

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

**FOR THE YEAR ENDED
December 31, 2023**

**Prepared By: Finance Department
Hannah Lynch, Director of Finance**

- This page intentionally left blank -

CITY OF LINO LAKES, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Letter of Transmittal		3
Certificate of Achievement for Excellence in Financial Reporting		7
Organization Chart		9
Principal City Officials		11
FINANCIAL SECTION		
Independent Auditor's Report		15
Management's Discussion and Analysis		19
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	33
Statement of Activities	Statement 2	34
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	36
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position	Statement 4	39
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 5	40
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of Governmental Funds to the Statement of Activities	Statement 6	42
Statement of Net Position - Proprietary Funds	Statement 7	43
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Statement 8	44
Statement of Cash Flows - Proprietary Funds	Statement 9	45
Notes to Financial Statements		47
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 10	82
Budgetary Comparison Schedule - The Rookery Activity Center	Statement 11	88
Schedule of Changes in the Total OPEB Liability and Related Ratios	Statement 12	89
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 13	90
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 14	91
Schedule of Proportionate Share of Net Pension Liability - Public Employees Police and Fire Fund	Statement 15	92
Schedule of Pension Contributions - Public Employees Police and Fire Fund	Statement 16	93
Schedule of Changes in the Net Pension Liability and Related Ratios - Lino Lakes Public Safety Department - Fire Division	Statement 17	94
Schedule of Contributions - Lino Lakes Public Safety Department - Fire Division	Statement 18	96
Notes to RSI		97

CITY OF LINO LAKES, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
Combining and Individual Nonmajor Fund Financial Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 19	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	Statement 20	105
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	Statement 21	108
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	Statement 22	110
Subcombining Balance Sheet - Nonmajor Debt Service Funds	Statement 23	114
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Debt Service Funds	Statement 24	116
Subcombining Balance Sheet - Nonmajor Capital Project Funds	Statement 25	121
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Project Funds	Statement 26	124
STATISTICAL SECTION (UNAUDITED)		
Financial Trends:		
Net Position by Component	Table 1	130
Changes in Net Position	Table 2	132
Fund Balances, Governmental Funds	Table 3	136
Changes in Fund Balances, Governmental Funds	Table 4	138
Revenue Capacity:		
Assessed and Actual Value of Taxable Property	Table 5	140
Direct and Overlapping Property Tax Capacity Rates	Table 6	141
Principal Property Taxpayers	Table 7	143
Property Tax Levies and Collections	Table 8	144
Debt Capacity:		
Ratios of Outstanding Debt by Type	Table 9	146
Ratios of Net General Bonded Debt	Table 10	148
Direct and Overlapping Governmental Activities Debt	Table 11	150
Legal Debt Margin Information	Table 12	151
Demographic and Economic Information:		
Demographic and Economic Statistics	Table 13	152
Principal Employers	Table 14	153
Operating Information:		
Full-Time Equivalent City Government Employees By Function/Program	Table 15	154
Operating Indicators by Function/Program	Table 16	156
Capital Asset Statistics by Function/Program	Table 17	158

INTRODUCTORY SECTION

- This page intentionally left blank -



May 28, 2024

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, 2023.

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, 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, 2023, 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, 2023, 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.

**600 Town Center Parkway, Lino Lakes, MN 55014
Phone: 651-982-2400 • Fax: 651-982-2499**

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 21,976. The population has more than doubled from the 1990 census figure of 8,807 and has grown by 10% since 2010. Within the City's borders lies the 5,500 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 City Council approval. Budget-to-actual comparisons for the General Fund and The Rookery Activity Center Fund, the only governmental 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 seventh addition. Commercial interest continues to grow with the expansion of the Otter Crossing and Belland Farms developments along Main Street.

The 35E corridor has 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 2023. The City issued building permits for 110 residential units and 6 new commercial establishments in 2023. Total building permit valuation was approximately \$57 million.

Long-term financial planning. The City's current Financial Plan identifies capital equipment purchases and building and infrastructure improvements totaling \$128 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 2029.

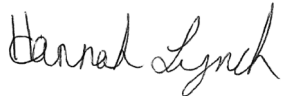
Awards and Acknowledgements

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, 2022. This marks the twenty-eighth 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 2023 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,



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

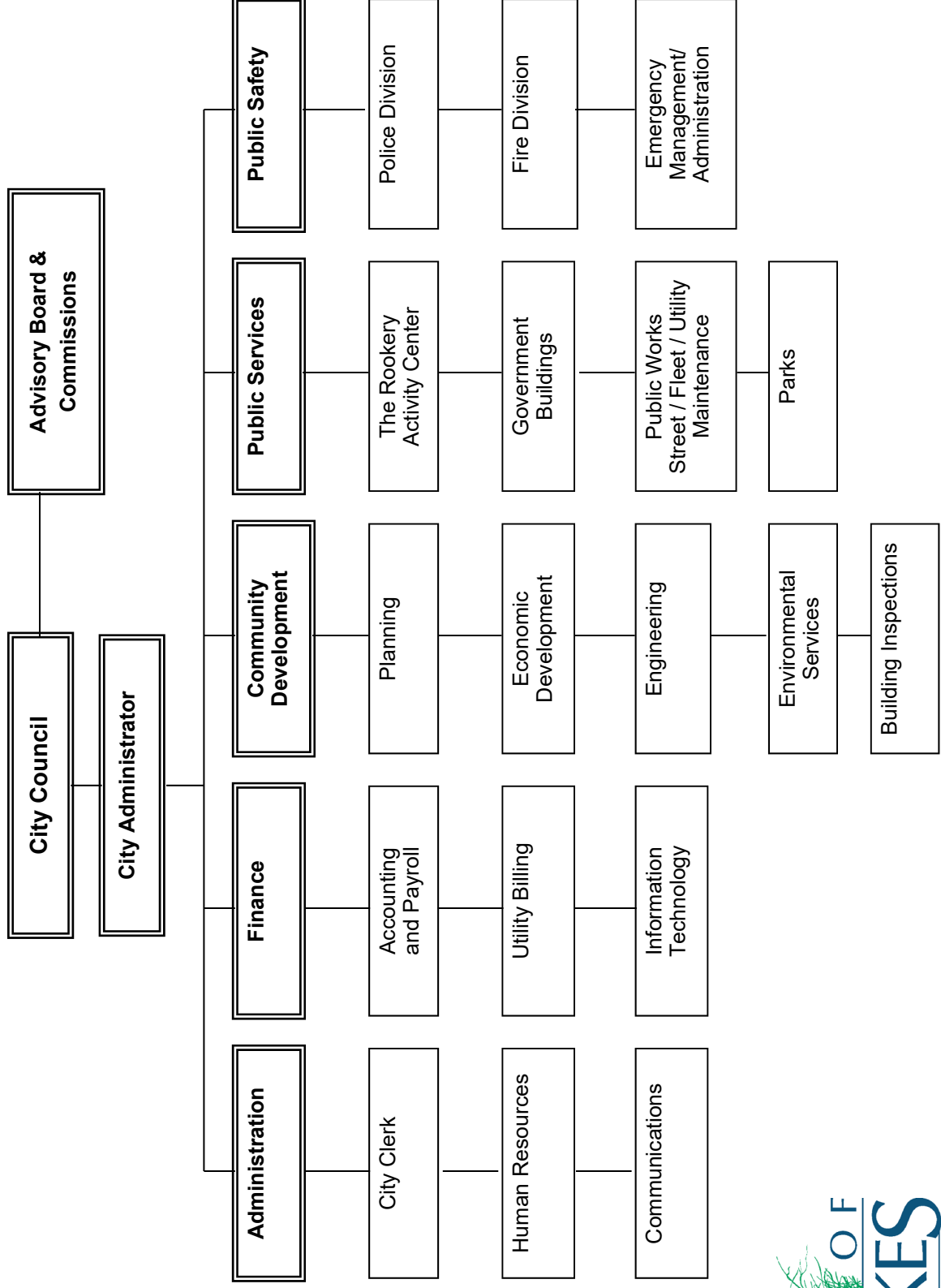
December 31, 2022

Christopher P. Morill

Executive Director/CEO

- This page intentionally left blank -

City of Lino Lakes Organizational Chart



- This page intentionally left blank -

CITY OF LINO LAKES, MINNESOTA

PRINCIPAL CITY OFFICIALS

December 31, 2023

		<u>Term Expires</u>
Mayor:	Rob Rafferty	December 31, 2023
Councilmembers:	Dale Stoesz	December 31, 2025
	Tony Cavegn	December 31, 2025
	Chris Lyden	December 31, 2023
	Michael Ruhland	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

- This page intentionally left blank -

FINANCIAL SECTION

- This page intentionally left blank -



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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of 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.

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 May 28, 2024 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, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 28, 2024

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found 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 \$144,318,999 (net position). Of this amount, \$36,740,342 (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 \$5,380,524.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,017,053, an increase of \$471,855. Of this amount, \$7,083,189 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 \$8,583,880. Unassigned fund balance for the general fund was \$7,940,364, or 66% of total general fund expenditures and other financing uses.

Total outstanding debt decreased by \$2,514,595 during 2023. 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.

Management's Discussion and Analysis

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.

Management's Discussion and Analysis

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 – Special Revenue Fund
- G.O. Improvement Note of 2009A – Debt Service Fund
- G.O. Improvement Bonds of 2016B – Debt Service Fund
- Capital Equipment Replacement – Capital Project Fund
- Area and Unit Trunk – 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 5 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.

Management's Discussion and Analysis

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 \$144,318,999 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$98,180,477 or 68%) 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	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$44,586,667	\$45,306,045	\$16,270,032	\$15,276,547	\$60,856,699	\$60,582,592
Capital assets	66,000,296	63,271,845	50,119,172	49,792,563	116,119,468	113,064,408
Total assets	110,586,963	108,577,890	66,389,204	65,069,110	176,976,167	173,647,000
Deferred outflows of resources	7,546,180	8,450,026	214,180	208,614	7,760,360	8,658,640
Liabilities:						
Long-term liabilities outstanding	23,058,533	31,756,932	583,183	611,442	23,641,716	32,368,374
Other liabilities	7,291,313	7,850,987	348,157	247,354	7,639,470	8,098,341
Total liabilities	30,349,846	39,607,919	931,340	858,796	31,281,186	40,466,715
Deferred inflows of resources	8,959,057	2,848,488	177,285	51,962	9,136,342	2,900,450
Net position:						
Net investment in capital assets	48,061,305	43,292,333	50,119,172	49,792,563	98,180,477	93,084,896
Restricted	9,398,180	10,200,962	-	-	9,398,180	10,200,962
Unrestricted	21,364,755	21,078,214	15,375,587	14,574,403	36,740,342	35,652,617
Total net position	\$78,824,240	\$74,571,509	\$65,494,759	\$64,366,966	\$144,318,999	\$138,938,475

Of the City's net position, \$9,398,180 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$36,740,342) 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.

Management's Discussion and Analysis

The City's net position increased by \$5,380,524 during 2023. Key elements of this increase are as follows:

City of Lino Lakes' Changes in Net Position

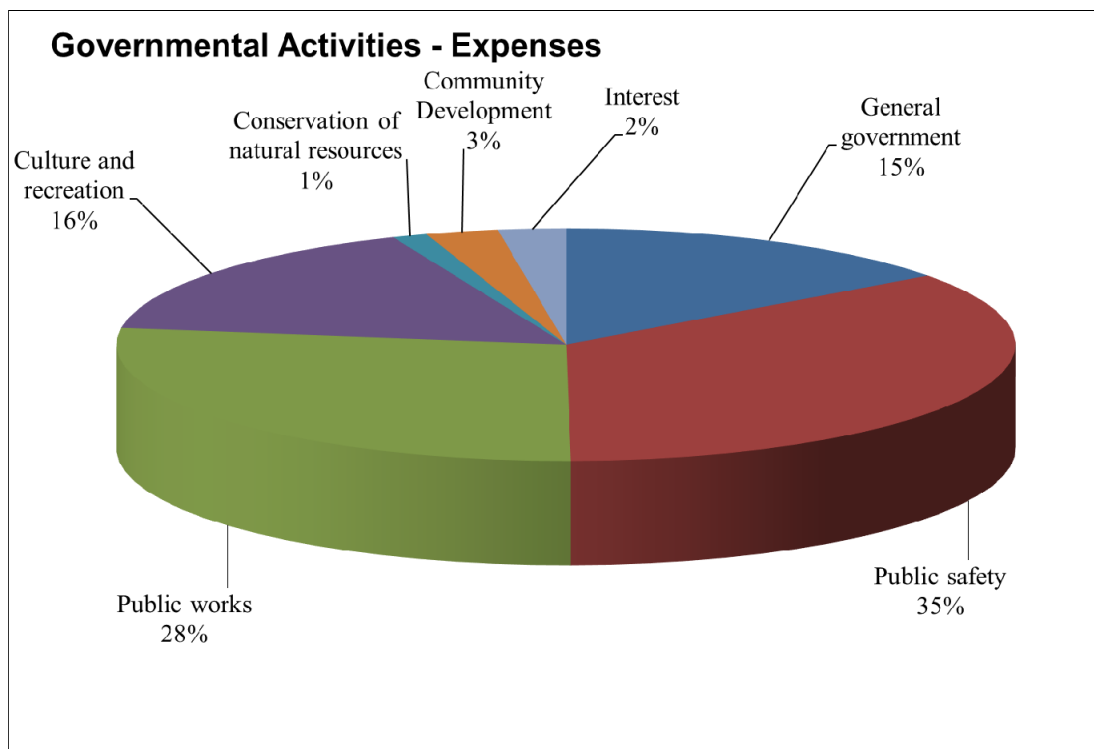
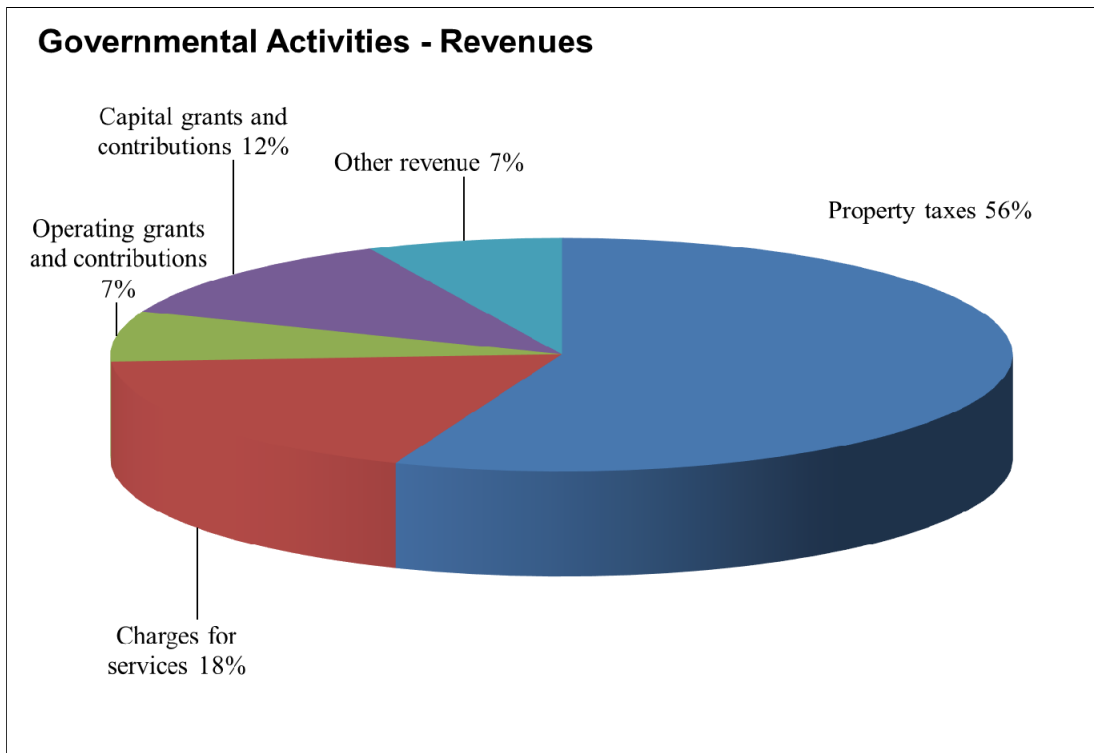
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$4,468,912	\$4,937,133	\$4,955,645	\$4,283,680	\$9,424,557	\$9,220,813
Operating grants and contributions	1,866,131	1,119,449	59,032	-	1,925,163	1,119,449
Capital grants and contributions	2,996,602	2,800,604	8,545	5,268,556	3,005,147	8,069,160
General revenues:						
General property taxes	12,868,894	11,829,124	-	-	12,868,894	11,829,124
Other taxes	217,779	-	-	-	217,779	-
Tax increment	903,027	793,264	-	-	903,027	793,264
Grants and contributions not restricted to specific programs	270,011	2,117,908	-	-	270,011	2,117,908
Unrestricted investment earnings	1,554,657	(1,139,063)	728,010	(645,918)	2,282,667	(1,784,981)
Gain on disposal of capital assets	35,689	66,852	-	-	35,689	66,852
Total revenues	25,181,702	22,525,271	5,751,232	8,906,318	30,932,934	31,431,589
Expenses:						
General government	3,041,049	3,117,688	-	-	3,041,049	3,117,688
Public safety	7,130,294	6,512,493	-	-	7,130,294	6,512,493
Public works	5,604,543	6,377,440	-	-	5,604,543	6,377,440
Culture and recreation	3,350,309	4,029,146	-	-	3,350,309	4,029,146
Conservation of natural resources	257,150	235,376	-	-	257,150	235,376
Community development	531,413	884,336	-	-	531,413	884,336
Interest and fees on long-term debt	497,903	562,248	-	-	497,903	562,248
Water	-	-	2,027,102	3,019,350	2,027,102	3,019,350
Sewer	-	-	2,535,243	2,347,539	2,535,243	2,347,539
Storm water	-	-	577,404	251,478	577,404	251,478
Total expenses	20,412,661	21,718,727	5,139,749	5,618,367	25,552,410	27,337,094
Increase in net position before transfers	4,769,041	806,544	611,483	3,287,951	5,380,524	4,094,495
Transfers	(516,310)	(1,142,554)	516,310	1,142,554	-	-
Change in net position	4,252,731	(336,010)	1,127,793	4,430,505	5,380,524	4,094,495
Net position - January 1, as previously reported	74,571,509	74,852,362	64,366,966	59,991,618	138,938,475	134,843,980
Change in reporting entity	-	55,157	-	(55,157)	-	-
Net position - January 1, as restated	74,571,509	74,907,519	64,366,966	59,936,461	138,938,475	134,843,980
Net position - December 31	\$78,824,240	\$74,571,509	\$65,494,759	\$64,366,966	\$144,318,999	\$138,938,475

Governmental Activities

Governmental activities increased the City's net position by \$4,252,731 during 2023. General property taxes increased due to increased police and fire expenses, park and trail maintenance, employee wages and benefits, and economic inflationary impacts to supply and service expenditures. Grants and contributions not restricted to specific programs decreased from 2022 as a result of American Rescue Plan Act (ARPA) funds for culture and recreation expenses. Unrestricted investment earnings contributed to the increase in net position in 2023 due to unrealized gains on investments with the stable interest rate environment.

