ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF LINO LAKES, MINNESOTA

FOR THE YEAR ENDED

December 31, 2022

Prepared By: Finance Department

Hannah Lynch, Director of Finance



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INTRODUCTORY SECTION

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June 1, 2023

Honorable Mayor Members of the City Council Citizens of the City of Lino Lakes, Minnesota

Minnesota State law requires that cities over 2,500 population publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and submit them to the State Auditor. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Lino Lakes, Minnesota for the fiscal year ended December 31, 2022.

This report consists of management's representations concerning the finances of the City of Lino Lakes. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Lino Lakes has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Lino Lakes' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Lino Lakes' financial statements have been audited by Redpath and Company, Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Lino Lakes' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Lino Lakes, incorporated in 1955, is a growing community in the southeast corner of Anoka County. It covers an area of 33 square miles and has a population of approximately 21,629. The population has more than doubled from the 1990 census figure of 8,807 and has grown by 29% since 2000. Within the City's borders lies the 2,550 acre Rice Creek Chain of Lakes Regional Park. Access to St. Paul and Minneapolis is provided by I-35W and I-35E.

The City Charter, as amended, establishes a mayor-council form of government and grants the City Council full policy-making and legislative authority to the Mayor and four Council Members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring a City Administrator. The City Administrator has the responsibility of carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City. The City Council is elected at-large on a non-partisan basis, with Council Members serving four-year terms and the Mayor serving a two-year term. Elections are held every two years with two council seats and the Mayor being up for election each election cycle.

The City provides a full range of municipal services. These services include: general government, public safety (police, fire and building inspections), public works (street and fleet), culture and recreation (parks and recreation), conservation of natural resources (environmental, solid waste abatement, forestry), community development, public improvements, and providing and maintaining water, sewer, and storm water infrastructure.

The annual budget is the foundation for the City of Lino Lakes' financial planning and control. All departments are required to submit appropriations requests to the City Administrator for review and consolidation into a proposed budget. The City Administrator is responsible for submitting the proposed annual budget to the City Council in August of each year. The City Council is required to hold a public hearing on the proposed budget and to adopt by resolution a final budget and certify it no later than December 30. The budget amounts cannot increase beyond the estimated receipts except to the extent that actual receipts exceed the estimate. Department Directors may make transfers of appropriations within a department, but transfers of appropriations between departments require council approval. Budget-to-actual comparisons for the General Fund and The Rookery Activity Center Fund, the only funds for which an annual budget has been adopted, are provided in Statements 10 and 11, respectively.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Lino Lakes operates.

Local economy. Commercial and industrial sectors remain strong with few vacancies and new commercial projects underway on both the 35W and 35E Corridors. The 62 lot Nature's Refuge project began home construction in 2022 and the City's largest residential development, the 864 lot Watermark project, expanded into its fourth addition. Commercial interest continues to grow with the expansion of the Otter Crossing and Belland Farms developments along the Main Street.

The 35E corridor also gained additional attention through a partnership with Anoka and Washington Counties, neighboring cities, and Connexus Energy, to establish the Minnesota Technology Corridor. Over 1,000 acres are available along the corridor with strong transportation, fiber and utility infrastructure to serve the growing data and tech fields.

Factors Affecting Financial Condition (Continued)

Overall, the City continued to see substantial development activity in 2022. The City issued building permits for over 300 residential units including the Lyngblomsten and Northpoint Garden Estates senior communities. Total building permit valuation was approximately \$103 million. These represent both the highest residential unit numbers in over 20 years and the highest new construction valuation on record. Approximately \$90 million was related to residential construction.

Long-term financial planning. The City's current financial plan identifies capital equipment purchases and building and infrastructure improvements totaling \$107 million over the five-year period. These improvements are anticipated to be funded through a number of funding sources, including tax levies, special assessments, fund reserves, bond proceeds, and intergovernmental grants. The plan is currently being revised to reflect the anticipated activity through fiscal year 2028.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting (COA) to cities that meet certain criteria. The City of Lino Lakes received this award for its ACFR for the year ended December 31, 2021. This marks the twenty-seventh consecutive year the City has received this prestigious award. A governmental unit must publish an easily readable and efficiently organized ACFR, the contents of which conform to program requirements. This report must satisfy both GAAP and applicable legal requirements.

The COA is valid for a period of one year. The City is submitting the 2022 report to GFOA for consideration of the COA. We believe our current report continues to conform to the high standards of the program.

The timely preparation of this report could not have been accomplished without the dedicated services of the Finance Department, auditors and other city staff. I want to express my appreciation to the Mayor and City Council for their support for maintaining the highest standard of professionalism in the management of the financial operation of the City.

Respectfully submitted,

Gannal Lynch

Hannah Lynch Director of Finance - This page intentionally left blank -



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lino Lakes Minnesota

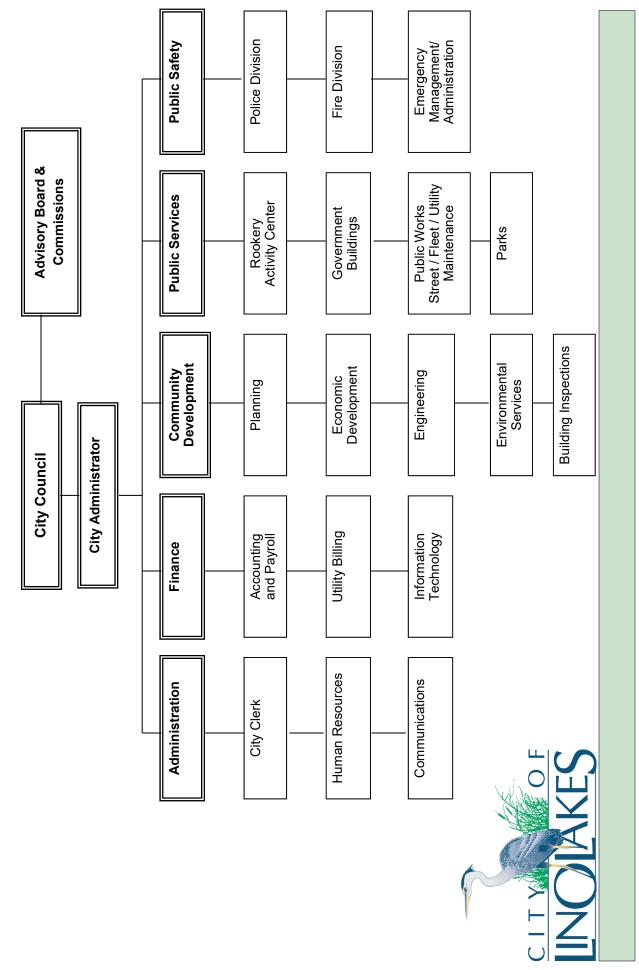
For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

City of Lino Lakes Organizational Chart



CITY OF LINO LAKES, MINNESOTA

PRINCIPAL CITY OFFICIALS

December 31, 2022

		Term Expires
Mayor:	Rob Rafferty	December 31, 2023
Councilmembers:	Dale Stoesz Tony Cavegn Chris Lyden Michael Ruhland	December 31, 2025 December 31, 2025 December 31, 2023 December 31, 2023
City Administrator:	Sarah Cotton	Appointed
Directors:		
Community Development	Michael Grochala	Appointed
Finance	Hannah Lynch	Appointed
Public Safety	John Swenson	Appointed
Public Services	Richard DeGardner	Appointed

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council City of Lino Lakes, 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 Lino Lakes, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Lino Lakes, Minnesota's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lino Lakes, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As described in Note 17 to the financial statements, the City of Lino Lakes, Minnesota adopted new accounting guidance for the year ended December 31, 2022, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2023, on our consideration of the City of Lino Lakes, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lino Lakes, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, Ltd. REDPATH AND COMPANY, LTD.

St. Paul, Minnesota

June 1, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lino Lakes, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section 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 \$138,938,475 (net position). Of this amount, \$35,652,617 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

The City's total net position increased by \$4,094,495.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,545,198, a decrease of \$382,128. Of this amount, \$8,248,742 is restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions.

At the end of the current fiscal year, the general fund balance was \$8,086,517. Unassigned fund balance for the general fund was \$7,509,721, or 66% of total general fund expenditures and other financing uses.

Total outstanding debt decreased by \$2,399,069 during 2022. No new debt was issued, while regularly scheduled principal payments were made during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two 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 user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, conservation of natural resources, and community development. The business-type activities of the City include water, sewer, and storm water utilities.

The government-wide financial statements are statements 1 and 2 of this report.

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

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

- General Fund
- The Rookery Activity Center Fund Special Revenue Fund
- G.O. Improvement Note of 2009A Debt Service Fund
- G.O. Improvement Bonds of 2016B Debt Service Fund
- Building and Facilities Capital Project Fund
- Area and Unit Charge Capital Project Fund
- MSA Construction Capital Project Fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements are statements 3 through 6 of this report.

The City adopts annual appropriated budgets for the General Fund and The Rookery Activity Center Fund. Budgetary comparison schedules are presented as statements 10 and 11 of this report.

Proprietary funds. The City maintains three enterprise funds as a part of its proprietary fund type. 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, and storm water utilities.

The proprietary fund statements 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, and Storm Water Funds, which are considered to be major funds of the City.

The basic proprietary fund financial statements are statements 7 through 9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government—wide and fund financial statements. The notes to the financial statements can be found following statement 9.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are presented as statements 19 through 26.

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 \$138,938,475 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$93,084,896, or 67%) reflects its net investment in capital assets (e.g. land, buildings, equipment, and infrastructure) 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.

City of Lino Lakes' Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Assets:		·				
Current and other assets	\$45,306,045	\$50,146,418	\$15,276,547	\$16,979,300	\$60,582,592	\$67,125,718
Capital assets	63,271,845	61,128,255	49,792,563	43,566,016	113,064,408	104,694,271
Total assets	\$108,577,890	\$111,274,673	\$65,069,110	\$60,545,316	\$173,647,000	\$171,819,989
Deferred outflows of resources	\$8,450,026	\$4,538,110	\$208,614	\$177,865	\$8,658,640	\$4,715,975
Liabilities:						
Long-term liabilities outstanding	\$31,756,932	\$27,292,908	\$611,442	\$342,614	\$32,368,374	\$27,635,522
Other liabilities	7,850,987	4,881,735	247,354	151,737	8,098,341	5,033,472
Total liabilities	\$39,607,919	\$32,174,643	\$858,796	\$494,351	\$40,466,715	\$32,668,994
Deferred inflows of resources	\$2,848,488	\$8,785,778	\$51,962	\$237,212	\$2,900,450	\$9,022,990
Net position:						
Net investment in capital assets	\$43,292,333	\$38,987,698	\$49,792,563	\$43,566,016	\$93,084,896	\$82,553,714
Restricted	10,200,962	13,889,250	-	-	10,200,962	13,889,250
Unrestricted	21,078,214	21,975,414	14,574,403	16,425,602	35,652,617	38,401,016
Total net position	\$74,571,509	\$74,852,362	\$64,366,966	\$59,991,618	\$138,938,475	\$134,843,980

Of the City's net position, \$10,200,962 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$35,652,617) may be used to meet 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 government as a whole, as well as for its separate governmental and business-type activities.

The City's net position increased by \$4,094,495 during 2022. Key elements of this increase are as follows:

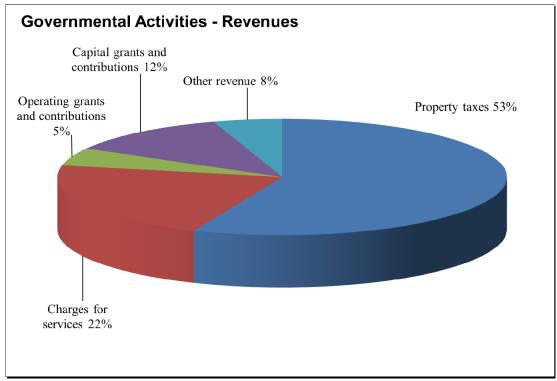
City of Lino Lakes' Changes in Net Position

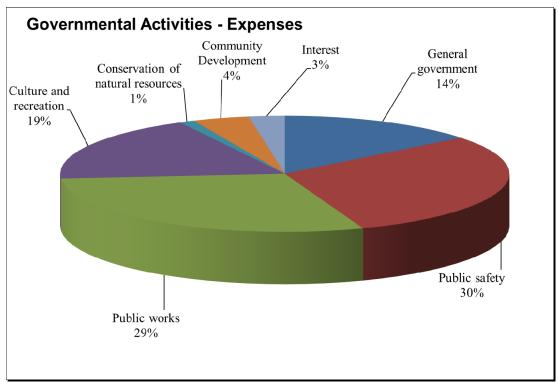
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$4,937,133	\$5,109,267	\$4,283,680	\$3,575,330	\$9,220,813	\$8,684,597
Operating grants and contributions	1,119,449	1,019,752	-	-	1,119,449	1,019,752
Capital grants and contributions	2,800,604	7,931,093	5,268,556	752,403	8,069,160	8,683,496
General revenues:						
General property taxes	11,829,124	11,132,851	-	-	11,829,124	11,132,851
Tax increment	793,264	873,310	-	-	793,264	873,310
Grants and contributions not						
restricted to specific programs	2,117,908	6,587	-	-	2,117,908	6,587
Unrestricted investment earnings	(1,139,063)	(171,260)	(645,918)	(86,764)	(1,784,981)	(258,024)
Gain on disposal of capital assets	66,852	387,972	-	29,012	66,852	416,984
Total revenues	22,525,271	26,289,572	8,906,318	4,269,981	31,431,589	30,559,553
Expenses:						
General government	3,117,688	2,828,407	-	-	3,117,688	2,828,407
Public safety	6,512,493	4,706,881	-	-	6,512,493	4,706,881
Public works	6,377,440	6,260,599	-	-	6,377,440	6,260,599
Culture and recreation	4,029,146	-	-	-	4,029,146	-
Conservation of natural resources	235,376	178,581	-	-	235,376	178,581
Community development	884,336	791,930	-	-	884,336	791,930
Interest and fees on long-term debt	562,248	654,287	-	-	562,248	654,287
Water	-	-	3,019,350	1,621,486	3,019,350	1,621,486
Sewer	-	-	2,347,539	2,186,992	2,347,539	2,186,992
Storm water			251,478		251,478	
Total expenses	21,718,727	15,420,685	5,618,367	3,808,478	27,337,094	19,229,163
Increase in net position before transfers	806,544	10,868,887	3,287,951	461,503	4,094,495	11,330,390
Transfers	(1,142,554)	(109,774)	1,142,554	109,774		
Change in net position	(336,010)	10,759,113	4,430,505	571,277	4,094,495	11,330,390
Net position - January 1, as previously						
reported	74,852,362	64,093,249	59,991,618	59,420,341	134,843,980	123,513,590
Change in reporting entity - See Note 18	55,157		(55,157)	-		
Net position - January 1, as restated	74,907,519	64,093,249	59,936,461	59,420,341	134,843,980	123,513,590
Net position - December 31	\$74,571,509	\$74,852,362	\$64,366,966	\$59,991,618	\$138,938,475	\$134,843,980

Governmental Activities

Governmental activities decreased the City's net position by \$336,010 during 2022. Unrealized losses on investments and capital contributions (transfers) to business-type activities both contributed to the decrease in 2022.

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:

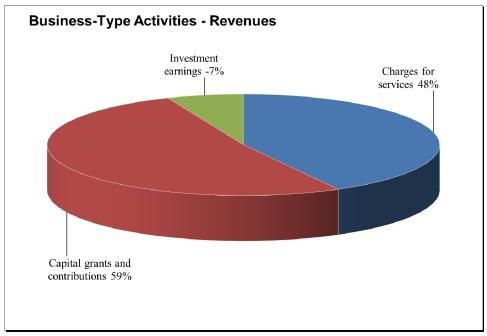


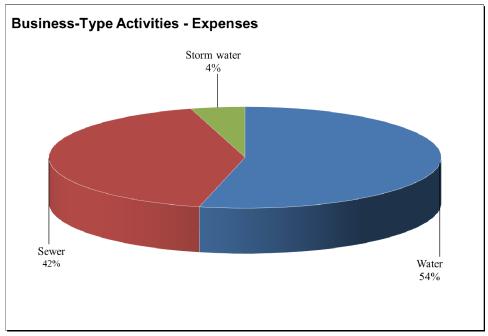


Business-Type Activities

Business-type activities increased the City's net position by \$4,430,505 during 2022. The increase was due to contributions of capital assets (transfers) from governmental activities and private sources.

Below are specific graphs which provide comparisons of the business-type activities revenues and expenses:





Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,545,198. Approximately 25% of this total amount (\$8,248,742) constitutes fund balance restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions. Of the remaining fund balance, \$670,234 is not in a spendable form, \$313,065 has been committed, \$19,492,211 has been assigned, and \$4,820,946 is unassigned.

The General fund balance decreased by \$61,233. The decrease was a result of transfers out and unrealized losses on investments. Transfers out funded capital equipment and comp plan updates. Unrealized losses on investments overshadowed interest on investments due to rising interest rates.

The Rookery Activity Center opened to the public in May 2022. Of the \$2,884,961 of current expenditures, \$1,609,067 or 56% accounts for spending of Federal ARPA grant dollars to reopen the former YMCA facility as a City facility. The Rookery fund balance decreased by \$324,097 in 2022 due to operating expenditures (personnel, maintenance supplies, utilities, etc.) incurred while membership grew.

The G.O. Improvement Note of 2009A fund was established to service the debt issued by Anoka County as the City's financial commitment for the I-35E interchange project. The City prepaid the remaining balance of the note in 2017 using MSA funds. As deferred special assessments are received, MSA funds are replenished. The fund began and ended the year with a fund balance of \$141 and \$1,353, respectively, and transferred \$757,433 to the MSA Construction fund.

The G.O. Improvement Bonds of 2016B fund balance increased by \$130,779. The 2016B series bonds were issued to refund the 2005A series bonds and fund the Legacy at Woods Edge improvements. The bonds matured in 2021 and future tax increment is expected to cover the interfund loan payable.

The Building and Facilities fund has a total fund balance of \$2,717,074, all of which is assigned for financing future facility maintenance and improvements. The fund balance increased by \$117,058 due to lease revenues in excess of expenditures. The fund accounts for cellular tower antenna and ambulance lease revenues. Future tax increment is expected to cover the interfund loan receivable.

The Area and Unit Charge fund has a total fund balance of \$9,059,894, all of which is assigned for financing capital improvements. The fund balance during the current year decreased by \$600,036 due to Hodgson Road/County Road J Lift Station project costs.

The MSA Construction fund has a total fund balance of \$3,819,453, all of which is assigned to capital improvements for City MSA designated roadways. The fund balance during the current year increased by \$684,606 primarily due to Municipal State Aid received.

The combined fund balance of other governmental funds decreased by \$330,417 during 2022. Primary reason for the decrease is unrealized losses on investments.

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

The Water Fund has total net position at year-end of \$32,657,480, of which \$4,834,564 is unrestricted. The increase in net position of \$1,199,257 was primarily due to capital contributions from private sources as a result of residential development.

The Sewer Fund has total net position at year-end of \$31,454,327 of which \$9,484,680 is unrestricted. The increase in net position of \$2,920,932 was primarily due to capital contributions from private sources as a result of residential development.

The Storm Water Fund has total net position at year-end of \$255,159 of which all is unrestricted. A Storm Water Utility was established in 2022 to fund the operation and management of the City's storm water infrastructure.

Budgetary Highlights

General Fund

There were amendments to the original budget in 2022. The expenditure and transfers out budget was decreased by \$101,113 to total \$11,563,649. Amendments to the budget resulted in a budgeted use of reserves of \$398,887, in which the use of \$500,000 of reserves was included in the original budget.

Revenues were \$197,504 over budget for the year primarily due to less than anticipated unrealized losses on investments. Expenditures came in under budget by \$140,150 primarily due to lower than expected personal services costs mostly driven by vacant positions.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounted to \$113,064,408 (net of accumulated depreciation), an increase of \$8,370,137 from the prior year. This investment in capital assets includes land, wetland credits, construction in progress, buildings, equipment, vehicles, and infrastructure.

The 2021 Street Reconstruction Project, drainage improvements in the NE Area of the city, hard court facility at Tower Park, and Woods of Baldwin Lake park improvements were completed. The city has continued to work to complete trunk utility improvements at 49&J, East Shadow Lake Drive sanitary sewer replacement, and I35E storm pipe crossing.

Developer lead infrastructure improvements at various stages of completion include Belland Farms, Lyngblomsten, Nature's Refuge, Otter Crossing, and Watermark 2nd, 3rd, and 4th additions.

