# OF THE CITY OF LINO LAKES, MINNESOTA

### FOR THE YEAR ENDED

**December 31, 2020** 

**Prepared By: Finance Department** 

**Hannah Lynch, Director of Finance** 



	Reference	Page No.
INTRODUCTORY SECTION		
Letter of Transmittal		3
Certificate of Achievement for Excellence in Financial Reporting		7
Organization Chart		8
Principal City Officials		9
FINANCIAL SECTION		
Independent Auditor's Report		13
Management's Discussion and Analysis		17
Basic Financial Statements:		
Government-Wide Financial Statements: Statement of Net Position Statement of Activities	Statement 1 Statement 2	31 32
Fund Financial Statements:  Balance Sheet - Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position	Statement 3 Statement 4	34 37
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds Reconciliation of the Statement of Revenues, Expenditures and Changes	Statement 5	38
In Fund Balance of Governmental Funds to the Statement of Activities Statement of Net Position - Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position -	Statement 6 Statement 7	40 41
Proprietary Funds Statement of Cash Flows - Proprietary Funds	Statement 8 Statement 9	42 43
Notes to Financial Statements		45
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund Schedule of Changes in the Total OPEB Liability and Related Ratios Schedule of Proportionate Share of Net Pension Liability -	Statement 10 Statement 11	84 90
General Employees Retirement Fund Schedule of Pension Contributions - General Employees Retirement Fund	Statement 12 Statement 13	91 92

### CITY OF LINO LAKES, MINNESOTA

TABLE OF CONTENTS

	Reference	Page No.
Schedule of Proportionate Share of Net Pension Liability -		
Public Employees Police and Fire Fund	Statement 14	93
Schedule of Pension Contributions -		
Public Employees Police and Fire Fund	Statement 15	94
Schedule of Changes in the Net Pension Liability and Related Ratios -		
Lino Lakes Public Safety Department - Fire Division	Statement 16	95
Schedule of Contributions -		
Lino Lakes Public Safety Department - Fire Division	Statement 17	96
Notes to RSI		97
Combining and Individual Nonmajor Fund Financial Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 18	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -		
Nonmajor Governmental Funds	Statement 19	105
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	Statement 20	108
Subcombining Statement of Revenues, Expenditures and Changes in		
Fund Balance - Nonmajor Special Revenue Funds	Statement 21	110
Subcombining Balance Sheet - Nonmajor Debt Service Funds	Statement 22	114
Subcombining Statement of Revenues, Expenditures and Changes in	Statement 23	116
Fund Balance - Nonmajor Debt Service Funds	Statement 25	110
Subcombining Balance Sheet - Nonmajor Capital Project Funds	Statement 24	121
Subcombining Statement of Revenues, Expenditures and Changes in		
Fund Balance - Nonmajor Capital Project Funds	Statement 25	124
Special Revenue Fund - Program Recreation Schedule of Revenues, Expenditures		
and Changes in Fund Balance - Budget and Actual	Statement 26	127
and Changes in I and Datanee - Dudget and Actual	Statement 20	14/

### CITY OF LINO LAKES, MINNESOTA

TABLE OF CONTENTS

		_
	Reference	Page No.
	Kererence	110.
STATISTICAL SECTION (UNAUDITED)		
Financial Trends:		
Net Position by Component	Table 1	132
Changes in Net Position	Table 2	134
Fund Balances, Governmental Funds	Table 3	138
Changes in Fund Balances, Governmental Funds	Table 4	140
Revenue Capacity:		
Assessed and Actual Value of Taxable Property	Table 5	142
Direct and Overlapping Property Tax Capacity Rates	Table 6	143
Principal Property Taxpayers	Table 7	145
Property Tax Levies and Collections	Table 8	146
Debt Capacity:		
Ratios of Outstanding Debt by Type	Table 9	148
Ratios of Net General Bonded Debt	Table 10	150
Direct and Overlapping Governmental Activities Debt	Table 11	152
Legal Debt Margin Information	Table 12	153
Demographic and Economic Information:		
Demographic and Economic Statistics	Table 13	154
Principal Employers	Table 14	155
Operating Information:		
Full-Time Equivalent City Government Employees By Function/Program	Table 15	156
Operating Indicators by Function/Program	Table 16	158
Capital Asset Statistics by Function/Program	Table 17	160



**INTRODUCTORY SECTION** 



May 28, 2021

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 comprehensive annual financial report of the City of Lino Lakes, Minnesota for the fiscal year ended December 31, 2020.

