 2,934,432	\$ 3,310,117	\$ 3,704,397
4,469,412	4,145,531	4,369,668	5,309,626	5,055,046	5,140,852	5,883,542
4,191,821	4,619,159	4,272,497	4,872,473	4,347,558	4,889,371	5,118,540
7,265,886	7,180,495	8,436,181	7,112,278	8,069,134	9,898,074	10,372,247
1,658,775	1,566,796	2,006,036	2,329,567	2,793,289	2,636,634	3,017,685
479,563	759,972	768,658	716,615	664,312	682,259	627,719
<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>	<u>28,724,130</u>
2,867,238	3,090,385	3,123,860	3,330,641	3,354,801	3,550,081	3,897,619
3,813,241	3,777,594	4,118,957	4,361,002	4,240,960	4,457,530	4,559,599
1,273,020	1,306,195	1,366,392	1,607,915	1,639,956	1,696,349	1,690,690
305,275	317,788	325,531	384,425	388,835	426,706	504,038
<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>10,651,946</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>	<u>\$ 39,376,076</u>
\$ 1,428,626	\$ 1,506,804	\$ 1,572,258	\$ 1,726,043	\$ 1,537,641	\$ 2,031,516	\$ 1,529,869
50,779	62,596	59,193	39,299	36,945	42,601	30,129
912,497	961,129	983,472	1,178,316	1,259,366	1,389,309	1,279,636
4,066,937	3,824,104	5,144,790	1,558,277	3,180,362	4,951,875	5,634,820
1,232,151	697,794	1,265,253	1,203,753	1,454,135	1,266,436	1,439,129
797,103	1,012,976	912,161	910,572	976,484	927,808	2,052,141
1,300,509	1,243,109	1,468,899	1,371,401	1,266,920	1,686,756	1,276,694
<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>	<u>13,242,418</u>
3,244,714	3,313,619	3,102,813	3,798,620	4,592,272	4,616,828	4,992,128
4,280,337	4,346,724	4,509,362	4,604,235	4,791,667	4,998,527	5,184,983
1,782,349	1,855,874	1,947,975	2,017,272	2,114,438	2,203,118	2,324,998
640,876	681,628	724,438	749,902	795,591	845,623	897,958
406	7,379	9,635	7,864	6,086	8,818	18,351
40,561	501,000	207,943	8,091	—	193,814	133,846
<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>13,552,264</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>	<u>\$ 26,794,682</u>

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

	Fiscal Year		
	2014	2015	2016
Net (expense) revenue			
Governmental activities	\$ (8,746,544)	\$ (10,297,150)	\$ (12,625,868)
Business-type activities	1,222,091	1,939,488	1,512,070
Total primary government net expense	<u>\$ (7,524,453)</u>	<u>\$ (8,357,662)</u>	<u>\$ (11,113,798)</u>
General revenues and other changes in net position			
Governmental activities			
Taxes			
Property taxes	\$ 9,776,446	\$ 10,347,760	\$ 10,903,874
Tax increment collections	1,816,702	1,148,397	753,738
Franchise tax	1,120,948	1,395,125	1,278,643
Grants and contributions not restricted to specific programs	33,218	35,331	58,743
Unrestricted investment earnings (charges)	849,339	294,151	208,622
Gain on disposal of capital assets	78,143	44,577	43,147
Transfers	462,467	588,446	643,670
Total governmental activities	<u>14,137,263</u>	<u>13,853,787</u>	<u>13,890,437</u>
Business-type activities			
Unrestricted investment earnings (charges)	328,537	98,325	80,404
Transfers	(462,467)	(588,446)	(643,670)
Total business-type activities	<u>(133,930)</u>	<u>(490,121)</u>	<u>(563,266)</u>
Total primary government	<u>\$ 14,003,333</u>	<u>\$ 13,363,666</u>	<u>\$ 13,327,171</u>
Change in net position			
Governmental activities	\$ 5,390,719	\$ 3,556,637	\$ 1,264,569
Business-type activities	1,088,161	1,449,367	948,804
Total primary government	<u>\$ 6,478,880</u>	<u>\$ 5,006,004</u>	<u>\$ 2,213,373</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						
2017	2018	2019	2020	2021	2022	2023
\$ (11,166,679)	\$ (11,701,575)	\$ (11,265,680)	\$ (15,379,751)	\$ (14,151,918)	\$ (14,261,006)	\$ (15,481,712)
1,730,469	2,214,262	1,567,426	1,502,001	2,675,502	2,736,062	2,900,318
<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>	<u>\$ (12,581,394)</u>
\$ 11,088,974	\$ 11,616,082	\$ 12,365,629	\$ 12,945,692	\$ 13,890,264	\$ 14,359,768	\$ 15,254,886
861,608	1,027,508	959,072	1,631,801	1,754,624	2,089,007	2,158,086
1,275,995	1,259,315	1,254,280	1,248,483	1,603,203	1,631,875	1,612,304
34,541	65,663	41,864	2,035,827	2,982,350	39,995	12,326
328,996	473,304	926,217	502,407	(57,592)	(940,667)	1,542,339
91,798	71,356	90,307	70,694	14,143	92,811	6,526
702,501	694,896	750,414	(669,174)	777,084	833,015	914,400
<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>	<u>21,500,867</u>
105,764	119,561	299,578	130,168	(30,764)	(333,478)	626,984
(702,501)	(694,896)	(750,414)	669,174	(777,084)	(833,015)	(914,400)
<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>(287,416)</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>	<u>\$ 21,213,451</u>
\$ 3,217,734	\$ 3,506,549	\$ 5,122,103	\$ 2,385,979	\$ 6,812,158	\$ 3,844,798	\$ 6,019,155
1,133,732	1,638,927	1,116,590	2,301,343	1,867,654	1,569,569	2,612,902
<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>	<u>\$ 8,632,057</u>