City of Lino Lakes' Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Typ	e Activities	Totals	
	2022	2021	2022	2021	2022	2021
Land	\$5,675,330	\$5,675,330	\$ -	\$ -	\$5,675,330	\$5,675,330
Wetland credits	49,042	49,042	-	-	49,042	49,042
Construction in progress	8,635,602	7,861,679	9,883,094	3,239,205	18,518,696	11,100,884
Buildings	9,460,073	10,111,498	-	-	9,460,073	10,111,498
Office equipment and furniture	199,471	253,393	-	-	199,471	253,393
Vehicles	1,843,763	1,809,364	-	-	1,843,763	1,809,364
Machinery and shop equipment	956,330	1,125,742	429,815	368,489	1,386,145	1,494,231
Other equipment	1,764,517	1,065,828	-	-	1,764,517	1,065,828
Infrastructure	34,687,717	33,176,379	39,479,654	39,958,322	74,167,371	73,134,701
Total	\$63,271,845	\$61,128,255	\$49,792,563	\$43,566,016	\$113,064,408	\$104,694,271

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$20,432,113. All outstanding debt carries the general obligation backing for which the City is liable in the event of default by the property owners subject to the specific taxes, special assessments, or revenues pledged to the retirement of the debt. In addition, the City has a note payable to the City of Circle Pines for its share of the cost of capital equipment to be used by the North Metro Telecommunications Commission in the operation of a cable communications system in the amount of \$70,125.

City of Lino Lakes' Outstanding Debt

Governmental Activities		Business-Type	Activities	Totals	
2022	2021	2022	2021	2022	2021
\$18,825,000	\$20,670,000	\$ -	\$ -	\$18,825,000	\$20,670,000
630,000	845,000	-	-	630,000	845,000
170,360	434,720	-	-	170,360	434,720
806,753	881,462	-	-	806,753	881,462
\$20,432,113	\$22,831,182	\$0	\$0	\$20,432,113	\$22,831,182
	2022 \$18,825,000 630,000 170,360 806,753	2022 2021 \$18,825,000 \$20,670,000 630,000 845,000 170,360 434,720 806,753 881,462	2022 2021 2022 \$18,825,000 \$20,670,000 \$ - 630,000 \$45,000 - 170,360 434,720 - 806,753 881,462 -	2022 2021 2022 2021 \$18,825,000 \$20,670,000 \$ - \$ - 630,000 845,000 - - 170,360 434,720 - - 806,753 881,462 - -	2022 2021 2022 2021 2022 \$18,825,000 \$20,670,000 \$ - \$ - \$18,825,000 630,000 \$45,000 - - 630,000 170,360 434,720 - - 170,360 806,753 \$81,462 - - 806,753

The City of Lino Lakes' total bonded debt decreased by \$2,399,069 during the current fiscal year. No new debt was issued, while regularly scheduled principal payments were made during the year. Additional information on the City's long-term debt can be found in Note 6.

Requests for information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Lino Lakes, 600 Town Center Parkway, Lino Lakes, Minnesota, 55014.

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BASIC FINANCIAL STATEMENTS

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		Primary Government		
	Governmental			
	Activities	Activities	Total	
Assets:				
Cash and investments	\$37,173,308	\$13,964,057	\$51,137,365	
Accrued interest receivable	186,869	-	186,869	
Due from other governments	530,942	2,391	533,333	
Accounts receivable - net	39,536	559,162	598,698	
Prepaid items	570,234	169,547	739,781	
Internal balances	(559,110)	559,110	-	
Inventory	-	22,280	22,280	
Taxes receivable	263,730	-	263,730	
Special assessments receivable	4,729,752	-	4,729,752	
Leases receivable	1,924,147	-	1,924,147	
Net pension asset	446,637	-	446,637	
Capital assets - nondepreciable	14,359,974	9,883,094	24,243,068	
Capital assets - net of accumulated depreciation	48,911,871	39,909,469	88,821,340	
Total assets	108,577,890	65,069,110	173,647,000	
Deferred outflows of resources:				
Pension related	8,368,420	208,614	8,577,034	
OPEB related	81,606	- -	81,606	
Total deferred outflows of resources	8,450,026	208,614	8,658,640	
Liabilities:				
Accounts payable and other current liabilities	1,636,343	188,045	1,824,388	
Deposits payable	2,549,399	-	2,549,399	
Accrued interest payable	236,179	_	236,179	
Unearned revenue	411,878	_	411,878	
Other post employment benefits:	111,070		111,070	
Due in more than one year	415,369	48,368	463,737	
Long-term liabilities:	.10,000	10,500	.05,757	
Due within one year	3,017,188	59,309	3,076,497	
Due in more than one year	18,205,751	8,863	18,214,614	
Net pension liability:	10,203,731	0,005	10,211,011	
Due in more than one year	13,135,812	554,211	13,690,023	
Total liabilities	39,607,919	858,796	40,466,715	
	33,007,313	000,770	10,100,715	
Deferred inflows of resources:	1 004 145		1.004.145	
Lease related	1,924,147	-	1,924,147	
Pension related	449,204	51,962	501,166	
OPEB related	475,137		475,137	
Total deferred inflows of resources	2,848,488	51,962	2,900,450	
Net position:				
Net investment in capital assets	43,292,333	49,792,563	93,084,896	
Restricted (nonexpendable) for environmental purposes	100,000	-	100,000	
Restricted (expendable) for:				
Debt service	6,917,573	-	6,917,573	
Park improvements	1,948,963	-	1,948,963	
Economic development	446,817	-	446,817	
Fire Department pension plan	550,093	-	550,093	
Other purposes	237,516	-	237,516	
Unrestricted	21,078,214	14,574,403	35,652,617	
Total net position	\$74,571,509	\$64,366,966	\$138,938,475	

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2022

		Program Revenues
<u>Functions/Programs</u>	Expenses	Charges For Services
Primary government:		
Governmental activities:		
General government	\$3,117,688	\$699,316
Public safety	6,512,493	1,616,634
Public works	6,377,440	1,574,335
Culture and recreation	4,029,146	1,046,848
Conservation of natural resources	235,376	-
Community development	884,336	-
Interest and fees on long-term debt	562,248	-
Total governmental activities	21,718,727	4,937,133
Business-type activities:		
Water	3,019,350	1,845,312
Sewer	2,347,539	1,952,299
Storm water	251,478	486,069
Total business-type activities	5,618,367	4,283,680
Total primary government	\$27,337,094	\$9,220,813

Program Rev	venues		t (Expense) Revenue and Changes in Net Position	
Operating	Capital		Primary Government	
Grants and	Grants and	Governmental	Business-Type	_
Contributions	Contributions	Activities	Activities	Total
\$15,065	\$ -	(\$2,403,307)	\$ -	(\$2,403,307)
696,381	=	(4,199,478)	-	(4,199,478)
289,213	2,800,604	(1,713,288)	-	(1,713,288)
11,435	-	(2,970,863)	-	(2,970,863)
107,355	-	(128,021)	-	(128,021)
-	-	(884,336)	-	(884,336)
-	-	(562,248)	-	(562,248)
1,119,449	2,800,604	(12,861,541)	-	(12,861,541)
_	2,694,636	<u>-</u>	1,520,598	1,520,598
-	2,573,920	<u>-</u>	2,178,680	2,178,680
_	-,- ,- ,	<u>-</u>	234,591	234,591
0	5,268,556	0	3,933,869	3,933,869
\$1,119,449	\$8,069,160	(12,861,541)	3,933,869	(8,927,672)
General revenues:				
General property taxes		11,829,124	-	11,829,124
Tax increment		793,264	-	793,264
Grants and contributions	not			
restricted to specific pro	ograms	2,117,908	-	2,117,908
Unrestricted investment e	arnings	(1,139,063)	(645,918)	(1,784,981)
Gain on disposal of capita	al assets	66,852	-	66,852
Transfers	_	(1,142,554)	1,142,554	-
Total general revenue	s and transfers	12,525,531	496,636	13,022,167
Change in net position	_	(336,010)	4,430,505	4,094,495
	_			
Net position - January 1, as		74,852,362	59,991,618	134,843,980
Change in reporting entity -	_	55,157	(55,157)	
Net position - January 1, as	restated	74,907,519	59,936,461	134,843,980
Net position - December 31		\$74,571,509	\$64,366,966	\$138,938,475

BALANCE SHEET GOVERNMENTAL FUNDS

December 31, 2022

Accepte	General Fund	202 The Rookery Activity Center	333 G.O. Improvement Note of 2009A
Assets Cash and investments	\$10,153,223	\$500	\$ -
Accrued interest receivable	186,869	\$300	Φ -
Due from other governments	152,075	-	-
Accounts receivable - net	32,907	6,629	-
Prepaid items	518,196	50,538	_
Advances to other funds	516,170	50,550	_
Taxes receivable:			
Due from county	185,927	_	_
Delinquent Delinquent	73,684	_	_
Special assessments receivable:	73,001		
Due from county	_	_	1,492
Delinquent	217	_	665
Deferred	914	_	1,492,117
Leases receivable	557,564	_	1,192,117
Interfund loan receivable	-	-	_
Total assets	\$11,861,576	\$57,667	\$1,494,274
Liabilities:			
Accounts payable	\$157,356	\$94,649	\$ -
Salaries payable	382,184	42,300	-
Due to other governments	46,694	13,196	138
Advances from other funds	-	89,627	-
Retainage payable	-	-	-
Deposits payable	2,549,399	-	-
Unearned revenue	7,048	81,650	-
Interfund loan payable	_		-
Total liabilities	3,142,681	321,422	138
Deferred inflows of resources:			
Unavailable revenue	74,814	-	1,492,783
Lease related	557,564		-
Total deferred inflows of resources	632,378	-	1,492,783
Fund balance:			
Nonspendable	518,196	50,538	-
Restricted	-	-	-
Committed	58,600	-	-
Assigned	-	-	1,353
Unassigned	7,509,721	(314,293)	-
Total fund balance	8,086,517	(263,755)	1,353
Total liabilities, deferred inflows of	\$11,861,576	\$57,667	\$1,494,274
resources, and fund balance			

resources, and fund balance
The accompanying notes are an integral part of these financial statements.

342 G.O.				Other	Total
Improvement	401 Building	406 Area and	420 MSA	Governmental	Governmental
Bonds of 2016B	and Facilities	Unit Charge	Construction	Funds	Funds
\$ -	\$939,381	\$8,799,932	\$3,832,920	\$13,447,352	\$37,173,308
-	-	-	-	-	186,869
-	-	378,867	-	-	530,942
-	-	-	-	-	39,536
-	-	-	-	1,500	570,234
-	-	-	-	125,763	125,763
-	-	-	-	4,119	190,046
-	-	-	-	-	73,684
-	-	7,022	-	2,479	10,993
-	-	1,267	-	219	2,368
-	-	1,852,690	-	1,370,670	4,716,391
-	1,366,583	-	-	-	1,924,147
-	1,780,193	- -	-	-	1,780,193
\$0	\$4,086,157	\$11,039,778	\$3,832,920	\$14,952,102	\$47,324,474
\$ -	\$2,500	\$68,263	\$3,220	\$627,000	\$952,988
-	-	-	-	- 52.404	424,484
-	-	-	-	52,494 36,136	112,522 125,763
-	-	- 57,664	-	88,685	146,349
- -	_	-	-	-	2,549,399
<u>-</u>	_	_	10,247	312,933	411,878
2,339,303	_	-		-	2,339,303
2,339,303	2,500	125,927	13,467	1,117,248	7,062,686
-	-	1,853,957	-	1,370,889	4,792,443
	1,366,583				1,924,147
-	1,366,583	1,853,957	-	1,370,889	6,716,590
-	-	-	-	101,500	670,234
-	-	-	-	8,248,742	8,248,742
-	-	-	-	254,465	313,065
(2.220.202)	2,717,074	9,059,894	3,819,453	3,894,437	19,492,211
(2,339,303) (2,339,303)	2,717,074	9,059,894	3,819,453	(35,179) 12,463,965	4,820,946 33,545,198
(2,337,303)	2,/1/,0/4	9,037,074	3,017,433	12,403,703	33,343,170
\$0	\$4,086,157	\$11,039,778	\$3,832,920	\$14,952,102	\$47,324,474

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

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RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2022

Statement 4

Fund balance - total governmental funds (Statement 3)	\$33,545,198
Net position reported for governmental activities in the Statement of Net Position is different because:	
Certain assets used in governmental activities are not current financial resources and,	
therefore, are not reported in the funds.	
Capital assets	63,271,845
Net pension asset	446,637
Other long-term assets are not available to pay for current-period expenditures and therefore, are reported as unavailable revenue in the funds:	
Delinquent taxes receivable	73,684
Delinquent special assessments receivable	2,368
Deferred special assessments receivable	4,716,391
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds and notes payable	(19,625,360)
Unamortized bond premiums	(812,019)
Unamortized bond discounts	5,266
Accrued interest payable	(236,179)
Compensated absences payable	(790,826)
Other post employment benefits	(415,369)
Net pension liability	(13,135,812)
Deferred outflows and inflows of resources related to pensions and OPEB are associated	
with long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds. Balances at year end are:	
Deferred outflows of resources related to pensions	8,368,420
Deferred outflows of resources related to OPEB	81,606
Deferred inflows of resources related to pensions	(449,204)
Deferred inflows of resources related to OPEB	(475,137)
Net position of governmental activities (Statement 1)	\$74,571,509

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2022

	General Fund	202 The Rookery Activity Center	333 G.O. Improvement Note of 2009A
Revenues:			
General property taxes	\$8,759,475	\$ -	\$ -
Tax increment	-	-	-
Licenses and permits	1,348,912	-	=
Special assessments	-	-	761,907
Intergovernmental	700,740	2,117,002	-
Charges for services	361,266	395,744	-
Fines and forfeits	61,141	-	-
Investment earnings	(163,143)	-	(3,031)
Miscellaneous	253,875	27,492	-
Total revenues	11,322,266	2,540,238	758,876
Expenditures:			
Current:	2 2 42 505		
General government	2,342,585	-	-
Public safety	5,729,189	-	-
Public works	1,636,425	-	-
Culture and recreation	780,284	2,884,961	-
Conservation of natural resources	220,738	-	-
Community development	277,277	-	-
Capital outlay:			
Public safety	-	-	-
Public works	109,685	-	-
Culture and recreation	5,566	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges		<u> </u>	231
Total expenditures	11,101,749	2,884,961	231
Revenues over (under) expenditures	220,517	(344,723)	758,645
Other financing sources (uses):			
Transfers in	40,000	20,626	-
Transfers out	(321,750)	- -	(757,433)
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	(281,750)	20,626	(757,433)
Net change in fund balance	(61,233)	(324,097)	1,212
Fund balance - January 1	8,147,750	60,342	141
Fund balance - December 31	\$8,086,517	(\$263,755)	\$1,353

342 G.O. Improvement Bonds of 2016B	401 Building and Facilities	406 Area and Unit Charge	420 MSA Construction	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$3,070,668	\$11,830,143
-	-	-	-	793,264	793,264
-	-	-	-	-	1,348,912
-	-	1,078,037	-	316,864	2,156,808
-	-	7,064	564,768	3,500	3,393,074
-	210,569	689,991	-	1,081,861	2,739,431
-	-	-	-	18,528	79,669
-	(25,901)	(353,686)	(135,150)	(458,152)	(1,139,063)
<u> </u>	8,400	371,803	-	245,331	906,901
0	193,068	1,793,209	429,618	5,071,864	22,109,139
_	76,010	<u>-</u>	-	85,665	2,504,260
-	- -	-	-	63,472	5,792,661
-	-	42,776	47,119	1,582,119	3,308,439
-	-	- -	- -	58,033	3,723,278
-	-	-	-	4,242	224,980
-	-	-	-	636,778	914,055
-	-	-	-	327,870	327,870
-	-	2,010,895	16,821	773,398	2,910,799
-	-	-	-	338,536	344,102
-	-	-	-	2,324,360	2,324,360
- -		-	-	661,847	662,078
	76,010	2,053,671	63,940	6,856,320	23,036,882
0	117,058	(260,462)	365,678	(1,784,456)	(927,743)
130,779	-	288,630	757,433	2,134,007	3,371,475
- -	-	(628,204)	(438,505)	(728,920)	(2,874,812)
-	-	· -	· · · ·	48,952	48,952
130,779	0	(339,574)	318,928	1,454,039	545,615
130,779	117,058	(600,036)	684,606	(330,417)	(382,128)
(2,470,082)	2,600,016	9,659,930	3,134,847	12,794,382	33,927,326
(\$2,339,303)	\$2,717,074	\$9,059,894	\$3,819,453	\$12,463,965	\$33,545,198

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2022

Statement 6

Net change in fund balance - total governmental funds (Statement 5)	(\$382,128)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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:	
Capital outlay	3,582,771
Capital outlay not capitalized	(460,779)
Depreciation	(3,553,374)
Various other transactions involving capital assets increase (decrease) net position on	
the Statement of Activities, but are not reported in governmental funds because they	
do not provide (or use) current financial resources:	
Contributions of infrastructure from private sources	4,307,265
Contributions of infrastructure to business-type activities	(1,639,217)
Miscellaneous other differences related to capital assets	(93,076)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in delinquent taxes receivable	(1,019)
Change in delinquent special assessments receivable	(9,977)
Change in deferred special assessments receivable	(4,218,260)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of bond premiums and discounts when the debt is first issued, whereas	
amounts are deferred and amortized over the life of the debt in the Statement of Activities.	
Repayment of principal	2,324,360
Amortization of bond premiums and discounts	74,709
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. Expenses reported in the Statement of Activities include the effects of the	
changes in these expense accruals as follows:	
Change in accrued interest payable	25,120
Change in compensated absences payable	66,720
Change in OPEB liability and related deferred outflows and inflows of resources	4,780
Pension expense in governmental funds is measured by current year employer contributions.	
Pension expense in the Statement of Activities is measured by the change in the net pension	
liability and related deferred inflows and outflows of resources. This is the amount by which	
pension expense differed from pension contributions.	(363,905)
Change in net position of governmental activities (Statement 2)	(\$336,010)

	601 Water	602 Sewer	ties - Enterprise Fund 603 Storm Water	Total
Assets:	001 ((ato)	002 50 61	003 Storm Water	1000
Current assets:				
Cash and cash equivalents	\$4,859,504	\$8,818,474	\$286,079	\$13,964,057
Due from other governments	-	2,391	-	2,391
Accounts receivable - net	245,573	251,894	61,695	559,162
Prepaid items	30,497	131,282	7,768	169,547
Inventory	22,280	131,202	-	22,280
Total current assets	5,157,854	9,204,041	355,542	14,717,437
Noncurrent assets:	3,137,034	7,204,041	333,342	14,/1/,43/
Interfund loan receivable	_	559,110		559,110
Capital assets:		339,110		339,110
	4 550 002	5 222 101		0.882.004
Construction in progress	4,559,993	5,323,101	-	9,883,094
Equipment	181,605	608,549	-	790,154
Water and sewer systems	34,936,962	28,082,996		63,019,958
Total capital assets	39,678,560	34,014,646	0	73,693,206
Less: Allowance for depreciation	(11,855,644)	(12,044,999)		(23,900,643)
Net capital assets	27,822,916	21,969,647	0	49,792,563
Total assets	32,980,770	31,732,798	355,542	65,069,110
Deferred outflows of resources related to pensions	88,653	88,866	31,095	208,614
Liabilities:				
Current liabilities:				
Accounts payable	73,031	26,532	6,809	106,372
Salaries payable	10,860	10,860	6,214	27,934
Due to other governments	534	870	-	1,404
Retainage payable	10,691	25,680	-	36,371
Other accrued liabilities	15,964	-	_	15,964
Compensated absences payable - current portion	19,614	19,614	20,081	59,309
Total current liabilities	130,694	83,556	33,104	247,354
Noncurrent liabilities:				
Compensated absences payable - noncurrent portion	2,931	2,931	3,001	8,863
Other post employment benefits - noncurrent portion	22,955	22,955	2,458	48,368
Net pension liability	229,824	232,174	92,213	554,211
Total noncurrent liabilities	255,710	258,060	97,672	611,442
Total liabilities	386,404	341,616	130,776	858,796
		<u> </u>		-
Deferred inflows of resources related to pensions	25,539	25,721	702	51,962
Net position:				
Investment in capital assets	27,822,916	21,969,647	-	49,792,563
Unrestricted	4,834,564	9,484,680	255,159	14,574,403
Total net position	\$32,657,480	\$31,454,327	\$255,159	\$64,366,966

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For The Year Ended December 31, 2022

	Bus	iness-Type Activi	ties - Enterprise Fun	ds
	601 Water	602 Sewer	603 Storm Water	Totals
Operating revenues:				
Charges for services	\$1,723,692	\$1,922,439	\$486,069	\$4,132,200
Hook-up charges	37,030	29,860	-	66,890
Water meter sales	84,590			84,590
Total operating revenues	1,845,312	1,952,299	486,069	4,283,680
Operating expenses:				
Personal services	326,919	335,257	164,987	827,163
Materials and supplies	345,357	68,913	15,467	429,737
Contractual services	183,507	164,662	67,714	415,883
Repairs and maintenance	1,206,321	-	-	1,206,321
MCES sewer charges	-	1,087,739	-	1,087,739
Depreciation	789,107	597,713	-	1,386,820
Utilities	127,409	50,988	348	178,745
Other	40,730	42,267	2,962	85,959
Total operating expenses	3,019,350	2,347,539	251,478	5,618,367
Operating income (loss)	(1,174,038)	(395,240)	234,591	(1,334,687)
Nonoperating revenues (expenses):				
Investment earnings	(246,188)	(398,835)	(895)	(645,918)
Income (loss) before contributions and transfers	(1,420,226)	(794,075)	233,696	(1,980,605)
Contributions and transfers:				
Capital contributions from private sources	2,694,636	2,573,920	-	5,268,556
Capital contributions from governmental activities	498,130	1,141,087	-	1,639,217
Transfer in	-	-	76,620	76,620
Transfer out	(573,283)	-	-	(573,283)
Total contributions and transfers	2,619,483	3,715,007	76,620	6,411,110
Change in net position	1,199,257	2,920,932	310,316	4,430,505
Net position - January 1, as previously reported	31,458,223	28,533,395	-	59,991,618
Change in reporting entity - See Note 18	-	-	(55,157)	(55,157)
Net position - January 1, as restated	31,458,223	28,533,395	(55,157)	59,936,461
Net position - December 31	\$32,657,480	\$31,454,327	\$255,159	\$64,366,966
			Capital	
			Contributions	Transfers - Net
Amounts reported above			\$6,907,773	(\$496,663)
Amounts reported for business-type activities in the				
statement of activities are different because: Transfer in of capital assets from governmental activities			(1,639,217)	1,639,217
Amounts reported on the statement of activities			\$5,268,556	\$1,142,554