Management's Discussion and Analysis

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

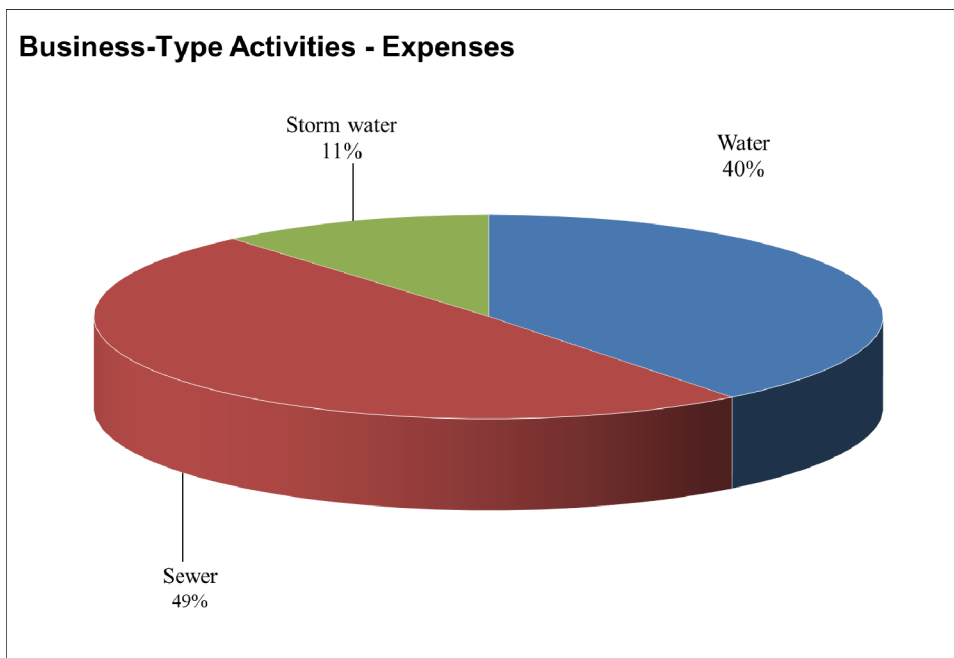
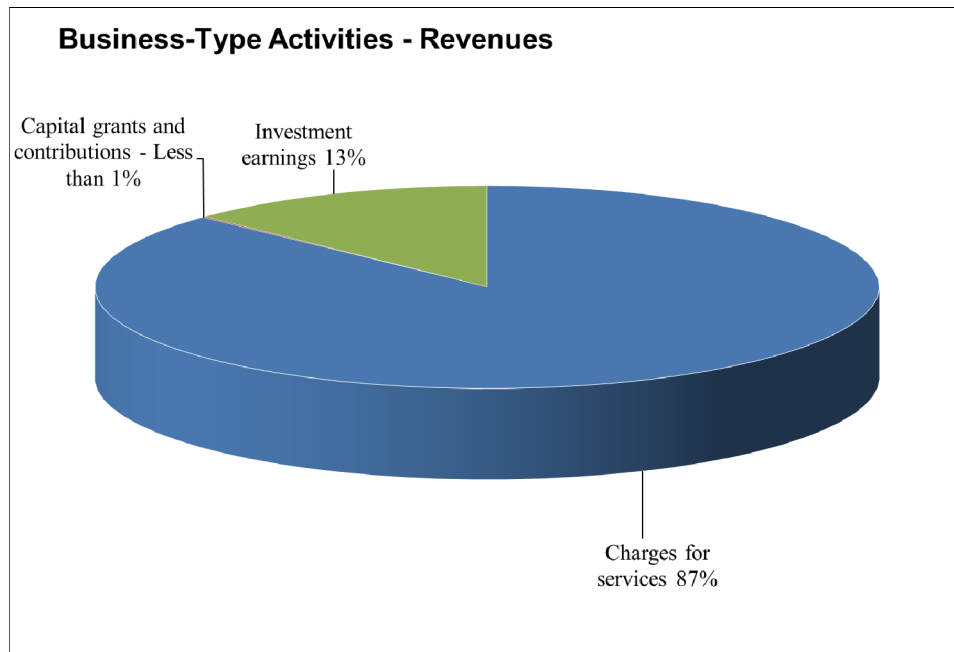


Management's Discussion and Analysis

Business-Type Activities

Business-type activities increased the City's net position by \$1,127,793 during 2023. Capital grants and contributions decreased in 2023 as a result developer contributed infrastructure and the timing in which those contributions occur and are completed. Water expenses decreased in 2023 as a result of a 2022 water tower #2 maintenance project.

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 \$34,017,053. Approximately 21% of this total amount (\$7,083,189) constitutes fund balance restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions. Of the remaining fund balance, \$727,460 is not in a spendable form, \$355,635 has been committed, \$20,707,533 has been assigned, and \$5,143,236 is unassigned.

The General fund balance increased by \$497,363. Interest earnings surpassed budget expectations, position vacancies contributed to budget savings, while transfers out funded The Rookery Activity Center operations and comp plan updates.

The Rookery Activity Center opened to the public in May 2022. The deficit fund balance improved from \$263,755 to \$5,067 in 2023 as a result of the transfer in from the General Fund. The Rookery operating expenditures (personnel, maintenance supplies, utilities, etc.) overshadowed revenues while membership grew. The tax levy increased \$175,000 in 2024 with the goal of total revenues covering total expenditures in future years.

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 \$1,353 and \$0, respectively, and transferred \$31,695 to the MSA Construction Fund.

The G.O. Improvement Bonds of 2016B fund balance increased by \$611,099. 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 Capital Equipment Replacement fund balance decreased by \$1,579,347 due to the issuance of an interfund loan payable to finance two fire trucks. The interfund loan payable will be paid back with a tax levy over the next ten years. The fund accounts for the replacement of public safety and public works equipment and vehicles financed by a pay as you go tax levy.

The Area and Unit Trunk fund has a total fund balance of \$9,562,325, all of which is assigned for financing water and sewer capital improvements. The fund balance during the current year increased by \$502,431 primarily due to investment earnings as trunk fees (either collected over time through special assessments or paid up front through charges for services) covered project costs.

Management's Discussion and Analysis

The MSA Construction Fund has a total fund balance of \$4,810,424, all of which is assigned to capital improvements for City MSA designated roadways. The fund balance during the current year increased by \$990,971 primarily due to reimbursement received for the developer portion of the County's 49 & J Street Improvement Project.

The combined fund balance of other governmental funds decreased by \$807,997 during 2023 primarily due to Watermark Park and Pheasant Run Reconstruction capital expenditures. Watermark park dedication fees were collected in prior years and street reconstruction bonds will be issued in the future for the Pheasant Run project.

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 \$33,713,939, of which \$5,229,412 is unrestricted. The increase in net position of \$1,056,459 was primarily due to capital contributions from governmental activities. The Area and Unit Trunk Fund is funding water infrastructure as part of the following projects: Lake Drive Trunk Water Main, Pheasant Run Reconstruction, and Water Treatment Plant.

The Sewer Fund has total net position at year-end of \$31,533,345 of which \$9,898,700 is unrestricted. The increase in net position of \$79,018 was primarily due to investment earnings as unrestricted net position was planned to be used for the sewer portion of the Pheasant Run Reconstruction Project.

The Storm Water Fund has total net position at year-end of \$247,475 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 2023.

The expenditure and transfers out budget was decreased by \$450,510 to total \$11,726,906. The decrease resulted from personnel vacancies in various departments and unused contingency. Fire personal services came in over budget due to recognizing the pass through of Fire State Aid (\$147,297) to the PERA Statewide Volunteer Firefighter Retirement Plan which was not budgeted.

The revenues and transfers in budget was increased by \$162,580 to total \$12,332,996. The increase resulted from investment earnings with favorable interest and unrealized gain on investments. Fire State Aid came in over budget due to recognizing the full amount of Fire State Aid (\$169,000) instead of only the amount not passed through (\$21,703) to the PERA Statewide Volunteer Firefighter Retirement Plan.

Management's Discussion and Analysis

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, 2023, amounted to \$116,119,468 (net of accumulated depreciation), an increase of \$3,055,060 from the prior year. This investment in capital assets includes land, wetland credits, construction in progress, buildings, equipment, vehicles, and infrastructure.

The trunk utility improvements at 49 & J, East Shadow Lake Drive Sanitary Sewer Replacement, and I35E Storm Pipe Crossing projects were completed in 2023. The City is working to complete the Lake Drive Trunk Water Main, Pheasant Run Reconstruction, Watermark Park, and Water Treatment Plant projects.

Developer lead infrastructure improvements at various stages of completion include Nature's Refuge and Watermark 4th addition. Prior to 2023, pending developer contributions were included in Construction in Progress. Starting in 2023, developer projects are only recognized as infrastructure once complete.

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

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$5,698,330	\$5,675,330	\$374,867	\$ -	\$6,073,197	\$5,675,330
Wetland credits	49,042	49,042	-	-	49,042	49,042
Construction in progress	5,871,019	8,635,602	4,040,557	9,883,094	9,911,576	18,518,696
Buildings	8,808,650	9,460,073	-	-	8,808,650	9,460,073
Office equipment and furniture	162,693	199,471	-	-	162,693	199,471
Vehicles	4,028,354	1,843,763	-	-	4,028,354	1,843,763
Machinery and shop equipment	770,992	956,330	464,049	429,815	1,235,041	1,386,145
Other equipment	1,806,247	1,764,517	-	-	1,806,247	1,764,517
Infrastructure	38,804,969	34,687,717	45,239,699	39,479,654	84,044,668	74,167,371
Total	<u>\$66,000,296</u>	<u>\$63,271,845</u>	<u>\$50,119,172</u>	<u>\$49,792,563</u>	<u>\$116,119,468</u>	<u>\$113,064,408</u>

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

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$17,917,518. 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 \$35,475.

City of Lino Lakes' Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$16,735,000	\$18,825,000	\$ -	\$ -	\$16,735,000	\$18,825,000
G.O. special assessment bonds	415,000	630,000	-	-	415,000	630,000
Direct borrowings	35,475	170,360	-	-	35,475	170,360
Bond premium (discount)	732,043	806,753	-	-	732,043	806,753
Total	<u>\$17,917,518</u>	<u>\$20,432,113</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,917,518</u>	<u>\$20,432,113</u>

The City of Lino Lakes' total bonded debt decreased by \$2,514,595 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.

- This page intentionally left blank -

BASIC FINANCIAL STATEMENTS

- This page intentionally left blank -

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF NET POSITION

December 31, 2023

Statement 1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$39,697,118	\$12,708,850	\$52,405,968
Accrued interest receivable	224,587	-	224,587
Due from other governments	228,815	3,111	231,926
Accounts receivable - net	74,498	706,035	780,533
Prepaid items	627,460	180,453	807,913
Internal balances	(2,591,816)	2,591,816	-
Inventory	-	79,767	79,767
Taxes receivable	202,361	-	202,361
Special assessments receivable	3,941,443	-	3,941,443
Leases receivable	1,735,564	-	1,735,564
Net pension asset	446,637	-	446,637
Capital assets - nondepreciable	11,618,391	4,415,424	16,033,815
Capital assets - net of accumulated depreciation	54,381,905	45,703,748	100,085,653
Total assets	110,586,963	66,389,204	176,976,167
Deferred outflows of resources:			
Pension related	7,205,362	214,180	7,419,542
OPEB related	340,818	-	340,818
Total deferred outflows of resources	7,546,180	214,180	7,760,360
Liabilities:			
Accounts payable and other current liabilities	1,165,379	281,108	1,446,487
Deposits payable	3,101,166	4,600	3,105,766
Accrued interest payable	206,048	-	206,048
Unearned revenue	108,092	-	108,092
Other post employment benefits:			
Due in more than one year	710,066	91,997	802,063
Long-term liabilities:			
Due within one year	2,710,628	62,449	2,773,077
Due in more than one year	16,022,168	16,600	16,038,768
Net pension liability:			
Due in more than one year	6,326,299	474,586	6,800,885
Total liabilities	30,349,846	931,340	31,281,186
Deferred inflows of resources:			
Lease related	1,735,564	-	1,735,564
Pension related	6,811,234	177,285	6,988,519
OPEB related	412,259	-	412,259
Total deferred inflows of resources	8,959,057	177,285	9,136,342
Net position:			
Net investment in capital assets	48,061,305	50,119,172	98,180,477
Restricted (nonexpendable) for environmental purposes	100,000	-	100,000
Restricted (expendable) for:			
Debt service	6,195,222	-	6,195,222
Park improvements	1,338,954	-	1,338,954
Public safety	771,539	-	771,539
Economic development	501,780	-	501,780
Fire Department pension plan	446,637	-	446,637
Other purposes	44,048	-	44,048
Unrestricted	21,364,755	15,375,587	36,740,342
Total net position	\$78,824,240	\$65,494,759	\$144,318,999

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

CITY OF LINO LAKES, MINNESOTA**STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$3,041,049	\$507,564
Public safety	7,130,294	1,279,955
Public works	5,604,543	1,544,038
Culture and recreation	3,350,309	1,127,355
Conservation of natural resources	257,150	-
Community development	531,413	10,000
Interest and fees on long-term debt	497,903	-
Total governmental activities	<u>20,412,661</u>	<u>4,468,912</u>
Business-type activities:		
Water	2,027,102	2,323,763
Sewer	2,535,243	2,079,761
Storm water	577,404	552,121
Total business-type activities	<u>5,139,749</u>	<u>4,955,645</u>
Total primary government	<u>\$25,552,410</u>	<u>\$9,424,557</u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ -	(\$2,533,485)	\$ -	(\$2,533,485)
1,454,783	-	(4,395,556)	-	(4,395,556)
289,137	2,996,602	(774,766)	-	(774,766)
11,421	-	(2,211,533)	-	(2,211,533)
110,790	-	(146,360)	-	(146,360)
-	-	(521,413)	-	(521,413)
-	-	(497,903)	-	(497,903)
<u>1,866,131</u>	<u>2,996,602</u>	<u>(11,081,016)</u>	<u>-</u>	<u>(11,081,016)</u>
7,079	360	-	304,100	304,100
51,953	8,185	-	(395,344)	(395,344)
-	-	-	(25,283)	(25,283)
<u>59,032</u>	<u>8,545</u>	<u>-</u>	<u>(116,527)</u>	<u>(116,527)</u>
<u>\$1,925,163</u>	<u>\$3,005,147</u>	<u>(11,081,016)</u>	<u>(116,527)</u>	<u>(11,197,543)</u>
General revenues:				
General property taxes		12,868,894	-	12,868,894
Other taxes		217,779	-	217,779
Tax increment		903,027	-	903,027
Grants and contributions not restricted to specific programs		270,011	-	270,011
Unrestricted investment earnings		1,554,657	728,010	2,282,667
Gain on disposal of capital assets		35,689	-	35,689
Transfers		(516,310)	516,310	-
Total general revenues and transfers		<u>15,333,747</u>	<u>1,244,320</u>	<u>16,578,067</u>
Change in net position		4,252,731	1,127,793	5,380,524
Net position - January 1		<u>74,571,509</u>	<u>64,366,966</u>	<u>138,938,475</u>
Net position - December 31		<u>\$78,824,240</u>	<u>\$65,494,759</u>	<u>\$144,318,999</u>

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

CITY OF LINO LAKES, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General Fund	202 The Rookery Activity Center	333 G.O. Improvement Note of 2009A
Assets			
Cash and investments	\$11,158,134	\$142,317	\$ -
Accrued interest receivable	224,587	-	-
Due from other governments	171,005	988	-
Accounts receivable - net	62,262	9,736	-
Prepaid items	567,849	59,611	-
Advances to other funds	-	-	-
Taxes receivable:			
Due from county	123,055	-	-
Delinquent	76,537	-	-
Special assessments receivable:			
Due from county	-	-	-
Delinquent	-	-	1,725
Deferred	360	-	1,511,888
Leases receivable	490,746	-	-
Interfund loan receivable	-	-	-
Total assets	\$12,874,535	\$212,652	\$1,513,613
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$168,658	\$63,210	\$ -
Salaries payable	373,487	40,015	-
Due to other governments	79,701	14,595	-
Advances from other funds	-	-	-
Retainage payable	-	-	-
Deposits payable	3,101,166	-	-
Unearned revenue	-	99,899	-
Interfund loan payable	-	-	-
Total liabilities	3,723,012	217,719	-
Deferred inflows of resources:			
Unavailable revenue	76,897	-	1,513,613
Lease related	490,746	-	-
Total deferred inflows of resources	567,643	-	1,513,613
Fund balance:			
Nonspendable	567,849	59,611	-
Restricted	-	-	-
Committed	75,667	-	-
Assigned	-	-	-
Unassigned	7,940,364	(64,678)	-
Total fund balance	8,583,880	(5,067)	-
Total liabilities, deferred inflows of resources, and fund balance	\$12,874,535	\$212,652	\$1,513,613