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CITY OF SHOREVIEW

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Tax</u>	<u>Total</u>
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
2023	15,254,886	2,158,086	1,612,304	19,025,276

CITY OF SHOREVIEW

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable				
Prepaid items	\$ 63,953	\$ 11,164	\$ 135,985	\$ 80,440
Assigned	–	–	–	30,000
Unassigned	<u>4,383,445</u>	<u>4,615,960</u>	<u>4,673,293</u>	<u>4,915,075</u>
Total General Fund	<u>\$ 4,447,398</u>	<u>\$ 4,627,124</u>	<u>\$ 4,809,278</u>	<u>\$ 5,025,515</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ 2,350	\$ 3,925	\$ 22,169	\$ 4,058
Restricted	7,097,111	6,220,156	4,954,524	16,266,250
Committed	7,046,321	8,957,012	10,065,588	12,466,505
Assigned	2,090,550	2,804,058	2,936,626	2,619,061
Unassigned	<u>(907,931)</u>	<u>(1,104,502)</u>	<u>(989,146)</u>	<u>(904,624)</u>
Total all other governmental funds	<u>\$ 15,328,401</u>	<u>\$ 16,880,649</u>	<u>\$ 16,989,761</u>	<u>\$ 30,451,250</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 863,722	\$ 28,641	\$ 846,669	\$ 922,305	\$ 1,007,983	\$ 85,022
-	-	211,228	-	-	-
<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>7,192,932</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>	<u>\$ 7,277,954</u>
\$ 20,541	\$ 26,585	\$ 15,349	\$ 32,139	\$ 29,867	\$ 42,683
7,301,624	5,490,701	6,147,842	6,643,000	7,295,848	8,305,557
11,101,004	11,339,921	9,510,921	10,164,929	11,727,463	15,915,347
3,022,851	3,449,549	1,244,923	1,184,027	1,106,111	1,024,180
<u>(803,321)</u>	<u>(794,115)</u>	<u>(2,928,465)</u>	<u>(2,269,832)</u>	<u>(1,620,928)</u>	<u>(451,794)</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>	<u>\$ 24,835,973</u>