For The Year Ended December 31, 2022

	601 Water	602 Sewer	ties - Enterprise Funds 603 Storm Water	Totals
Cash flows from operating activities:	001 water	602 Sewer	603 Storm Water	Totals
Receipts from customers and users	\$1,775,422	\$1,925,418	\$424,374	\$4,125,214
Payment to suppliers	(1,889,649)	(1,443,384)	(81,236)	(3,414,269)
Payment to employees	(314,530)	(322,868)	(132,784)	(770,182)
Net cash flows provided by operating activities	(428,757)	159,166	210,354	(59,237)
Cash flows from noncapital financing activities:				
Transfers in	<u>-</u>	-	76,620	76,620
Transfers out	(573,283)	-	-	(573,283)
Net cash flows provided by noncapital financing activities	(573,283)	-	76,620	(496,663)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(24,174)	(681,420)		(705,594)
Cash flows from investing activities:				
Investment earnings	(246,188)	(398,835)	(895)	(645,918)
Net increase (decrease) in cash and cash equivalents	(1,272,402)	(921,089)	286,079	(1,907,412)
Cash and cash equivalents - January 1	6,131,906	9,739,563		15,871,469
Cash and cash equivalents - December 31	\$4,859,504	\$8,818,474	\$286,079	\$13,964,057
Reconciliation of operating income to net				
cash provided by operating activities:				
Operating income (loss)	(\$1,174,038)	(\$395,240)	\$234,591	(\$1,334,687)
Adjustments to reconcile operating income				
(loss) to net cash flows from operating activities:				
Depreciation	789,107	597,713	-	1,386,820
Changes in assets and liabilities:				
Decrease (increase) in due from other governments	-	(155)	-	(155)
Decrease (increase) in accounts receivable - net	(69,890)	(26,726)	(61,695)	(158,311)
Decrease (increase) in prepaid items	(16,339)	(17,883)	(7,768)	(41,990)
Decrease (increase) in inventory	(4,203)	-	-	(4,203)
Decrease (increase) in deferred outflows of resources	173	173	(31,095)	(30,749)
Increase (decrease) in payables	20,766	(10,252)	13,023	23,537
Increase (decrease) in other accrued liabilities	13,451	(680)	-	12,771
Increase (decrease) in compensated absences	(2,653)	(2,653)	23,082	17,776
Increase (decrease) in other post employment benefits	(148)	(148)	2,458	2,162
Increase (decrease) in net pension liability	107,993	107,993	37,056	253,042
Increase (decrease) in deferred inflows of resources	(92,976)	(92,976)	702	(185,250)
Total adjustments	745,281	554,406	(24,237)	1,275,450
Net cash provided by operating activities	(\$428,757)	\$159,166	\$210,354	(\$59,237)
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$3,192,766	\$3,715,007	\$0	\$6,907,773

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NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lino Lakes, Minnesota (the City) is a public corporation formed under Minnesota Statute 410. As such, the City is under home rule charter regulations and applicable statutory guidelines.

The basic financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of 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 include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component units have been included in the financial report as blended component units.

The Economic Development Authority (EDA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were a part of the City's operation because the governing body is substantially the same as the governing body of the City and a financial benefit or burden relationship exists between the City and the EDA. The EDA does not issue separate financial statements. The Housing and Development Authority (HRA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as commission members and a financial benefit or burden relationship exists between the City and the HRA. The HRA has not yet incurred any financial activity.

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 non-fiduciary 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*.

The fund financial statements are provided for governmental and proprietary funds. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The City reports the following major governmental funds:

General Fund is the City'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 Rookery Activity Center accounts for the activities relating to The Rookery Activity Center.

General Obligation Improvement Note of 2009A Fund accounts for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt. The note was used to finance improvement projects at the I-35E and County Road 14 interchange.

General Obligation Improvement Bonds of 2016B Fund accounts for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt. The bonds were used to fund the Legacy at Woods Edge improvements.

Building and Facilities Fund accounts for the activities associated with the maintenance and replacement of municipal buildings and facilities.

Area and Unit Charge Fund accounts for the collection of water and sewer unit charges to be used for debt payments and construction of governmental infrastructure.

MSA Construction Fund accounts for the financing of future reconstruction of state aid eligible streets.

The City reports the following major proprietary funds:

The Water Fund accounts for customer water service charges which are used to finance water system operating expenses.

The Sewer Fund accounts for customer sewer service charges which are used to finance sanitary sewer system operating expenses.

The *Storm Water Fund* accounts for customer storm water charges which are used to finance storm water system operating expenses.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement* focus and the accrual basis of accounting, as are the proprietary 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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 City 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 and claims and judgments, are recorded only when payment is due.

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 City.

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, 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.

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 and sewer enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund and the Rookery Activity Center special revenue fund. Budgeted expenditure appropriations lapse at year-end. Budgeted amounts are reported as originally adopted and as amended by the City Council.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

E. LEGAL COMPLIANCE – BUDGETS

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

- 1. The City Administrator submits to the City Council a proposed operating budget (including the General Fund and The Rookery Activity Center Fund) 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.
- 3. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
- 4. The City Administrator is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- 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 operation 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.
- 8. Expenditures may not legally exceed budgeted appropriations at the department level unless approved by the City Council. Therefore, the legal level of budgetary control is at the department level (i.e. administration, community development, public safety, public services, and other).
- 9. The City Council may authorize transfers of budgeted amounts between City funds.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Interest earnings are accrued at year-end.

For purposes of the Statement of Cash Flows, the proprietary funds consider 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 is considered cash equivalents.

Permanently restricted cash and investments represents the principal and earnings portion of resources received that must be retained in a permanent fund. Only earnings from these funds may be used for purposes that support environmental maintenance and improvements.

G. 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 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.

Within the government-wide 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.

Within the 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 the following January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) are classified as due from county. Taxes not collected by the county by December 31 are classified as delinquent taxes receivable. Delinquent taxes receivable are fully offset by deferred inflows 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 State 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.

H. 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, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

Within the 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Within the fund financial statements, the 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 are collected by the County and remitted by December 31 (remitted to the City the following January) and 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 deferred inflows of resources.

I. INVENTORY

For governmental funds, the original cost of materials and supplies are recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories.

Inventories of the proprietary funds are stated at cost, which approximates market, using the first-in, first-out (FIFO) method.

J. PREPAID ITEMS

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

K. LEASES RECEIVABLE

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms.

A deferred inflow of resources is recorded for the lease at the commencement of the lease in an amount equal to the initial recording of the lease receivable and is recognized as revenue over the lease term.

L. INTERFUND TRANSACTIONS

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. 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.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund. Such advances are classified as "advances to/from other funds." 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." All other interfund transactions are reported as transfers.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

M. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, drainage systems, water and sewer systems, 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 estimated useful life in excess of one year, which have an individual value equal to or greater than the capitalization thresholds for each asset class as follows:

Land	\$10,000
Buildings and building improvements	\$50,000
Improvements other than buildings (land improvements)	\$25,000
Machinery and equipment	\$10,000
Infrastructure and other improvements	\$100,000
Other assets	\$10,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. All existing City infrastructure has been capitalized regardless of date placed in service.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for City purposes, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 40 years for buildings, office furniture and equipment, vehicles, machine shop and equipment and other assets, and 15 to 50 years for infrastructure and other improvements.

N. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation, PTO (Personal Time Off), extended leave and sick pay benefits. All vacation pay and PTO and the portion of sick pay allowable as severance is accrued in the government-wide and proprietary fund financial statements. The current portion is calculated based on historical trends.

O. 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. Bond premiums and discounts are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

P. DEFINED BENEFIT PENSION PLANS

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. 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.

O. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until that time. The City has two items that qualify for reporting in this category. Pension related deferred outflows of resources are reported in the government-wide statement of net position and the proprietary funds statement of net position. OPEB related deferred outflows of resources are only reported in the governmental activities column of the government-wide statement of net position as amounts applicable to business-type activities are immaterial.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. Lease related deferred inflows of resources are reported in the government-wide statement of net position and the governmental funds balance sheet. Pension related deferred inflows of resources are reported in the government-wide statement of net position and the proprietary funds statement of net position. OPEB related deferred inflows of resources are only reported in the governmental activities column of the government-wide statement of net position as amounts applicable to business-type activities are immaterial. The City also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from the following sources: property taxes and special assessments not collected within 60 days from year-end.

R. FUND BALANCE CLASSIFICATIONS

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

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items and corpus of any permanent fund.

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 a resolution approved by the City Council, and committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by resolution.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Assigned - consists of internally imposed constraints for the specific purpose of the City's intended use. These constraints are established by the City Council and/or management. The City Council passed a resolution authorizing the Finance Director to assign fund balances and their intended uses

Unassigned - is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

The City formally adopted a fund balances policy for the general fund. The policy establishes an unassigned fund balance range of 40% - 50% of general fund operating expenditures.

S. USE OF ESTIMATES

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

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

Minnesota Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. Minnesota Statue 118A.03 identifies allowable forms of collateral.

<u>Custodial Credit Risk</u> – the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no additional deposit policies addressing custodial credit risk.

At December 31, 2022, the bank balance of the City's deposits with financial institutions was \$9,234,256 and the carrying amount was \$8,963,723. All deposits were covered by federal depository insurance or by collateral pledge and held in the City's name.

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trusts and guaranteed investment contracts.

At December 31, 2022, the City had the following investments and maturities:

			Investr	Years)	
Investment Type	Rating	Fair Value	Less Than 1	1 - 3	3 - 6
Municipal bonds	*	\$20,784,250	\$2,549,271	\$8,622,580	\$9,612,399
Brokered certificates of deposit	Not rated	12,044,627	3,289,829	5,956,364	2,798,434
Federal agency securities	AA+	6,864,573	1,252,431	-	5,612,142
4M fund	Not rated	1,585,017	1,585,017	-	-
First American Gov't Obligation Fund	AAAm	893,735	893,735	-	-
Total	:	\$42,172,202	\$9,570,283	\$14,578,944	\$18,022,975
* AAA \$2,991,680; AA+ \$5,179,333;	AA \$9,039,829;		Total investments		\$42,172,202
AA- \$2,938,238; A+ \$535,866; A \$	99,304		Deposits		8,963,723
Ratings per Moody's or S&P			Petty cash		1,440
			Total cash and in	vestments	\$51,137,365

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

The City has the following recurring fair value measurements at December 31, 2022:

	_	Fair Value Measurement Using				
Investment Type	12/31/2022	Level 1	Level 2	Level 3		
Investments at fair value:		<u>. </u>		_		
Municipal bonds	\$20,784,250	\$ -	\$20,784,250	\$ -		
Brokered certificates of deposit	12,044,627	-	12,044,627	-		
Federal agency securities	6,864,573		6,864,573	-		
	_	\$0	\$39,693,450	\$0		
Investments not categorized:	-					
4M fund	1,585,017	`				
First American Gov't Obligation fund	893,735					
Total investments	\$42,172,202					

The 4M fund is an external investment pool investment which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. It is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) of \$1 per share. The pool measures its investments at amortized cost in accordance with GASB Statement No. 79. The 4M Plus fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to penalty equal to 7 days interest on the amount withdrawn.

The First American Government Obligation money market fund is an external investment pool. The fund seeks to maintain a constant net asset value (NAV) of \$1 per share. The securities held by the fund are valued on the basis of amortized cost. Shares may be redeemed without penalty on any business day.

C. INVESTMENT RISKS

<u>Custodial Credit Risk – Investments</u> – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy requires its brokers be licensed with the appropriate federal and state agencies. A minimum capital requirement of \$5,000,000 and at least five years of operation is mandatory. Investments in securities are held by the City's broker-dealers. The securities at each broker-dealer are insured \$500,000 through SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer's accounts.

<u>Interest Rate Risk</u> – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy to minimize interest rate risk includes investing primarily in short-term securities and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

<u>Credit Risk</u> – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's policy to minimize credit risk includes limiting investing funds to those allowable under Minnesota Statute 118A, annually appointing all financial institutions where investments are held, and diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk — Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount it may invest in any one issuer. At December 31, 2022, no individual investments exceeded 5% of the City's total investment portfolio.

Note 3 RECEIVABLES

A. LONG-TERM RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2022 are as follows:

	Property Taxes Receivable	Special Assessments Receivable	Leases Receivable	Total
Major Funds:				
General Fund	\$30,947	\$ -	\$490,746	\$521,693
G.O. Improvement Note of 2009A	-	1,468,253	-	1,468,253
Building and Facilities	-	-	1,301,370	1,301,370
Area and Unit Charge	-	1,718,446	-	1,718,446
Nonmajor Funds		1,232,522		1,232,522
Total	\$30,947	\$4,419,221	\$1,792,116	\$6,242,284

CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2022

B. LEASES RECEIVABLE

The City leases a portion of its water towers for cellular tower antenna sites. These leases are non-cancelable for a period of 5 years, with two to four renewal periods of 5 years each at the lessee's option. The City considers the likelihood of these options being exercised to be greater than 50%. The agreements call for monthly lease payments between \$1,855 and \$3,528, with increases of either 4% annually or 7.5% upon exercising renewal options. The lease receivables are measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 5% which is based on the rate available to finance equipment over the same time periods.

The City leases space within its City Hall Complex to New Creations Child Care and Learning Center. The lease expires June 30, 2029, however, effective August 1, 2024 the City has the option to terminate the lease with at least 12 months written notice. The City considers the likelihood of cancelling the lease agreement to be less than 50%. The agreement calls for monthly lease payments of \$6,785, with annual increases of 3% through the end of the lease term. There are no renewal options stated in the lease agreement. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 5% which is based on the rate available to finance equipment over the same time periods.

At December 31, 2022 the entity recorded \$1,924,147 in lease receivables and deferred inflows of resources for these arrangements.

Total revenue recognized in relation to these leases is as follows:

	2022
Amortization of lease-related deferred inflows:	
Antenna leases	\$58,566
City Hall Complex lease	60,904
Total revenue recognized resulting from deferred inflow amortization	119,470
Interest revenue	99,500
Common area maintenance charges	28,000
Total revenue recognized in relation to leased assets	246,970

Note 4 UNAVAILABLE REVENUE

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

	Property Taxes	Special Assessments	
	Receivable	Receivable	Total
Major Funds:			
General Fund	\$73,684 `	\$1,130	\$74,814
G.O. Improvement Note of 2009A	-	1,492,783	1,492,783
Area and Unit Charge	-	1,853,957	1,853,957
Nonmajor Funds		1,370,889	1,370,889
Total	\$73,684	\$4,718,759	\$4,792,443

Note 5 CAPITAL ASSETS

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

	Beginning				Ending
	Balance	Increases	Decreases	Transfers	Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$5,675,330	\$ -	\$ -	\$ -	\$5,675,330
Wetland credits	49,042	-	-	-	49,042
Construction in progress	7,861,679	5,192,365	(2,779,225)	(1,639,217)	8,635,602
Total capital assets, not being depreciated	13,586,051	5,192,365	(2,779,225)	(1,639,217)	14,359,974
Capital assets, being depreciated:					
Buildings	16,613,793	-	-	-	16,613,793
Office equipment and furniture	830,171	-	(3,826)	-	826,345
Vehicles	4,723,415	336,865	(244,975)	-	4,815,305
Machinery and shop equipment	2,894,223	84,290	(101,844)	-	2,876,669
Other equipment	1,874,394	774,904	(9,016)	-	2,640,282
Infrastructure	100,049,207	3,740,082	(1,261,925)		102,527,364
Total capital assets, being depreciated	126,985,203	4,936,141	(1,621,586)	0	130,299,758
Less accumulated depreciation for:					
Buildings	6,502,295	651,425	-	-	7,153,720
Office equipment and furniture	576,778	53,921	(3,825)	-	626,874
Vehicles	2,914,050	302,467	(244,975)	-	2,971,542
Machinery and shop equipment	1,768,481	240,603	(88,745)	-	1,920,339
Other equipment	808,567	76,214	(9,016)	-	875,765
Infrastructure	66,872,828	2,228,744	(1,261,925)		67,839,647
Total accumulated depreciation	79,442,999	3,553,374	(1,608,486)	0	81,387,887
Total capital assets being depreciated - net	47,542,204	1,382,767	(13,100)	0	48,911,871
Governmental activities capital assets - net	\$61,128,255	\$6,575,132	(\$2,792,325)	(\$1,639,217)	\$63,271,845

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:			(00.50.055)		
Construction in progress	\$3,239,205	\$5,862,734	(\$858,062)	\$1,639,217	\$9,883,094
Capital assets, being depreciated:					
Machinery and shop equipment	669,743	120,411	-	-	790,154
Water and sewer systems	62,170,891	849,067	-	-	63,019,958
Total capital assets, being depreciated	62,840,634	969,478	0	0	63,810,112
Accumulated depreciation for:					
Machinery and shop equipment	301,254	59,085	-	-	360,339
Water and sewer systems	22,212,569	1,327,735			23,540,304
Total accumulated depreciation	22,513,823	1,386,820	0	0	23,900,643
Total capital assets being depreciated - net	40,326,811	(417,342)	0	0	39,909,469
Business-type activities capital assets - net	\$43,566,016	\$5,445,392	(\$858,062)	\$1,639,217	\$49,792,563

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

C . 1	
Governmental	activities:

Governmentar activities.	
General government	\$556,185
Public safety	308,091
Public works	2,372,054
Culture and recreation	316,194
Conservation of natural resources	850
Total depreciation expense - governmental activities	\$3,553,374
Business-type activities:	

Water	\$789,107
Sewer	597,713
Total depreciation expense - business-type activities	\$1,386,820

CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2022

Note 6 LONG-TERM DEBT

The City issues general obligation bonds and certificates of indebtedness to provide funds for the acquisition and construction of major capital facilities and equipment. City indebtedness at December 31, 2022 consisted of the following:

	Issue Date	Maturity Date	Interest Rate	Original	Payable 12/31/2022
Governmental activities:	Date	Date	Rate	Issue	12/31/2022
General Obligation Bonds:					
G.O. TIF Bonds, Series 2007A	07/15/07	02/01/24	4.00% - 4.125%	\$4,215,000	\$545,000
G.O. Refunding Bonds, Series 2012A	11/15/12	02/01/24	1.00% - 2.00%	2,015,000	330,000
G.O. Bonds, Series 2015A	08/01/15	02/01/31	2.00% - 3.00%	3,095,000	1,900,000
EDA Lease Revenue Bonds, Series 2015B	10/01/15	04/01/36	2.00% - 3.00%	4,350,000	3,300,000
G.O. Utility Revenue Bonds, Series 2016A	11/23/16	02/01/27	2.00%	1,420,000	735,000
G.O. Tax Abatement Refunding Bonds, Series 2016C	11/23/16	02/01/23	1.00% - 1.50%	1,600,000	305,000
G.O. Bonds, Series 2018A	12/19/18	02/01/34	3.00% - 5.00%	6,915,000	6,070,000
G.O Utility Revenue Bonds, Series 2020A	07/08/20	02/01/35	2.00% - 4.00%	4,330,000	3,825,000
G.O. Street Reconstruction Bonds, Series 2021A	07/15/21	02/01/32	1.00% - 4.00%	1,815,000	1,815,000
Total General Obligation Bonds			,	29,755,000	18,825,000
Special Assessment Bonds:			•		
G.O. Improvement Bonds, Series, 2013A	07/15/13	02/01/24	1.25% - 4.00%	615,000	130,000
G.O. Improvement Bonds, Series, 2013A G.O. Improvement Bonds, Series 2014A	11/20/14	02/01/24	0.40% - 2.30%	2,645,000	500,000
Total Special Assessment Bonds	11/20/14	02/01/20	0.40% - 2.30%	5,235,000	630,000
Total Special Assessment Bonds				3,233,000	030,000
Direct Borrowings:					
G.O. Capital Note, Series 2016A	04/14/16	02/01/26	2.00%	294,525	70,125
G.O. Certificates of Indebtedness, Series 2020	01/01/20	12/31/23	1.00%	294,235	100,235
Total Direct Borrowings				892,660	170,360
Unamortized bond premiums				1,102,333	812,019
Unamortized bond discounts				(38,362)	(5,266)
Compensated absences payable				N/A	790,826
			•		
Total Government Activities			:	\$36,946,631	\$21,222,939
Business-Type Activities:					
Compensated absences payable				N/A	\$68,172

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

CHANGES IN LONG-TERM DEBT

The following is a schedule of changes in City indebtedness for the year ended December 31, 2022:

	Beginning			Ending	Due Within
	Balance	Additions	Deletions	Balance	One Year
Governmental Activities:					_
General obligation bonds	\$20,670,000	\$ -	\$1,845,000	\$18,825,000	\$2,090,000
Special assessment bonds	845,000	-	215,000	630,000	215,000
Direct borrowings	434,720		264,360	170,360	134,885
Total bonds and notes payable	21,949,720	-	2,324,360	19,625,360	2,439,885
Unamortized bond premiums	889,410	-	77,391	812,019	-
Unamortized bond discounts	(7,948)	-	(2,682)	(5,266)	-
Compensated absences payable	857,546	622,503	689,223	790,826	577,303
Total governmental activities	\$23,688,728	\$622,503	\$3,088,292	\$21,222,939	\$3,017,188
Business-Type Activities:					
Compensated absences payable	\$50,396	\$45,714	\$27,938	\$68,172	\$59,309

DESCRIPTIONS OF LONG-TERM DEBT

General Obligation Bonds – the bonds were issued for improvements or projects which benefited the City as a whole and, therefore, are repaid from ad valorem levies.