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

Statement 3

342 G.O. Improvement Bonds of 2016B	402 Capital Equipment Replacement	406 Area and Unit Trunk	420 MSA Construction	Other Governmental Funds	Total Governmental Funds
\$ -	\$1,080,320	\$9,699,371	\$4,834,506	\$12,782,470	\$39,697,118
-	-	-	-	-	224,587
-	-	42,872	-	13,950	228,815
-	-	-	-	2,500	74,498
-	-	-	-	-	627,460
-	-	-	-	30,652	30,652
-	-	-	-	2,769	125,824
-	-	-	-	-	76,537
-	-	3,258	-	1,946	5,204
-	-	11,176	-	-	12,901
-	-	1,258,549	-	1,152,541	3,923,338
-	-	-	-	1,244,818	1,735,564
-	-	-	-	1,169,094	1,169,094
<u>\$ -</u>	<u>\$1,080,320</u>	<u>\$11,015,226</u>	<u>\$4,834,506</u>	<u>\$16,400,740</u>	<u>\$47,931,592</u>
\$ -	\$ -	\$180,274	\$24,082	\$162,142	\$598,366
-	-	-	-	-	413,502
-	-	-	-	45	94,341
-	-	-	-	30,652	30,652
-	-	2,902	-	56,268	59,170
-	-	-	-	-	3,101,166
-	8,193	-	-	-	108,092
1,728,204	2,032,706	-	-	-	3,760,910
<u>1,728,204</u>	<u>2,040,899</u>	<u>183,176</u>	<u>24,082</u>	<u>249,107</u>	<u>8,166,199</u>
-	-	1,269,725	-	1,152,541	4,012,776
-	-	-	-	1,244,818	1,735,564
<u>-</u>	<u>-</u>	<u>1,269,725</u>	<u>-</u>	<u>2,397,359</u>	<u>5,748,340</u>
-	-	-	-	100,000	727,460
-	-	-	-	7,083,189	7,083,189
-	-	-	-	279,968	355,635
-	-	9,562,325	4,810,424	6,334,784	20,707,533
(1,728,204)	(960,579)	-	-	(43,667)	5,143,236
<u>(1,728,204)</u>	<u>(960,579)</u>	<u>9,562,325</u>	<u>4,810,424</u>	<u>13,754,274</u>	<u>34,017,053</u>
<u>\$ -</u>	<u>\$1,080,320</u>	<u>\$11,015,226</u>	<u>\$4,834,506</u>	<u>\$16,400,740</u>	<u>\$47,931,592</u>

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

- This page intentionally left blank -

CITY OF LINO LAKES, MINNESOTA**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**

December 31, 2023

Statement 4

Fund balance - total governmental funds (Statement 3)	\$34,017,053
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	66,000,296
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	76,537
Delinquent special assessments receivable	12,901
Deferred special assessments receivable	3,923,338
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	(17,185,475)
Unamortized bond premiums	(734,628)
Unamortized bond discounts	2,585
Accrued interest payable	(206,048)
Compensated absences payable	(815,278)
Other post employment benefits	(710,066)
Net pension liability	(6,326,299)
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	7,205,362
Deferred outflows of resources related to OPEB	340,818
Deferred inflows of resources related to pensions	(6,811,234)
Deferred inflows of resources related to OPEB	(412,259)
Net position of governmental activities (Statement 1)	<u><u>\$78,824,240</u></u>

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

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2023

	General Fund	202 The Rookery Activity Center	333 G.O. Improvement Note of 2009A
Revenues:			
General property taxes	\$9,666,211	\$325,000	\$ -
Other taxes	147,131	-	-
Tax increment	-	-	-
Licenses and permits	973,653	-	-
Special assessments	1,185	-	29,600
Intergovernmental	908,267	278,735	-
Charges for services	442,560	930,601	-
Fines and forfeits	85,400	-	-
Investment earnings	307,403	-	742
Miscellaneous	51,498	63,581	-
Total revenues	12,583,308	1,597,917	30,342
Expenditures:			
Current:			
General government	2,361,592	-	-
Public safety	6,098,262	-	-
Public works	1,717,960	-	-
Culture and recreation	924,201	1,933,006	-
Community development	299,389	-	-
Conservation of natural resources	237,987	-	-
Capital outlay:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	11,639,391	1,933,006	-
Revenues over (under) expenditures	943,917	(335,089)	30,342
Other financing sources (uses):			
Transfers in	20,000	593,777	-
Transfers out	(466,554)	-	(31,695)
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	(446,554)	593,777	(31,695)
Net change in fund balance	497,363	258,688	(1,353)
Fund balance - January 1	8,086,517	(263,755)	1,353
Fund balance - December 31	\$8,583,880	(\$5,067)	\$ -

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

342 G.O. Improvement Bonds of 2016B	402 Capital Equipment Replacement	406 Area and Unit Trunk	420 MSA Construction	Other Governmental Funds	Total Governmental Funds
\$ -	\$325,000	\$ -	\$ -	\$2,549,830	\$12,866,041
-	-	-	-	70,648	217,779
-	-	-	-	903,027	903,027
-	-	-	-	-	973,653
-	-	704,069	-	290,721	1,025,575
-	-	-	410,114	954,653	2,551,769
-	-	677,443	-	429,566	2,480,170
-	-	-	-	6,729	92,129
-	23,911	443,908	206,790	571,903	1,554,657
-	34,386	58,382	698,106	28,765	934,718
-	383,297	1,883,802	1,315,010	5,805,842	23,599,518
-	-	-	-	65,155	2,426,747
-	38,305	-	-	145,649	6,282,216
-	-	82,080	7,691	1,275,375	3,083,106
-	-	-	-	76,167	2,933,374
-	-	-	-	214,929	514,318
-	-	-	-	11,968	249,955
-	-	-	-	10,918	10,918
-	2,394,353	-	-	2,500	2,396,853
-	124,000	1,038,144	66,027	1,260,648	2,488,819
-	-	-	-	825,055	825,055
-	-	-	-	2,439,885	2,439,885
-	-	-	-	602,744	602,744
-	2,556,658	1,120,224	73,718	6,930,993	24,253,990
-	(2,173,361)	763,578	1,241,292	(1,125,151)	(654,472)
611,099	557,071	435,329	31,695	1,805,819	4,054,790
-	-	(696,476)	(282,016)	(1,488,665)	(2,965,406)
-	36,943	-	-	-	36,943
611,099	594,014	(261,147)	(250,321)	317,154	1,126,327
611,099	(1,579,347)	502,431	990,971	(807,997)	471,855
(2,339,303)	618,768	9,059,894	3,819,453	14,562,271	33,545,198
(\$1,728,204)	(\$960,579)	\$9,562,325	\$4,810,424	\$13,754,274	\$34,017,053

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

CITY OF LINO LAKES, MINNESOTA
**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, 2023
Statement 6

Net change in fund balance - total governmental funds (Statement 5)	\$471,855
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	5,721,645
Capital outlay not capitalized	(29,750)
Depreciation	(3,699,929)
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	2,343,433
Contributions of infrastructure to business-type activities	(1,605,694)
Miscellaneous other differences related to capital assets	(1,254)
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	2,853
Change in delinquent special assessments receivable	10,533
Change in deferred special assessments receivable	(793,053)
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	2,439,885
Amortization of bond premiums and discounts	74,710
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	30,131
Change in compensated absences payable	(24,452)
Change in OPEB liability and related deferred outflows and inflows of resources	27,393
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.	
	(715,575)
Change in net position of governmental activities (Statement 2)	<u><u>\$4,252,731</u></u>

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

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

Statement 7

	Business-Type Activities - Enterprise Funds			
	601 Water	602 Sewer	603 Storm Water	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$5,224,858	\$7,177,052	\$306,940	\$12,708,850
Due from other governments	345	2,766	-	3,111
Accounts receivable - net	319,567	310,017	76,451	706,035
Prepaid items	27,078	144,226	9,149	180,453
Inventory	79,767	-	-	79,767
Total current assets	5,651,615	7,634,061	392,540	13,678,216
Noncurrent assets:				
Interfund loan receivable	-	2,591,816	-	2,591,816
Capital assets:				
Land	374,867	-	-	374,867
Construction in progress	2,770,565	1,269,992	-	4,040,557
Equipment	212,855	674,979	-	887,834
Water and sewer systems	37,778,471	32,345,779	-	70,124,250
Total capital assets	41,136,758	34,290,750	-	75,427,508
Less: Allowance for depreciation	(12,652,231)	(12,656,105)	-	(25,308,336)
Net capital assets	28,484,527	21,634,645	-	50,119,172
Total noncurrent assets	28,484,527	24,226,461	-	52,710,988
Total assets	34,136,142	31,860,522	392,540	66,389,204
Deferred outflows of resources related to pensions	90,980	91,193	32,007	214,180
Liabilities:				
Current liabilities:				
Accounts payable	143,930	65,676	7,439	217,045
Salaries payable	10,786	10,784	5,983	27,553
Due to other governments	3,703	3,428	-	7,131
Retainage payable	-	-	15,165	15,165
Deposits payable	4,600	-	-	4,600
Other accrued liabilities	14,214	-	-	14,214
Compensated absences payable - current portion	21,578	21,578	19,293	62,449
Total current liabilities	198,811	101,466	47,880	348,157
Noncurrent liabilities:				
Compensated absences payable - noncurrent portion	5,736	5,736	5,128	16,600
Other post employment benefits - noncurrent portion	34,168	34,168	23,661	91,997
Net pension liability	196,535	198,885	79,166	474,586
Total noncurrent liabilities	236,439	238,789	107,955	583,183
Total liabilities	435,250	340,255	155,835	931,340
Deferred inflows of resources related to pensions	77,933	78,115	21,237	177,285
Net position:				
Investment in capital assets	28,484,527	21,634,645	-	50,119,172
Unrestricted	5,229,412	9,898,700	247,475	15,375,587
Total net position	\$33,713,939	\$31,533,345	\$247,475	\$65,494,759

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

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2023

Statement 8

	Business-Type Activities - Enterprise Funds			
	601 Water	602 Sewer	603 Storm Water	Totals
Operating revenues:				
Charges for services	\$2,197,651	\$2,054,721	\$552,121	\$4,804,493
Hook-up charges	30,000	25,040	-	55,040
Water meter sales	96,112	-	-	96,112
Total operating revenues	<u>2,323,763</u>	<u>2,079,761</u>	<u>552,121</u>	<u>4,955,645</u>
Operating expenses:				
Personal services	354,335	363,836	161,636	879,807
Materials and supplies	317,641	24,845	4,835	347,321
Contractual services	359,463	267,949	407,658	1,035,070
Repairs and maintenance	10,034	-	-	10,034
MCES sewer charges	-	1,165,548	-	1,165,548
Depreciation	796,587	611,106	-	1,407,693
Utilities	134,488	50,068	-	184,556
Other	54,554	51,891	3,275	109,720
Total operating expenses	<u>2,027,102</u>	<u>2,535,243</u>	<u>577,404</u>	<u>5,139,749</u>
Operating income (loss)	<u>296,661</u>	<u>(455,482)</u>	<u>(25,283)</u>	<u>(184,104)</u>
Nonoperating revenues (expenses):				
Investment earnings	280,682	429,729	17,599	728,010
Intergovernmental revenue	7,079	51,953	-	59,032
Total nonoperating revenues (expenses)	<u>287,761</u>	<u>481,682</u>	<u>17,599</u>	<u>787,042</u>
Income (loss) before contributions and transfers	<u>584,422</u>	<u>26,200</u>	<u>(7,684)</u>	<u>602,938</u>
Contributions and transfers:				
Capital contributions from private sources	360	8,185	-	8,545
Capital contributions from governmental activities	1,426,587	179,107	-	1,605,694
Transfer out	(954,910)	(134,474)	-	(1,089,384)
Total contributions and transfers	<u>472,037</u>	<u>52,818</u>	<u>-</u>	<u>524,855</u>
Change in net position	1,056,459	79,018	(7,684)	1,127,793
Net position - January 1	<u>32,657,480</u>	<u>31,454,327</u>	<u>255,159</u>	<u>64,366,966</u>
Net position - December 31	<u>\$33,713,939</u>	<u>\$31,533,345</u>	<u>\$247,475</u>	<u>\$65,494,759</u>
Amounts reported above			Capital Grants and Contributions	Transfers - Net
Amounts reported for business-type activities in the statement of activities are different because:			\$1,614,239	(\$1,089,384)
Transfer in of capital assets from governmental activities			(1,605,694)	1,605,694
Amounts reported on the statement of activities			<u>\$8,545</u>	<u>\$516,310</u>

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

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2023

Statement 9

	Business-Type Activities - Enterprise Funds			
	601 Water	602 Sewer	603 Storm Water	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$2,249,769	\$2,021,638	\$537,365	\$4,808,772
Payment to suppliers	(864,095)	(1,557,299)	(401,585)	(2,822,979)
Payment to employees	(321,575)	(331,076)	(132,518)	(785,169)
Net cash flows provided by operating activities	<u>1,064,099</u>	<u>133,263</u>	<u>3,262</u>	<u>1,200,624</u>
Cash flows from noncapital financing activities:				
Intergovernmental revenue	<u>6,734</u>	<u>51,578</u>	<u>-</u>	<u>58,312</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(31,251)	(88,812)	-	(120,063)
Interfund loan disbursement	-	(2,032,706)	-	(2,032,706)
Transfers out	(954,910)	(134,474)	-	(1,089,384)
Net cash flows provided by capital and related financing activities	<u>(986,161)</u>	<u>(2,255,992)</u>	<u>-</u>	<u>(3,242,153)</u>
Cash flows from investing activities:				
Investment earnings	<u>280,682</u>	<u>429,729</u>	<u>17,599</u>	<u>728,010</u>
Net increase (decrease) in cash and cash equivalents	365,354	(1,641,422)	20,861	(1,255,207)
Cash and cash equivalents - January 1	<u>4,859,504</u>	<u>8,818,474</u>	<u>286,079</u>	<u>13,964,057</u>
Cash and cash equivalents - December 31	<u><u>\$5,224,858</u></u>	<u><u>\$7,177,052</u></u>	<u><u>\$306,940</u></u>	<u><u>\$12,708,850</u></u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	<u>\$296,661</u>	<u>(\$455,482)</u>	<u>(\$25,283)</u>	<u>(\$184,104)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	796,587	611,106	-	1,407,693
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable - net	(73,994)	(58,123)	(14,756)	(146,873)
Decrease (increase) in prepaid items	3,419	(12,944)	(1,381)	(10,906)
Decrease (increase) in inventory	(57,487)	-	-	(57,487)
Decrease (increase) in deferred outflows of resources	(2,327)	(2,327)	(912)	(5,566)
Increase (decrease) in payables	67,903	15,946	15,564	99,413
Increase (decrease) in other accrued liabilities	(1,750)	-	-	(1,750)
Increase (decrease) in compensated absences	4,769	4,769	1,339	10,877
Increase (decrease) in other post employment benefits	11,213	11,213	21,203	43,629
Increase (decrease) in net pension liability	(33,289)	(33,289)	(13,047)	(79,625)
Increase (decrease) in deferred inflows of resources	52,394	52,394	20,535	125,323
Total adjustments	<u>767,438</u>	<u>588,745</u>	<u>28,545</u>	<u>1,384,728</u>
Net cash provided by operating activities	<u><u>\$1,064,099</u></u>	<u><u>\$133,263</u></u>	<u><u>\$3,262</u></u>	<u><u>\$1,200,624</u></u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	<u><u>\$1,426,947</u></u>	<u><u>\$187,292</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,614,239</u></u>

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

- This page intentionally left blank -

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 as blended component units because of the significance of their operational or financial relationships with the City.

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.

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.

Capital Equipment Replacement Fund accounts for pay-as-you-go capital equipment financing and financing of capital equipment through donations.

Area and Unit Trunk 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.

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, sewer and storm water 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.

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.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and The Rookery Activity Center 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.

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.

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.

Q. 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.

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 balance 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 Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – 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, 2023, the bank balance of the City's deposits with financial institutions was \$11,507,836 and the carrying amount was \$9,607,050. 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.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

At December 31, 2023, the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1 - 3	3 - 6	> 6
Municipal bonds	*	\$25,759,301	\$4,216,342	\$8,963,115	\$12,283,864	\$295,980
Brokered certificates of deposit	Not rated	10,970,963	3,595,335	6,411,377	964,251	-
Federal agency securities	AA+	1,980,007	-	1,687,606	292,401	-
U.S. Treasuries	AA+	1,018,387	491,953	526,434	-	-
4M fund	Not rated	2,556,412	2,556,412	-	-	-
First American Gov't Obligation Fund	AAAm	512,408	512,408	-	-	-
Total		<u>\$42,797,478</u>	<u>\$11,372,450</u>	<u>\$17,588,532</u>	<u>\$13,540,516</u>	<u>\$295,980</u>
* AAA \$3,146,928; AA+ \$5,699,845; AA \$11,994,026;			Total investments			\$42,797,478
AA- \$4,072,800; A+ \$746,028; A \$99,674			Deposits			9,607,050
Ratings per Moody's or S&P			Petty cash			1,440
			Total cash and investments			<u>\$52,405,968</u>

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

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

Investment Type	12/31/2023	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Municipal bonds	\$25,759,301	\$ -	\$25,759,301	\$ -
Brokered certificates of deposit	10,970,963	-	10,970,963	-
Federal agency securities	1,980,007	-	1,980,007	-
U.S. Treasuries	1,018,387	1,018,387	-	-
		<u>\$1,018,387</u>	<u>\$38,710,271</u>	<u>\$0</u>
Investments not categorized:				
4M fund	2,556,412			
First American Gov't Obligation fund	512,408			
Total investments	<u>\$42,797,478</u>			

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

Custodial Credit Risk – Investments – 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.

Interest Rate Risk – 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.

Credit Risk – 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, 2023, 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, 2023 are as follows:

	Property Taxes Receivable	Special Assessments Receivable	Leases Receivable	Total
Major Funds:				
General Fund	\$35,100	\$ -	\$417,664	\$452,764
G.O. Improvement Note of 2009A	-	1,487,483	-	1,487,483
Area and Unit Trunk	-	1,142,414	-	1,142,414
Nonmajor Funds	-	1,012,436	1,165,914	2,178,350
Total	<u>\$35,100</u>	<u>\$3,642,333</u>	<u>\$1,583,578</u>	<u>\$5,261,011</u>

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 \$3,570, with increases of 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, 2023 the City recorded \$1,735,564 in lease receivables and deferred inflows of resources for these arrangements.