CITY OF SHOREVIEW

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes				
General property taxes	\$ 9,617,824	\$ 10,124,526	\$ 10,726,142	\$ 10,907,023
Tax increments	1,811,837	1,193,506	753,761	861,608
Franchise tax	1,120,948	1,395,125	1,278,643	1,275,995
Special assessments	262,313	294,239	323,464	311,968
Licenses and permits	628,033	500,102	695,250	1,000,637
Intergovernmental	2,474,156	1,341,381	1,674,144	1,484,186
Charges for services	5,698,863	5,886,182	5,896,213	6,126,896
Fines and forfeits	49,430	52,581	51,264	47,899
Earnings on investments (charges)	787,765	274,698	196,028	307,559
Billboard fees	50,300	51,809	53,363	58,716
Antenna fees	300,670	359,711	399,928	430,740
Miscellaneous	365,766	155,786	223,692	426,631
Total revenues	<u>23,167,905</u>	<u>21,629,646</u>	<u>22,271,892</u>	<u>23,239,858</u>
Expenditures				
Current				
General government	2,352,792	2,355,197	2,516,388	2,633,535
Public safety	3,483,427	3,592,309	3,751,349	4,384,589
Public works	2,614,448	2,551,991	2,886,255	2,116,201
Parks and recreation	6,218,662	6,260,728	6,551,569	6,622,590
Community development	1,581,136	1,444,053	3,016,431	1,626,053
Capital outlay	1,600,173	1,498,097	2,574,263	5,166,469
Debt service				
Principal	1,265,000	1,265,000	1,030,000	1,010,000
Interest	408,211	326,013	267,231	245,175
Fiscal charges	5,254	9,526	3,082	126,460
Total expenditures	<u>19,529,103</u>	<u>19,302,914</u>	<u>22,596,568</u>	<u>23,931,072</u>
Revenues over (under) expenditures	<u>3,638,802</u>	<u>2,326,732</u>	<u>(324,676)</u>	<u>(691,214)</u>
Other financing sources (uses)				
Issuance of refunding debt	100,000	—	—	—
Debt issuance	—	295,000	—	12,865,000
Premium on debt issuance	5,822	14,637	—	831,537
Payments to refunded bond escrow agent	(860,000)	(1,490,000)	—	—
Sale of capital assets	7,914	4,107	4,369	13,849
Transfers in	541,861	581,498	611,573	658,554
Transfers out	—	—	—	—
Total other financing sources (uses)	<u>(204,403)</u>	<u>(594,758)</u>	<u>615,942</u>	<u>14,368,940</u>
Net change in fund balances	<u>\$ 3,434,399</u>	<u>\$ 1,731,974</u>	<u>\$ 291,266</u>	<u>\$ 13,677,726</u>
Debt service as a percentage of noncapital expenditures	<u>9.3%</u>	<u>8.9%</u>	<u>6.5%</u>	<u>6.7%</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,433,913	\$ 12,189,888	\$ 12,756,667	\$ 13,681,486	\$ 14,169,312	\$ 15,062,833
1,027,508	956,923	1,633,950	1,753,114	2,090,517	2,154,817
1,259,315	1,254,280	1,248,483	1,603,203	1,631,875	1,612,304
351,436	310,318	292,214	357,681	386,124	262,387
634,797	1,097,166	1,034,606	1,126,540	1,028,274	1,208,306
1,778,150	1,681,388	3,897,006	4,690,738	1,868,277	2,840,186
5,832,229	7,464,997	4,151,776	5,759,473	7,868,214	8,346,430
59,366	55,843	36,689	36,685	42,271	29,589
445,005	851,395	462,585	(47,439)	(816,796)	1,385,685
52,862	58,312	54,091	61,863	73,524	52,191
464,364	427,865	444,904	454,047	681,198	258,898
118,077	398,013	193,060	229,128	172,841	471,071
<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>	<u>33,684,697</u>
2,518,533	2,597,979	2,829,339	2,786,793	2,967,619	3,350,644
4,059,505	4,282,209	5,222,852	4,969,987	5,068,777	5,811,467
2,586,700	2,277,693	2,457,973	2,466,832	2,752,696	3,176,503
6,593,145	7,695,620	6,363,005	7,277,855	8,592,269	9,047,700
1,643,991	2,012,138	2,435,190	2,870,481	2,604,523	3,135,644
18,232,967	6,957,100	11,124,686	5,845,499	4,834,045	933,960
1,849,965	1,475,000	1,730,000	1,665,000	1,695,000	1,540,000
538,698	708,939	712,756	677,096	630,629	665,657
51,392	12,131	15,211	6,726	47,826	7,179
<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>27,668,754</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>	<u>6,015,943</u>
150,000	—	—	—	—	—
3,180,000	—	850,000	—	2,425,000	—
164,640	—	68,727	—	172,594	—
—	(160,000)	—	—	—	—
807,190	—	—	800	—	—
667,292	700,000	720,190	745,000	770,000	795,000
—	—	(2,435)	—	—	—
<u>4,969,122</u>	<u>540,000</u>	<u>1,636,482</u>	<u>745,800</u>	<u>3,367,594</u>	<u>795,000</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>\$ 6,810,943</u>
<u>12.0%</u>	<u>10.4%</u>	<u>11.2%</u>	<u>10.3%</u>	<u>9.5%</u>	<u>8.3%</u>

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CITY OF SHOREVIEW

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

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							
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%
2023	43,300,031	7,911,887	284,794	5,836	2,117,727	49,384,821	30.258%	4,497,702,682	1.1%