Special Assessment Bonds – the bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. However, some issues are partly financed by ad valorem levies.

Utility Revenue Bonds – the Bonds were issued to finance various improvements in the water fund and will be repaid primarily from pledged revenues derived from the constructed assets.

Certificates of Indebtedness – the certificates were issued to finance capital purchases in accordance with the City's Capital Equipment Replacement Schedule and will be repaid from ad valorem levies.

Capital Note – the note was issued to fund the cost of the acquisition of capital equipment to be used by the North Metro Telecommunications Commission in the operation of a cable communications system. The note will be repaid from franchise fee revenue.

The City's agreements related to direct borrowings do not contain any significant events of default or termination events with finance-related consequences, other than a commitment to pledge future property tax and franchise fee revenues.

December 31, 2022

DEBT SERVICE REQUIREMENTS

Future principal and interest payments required to retire long-term debt are as follows:

Years Ending	Bonded Debt		Direct Borrowings		
December 31	Principal	Interest	Principal	Interest	
			-	_	
2023	\$2,305,000	\$570,817	\$134,885	\$2,405	
2024	2,080,000	501,795	35,475	710	
2025	1,615,000	444,190	-	-	
2026	1,525,000	394,554	-	-	
2027	1,540,000	341,433	-	-	
2028-2032	7,125,000	1,003,464	-	-	
2033-2036	3,265,000	160,931			
Total	\$19,455,000	\$3,417,184	\$170,360	\$3,115	

It is not practicable to determine the specific year for payment of long-term compensated absences payable. For governmental activities, compensated absences are liquidated by the General Fund and The Rookery Activity Center Fund. For business-type activities, compensated absences are liquidated by the Water, Sewer and Storm Water Funds.

<u>DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT</u>

All long-term bonded indebtedness is backed by the full faith and credit of the City, including special assessment and revenue bond issues. General Obligation bond issues are financed by ad valorem tax levies and special assessment bond issues 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.

CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2022

REVENUE PLEDGED

Future revenue pledged for the payment of long-term debt is as follows:

		Revenue Pledged			Current Year	
Bond Issue	Use of Proceeds	Туре	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
Certificates of Indebtedness	Equipment purchases	Ad valorem taxes	2019- 2023	\$101,237	\$233,843	\$245,535
2007A G.O. TIF Bonds	Infrastructure improvements	Tax increment, MSA funding via transfers	2008 - 2024	\$567,791	\$272,504	\$272,504
2012A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, special assessments	2013 - 2024	\$335,363	\$166,400	\$178,794
2013A Improvement Bonds	Infrastructure improvements	Special assessments	2014 - 2024	\$135,200	\$71,500	\$39,000
2014A Improvement Bonds	Infrastructure improvements	Special assessments	2015 - 2026	\$518,479	\$162,055	\$123,704
2015A G.O. Bonds	Infrastructure improvements	Ad valorem taxes	2016 - 2031	\$2,116,044	\$252,163	\$267,869
2015B EDA Lease Revenue Bonds	Construction of a fire station	Ad valorem taxes	2016 - 2036	\$4,187,194	\$299,013	\$316,300
2016A Capital Note	Cable communications equipment	Franchise fees	2016 - 2024	\$72,237	\$35,904	\$37,699
2016A Utility Revenue Bonds	Water infrastructure improvements	Trunk utility charges via transfers	2017 - 2027	\$772,050	\$156,100	\$156,100
2016C G.O. Tax Abatement Bonds	Infrastructure improvements	Ad valorem taxes	2017 - 2023	\$307,288	\$296,605	\$325,054
2018A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, trunk utility charges, special assessments	2019-2034	\$7,457,819	\$637,538	\$527,213
2020A G.O. Utility Revenue Bonds	Infrastructure improvements	Trunk utility charges via transfers	2021-2035	\$4,492,700	\$348,400	\$348,400
2021A G.O. Street Reconstruction Bonds	Infrastructure improvements	Ad valorem taxes	2021-2032	\$1,982,258	\$36,237	\$209,680

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Note 7 DEFINED BENEFIT PENSION PLANS – PERA

A. PLAN DESCRIPTION

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

1. General Employees Retirement Fund (GERF)

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

2. Public Employees Police and Fire Fund (PEPFF)

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

B. BENEFITS PROVIDED

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

1. GERF Benefits

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

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

NOTES TO FINANCIAL STATEMENTS

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after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. PEPFF Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. CONTRIBUTIONS

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

1. GERF Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2022 were \$272,865. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2022 were \$524,594. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

1. GERF Pension Costs

At December 31, 2022, the City reported a liability of \$3,389,774 for its proportionate share of GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$99,480.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0428% at the end of the measurement period and 0.0391% for the beginning of the period.

City's proportionate share of the net pension liability	\$3,389,774
State of Minnesota's proportionate share of the net	
pension liability associated with the City	99,480
Total	\$3,489,254

For the year ended December 31, 2022, the City recognized pension expense of \$514,795 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$14,865 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

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

Deferred Outflows	Deferred Inflows	
of Resources	of Resources	
\$28,314	\$36,351	
767,167	14,383	
62,697	-	
161,326	22,813	
145,293		
\$1,164,797	\$73,547	
	\$28,314 767,167 62,697 161,326	

The \$145,293 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 ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Pension
December 31,	Expense
2022	\$335,668
2023	357,984
2024	(54,249)
2025	306,554
2026	-
Thereafter	_

CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2022

2. PEPFF Pension Costs

At December 31, 2022, the City reported a liability of \$10,300,249 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2367% at the end of the measurement period and 0.2234% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The direct state aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$797,745 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$87,304 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$21,303 for the year ended December 31, 2022 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows	Deferred Inflows	
	of Resources	of Resources	
Differences between expected and		·	
actual economic experience	\$630,217	\$ -	
Changes in actuarial assumptions	6,063,283	63,313	
Net collective between projected and			
actual investment earnings	143,467	-	
Changes in proportion	167,766	317,544	
Contributions paid to PERA			
subsequent to the measurement date	257,286		
Total	\$7,262,019	\$380,857	

The \$257,286 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 ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

Year Ended	Pension
December 31,	Expense
2022	\$1,186,616
2023	1,293,840
2024	1,137,543
2025	2,123,662
2026	882,215
Thereafter	-

The net pension liability will be liquidated by the general, rookery activity center, water, sewer, and storm water funds.

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF. The PEPFF benefit increase is fixed at 1.00% per year and that increase was used in the valuation.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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

Mortality rates for GERF were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

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

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

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

	Target	Long-Term Expected
Asset Class	Allocation	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%
Totals	100%	

December 31, 2022

F. DISCOUNT RATE

The discount rate for the GERF used to measure the total pension liability in 2022 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40% for the PEPFF was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

G. PENSION LIABILITY SENSITIVITY

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

	1% Decrease in	Current	1% Increase in
	Discount Rate	Discount Rate	Discount Rate
Proportionate share of the			
GERF net pension liability	\$5,354,326	\$3,389,774	\$1,778,539
Proportionate share of the			
PEPFF net pension liability	\$15,588,106	\$10,300,249	\$6,025,333

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

I. PENSION EXPENSE

Pension expense recognized by the City for the year ended December 31, 2022 is as follows:

GERF	\$529,660
PEPFF	885,049
Fire Pension Plan (Note 8)	54,995

\$1,469,704

Note 8 DEFINED BENEFIT PENSION PLAN – FIRE DIVISION

Total

A. PLAN DESCRIPTION

The Lino Lakes Public Safety Department – Fire Division participates in the Statewide Volunteer Firefighter Retirement Plan (accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2022, the plan covered 19 active firefighters and two vested terminated fire fighters whose pension benefits are deferred. The plan is established and administered in accordance with *Minnesota Statutes*, Chapter 353G.

B. BENEFITS PROVIDED

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a lump-sum retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40% through 20 years at 100%.

C. CONTRIBUTIONS

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota Statutes*, and voluntary City contributions. The State of Minnesota contributed \$147,799 in fire state aid to the plan for the year ended December 31, 2022. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the Volunteer Firefighter Fund for the year ended December 31, 2022 were \$0. The City's contributions were equal to the required contributions as set by state statute, if applicable.

D. PENSION COSTS

At December 31, 2022, the City reported a net pension asset of \$446,637 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2022. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension liability during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning balance December 31, 2021	\$501,496	\$1,034,836	(\$533,340)
Changes for the year:			
Service cost	62,261	-	62,261
Interest on pension liability	32,439	-	32,439
Actuarial experience (gains) / losses	(11,917)	-	(11,917)
Projected investment earnings	-	62,090	(62,090)
Asset (gain) loss	-	(213,085)	213,085
Contributions - employer	-	-	-
Contributions - State of MN	-	147,799	(147,799)
Benefit payouts	(46,223)	(46,223)	-
PERA administrative fee	-	(724)	724
Net changes	36,560	(50,143)	86,703
Balance end of year December 31, 2022	\$538,056	\$984,693	(\$446,637)

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2022, the City recognized pension expense of \$54,995.

At December 31, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Difference between projected and		
actual investment earnings	\$114,606	\$ -
Differences between expected and		
actual economic experience	35,612	46,762
Total	\$150,218	\$46,762

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

Year Ended	Pension
December 31,	Expense
2023	\$1,263
2024	16,740
2025	45,219
2026	40,234
2027	-
Thereafter	-

E. ACTUARIAL ASSUMPTIONS

The total pension liability at December 31, 2022, was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return of 6.0%
- Inflation rate of 3.0%

There were no changes in actuarial assumptions in 2022.

F. DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the City's net pension asset for the Volunteer Firefighter Fund, calculated using the assumed discount rate as well as what the City's net pension asset would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	1% Decrease in		1% Increase in
	Discount Rate (5.0%)	Discount Rate (6.0%)	Discount Rate (7.0%)
Net pension asset	\$411,067	\$446,637	\$480,552

H. PLAN INVESTMENTS

1. Investment Policy

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the governor (who is designated as chair of the board), state auditor, secretary of state and state attorney general.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in *Minnesota Statutes*, Chapter 11A and Chapter 353G.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investment policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

2. Asset Allocation

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the Volunteer Firefighter Plan that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Domestic Stocks	35%	5.10%
International Stocks	15%	5.30%
Bonds	45%	0.75%
Cash	5%	0.00%
	100%	

The 6% long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

3. Description of Significant Investment Policy Changes During the Year

The SBI made no significant changes to their investment policy during fiscal year 2022 for the Volunteer Firefighter Fund.

NOTES TO FINANCIAL STATEMENTS

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I. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the Volunteer Firefighter Fund's fiduciary net position as of June 30, 2022, is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

Note 9 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Notes 7 and 8, the City provides post-employment health care benefits, as defined in paragraph B, through its group health insurance plan (the plan). The plan is a single-employer defined benefit OPEB plan administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a stand-alone financial report.

B. BENEFITS PROVIDED

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Active employees, who retire from the City when over age 50 and with 20 years of service, may continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program until age 65.

The City provides health coverage for peace officers or firefighters disabled or killed in the line of duty in accordance with Minnesota Statute 299A.465. The amount of coverage provided is equal to the employer portion of health insurance premiums that would have otherwise been paid if the officer or firefighter was an active employee.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65, Medicare becomes the primary insurer and the City's plan becomes secondary.

C. PARTICIPANTS

As of the January 1, 2021 actuarial valuation, participants of the plan consisted of:

Active employees	60
Inactive employees or beneficiaries	
currently receiving benefits	3
Total	63

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$463,737 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2021. Changes in the total OPEB liability during 2022 were:

Balance - beginning of year	\$502,243
Changes for the year:	
Service cost	59,608
Interest	12,384
Changes of benefit terms	=
Differences between expected and actual experience	=
Changes in assumptions	(87,527)
Benefit payments	(22,971)
Net changes	(38,506)
Balance - end of year	\$463,737

The OPEB liability will be liquidated by the general, rookery activity center, water, sewer, and storm water funds.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.31%
Investment rate of return	N/A

Healthcare cost trend rates 6.00% for 2022, decreasing 0.25% per year

to an ultimate rate of 5% for 2026 and beyond

Retirees' share of benefit-related costs 100%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on the 20-year AA rated municipal bond rate as of December 31, 2022, obtained from https://www.spglobal.com/spdji/en/indices/fixed-income/sp-municipal-bond-20-year-high-grade-rate-index/#overview.

Pre-retirement mortality rates were based on the RP-2014 Total Dataset Mortality with Improvement Scale MP-2020. Post-retirement, disability retirement, and survivor retirement mortality rates were based on the RP-2014 White Collar Mortality with Improvement Scale MP-2020.

Based on past experience of the plan, 50% of future retirees are assumed to continue medical coverage until age 65. 15% of future pre-Medicare retirees are assumed to select spousal coverage. No spousal coverage is assumed for other future retirees. 25% of police/fire employees are assumed to retire at age 60, the balance at age 65. 8% of other City employees are assumed to retire at age 62, the balance at age 65.

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.31%) or 1% higher (5.31%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	3.31%	4.31%	5.31%
Total OPEB liability	\$504,734	\$463,737	\$425,899

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5% decreasing to 4%) or 1% higher (7% decreasing to 6%) than the current healthcare cost trend rates:

		Healthcare Cost	
	1% Decrease	Trend Rates	1% Increase
	(5% decreasing to 4%)	(6% decreasing to 5%)	(7% decreasing to 6%)
Total OPEB liability	\$398,584	\$463,737	\$542,761

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2022, the City recognized \$20,353 of OPEB expense. At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected		
and actual experience	\$8,495	\$397,113
Changes in assumptions	73,111	78,024
Total	\$81,606	\$475,137

Deferred outflows and inflows of resources relate almost exclusively to the public safety function, and therefore, have been allocated entirely to governmental activities.

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

Year Ended	OPEB
December 31,	Expense
2023	(\$51,640)
2024	(51,640)
2025	(51,640)
2026	(51,640)
2027	(51,640)
Thereafter	(135,331)
	(\$393,531)

Note 10 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES

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

	Fund Balance
	Deficit
Major Funds:	
The Rookery Activity Center	(\$263,755)
G.O. Improvement Bonds of 2016B	(2,339,303)
Nonmajor Funds:	
Tax Increment Financing 1-11	(33,450)
Comp Plan Update	(1.729)

The City intends to fund these deficits through transfers from other funds and tax increment collections.

B. EXPENDITURES IN EXCESS OF BUDGET

The following is a listing of departments within the General Fund that exceeded budget appropriations:

	Final		
	Budget	Actual	Overage
General government:		_	
Engineering	\$97,365	\$99,888	\$2,523
Public safety:			
Fire	845,499	848,628	3,129
Public works:			
Fleet	722,940	724,128	1,188
Culture and recreation:			
Parks	733,711	740,757	7,046
Recreation	44,538	45,093	555

Expenditures of the Rookery Activity Center special revenue fund exceeded budget appropriations by \$1,466,525. However, revenues exceeded the budget by \$1,500,118.

Note 11 INTERFUND RECEIVABLES AND PAYABLES

Short-term advances to funds that have insufficient cash balances are classified as advances to/from other funds. Long-term interfund loans are classified as interfund loan receivable/payable. A summary of interfund receivables and payables at December 31, 2022 is as follows:

	Receivable	Payable
Short-term advances:		
Major Funds:		
The Rookery Activity Center	\$ -	\$89,627
Nonmajor Funds:		
Closed Bond Fund	125,763	-
Tax Increment Financing 1-11	-	34,407
Comp Plan Update	-	1,729
	\$125,763	\$125,763
Long-term interfund loans:		
Major Funds:		
G.O. Improvement Bonds of 2016B	\$ -	\$2,339,303
Building and Facilities	1,780,193	-
Sewer Fund	559,110	-
	\$2,339,303	\$2,339,303

Note 12 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2022 are as follows:

	Transfer In	Transfer Out
Major Funds:		
General Fund	\$40,000	\$321,750
The Rookery Activity Center	20,626	-
G.O. Improvement Note of 2009A	=	757,433
G.O. Improvement Bonds of 2016B	130,779	-
Area and Unit Charge	288,630	628,204
MSA Construction	757,433	438,505
Water Fund	=	573,283
Storm Water Fund	76,620	-
Nonmajor governmental funds	2,134,007	728,920
Total	\$3,448,095	\$3,448,095

During 2022, transfers were made to provide funding for capital improvement projects and capital outlay in accordance with the City's capital improvement plan. Transfers were also made to provide resources for debt service payments and to allocate financial resources to funds that received benefit from services provided by another fund. These transfers are routine and consistent with past practices.

CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2022

Note 13 FUND BALANCE

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

	General	The Rookery	G.O. Improvement	G.O. Improvement	Building and	Area and	MSA	Other Governmental	
	Fund	Activity Center	Note of 2009A	Bonds of 2016B	Facilities	Unit Charge	Construction	Funds	Total
Nonspendable:									
Prepaid items	\$518,196	\$50,538	S -	S -	S -	\$ -	\$ -	\$1,500	\$570,234
Corpus of permanent fund	-				-			100,000	100,000
Total nonspendable	518,196	50,538	0	0	0	0	0	101,500	670,234
Restricted for:									
Debt service	-	-	-	-	-	-	-	5,144,324	5,144,324
Capital improvements	-	-	-	-	-	-	-	471,122	471,122
Park improvements	-	-	-	-	-	-	-	1,948,963	1,948,963
Economic development	-	-	-	-	-	-	-	225,000	225,000
Blue Heron Days	-	-	-	-	-	-	-	15,248	15,248
Narcotics & forfeiture funds	-	-	-	-	-	-	-	174,431	174,431
K-9 Unit purposes	-	-	-	-	=	-	-	14,831	14,831
Tax increment purposes	-	-	-	-	-	-	-	221,817	221,817
Environmental purposes	-				-			33,006	33,006
Total restricted	0	0	0	0	0_	0	0	8,248,742	8,248,742
Committed for:									
Future projects	58,600	-	-	-	-	-	-	-	58,600
Economic development	-	-	-	-	-	-	-	1,137	1,137
Cable TV and									
communications purposes	-				-			253,328	253,328
Total committed	58,600	0	0	0	0	0	0	254,465	313,065
Assigned for:									
Capital improvements	-		1,353		2,717,074	9,059,894	3,819,453	3,894,437	19,492,211
Unassigned	7,509,721	(314,293)		(2,339,303)				(35,179)	4,820,946
Total fund balance	\$8,086,517	(\$263,755)	\$1,353	(\$2,339,303)	\$2,717,074	\$9,059,894	\$3,819,453	\$12,463,965	\$33,545,198

Note 14 TAX INCREMENT DISTRICTS

The City is the administrating authority for four tax increment districts. The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). 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 could have a material effect on the financial statements.

The following table reflects values at December 31, 2022:

		TIF 1-11	TIF 1-12	
	TIF 1-10	Woods	Clearwater	TIF 1-13
	Panattoni	Edge	Creek	Lyngblomsten
Authorizing law	M.S. 469	M.S. 469	M.S. 469	M.S. 469
Year established	2004	2005	2017	2019
Final year of district	2023	2031	2026	2030
Not tay appaitus				
Net tax capacity:	¢15.000	¢17.007	¢21 416	¢15.761
Original	\$15,869	\$16,236	\$21,416	\$15,761
Current	428,744	492,729	449,373	20,669
Captured - retained	\$412,875	\$476,493	\$427,957	\$4,908

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

TIF District 1-12 has an outstanding pay-as-you-go revenue note. Tax Increment Revenue Note Series 2017 was issued in the principal sum of \$1,200,000. The note is not a general obligation of the City and is payable solely from available tax increments. Accordingly, the note is not reflected in the financial statements of the City. Principal payments are due August 1st and February 1st and are equal to 80% of the Tax Increment revenues collected in the preceding six months. Current year payments on the note totaled \$178,546 and the outstanding balance at December 31, 2022 was \$297,254.

Note 15 COMMITMENTS AND CONTINGENCIES

A. LITIGATION

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's management, remotely recoverable by plaintiffs.

B. FEDERAL AND STATE FUNDS

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

C. COMMITTED CONTRACTS

At December 31, 2022, the City had commitments of \$240,469 for uncompleted construction contracts.

Note 16 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 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 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.