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

	<u>2023</u>
Amortization of lease-related deferred inflows:	
Antenna leases	\$91,278
City Hall Complex lease	<u>66,818</u>
Total revenue recognized resulting from deferred inflow amortization	158,096
Interest revenue	69,169
Common area maintenance charges	<u>28,095</u>
 Total revenue recognized in relation to leased assets	 <u><u>\$255,360</u></u>

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:

	<u>Property Taxes Receivable</u>	<u>Special Assessments Receivable</u>	<u>Total</u>
Major Funds:			
General Fund	\$76,537	\$360	\$76,897
G.O. Improvement Note of 2009A	-	1,513,613	1,513,613
Area and Unit Trunk	-	1,269,725	1,269,725
Nonmajor Funds	<u>-</u>	<u>1,152,541</u>	<u>1,152,541</u>
 Total	 <u><u>\$76,537</u></u>	 <u><u>\$3,936,239</u></u>	 <u><u>\$4,012,776</u></u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$5,675,330	\$23,000	\$ -	\$ -	\$5,698,330
Wetland credits	49,042	-	-	-	49,042
Construction in progress	8,635,602	3,854,452	(5,013,341)	(1,605,694)	5,871,019
Total capital assets, not being depreciated	14,359,974	3,877,452	(5,013,341)	(1,605,694)	11,618,391
Capital assets, being depreciated:					
Buildings	16,613,793	-	-	-	16,613,793
Office equipment and furniture	826,345	10,918	-	-	837,263
Vehicles	4,815,305	2,528,836	(13,434)	-	7,330,707
Machinery and shop equipment	2,876,669	33,591	(34,206)	-	2,876,054
Other equipment	2,640,282	155,265	-	-	2,795,547
Infrastructure	102,527,364	6,441,353	-	-	108,968,717
Total capital assets, being depreciated	130,299,758	9,169,963	(47,640)	-	139,422,081
Less accumulated depreciation for:					
Buildings	7,153,720	651,423	-	-	7,805,143
Office equipment and furniture	626,874	47,696	-	-	674,570
Vehicles	2,971,542	344,245	(13,434)	-	3,302,353
Machinery and shop equipment	1,920,339	218,929	(34,206)	-	2,105,062
Other equipment	875,765	113,535	-	-	989,300
Infrastructure	67,839,647	2,324,101	-	-	70,163,748
Total accumulated depreciation	81,387,887	3,699,929	(47,640)	-	85,040,176
Total capital assets being depreciated - net	48,911,871	5,470,034	-	-	54,381,905
Governmental activities capital assets - net	\$63,271,845	\$9,347,486	(\$5,013,341)	(\$1,605,694)	\$66,000,296
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ -	\$ -	\$ -	\$374,867	\$374,867
Construction in progress	9,883,094	30,928	(7,104,292)	1,230,827	4,040,557
Total capital assets, not being depreciated	9,883,094	30,928	(7,104,292)	1,605,694	4,415,424
Capital assets, being depreciated:					
Machinery and shop equipment	790,154	97,680	-	-	887,834
Water and sewer systems	63,019,958	7,104,292	-	-	70,124,250
Total capital assets, being depreciated	63,810,112	7,201,972	-	-	71,012,084
Accumulated depreciation for:					
Machinery and shop equipment	360,339	63,446	-	-	423,785
Water and sewer systems	23,540,304	1,344,247	-	-	24,884,551
Total accumulated depreciation	23,900,643	1,407,693	-	-	25,308,336
Total capital assets being depreciated - net	39,909,469	5,794,279	-	-	45,703,748
Business-type activities capital assets - net	\$49,792,563	\$5,825,207	(\$7,104,292)	\$1,605,694	\$50,119,172

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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

Governmental activities:	
General government	\$547,445
Public safety	332,429
Public works	2,477,263
Culture and recreation	341,942
Conservation of natural resources	850
Total depreciation expense - governmental activities	<u>\$3,699,929</u>
Business-type activities:	
Water	\$796,587
Sewer	611,106
Total depreciation expense - business-type activities	<u>\$1,407,693</u>

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, 2023 consisted of the following:

	Issue Date	Maturity Date	Interest Rate	Original Issue	Payable 12/31/2023
Governmental activities:					
General Obligation Bonds:					
G.O. TIF Bonds, Series 2007A	07/15/07	02/01/24	4.00% - 4.125%	\$4,215,000	\$280,000
G.O. Refunding Bonds, Series 2012A	11/15/12	02/01/24	1.00% - 2.00%	2,015,000	165,000
G.O. Bonds, Series 2015A	08/01/15	02/01/31	2.00% - 3.00%	3,095,000	1,690,000
EDA Lease Revenue Bonds, Series 2015B	10/01/15	04/01/36	2.00% - 3.00%	4,350,000	3,110,000
G.O. Utility Revenue Bonds, Series 2016A	11/23/16	02/01/27	2.00%	1,420,000	590,000
G.O. Bonds, Series 2018A	12/19/18	02/01/34	3.00% - 5.00%	6,915,000	5,660,000
G.O. Utility Revenue Bonds, Series 2020A	07/08/20	02/01/35	2.00% - 4.00%	4,330,000	3,590,000
G.O. Street Reconstruction Bonds, Series 2021A	07/15/21	02/01/32	1.00% - 4.00%	1,815,000	1,650,000
Total General Obligation Bonds				<u>28,155,000</u>	<u>16,735,000</u>
Special Assessment Bonds:					
G.O. Improvement Bonds, Series, 2013A	07/15/13	02/01/24	1.25% - 4.00%	615,000	65,000
G.O. Improvement Bonds, Series 2014A	11/20/14	02/01/26	0.40% - 2.30%	2,645,000	350,000
Total Special Assessment Bonds				<u>5,235,000</u>	<u>415,000</u>
Direct Borrowings:					
G.O. Capital Note, Series 2016A	04/14/16	02/01/24	2.00%	294,525	35,475
Total Direct Borrowings				<u>294,525</u>	<u>35,475</u>
Unamortized bond premiums				1,102,333	734,628
Unamortized bond discounts				(38,362)	(2,585)
Compensated absences payable				N/A	815,278
Total Government Activities				<u>\$34,748,496</u>	<u>\$18,732,796</u>
Business-Type Activities:					
Compensated absences payable				<u>N/A</u>	<u>\$79,049</u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

CHANGES IN LONG-TERM DEBT

The following is a schedule of changes in City indebtedness for the year ended December 31, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$18,825,000	\$ -	\$2,090,000	\$16,735,000	\$1,860,000
Special assessment bonds	630,000	-	215,000	415,000	220,000
Direct borrowings	170,360	-	134,885	35,475	35,475
Total bonds and notes payable	19,625,360	-	2,439,885	17,185,475	2,115,475
Unamortized bond premiums	812,019	-	77,391	734,628	-
Unamortized bond discounts	(5,266)	-	(2,681)	(2,585)	-
Compensated absences payable	790,826	643,995	619,543	815,278	595,153
Total governmental activities	<u>\$21,222,939</u>	<u>\$643,995</u>	<u>\$3,134,138</u>	<u>\$18,732,796</u>	<u>\$2,710,628</u>
Business-Type Activities:					
Compensated absences payable	<u>\$68,172</u>	<u>\$50,621</u>	<u>\$39,744</u>	<u>\$79,049</u>	<u>\$62,449</u>

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.

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.

DEBT SERVICE REQUIREMENTS

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

Years Ending December 31	Bonded Debt		Direct Borrowings	
	Principal	Interest	Principal	Interest
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	1,395,000	288,420	-	-
2029-2033	6,890,000	800,837	-	-
2034-2036	2,105,000	75,137	-	-
Total	<u>\$17,150,000</u>	<u>\$2,846,366</u>	<u>\$35,475</u>	<u>\$710</u>

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.

DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT

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.

REVENUE PLEDGED

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

Bond Issue	Use of Proceeds	Revenue Pledged		Remaining Principal and Interest	Current Year	
		Type	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2007A G.O. TIF Bonds	Infrastructure improvements	Tax increment, MSA funding via transfers	2008 - 2024	\$285,775	\$282,016	\$282,016
2012A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, special assessments	2013 - 2024	\$166,361	\$169,001	\$176,109
2013A Improvement Bonds	Infrastructure improvements	Special assessments	2014 - 2024	\$66,300	\$68,900	\$39,000
2014A Improvement Bonds	Infrastructure improvements	Special assessments	2015 - 2026	\$359,199	\$159,280	\$121,576
2015A G.O. Bonds	Infrastructure improvements	Ad valorem taxes	2016 - 2031	\$1,863,031	\$253,013	\$273,959
2015B EDA Lease Revenue Bonds	Construction of a fire station	Ad valorem taxes	2016 - 2036	\$3,888,806	\$298,388	\$320,815
2016A Capital Note	Cable communications equipment	Franchise fees	2016 - 2024	\$36,185	\$36,053	\$37,885
2016A Utility Revenue Bonds	Water infrastructure improvements	Trunk utility charges via transfers	2017 - 2027	\$613,800	\$158,250	\$158,250
2018A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, trunk utility charges, special assessments	2019-2034	\$6,820,281	\$637,538	\$528,508
2020A G.O. Utility Revenue Bonds	Infrastructure improvements	Trunk utility charges via transfers	2021-2035	\$4,148,600	\$344,100	\$344,100
2021A G.O. Street Reconstruction Bonds	Infrastructure improvements	Ad valorem taxes	2021-2032	\$1,784,213	\$198,045	\$211,465

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. GERS Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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 2023 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, 2023 were \$305,242. The City’s contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70% for Police and Fire Plan members. The City’s contributions to the PEPFF for the year ended December 31, 2023 were \$541,104. 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, 2023, the City reported a liability of \$2,823,903 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 \$77,857.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.0505% at the end of the measurement period and 0.0428% for the beginning of the period.

City's proportionate share of the net pension liability	\$2,823,903
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>77,857</u>
Total	<u><u>\$2,901,760</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$590,437 for its proportionate share of the GERF’s pension expense. In addition, the City recognized an additional \$350 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, 2023, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$92,738	\$20,937
Changes in actuarial assumptions	490,612	774,008
Net collective between projected and actual investment earnings	-	144,446
Changes in proportion	471,744	24,772
Contributions paid to PERA subsequent to the measurement date	149,253	-
Total	<u>\$1,204,347</u>	<u>\$964,163</u>

The \$149,253 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2024	\$252,015
2025	(260,749)
2026	160,925
2027	(61,260)
2028	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$3,976,982 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2303% at the end of the measurement period and 0.2367% for the beginning of the period.

The State of Minnesota contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2023. 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 \$9 million direct state aid was paid on October 1, 2022. 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's proportionate share of the net pension liability associated with the City totaled \$160,211.

City's proportionate share of the net pension liability	\$3,976,982
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>160,211</u>
Total	<u><u>\$4,137,193</u></u>

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, 2023, the City recognized pension expense of \$1,032,343 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional (\$9,649) 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 \$20,727 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$1,095,382	\$ -
Changes in actuarial assumptions	4,604,074	5,591,498
Net collective between projected and actual investment earnings	-	174,893
Changes in proportion	102,425	211,203
Contributions paid to PERA subsequent to the measurement date	263,096	-
Total	<u><u>\$6,064,977</u></u>	<u><u>\$5,977,594</u></u>

The \$263,096 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

Year Ended December 31,	Pension Expense
2024	\$143,780
2025	(4,793)
2026	946,932
2027	(260,036)
2028	(1,001,596)
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, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

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

Benefit increases after retirement are assumed to be 1.25% for the GERF and 1.00% for the PEPFF. 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 2022. The assumption changes were adopted by the Board and become effective with the July 1, 2023 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 2023:

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

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

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

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2023 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF and PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the GERF net pension liability	\$4,995,712	\$2,823,903	\$1,037,508
Proportionate share of the PEPFF net pension liability	\$7,890,806	\$3,976,982	\$759,294

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.

I. PENSION EXPENSE

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

GERF	\$590,787
PEPFF	1,022,694
Fire Pension Plan (Note 8)	<u>147,297</u>
Total	<u><u>\$1,760,778</u></u>

Note 8 DEFINED BENEFIT PENSION PLAN – FIRE DIVISION

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 (measurement date), 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 \$147,297 in fire state aid to the plan for the year ended December 31, 2023. 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, 2023 were \$0. The City's contributions were equal to the required contributions as set by state statute, if applicable.

D. PENSION COSTS

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 net pension asset was measured as of December 31, 2022. Previously, the City's fiscal year-end and the measurement date were the same. However, current year Plan information from PERA is not available. The effect of re-reporting Plan information is not considered material to the financial statements.

At December 31, 2023, the City reported a net pension asset of \$446,637 for the Volunteer Firefighter Plan. The following table presents the changes in the net pension asset during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (b-a)
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, 2023, the City recognized pension expense of \$147,297.

At December 31, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

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

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

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2024	\$1,263
2025	16,740
2026	45,219
2027	40,234
2028	-
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 Discount Rate (5.0%)	Current Discount Rate (6.0%)	1% Increase in 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:

Asset Class	Target Allocation	Long-Term Expected 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.

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, 2023 actuarial valuation, participants of the plan consisted of:

Active employees	65
Inactive employees or beneficiaries currently receiving benefits	5
Total	70

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$802,063 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023. Changes in the total OPEB liability during 2023 were:

Balance - beginning of year	\$463,737
Changes for the year:	
Service cost	42,687
Interest	21,236
Changes of benefit terms	-
Differences between expected and actual experience	263,454
Changes in assumptions	38,665
Benefit payments	<u>(27,716)</u>
Net changes	<u>338,326</u>
Balance - end of year	<u><u>\$802,063</u></u>

The OPEB liability will be liquidated by the general, rookery activity center, water, sewer, and storm water funds. The current portion of the OPEB liability is not material to the financial statements.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2023 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	4.00%
Investment rate of return	N/A
Healthcare cost trend rates	6.25% for 2023, decreasing 0.25% per year to an ultimate rate of 5% for 2028 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, 2023, 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-2021. Post-retirement, disability retirement, and survivor retirement mortality rates were based on the RP-2014 White Collar Mortality with Improvement Scale MP-2021.

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. 43% of police/fire employees are assumed to retire before the age of 60, 25% at age 60, and the balance at age 65. 5% of other City employees are assumed to retire before the age of 60, 8% at age 60, and 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 (3.00%) or 1% higher (5.00%) than the current discount rate:

	1% Decrease 3.00%	Discount Rate 4.00%	1% Increase 5.00%
Total OPEB liability	\$882,114	\$802,063	\$730,329

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 (5.25% decreasing to 4%) or 1% higher (7.25% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 4%)	Healthcare Cost Trend Rates (6.25% decreasing to 5%)	1% Increase (7.25% decreasing to 6%)
Total OPEB liability	\$699,826	\$802,063	\$924,551

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

For the year ended December 31, 2023, the City recognized \$43,952 of OPEB expense. At December 31, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$243,236	\$343,740
Changes in assumptions	97,582	68,519
Total	<u>\$340,818</u>	<u>\$412,259</u>

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:

<u>Year Ended December 31,</u>	<u>OPEB Expense</u>
2023	(\$19,970)
2024	(19,970)
2025	(19,970)
2026	(19,970)
2027	(19,970)
Thereafter	28,409
	<u>(\$71,441)</u>

Note 10 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES

The City has deficit fund balances at December 31, 2023 as follows:

	<u>Fund Balance Deficit</u>
Major Funds:	
The Rookery Activity Center	(\$5,067)
G.O. Improvement Bonds of 2016B	(1,728,204)
Capital Equipment Replacement	(960,579)
Nonmajor Funds:	
2024 Street Reconstruction	(43,667)

The City intends to fund these deficits through future property tax and tax increment collections and street reconstruction bond proceeds.

B. EXPENDITURES IN EXCESS OF BUDGET

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Overage</u>
General government:			
Elections	\$14,750	\$15,384	\$634
Engineering	96,354	103,120	6,766
Public safety:			
Fire	911,485	1,029,457	117,972
Public works:			
Fleet	775,180	778,513	3,333
Conservation of natural resources:			
Solid waste abatement	95,994	98,727	2,733
Community development:			
Community development	204,212	204,692	480

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, 2023 is as follows:

	<u>Receivable</u>	<u>Payable</u>
Short-term advances:		
Nonmajor Funds:		
Pavement Management	\$30,652	\$ -
2024 Street Reconstruction	-	30,652
	<u>\$30,652</u>	<u>\$30,652</u>
Long-term interfund loans:		
Major Funds:		
G.O. Improvement Bonds of 2016B	\$ -	\$1,728,204
Capital Equipment Replacement	-	2,032,706
Sewer Fund	2,591,816	-
Nonmajor Funds:		
Building and Facilities	1,169,094	-
	<u>\$3,760,910</u>	<u>\$3,760,910</u>

Note 12 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2023 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General Fund	\$20,000	\$466,554
The Rookery Activity Center	593,777	-
G.O. Improvement Note of 2009A	-	31,695
G.O. Improvement Bonds of 2016B	611,099	-
Capital Equipment Replacement	557,071	-
Area and Unit Trunk	435,329	696,476
MSA Construction	31,695	282,016
Water Fund	-	954,910
Sewer Fund	-	134,474
Nonmajor governmental funds	<u>1,805,819</u>	<u>1,488,665</u>
Total	<u>\$4,054,790</u>	<u>\$4,054,790</u>

During 2023, transfers were made to provide funding for capital improvement projects and capital outlay in accordance with the City's Five-Year Financial Plan. Transfers were also made to relieve deficit fund balance, 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, 2023

Note 13 FUND BALANCE

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

	General Fund	The Rookery Activity Center	G.O. Improvement Bonds of 2016B	Capital Equipment Replacement	Area and Unit Trunk	MSA Construction	Other Governmental Funds	Total
Nonspendable:								
Prepaid items	\$567,849	\$59,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$627,460
Corpus of permanent fund	-	-	-	-	-	-	100,000	100,000
Total nonspendable	<u>567,849</u>	<u>59,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>727,460</u>
Restricted for:								
Debt service	-	-	-	-	-	-	4,426,868	4,426,868
Park improvements	-	-	-	-	-	-	1,338,954	1,338,954
Economic development	-	-	-	-	-	-	225,000	225,000
Blue Heron Days	-	-	-	-	-	-	5,444	5,444
Narcotics & forfeiture funds	-	-	-	-	-	-	109,084	109,084
K-9 Unit purposes	-	-	-	-	-	-	12,772	12,772
Public safety aid	-	-	-	-	-	-	649,683	649,683
Tax increment purposes	-	-	-	-	-	-	276,780	276,780
Environmental purposes	-	-	-	-	-	-	38,604	38,604
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,083,189</u>	<u>7,083,189</u>
Committed for:								
Future projects	75,667	-	-	-	-	-	-	75,667
Economic development	-	-	-	-	-	-	22,237	22,237
Cable TV and communications purposes	-	-	-	-	-	-	257,731	257,731
Total committed	<u>75,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,968</u>	<u>355,635</u>
Assigned for:								
Capital improvements	-	-	-	-	9,562,325	4,810,424	6,334,784	20,707,533
Unassigned	<u>7,940,364</u>	<u>(64,678)</u>	<u>(1,728,204)</u>	<u>(960,579)</u>	<u>-</u>	<u>-</u>	<u>(43,667)</u>	<u>5,143,236</u>
Total fund balance	<u>\$8,583,880</u>	<u>(\$5,067)</u>	<u>(\$1,728,204)</u>	<u>(\$960,579)</u>	<u>\$9,562,325</u>	<u>\$4,810,424</u>	<u>\$13,754,274</u>	<u>\$34,017,053</u>

Note 14 TAX INCREMENT DISTRICTS

The City is the administrating authority for three 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, 2023:

	TIF 1-11 Woods Edge	TIF 1-12 Clearwater Creek	TIF 1-13 Lyngblomster
	<u>M.S. 469</u>	<u>M.S. 469</u>	<u>M.S. 469</u>
Authorizing law			
Year established	2005	2017	2019
Final year of district	2031	2026	2030
Net tax capacity:			
Original	\$16,057	\$21,416	\$14,184
Current	<u>525,719</u>	<u>760,670</u>	<u>394,123</u>
Captured - retained	<u>\$509,662</u>	<u>\$739,254</u>	<u>\$379,939</u>

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 \$203,208 and the outstanding balance at December 31, 2023 was \$94,040.