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

The City of Lino Lakes' financial statements have been audited by Redpath and Company, Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditors' 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 Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Lino Lakes' MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Lino Lakes, incorporated in 1955, is a growing community in the southeast corner of the County of Anoka. It covers an area of 33 square miles and has a population of approximately 22,410. The population has more than doubled from the 1990 census figure of 8,807 and has grown by 33.6% since 2000. Within the City's borders lies the 2,550 acre Rice Creek Chain of Lakes Regional Park. Access to St. Paul and Minneapolis is provided by I-35W and I-35E.

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

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

The annual budget is the foundation for the City of Lino Lakes' financial planning and control. All divisions 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. Division directors may make transfers of appropriations within a department, but transfers of appropriations between departments require council approval. Budget-to-actual comparisons for the general fund and the recreation program fund, the only funds for which an annual budget has been adopted, are provided in Statements 10 and 26, 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.** Infrastructure investments made by the City in the late 2000's and early 2010's in anticipation of a strengthening economy, are leading to continued residential, commercial and industrial growth. Completion of the 35E/CSAH 14 interchange has spurred residential, commercial and industrial development along this corridor. The City's largest residential development, the 864 lot Watermark project, is currently under construction in the northeast quadrant. The City's largest industrial user, Distribution Alternatives, expanded into a 402,000 square foot building in 2016. Commercial interest continues to grow with the expansion of the Main Street Shoppes and the new Otter Crossing development in the northeast quadrant.

The 35E corridor also gained additional attention through a partnership with Anoka and Washington County's, neighboring cities and Connexus Energy, the Minnesota Technology Corridor. Over a 1,000

### **Factors Affecting Financial Condition (Continued)**

acres are available along the corridor with strong transportation, fiber and utility infrastructure to serve the growing data and tech fields.

Citywide development activities continued to increase in 2020. Residential permit activity for new home construction surpassed 100 for the fifth consecutive year. Overall construction activity exceeded \$50 million in new valuation. This trend is expected to continue as national builder, Lennar Homes, continues construction in Watermark. Additionally, a 200-unit senior living community is planned for construction in 2021.

**Long-term financial planning.** The City's current five-year capital plan identifies street and utility improvements totaling \$60,374,692 over the five-year period. These improvements are anticipated to be funded through a number of funding sources, including special assessments, municipal state aid road funds, the area and unit trunk fund, the stormwater management fund, water and sewer operating funds, and general fund tax levies. This plan is in the process of being revised to reflect the anticipated activity through the year 2025. In addition, the city's five-year financial plan includes funding projections for operations and operating impacts for a five-year period.

### **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 to cities that meet certain criteria. The City of Lino Lakes received this award for its comprehensive annual financial report for the year ended December 31, 2019. This marks the twenty-fifth consecutive year the City has received this prestigious award. A governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program requirements. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City is submitting the 2020 report to GFOA for consideration of the Certificate of Achievement for Excellence in Financial Reporting. We believe our current report continues to conform to the high standards of the Certificate 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,