Property and casualty insurance is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

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

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Note 17 ADOPTION OF NEW ACCOUNTING STANDARDS

The City implemented GASB Statement No. 87, *Leases*, for the year ended December 31, 2022. As a result, leases receivable and deferred inflows of resources related to leases are recorded within the governmental funds balance sheet and the government-wide statement of net position. Comparative amounts for the year ended December 31, 2021 have been restated within the management's discussion and analysis as a result of implementation. There was no impact on net position or fund balance due to implementing the standard.

In addition, the City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*, for the year ended December 31, 2022. See Note 18 for further details.

Note 18 CHANGE WITHIN THE FINANCIAL REPORTING ENTITY

During 2022, the City made changes within its financial reporting entity, by moving its storm water activities from a governmental fund into a new business-type activities – enterprise fund. This resulted in adjustments to and restatements of beginning net position and fund net position for the year ended December 31, 2022, as follows:

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	Restatements of Beginning Balances				
	Proprietary Funds	Governm	ent-Wide		
		Govermental	Business-Type		
Net position:	Storm Water	Activities	Activities		
January 1, as previously reported	\$0	\$74,852,362	\$59,991,618		
Change within financial reporting entity *	(55,157)	55,157	(55,157)		
January 1, as restated	(\$55,157)	\$74,907,519	\$59,936,461		
* Change within financial reporting entity:	-				
Deferred outflows related to pensions	\$31,171	(\$31,171)	\$31,171		
Net pension liability	(44,842)	44,842	(44,842)		
Deferred inflows related to pensions	(41,486)	41,486	(41,486)		
Net position	(\$55,157)	\$55,157	(\$55,157)		

Note 19 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 Subscription-Based Information Technology Arrangements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

Statement No. 101 *Compensated Absences.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 96 may have a material impact.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

	Budgeted 1	Amounts	2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General propery taxes:				
Current and delinquent	\$8,788,619	\$8,781,219	\$8,753,898	(\$27,321)
Penalties and interest	500	500	5,577	5,077
Total general property taxes	8,789,119	8,781,719	8,759,475	(22,244)
Licenses and permits:				
Business	143,175	105,575	101,801	(3,774)
Non-business	889,627	1,232,627	1,247,111	14,484
Total licenses and permits	1,032,802	1,338,202	1,348,912	10,710
Intergovernmental:				
Federal:				
OTS grant	25,000	25,000	25,537	537
State:				
Police state aid	260,000	260,000	258,907	(1,093)
Fire state aid	21,703	21,703	21,703	· -
MSA maintenance	250,000	276,000	276,074	74
Other	34,000	48,000	50,350	2,350
County solid waste grant	77,809	62,809	68,169	5,360
Total intergovernmental	668,512	693,512	700,740	7,228
Charges for services:		<u> </u>		
General government	110,122	146,622	155,075	8,453
Public safety	165,800	165,800	185,592	19,792
Public works	15,500	15,500	14,200	(1,300)
Culture and recreation	750	6,250	6,399	149
Total charges for services	292,172	334,172	361,266	27,094
Fines and forfeits	101,100	61,100	61,141	41
Investment earnings	30,000	(320,000)	(163,143)	156,857
Miscellaneous:			<u> </u>	
Gas franchise fees	55,000	70,000	80,064	10,064
Building lease revenue	118,557	118,557	118,557	-
Refunds and reimbursements	35,000	45,000	52,769	7,769
Donations	500	500	200	(300)
Other	2,000	2,000	2,285	285
Total miscellaneous	211,057	236,057	253,875	17,818
Total revenues	11,124,762	11,124,762	11,322,266	197,504

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

	Budgeted A	amounts	2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final	7 Hillo dalles	(Treguitre)
Expenditures:				
General government:				
Mayor and city council:				
Current:				
Personal services	50,083	50,083	49,536	547
Supplies	· -	-	20	(20)
Other services and charges	18,700	33,700	31,867	1,833
Contractual services	24,590	24,590	24,814	(224)
Total mayor and city council	93,373	108,373	106,237	2,136
Administration:		•		
Current:				
Personal services	604,702	614,102	606,976	7,126
Supplies	-	-	11	(11)
Other services and charges	35,360	35,360	31,558	3,802
Contractual services	13,300	13,300	12,425	875
Total administration	653,362	662,762	650,970	11,792
Elections:				
Current:				
Personal services	26,250	30,750	30,551	199
Supplies	1,000	1,000	1,006	(6)
Other services and charges	800	800	392	408
Contractual services	6,500	4,500	4,425	75
Total elections	34,550	37,050	36,374	676
Charter commission:		,		
Current:				
Other services and charges	7,463	200	191	9
Finance:				
Current:				
Personal services	331,409	314,809	306,726	8,083
Supplies	1,000	1,000	987	13
Other services and charges	227,380	223,380	217,327	6,053
Contractual services	93,900	96,400	96,179	221
Total finance	653,689	635,589	621,219	14,370
Legal consultants:				· · · · · · · · · · · · · · · · · · ·
Current:				
Contractual services	138,000	126,000	117,340	8,660
Planning and zoning:				· · · · · · · · · · · · · · · · · · ·
Current:				
Personal services	118,666	118,666	118,416	250
Supplies	200	200	-	200
Other services and charges	16,250	10,250	8,201	2,049
Contractual services	33,000	4,000	3,739	261
Total planning and zoning commission	168,116	133,116	130,356	2,760
F Form & *	100,110	-55,115		

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

	Budgeted A	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures: (continued)				
General government: (continued)				
Engineering:				
Current:				
Contractual services	97,365	97,365	99,888	(2,523)
Government buildings:				
Current:				
Personal services	12,241	12,241	10,107	2,134
Supplies	47,400	47,400	47,194	206
Other services and charges	386,679	413,179	408,181	4,998
Contractual services	98,200	113,200	114,528	(1,328)
Total government buildings	544,520	586,020	580,010	6,010
-				
Total general government	2,390,438	2,386,475	2,342,585	43,890
Public safety:				
Police:				
Current:				
Personal services	4,284,853	4,209,603	4,159,340	50,263
Supplies	49,050	63,450	58,749	4,701
Other services and charges	171,358	173,358	176,617	(3,259)
Contractual services	56,755	60,255	65,677	(5,422)
Total police	4,562,016	4,506,666	4,460,383	46,283
Fire:				
Current:				
Personal services	664,134	632,134	638,255	(6,121)
Supplies	25,875	25,875	21,661	4,214
Other services and charges	146,100	146,100	147,961	(1,861)
Contractual services	41,390	41,390	40,751	639
Capital outlay	8,600	-	- -	-
Total fire protection	886,099	845,499	848,628	(3,129)
Building inspection:				
Current:				
Personal services	415,886	388,886	380,790	8,096
Supplies	2,150	5,450	5,135	315
Other services and charges	11,640	11,640	10,606	1,034
Contractual services	34,575	25,075	23,647	1,428
Total building inspection	464,251	431,051	420,178	10,873
Total public safety	5,912,366	5,783,216	5,729,189	54,027

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

	Budgeted A	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Public works:				
Streets:				
Current:				
Personal services	617,426	643,926	625,401	18,525
Supplies	140,000	155,000	144,101	10,899
Other services and charges	100,050	120,050	107,032	13,018
Contractual services	51,500	48,000	56,348	(8,348)
Capital outlay	125,000	89,500	89,100	400
Total streets	1,033,976	1,056,476	1,021,982	34,494
Fleet:				
Current:				
Personal services	223,975	229,975	226,419	3,556
Supplies	191,300	270,300	268,482	1,818
Other services and charges	86,165	94,665	100,097	(5,432)
Contractual services	59,500	100,000	108,545	(8,545)
Capital outlay	28,000	28,000	20,585	7,415
Total fleet	588,940	722,940	724,128	(1,188)
Total public works	1,622,916	1,779,416	1,746,110	33,306
Culture and recreation:				
Parks:				
Current:				
Personal services	602,561	488,561	478,450	10,111
Supplies	76,000	80,500	79,842	658
Other services and charges	50,700	59,700	59,502	198
Contractual services	112,950	99,450	117,397	(17,947)
Capital outlay	-	5,500	5,566	(66)
Total parks	842,211	733,711	740,757	(7,046)
Recreation:				
Current:				
Personal services	42,438	44,538	45,058	(520)
Other services and charges	-	-	35	(35)
Total recreation	42,438	44,538	45,093	(555)
Total culture and recreation	884,649	778,249	785,850	(7,601)

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

	Budgeted A	Amounts	2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		(**************************************
Expenditures: (continued)				
Conservation of natural resources:				
Environmental:				
Current:				
Personal services	48,090	44,590	42,794	1,796
Supplies	1,000	1,000	66	934
Other services and charges	9,430	9,430	6,564	2,866
Contractual services	1,100	1,100	970	130
Total environmental	59,620	56,120	50,394	5,726
Solid waste abatement:				
Current:				
Personal services	46,789	39,689	38,839	850
Supplies	1,100	1,100	922	178
Other services and charges	7,220	3,220	4,464	(1,244)
Contractual services	22,700	18,800	17,065	1,735
Total solid waste abatement	77,809	62,809	61,290	1,519
Forestry:				
Current:				
Personal services	26,407	26,407	26,571	(164)
Supplies	3,250	3,250	2,984	266
Other services and charges	380	380	373	7
Contractual services	30,000	80,000	79,126	874
Total forestry	60,037	110,037	109,054	983
10.001		110,007	105,00	
Total conservation of natural resources	197,466	228,966	220,738	8,228
Community development:				
Economic development:				
Current:				
Personal services	24,494	12,694	10,202	2,492
Other services and charges	15,950	9,950	9,159	791
Contractual services	73,225	73,225	69,956	3,269
Total economic development	113,669	95,869	89,317	6,552
Community development:				
Current:				
Personal services	187,783	180,983	180,526	457
Supplies	100	100	176	(76)
Other services and charges	7,900	7,900	6,536	1,364
Contractual services	725	725	722	3
Total community development	196,508	189,708	187,960	1,748
Total community development	310,177	285,577	277,277	8,300
• •				

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND For The Year Ended December 31, 2022

Statement 10 Page 6 of 6

	Budgeted A	Amounts	2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Other:				
Contingency	60,000	-	-	-
Total expenditures	11,378,012	11,241,899	11,101,749	140,150
		·		
Revenues over (under) expenditures	(253,250)	(117,137)	220,517	337,654
Other financing sources (uses): Transfers in Transfers out Total other financing sources (uses)	40,000 (286,750) (246,750)	40,000 (321,750) (281,750)	40,000 (321,750) (281,750)	- - -
Net change in fund balance	(\$500,000)	(\$398,887)	(61,233)	\$337,654
Fund balance - January 1			8,147,750	
Fund balance - December 31			\$8,086,517	

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - THE ROOKERY ACTIVITY CENTER For The Year Ended December 31, 2022

Statement 11

		1 Amounts	2022 Actual Amounts	Variance with Final Budget - Positive (Negative)
D.	Original	Final		
Revenues:	¢.	¢500,000	¢2 117 002	¢1 (17 000
Intergovernmental	\$ -	\$500,000	\$2,117,002	\$1,617,002
Charges for services	-	506,202	395,744	(110,458)
Miscellaneous	-	33,918	27,492	(6,426)
Total revenues	0	1,040,120	2,540,238	1,500,118
Expenditures: Culture and recreation Current:				
Personal services	-	915,494	814,910	100,584
Supplies	-	68,250	267,533	(199,283)
Other services and charges	-	229,167	1,441,503	(1,212,336)
Contractual services	-	205,525	361,015	(155,490)
Total expenditures	0	1,418,436	2,884,961	(1,466,525)
•				
Revenues over (under) expenditures		(378,316)	(344,723)	33,593
Other financing sources (uses):				
Transfers in	_	_	20,626	20,626
1144102010 111				
Net change in fund balance	\$0	(\$378,316)	(324,097)	\$54,219
Fund balance - January 1			60,342	
Fund balance - December 31			(\$263,755)	

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS For The Last Ten Years

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	\$59,608	\$65,484	\$63,577	\$53,789	\$16,547	\$16,990
Interest	12,384	13,256	12,256	10,893	21,355	22,542
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(250,908)	-	(245,168)	-	(51,083)
Changes in assumptions	(87,527)	93,391	-	-	-	-
Benefit payments	(22,971)	(32,454)	(22,990)	(15,527)	(27,798)	(31,536)
Net change in total OPEB liability	(38,506)	(111,231)	52,843	(196,013)	10,104	(43,087)
Total OPEB liability - beginning	502,243	613,474	560,631	756,644	746,540	789,627
Total OPEB liability - ending	\$463,737	\$502,243	\$613,474	\$560,631	\$756,644	\$746,540
Covered-employee payroll	\$3,748,243	\$3,443,877	\$3,496,085	\$3,379,110	\$3,240,932	\$3,499,836
Total OPEB liability as a percentage of covered-employee payroll	12.4%	14.6%	17.5%	16.6%	23.3%	21.3%

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - GENERAL EMPLOYEES RETIREMENT FUND

Measurement Date June 30,	Fiscal Year Ending December 31,	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30,	December 31,	Liability	Liability (a)	with City (b)	City (a+0)	1 ayron (c)	Taylon ((a+b)/c)	Liability
2015 2016	2015 2016	0.0410% 0.0387%	\$2,124,883 3,142,248	\$ - 41,033	\$2,124,883 3,183,281	\$2,407,426 2,401,546	88.3% 132.6%	78.2% 68.9%
2017	2017	0.0414%	2,642,949	33,230	2,676,179	2,666,880	100.3%	75.9%
2018	2018	0.0381%	2,113,632	69,419	2,183,051	2,563,053	85.2%	79.5%
2019 2020	2019 2020	0.0398% 0.0392%	2,200,453 2,350,219	68,330 72,457	2,268,783 2,422,676	2,814,860 2,797,444	80.6% 86.6%	80.2% 79.1%
2020 2021 2022	2020 2021 2022	0.0392% 0.0391% 0.0428%	1,669,745 3,389,774	50,998 99,480	1,720,743 3,489,254	2,812,588 3,208,575	61.2% 108.7%	87.0% 76.7%

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND

Statement 14

For The Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)	
2015	\$182,102	\$182,102	\$ -	\$2,428,027	7.5%	
2016	193,684	193,684	-	2,582,452	7.5%	
2017	192,510	192,510	-	2,566,800	7.5%	
2018	202,526	202,526	-	2,700,347	7.5%	
2019	208,807	208,807	-	2,784,089	7.5%	
2020	206,802	206,802	-	2,757,351	7.5%	
2021	223,767	223,767	-	2,983,557	7.5%	
2022	272,865	272,865	-	3,638,203	7.5%	

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Last Ten Years

Statement 15

Measurement Date June 30,	Fiscal Year Ending December 31,	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.2490%	\$2,829,223	\$2,284,973	123.8%	86.6%
2016	2016	0.2590%	10,394,121	2,495,778	416.5%	63.9%
2017	2017	0.2570%	3,469,806	2,643,314	131.3%	85.4%
2018	2018	0.2426%	2,585,866	2,556,951	101.1%	88.8%
2019	2019	0.2547%	2,711,539	2,689,536	100.8%	89.3%
2020	2020	0.2336%	3,079,098	2,638,619	116.7%	87.2%
2021	2021	0.2234%	1,724,411	2,602,793	66.3%	93.7%
2022	2022	0.2367%	10,300,249	2,875,683	358.2%	70.5%

For The Last Ten Years

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND

Statement 16

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2015	\$393,551	\$393,551	\$ -	\$2,429,327	16.20%
2016	424,970	424,970	-	2,623,271	16.20%
2017	416,665	416,665	-	2,572,006	16.20%
2018	420,821	420,821	-	2,597,660	16.20%
2019	452,731	452,731	-	2,670,979	16.95%
2020	444,711	444,711	-	2,512,491	17.70%
2021	479,593	479,593	-	2,709,565	17.70%
2022	524,594	524,594	-	2,963,805	17.70%

covered employee payroll

Statement 17

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION
For The Last Ten Years

Fiscal year ending and measurement date - December 31:	2022	2021	2020	2019	2018	2017
Total pension liability:						
Service cost	\$62,261	\$67,890	\$46,865	\$52,320	\$48,182	\$47,952
Interest on pension liability	32,439	19,363	19,051	16,603	8,754	6,191
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(11,917)	59,354	(81,734)	(22,680)	69,760	(11,672)
Changes of assumptions	-	=	-	-	-	-
Changes in benefit level	-	100,057	-	-	-	-
Benefit payments	(46,223)	<u> </u>	<u> </u>	<u> </u>	=	
Net change in total pension liability	36,560	246,664	(15,818)	46,243	126,696	42,471
Total pension liability - beginning	501,496	254,832	270,650	224,407	97,711	55,240
Total pension liability - ending (a)	\$538,056	\$501,496	\$254,832	\$270,650	\$224,407	\$97,711
Plan fiduciary net position:						
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - State of Minnesota	147,799	137,872	130,846	121,630	118,144	113,797
Contributions - other	-	-	<u>-</u>	-	64,869	58,800
Net investment income	(150,995)	83,292	95,960	78,063	(18,696)	9,153
Benefit payments	(46,223)	=	-	-	-	-
Administrative expense	(724)	(707)	(746)	(694)	(702)	(572)
Net change in plan fiduciary net position	(50,143)	220,457	226,060	198,999	163,615	181,178
Plan fiduciary net position - beginning	1,034,836	814,379	588,319	389,320	225,705	44,527
Plan fiduciary net position - ending (b)	\$984,693	\$1,034,836	\$814,379	\$588,319	\$389,320	\$225,705
Net pension liability/(asset) - ending (a) - (b)	(\$446,637)	(\$533,340)	(\$559,547)	(\$317,669)	(\$164,913)	(\$127,994)
Plan fiduciary net position as a percentage of						
the total pension liability	183%	206%	320%	217%	173%	231%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of						

N/A

N/A

N/A

N/A

N/A

N/A

N/A - the Lino Lakes Fire Department is comprised of paid on-call firefighters, whose pay does not meet the definition of covered payroll.

The City created its own fire department in 2016. Therefore, information prior to 2016 is not available. Additional years will be reported as they become available.

For The Last Ten Years

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS - LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION

Statement 18

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)	
2016	\$ -	\$44,394	(\$44,394)	N/A	N/A	
2017	-	-	-	N/A	N/A	
2018	-	-	-	N/A	N/A	
2019	-	-	-	N/A	N/A	
2020	-	-	-	N/A	N/A	
2021	-	-	-	N/A	N/A	
2022	=	-	=	N/A	N/A	

N/A - the Lino Lakes Fire Department is comprised of paid on-call firefighters, whose pay does not meet the defintion of covered payroll.

The City created its own fire department in 2016. Therefore, information prior to 2016 is not available. Additional years will be reported as they become

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REQUIRED SUPPLEMENTARY INFORMATION NOTES TO RSI December 31, 2022

Note A LEGAL COMPLIANCE - BUDGETS

The General Fund and the Rookery Activity Center special revenue 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 for the General Fund and the fund level for the Rookery Activity Center fund.

Note B OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Note C PENSION INFORMATION

PERA – General Employees Retirement Fund

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% 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% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

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

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO RSI

December 31, 2022

2019 Changes in the Plan Provisions:

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

2018 Changes in Actuarial Assumptions:

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

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions:

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

PERA - Public Employees Police and Fire Fund

2022 Changes in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.4%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020
 experience study. The changes result in a decrease in gross salary increase rates, slightly more
 unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO RSI

December 31, 2022

2020 Changes in Actuarial Assumptions:

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

2019 Changes in Actuarial Assumptions:

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

2018 Changes in Actuarial Assumptions:

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

2017 Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Single Employer – Fire Division

During 2021, the benefit level per year of service increased from \$5,000 to \$7,000. There have been no other factors, such as changes to assumptions, that affect trends in the amounts reported since the Fire Division was created.

COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and payment of, interest, principal and related costs on general long-term debt.

CAPITAL PROJECT FUNDS

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

PERMANENT FUNDS

Permanent Funds account for financial resources that are legally restricted to the extent that only earnings, and not the principal, may be used for purposes that support the City's programs.