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, 2023.

C. COMMITTED CONTRACTS

At December 31, 2023, the City had commitments of \$124,362 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 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. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the next implementation date being for fiscal years beginning after June 15, 2023.

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

Statement No. 102 *Certain Risk Disclosures*. The provision of this Statement are effective for fiscal years beginning after June 15, 2024.

The effect these standards may have on future financial statements is not determinable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023

Statement 10
Page 1 of 6

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes:				
Current and delinquent	\$9,734,085	\$9,730,585	\$9,664,985	(\$65,600)
Penalties and interest	500	500	1,226	726
Total general property taxes	9,734,585	9,731,085	9,666,211	(64,874)
Other taxes	140,000	151,000	147,131	(3,869)
Licenses and permits:				
Business	66,360	72,760	72,611	(149)
Non-business	952,041	895,041	901,042	6,001
Total licenses and permits	1,018,401	967,801	973,653	5,852
Special assessments	-	-	1,185	1,185
Intergovernmental:				
Federal:				
OTS grant	25,000	38,000	37,515	(485)
State:				
Police state aid	260,000	299,000	299,203	203
Fire state aid	21,703	21,703	169,000	147,297
MSA maintenance	275,000	266,500	266,516	16
Other	23,500	37,500	37,334	(166)
County solid waste grant	82,214	95,994	98,699	2,705
Total intergovernmental	687,417	758,697	908,267	149,570
Charges for services:				
General government	231,613	225,013	247,155	22,142
Public safety	165,800	165,800	172,795	6,995
Public works	12,500	15,000	16,823	1,823
Culture and recreation	4,000	5,500	5,787	287
Total charges for services	413,913	411,313	442,560	31,247
Fines and forfeits	101,100	81,100	85,400	4,300
Investment earnings	30,000	180,000	307,403	127,403
Miscellaneous:				
Refunds and reimbursements	30,000	30,000	48,841	18,841
Donations	-	-	1,000	1,000
Other	2,000	2,000	1,657	(343)
Total miscellaneous	32,000	32,000	51,498	19,498
Total revenues	12,157,416	12,312,996	12,583,308	270,312

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023

Statement 10
Page 2 of 6

	Budgeted Amounts		2023 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures:				
General government:				
Mayor and city council:				
Current:				
Personal services	49,720	49,720	49,585	135
Other services and charges	29,175	23,675	23,104	571
Contractual services	25,260	25,260	25,264	(4)
Total mayor and city council	104,155	98,655	97,953	702
Administration:				
Current:				
Personal services	614,732	499,357	494,462	4,895
Other services and charges	34,980	38,480	34,095	4,385
Contractual services	32,800	32,800	32,705	95
Total administration	682,512	570,637	561,262	9,375
Elections:				
Current:				
Personal services	11,250	8,250	8,264	(14)
Supplies	1,000	1,000	163	837
Other services and charges	2,000	500	2,249	(1,749)
Contractual services	6,500	5,000	4,708	292
Total elections	20,750	14,750	15,384	(634)
Charter commission:				
Current:				
Other services and charges	7,463	926	668	258
Finance:				
Current:				
Personal services	304,802	293,972	292,953	1,019
Supplies	1,000	1,000	289	711
Other services and charges	279,380	274,880	276,184	(1,304)
Contractual services	101,400	98,400	98,237	163
Total finance	686,582	668,252	667,663	589
Legal consultants:				
Current:				
Other services and charges	138,000	208,000	189,797	18,203
Planning and zoning:				
Current:				
Personal services	124,761	126,181	125,820	361
Supplies	200	200	-	200
Other services and charges	16,250	16,250	13,649	2,601
Contractual services	33,000	8,000	7,300	700
Total planning and zoning commission	174,211	150,631	146,769	3,862

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023

Statement 10
Page 3 of 6

	Budgeted Amounts		2023 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
General government: (continued)				
Engineering:				
Current:				
Other services and charges	96,354	96,354	103,120	(6,766)
Total engineering	96,354	96,354	103,120	(6,766)
Government buildings:				
Current:				
Personal services	38,656	71,106	70,396	710
Supplies	47,400	66,400	61,850	4,550
Other services and charges	388,154	411,754	393,974	17,780
Contractual services	98,200	50,200	52,756	(2,556)
Total government buildings	572,410	599,460	578,976	20,484
Total general government	2,482,437	2,407,665	2,361,592	46,073
Public safety:				
Police:				
Current:				
Personal services	4,461,243	4,294,163	4,282,301	11,862
Supplies	68,800	68,800	64,137	4,663
Other services and charges	179,755	179,755	174,319	5,436
Contractual services	58,280	58,280	60,795	(2,515)
Total police	4,768,078	4,600,998	4,581,552	19,446
Fire:				
Current:				
Personal services	755,516	722,009	848,829	(126,820)
Supplies	50,775	59,375	56,680	2,695
Other services and charges	115,010	91,493	87,957	3,536
Contractual services	38,608	38,608	35,991	2,617
Total fire protection	959,909	911,485	1,029,457	(117,972)
Building inspection:				
Current:				
Personal services	451,733	456,623	440,964	15,659
Supplies	1,650	2,450	2,158	292
Other services and charges	12,640	11,840	9,281	2,559
Contractual services	37,740	37,740	34,850	2,890
Total building inspection	503,763	508,653	487,253	21,400
Total public safety	6,231,750	6,021,136	6,098,262	(77,126)

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023

Statement 10
Page 4 of 6

	Budgeted Amounts		2023 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Public works:				
Streets:				
Current:				
Personal services	694,415	661,545	622,362	39,183
Supplies	150,000	149,300	144,631	4,669
Other services and charges	103,050	115,750	114,913	837
Contractual services	51,500	53,000	57,541	(4,541)
Total streets	998,965	979,595	939,447	40,148
Fleet:				
Current:				
Personal services	270,661	263,690	259,904	3,786
Supplies	241,300	283,800	273,706	10,094
Other services and charges	86,290	96,090	91,001	5,089
Contractual services	66,000	131,600	153,902	(22,302)
Total fleet	664,251	775,180	778,513	(3,333)
Total public works	1,663,216	1,754,775	1,717,960	36,815
Culture and recreation:				
Parks:				
Current:				
Personal services	657,140	645,937	623,543	22,394
Supplies	50,000	50,000	48,338	1,662
Other services and charges	52,100	87,100	86,230	870
Contractual services	254,700	194,700	166,090	28,610
Total parks	1,013,940	977,737	924,201	53,536
Total culture and recreation	1,013,940	977,737	924,201	53,536

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023

Statement 10
Page 5 of 6

	Budgeted Amounts		2023 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Conservation of natural resources:				
Environmental:				
Current:				
Personal services	48,964	36,584	37,493	(909)
Supplies	1,000	1,000	759	241
Other services and charges	9,100	9,100	7,291	1,809
Contractual services	1,300	1,300	1,229	71
Total environmental	60,364	47,984	46,772	1,212
Solid waste abatement:				
Current:				
Personal services	51,194	43,974	42,570	1,404
Supplies	1,100	1,100	846	254
Other services and charges	7,220	3,220	6,165	(2,945)
Contractual services	22,700	47,700	49,146	(1,446)
Total solid waste abatement	82,214	95,994	98,727	(2,733)
Forestry:				
Current:				
Personal services	28,559	28,559	28,662	(103)
Supplies	3,250	3,250	2,313	937
Other services and charges	380	380	378	2
Contractual services	50,000	62,380	61,135	1,245
Total forestry	82,189	94,569	92,488	2,081
Total conservation of natural resources	224,767	238,547	237,987	560
Community development:				
Economic development:				
Current:				
Personal services	27,809	11,659	11,493	166
Other services and charges	16,000	8,500	7,032	1,468
Contractual services	81,475	77,675	76,172	1,503
Total economic development	125,284	97,834	94,697	3,137
Community development:				
Current:				
Personal services	193,297	195,487	195,731	(244)
Supplies	100	100	45	55
Other services and charges	7,900	7,900	7,885	15
Contractual services	725	725	1,031	(306)
Total community development	202,022	204,212	204,692	(480)
Total community development	327,306	302,046	299,389	2,657

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023

Statement 10
Page 6 of 6

	Budgeted Amounts		2023 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Other:				
Contingency	234,000	-	-	-
Total expenditures	12,177,416	11,701,906	11,639,391	62,515
Revenues over (under) expenditures	(20,000)	611,090	943,917	332,827
Other financing sources (uses):				
Transfers in	20,000	20,000	20,000	-
Transfers out	-	(25,000)	(466,554)	(441,554)
Total other financing sources (uses)	20,000	(5,000)	(446,554)	(441,554)
Net change in fund balance	\$0	\$606,090	497,363	(\$108,727)
Fund balance - January 1			8,086,517	
Fund balance - December 31			\$8,583,880	

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 11

BUDGETARY COMPARISON SCHEDULE - THE ROOKERY ACTIVITY CENTER

For The Year Ended December 31, 2023

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$325,000	\$325,000	\$325,000	\$ -
Intergovernmental	-	-	278,735	278,735
Charges for services	1,414,843	1,414,843	930,601	(484,242)
Miscellaneous	82,978	82,978	63,581	(19,397)
Total revenues	<u>1,822,821</u>	<u>1,822,821</u>	<u>1,597,917</u>	<u>(224,904)</u>
Expenditures:				
Culture and recreation				
Current:				
Personal services	1,313,172	1,313,172	1,242,209	70,963
Supplies	89,100	89,100	83,089	6,011
Other services and charges	305,503	305,503	411,157	(105,654)
Contractual services	282,030	282,030	196,551	85,479
Total expenditures	<u>1,989,805</u>	<u>1,989,805</u>	<u>1,933,006</u>	<u>56,799</u>
Revenues over (under) expenditures	<u>(166,984)</u>	<u>(166,984)</u>	<u>(335,089)</u>	<u>(168,105)</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>593,777</u>	<u>593,777</u>
Net change in fund balance	<u>(\$166,984)</u>	<u>(\$166,984)</u>	<u>258,688</u>	<u>\$425,672</u>
Fund balance - January 1			<u>(263,755)</u>	
Fund balance - December 31			<u>(\$5,067)</u>	

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
For The Last Ten Years

Statement 12

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	\$42,687	\$59,608	\$65,484	\$63,577	\$53,789	\$16,547	\$16,990
Interest	21,236	12,384	13,256	12,256	10,893	21,355	22,542
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	263,454	-	(250,908)	-	(245,168)	-	(51,083)
Changes in assumptions	38,665	(87,527)	93,391	-	-	-	-
Benefit payments	(27,716)	(22,971)	(32,454)	(22,990)	(15,527)	(27,798)	(31,536)
Net change in total OPEB liability	338,326	(38,506)	(111,231)	52,843	(196,013)	10,104	(43,087)
Total OPEB liability - beginning	463,737	502,243	613,474	560,631	756,644	746,540	789,627
Total OPEB liability - ending	<u>\$802,063</u>	<u>\$463,737</u>	<u>\$502,243</u>	<u>\$613,474</u>	<u>\$560,631</u>	<u>\$756,644</u>	<u>\$746,540</u>
Covered-employee payroll	\$3,777,904	\$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	21.2%	12.4%	14.6%	17.5%	16.6%	23.3%	21.3%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2017 and is intended to show a ten year trend. Additional years will be added as they become available.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 13

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

GENERAL EMPLOYEES RETIREMENT FUND

For The Last Ten Years

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 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
2015	2015	0.0410%	\$2,124,883	\$ -	\$2,124,883	\$2,407,426	88.3%	78.2%
2016	2016	0.0387%	3,142,248	41,033	3,183,281	2,401,546	132.6%	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	2019	0.0398%	2,200,453	68,330	2,268,783	2,814,860	80.6%	80.2%
2020	2020	0.0392%	2,350,219	72,457	2,422,676	2,797,444	86.6%	79.1%
2021	2021	0.0391%	1,669,745	50,998	1,720,743	2,812,588	61.2%	87.0%
2022	2022	0.0428%	3,389,774	99,480	3,489,254	3,208,575	108.7%	76.7%
2023	2023	0.0505%	2,823,903	77,857	2,901,760	4,018,380	72.2%	83.1%

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

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 14****SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**

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%
2023	305,242	305,242	-	4,071,180	7.5%

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

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 15

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

PUBLIC EMPLOYEES POLICE AND FIRE FUND

For The Last Ten Years

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)	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)	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
2015	2015	0.2490%	\$2,829,223	\$ -	\$2,829,223	\$2,284,973	123.8%	86.6%
2016	2016	0.2590%	10,394,121	-	10,394,121	2,495,778	416.5%	63.9%
2017	2017	0.2570%	3,469,806	-	3,469,806	2,643,314	131.3%	85.4%
2018	2018	0.2426%	2,585,866	-	2,585,866	2,556,951	101.1%	88.8%
2019	2019	0.2547%	2,711,539	-	2,711,539	2,689,536	100.8%	89.3%
2020	2020	0.2336%	3,079,098	72,537	3,151,635	2,638,619	119.4%	87.2%
2021	2021	0.2234%	1,724,411	77,543	1,801,954	2,602,793	69.2%	93.7%
2022	2022	0.2367%	10,300,249	450,081	10,750,330	2,875,683	373.8%	70.5%
2023	2023	0.2303%	3,976,982	160,211	4,137,193	3,024,258	136.8%	86.5%

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

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 16****SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND**

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	\$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%
2023	541,104	541,104	-	3,057,084	17.70%

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

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

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 - December 31:	2023 & 2022 *	2021	2020
Measurement date - December 31:	2022	2021	2020
Total pension liability:			
Service cost	\$62,261	\$67,890	\$46,865
Interest on pension liability	32,439	19,363	19,051
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(11,917)	59,354	(81,734)
Changes of assumptions	-	-	-
Changes in benefit level	-	100,057	-
Benefit payments	(46,223)	-	-
Net change in total pension liability	36,560	246,664	(15,818)
Total pension liability - beginning	501,496	254,832	270,650
Total pension liability - ending (a)	<u>\$538,056</u>	<u>\$501,496</u>	<u>\$254,832</u>
Plan fiduciary net position:			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - State of Minnesota	147,799	137,872	130,846
Contributions - other	-	-	-
Net investment income	(150,995)	83,292	95,960
Benefit payments	(46,223)	-	-
Administrative expense	(724)	(707)	(746)
Net change in plan fiduciary net position	(50,143)	220,457	226,060
Plan fiduciary net position - beginning	1,034,836	814,379	588,319
Plan fiduciary net position - ending (b)	<u>\$984,693</u>	<u>\$1,034,836</u>	<u>\$814,379</u>
Net pension asset - ending (b) - (a)	<u>\$446,637</u>	<u>\$533,340</u>	<u>\$559,547</u>
Plan fiduciary net position as a percentage of the total pension liability	183%	206%	320%
Covered payroll	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	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.

* Prior to 2023, the fiscal year end and measurement date were the same. However, 2023 SVF plan information from PERA is not available and therefore, 2022 amounts were re-reported in the City's 2023 ACFR.

See accompanying notes to the required supplementary information.

Statement 17

2019	2018	2017	2016
2019	2018	2017	2016
\$52,320	\$48,182	\$47,952	\$38,419
16,603	8,754	6,191	3,568
-	-	-	-
(22,680)	69,760	(11,672)	(7,804)
-	-	-	-
-	-	-	-
-	-	-	-
46,243	126,696	42,471	34,183
224,407	97,711	55,240	21,057
\$270,650	\$224,407	\$97,711	\$55,240
\$ -	\$ -	\$ -	\$44,394
121,630	118,144	113,797	-
-	64,869	58,800	-
78,063	(18,696)	9,153	133
-	-	-	-
(694)	(702)	(572)	-
198,999	163,615	181,178	44,527
389,320	225,705	44,527	-
\$588,319	\$389,320	\$225,705	\$44,527
\$317,669	\$164,913	\$127,994	(\$10,713)
217%	173%	231%	81%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 18****SCHEDULE OF CONTRIBUTIONS - LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION**

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-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
2023	-	-	-	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

See accompanying notes to the required supplementary information.

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

2023 Changes in Actuarial Assumptions:

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

2023 Changes in Plan Provisions:

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

2022 Changes 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.

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

2023 Changes in Actuarial Assumptions:

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

2023 Changes in Plan Provisions:

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

2022 Changes 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%.

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.

- This page intentionally left blank -

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

- This page intentionally left blank -

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

Debt Service Funds 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.