Percentage of Total Net Tax Capacity Value

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%
2023	87.7%	16.0%	0.6%	0.0%	4.3%	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		
	2014	2015	2016
Tax Capacity Rates:			
City of Shoreview			
General Fund	25.842%	23.853%	24.267%
Special revenue	0.302%	0.306%	0.365%
Capital project	8.580%	8.160%	8.302%
Debt service	2.071%	1.848%	1.813%
Internal service	0.695%	0.706%	0.610%
Total city tax rate	37.490%	34.873%	35.357%
Shoreview HRA	0.345%	0.323%	0.332%
Overlapping rates			
Ramsey County	59.105%	54.462%	54.012%
Ramsey County Library	4.630%	4.460%	4.873%
Total county tax rate	63.735%	58.922%	58.885%
Rice Creek Watershed	2.346%	2.205%	2.108%
Metro Watershed	4.499%	4.259%	4.214%
School Districts			
District No. 621	29.734%	27.378%	26.245%
District No. 623	16.251%	17.180%	20.958%
Other			
Regional rail	4.196%	3.938%	4.091%
Ramsey County Housing Authority	0.000%	0.000%	0.000%
Metropolitan Council	2.729%	2.525%	2.379%
Mosquito Control	0.554%	0.511%	0.475%
Total Direct and Overlapping Tax Capacity Rates:			
Grass Lake, No. 621	138.783%	128.470%	127.764%
Rice Creek, No. 621	141.129%	130.675%	129.872%
Metro Watershed, No. 621	143.282%	132.729%	131.978%
Grass Lake, No. 623	125.300%	118.272%	122.477%
Rice Creek, No. 623	127.646%	120.477%	124.585%
Metro Watershed, No. 623	129.799%	122.531%	126.691%
State-Wide Tax Capacity Rates:			
Commercial, industrial, and non-electric public utilities	52.160%	50.840%	48.641%
Cabins	22.836%	21.703%	21.167%
Market Value Tax Rates:			
Overlapping rates			
School Districts			
District No. 621	0.21069%	0.21901%	0.22261%
District No. 623	0.25826%	0.25930%	0.21044%

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).

Fiscal Year						
2017	2018	2019	2020	2021	2022	2023
23.588%	22.822%	22.191%	22.454%	22.429%	23.068%	21.609%
0.356%	0.347%	0.407%	0.407%	0.399%	0.447%	0.434%
8.096%	7.771%	6.808%	6.762%	6.675%	6.938%	5.892%
1.693%	2.145%	3.055%	2.535%	2.386%	2.076%	1.953%
0.569%	0.532%	0.499%	0.468%	0.442%	0.431%	0.370%
34.302%	33.617%	32.960%	32.626%	32.331%	32.960%	30.258%
0.325%	0.318%	0.595%	0.669%	0.634%	0.657%	0.592%
51.173%	49.473%	48.565%	48.081%	43.859%	43.987%	41.232%
4.677%	4.489%	4.315%	4.221%	3.901%	4.080%	3.670%
55.850%	53.962%	52.880%	52.302%	47.760%	48.067%	44.902%
1.985%	1.826%	1.858%	1.925%	1.822%	1.830%	1.671%
3.813%	3.746%	3.387%	3.248%	2.938%	2.893%	2.667%
25.305%	28.464%	26.330%	24.964%	23.863%	23.420%	18.367%
18.894%	34.396%	31.686%	30.668%	31.250%	26.914%	25.533%
3.875%	3.830%	3.886%	3.918%	3.825%	4.054%	3.683%
0.000%	0.000%	0.000%	0.000%	0.000%	1.824%	1.366%
2.243%	2.153%	2.098%	2.003%	1.809%	1.882%	1.681%
0.455%	0.440%	0.423%	0.403%	0.366%	0.381%	0.339%
122.355%	122.784%	119.172%	116.885%	110.588%	113.245%	101.188%
124.340%	124.610%	121.030%	118.810%	112.410%	115.075%	102.859%
126.168%	126.530%	122.559%	120.133%	113.526%	116.138%	103.855%
115.944%	128.716%	124.528%	122.589%	117.975%	116.739%	108.354%
117.929%	130.542%	126.386%	124.514%	119.797%	118.569%	110.025%
119.757%	132.462%	127.915%	125.837%	120.913%	119.632%	111.021%
45.802%	43.865%	42.416%	38.846%	35.978%	36.289%	33.003%
20.845%	20.779%	19.962%	17.997%	17.306%	16.306%	12.321%
0.20712%	0.19725%	0.18765%	0.29347%	0.25290%	0.25639%	0.22776%
0.19350%	0.21951%	0.22529%	0.19816%	0.16876%	0.26937%	0.21357%