The City maintains one permanent fund – the Environment and Stewardship Fund. This fund accounts for the use of funds received for environmental maintenance and improvements in the Foxborough area, as well as funds received for the Preserve area.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2022

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments	\$956,847	\$5,147,106	\$7,207,451	\$135,948	\$13,447,352
Prepaid items	1,500	-	-	-	1,500
Advances to other funds	-	-	125,763	-	125,763
Taxes receivable:					
Due from county	-	-	4,119	-	4,119
Special assessments receivable:					
Due from county	-	716	1,763	-	2,479
Delinquent	_	-	219	-	219
Deferred		516,645	854,025		1,370,670
Total assets	\$958,347	\$5,664,467	\$8,193,340	\$135,948	\$14,952,102
Liabilities: Accounts payable	\$2,210	\$3,498	\$618,350	\$2,942	\$627,000
Due to other governments	308	-	52,186	-	52,494
Advances from other funds	-	-	36,136	-	36,136
Retainage payable	-	-	88,685	-	88,685
Unearned revenue	270,354	-	42,579	=	312,933
Total liabilities	272,872	3,498	837,936	2,942	1,117,248
Deferred inflows of resources:					
Unavailable revenue		516,645	854,244	_	
					1,370,889
Fund balance:					1,370,889
Nonspendable	1,500	-	-	100,000	101,500
Nonspendable Restricted	429,510	- 5,144,324	- 2,641,902	100,000 33,006	101,500 8,248,742
Nonspendable Restricted Committed		- 5,144,324 -	2,641,902		101,500 8,248,742 254,465
Nonspendable Restricted Committed Assigned	429,510	5,144,324 - -	2,641,902 - 3,894,437		101,500 8,248,742 254,465 3,894,437
Nonspendable Restricted Committed Assigned Unassigned	429,510 254,465 - -	- - -	2,641,902 - 3,894,437 (35,179)	33,006	101,500 8,248,742 254,465 3,894,437 (35,179)
Nonspendable Restricted Committed Assigned	429,510	5,144,324 - - - 5,144,324	2,641,902 - 3,894,437		101,500 8,248,742 254,465
Nonspendable Restricted Committed Assigned Unassigned	429,510 254,465 - -	- - -	2,641,902 - 3,894,437 (35,179)	33,006	101,500 8,248,742 254,465 3,894,437 (35,179)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2022

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Revenues:	***			•	
General property taxes	\$10,000	\$2,028,444	\$1,032,224	\$ -	\$3,070,668
Tax increment	-	-	793,264	-	793,264
Special assessments	2.500	81,001	235,863	-	316,864
Intergovernmental	3,500	-	1.045.720		3,500
Charges for services	36,133	-	1,045,728	-	1,081,861
Fines and forfeits	18,528	(157,194)	(2(7,952)	(5.741)	18,528
Investment earnings	(27,375)	(157,184)	(267,852)	(5,741)	(458,152)
Miscellaneous Total revenues	8,475	37,699	190,357	8,800	245,331
Total revenues	49,261	1,989,960	3,029,584	3,059	5,071,864
Expenditures:					
Current:					0
General government	2,339	-	83,326	-	85,665
Public safety	28,026	-	35,446	-	63,472
Public works	-	-	1,582,119	-	1,582,119
Culture and recreation	19,663	-	38,370	-	58,033
Conservation of natural resources	-	-	-	4,242	4,242
Community development	1,107	-	635,671	-	636,778
Capital outlay:			227 070		227 070
Public safety	-	-	327,870	-	327,870
Public works	-	-	773,398	-	773,398
Culture and recreation Debt service:	-	-	338,536	-	338,536
Principal	-	2,324,360	-	-	2,324,360
Interest and fiscal charges	-	661,847	-	-	661,847
Total expenditures	51,135	2,986,207	3,814,736	4,242	6,856,320
Revenues over (under) expenditures	(1,874)	(996,247)	(785,152)	(1,183)	(1,784,456)
Other financing sources (uses):					
Transfers in	-	900,708	1,233,299	-	2,134,007
Transfers out	(60,626)	-	(668,294)	-	(728,920)
Proceeds from sale of capital assets			48,952	-	48,952
Total other financing sources (uses)	(60,626)	900,708	613,957	0	1,454,039
Net change in fund balance	(62,500)	(95,539)	(171,195)	(1,183)	(330,417)
Fund balance - January 1	747,975	5,239,863	6,672,355	134,189	12,794,382
Fund balance - December 31	\$685,475	\$5,144,324	\$6,501,160	\$133,006	\$12,463,965

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. The City maintained the following nonmajor Special Revenue Funds during the year.

<u>Program Recreation</u> – established to account for various self-supporting recreational programs.

<u>Economic Development Authority</u> – established to account for the receipt and uses of funds for economic development purposes.

<u>Cable TV and Communications Fund</u> – established to account for activities relating to Cable TV and Communications.

<u>Blue Heron Days</u> – established to account for the activities associated with the Blue Heron Days festival.

<u>Federal Forfeitures - Justice</u> – established to account for activities associated with the receipt and use of equitable sharing paid from the U.S. Department of Justice Asset Forfeiture Fund.

<u>State Narcotics Forfeitures</u> – established to account for activities associated with the receipt and use of state narcotics forfeitures.

<u>DUI Forfeitures</u> – established to account for activities associated with the receipt and use of DUI forfeitures.

<u>Other Forfeitures</u> – established to account for activities associated with the receipt and use of other forfeitures.

<u>Federal Forfeitures - Treasury</u> – established to account for activities associated with the receipt and use of equitable sharing paid from the U.S. Department of Treasury Forfeiture Fund.

<u>K-9 Unit</u> – accounts for donations received by the City which are restricted for K-9 Unit purposes.

<u>American Rescue Plan Act Funds</u> – accounts for American Rescue Plan Act funds received by the City.

SUBCOMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2022

Assets	201 Program Recreation	203 Economic Development Authority	204 Cable TV and Communications Fund	205 Blue Heron Days	206 Federal Forfeitures - Justice
Cash and investments Prepaid items	\$ - 	\$226,137	\$253,328	\$15,381	\$25,607
Total assets	\$0	\$226,137	\$253,328	\$15,381	\$25,607
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$133	\$663
Due to other governments	-	-	-	-	-
Unearned revenue Total liabilities	-	-		122	663
Total habilities	-	-		133	003
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	-	225,000	-	15,248	24,944
Committed	<u> </u>	1,137	253,328	-	
Total fund balance	0	226,137	253,328	15,248	24,944
Total liabilities and fund balance	\$0	\$226,137	\$253,328	\$15,381	\$25,607

207 State Narcotics Forfeitures	208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	213 American Rescue Plan Act Funds	Total Nonmajor Special Revenue Funds
\$39,006	\$72,771 1,500	\$1,699 -	\$37,674	\$14,890 -	\$270,354	\$956,847 1,500
\$39,006	\$74,271	\$1,699	\$37,674	\$14,890	\$270,354	\$958,347
\$85	\$1,270	\$ -	\$ -	\$59	\$ -	\$2,210
308	=	-	· <u>-</u>	=	· =	308
-	-	-	-	-	270,354	270,354
393	1,270	<u>-</u>	-	59	270,354	272,872
-	1,500	-	-	-	_	1,500
38,613	71,501	1,699	37,674	14,831	-	429,510
-	-	<u>-</u> _	-	<u>-</u> _		254,465
38,613	73,001	1,699	37,674	14,831	0	685,475
\$39,006	\$74,271	\$1,699	\$37,674	\$14,890	\$270,354	\$958,347

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2022

	201 Program Recreation	203 Economic Development Authority	204 Cable TV and Communications Fund	205 Blue Heron Days	206 Federal Forfeitures - Justice
Revenues:	_				_
General property taxes	\$ -	\$ -	\$ -	\$10,000	\$ -
Intergovernmental	-	-	-	3,500	-
Charges for services	-	-	36,133	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	(1,119)	(9,645)	(10,626)	(472)	-
Miscellaneous		50		7,425	
Total revenues	(1,119)	(9,595)	25,507	20,453	0
Expenditures:					
Current:					
General government	-	=	2,339	-	-
Public safety	-	=	-	-	8,263
Culture and recreation	2,387	-	-	17,276	-
Community development	-	1,107	-	-	-
Total expenditures	2,387	1,107	2,339	17,276	8,263
Revenues over (under) expenditures	(3,506)	(10,702)	23,168	3,177	(8,263)
Other financing sources (uses):					
Transfers out	(20,626)	-	(40,000)	-	
Net change in fund balance	(24,132)	(10,702)	(16,832)	3,177	(8,263)
Fund balance - January 1	24,132	236,839	270,160	12,071	33,207
Fund balance - December 31	\$0	\$226,137	\$253,328	\$15,248	\$24,944

207 State Narcotics Forfeitures	208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	213 American Rescue Plan Act Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,000
-	-	<u>-</u>	-	-	_	3,500
-	-	_	-	-	-	36,133
7,258	8,970	2,300	-	_	-	18,528
(1,931)	(2,843)	(57)	-	(682)	-	(27,375)
-	-	- ` `	-	1,000	-	8,475
5,327	6,127	2,243	0	318	0	49,261
11,326 - - 11,326	4,799 - - 4,799	- 1,919 - - - 1,919	- - - - 0	- 1,719 - - - 1,719	- - - - 0	2,339 28,026 19,663 1,107 51,135
(5,999)	1,328	324	0	(1,401)	0	(1,874)
-						(60,626)
(5,999)	1,328	324	0	(1,401)	0	(62,500)
44,612	71,673	1,375	37,674	16,232	<u> </u>	747,975
\$38,613	\$73,001	\$1,699	\$37,674	\$14,831	\$0	\$685,475

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt. The City's Debt Service Funds account for four types of bonded indebtedness:

<u>General Debt Bonds</u> – are repaid primarily from property taxes.

<u>Improvement Bonds and Notes</u> – are repaid primarily from special assessments.

<u>Public Facility Lease Revenue Bonds</u> – are repaid primarily from lease revenues received from the EDA leasing the buildings to the City of Lino Lakes and other tenants.

<u>Revenue Bonds</u> – these bonds were issued to finance various improvements and will be repaid primarily from pledged revenues derived from the constructed assets.

<u>Capital Note</u> – this note was issued to finance cable communications equipment and will be repaid from revenues derived from franchise fees.

SUBCOMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

December	31,	2022	

Assets	315 Certificates of Indebtedness	332 G.O. TIF Bonds of 2007A	335 G.O. Bonds of 2012A	336 G.O. Improvement Bonds of 2013A	337 G.O. Improvement Bonds of 2014A
Cash and investments Special assessments receivable:	\$304,745	\$140,433	\$229,099	\$316,275	\$336,212
Due from county Deferred	<u> </u>	- 	- -	138,292	<u>-</u>
Total assets	\$304,745	\$140,433	\$229,099	\$454,567	\$336,212
Liabilities, Deferred Inflows of Resources, and Fund B	salance				
Liabilities: Accounts payable	\$ -	\$318	\$318	\$318	\$318
Deferred inflows of resources: Unavailable revenue			<u>-</u>	138,292	
Fund balance: Restricted	304,745	140,115	228,781	315,957	335,894
Total liabilities, deferred inflows of resources, and fund balance	\$304,745	\$140,433	\$229,099	\$454,567	\$336,212

338 G.O. Bonds of 2015A	339 EDA Lease Revenue Bonds of 2015B	340 G.O. Capital Note of 2016A	341 G.O. Utility Revenue Bonds of 2016A	343 G.O. Tax Abatement Bonds of 2016C	344 G.O. Bonds of 2018A	345 G.O. Utility Revenue Bonds of 2020A	346 G.O. Bonds of 2021A	Total Nonmajor Debt Service Funds
\$649,411	\$346,902	\$913	\$253,451	\$454,789	\$1,704,560	\$218,832	\$191,484	\$5,147,106
- -	- -	- -	- -	<u>-</u>	716 378,353	<u>-</u>	-	716 516,645
\$649,411	\$346,902	\$913	\$253,451	\$454,789	\$2,083,629	\$218,832	\$191,484	\$5,664,467
\$318	\$318	\$ -	\$318	\$318	\$318	\$318	\$318	\$3,498
				<u> </u>	378,353	<u> </u>	<u> </u>	516,645
649,093	346,584	913	253,133	454,471	1,704,958	218,514	191,166	5,144,324
\$649,411	\$346,902	\$913	\$253,451	\$454,789	\$2,083,629	\$218,832	\$191,484	\$5,664,467

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR DEBT SERVICE FUNDS For The Year Ended December 31, 2022

	315 Certificates of Indebtedness	332 G.O. TIF Bonds of 2007A	335 G.O. Bonds of 2012A	336 G.O. Improvement Bonds of 2013A	337 G.O. Improvement Bonds of 2014A	338 G.O. Bonds of 2015A
Revenues:						
General property taxes	\$245,535	\$ -	\$178,794	\$ -	\$ -	\$267,869
Special assessments	-	-	-	39,000	-	-
Investment earnings	(12,938)	(6,394)	(2,610)	(11,968)	(14,501)	(17,553)
Miscellaneous	-	-	-	-	-	-
Total revenues	232,597	(6,394)	176,184	27,032	(14,501)	250,316
Expenditures:						
Debt service:						
Principal	230,535	245,000	160,000	65,000	150,000	205,000
Interest and fiscal charges	3,308	29,173	7,269	7,368	12,922	48,031
Total expenditures	233,843	274,173	167,269	72,368	162,922	253,031
Revenues over (under) expenditures	(1,246)	(280,567)	8,915	(45,336)	(177,423)	(2,715)
Other financing sources (uses):						
Transfers in		272,504	<u> </u>	<u> </u>	123,704	-
Net change in fund balance	(1,246)	(8,063)	8,915	(45,336)	(53,719)	(2,715)
Fund balance - January 1	305,991	148,178	219,866	361,293	389,613	651,808
Fund balance - December 31	\$304,745	\$140,115	\$228,781	\$315,957	\$335,894	\$649,093

339 EDA Lease Revenue Bonds of 2015B	340 G.O. Capital Note of 2016A	341 G.O. Utility Revenue Bonds of 2016A	343 G.O. Tax Abatement Bonds of 2016C	344 G.O. Bonds of 2018A	345 G.O. Utility Revenue Bonds of 2020A	346 G.O. Bonds of 2021A	Total Nonmajor Debt Service Funds
\$316,300 (6,384)	\$ - (682) 37,699	\$ - (11,049)	\$325,054 - (6,257) -	\$485,212 42,001 (55,269)	(11,311)	\$209,680 - (268) -	\$2,028,444 81,001 (157,184) 37,699
185,000	33,825	140,000	290,000	390,000	230,000	209,412	1,989,960 2,324,360
114,831 299,831	3,874 37,699 (682)	19,968 159,968 (171,017)	10,474 300,474 18,323	248,356 638,356 (166,412)	119,218 349,218 (360,529)	37,055 37,055 172,357	661,847 2,986,207 (996,247)
-	-	156,100	-	(100,+12)	348,400	-	900,708
10,085	(682)	(14,917)	18,323	(166,412)	(12,129)	172,357	(95,539)
336,499	1,595	268,050	436,148	1,871,370	230,643	18,809	5,239,863
\$346,584	\$913	\$253,133	\$454,471	\$1,704,958	\$218,514	\$191,166	\$5,144,324

CAPITAL PROJECT FUNDS

Capital Project Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds. The City maintained the following nonmajor Capital Project Funds during the year:

Closed Bond Fund – to account for excess funds from matured bond issues.

<u>Capital Equipment Revolving</u> – to account for pay-as-you-go capital equipment financing and financing of capital equipment through donations.

<u>Office Equipment Revolving</u> – to account for the receipt and use of funds for office equipment purchases.

<u>Dedicated Parks</u> – to account for the receipts and use of monies collected from park dedication fees.

<u>Tax Increment Financing Funds</u> – to account for development projects financed with tax increments.

<u>Pavement Management Fund</u> – to account for the financing of street maintenance projects.

<u>Surface Water Management</u> – to account for the financing of surface water management and storm water improvements.

<u>Street Reconstruction</u> – to account for the financing of future reconstruction of City streets.

Surface Water Maintenance – to account for surface water maintenance activities.

<u>Park and Trail Improvements</u> – to account for park and trail improvement activities.

<u>Comp Plan Update</u> – this fund accounts for the financing sources received and expenditures incurred to update the City's Comprehensive Plan.

<u>Pheasant Run Reconstruction</u> – to account for the financing of the Pheasant Run street reconstruction project.

CITY OF LINO LAKES, MINNESOTA SUBCOMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2022

Assets	301 Closed Bond Fund	402 Capital Equipment Revolving	403 Office Equipment Revolving	405 Dedicated Parks	411 Tax Increment Financing 1-5
Cash and investments	\$449,305	\$704,393	\$46,626	\$1,972,857	\$52,186
Advances to other funds	125,763	-	-	-	-
Taxes receivable:					
Due from county	-	-	-	-	-
Special assessments receivable: Due from county					
Delinquent Delinquent	-	-	-	-	-
Deferred	-	-	-	_	_
Deteriou					
Total assets	\$575,068	\$704,393	\$46,626	\$1,972,857	\$52,186
Liabilities, Deferred Inflows of Resources, Liabilities: Accounts payable		\$43.046	\$ -	\$15 910	s -
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue	\$106,656 - - - -	\$43,046 - - - - 42,579 85,625	\$ - - - - -	\$15,910 - - 7,984 - 23,894	\$ - 52,186 - - - 52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities		- - -	\$ - - - - - - 0	-	*
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities Deferred inflows of resources:	\$106,656 - - - -	- - - 42,579	- - -	- - 7,984 -	52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities	\$106,656 - - - -	- - - 42,579	- - -	- - 7,984 -	52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities Deferred inflows of resources:	\$106,656 - - - -	- - - 42,579	- - -	- - 7,984 -	52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities Deferred inflows of resources: Unavailable revenue Fund balance: Restricted	\$106,656 - - - - 106,656	42,579 85,625	0	- - 7,984 -	52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities Deferred inflows of resources: Unavailable revenue Fund balance: Restricted Assigned	\$106,656 - - - -	- - - 42,579	- - -	7,984	52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities Deferred inflows of resources: Unavailable revenue Fund balance: Restricted Assigned Unassigned	\$106,656	42,579 85,625	- - - 0	7,984 - 23,894 - 1,948,963 -	52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities Deferred inflows of resources: Unavailable revenue Fund balance: Restricted Assigned	\$106,656 - - - - 106,656	42,579 85,625	0	7,984	52,186
Liabilities: Accounts payable Due to other governments Advances from other funds Retainage payable Unearned revenue Total liabilities Deferred inflows of resources: Unavailable revenue Fund balance: Restricted Assigned Unassigned	\$106,656	42,579 85,625	- - - 0	7,984 - 23,894 - 1,948,963 -	52,186

SUBCOMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2022

	417 Tax Increment Financing 1-10	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	421 Pavement Management
Assets				
Cash and investments	\$ -	\$ -	\$218,655	\$435,953
Advances to other funds	-	-	-	-
Taxes receivable:				
Due from county	3,003	957	159	-
Special assessments receivable:				
Due from county	-	-	-	-
Delinquent	-	-	-	-
Deferred		<u> </u>	<u> </u>	<u> </u>
Total assets	\$3,003	\$957	\$218,814	\$435,953
Liabilities, Deferred Inflows of Resour	rces, and Fund Balance			
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$39,127
Due to other governments	-	-	-	-
Advances from other funds	-	34,407	-	-
Retainage payable	-	-	-	57,703
Unearned revenue			-	-
Total liabilities	0	34,407	0	96,830
Deferred inflows of resources:				
Unavailable revenue	-	-	-	<u>-</u>
Fund balance:				
Restricted	3,003	-	218,814	20,000
Assigned	-	-	-	319,123
Unassigned		(33,450)	-	
Total fund balance	3,003	(33,450)	218,814	339,123
Total liabilities, deferred inflows of				
resources, and fund balance	\$3,003	\$957	\$218,814	\$435,953

422 Surface Water Management	423 Street Reconstruction	424 Surface Water Maintenance	425 Park and Trail Improvements	484 Comp Plan Update	487 Pheasant Run Reconstruction	Total Nonmajor Capital Project Funds
\$2,130,115	\$558,914 -	\$ - -	\$180,990 -	\$ - -	\$457,457 -	\$7,207,451 125,763
-	-	-	-	-	-	4,119
1,302 219 823,765	461 - 30,260	- - -	- - -	- - -	- - -	1,763 219 854,025
\$2,955,401	\$589,635	\$0	\$180,990	\$0	\$457,457	\$8,193,340
\$407,276 - - - 22,998 -	\$ - - - -	\$ - - - -	\$ - - - -	\$ - - 1,729 -	\$6,335 - - - -	\$618,350 52,186 36,136 88,685 42,579
430,274	0	0	0	1,729	6,335	837,936
823,984	30,260					854,244
1,701,143 	559,375	- - - 0	- 180,990 - 180,990	(1,729) (1,729)	451,122 - - - 451,122	2,641,902 3,894,437 (35,179) 6,501,160
1,/01,173	337,313	0	100,770	(1,729)	731,122	0,501,100
\$2,955,401	\$589,635	\$0	\$180,990	\$0	\$457,457	\$8,193,340

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR CAPITAL PROJECT FUNDS

For The Year Ended December 31, 2022

	301 Closed Bond Fund	402 Capital Equipment Revolving	403 Office Equipment Revolving	405 Dedicated Parks	411 Tax Increment Financing 1-5
Revenues:	¢.	¢150,000	#25 000	¢.	Ф
General property taxes	\$ -	\$150,000	\$25,000	\$ -	\$ -
Tax increment	-	-	-	-	52,186
Special assessments	-	-	-	-	-
Charges for services	(16.540)	(24.204)	(1.40.4)	622,262	-
Investment earnings	(16,548)	(24,204)	(1,494)	(75,661)	-
Miscellaneous		121,881		<u> </u>	<u> </u>
Total revenues	(16,548)	247,677	23,506	546,601	52,186
Expenditures:					
Current:					
General government	12,483	-	16,178	-	-
Public safety	-	32,095	3,351	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	297	38,073	-
Community development	-	-	4,625	-	447,538
Capital outlay:					
Public safety	191,542	136,328	-	-	-
Public works	-	32,705	-		-
Culture and recreation	-	-	-	338,536	-
Total expenditures	204,025	201,128	24,451	376,609	447,538
Revenues over (under) expenditures	(220,573)	46,549	(945)	169,992	(395,352)
Other financing sources (uses):					
Transfers in	-	271,750	-	_	-
Transfers out	-	-	-	_	-
Proceeds from sale of capital assets	-	48,952	-	_	-
Total other financing sources (uses)	0	320,702	0	0	0
Net change in fund balance	(220,573)	367,251	(945)	169,992	(395,352)
Fund balance - January 1	688,985	251,517	47,571	1,778,971	395,352
Fund balance - December 31	\$468,412	\$618,768	\$46,626	\$1,948,963	\$0