CITY OF LINO LAKES, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

Statement 19

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments	\$1,305,494	\$4,428,778	\$6,904,744	\$143,454	\$12,782,470
Due from other governments	-	-	13,950	-	13,950
Accounts receivable - net	-	-	2,500	-	2,500
Advances to other funds	-	-	30,652	-	30,652
Taxes receivable:					
Due from county	-	-	2,769	-	2,769
Special assessments receivable:					
Due from county	-	1,460	486	-	1,946
Deferred	-	460,789	691,752	-	1,152,541
Leases receivable	-	-	1,244,818	-	1,244,818
Interfund loan receivable	-	-	1,169,094	-	1,169,094
Total assets	\$1,305,494	\$4,891,027	\$10,060,765	\$143,454	\$16,400,740
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$23,498	\$3,370	\$130,424	\$4,850	\$162,142
Due to other governments	45	-	-	-	45
Advances from other funds	-	-	30,652	-	30,652
Retainage payable	-	-	56,268	-	56,268
Total liabilities	23,543	3,370	217,344	4,850	249,107
Deferred inflows of resources:					
Unavailable revenue	-	460,789	691,752	-	1,152,541
Lease related	-	-	1,244,818	-	1,244,818
Total deferred inflows of resources	-	460,789	1,936,570	-	2,397,359
Fund balance:					
Nonspendable	-	-	-	100,000	100,000
Restricted	1,001,983	4,426,868	1,615,734	38,604	7,083,189
Committed	279,968	-	-	-	279,968
Assigned	-	-	6,334,784	-	6,334,784
Unassigned	-	-	(43,667)	-	(43,667)
Total fund balance	1,281,951	4,426,868	7,906,851	138,604	13,754,274
Total liabilities, deferred inflows of resources, and fund balance	\$1,305,494	\$4,891,027	\$10,060,765	\$143,454	\$16,400,740

CITY OF LINO LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2023

Statement 20

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Revenues:					
General property taxes	\$ -	\$1,574,384	\$975,446	\$ -	\$2,549,830
Other taxes	32,793	37,855	-	-	70,648
Tax increment	-	-	903,027	-	903,027
Special assessments	-	81,771	208,950	-	290,721
Intergovernmental	932,033	-	22,620	-	954,653
Charges for services	1,650	-	427,916	-	429,566
Fines and forfeits	6,729	-	-	-	6,729
Investment earnings	39,493	205,221	320,266	6,923	571,903
Miscellaneous	19,965	-	-	8,800	28,765
Total revenues	1,032,663	1,899,231	2,858,225	15,723	5,805,842
Expenditures:					
Current:					
General government	1,222	-	63,933	-	65,155
Public safety	144,839	-	810	-	145,649
Public works	-	-	1,275,375	-	1,275,375
Culture and recreation	37,566	-	38,601	-	76,167
Community development	766	-	214,163	-	214,929
Conservation of natural resources	-	-	1,843	10,125	11,968
Capital outlay:					
General government	-	-	10,918	-	10,918
Public safety	2,500	-	-	-	2,500
Public works	-	-	1,260,648	-	1,260,648
Culture and recreation	-	-	825,055	-	825,055
Debt service:					
Principal	-	2,439,885	-	-	2,439,885
Interest and fiscal charges	-	602,744	-	-	602,744
Total expenditures	186,893	3,042,629	3,691,346	10,125	6,930,993
Revenues over (under) expenditures	845,770	(1,143,398)	(833,121)	5,598	(1,125,151)
Other financing sources (uses):					
Transfers in	-	905,942	899,877	-	1,805,819
Transfers out	(249,294)	(480,000)	(759,371)	-	(1,488,665)
Total other financing sources (uses)	(249,294)	425,942	140,506	-	317,154
Net change in fund balance	596,476	(717,456)	(692,615)	5,598	(807,997)
Fund balance - January 1	685,475	5,144,324	8,599,466	133,006	14,562,271
Fund balance - December 31	\$1,281,951	\$4,426,868	\$7,906,851	\$138,604	\$13,754,274

- This page intentionally left blank -

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.

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

Cable TV and Communications – established to account for activities relating to Cable TV and Communications.

Blue Heron Days – established to account for the activities associated with the Blue Heron Days festival.

Federal Forfeitures - Justice – 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.

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

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

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

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

K-9 Unit – established to account for donations received by the City which are restricted for K-9 Unit purposes.

Public Safety Aid – established to account for aid received from the State of Minnesota for public safety purposes.

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2023

	203 Economic Development Authority	204 Cable TV and Communications	205 Blue Heron Days	207 State Narcotics Forfeitures
Assets				
Cash and investments	\$247,237	\$257,731	\$5,640	\$31,734
Total assets	<u>\$247,237</u>	<u>\$257,731</u>	<u>\$5,640</u>	<u>\$31,734</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$196	\$ -
Due to other governments	-	-	-	45
Total liabilities	<u>-</u>	<u>-</u>	<u>196</u>	<u>45</u>
Fund balance:				
Restricted	225,000	-	5,444	31,689
Committed	22,237	257,731	-	-
Total fund balance	<u>247,237</u>	<u>257,731</u>	<u>5,444</u>	<u>31,689</u>
Total liabilities and fund balance	<u>\$247,237</u>	<u>\$257,731</u>	<u>\$5,640</u>	<u>\$31,734</u>

Statement 21

208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	214 Public Safety Aid	Total Nonmajor Special Revenue Funds
\$54,000	\$1,498	\$25,135	\$13,427	\$669,092	\$1,305,494
\$54,000	\$1,498	\$25,135	\$13,427	\$669,092	\$1,305,494
\$632	\$ -	\$2,606	\$655	\$19,409	\$23,498
-	-	-	-	-	45
632	-	2,606	655	19,409	23,543
53,368	1,498	22,529	12,772	649,683	1,001,983
-	-	-	-	-	279,968
53,368	1,498	22,529	12,772	649,683	1,281,951
\$54,000	\$1,498	\$25,135	\$13,427	\$669,092	\$1,305,494

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2023

	203 Economic Development Authority	204 Cable TV and Communications	205 Blue Heron Days	206 Federal Forfeitures - Justice	207 State Narcotics Forfeitures
Revenues:					
Other taxes	\$ -	\$32,793	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,739	-	-
Charges for services	-	-	1,650	-	-
Fines and forfeits	-	-	-	-	4,789
Investment earnings	11,866	12,702	530	74	1,598
Miscellaneous	10,000	2,672	301	-	2,852
Total revenues	<u>21,866</u>	<u>48,167</u>	<u>5,220</u>	<u>74</u>	<u>9,239</u>
Expenditures:					
Current:					
General government	-	1,222	-	-	-
Public safety	-	-	-	25,018	16,163
Culture and recreation	-	22,542	15,024	-	-
Community development	766	-	-	-	-
Capital outlay					
Public safety	-	-	-	-	-
Total expenditures	<u>766</u>	<u>23,764</u>	<u>15,024</u>	<u>25,018</u>	<u>16,163</u>
Revenues over (under) expenditures	21,100	24,403	(9,804)	(24,944)	(6,924)
Other financing sources (uses):					
Transfers out	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	21,100	4,403	(9,804)	(24,944)	(6,924)
Fund balance - January 1	<u>226,137</u>	<u>253,328</u>	<u>15,248</u>	<u>24,944</u>	<u>38,613</u>
Fund balance - December 31	<u>\$247,237</u>	<u>\$257,731</u>	<u>\$5,444</u>	<u>\$0</u>	<u>\$31,689</u>

208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	214 Public Safety Aid	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$32,793
-	-	-	-	929,294	932,033
-	-	-	-	-	1,650
1,940	-	-	-	-	6,729
3,125	84	743	705	8,066	39,493
4,140	-	-	-	-	19,965
<u>9,205</u>	<u>84</u>	<u>743</u>	<u>705</u>	<u>937,360</u>	<u>1,032,663</u>
-	-	-	-	-	1,222
26,338	285	15,888	2,764	58,383	144,839
-	-	-	-	-	37,566
-	-	-	-	-	766
<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
<u>28,838</u>	<u>285</u>	<u>15,888</u>	<u>2,764</u>	<u>58,383</u>	<u>186,893</u>
(19,633)	(201)	(15,145)	(2,059)	878,977	845,770
-	-	-	-	(229,294)	(249,294)
(19,633)	(201)	(15,145)	(2,059)	649,683	596,476
73,001	1,699	37,674	14,831	-	685,475
<u>\$53,368</u>	<u>\$1,498</u>	<u>\$22,529</u>	<u>\$12,772</u>	<u>\$649,683</u>	<u>\$1,281,951</u>

- This page intentionally left blank -

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:

General Debt Bonds – are repaid primarily from property taxes.

Improvement Bonds and Notes – are repaid primarily from special assessments.

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

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

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

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2023

	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
Assets					
Cash and investments	\$145,304	\$238,235	\$297,545	\$312,003	\$694,734
Special assessments receivable:					
Due from county	-	-	-	-	-
Deferred	-	-	106,206	-	-
Total assets	<u>\$145,304</u>	<u>\$238,235</u>	<u>\$403,751</u>	<u>\$312,003</u>	<u>\$694,734</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred inflows of resources:					
Unavailable revenue	-	-	106,206	-	-
Fund balance:					
Restricted	<u>145,304</u>	<u>238,235</u>	<u>297,545</u>	<u>312,003</u>	<u>694,734</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$145,304</u>	<u>\$238,235</u>	<u>\$403,751</u>	<u>\$312,003</u>	<u>\$694,734</u>

Statement 23

339 EDA Lease Revenue Bonds of 2015B	340 G.O. Capital Note of 2016A	341 G.O. Utility Revenue Bonds of 2016A	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
\$379,136	\$1,137	\$264,154	\$1,660,716	\$228,566	\$207,248	\$4,428,778
-	-	-	1,460	-	-	1,460
-	-	-	354,583	-	-	460,789
<u>\$379,136</u>	<u>\$1,137</u>	<u>\$264,154</u>	<u>\$2,016,759</u>	<u>\$228,566</u>	<u>\$207,248</u>	<u>\$4,891,027</u>
\$ -	\$ -	\$ -	\$3,370	\$ -	\$ -	\$3,370
-	-	-	354,583	-	-	460,789
379,136	1,137	264,154	1,658,806	228,566	207,248	4,426,868
<u>\$379,136</u>	<u>\$1,137</u>	<u>\$264,154</u>	<u>\$2,016,759</u>	<u>\$228,566</u>	<u>\$207,248</u>	<u>\$4,891,027</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2023

	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	\$106,299	\$ -	\$176,109	\$ -	\$ -	\$273,959
Other taxes	-	-	-	-	-	-
Special assessments	-	-	-	39,000	-	-
Investment earnings	17,970	7,204	6,911	13,503	15,278	26,709
Total revenues	<u>124,269</u>	<u>7,204</u>	<u>183,020</u>	<u>52,503</u>	<u>15,278</u>	<u>300,668</u>
Expenditures:						
Debt service:						
Principal	100,235	265,000	165,000	65,000	150,000	210,000
Interest and fiscal charges	1,002	19,031	8,566	5,915	10,745	45,027
Total expenditures	<u>101,237</u>	<u>284,031</u>	<u>173,566</u>	<u>70,915</u>	<u>160,745</u>	<u>255,027</u>
Revenues over (under) expenditures	<u>23,032</u>	<u>(276,827)</u>	<u>9,454</u>	<u>(18,412)</u>	<u>(145,467)</u>	<u>45,641</u>
Other financing sources (uses):						
Transfers in	-	282,016	-	-	121,576	-
Transfers out	(327,777)	-	-	-	-	-
Total other financing sources (uses)	<u>(327,777)</u>	<u>282,016</u>	<u>-</u>	<u>-</u>	<u>121,576</u>	<u>-</u>
Net change in fund balance	(304,745)	5,189	9,454	(18,412)	(23,891)	45,641
Fund balance - January 1	<u>304,745</u>	<u>140,115</u>	<u>228,781</u>	<u>315,957</u>	<u>335,894</u>	<u>649,093</u>
Fund balance - December 31	<u>\$0</u>	<u>\$145,304</u>	<u>\$238,235</u>	<u>\$297,545</u>	<u>\$312,003</u>	<u>\$694,734</u>

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
\$320,815	\$ -	\$ -	\$ -	\$485,737	\$ -	\$211,465	\$1,574,384
-	37,855	-	-	-	-	-	37,855
-	-	-	-	42,771	-	-	81,771
12,090	225	12,986	7,439	68,262	12,017	4,627	205,221
332,905	38,080	12,986	7,439	596,770	12,017	216,092	1,899,231
190,000	34,650	145,000	305,000	410,000	235,000	165,000	2,439,885
110,353	3,206	15,215	4,687	232,922	111,065	35,010	602,744
300,353	37,856	160,215	309,687	642,922	346,065	200,010	3,042,629
32,552	224	(147,229)	(302,248)	(46,152)	(334,048)	16,082	(1,143,398)
-	-	158,250	-	-	344,100	-	905,942
-	-	-	(152,223)	-	-	-	(480,000)
-	-	158,250	(152,223)	-	344,100	-	425,942
32,552	224	11,021	(454,471)	(46,152)	10,052	16,082	(717,456)
346,584	913	253,133	454,471	1,704,958	218,514	191,166	5,144,324
\$379,136	\$1,137	\$264,154	\$0	\$1,658,806	\$228,566	\$207,248	\$4,426,868

- This page intentionally left blank -

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 – to account for excess funds from matured bond issues.

Building and Facilities – to account for the activities associated with the maintenance and replacement of municipal buildings and facilities.

Office Equipment Replacement – to account for the receipt and use of funds for office equipment purchases.

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

Tax Increment Financing Funds – to account for development projects financed with tax increments.

Pavement Management – to account for the financing of street maintenance projects.

Street Reconstruction – to account for the financing of future reconstruction of City streets.

Park and Trail Improvements – to account for park and trail improvement activities.

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

Pheasant Run Reconstruction – to account for the financing of the Pheasant Run street reconstruction project.

2024 Street Reconstruction – to account for the financing of the 2024 Street Reconstruction project.

- This page intentionally left blank -

	301 Closed Bond	401 Building and Facilities	403 Office Equipment Replacement	405 Dedicated Parks	417 Tax Increment Financing 1-10
Assets					
Cash and investments	\$464,979	\$1,778,668	\$58,189	\$1,369,980	\$ -
Due from other governments	-	-	-	-	-
Accounts receivable - net	-	2,500	-	-	-
Advances to other funds	-	-	-	-	-
Taxes receivable:					
Due from county	-	-	-	-	1,520
Special assessments receivable:					
Due from county	-	-	-	-	-
Deferred	-	-	-	-	-
Leases receivable	-	1,244,818	-	-	-
Interfund loan receivable	-	1,169,094	-	-	-
Total assets	<u>\$464,979</u>	<u>\$4,195,080</u>	<u>\$58,189</u>	<u>\$1,369,980</u>	<u>\$1,520</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$1,940	\$2,500	\$ -	\$854	\$ -
Advances from other funds	-	-	-	-	-
Retainage payable	-	-	-	30,172	-
Total liabilities	<u>1,940</u>	<u>2,500</u>	<u>-</u>	<u>31,026</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Lease related	-	1,244,818	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>1,244,818</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Restricted	-	-	-	1,338,954	1,520
Assigned	463,039	2,947,762	58,189	-	-
Unassigned	-	-	-	-	-
Total fund balance	<u>463,039</u>	<u>2,947,762</u>	<u>58,189</u>	<u>1,338,954</u>	<u>1,520</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$464,979</u>	<u>\$4,195,080</u>	<u>\$58,189</u>	<u>\$1,369,980</u>	<u>\$1,520</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2023

	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	430 Tax Increment Financing 1-13	421 Pavement Management
Assets				
Cash and investments	\$ -	\$271,951	\$2,170	\$222,602
Due from other governments	-	-	-	-
Accounts receivable - net	-	-	-	-
Advances to other funds	-	-	-	30,652
Taxes receivable:				
Due from county	1,132	117	-	-
Special assessments receivable:				
Due from county	-	-	-	-
Deferred	-	-	-	-
Leases receivable	-	-	-	-
Interfund loan receivable	-	-	-	-
Total assets	\$1,132	\$272,068	\$2,170	\$253,254
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$110	\$ -	\$80,820
Advances from other funds	-	-	-	-
Retainage payable	-	-	-	1,544
Total liabilities	-	110	-	82,364
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Lease related	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Restricted	1,132	271,958	2,170	-
Assigned	-	-	-	170,890
Unassigned	-	-	-	-
Total fund balance	1,132	271,958	2,170	170,890
Total liabilities, deferred inflows of resources, and fund balance	\$1,132	\$272,068	\$2,170	\$253,254

422 Surface Water Management	423 Street Reconstruction	425 Park and Trail Improvements	484 Comp Plan Update	487 Pheasant Run Reconstruction	488 2024 Street Reconstruction	Total Nonmajor Capital Project Funds
\$1,972,416	\$451,551	\$235,913	\$23,555	\$52,770	\$ -	\$6,904,744
13,950	-	-	-	-	-	13,950
-	-	-	-	-	-	2,500
-	-	-	-	-	-	30,652
-	-	-	-	-	-	2,769
486	-	-	-	-	-	486
670,905	20,847	-	-	-	-	691,752
-	-	-	-	-	-	1,244,818
-	-	-	-	-	-	1,169,094
<u>\$2,657,757</u>	<u>\$472,398</u>	<u>\$235,913</u>	<u>\$23,555</u>	<u>\$52,770</u>	<u>\$ -</u>	<u>\$10,060,765</u>
\$20,993	\$ -	\$ -	\$5,545	\$4,647	\$13,015	\$130,424
-	-	-	-	-	30,652	30,652
678	-	-	-	23,874	-	56,268
<u>21,671</u>	<u>-</u>	<u>-</u>	<u>5,545</u>	<u>28,521</u>	<u>43,667</u>	<u>217,344</u>
670,905	20,847	-	-	-	-	691,752
-	-	-	-	-	-	1,244,818
<u>670,905</u>	<u>20,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,936,570</u>
-	-	-	-	-	-	1,615,734
1,965,181	451,551	235,913	18,010	24,249	-	6,334,784
-	-	-	-	-	(43,667)	(43,667)
<u>1,965,181</u>	<u>451,551</u>	<u>235,913</u>	<u>18,010</u>	<u>24,249</u>	<u>(43,667)</u>	<u>7,906,851</u>
<u>\$2,657,757</u>	<u>\$472,398</u>	<u>\$235,913</u>	<u>\$23,555</u>	<u>\$52,770</u>	<u>\$ -</u>	<u>\$10,060,765</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2023

	301 Closed Bond	401 Building and Facilities	403 Office Equipment Replacement	405 Dedicated Parks	417 Tax Increment Financing 1-10
Revenues:					
General property taxes	\$ -	\$ -	\$25,000	\$ -	\$ -
Tax increment	-	-	-	-	245,294
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	208,896	-	125,736	-
Investment earnings	21,166	54,111	2,326	83,029	1,760
Total revenues	<u>21,166</u>	<u>263,007</u>	<u>27,326</u>	<u>208,765</u>	<u>247,054</u>
Expenditures:					
Current:					
General government	26,539	21,401	10,448	-	-
Public safety	-	-	810	-	-
Public works	-	-	1,473	-	-
Culture and recreation	-	-	-	31,201	-
Community development	-	-	1,189	-	1,260
Conservation of natural resources	-	-	1,843	-	-
Capital outlay:					
General government	-	10,918	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	787,573	-
Total expenditures	<u>26,539</u>	<u>32,319</u>	<u>15,763</u>	<u>818,774</u>	<u>1,260</u>
Revenues over (under) expenditures	<u>(5,373)</u>	<u>230,688</u>	<u>11,563</u>	<u>(610,009)</u>	<u>245,794</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(247,277)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(247,277)</u>
Net change in fund balance	(5,373)	230,688	11,563	(610,009)	(1,483)
Fund balance - January 1	<u>468,412</u>	<u>2,717,074</u>	<u>46,626</u>	<u>1,948,963</u>	<u>3,003</u>
Fund balance - December 31	<u>\$463,039</u>	<u>\$2,947,762</u>	<u>\$58,189</u>	<u>\$1,338,954</u>	<u>\$1,520</u>