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

Taxpayer	2023				2014			
	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
KJPL Shoreview LLC	\$ 57,130,200	\$ 714,128	1	1.45%	\$ -	\$ -	-	-
Shoreview Housing Phase 1 LLC	53,451,700	668,146	2	1.35%	-	-	-	-
Wells Fargo	35,557,600	657,220	3	1.33%	36,898,500	737,220	2	2.78%
Shoreview Housing Phase 2 LLC	52,200,000	652,500	4	1.32%	-	-	-	-
Terrace Apartments Company	35,544,200	444,303	5	0.90%	22,366,500	279,581	6	1.06%
McMillan Group LLC	32,633,500	427,582	6	0.87%	-	-	-	-
Lakeshore Oaks Apts LLP	31,439,500	392,995	7	0.80%	15,818,000	197,725	8	0.75%
SVH Limited Partnership	31,400,000	392,500	8	0.79%	-	-	-	-
WPT Rice Creek LP	18,909,400	376,688	9	0.76%	-	-	-	-
Shoreview Senior Living	30,081,500	376,019	10	0.76%	-	-	-	-
JPMCC 2006 LDP7 Gramsie Rd LLC	-	-	-	-	39,761,500	794,480	1	3.00%
Deluxe Corporation	-	-	-	-	21,900,000	437,250	3	1.65%
Medtronic	-	-	-	-	14,870,000	296,650	4	1.12%
Dayton Hudson Corporation	-	-	-	-	14,598,700	290,474	5	1.10%
Carroll Ventures Company	-	-	-	-	16,621,300	207,766	7	0.78%
Northern States Power Co	-	-	-	-	9,296,500	180,170	9	0.68%
TSI Inc.	-	-	-	-	8,972,900	178,708	10	0.67%
Total	\$ 378,347,600	\$ 5,102,081		10.33%	\$ 201,103,900	\$ 3,600,024		13.59%

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						
		2014	2015	2016	2017	2018	2019	2020
Property Taxes:								
2013 and prior	\$ 9,679,510	\$ (86,207)	\$ (57,958)	\$ 17,235	\$ (979)	\$ 4,026	\$ 150	\$ -
2014	10,009,093	9,922,551	11,781	1,371	458	1,696	350	15
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	986
2017	11,190,497	-	-	-	11,105,813	30,948	(25,606)	2,688
2018	11,741,840	-	-	-	-	11,690,537	(7,701)	(7,787)
2019	12,367,045	-	-	-	-	-	12,224,575	19,129
2020	13,079,686	-	-	-	-	-	-	13,020,882
2021	13,730,874	-	-	-	-	-	-	-
2022	14,356,707	-	-	-	-	-	-	-
2023	15,341,345	-	-	-	-	-	-	-
Non-levy collections (2)		(38,859)	94,302	150,889	(12,367)	(105,163)	177,146	(97,461)
Total collections within fiscal year		<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>	<u>\$12,938,452</u>
Tax Increments:								
2013 and prior	\$ 1,917,808	\$ (10,099)	\$ -	\$ (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	17,750
2020	1,616,200	-	-	-	-	-	-	1,616,200
2021	1,754,624	-	-	-	-	-	-	-
2022	2,089,007	-	-	-	-	-	-	-
2023	2,202,029	-	-	-	-	-	-	-
Total collections within fiscal year		<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>	<u>\$ 1,633,950</u>

(1) Net of county rounding adjustment.

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

Collections (Refunds) Within the Fiscal Year			Percentage Collected Within the Fiscal Year of the Levy	Total Collections to Date		Adjustments	Total Uncollected	
2021	2022	2023		Amount	Percentage of Levy		Amount	Percentage of Levy
\$ -	\$ -	\$ -	99.3%	\$9,483,653	98.0%	\$ (195,857)	\$ -	0.00%
-	-	-	99.1%	9,938,222	99.3%	(70,871)	-	0.00%
1,015	-	-	99.2%	10,298,957	99.4%	(63,831)	-	0.00%
1,642	223	-	99.5%	10,723,222	99.6%	(44,503)	-	0.00%
1,941	801	224	99.2%	11,116,809	99.3%	(72,540)	1,148	0.01%
1,989	1,422	303	99.6%	11,678,763	99.5%	(61,209)	1,868	0.02%
(20,493)	(1,526)	2,742	98.8%	12,224,427	98.8%	(137,974)	4,644	0.04%
14,352	(63)	(1,294)	99.6%	13,033,877	99.6%	(31,404)	14,405	0.11%
13,658,454	34,660	(17,328)	99.5%	13,675,786	99.6%	(43,168)	11,920	0.09%
-	14,297,086	3,461	99.6%	14,300,547	99.6%	(43,044)	13,116	0.09%
-	-	15,245,430	99.4%	15,245,430	99.4%	(30,161)	65,754	0.43%
208,401	20,566	12,013					-	
<u>\$13,867,301</u>	<u>\$14,353,169</u>	<u>\$15,245,551</u>					<u>\$ 112,855</u>	
\$ -	\$ -	\$ -	98.6%	\$1,875,603	97.8%	\$ (42,205)	\$ -	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%
-	-	-	94.4%	974,673	96.2%	(38,805)	-	0.00%
-	-	-	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	-	100.0%	2,089,007	100.0%	-	-	0.00%
-	-	2,154,817	97.9%	2,154,817	97.9%	(43,943)	3,269	0.15%
<u>\$ 1,753,114</u>	<u>\$ 2,090,517</u>	<u>\$ 2,154,817</u>					<u>\$ 3,269</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	
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
2023	227.3	152.0	184.1	106.5	669.9