Harrh Lynh

Hannah Lynch Director of Finance



### Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Lino Lakes Minnesota

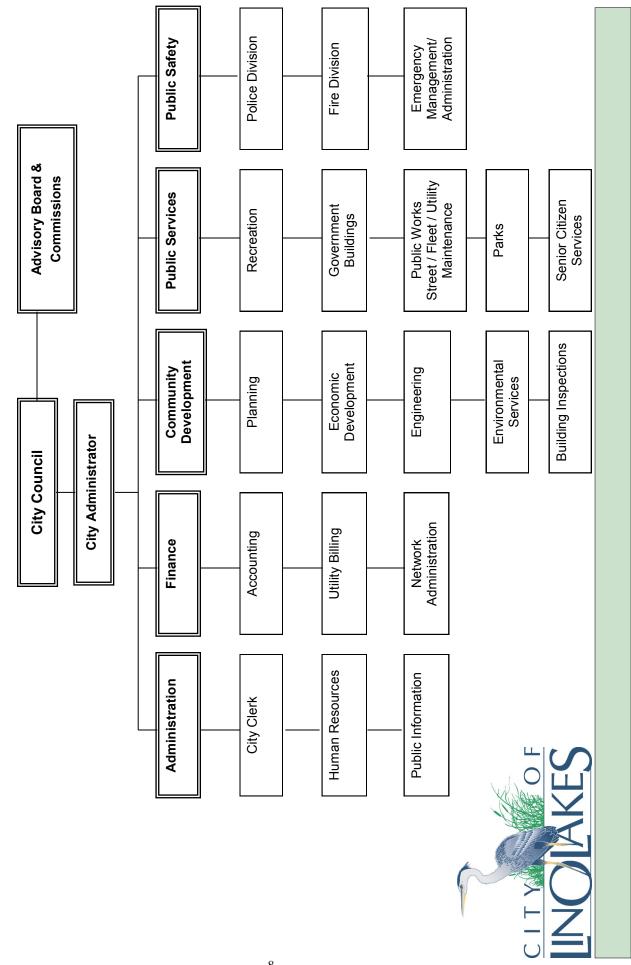
For its Comprehensive Annual Financial Report For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

# City of Lino Lakes Organizational Chart



### CITY OF LINO LAKES, MINNESOTA

### PRINCIPAL CITY OFFICIALS

December 31, 2020

		Term Expires
Mayor:	Rob Rafferty	December 31, 2021
Councilmembers:	Dale Stoesz Tony Cavegn Chris Lyden Michael Ruhland	December 31, 2021 December 31, 2021 December 31, 2023 December 31, 2023
City Administrator:	Sarah Cotton	Appointed
Directors:		
Community Development	Michael Grochala	Appointed
Finance	Hannah Lynch	Appointed
Public Safety	John Swenson	Appointed
Public Services	Richard DeGardner	Appointed

**FINANCIAL SECTION** 



### INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council City of Lino Lakes, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota, as of and for the year ended December 31, 2020, 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.

### Management's Responsibility for the Financial Statements

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

### Required Supplementary Information

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

### Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2021, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lino Lakes, Minnesota's internal control over financial reporting and compliance.

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

St. Paul, Minnesota

May 28, 2021

### 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, 2020. 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 \$123,513,590 (net position). Of this amount, \$34,740,882 (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 \$12,422,023.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,120,124, an increase of \$1,896,595. Of this amount, \$8,206,540 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 \$7,527,722. Unassigned fund balance for the general fund was \$6,787,498, or 66% of total general fund expenditures and other financing uses.

Total outstanding debt decreased by \$1,769,235 during 2020. General Obligation Bonds and Certificates of Indebtedness totaling \$4,624,235 were 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.

### Management's Discussion and Analysis

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

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

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

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

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

### Management's Discussion and Analysis

governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six 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
- G.O. Improvement Note of 2009A Debt Service Fund
- G.O. Improvement Bonds of 2016B Debt Service Fund
- Area and Unit Charge Capital Project Fund
- MSA Construction Capital Project Fund
- 2018 Street Reconstruction 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 City adopts an annual appropriated budget for its General Fund and its Program Recreation special revenue fund. Budgetary comparison schedules are presented as statements 10 and 26.

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

**Proprietary funds**. The City maintains two 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 and sewer 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 and sewer 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 18 through 25.

### **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 \$123,513,590 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$75,326,505, or 61%) 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	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$44,476,092	\$42,013,231	\$16,571,768	\$16,667,696	\$61,047,860	\$58,680,927
Capital assets	55,151,912	49,859,684	43,366,197	36,390,820	98,518,109	86,250,504
Total assets	\$99,628,004	\$91,872,915	\$59,937,965	\$53,058,516	\$159,565,969	\$144,931,431
Deferred outflows of resources	\$1,995,741	\$3,084,049	\$31,725	\$36,994	\$2,027,466	\$3,121,043
Liabilities:						
Long-term liabilities outstanding	\$30,637,047	\$27,963,093	\$398,988	\$327,294	\$31,036,035	\$28,290,387
Other liabilities	3,722,743	3,560,168	123,285	74,596	3,846,028	3,634,764
Total liabilities	\$34,359,790	\$31,523,261	\$522,273	\$401,890	\$34,882,063	\$31,925,151
Deferred inflows of resources	\$3,170,706	\$4,970,184	\$27,076	\$65,572	\$3,197,782	\$5,035,756
Net position:						
Net investment in capital assets	\$31,960,308	\$28,433,053	\$43,366,197	\$36,390,820	\$75,326,505	\$64,823,873
Restricted	13,446,203	12,390,431	-	-	13,446,203	12,390,431
Unrestricted	18,686,738	17,640,035	16,054,144	16,237,228	34,740,882	33,877,263
Total net position	\$64,093,249	\$58,463,519	\$59,420,341	\$52,628,048	\$123,513,590	\$111,091,567