417 Tax Increment Financing 1-10	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	421 Pavement Management	422 Surface Water Management	423 Street Reconstruction
\$ -	\$ -	\$ -	\$782,224	\$ -	\$ -
135,057	382,521	223,500	-	-	-
-	-	-	-	221,099	14,764
- (1,729)	-	(9,062)	(29,278)	423,466 (72,749)	(23,218)
(1,729)	- -	(9,002)	(29,278)	68,476	(23,218)
133,328	382,521	214,438	752,946	640,292	(8,454)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,309,125	105,958	-
1,014	2,966	179,528	-	-	-
-	-	-	-	-	-
-	-	-	67,103	584,026	-
1,014	2,966	179,528	1,376,228	689,984	0
132,314	379,555	34,910	(623,282)	(49,692)	(8,454)
-	-	-	450,653	-	-
(130,778)	-	-	(460,896)	-	-
(130,778)	- 0	- 0	(10,243)	- 0	- 0
(130,770)			(10,213)		<u> </u>
1,536	379,555	34,910	(633,525)	(49,692)	(8,454)
1,467	(413,005)	183,904	972,648	1,750,835	567,829
\$3,003	(\$33,450)	\$218,814	\$339,123	\$1,701,143	\$559,375

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR CAPITAL PROJECT FUNDS For The Year Ended December 31, 2022

Tax increment - <	tal najor ital Funds
Tax increment - <	
Special assessments - - - - - 1, (253) - 1, (253) - (253) - (253) - (253) - (253) - (253) - (253) - <td>032,224</td>	032,224
Charges for services - - - - 1,1 Investment earnings (6,390) (7,266) (253) - (2 Miscellaneous - <td>793,264</td>	793,264
Investment earnings (6,390) (7,266) (253) - (253) Miscellaneous -	235,863
Miscellaneous - <	045,728
Total revenues (6,390) 67,734 (253) 0 3,0	267,852)
	190,357
Expenditures:	029,584
Current:	
General government - 54,665 -	83,326
Public safety	35,446
Public works 150,296 16,740 1,5	582,119
Culture and recreation	38,370
Community development	635,671
Capital outlay:	
Public safety	327,870
Public works - 79,790 - 9,774	773,398
Culture and recreation	338,536
Total expenditures 150,296 96,530 54,665 9,774 3,8	814,736
Revenues over (under) expenditures (156,686) (28,796) (54,918) (9,774) (7	785,152)
Other financing sources (uses):	
	233,299
	668,294)
Proceeds from sale of capital assets	48,952
	613,957
Net change in fund balance (233,306) (13,796) (19,918) 451,122 (19,918)	171,195)
Fund balance - January 1 233,306 194,786 18,189 - 6,6	672,355
Fund balance - December 31 \$0 \$180,990 (\$1,729) \$451,122 \$6,5	501,160

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

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

Contents	Table Number
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	Tables 1-4
Revenue Capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	Tables 5-8
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	Tables 9-12
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment wihthin which the City's financial activities take place.	Tables 13-14
Operating Information These tables 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.	Tables 15-17

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$22,241,821	\$19,540,807	\$18,230,746	\$18,597,344
Restricted	11,000,033	8,666,357	8,635,293	13,342,852
Unrestricted	16,849,636	20,527,704	13,888,120	10,187,254
Total governmental activities net position	\$50,091,490	\$48,734,868	\$40,754,159	\$42,127,450
Business-type activities:				
Net investment in capital assets	\$28,423,284	\$27,556,022	\$29,127,829	\$31,860,610
Unrestricted	12,999,182	13,888,278	14,672,630	13,863,447
Total business-type activities net position	\$41,422,466	\$41,444,300	\$43,800,459	\$45,724,057
Primary government:				
Net investment in capital assets	\$50,665,105	\$47,096,829	\$47,358,575	\$50,457,954
Restricted	11,000,033	8,666,357	8,635,293	13,342,852
Unrestricted	29,848,818	34,415,982	28,560,750	24,050,701
Total primary government net position	\$91,513,956	\$90,179,168	\$84,554,618	\$87,851,507

GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability and pension related deferred outflows of resources. Net position for years prior to 2014 was not restated.

GASB 75 was implemented in 2017. Net position was restated for 2016 to reflect the reporting of the OPEB liability and OPEB related deferred inflows of resources. Net position for years prior to 2016 was not restated.

2017	2018	2019	2020	2021	2022
\$22,868,259 11,730,147	\$24,640,555 10,579,817	\$28,433,053 12,390,431	\$31,960,308 13,446,203	\$38,987,698 13,889,250	\$43,292,333 10,200,962
12,017,212	16,577,520	17,640,035	18,686,238	21,975,414	21,078,214
\$46,615,618	\$51,797,892	\$58,463,519	\$64,092,749	\$74,852,362	\$74,571,509
\$31,831,950	\$32,709,079	\$36,390,820	\$43,366,197	\$43,566,016	\$49,792,563
14,846,045	15,570,827	16,237,228	16,054,144	16,425,602	14,574,403
\$46,677,995	\$48,279,906	\$52,628,048	\$59,420,341	\$59,991,618	\$64,366,966
\$54,700,209	\$57,349,634	\$64,823,873	\$75,326,505	\$82,553,714	\$93,084,896
11,730,147	10,579,817	12,390,431	13,446,203	13,889,250	10,200,962
26,863,257	32,148,347	33,877,263	34,740,382	38,401,016	35,652,617
\$93,293,613	\$100,077,798	\$111,091,567	\$123,513,090	\$134,843,980	\$138,938,475

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$1,566,388	\$2,036,550	\$2,016,351	\$2,456,864
Public safety	3,950,197	4,107,759	5,135,865	6,567,523
Public works	5,376,671	5,880,030	7,971,712	6,228,893
Culture and recreation	-	-	-	-
Conservation of natural resources	141,204	159,649	186,111	216,905
Community development	404,726	407,448	432,268	454,144
Interest and fees on long-term debt	951,842	618,680	632,876	831,529
Total governmental activities expenses	12,391,028	13,210,116	16,375,183	16,755,858
Business-type activities:				
Water	927,800	965,641	1,394,897	1,367,693
Sewer	1,584,395	1,628,258	2,089,842	1,850,962
Storm water	-	-	-	-
Total business-type activities expenses	2,512,195	2,593,899	3,484,739	3,218,655
	2,012,190	2,333,033	3,101,737	3,210,033
Total primary government expenses	\$14,903,223	\$15,804,015	\$19,859,922	\$19,974,513
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$93,118	\$103,072	\$818,468	\$520,231
Public safety	697,584	763,470	199,498	1,359,426
Public works	632,002	621,221	603,866	865,327
Culture and recreation	-	-	- -	-
Conservation of natural resources	1,347	1,882	-	_
Community development	28,118	39,395	-	_
Operating grants and contributions	527,368	840,676	526,107	722,858
Capital grants and contributions	941,960	335,733	1,176,732	5,046,307
Total governmental activities program revenues	2,921,497	2,705,449	3,324,671	8,514,149
Business-type activities:				
Charges for services:				
Water	1,208,742	965,425	1,014,836	1,094,897
Sewer	1,516,397	1,564,099	1,621,633	1,659,322
Storm water	-	-	-	-
Operating grants and contributions	_	263,024	263,024	_
Capital grants and contributions	883	1,035	3,035,031	1,543,947
Total business-type activities	2,726,022	2,793,583	5,934,524	4,298,166
Total primary government program revenues	\$5,647,519	\$5,499,032	\$9,259,195	\$12,812,315

2017	2018	2019	2020	2021	2022
\$2,395,633	\$2,345,386	\$2,466,130	\$4,197,819	\$2,828,407	\$3,117,688
5,166,538	4,749,394	5,053,511	4,867,134	4,706,881	6,512,493
5,492,395	5,384,522	5,810,919	4,118,477	6,260,599	6,377,440
-	-	, , <u>-</u>	, , <u>-</u>	, , <u>-</u>	4,029,146
200,016	201,590	183,982	161,556	178,581	235,376
459,455	576,794	686,421	660,660	791,930	884,336
518,897	414,607	498,587	733,207	654,287	562,248
14,232,934	13,672,293	14,699,550	14,738,853	15,420,685	21,718,727
1,245,249	1,332,755	1,322,811	1,532,282	1,621,486	3,019,350
1,901,821	1,964,471	2,002,711	2,199,865	2,186,992	2,347,539
-	-	-	-	-	251,478
3,147,070	3,297,226	3,325,522	3,732,147	3,808,478	5,618,367
\$17,380,004	\$16,969,519	\$18,025,072	\$18,471,000	\$19,229,163	\$27,337,094
\$550,117	\$562,816	\$612,237	\$587,888	\$892,386	\$699,316
2,249,152	1,591,658	1,255,363	1,235,829	1,688,606	1,616,634
801,633	448,009	1,273,900	1,106,248	2,528,275	1,574,335
-	-	-	, , -	, , <u>-</u>	1,046,848
-	-	-	-	-	-
-	-	-	-	-	-
1,106,014	861,429	870,532	2,470,024	1,019,752	1,119,449
4,141,383	5,187,023	6,820,419	6,894,207	7,931,093	2,800,604
8,848,299	8,650,935	10,832,451	12,294,196	14,060,112	8,857,186
1,150,834	1,217,589	1,172,580	1,341,559	1,683,290	1,845,312
1,698,963	1,753,712	1,771,143	1,803,231	1,892,040	1,952,299
-	-	-	-	-	486,069
-	-	-	42,152	-	-
836,029	1,242,032	2,894,794	2,887,266	752,403	5,268,556
3,685,826	4,213,333	5,838,517	6,074,208	4,327,733	9,552,236
\$12,534,125	\$12,864,268	\$16,670,968	\$18,368,404	\$18,387,845	\$18,409,422

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016
Net (expense) revenue:	2013	2014	2015	2016
Governmental activities	(\$9,469,531)	(\$10,504,667)	(\$13,050,512)	(\$8,241,709)
Business-type activities	213,827	199,684	2,449,785	1,079,511
	213,027	177,001	2,117,703	1,079,311
Total primary government, net	(9,255,704)	(10,304,983)	(10,600,727)	(7,162,198)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	8,563,595	8,806,886	9,243,236	9,343,500
Unrestricted grants and contributions	4,442	4,443	5,363	91,385
Unrestricted investment earnings	(54,204)	265,695	112,961	210,142
Gain on disposal of capital assets	-	1,727	17,836	66,255
Special item - withdrawal from fire district	-	-	-	1,333,166
Transfers	(353,304)	69,294	66,834	(914,414)
Total governmental activities	8,160,529	9,148,045	9,446,230	10,130,034
Business-type activities:				
Unrestricted investment earnings	(44,773)	154,468	51,167	107,119
Gain on disposal of capital assets	-	-	-	-
Transfers	353,304	(69,294)	(66,834)	914,414
Total business-type activities	308,531	85,174	(15,667)	1,021,533
Total primary government	\$8,469,060	\$9,233,219	\$9,430,563	\$11,151,567
Change in net position:				
Governmental activities	(\$1,309,002)	(\$1,356,622)	(\$3,604,282)	\$1,888,325
Business-type activities	522,358	284,858	2,434,118	2,101,044
Total primary government change in net position	(\$786,644)	(\$1,071,764)	(\$1,170,164)	\$3,989,369

GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

GASB 75 was implemented in 2017. OPEB expense for years prior to 2017 was not restated.

2017	2018	2019	2020	2021	2022
(\$5,384,635)	(\$5,021,358)	(\$3,867,099)	(\$2,444,657)	(\$1,360,573)	(\$12,861,541)
538,756	916,107	2,512,995	2,342,061	519,255	3,933,869
(4,845,879)	(4,105,251)	(1,354,104)	(102,596)	(841,318)	(8,927,672)
9,753,971	10,229,691	10,706,977	11,259,043	12,006,161	12,622,388
181,712	59,508	38,926	47,188	6,587	2,117,908
207,792	369,485	1,029,944	684,384	(171,260)	(1,139,063)
38,022	17,318	68,472	150,041	387,972	66,852
-	-	-	-	-	-
(308,694)	(472,370)	(1,311,593)	(4,066,269)	(109,774)	(1,142,554)
9,872,803	10,203,632	10,532,726	8,074,387	12,119,686	12,525,531
106,488	213,434	523,554	383,963	(86,764)	(645,918)
<u>-</u>	- -	-	-	29,012	-
308,694	472,370	1,311,593	4,066,269	109,774	1,142,554
415,182	685,804	1,835,147	4,450,232	52,022	496,636
\$10,287,985	\$10,889,436	\$12,367,873	\$12,524,619	\$12,171,708	\$13,022,167
¢4 400 170	¢5 192 274	\$6.665.627	\$5.620.720	¢10.750.112	(\$226.010)
\$4,488,168	\$5,182,274	\$6,665,627	\$5,629,730	\$10,759,113	(\$336,010)
953,938 \$5,442,106	1,601,911 \$6,784,185	4,348,142 \$11,013,769	6,792,293 \$12,422,023	\$11,330,390	4,430,505 \$4,094,495
\$3,442,100	\$0,764,163	\$11,013,709	\$12,422,023	\$11,330,390	\$4,094,493

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016
General Fund:				
Nonspendable	\$176,797	\$253,471	\$220,677	\$225,114
Committed	-	-	-	-
Unassigned	5,209,286	5,053,064	5,725,736	6,031,077
Total general fund	\$5,386,083	\$5,306,535	\$5,946,413	\$6,256,191
All other governmental funds:				
Nonspendable	101,710	101,302	101,177	101,220
Restricted	3,651,550	2,830,526	2,637,638	6,502,424
Committed	121,075	152,078	163,239	170,950
Assigned	15,710,702	18,027,773	15,022,852	15,778,480
Unassigned	(3,393,547)	(375,851)	(3,815,304)	(978,496)
Total all other governmental funds	\$16,191,490	\$20,735,828	\$14,109,602	\$21,574,578
Total all funds	\$21,577,573	\$26,042,363	\$20,056,015	\$27,830,769

2017	2018	2019	2020	2021	2022
\$243,317	\$286,186	\$296,907	\$315,224	\$356,619	\$518,196
-	-	443,900	425,000	71,370	58,600
6,573,608	6,599,956	6,052,388	6,787,498	7,719,761	7,509,721
\$6,816,925	\$6,886,142	\$6,793,195	\$7,527,722	\$8,147,750	\$8,086,517
101,659	101,998	102,842	102,076	208,573	152,038
5,289,641	9,824,255	6,650,462	8,206,540	8,437,406	8,248,742
175,401	182,613	175,485	470,047	531,131	254,465
14,581,669	19,195,652	19,672,706	18,943,415	19,533,784	19,492,211
(2,909,173)	(2,935,459)	(3,171,161)	(3,129,676)	(2,931,318)	(2,688,775)
\$17,239,197	\$26,369,059	\$23,430,334	\$24,592,402	\$25,779,576	\$25,458,681
\$24,056,122	\$33,255,201	\$30,223,529	\$32,120,124	\$33,927,326	\$33,545,198

_	2013	2014	2015	2016
Revenues:				
Property taxes	\$8,475,214	\$8,612,011	\$8,950,507	\$9,369,090
Licenses and permits	431,654	407,681	551,202	895,581
Special assessments	2,130,519	1,278,202	703,141	4,400,635
Intergovernmental	500,963	823,025	679,627	706,944
Charges for services	717,300	731,640	696,501	1,293,556
Fines and forfeits	119,079	149,653	127,803	251,653
Investment earnings	(53,466)	265,794	112,915	210,142
Miscellaneous	384,749	767,477	766,072	417,448
Total revenues	12,706,012	13,035,483	12,587,768	17,545,049
Expenditures:				
Current:				
General government	1,569,722	1,692,175	1,643,966	1,845,667
Public safety	3,744,957	3,845,732	11,895,482	4,333,080
Public works	3,956,766	4,156,497	4,779,696	3,203,837
Culture and recreation	-	-	-	-
Conservation of natural resources	134,127	149,292	191,038	201,635
Community development	418,533	402,750	422,935	425,402
Capital outlay	291,135	674,488	1,566,057	3,044,615
Debt service:				
Principal	2,214,000	3,664,000	2,802,511	2,769,525
Interest and fiscal charges	774,172	696,780	542,166	816,362
Bond issuance costs	17,137	=	62,831	98,906
Total expenditures	13,120,549	15,281,714	23,906,682	16,739,029
Revenues over (under) expenditures	(414,537)	(2,246,231)	(11,318,914)	806,020
Other financing sources (uses):				
Proceeds from sale of capital assets	16,727	1,727	54,522	72,182
Insurace recovery	- -	-	- -	=
Issuance of debt	808,000	3,140,000	8,606,250	5,464,000
Premium on bonds issued	6,558	-	114,960	41,497
Payment to refunded bond escrow agent	(435,000)	=	- -	-
Transfers in	1,722,541	2,608,534	3,392,971	3,521,180
Transfers out	(1,650,817)	(2,539,240)	(3,336,137)	(3,241,959)
Total other financing sources (uses)	468,009	3,211,021	8,832,566	5,856,900
Special item - withdrawal from fire district				1,111,834
Net change in fund balance	\$53,472	\$964,790	(\$2,486,348)	\$7,774,754
Debt service as a percentage of				
Noncapital expenditures	23.3%	29.9%	15.0%	26.2%
Debt service as a percentage of				
Total expenditures	22.8%	28.5%	14.0%	21.4%

					_
2017	2018	2019	2020	2021	2022
\$9,772,741	\$10,215,761	\$10,685,592	\$11,232,374	\$12,063,089	\$12,623,407
1,447,571	1,260,046	941,569	972,450	1,400,755	1,348,912
2,283,974	2,005,970	1,935,178	987,053	1,597,697	2,156,808
1,080,953	3,453,300	688,389	2,597,744	1,170,678	3,393,074
1,327,781	1,003,896	1,862,803	1,609,627	3,102,712	2,739,431
613,593	137,940	131,936	160,279	113,359	79,669
207,792	369,485	1,029,944	684,384	(171,260)	(1,139,063)
410,640	323,379	265,130	246,599	508,253	906,901
17,145,045	18,769,777	17,540,541	18,490,510	19,785,283	22,109,139
1,952,669	1,948,909	2,007,741	3,412,600	2,257,879	2,504,260
4,360,517	4,575,957	4,720,122	4,744,173	5,027,661	5,792,661
3,414,412	3,148,058	3,538,624	3,083,366	2,929,603	3,308,439
, , , , , , , , , , , , , , , , , , ,	, , , , , , , , , , , , , , , , , , ,	, , -	-	, , =	3,723,278
183,392	199,026	207,919	160,884	182,247	224,980
433,144	572,910	680,419	665,405	822,007	914,055
2,152,848	3,469,208	7,444,939	6,387,441	5,499,595	3,582,771
8,058,525	3,130,600	2,815,075	2,855,000	3,149,000	2,324,360
640,029	437,659	562,471	629,282	699,782	662,078
-	-	- -	· =	49,097	· =
21,195,536	17,482,327	21,977,310	21,938,151	20,616,871	23,036,882
(4,050,491)	1,287,450	(4,436,769)	(3,447,641)	(831,588)	(927,743)
					<u> </u>
103,328	49,391	77,986	240,842	398,355	48,952
-	-	711,854	-	-	-
311,000	7,218,900	388,535	4,624,235	1,815,000	-
-	401,193	-	435,623	102,502	-
-	-	-	-	-	-
6,984,443	4,266,440	2,777,663	4,122,789	3,240,042	3,371,475
(7,122,927)	(4,024,295)	(2,550,941)	(4,079,253)	(2,917,109)	(2,874,812)
275,844	7,911,629	1,405,097	5,344,236	2,638,790	545,615
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
(\$3,774,647)	\$9,199,079	(\$3,031,672)	\$1,896,595	\$1,807,202	(\$382,128)
45.4%	25.5%	23.2%	22.4%	24.0%	15.0%
41.0%	20.4%	15.4%	15.9%	18.7%	13.0%

Payable Year	Residential Property	Commercial/ Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Taxable Market Value
2013	\$13,693,905	\$2,571,769	\$336,047	\$16,601,721	46.774	\$1,519,857,242
2013	13,646,798	2,450,473	341,974	16,439,245	46.683	1,509,921,169
2015	15,455,516	2,536,783	347,316	18,339,615	43.770	1,694,366,064
2016	15,472,329	2,609,482	359,006	18,440,817	46.019	1,699,288,883
2017	16,480,328	2,767,099	396,378	19,643,805	45.140	1,808,417,118
2018	17,879,879	2,966,548	442,867	21,289,294	42.826	1,959,826,108
2019	18,920,892	3,294,449	471,895	22,687,236	41.817	2,082,803,803
2020	20,781,383	3,686,997	419,457	24,887,837	39.870	2,294,753,477
2021	22,250,844	3,710,390	530,211	26,491,445	40.109	2,435,156,410
2022	23,932,066	3,587,941	388,342	27,908,349	40.154	2,587,650,762

The tax capacity (assessed taxable value) of the property is calculated by applying a statutory formula to the estimated market value of the property.