	Percentage of Total Water Sold				
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	26.4%	18.4%	21.8%	9.9%	76.5%
2023	25.8%	17.2%	20.9%	12.1%	76.0%

(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

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
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
27.3	129.2	27.1	183.6	28.2	881.7

Percentage of Total Water Sold

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%	14.4%	3.1%	20.7%	2.8%	100.0%
3.1%	14.6%	3.1%	20.8%	3.2%	100.0%

CITY OF SHOREVIEW

Residential Utility Rates per Quarter

Last Ten Fiscal Years

	Water					Surface Water Management			
		Rate per 1,000 Gallons				Per Unit		Per Acre	
	Base Rate Per Unit	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
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
2023	33.00	1.87	3.02	4.17	6.87	36.68	38.84	306.60	306.60

Source: City of Shoreview utility billing department

	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
\$ 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
50.45	21.33	36.70	56.29	76.55	99.44	16.41	12.31

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
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
2023	33.00	3.02	4.17	6.87

Source: City of Shoreview utility billing department

Sewer		Surface Water Management	Street Lights
Sewer Availability Charge Per Account	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
\$ 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
50.45	5.40	306.60	49.26

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
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
2023	2,025,000	18,615,000	–	–	5,195,035	14,460,000

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

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

Business-Type Activities

<u>Sewer Bonds</u>	<u>Surface Water Bonds</u>	<u>Unamortized Premium</u>	<u>Total Primary Government</u>	<u>Percentage of Estimated Personal Income (2)</u>	<u>Percentage of Estimated actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
\$ 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	3.95%	1.71%	2,266
5,745,000	5,030,000	2,041,819	56,351,854	3.28%	1.50%	2,093
6,555,000	5,220,000	2,219,415	57,504,450	3.26%	1.49%	2,132
6,070,000	4,720,000	2,009,284	53,094,319	2.72%	1.18%	1,956

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
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
2023	2,025,000	18,615,000	—	14,460,000	6,070,000	4,720,000

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

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

<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>
\$ 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
2,009,248	47,899,248	1,289,815	46,609,433	1.04%	1,717

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CITY OF SHOREVIEW

Direct and Overlapping Governmental Activities Debt
as of December 31, 2023

Governmental Unit	Gross Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Overlapping debt			
Ramsey County	\$ 201,267,000	6.612%	\$ 13,307,547
Independent School District No. 621 (Mounds View)	172,370,000	31.330%	54,003,993
Independent School District No. 623 (Roseville)	149,705,000	3.594%	5,380,195
Metropolitan Council	1,717,186,171	0.840%	14,426,904
Metro Watershed District	2,819,000	7.725%	217,780
Total overlapping debt			87,336,419
City of Shoreview direct debt (1)			
Total direct and overlapping debt			<u>\$ 114,197,618</u>

Debt Ratios

Ratio of debt per capita (27,141 population)	\$ 4,207.57
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$49,384,821)	231.24%
Ratio of debt to estimated actual market value of property (\$4,497,702,682)	2.54%

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 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			
	2014	2015	2016	2017
Debt limit	\$ 72,386,496	\$ 79,220,802	\$ 80,951,568	\$ 85,839,363
Total net debt applicable to limit	16,872,663	11,095,214	10,064,636	8,985,056
Legal debt margin	<u>\$ 55,513,833</u>	<u>\$ 68,125,588</u>	<u>\$ 70,886,932</u>	<u>\$ 76,854,307</u>
Total net debt applicable to the limit as a percentage of debt limit	23.31%	14.01%	12.43%	10.47%

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 92,044,536	\$ 98,141,004	\$ 106,283,451	\$ 112,341,837	\$ 115,543,878	\$ 134,931,080
10,947,380	9,620,097	8,422,988	7,204,348	8,471,679	7,676,044
<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>	<u>\$ 127,255,036</u>
11.89%	9.80%	7.93%	6.41%	7.33%	5.69%

Legal Debt Margin Calculation for Fiscal Year 2023

Market value (payable 2023 value)	\$4,497,702,682
Debt limit (3% of market value)	134,931,080
Debt applicable to limit	
Other general obligation bonds	8,255,000
Less cash set aside for repayment of general obligation debt	<u>(578,956)</u>
Total net debt applicable to limit	<u>7,676,044</u>
Legal debt margin	<u>\$ 127,255,036</u>

CITY OF SHOREVIEW
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Revenues	Less Operating Expenses (1)	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
Water Revenue Bonds						
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
2023	5,165,691	2,279,254	2,886,437	1,355,000	351,045	1.69
Sewer Revenue Bonds						
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
2023	5,577,279	3,951,090	1,626,189	485,000	130,368	2.64
Surface Water Management Revenue Bonds						
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
2023	2,479,421	1,114,872	1,364,549	500,000	104,774	2.26

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.