\$13,446,203 of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$34,740,882) 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 \$12,422,023 during 2020. Key elements of this increase are as follows:

City of Lino Lakes' Changes in Net Position

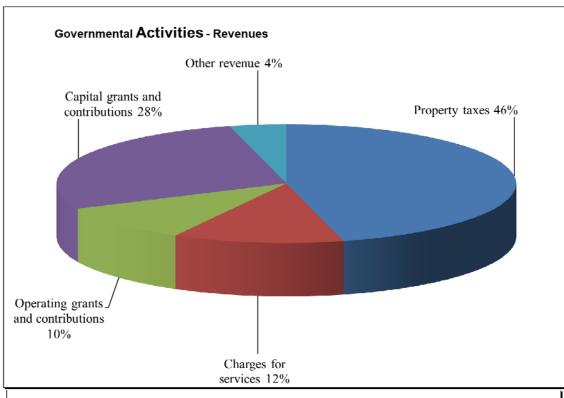
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$2,929,965	\$3,141,500	\$3,144,790	\$2,943,723	\$6,074,755	\$6,085,223
Operating grants and contributions	2,470,024	870,532	42,152	-	2,512,176	870,532
Capital grants and contributions	6,894,207	6,820,419	2,887,266	2,894,794	9,781,473	9,715,213
General revenues:						
General property taxes	10,492,131	10,035,681	-	-	10,492,131	10,035,681
Tax increment	766,912	671,296	-	-	766,912	671,296
Grants and contributions not						
restricted to specific programs	47,188	38,926	-	-	47,188	38,926
Unrestricted investment earnings	684,384	1,029,944	383,963	523,554	1,068,347	1,553,498
Gain on disposal of capital assets	150,041	68,472			150,041	68,472
Total revenues	24,434,852	22,676,770	6,458,171	6,362,071	30,893,023	29,038,841
Expenses:						
General government	4,197,819	2,466,130	-	-	4,197,819	2,466,130
Public safety	4,867,134	5,053,511	-	-	4,867,134	5,053,511
Public services	4,118,477	5,810,919	-	-	4,118,477	5,810,919
Conservation of naturual resources	161,556	183,982	-	-	161,556	183,982
Community development	660,660	686,421	-	-	660,660	686,421
Interest and fees on long-term debt	733,207	498,587	-	-	733,207	498,587
Water		-	1,532,282	1,322,811	1,532,282	1,322,811
Sewer			2,199,865	2,002,711	2,199,865	2,002,711
Total expenses	14,738,853	14,699,550	3,732,147	3,325,522	18,471,000	18,025,072
Increase in net position before transfers	9,695,999	7,977,220	2,726,024	3,036,549	12,422,023	11,013,769
Transfers	(4,066,269)	(1,311,593)	4,066,269	1,311,593		
Change in net position	5,629,730	6,665,627	6,792,293	4,348,142	12,422,023	11,013,769
Net position - January 1	58,463,519	51,797,892	52,628,048	48,279,906	111,091,567	100,077,798
Net position - December 31	\$64,093,249	\$58,463,519	\$59,420,341	\$52,628,048	\$123,513,590	\$111,091,567