418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	430 Tax Increment Financing 1-13	421 Pavement Management	422 Surface Water Management	423 Street Reconstruction
\$ -	\$ -	\$ -	\$860,446	\$ -	\$ -
399,163	254,246	4,324	-	-	-
-	-	-	-	197,401	11,549
-	-	-	-	22,620	-
-	-	-	-	93,284	-
2,404	5,286	9	8,249	92,341	28,899
401,567	259,532	4,333	868,695	405,646	40,448
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,191,663	82,239	-
-	-	-	-	-	-
3,163	206,388	2,163	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	64,668	59,369	-
-	-	-	-	-	-
3,163	206,388	2,163	1,256,331	141,608	-
398,404	53,144	2,170	(387,636)	264,038	40,448
-	-	-	219,403	-	-
(363,822)	-	-	-	-	(148,272)
(363,822)	-	-	219,403	-	(148,272)
34,582	53,144	2,170	(168,233)	264,038	(107,824)
(33,450)	218,814	-	339,123	1,701,143	559,375
\$1,132	\$271,958	\$2,170	\$170,890	\$1,965,181	\$451,551

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2023

Statement 26
Page 2 of 2

	425 Park and Trail Improvements	484 Comp Plan Update	487 Pheasant Run Reconstruction	488 2024 Street Reconstruction	Total Nonmajor Capital Project Funds
Revenues:					
General property taxes	\$90,000	\$ -	\$ -	\$ -	\$975,446
Tax increment	-	-	-	-	903,027
Special assessments	-	-	-	-	208,950
Intergovernmental	-	-	-	-	22,620
Charges for services	-	-	-	-	427,916
Investment earnings	9,805	284	10,597	-	320,266
Total revenues	<u>99,805</u>	<u>284</u>	<u>10,597</u>	<u>-</u>	<u>2,858,225</u>
Expenditures:					
Current:					
General government	-	5,545	-	-	63,933
Public safety	-	-	-	-	810
Public works	-	-	-	-	1,275,375
Culture and recreation	7,400	-	-	-	38,601
Community development	-	-	-	-	214,163
Conservation of natural resources	-	-	-	-	1,843
Capital outlay:					
General government	-	-	-	-	10,918
Public works	-	-	1,092,944	43,667	1,260,648
Culture and recreation	37,482	-	-	-	825,055
Total expenditures	<u>44,882</u>	<u>5,545</u>	<u>1,092,944</u>	<u>43,667</u>	<u>3,691,346</u>
Revenues over (under) expenditures	<u>54,923</u>	<u>(5,261)</u>	<u>(1,082,347)</u>	<u>(43,667)</u>	<u>(833,121)</u>
Other financing sources (uses):					
Transfers in	-	25,000	655,474	-	899,877
Transfers out	-	-	-	-	(759,371)
Total other financing sources (uses)	<u>-</u>	<u>25,000</u>	<u>655,474</u>	<u>-</u>	<u>140,506</u>
Net change in fund balance	54,923	19,739	(426,873)	(43,667)	(692,615)
Fund balance - January 1	<u>180,990</u>	<u>(1,729)</u>	<u>451,122</u>	<u>-</u>	<u>8,599,466</u>
Fund balance - December 31	<u>\$235,913</u>	<u>\$18,010</u>	<u>\$24,249</u>	<u>(\$43,667)</u>	<u>\$7,906,851</u>

STATISTICAL SECTION (UNAUDITED)

- This page intentionally left blank -

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 within 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

CITY OF LINO LAKES, MINNESOTA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$19,540,807	\$18,230,746	\$18,597,344	\$22,868,259
Restricted	8,666,357	8,635,293	13,342,852	11,730,147
Unrestricted	20,527,704	13,888,120	10,187,254	12,017,212
Total governmental activities net position	<u>\$48,734,868</u>	<u>\$40,754,159</u>	<u>\$42,127,450</u>	<u>\$46,615,618</u>
Business-type activities:				
Net investment in capital assets	\$27,556,022	\$29,127,829	\$31,860,610	\$31,831,950
Unrestricted	13,888,278	14,672,630	13,863,447	14,846,045
Total business-type activities net position	<u>\$41,444,300</u>	<u>\$43,800,459</u>	<u>\$45,724,057</u>	<u>\$46,677,995</u>
Primary government:				
Net investment in capital assets	\$47,096,829	\$47,358,575	\$50,457,954	\$54,700,209
Restricted	8,666,357	8,635,293	13,342,852	11,730,147
Unrestricted	34,415,982	28,560,750	24,050,701	26,863,257
Total primary government net position	<u>\$90,179,168</u>	<u>\$84,554,618</u>	<u>\$87,851,507</u>	<u>\$93,293,613</u>

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.

Table 1

2018	2019	2020	2021	2022	2023
\$24,640,555	\$28,433,053	\$31,960,308	\$38,987,698	\$43,292,333	\$48,061,305
10,579,817	12,390,431	13,446,203	13,889,250	10,200,962	9,398,180
16,577,520	17,640,035	18,686,238	21,975,414	21,078,214	21,364,755
<u>\$51,797,892</u>	<u>\$58,463,519</u>	<u>\$64,092,749</u>	<u>\$74,852,362</u>	<u>\$74,571,509</u>	<u>\$78,824,240</u>
\$32,709,079	\$36,390,820	\$43,366,197	\$43,566,016	\$49,792,563	\$50,119,172
15,570,827	16,237,228	16,054,144	16,425,602	14,574,403	15,375,587
<u>\$48,279,906</u>	<u>\$52,628,048</u>	<u>\$59,420,341</u>	<u>\$59,991,618</u>	<u>\$64,366,966</u>	<u>\$65,494,759</u>
\$57,349,634	\$64,823,873	\$75,326,505	\$82,553,714	\$93,084,896	\$98,180,477
10,579,817	12,390,431	13,446,203	13,889,250	10,200,962	9,398,180
32,148,347	33,877,263	34,740,382	38,401,016	35,652,617	36,740,342
<u>\$100,077,798</u>	<u>\$111,091,567</u>	<u>\$123,513,090</u>	<u>\$134,843,980</u>	<u>\$138,938,475</u>	<u>\$144,318,999</u>

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

	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$2,036,550	\$2,016,351	\$2,456,864	\$2,395,633
Public safety	4,107,759	5,135,865	6,567,523	5,166,538
Public works	5,880,030	7,971,712	6,228,893	5,492,395
Culture and recreation	-	-	-	-
Conservation of natural resources	159,649	186,111	216,905	200,016
Community development	407,448	432,268	454,144	459,455
Interest and fees on long-term debt	618,680	632,876	831,529	518,897
Total governmental activities expenses	<u>13,210,116</u>	<u>16,375,183</u>	<u>16,755,858</u>	<u>14,232,934</u>
Business-type activities:				
Water	965,641	1,394,897	1,367,693	1,245,249
Sewer	1,628,258	2,089,842	1,850,962	1,901,821
Storm water	-	-	-	-
Total business-type activities expenses	<u>2,593,899</u>	<u>3,484,739</u>	<u>3,218,655</u>	<u>3,147,070</u>
Total primary government expenses	<u>\$15,804,015</u>	<u>\$19,859,922</u>	<u>\$19,974,513</u>	<u>\$17,380,004</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$103,072	\$818,468	\$520,231	\$550,117
Public safety	763,470	199,498	1,359,426	2,249,152
Public works	621,221	603,866	865,327	801,633
Culture and recreation	-	-	-	-
Conservation of natural resources	1,882	-	-	-
Community development	39,395	-	-	-
Operating grants and contributions	840,676	526,107	722,858	1,106,014
Capital grants and contributions	335,733	1,176,732	5,046,307	4,141,383
Total governmental activities program revenues	<u>2,705,449</u>	<u>3,324,671</u>	<u>8,514,149</u>	<u>8,848,299</u>
Business-type activities:				
Charges for services:				
Water	965,425	1,014,836	1,094,897	1,150,834
Sewer	1,564,099	1,621,633	1,659,322	1,698,963
Storm water	-	-	-	-
Operating grants and contributions	263,024	263,024	-	-
Capital grants and contributions	1,035	3,035,031	1,543,947	836,029
Total business-type activities	<u>2,793,583</u>	<u>5,934,524</u>	<u>4,298,166</u>	<u>3,685,826</u>
Total primary government program revenues	<u>\$5,499,032</u>	<u>\$9,259,195</u>	<u>\$12,812,315</u>	<u>\$12,534,125</u>

Table 2
Page 1 of 2

2018	2019	2020	2021	2022	2023
\$2,345,386	\$2,466,130	\$4,197,819	\$2,828,407	\$3,117,688	\$3,041,049
4,749,394	5,053,511	4,867,134	4,706,881	6,512,493	7,130,294
5,384,522	5,810,919	4,118,477	6,260,599	6,377,440	5,604,543
-	-	-	-	4,029,146	3,350,309
201,590	183,982	161,556	178,581	235,376	257,150
576,794	686,421	660,660	791,930	884,336	531,413
414,607	498,587	733,207	654,287	562,248	497,903
13,672,293	14,699,550	14,738,853	15,420,685	21,718,727	20,412,661
1,332,755	1,322,811	1,532,282	1,621,486	3,019,350	2,027,102
1,964,471	2,002,711	2,199,865	2,186,992	2,347,539	2,535,243
-	-	-	-	251,478	577,404
3,297,226	3,325,522	3,732,147	3,808,478	5,618,367	5,139,749
\$16,969,519	\$18,025,072	\$18,471,000	\$19,229,163	\$27,337,094	\$25,552,410
\$562,816	\$612,237	\$587,888	\$892,386	\$699,316	\$507,564
1,591,658	1,255,363	1,235,829	1,688,606	1,616,634	1,279,955
448,009	1,273,900	1,106,248	2,528,275	1,574,335	1,544,038
-	-	-	-	1,046,848	1,127,355
-	-	-	-	-	-
-	-	-	-	-	10,000
861,429	870,532	2,470,024	1,019,752	1,119,449	1,866,131
5,187,023	6,820,419	6,894,207	7,931,093	2,800,604	2,996,602
8,650,935	10,832,451	12,294,196	14,060,112	8,857,186	9,331,645
1,217,589	1,172,580	1,341,559	1,683,290	1,845,312	2,323,763
1,753,712	1,771,143	1,803,231	1,892,040	1,952,299	2,079,761
-	-	-	-	486,069	552,121
-	-	42,152	-	-	59,032
1,242,032	2,894,794	2,887,266	752,403	5,268,556	8,545
4,213,333	5,838,517	6,074,208	4,327,733	9,552,236	5,023,222
\$12,864,268	\$16,670,968	\$18,368,404	\$18,387,845	\$18,409,422	\$14,354,867

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

	2014	2015	2016	2017
Net (expense) revenue:				
Governmental activities	(\$10,504,667)	(\$13,050,512)	(\$8,241,709)	(\$5,384,635)
Business-type activities	199,684	2,449,785	1,079,511	538,756
Total primary government, net	(10,304,983)	(10,600,727)	(7,162,198)	(4,845,879)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	8,806,886	9,243,236	9,343,500	9,753,971
Unrestricted grants and contributions	4,443	5,363	91,385	181,712
Unrestricted investment earnings	265,695	112,961	210,142	207,792
Gain on disposal of capital assets	1,727	17,836	66,255	38,022
Special item - withdrawal from fire district	-	-	1,333,166	-
Transfers	69,294	66,834	(914,414)	(308,694)
Total governmental activities	9,148,045	9,446,230	10,130,034	9,872,803
Business-type activities:				
Unrestricted investment earnings	154,468	51,167	107,119	106,488
Gain on disposal of capital assets	-	-	-	-
Transfers	(69,294)	(66,834)	914,414	308,694
Total business-type activities	85,174	(15,667)	1,021,533	415,182
Total primary government	\$9,233,219	\$9,430,563	\$11,151,567	\$10,287,985
Change in net position:				
Governmental activities	(\$1,356,622)	(\$3,604,282)	\$1,888,325	\$4,488,168
Business-type activities	284,858	2,434,118	2,101,044	953,938
Total primary government change in net position	(\$1,071,764)	(\$1,170,164)	\$3,989,369	\$5,442,106

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.

Table 2
Page 2 of 2

2018	2019	2020	2021	2022	2023
(\$5,021,358)	(\$3,867,099)	(\$2,444,657)	(\$1,360,573)	(\$12,861,541)	(\$11,086,803)
916,107	2,512,995	2,342,061	519,255	3,933,869	(116,527)
(4,105,251)	(1,354,104)	(102,596)	(841,318)	(8,927,672)	(11,203,330)
10,229,691	10,706,977	11,259,043	12,006,161	12,622,388	13,989,700
59,508	38,926	47,188	6,587	2,117,908	270,011
369,485	1,029,944	684,384	(171,260)	(1,139,063)	1,554,657
17,318	68,472	150,041	387,972	66,852	35,689
-	-	-	-	-	-
(472,370)	(1,311,593)	(4,066,269)	(109,774)	(1,142,554)	(516,310)
10,203,632	10,532,726	8,074,387	12,119,686	12,525,531	15,333,747
213,434	523,554	383,963	(86,764)	(645,918)	728,010
-	-	-	29,012	-	-
472,370	1,311,593	4,066,269	109,774	1,142,554	516,310
685,804	1,835,147	4,450,232	52,022	496,636	1,244,320
\$10,889,436	\$12,367,873	\$12,524,619	\$12,171,708	\$13,022,167	\$16,578,067
\$5,182,274	\$6,665,627	\$5,629,730	\$10,759,113	(\$336,010)	\$4,252,731
1,601,911	4,348,142	6,792,293	571,277	4,430,505	1,127,793
\$6,784,185	\$11,013,769	\$12,422,023	\$11,330,390	\$4,094,495	\$5,380,524

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

	2014	2015	2016	2017
General Fund:				
Nonspendable	\$253,471	\$220,677	\$225,114	\$243,317
Committed	-	-	-	-
Unassigned	5,053,064	5,725,736	6,031,077	6,573,608
Total general fund	<u>\$5,306,535</u>	<u>\$5,946,413</u>	<u>\$6,256,191</u>	<u>\$6,816,925</u>
All other governmental funds:				
Nonspendable	101,302	101,177	101,220	101,659
Restricted	2,830,526	2,637,638	6,502,424	5,289,641
Committed	152,078	163,239	170,950	175,401
Assigned	18,027,773	15,022,852	15,778,480	14,581,669
Unassigned	(375,851)	(3,815,304)	(978,496)	(2,909,173)
Total all other governmental funds	<u>\$20,735,828</u>	<u>\$14,109,602</u>	<u>\$21,574,578</u>	<u>\$17,239,197</u>
Total all funds	<u>\$26,042,363</u>	<u>\$20,056,015</u>	<u>\$27,830,769</u>	<u>\$24,056,122</u>

Table 3

2018	2019	2020	2021	2022	2023
\$286,186	\$296,907	\$315,224	\$356,619	\$518,196	\$567,849
-	443,900	425,000	71,370	58,600	75,667
6,599,956	6,052,388	6,787,498	7,719,761	7,509,721	7,940,364
<u>\$6,886,142</u>	<u>\$6,793,195</u>	<u>\$7,527,722</u>	<u>\$8,147,750</u>	<u>\$8,086,517</u>	<u>\$8,583,880</u>
101,998	102,842	102,076	208,573	152,038	159,611
9,824,255	6,650,462	8,206,540	8,437,406	8,248,742	7,083,189
182,613	175,485	470,047	531,131	254,465	279,968
19,195,652	19,672,706	18,943,415	19,533,784	19,492,211	20,707,533
(2,935,459)	(3,171,161)	(3,129,676)	(2,931,318)	(2,688,775)	(2,797,128)
<u>\$26,369,059</u>	<u>\$23,430,334</u>	<u>\$24,592,402</u>	<u>\$25,779,576</u>	<u>\$25,458,681</u>	<u>\$25,433,173</u>
<u>\$33,255,201</u>	<u>\$30,223,529</u>	<u>\$32,120,124</u>	<u>\$33,927,326</u>	<u>\$33,545,198</u>	<u>\$34,017,053</u>

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

	2014	2015	2016	2017
Revenues:				
Property taxes	\$8,612,011	\$8,950,507	\$9,369,090	\$9,772,741
Licenses and permits	407,681	551,202	895,581	1,447,571
Special assessments	1,278,202	703,141	4,400,635	2,283,974
Intergovernmental	823,025	679,627	706,944	1,080,953
Charges for services	731,640	696,501	1,293,556	1,327,781
Fines and forfeits	149,653	127,803	251,653	613,593
Investment earnings	265,794	112,915	210,142	207,792
Miscellaneous	767,477	766,072	417,448	410,640
Total revenues	<u>13,035,483</u>	<u>12,587,768</u>	<u>17,545,049</u>	<u>17,145,045</u>
Expenditures:				
Current:				
General government	1,692,175	1,643,966	1,845,667	1,952,669
Public safety	3,845,732	11,895,482	4,333,080	4,360,517
Public works	4,156,497	4,779,696	3,203,837	3,414,412
Culture and recreation	-	-	-	-
Conservation of natural resources	149,292	191,038	201,635	183,392
Community development	402,750	422,935	425,402	433,144
Capital outlay	674,488	1,566,057	3,044,615	2,152,848
Debt service:				
Principal	3,664,000	2,802,511	2,769,525	8,058,525
Interest and fiscal charges	696,780	542,166	816,362	640,029
Bond issuance costs	-	62,831	98,906	-
Total expenditures	<u>15,281,714</u>	<u>23,906,682</u>	<u>16,739,029</u>	<u>21,195,536</u>
Revenues over (under) expenditures	<u>(2,246,231)</u>	<u>(11,318,914)</u>	<u>806,020</u>	<u>(4,050,491)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	1,727	54,522	72,182	103,328
Insurance recovery	-	-	-	-
Issuance of debt	3,140,000	8,606,250	5,464,000	311,000
Premium on bonds issued	-	114,960	41,497	-
Transfers in	2,608,534	3,392,971	3,521,180	6,984,443
Transfers out	(2,539,240)	(3,336,137)	(3,241,959)	(7,122,927)
Total other financing sources (uses)	<u>3,211,021</u>	<u>8,832,566</u>	<u>5,856,900</u>	<u>275,844</u>
Special item - withdrawal from fire district	<u>-</u>	<u>-</u>	<u>1,111,834</u>	<u>-</u>
Net change in fund balance	<u>\$964,790</u>	<u>(\$2,486,348)</u>	<u>\$7,774,754</u>	<u>(\$3,774,647)</u>
Debt service as a percentage of				
Noncapital expenditures	29.9%	15.0%	26.2%	45.4%
Debt service as a percentage of				
Total expenditures	28.5%	14.0%	21.4%	41.0%