CITY OF SHOREVIEW

Demographic and Economic Statistics

Last Ten Fiscal Years

<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>
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	2.4 %
2019	26,480	1,468,104,160	55,442	11,656	7,580	2.6 %
2020	26,695	1,532,853,595	57,421	11,726	7,580	5.3 %
2021	26,921	1,719,067,376	63,856	11,507	7,299	2.7 %
2022	26,967	1,762,509,186	65,358	11,486	7,471	2.0 %
2023	27,141	1,950,515,106	71,866	11,402	7,198	2.2 %

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 2014–2022 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2023 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

Employer	2023*			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wells Fargo	1,200	1	8.19%	1,200	1	8.57%
Cummins Power Generation	600	2	4.09%	600	4	4.28%
Target Corporation	500	3	3.41%	500	5	3.57%
TSI Inc.	485	4	3.31%	485	6	3.46%
Westinghouse (PaR Nuclear)	300	5	2.05%	300	8	2.14%
PaR Systems	250	6	1.71%	200	10	1.43%
Hill-Rom Corporation	250	6	1.71%	–	–	–
Kowalski's	219	8	1.49%	–	–	–
Fiserv	200	9	1.36%	200	9	1.43%
Ally Financial Services	115	10	0.78%	–	–	–
Deluxe Corporation	–	–	–	1,150	2	8.21%
Land O' Lakes	–	–	–	800	3	5.71%
DJO Global - Empi Inc	–	–	–	430	7	3.07%
Total	4,119		28.10%	5,865		41.87%

*2023 information is from 2022 which is the most current information available

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,			
	2014	2015	2016	2017
General government	14.22	13.80	14.59	14.08
Public safety				
Emergency services	0.08	–	–	–
Public works				
Engineering	4.03	3.83	4.01	3.43
Maintenance	7.68	7.68	7.63	7.64
Parks and recreation				
Administration	4.44	4.50	4.10	4.60
Maintenance	10.00	10.00	10.02	9.83
Community center	38.44	38.52	37.55	37.04
Recreation programs	32.73	31.52	34.47	32.94
Community development	6.95	7.00	7.25	7.25
Water	8.41	8.28	8.18	8.29
Sewer	7.44	7.30	7.20	7.31
Surface water	3.67	3.74	3.96	4.04
Street lights	0.28	0.20	0.25	0.15
Central garage	2.40	2.40	2.40	2.40
Total	140.77	138.77	141.61	139.00
Full-time	83.36	82.00	84.32	84.86
Part-time	0.42	1.10	1.60	0.50
Associate	56.99	55.67	55.69	53.64
Total	140.77	138.77	141.61	139.00

Source: City Finance Department

Budgeted Full-Time Equivalent Employees as of December 31,

2018	2019	2020	2021	2022	2023
13.60	13.40	13.42	14.39	15.09	14.82
-	-	-	-	-	-
3.05	3.05	3.13	3.13	3.13	2.95
8.07	8.33	8.78	8.14	8.89	7.91
5.02	5.44	6.10	6.44	5.44	5.25
11.25	11.55	11.58	12.20	12.20	13.20
42.25	43.52	46.13	44.87	44.98	45.63
33.90	37.93	40.25	34.67	32.61	34.13
7.39	8.14	8.92	8.39	9.68	11.48
8.02	8.69	8.41	8.52	8.54	8.65
7.03	7.15	7.42	7.54	7.56	7.82
4.03	4.03	4.45	4.46	4.37	5.63
0.10	0.20	0.35	0.50	0.50	0.70
2.40	2.40	2.35	2.35	2.35	2.40
<u>146.11</u>	<u>153.83</u>	<u>161.29</u>	<u>155.60</u>	<u>155.34</u>	<u>160.57</u>
84.56	87.47	91.08	91.67	91.17	97.25
0.60	1.13	1.63	2.00	1.63	1.12
<u>60.95</u>	<u>65.23</u>	<u>68.58</u>	<u>61.93</u>	<u>62.54</u>	<u>62.20</u>
<u>146.11</u>	<u>153.83</u>	<u>161.29</u>	<u>155.60</u>	<u>155.34</u>	<u>160.57</u>