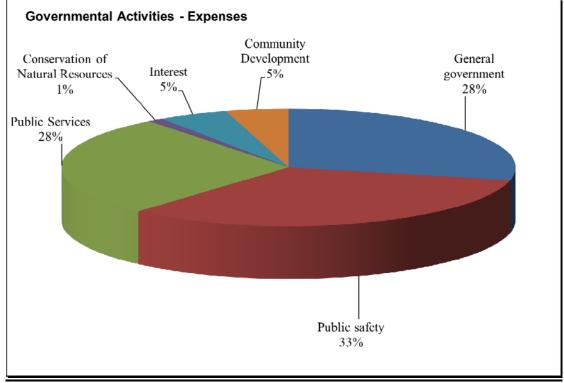
### **Governmental Activities**

Governmental activities increased the City's net position by \$5,629,730 during 2020. Contributions of capital assets from private sources, coronavirus relief grant funds, and property taxes levied to reduce debt all contributed to the increase in 2020. This increase was partially offset by transfers out to business-type activities of \$4,066,269.

### Management's Discussion and Analysis

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

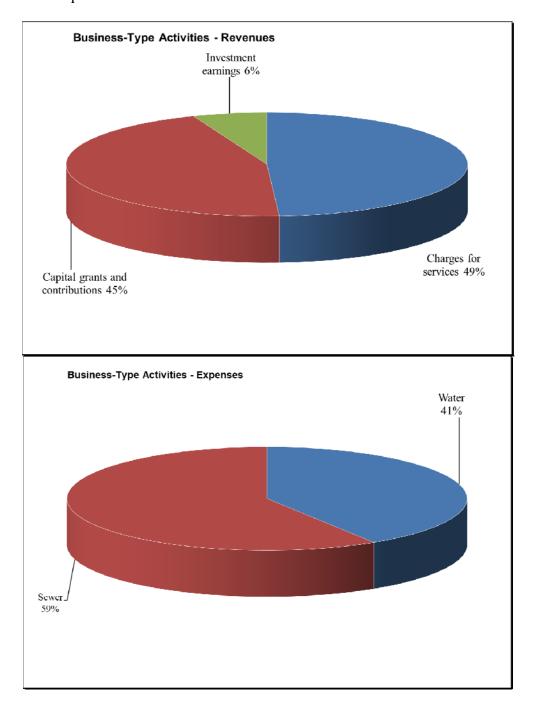




### **Business-Type Activities**

Business-type activities increased the City's net position by \$6,792,293 during 2020. The increase was due to contributions of capital assets from private sources and a transfer in from governmental activities of \$4,066,269.

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. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,120,124. Approximately 26% of this total amount (\$8,206,540) constitutes fund balance restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions. \$417,300 of fund balance is not in a spendable form, \$895,047 has been committed, \$18,943,415 has been assigned, and \$3,657,822 is unassigned.

The fund balance of the General Fund increased by \$734,527 in 2020, while the City anticipated the use of \$200,000 of the general fund balance. Strong investment earnings and increased license and permit revenues resulted in favorable General Fund revenues for the year. Reduced expenditures, primarily for personal services through position vacancies, and favorable professional and contractual services spending helped to increase the year end fund balance.

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 will be replenished. The fund began and ended the year with a fund balance of \$0, and transferred \$37,355 to the MSA Construction fund.

The G.O. Improvement Bonds of 2016B fund decreased by \$41,983. The 2016B series bonds were issued to refund the 2005A series bonds and fund the Legacy at Woods Edge improvements. Future tax increment and land sale proceeds are expected to cover debt service and the interfund loan payable.

The Area and Unit Charge fund has a total fund balance of \$9,659,265, all of which is assigned for financing capital improvements. The fund balance during the current year increased by \$1,351,871 due primarily to strong investment earnings and the issuance of General Obligation Bonds to fund the construction of Water Tower #3. Construction will be completed in 2021.

The MSA Construction fund has a total fund balance of \$3,083,911, all of which is assigned to capital improvements for City MSA designated roadways. The fund balance during the current year decreased by \$649,606 primarily due to transfers out for debt service payments and street and trail improvement projects.

### Management's Discussion and Analysis

The 2018 Street Reconstruction fund has a total fund balance of \$0. The fund balance decreased during the year by \$1,010,945 due to the completion of the West Shadow Lake Drive and LaMotte Area Street Reconstruction project.