Table 4

2018	2019	2020	2021	2022	2023
\$10,215,761	\$10,685,592	\$11,232,374	\$12,063,089	\$12,623,407	\$13,986,847
1,260,046	941,569	972,450	1,400,755	1,348,912	973,653
2,005,970	1,935,178	987,053	1,597,697	2,156,808	1,025,575
3,453,300	688,389	2,597,744	1,170,678	3,393,074	2,551,769
1,003,896	1,862,803	1,609,627	3,102,712	2,739,431	2,480,170
137,940	131,936	160,279	113,359	79,669	92,129
369,485	1,029,944	684,384	(171,260)	(1,139,063)	1,554,657
323,379	265,130	246,599	508,253	906,901	934,718
18,769,777	17,540,541	18,490,510	19,785,283	22,109,139	23,599,518
1,948,909	2,007,741	3,412,600	2,257,879	2,504,260	2,426,747
4,575,957	4,720,122	4,744,173	5,027,661	5,792,661	6,282,216
3,148,058	3,538,624	3,083,366	2,929,603	3,308,439	3,083,106
-	-	-	-	3,723,278	2,933,374
199,026	207,919	160,884	182,247	224,980	514,318
572,910	680,419	665,405	822,007	914,055	249,955
3,469,208	7,444,939	6,387,441	5,499,595	3,582,771	5,721,645
3,130,600	2,815,075	2,855,000	3,149,000	2,324,360	2,439,885
437,659	562,471	629,282	699,782	662,078	602,744
-	-	-	49,097	-	-
17,482,327	21,977,310	21,938,151	20,616,871	23,036,882	24,253,990
1,287,450	(4,436,769)	(3,447,641)	(831,588)	(927,743)	(654,472)
49,391	77,986	240,842	398,355	48,952	36,943
-	711,854	-	-	-	-
7,218,900	388,535	4,624,235	1,815,000	-	-
401,193	-	435,623	102,502	-	-
4,266,440	2,777,663	4,122,789	3,240,042	3,371,475	4,054,790
(4,024,295)	(2,550,941)	(4,079,253)	(2,917,109)	(2,874,812)	(2,965,406)
7,911,629	1,405,097	5,344,236	2,638,790	545,615	1,126,327
-	-	-	-	-	-
\$9,199,079	(\$3,031,672)	\$1,896,595	\$1,807,202	(\$382,128)	\$471,855
25.5%	23.2%	22.4%	19.3%	16.1%	16.4%
20.4%	15.4%	15.9%	18.7%	13.0%	12.5%

CITY OF LINO LAKES, MINNESOTA
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 5

Payable Year	Residential Property	Commercial/ Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Taxable Market Value
2014	\$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	2,299,471,394
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
2023	30,377,795	4,642,676	431,544	35,452,015	34.974	3,287,882,335

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

Source: Anoka County

CITY OF LINO LAKES, MINNESOTA

DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES

Table 6

Last Ten Fiscal Years

(rate per \$100 of Tax Capacity)

Fiscal Year	City Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Centennial School District ISD # 12	Anoka County	Other Taxing Districts	Total Overlapping	
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
2023	30.704	4.270	34.974	25.188	24.176	3.976	53.340	88.314

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

- This page intentionally left blank -

CITY OF LINO LAKES, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 7

Taxpayer	2023			2014		
	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	\$448,942	1	1.27%	\$ -		-
Biynah MN WI LLC	354,886	2	1.00%	-		-
Minnegasco Inc	330,160	3	0.93%	-		-
Target Corporation	256,848	4	0.72%	202,004	1	1.23%
US Home Corporation	221,924	5	0.63%	-		-
Gargaro Properties LLC	178,232	6	0.50%	79,180	7	0.48%
Marmon/Keystone Corp	126,576	7	0.36%	72,020	8	0.44%
Tomas Commercial Real Estate Holdings LLC	125,770	8	0.35%	-		-
US Home LLC	113,025	9	0.32%	-		-
Kohls Illinois Inc	104,494	10	0.29%	94,524	6	0.57%
Xcel Energy	-		-	181,380	2	1.10%
Lino Lakes Realty LLC	-		-	170,200	3	1.04%
Molin Concrete Products	-		-	104,649	4	0.64%
Taylor Corporation	-		-	94,992	5	0.58%
Centerpoint Energy	-		-	63,156	9	0.38%
Lino Lakes Business Center LLC	-		-	55,528	10	0.34%
Total	<u>\$2,260,857</u>		<u>6.38%</u>	<u>\$1,117,633</u>		<u>6.80%</u>

Source: Anoka County

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

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy	
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy
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%
2023	11,319,531	1,574,384	12,893,915	12,823,280	99.5%

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

Table 8

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Amount	Percentage of Levy		
\$66,058	\$8,296,044	100.0%	\$ -	0.0%
55,242	8,686,072	100.0%	-	0.0%
35,464	9,058,428	100.0%	-	0.0%
52,562	9,492,250	100.0%	(395)	0.0%
46,437	9,775,909	100.0%	823	0.0%
71,999	10,053,242	100.0%	2,174	0.0%
70,001	10,485,623	99.9%	5,895	0.1%
80,628	11,136,409	100.0%	5,406	0.0%
32,200	11,809,985	99.9%	9,302	0.1%
-	12,823,280	99.5%	70,635	0.5%

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

Fiscal Year	Governmental Activities		
	General Obligation Bonds	Special Assessment Bonds	Other Long-Term Debt
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
2023	17,467,043	415,000	35,475

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.

N/A - Personal income information is not yet available for 2023 from the Bureau of Economic Analysis Report

Table 9

Total Primary Government	Percentage of Assessed Market Value	Percentage of Personal Income	Per Capita
\$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%	0.12%	946
24,452,838	1.25%	0.14%	1,145
21,977,314	1.03%	0.12%	999
24,132,152	1.05%	0.12%	1,128
22,831,182	0.94%	0.11%	1,075
20,432,113	0.79%	0.09%	943
17,917,518	0.54%	N/A	815

CITY OF LINO LAKES, MINNESOTA
RATIOS OF NET GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government
	General Obligation Bonds	Special Assessment Bonds	
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
2023	17,467,043	415,000	17,882,043

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.

Table 10

Per Capita (Total)	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Assessed Market Value	Per Capita (Net)
\$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
1,086	4,456,461	19,794,252	1.01%	927
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
936	5,147,106	15,114,647	0.58%	698
814	4,428,778	13,453,265	0.41%	612

CITY OF LINO LAKES, MINNESOTA**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2023

Table 11

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Anoka County	\$34,695,000	6.1%	\$2,116,395
ISD 12 (Centennial)	122,927,924	43.1%	52,981,935
ISD 624 (White Bear Lake)	395,165,000	3.1%	12,250,115
ISD 831 (Forest Lake)	172,245,000	7.1%	12,229,395
Metropolitan Council	1,694,829,000	0.6%	10,168,974
Total overlapping			<u>89,746,814</u>
City of Lino Lakes direct debt	17,917,518	100%	<u>17,917,518</u>
Total direct and overlapping debt			<u><u>\$107,664,332</u></u>

*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

CITY OF LINO LAKES, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Table 12

Legal Debt Margin Calculation for Fiscal Year 2023	
Debt limit:	
Market value	\$3,357,493,100
Applicable percentage	3%
	<u>100,724,793</u>
Debt applicable to limit:	
Total bonded debt	17,917,518
Less:	
Special assessment bonds	(413,045)
Tax increment bonds	(279,772)
Utility revenue bonds	(6,127,621)
	<u>11,097,080</u>
Legal debt margin	<u><u>\$89,627,713</u></u>

Legal Debt Margin Calculation for Fiscal Years 2014 Through 2023						
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
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	21,347	58,794,783	14,497,838	44,296,945	24.66%	679
2019	21,995	65,496,045	13,637,314	51,858,731	20.82%	620
2020	21,399	71,534,937	13,217,152	58,317,785	18.48%	618
2021	21,236	76,205,334	13,901,182	62,304,152	18.24%	655
2022	21,658	80,410,830	12,287,889	68,122,941	15.28%	567
2023	21,976	100,724,793	11,097,080	89,627,713	11.02%	505

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

Table 13

Fiscal Year	(1) Population	(2) Personal Income <i>(thousands of dollars)</i>	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2014	21,129	\$15,308,282	\$44,541	7,398	3.4%
2015	20,519	16,033,898	46,281	7,002	3.6%
2016	20,803	16,466,131	47,119	6,995	3.9%
2017	21,117	17,270,969	48,830	7,122	3.2%
2018	21,347	18,035,585	50,439	7,177	3.2%
2019	21,995	18,995,474	52,535	7,190	3.1%
2020	21,399	20,290,309	55,673	7,274	5.2%
2021	21,236	21,678,422	59,002	7,103	2.7%
2022	21,658	22,268,689	60,371	7,089	2.8%
2023	21,976	Not available	Not available	Not available	2.5%

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.

CITY OF LINO LAKES, MINNESOTA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 14

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾
State of Minnesota Corrections	479	1	24.1%	450	1	24.4%
Target Corporation	344	2	17.3%	150	4	8.1%
ISD 12 - Centennial School District	307	3	15.4%	362	2	19.6%
Molin Concrete	240	4	12.1%	123	7	6.7%
Asmodee	160	5	8.0%	-	-	-
Distribution Alternatives	150	6	7.5%	-	-	-
ISD 831 - Forest Lake School District	90	7	4.5%	-	-	-
Anoka County Juvenile Center	90	8	4.5%	130	6	7.0%
Rehbein Transit, Inc.	69	9	3.5%	100	10	5.4%
Nol-Tec Systems, Inc.	59	10	3.0%	-	-	-
Taylor Corporation	-	-	-	160	3	8.7%
Curtis 1000	-	-	-	130	5	7.0%
Kohls	-	-	-	120	8	6.5%
YMCA	-	-	-	120	9	6.5%
Total	1,988			1,845		

⁽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

CITY OF LINO LAKES, MINNESOTA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Full-Time-Equivalent Employees as of December 31,			
	2014	2015	2016	2017
General government:				
Administration	3.50	3.50	4.00	4.00
Finance	3.00	3.00	3.50	3.50
Planning and zoning	1.00	1.00	1.00	1.00
Total general government	7.50	7.50	8.50	8.50
Public safety:				
Police - sworn officers	25.00	26.00	27.00	27.00
Police - civilians	4.00	4.00	4.50	4.50
Fire	1.00	1.00	1.50	1.50
Building inspection	2.00	2.00	2.50	2.50
Total public safety	32.00	33.00	35.50	35.50
Public works:				
Streets	7.00	7.00	6.50	6.65
Fleet	1.00	1.00	1.50	1.50
Government buildings	-	-	-	-
Total public works	8.00	8.00	8.00	8.15
Culture and recreation:				
Parks	5.20	5.20	5.20	5.20
Recreation	3.20	3.20	2.20	2.35
Rookery activity center	-	-	-	-
Total culture and recreation	8.40	8.40	7.40	7.55
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	2.70
Sewer	2.30	2.30	2.30	2.70
Storm water	-	-	-	-
Total	63.50	64.50	67.00	68.10

Source: City Finance Office

Table 15

Full-Time-Equivalent Employees as of December 31,					
2018	2019	2020	2021	2022	2023
4.00	4.00	4.00	5.00	5.00	4.00
3.25	3.25	3.10	3.10	2.60	2.60
1.00	1.00	1.00	1.00	1.00	1.00
8.25	8.25	8.10	9.10	8.60	7.60
27.00	27.00	27.00	28.00	28.00	28.00
4.00	4.00	4.00	5.00	5.50	5.50
1.50	1.50	1.50	1.50	6.50	6.50
2.50	3.50	3.50	3.50	4.50	4.50
35.00	36.00	36.00	38.00	44.50	44.50
6.65	6.65	6.50	6.25	6.15	6.25
1.50	1.50	1.50	2.20	2.45	2.55
-	-	-	-	-	0.15
8.15	8.15	8.00	8.45	8.60	8.95
5.20	5.20	5.20	4.95	5.35	5.60
1.35	1.35	0.20	-	0.10	-
-	-	-	-	7.50	7.00
6.55	6.55	5.40	4.95	12.95	12.60
0.35	0.35	0.38	0.38	0.30	0.30
0.30	0.30	0.25	0.25	0.20	0.20
0.35	0.35	0.38	0.38	0.25	0.25
1.00	1.00	1.00	1.00	0.75	0.75
2.00	2.00	2.00	2.00	1.70	1.70
3.33	3.33	3.25	3.25	4.05	4.05
3.33	3.33	3.25	3.25	4.05	4.05
-	-	-	-	1.80	1.80
67.60	68.60	67.00	70.00	87.00	86.00

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

	2014	2015	2016	2017
General government:				
Elections	2	1	2	1
Registered voters	12,610	12,143	13,636	12,624
Number of votes cast	7,854	4,085	11,562	2,165
Voter participation (registered)	62.3%	33.6%	84.8%	17.1%
Public safety:				
Police:				
Calls for service	6,281	6,210	6,210	(2)
Traffic citations and warnings	2,296	2,199	2,199	(2)
Part I crime rate	631	1,226	1,091	(2)
Part II crime rate	1,836	2,395	3,635	(2)
Police:				
Case numbers generated			16,321	18,199
Avg response time (emergency & non-emergency)			5:26 minutes	4:42 minutes
Part I crime offenses			224	176
Part II crime offenses			746	808
Group A				
Group B				
Clearance rate			1	82%
Fire:				
Fire call load			269	316
Fire property loss			694,000	\$325,100
Fire property saved			10,511,300	\$6,342,100
Fire inspections			53	117
Building inspections:				
Building permits	431	654	761	5,422 (1)
Value of building permits	\$13,535,514	\$26,570,593	\$53,390,619	\$50,984,047
Other permits (4)			\$880	985
Public works:				
General maintenance (hours)	5,200	7,839	5,534	6,313
Street maintenance (hours)	3,840	3,347	4,053	3,765
Fleet maintenance (hours)	4,746	4,322	4,437	3,986
Snow plowing/sanding (hours)	2,141	754	960	928
Culture and recreation:				
Park maintenance (hours)	8,537	8,332	9,698	8,576
Utilities:				
Water maintenance (hours)	3,189	3,240	3,539	3,278
Sewer maintenance (hours)	3,178	3,240	3,539	3,278
Storm water maintenance (hours)	-	-	-	-

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

Source: Various City Departments

Table 16

2018	2019	2020	2021	2022	2023
2	1	4	1	2	2
12,860	13,312	14,964	14,441	15,082	14,835
10,738	3,075	13,505	1,873	10,584	1,785
83.5%	23.1%	90.2%	13.0%	70.2%	12.0%
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)	(2)	(2)
14,487	13,973	13,214	12,138	12,570	14,488
5:16 minutes	5:53 minutes	6:41 minutes	6:46 minutes	6:11 minutes	6:13 minutes
195	93 (3)	(3)	(3)	(3)	(3)
587	304 (3)	(3)	(3)	(3)	(3)
	266 (3)	778	729	555	449
	98 (3)	217	182	195	359
1	1	0	1	1	1
356	379	371	399	585	825
205,200	246,600	241,450	148,683	1,487,543	1,187,408
1,791,500	7,548,100	13,682,450	1,251,340	5,560,915	24,954,556
107	98	60	116	38	157
3,281	1,107	882	969	796	833
\$50,990,945	\$41,766,531	\$51,686,278	\$90,354,190	\$103,040,207	\$55,685,801
\$1,023	\$1,183	\$1,254	\$1,451	\$1,749	\$1,101
420	7,420	5,407	6,851	6,510	5,389
12,418	4,328	4,317	4,622	3,588	4,491
2,648	3,504	3,390	3,483	3,213	3,542
2,117	2,130	1,232	1,204	1,962	1,471
9,027	9,610	8,113	8,818	9,406	9,104
4,080	3,944	3,645	4,196	3,998	3,731
4,080	3,944	3,645	4,196	3,998	3,731
-	-	-	-	1,760.00	674.00

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

Table 17

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	2	2	2	2	2	2	2	2	2
Fire trucks	5	7	7	8	8	8	8	8	8	8
Public works:										
Lights	673	673	815	838	854	859	859	859	859	925
Vehicles	29	29	39	39	39	39	39	39	39	32
City streets (miles)	100.7	100.7	100.7	100.7	106.9	108.2	104.6 (1)	106.3	108.4	109.1
Culture and recreation:										
Parks:										
Asphalt trails (miles)	26.0	26.0	29.8	30.0	30.0	30.0	28.0 (2)	29.0	30.2	30.2
Boardwalk (miles)							0 (2)	-	0.3	0.3
Concrete trails (miles)							7.0 (2)	8.0	10.3	10.3
Baseball/Softball fields	20	20	8	8	8	8	8	8	8	8
Basketball courts	6	6	6	6	7	7	7	7	7	7
Fishing pier	1	1	1	-	-	-	-	-	-	-
Park acres	141	141	140	147	152	152	152	152	152	152
Park shelters	6	6	6	6	7	7	7	7	7	8
Parks	18	18	17	18	19	19	19	19	19	19
Pickleball courts	-	-	-	-	1	1	1	1	5	7
Playgrounds	16	16	15	16	17	17	17	17	17	17
Skating rinks	4	4	4	3	3	3	3	3	3	3
Soccer fields	8	8	6	4	4	4	4	4	4	4
Tennis courts	2	2	2	-	-	1	1	1	3	3
Water:										
Distribution system (miles)	74.7	74.7	85.6	99.4	89.0	89.5	91.8	94.2	97.6	99.2
Water connections	4,520	4,542	4,649	4,738	4,919	4,990	5,175	5,324	5,520	5,608
Gallons pumped (millions)	536	449	452	494	508	493	547	630	623	736
Water tower capacity (millions gallons)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.5	3.5	3.5
Number of fire hydrants	538	1,024	1,024	1,028	942	937	1,013	1,046	1,097	1,116
Sewer:										
Collection system (miles)	69.8	77.9	77.9	87.0	79.5	80.1	80.1	82.8	85.4	86.3
Sewer connections	4,685	4,685	4,817	4,976	5,102	5,276	5,439	5,650	5,833	6,028
Storm water:										
Pipe (miles)	41.4	41.4	53.7	54.1	55.0	55.6	49.9 (1)	53.5	54.2	55.4
Ponds										305

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.