Source: Anoka County, Minnesota Assessors' Office

DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES

Last Ten Fiscal Years

(rate per \$100 of Tax Capacity)

		City Direct Rate			Overlappii	ng Rates		
		General		Centennial		Other		Total Direct and
Fiscal	Basic	Obligation	Total	School District	Anoka	Taxing	Total	Overlapping
Year	Rate	Debt Service	Direct	ISD # 12	County	Districts	Overlapping	Tax Rate
2013	40.964	5.810	46.774	43.681	44.411	6.940	95.032	141.806
2014	39.784	6.899	46.683	46.186	43.239	6.712	96.137	142.820
2015	37.819	5.951	43.770	36.562	38.123	6.021	80.706	124.476
2016	35.025	10.994	46.019	36.426	38.894	6.405	81.725	127.744
2017	35.105	10.035	45.140	29.097	36.841	5.810	71.748	116.888
2018	36.168	6.658	42.826	34.970	35.334	5.658	75.962	118.788
2019	33.875	7.942	41.817	35.984	34.473	5.300	75.757	117.574
2020	31.803	8.067	39.870	34.059	33.078	5.048	72.185	112.055
2021	33.235	6.874	40.109	31.572	31.567	4.420	67.559	107.668
2022	33.262	6.892	40.154	31.074	29.254	4.624	64.952	105.106

The majority of the City is serviced by School District 12. Rates for debt service are based on each year's requirements

Source: Anoka County

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		2022			2013	
Taxpayer	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity
AX Lino Lakes LP	\$390,078	1	1.40%	\$ -		-
US Home Corporation	304,069	2	1.09%	-		-
Minnegasco Inc	283,558	3	1.02%	-		-
Target Corporation	221,400	4	0.79%	210,824	1	1.27%
Biynah MN WI LLC	189,748	5	0.68%	-		-
Gargaro Properties LLC	139,600	6	0.50%	85,908	7	0.52%
Tomas Commercial Real Estate Holdings LLC	103,928	7	0.37%	-		-
Marmon/Keystone Corp	98,850	8	0.35%	77,462	8	0.47%
Kohls Illinois Inc	94,420	9	0.34%	104,810	5	0.63%
Lino Lakes Assisted Living LLC	84,803	10	0.30%	-		-
Lino Lakes Realty LLC	-		-	181,810	2	1.10%
Xcel Energy	-		-	176,456	3	1.06%
Moline Concrete Products	-		-	110,333	4	0.66%
Taylor Corporation	-		-	97,230	6	0.59%
Centerpoint Energy	-		-	65,794	9	0.40%
EOC Lino Lakes LLC				59,250	10	0.36%
Total	\$1,910,454		6.85%	\$1,169,877		7.05%

Source: Anoka County

CITY OF LINO LAKES, MINNESOTAPROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

	Taxes Levied for the Fiscal Year			Collected wi Fiscal Year		
Fiscal Year	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy	
2013	\$7,190,538	\$1,025,090	\$8,215,628	\$8,094,911	98.5%	
2014	7,098,922	1,197,122	8,296,044	8,229,986	99.2%	
2015	7,490,578	1,195,494	8,686,072	8,630,830	99.4%	
2016	7,018,572	2,039,856	9,058,428	9,022,964	99.6%	
2017	7,360,431	2,131,424	9,491,855	9,439,688	99.5%	
2018	8,165,859	1,610,873	9,776,732	9,729,472	99.5%	
2019	8,193,124	1,862,292	10,055,416	9,981,243	99.3%	
2020	8,368,756	2,122,762	10,491,518	10,415,622	99.3%	
2021	9,232,367	1,909,448	11,141,815	11,055,781	99.2%	
2022	9,790,843	2,028,444	11,819,287	11,777,785	99.6%	

Current year levies and collections include State levy related credits, but do not include tax increment levies and collections.

	Total Collectio	ns to Date		
Collections in		Percentage	Outstanding	Percentage
Subsequent		of	Delinquent	of Levy
Years	Amount	Levy	Taxes	Outstanding
\$119,235	\$8,214,146	100.0%	\$1,482	0.6%
65,599	8,295,585	100.0%	459	0.3%
53,854	8,684,684	100.0%	1,388	0.3%
33,092	9,056,056	100.0%	2,372	0.3%
50,816	9,490,504	100.0%	1,351	0.4%
44,627	9,774,099	100.0%	2,633	0.1%
76,872	10,058,115	100.0%	(2,699)	0.3%
69,592	10,485,214	99.9%	6,304	0.7%
73,248	11,129,029	99.9%	12,786	0.1%
_	11,777,785	99.6%	41,502	0.4%

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Governmental Activities

		Governmentar retrictes	
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Other Long-Term Debt
2013	\$9,610,000	\$5,975,000	\$3,695,000
2014	9,036,000	7,640,000	2,080,000
2015	16,377,291	6,620,000	1,720,000
2016	16,780,831	7,795,000	3,165,250
2017	12,896,518	4,905,000	2,174,725
2018	19,291,813	3,890,000	1,271,025
2019	18,057,829	2,855,000	1,064,485
2020	21,533,432	1,805,000	793,720
2021	21,551,462	845,000	434,720
2022	19,631,753	630,000	170,360

Details regarding the City's outstanding debt can be found in the notes to the financial statements. See the *Demographic and Economic Statistics* schedule for personal income and population data.

⁽¹⁾ Personal income information is not yet available for 2022 from the Bureau of Economic Analysis Report

Total Primary	Percentage of Assessed	Percentage of Personal	Per
Government	Market Value	Income	Capita
\$19,280,000	1.27%	0.13%	\$925
18,756,000	1.24%	0.12%	888
24,717,291	1.46%	0.15%	1,205
27,741,081	1.63%	0.17%	1,334
19,976,243	1.10%	0.11%	946
24,452,838	1.25%	0.13%	1,111
21,977,314	1.03%	0.12%	999
24,132,152	1.05%	0.12%	1,128
22,831,182	0.94%	0.10%	1,075
20,432,113	0.79%	(1)	945

RATIOS OF NET GENERAL BONDED DEBT

Last Ten Fiscal Years

	Governmental A	Governmental Activities				
	General	Special	Total			
Fiscal	Obligation	Assessment	Primary			
Year	Bonds	Bonds	Government			
2013	\$9,610,000	\$5,975,000	\$15,585,000			
2014	9,036,000	7,640,000	16,676,000			
2015	16,377,291	6,620,000	22,997,291			
2016	16,780,831	7,795,000	24,575,831			
2017	12,896,518	4,905,000	17,801,518			
2018	19,291,813	3,890,000	23,181,813			
2019	18,057,829	2,855,000	20,912,829			
2020	21,533,432	1,805,000	23,338,432			
2021	21,551,462	845,000	22,396,462			
2022	19,631,753	630,000	20,261,753			

Details regarding the City's outstanding debt can be found in the notes to the financial statements. See the *Demographic and Economic Statistics* schedule for population data.

	Less: Amounts		Percentage	
Per	Available in Debt	Net	of Assessed	Per
Capita (Total)	Service Funds	Bonded Debt	Market Value	Capita (Net)
\$748	\$3,357,196	\$12,227,804	0.80%	\$587
789	2,501,738	14,174,262	0.94%	671
1,121	2,813,226	20,184,065	1.19%	984
1,181	8,420,263	17,711,818	1.04%	851
843	5,171,905	14,570,863	0.81%	690
1,054	4,456,461	19,794,252	1.01%	900
951	4,772,799	17,034,565	0.80%	774
1,091	5,399,895	18,595,307	0.81%	869
1,055	5,241,849	17,154,613	0.70%	808
937	5,147,106	15,114,647	0.58%	699

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT As of December 31, 2022

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Overlapping debt:			
Anoka County	\$42,415,000	6.1%	\$2,587,315
ISD 12 (Centennial)	129,869,418	43.1%	55,973,719
ISD 624 (White Bear Lake)	375,050,000	3.1%	11,626,550
ISD 831 (Forest Lake)	157,255,000	7.1%	11,165,105
Metropolitan Council	1,717,186,171	0.6%	10,303,117
Total overlapping			91,655,806
City of Lino Lakes direct debt	19,625,360	100%	19,625,360
Total direct and overlapping debt			\$111,281,166

^{*}For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

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

Source: Anoka County/City of Lino Lakes Official Statements

Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2022

Debt limit:	
Market value	\$2,680,361,000
Applicable percentage	3%
	80,410,830
Debt applicable to limit:	
Total bonded debt	20,432,113
Less:	
Special assessment bonds	(627,545)
Tax abatement bonds	(305,000)
Tax increment bonds	(543,212)
Utility revenue bonds	(6,668,467)
	12,287,889
Legal debt margin	\$68,122,941

Legal Debt Margin Calculation for Fiscal Years 2012 Through 2021

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Debt Applicable to Limit Per Capita
2013	20,833	\$45,595,717	\$4,280,000	\$41,315,717	9.39%	\$205
2014	21,129	45,297,635	4,191,000	41,106,635	9.25%	198
2015	20,519	50,830,982	11,941,250	38,889,732	23.49%	582
2016	20,803	50,978,666	10,122,081	40,856,585	19.86%	487
2017	21,117	54,252,514	10,426,243	43,826,271	19.22%	494
2018	22,000	58,794,783	14,497,838	44,296,945	24.66%	659
2019	21,650	65,496,045	13,637,314	51,858,731	20.82%	630
2020	22,410	71,534,937	13,217,152	58,317,785	18.48%	590
2021	21,236	76,205,334	13,901,182	62,304,152	18.24%	655
2022	21,629	80,410,830	12,287,889	68,122,941	15.28%	568

2013	Population	(thousands of dollars)	Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2014	20,833	\$14,496,708	\$42,748	6,399	4.5%
2014	21,129	15,396,593	45,029	6,361	3.4%
2015	20,519	16,139,868	46,885	6,394	3.3%
2016	20,803	16,599,918	47,864	6,388	3.9%
2017	21,117	17,383,717	49,583	6,499	3.1%
2018	22,000	18,152,170	51,277	6,560	3.9%
2019	21,995	18,850,155	52,722	6,576	3.2%
2020	21,399	20,045,489	55,694	6,654	4.8%
2021	21,236	21,799,730	59,397	6,488	2.5%
2022					

Sources:

- (1) Estimates from Metropolitan Council, except for 2020 which is per the U.S. Census and 2022 which is a city estimate
- (2) Information from Bureau of Economic Analysis Report. Anoka County statistics used as local information is unavailable.
- (3) Information from ISD #12 Financial Statements and Supplementary Information
- (4) Information from MN Department of Employment and Economic Development. Anoka County statistics used as local information is unavailable.

Current Year and Nine Years Ago

		2022		2013				
Employer	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾		
Employer	Employees	Kalik	Employment	Employees	Kalik	Employment		
State of Minnesota Corrections	447	1	24.8%	460	1	25.0%		
ISD 12 - Centennial School District	391	2	21.7%	362	2	19.7%		
Target Corporation	200	3	11.1%	150	4	8.1%		
Anoka County Juvenile Center	130	4	7.2%	120	6	6.5%		
Molin Concrete	130	5	7.2%	120	7	6.5%		
Rehbein Transit	130	6	7.2%	100	10	5.4%		
Kohls	123	7	6.8%	120	8	6.5%		
Distribution Alternatives	120	8	6.7%	-	-	-		
City of Lino Lakes	70	9	3.9%	-	-	-		
Northern Wholesale	61	10	3.4%	-	-	-		
Taylor Corporation	-	-	-	160	3	8.7%		
Curtis 1000	-	-	-	130	5	7.1%		
YMCA		-	-	120	9	6.5%		
Total	1,802			1,842				

⁽¹⁾The statistic for total City employment is not available, therefore the percentage represents the percentage of the top ten listed.

Source: Employer Surveys/City of Lino Lakes Official Statements

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

	Full-Ti	me-Equivalent Employ	yees as of December 3	1,	
-	2013	2014	2015	2016	
General government:					
Administration	3.50	3.50	3.50	4.00	
Finance	3.00	3.00	3.00	3.50	
Planning and zoning	1.00	1.00	1.00	1.00	
Total general government	7.50	7.50	7.50	8.50	
Public safety:					
Police - sworn officers	25.00	25.00	26.00	27.00	
Police - civilians	3.00	4.00	4.00	4.50	
Fire	-	1.00	1.00	1.50	
Building inspection	2.50	2.00	2.00	2.50	
Total public safety	30.50	32.00	33.00	35.50	
Public works:					
Streets	7.00	7.00	7.00	6.50	
Fleet	1.00	1.00	1.00	1.50	
Total public works	8.00	8.00	8.00	8.00	
Culture and recreation:					
Parks	5.20	5.20	5.20	5.20	
Recreation	3.20	3.20	3.20	2.20	
Rookery activity center	-	-	-	-	
Total culture and recreation	8.40	8.40	8.40	7.40	
Conservation of natural resources:					
Environmental	0.35	0.35	0.35	0.35	
Solid waste abatement	0.30	0.30	0.30	0.30	
Forestry	0.35	0.35	0.35	0.35	
Total conservation of natural resources	1.00	1.00	1.00	1.00	
Community development	2.00	2.00	2.00	2.00	
Water	2.30	2.30	2.30	2.30	
Sewer	2.30	2.30	2.30	2.30	
Storm water	<u> </u>	<u> </u>	<u> </u>	<u>-</u>	
Total					
_	62.00	63.50	64.50	67.00	

Source: City Finance Office

2017	2018	2019	2020	2021	2022
4.00	4.00	4.00	4.00	5.00	5.00
3.50	3.25	3.25	3.10	3.10	2.60
1.00	1.00	1.00	1.00	1.00	1.00
8.50	8.25	8.25	8.10	9.10	8.60
27.00	27.00	27.00	27.00	28.00	28.0
4.50	4.00	4.00	4.00	5.00	5.5
1.50	1.50	1.50	1.50	1.50	6.50
2.50	2.50	3.50	3.50	3.50	4.50
35.50	35.00	36.00	36.00	38.00	44.50
6.65	((5	6.65	(50	(25	6.1:
1.50	6.65 1.50	1.50	6.50 1.50	6.25 2.20	
8.15	8.15	8.15	8.00	8.45	2.4 8.6
0.13	8.13	6.13	8.00	6.43	0.0
5.20	5.20	5.20	5.20	4.95	5.3
2.35	1.35	1.35	0.20	-	0.1
<u> </u>	<u> </u>	=	=	=	7.5
7.55	6.55	6.55	5.40	4.95	12.9
0.35	0.35	0.35	0.38	0.38	0.3
0.30	0.30	0.30	0.25	0.25	0.3
0.35	0.35	0.35	0.38	0.38	0.2
1.00	1.00	1.00	1.00	1.00	0.7
2.00	2.00	2.00	2.00	2.00	1.7
2.70	3.33	3.33	3.25	3.25	4.0
2.70	3.33	3.33	3.25	3.25	4.0
	- -				1.8
CO 10	(7.40	60.60	(7.00	70.00	07.0
68.10	67.60	68.60	67.00	70.00	87.0

	2013	2014	2015	2016
General government:		· · · · · · · · · · · · · · · · · · ·		
Elections	1	2	1	2
Registered voters	12,020	12,610	12,143	13,636
Number of votes cast	1,575	7,854	4,085	11,562
Voter participation (registered)	13.1%	62.3%	33.6%	84.8%
Public safety:				
Police:				
Calls for service	6,210	6,281	6,210	6,210
Traffic citations and warnings	2,597	2,296	2,199	2,199
Part I crime rate	918	631	1,226	1,091
Part II crime rate	2,144	1,836	2,395	3,635
Police:				
Case numbers generated				16,321
Avg response time (emergency & non-emergency)				5:26 minutes
Part I crime offenses				224
Part II crime offenses				746
Group A				
Group B				
Clearance rate				73%
Fire:				
Fire call load				269
Fire property loss				\$694,000
Fire property saved				\$10,511,300
Fire inspections				53
Building inspections:				
Building permits	490	431	654	761
Value of building permits	\$17,683,665	\$13,535,514	\$26,570,593	\$53,390,619
Other permits (4)				880
Public works:				
General maintenance (hours)	3,994	5,200	7,839	5,534
Street maintenance (hours)	5,740	3,840	3,347	4,053
Fleet maintenance (hours)	4,548	4,746	4,322	4,437
Snow plowing/sanding (hours)	1,639	2,141	754	960
Culture and recreation:				
Park maintenance (hours)	8,480	8,537	8,332	9,698
Utilities:				
Water maintenance (hours)	3,119	3,189	3,240	3,539
Sewer maintenance (hours)	3,109	3,178	3,240	3,539
Storm water maintenance (hours)	-	-	-	-
Storm water maintenance (hours)				

⁽¹⁾ Increase in permits issued due to June 2017 storm damage.

Source: Various City Departments

⁽²⁾ The Public Safety Department modified the metrics maintained for business purposes in 2016.

⁽³⁾ Transition to FBI Uniform Crime Reporting NIBRS (National Incident Based Reporting System) in 2019. January -July 2019 SRS, August-Dec 2019 NIBRS.

⁽⁴⁾ Other permits (plumbing, mechanical, etc.) data included in 2020 and presented retroactively back to 2016.

2017	2018	2019	2020	2021	2022
1	2	1	4	1	2
12,624	12,860	13,312	14,964	14,441	15,082
2,165	10,738	3,075	13,505	1,873	10,584
17.1%	83.5%	23.1%	90.2%	13.0%	70.2%
17.170	03.370	23.170	70.270	13.070	70.270
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
18,199	14,487	13,973	13,214	12,138	12,399
4:42 minutes	5:16 minutes	5:53 minutes	6:41 minutes	6:46 minutes	6:11 minutes
176	195	93 (3)	(3)	(3)	(3)
808	587	304 (3)	(3)	(3)	(3)
		266 (3)	778	729	555
		98 (3)	217	182	195
82%	69%	60%	48%	56%	53%
316	356	379	371	399	585
\$325,100	\$205,200	\$246,600	\$241,450	\$148,683	\$1,487,543
\$6,342,100	\$1,791,500	\$7,548,100	\$13,682,450	\$1,251,340	\$5,560,915
117	107	98	60	116	38
5422 (1)	3,281	1,107	882	969	796
\$50,984,047	\$50,990,945	\$41,766,531	\$51,686,278	\$90,354,190	\$103,040,207
985	1,023	1,183	1,254	1,451	1,749
6,313	420	7,420	5,407	6,851	6,510
3,765	12,418	4,328	4,317	4,622	3,588
3,986	2,648	3,504	3,390	3,483	3,213
928	2,117	2,130	1,232	1,204	1,962
8,576	9,027	9,610	8,113	8,818	9,406
3,278	4,080	3,944	3,645	4,196	3,998
3,278	4,080	3,944	3,645	4,196	3,998
-	-	-	-	-	1,760

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	12	12	12	12	12	12	12	12	12
Fire:										
Stations	1	1	2	2	2	2	2	2	2	2
Fire trucks	5	5	7	7	8	8	8	8	8	8
Public works:										
Lights	673	673	673	815	838	854	859	859	859	859
Vehicles	29	29	29	39	39	39	39	39	39	39
City streets (miles)	100.7	100.7	100.7	100.7	100.7	106.9	108.2	104.6 (1)	106.3	108.4
Culture and recreation: Parks:										
Asphalt trails (miles)	26	26	26	30	30.00	30	30	28 (2)	29	30.2
Boardwalk (miles)								0(2)	-	0.3
Concrete trails (miles)								7(2)	8	10.3
Baseball/Softball fields	20	20	20	8	8	8	8	8	8	8
Basketball courts	6	6	6	6	6	7	7	7	7	7
Fishing pier	1	1	1	1	_	_	_	-	-	_
Park acres	141	141	141	140	147.0	152	152	152	152	152
Park shelters	6	6	6	6	6	7	7	7	7	7
Parks	18	18	18	17	18	19	19	19	19	19
Pickleball courts	-	-	-	-	-	1	1	1	1	5
Playgrounds	16	16	16	15	16	17	17	17	17	17
Skating rinks	4	4	4	4	3	3	3	3	3	3
Soccer fields	8	8	8	6	4	4	4	4	4	4
Tennis courts	2	2	2	2	-	-	1	1	1	3
Water:										
Distribution system (miles)	74.7	74.7	74.7	85.6	99.4	89.0	89.5	91.8	94.2	97.6
Water connections	4,484	4,520	4,542	4,649	4,738	4,919	4,990	5,175	5,324	5,520
Gallons pumped (millions)	536	536	449	452	494	508	493	547	630	623
Water tower capacity (millions gallons)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.5	3.5
Number of fire hydrants	538	538	1,024	1,024	1,028	942	937	1,013	1,046	1,097
Sewer:										
Collection system (miles)	69.8	69.8	77.9	77.9	87.0	79.5	80.1	80.1	82.8	85.4
Sewer connections	4,624	4,685	4,685	4,817	4,976	5,102	5,276	5,439	5,650	5,833
Storm water:										
Pipe (miles)	41.4	41.4	41.4	53.7	54.1	55.0	55.6	49.86 (1)	53.5	54.2

Source: Various City Departments

⁽¹⁾ Decrease due to reclassification of ownership.

⁽²⁾ In 2020, trails were broken out between asphalt trail, concrete sidewalk, and boardwalk