The combined fund balance of other governmental funds increased by \$1,512,731 during 2020. Primary reasons for the increase include West Shadow Lake Drive and LaMotte Area Street Reconstruction funds available at the end of the project for debt service payments on the 2018A bonds and increased development activities resulting in increased developer fee revenues (park dedication, seal coating, surface water management).

**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 \$30,858,612, of which \$5,810,154 is unrestricted. The increase in net position of \$5,331,048 was primarily due to capital contributions and strong investment earnings, partially offset by a net operating loss and a transfer to the Pavement Management Fund for watermain system repairs associated with the 2020 Street Rehabilitation project.

The sewer fund has total net position at year-end of \$28,561,729 of which \$10,243,990 is unrestricted. The increase in net position of \$1,461,245 was primarily due to capital contributions and strong investments earnings, partially offset by a net operating loss.

### **Budgetary Highlights**

### **General Fund**

There were amendments to the original budget in 2020. The revenue budget was decreased by \$174,758 to total \$10,440,412, and the expenditure budget was decreased by \$543,258 to total \$9,723,912. Other financing uses were increased \$3,500 to total \$551,500. Net changes to the budget resulted in a budgeted surplus of \$165,000.

Revenues were \$156,727 over budget for the year. General property taxes and fines and forfeits were \$69,382 under budget; however, this variance was more than offset by greater than anticipated license and permit revenues, intergovernmental revenue, charges for services, and investment earnings.

Expenditures came in under budget by \$413,420 primarily due to vacant positions and favorable professional and contracted service activity. Fuel costs were also much lower than anticipated due to the decrease in the average fuel price.

### **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, 2020, amounted to \$98,518,109 (net of accumulated depreciation), an increase of \$12,267,605 from the prior year. This investment in capital assets includes land, wetland credits, construction in progress, buildings, equipment, vehicles, and infrastructure.

The City completed Phase II of the controls automation upgrade at the Civic Complex, Woods Edge Park improvements, street and utility improvements in the West Shadow Lake Drive and LaMotte areas, Pheasant Hills watermain improvements, Cedar Street Reconstruction improvements. and the build-out of two public safety vehicles. The City has continued to work to complete trunk utility improvements at 49&J, drainage improvements in the NE Area of the City, Water Tower #3, and Well House #1 Rehabilitation improvements. In addition, the City started Birth Street Watermain improvements and 2021 Street Reconstruction.

Developer lead infrastructure improvements at various stages of completion include St Clair Estates, NorthPointe 6<sup>th</sup> and 7<sup>th</sup> Additions, Saddle Club 3<sup>rd</sup>Addition, Century Farms 7<sup>th</sup> Addition, Chavez Estates, Eastside Villas, Watermark 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> additions, and Naduea Acres.

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

	Governmental Activities		Business-Ty	pe Activities	Totals	
	2020	2019	2020	2019	2020	2019
Land	\$3,532,930	\$3,532,930	\$ -	\$ -	\$3,532,930	\$3,532,930
Wetland credits	93,876	170,421	-	-	93,876	170,421
Construction in progress	8,036,003	10,094,933	10,336,586	6,123,837	18,372,589	16,218,770
Buildings	7,619,238	6,983,477	-	-	7,619,238	6,983,477
Office equipment and furniture	312,288	233,176	-	-	312,288	233,176
Vehicles	1,961,862	1,842,573	-	-	1,961,862	1,842,573
Machinery and shop equipment	1,070,655	1,087,529	257,047	139,603	1,327,702	1,227,132
Other equipment	1,002,034	835,192	-	-	1,002,034	835,192
Infrastructure	31,523,026	25,079,453	32,772,564	30,127,380	64,295,590	55,206,833
Total	\$55,151,912	\$49,859,684	\$43,366,197	\$36,390,820	\$98,518,109	\$86,250,504
•						

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 \$24,132,152. Of this amount, \$21,341,770 comprises tax supported debt and \$1,805,000 is special assessment debt. 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 \$136,950.