CITY OF SHOREVIEW
 Operating Indicators by Function
 Last Ten Fiscal Years

Function	Fiscal Year		
	2014	2015	2016
Police (contracted with Ramsey County Sheriff's Department)			
Calls for service	8,128	8,574	8,533
Fire (contractual service with Lake Johanna Fire Department)			
Calls for service	1,449	1,597	1,784
Public works			
Salt (tons)	460	250	300
Crack sealant (pounds)	7,500	12,600	15,000
Asphalt repairs (tons of asphalt)	278	265	232
Recyclables collected (tons)	2,762	2,735	2,683
Trails resurfaced (miles)	–	6.20	7.72
Parks and recreation			
Recreation program users (registered participants)	29,270	28,404	27,478
Community program attendance (non-fee programs)	39,261	43,218	33,150
Community center users	593,172	620,509	564,444
Community development			
Permits issued	1,053	1,141	1,332
Permit valuation (millions)	\$ 40.3	\$ 21.7	\$ 41.9
Water			
Water main breaks	15	5	7
Meters replaced	45	34	52
Curb box repairs (water valves)	105	97	85
Hydrants repaired	35	11	32
Average annual residential water use per household	73,557	72,575	73,879
Average daily consumption (millions of gallons)	2.43	2.14	2.26
Maximum daily gallons pumped (millions)	5.88	5.24	5.54
Sewer			
Sewage flow (millions of gallons)	813	764	840
Miles jettied	81	52	62
Miles rodded	30	22	–
Miles inspected	44	62	45
Surface water management			
Material dredged from ponds (yards)	–	–	–
Sweepings collected (tons of material)	350	250	83
Miles of street swept	794	904	792
Street sweeping rounds per year	9	8	7
Lake augmentation, gallons pumped (millions)	–	–	–
Central garage			
Gallons of gas	14,469	19,780	20,053
Gallons of diesel	20,914	17,677	17,497
Oil changes	89	90	84
Tires replaced	39	29	35

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.

N/A: Police calls for service data was not available for 2023.

Fiscal Year						
2017	2018	2019	2020	2021	2022	2023
8,839	8,895	9,150	8,110	8,268	8,470	N/A
1,858	1,948	2,037	2,020	2,211	2,536	2,530
400	678	552	484	588	404	424
10,000	8,000	9,500	1,000	14,000	6,000	500
453	770	436	245	254	253	507
2,421	2,508	2,488	2,583	2,688	2,481	2,290
7.30	6.50	–	5.30	7.00	10.50	5.50
27,814	25,089	53,288	7,910	11,607	30,092	41,328
36,524	17,245	32,666	28,305	41,570	40,644	48,841
544,713	528,918	511,220	194,896	299,856	476,150	539,257
1,602	1,307	2,222	2,715	2,616	2,286	2,822
\$ 100.3	\$ 27.9	\$ 77.0	\$ 69.3	\$ 88.7	\$ 90.9	\$ 97.1
10	16	12	7	3	7	9
32	20	32	33	29	12	24
128	105	138	131	162	317	104
10	22	35	12	36	38	11
70,850	69,882	64,069	73,724	79,411	75,726	78,351
2.24	2.27	2.04	2.25	2.53	2.39	2.51
4.86	4.84	4.33	4.92	5.88	5.47	6.02
763	840	865	772	824	772	680
72	68	80	63	60	59	23
–	–	–	–	–	–	–
45	50	85	68	60	60	55
–	–	–	1,000	–	2,500	–
180	188	719	257	286	213	112
1,017	904	678	618	678	580	480
9	8	6	6	6	5	5
–	–	–	–	–	672,000	38,000
18,608	24,054	24,962	24,890	25,360	24,924	24,938
16,572	17,030	22,440	17,592	15,918	18,173	17,718
81	64	87	85	76	81	74
53	53	40	58	84	28	49

CITY OF SHOREVIEW

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2015	2016	2017
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	3
Number of firefighters	60	60	79	78
Public works				
Streets (miles)	93.21	93.21	93.32	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	103.4	103.4
Fire hydrants	1,330	1,328	1,332	1,336
Wells	6	6	6	6
Maximum storage capacity (millions of gallons)	4	4	4	4
Sewer				
Sanitary sewers (miles)	108.5	108.5	108.6	108.6
Lift stations	17	18	19	19
Surface water management				
Storm water lift stations	4	4	4	4
Storm ponds	202	198	198	198
Street lights	731	764	787	809

Sources: Various city departments

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

Fiscal Year						
2018	2019	2020	2021	2022	2023	
2	2	2	2	2	2	2
3	3	3	3	3	3	3
82	79	83	83	85	84	
93.32	93.32	93.32	93.32	93.38	93.38	
268	273	273	273	273	273	
10	11	11	11	11	11	
8	8	8	8	8	8	
7	7	7	8	8	8	
134,992	134,992	134,992	134,992	134,992	134,992	
104.0	104.0	104.2	104.2	104.2	104.2	
1,340	1,340	1,340	1,340	1,340	1,340	
6	6	6	6	6	6	
4	4	4	4	4	4	
108.6	108.6	108.6	108.6	108.6	108.6	
19	19	19	19	19	20	
4	4	4	4	5	5	
198	198	198	198	198	198	
809	807	821	821	821	821	

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