### City of Lino Lakes' Outstanding Debt

	Governmental Activities		Business-Typ	e Activities	Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$21,478,720	\$18,659,485	\$ -	\$ -	\$21,478,720	\$18,659,485
G.O. special assessment bonds	1,805,000	2,855,000	-	-	1,805,000	2,855,000
Bond premium	848,432	462,829	_	-	848,432	462,829
Total	\$24,132,152	\$21,977,314	\$0	\$0	\$24,132,152	\$21,977,314

The City of Lino Lakes' total bonded debt increased by \$1,769,235 during the current fiscal year. The issuance of General Obligation Bonds and Certificates of Indebtedness totaling \$4,624,235 to finance the construction of Water Tower #3 and capital equipment purchases combined with the scheduled principal payments of \$2,855,000 accounted for this change.

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 Director of Finance, City of Lino Lakes, 600 Town Center Parkway, Lino Lakes, Minnesota, 55014.

**BASIC FINANCIAL STATEMENTS** 

December 31, 2020

		Primary Government	
	Governmental	Business-Type	
	Activities	Activities	Total
Assets:  Cash and investments	\$35,151,477	¢15 505 152	\$50,656,620
		\$15,505,153	\$50,656,630
Accrued interest receivable	167,976	22.405	167,976
Due from other governmental units	76,002	32,485	108,487
Accounts receivable - net	61,140	336,717	397,857
Prepaid items	317,300	117,440	434,740
Internal balances	(559,110)	559,110	-
Inventory	-	20,863	20,863
Taxes receivable	457,579	-	457,579
Special assessments receivable	8,244,181	-	8,244,181
Net pension asset	559,547	-	559,547
Capital assets - nondepreciable	11,662,809	10,336,586	21,999,395
Capital assets - net of accumulated depreciation	43,489,103	33,029,611	76,518,714
Total assets	99,628,004	59,937,965	159,565,969
Deferred outflows of resources:			
Pension related	1,985,052	31,725	2,016,777
OPEB related	10,689	-	10,689
Total deferred outflows of resources	1,995,741	31,725	2,027,466
Liabilities:			
Accounts payable and other current liabilities	1,263,656	123,285	1,386,941
Deposits payable	2,172,668	-	2,172,668
Accrued interest payable	286,419	_	286,419
Other post employment benefits:	,		,
Due in more than one year	606,506	6,968	613,474
Long-term liabilities:	,	,	,
Due within one year	3,594,132	31,072	3,625,204
Due in more than one year	21,357,275	10,766	21,368,041
Net pension liability:	21,337,273	10,700	21,300,011
Due in more than one year	5,079,134	350,182	5,429,316
Total liabilities	34,359,790	522,273	34,882,063
Deferred inflows of resources:			
Pension related	2,917,755	27,076	2,944,831
OPEB related	252,951	-	252,951
Total deferred inflows of resources	3,170,706	27,076	3,197,782
Net position:			
Net investment in capital assets	31,960,308	43,366,197	75,326,505
Restricted for:	2 - ,, 2 - , - 30	- / / /-	,
Debt service	10,510,225	-	10,510,225
Tax increment purposes	740,979	_	740,979
Park improvements	1,327,036	_	1,327,036
Other purposes	867,963	_	867,963
Unrestricted	18,686,738	16,054,144	34,740,882
CONESTROPO	12 020 / 12	10 U 14 144	34. /4U.88/.

# STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2020

		Program Revenues
<u>Functions/Programs</u>	Expenses	Charges For Services
Primary government:		
Governmental activities:		
General government	\$4,197,819	\$587,888
Public safety	4,867,134	1,235,829
Public services	4,118,477	1,106,248
Conservation of natural resources	161,556	-
Community development	660,660	-
Interest and fees on long-term debt	733,207	
Total governmental activities	14,738,853	2,929,965
Business-type activities:		
Water	1,532,282	1,341,559
Sewer	2,199,865	1,803,231
Total business-type activities	3,732,147	3,144,790
Total primary government	\$18,471,000	\$6,074,755

150,041

12,524,619

12,422,023

111,091,567

\$123,513,590

Net (Expense) Revenue and

Changes in Net Position

4,066,269

4,450,232

6,792,293

52,628,048

\$59,420,341

Operating	Capital		Primary Government	
Grants and	Grants and	Governmental	Business-Type	
Contributions	Contributions	Activities	Activities	Total
\$1,625,816	\$ -	(\$1,984,115)	\$ <del>-</del>	(\$1,984,115)
482,885	-	(3,148,420)	-	(3,148,420)
274,021	6,894,207	4,155,999	-	4,155,999
71,302	-	(90,254)	-	(90,254)
16,000	-	(644,660)	-	(644,660)
<u> </u>	<u>-</u>	(733,207)	<u>-</u> _	(733,207)
2,470,024	6,894,207	(2,444,657)	0	(2,444,657)
42,152	1,516,637	-	1,368,066	1,368,066
-	1,370,629	-	973,995	973,995
42,152	2,887,266	0	2,342,061	2,342,061
\$2,512,176	\$9,781,473	(2,444,657)	2,342,061	(102,596)
General revenues:				
General property taxes		10,492,131	-	10,492,131
Tax increment		766,912	-	766,912
Grants and contribution	s not			
restricted to specific p	orograms	47,188	-	47,188
Unrestricted investment	earnings	684,384	383,963	1,068,347

150,041

(4,066,269)

8,074,387

5,629,730

58,463,519

\$64,093,249

Program Revenues

Gain on disposal of capital assets

Total general revenues and transfers

Transfers

Change in net position

Net position - January 1

Net position - December 31

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2020

	General Fund	333 G.O. Improvement Note of 2009A
Assets		
Cash and investments	\$9,496,886	\$ -
Accrued interest receivable	167,976	-
Due from other governmental units	59,417	-
Accounts receivable - net	37,606	-
Prepaid items	315,224	=
Advances to other funds	-	-
Taxes receivable:		
Due from county	290,917	-
Delinquent	131,631	-
Special assessments receivable:		
Due from county	-	-
Delinquent	-	280
Deferred	169	2,164,522
Interfund loan receivable	<u> </u>	-
Total assets	\$10,499,826	\$2,164,802
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	\$313,147	\$ -
Salaries payable	290,014	-
Due to other governmental units	64,475	-
Advances from other funds	-	-
Retainage payable	-	-
Deposits payable	2,172,668	-
Interfund loan payable	<u> </u>	-
Total liabilities	2,840,304	0
Deferred inflows of resources:		
Unavailable revenue	131,800	2,164,802
Fund balance:		
Nonspendable	315,224	-
Restricted	-	-
Committed	425,000	-
Assigned	_	-
Unassigned	6,787,498	<u> </u>
Total fund balance	7,527,722	0
Total liabilities, deferred inflows of	\$10,499,826	\$2,164,802
resources, and fund balance		

342 G.O. Improvement Bonds of 2016B	406 Area and Unit Charge	420 MSA Construction	Other Governmental Funds	Total Governmental Funds
\$395,982	\$9,996,253	\$3,084,523	\$12,177,833	\$35,151,477
-	-	-	-	167,976
-	-	-	16,585	76,002
-	18,595	-	4,939	61,140
-	-	-	2,076	317,300
156,310	-	-	683,093	839,403
-	-	-	35,031	325,948
-	-	-	-	131,631
-	9,986	-	5,729	15,715
-	15,957	-	7,736	23,973
2,994,379	2,161,029	-	884,394	8,204,493
		<del>-</del> -	2,317,533	2,317,533
\$3,546,671	\$12,201,820	\$3,084,523	\$16,134,949	\$47,632,591
\$318 - - - - -	\$180,281 - - - 185,288	\$612 - - - -	\$228,677 - - 839,403 844 -	\$723,035 290,014 64,475 839,403 186,132 2,172,668
- - - - 2,876,643	- - - 185,288 - -	- - - - -	839,403 844 -	290,014 64,475 839,403 186,132 2,172,668 2,876,643
- - - -	- - -	\$612 - - - - - - - 612	- - 839,403	290,014 64,475 839,403 186,132 2,172,668
- - - - 2,876,643	- - - 185,288 - -	- - - - -	839,403 844 -	290,014 64,475 839,403 186,132 2,172,668 2,876,643
2,876,643 2,876,961	185,288 - - 365,569	- - - - -	839,403 844 - - 1,068,924	290,014 64,475 839,403 186,132 2,172,668 2,876,643 7,152,370
2,876,643 2,876,961	185,288 - - 365,569	- - - - -	1,068,924 892,130	290,014 64,475 839,403 186,132 2,172,668 2,876,643 7,152,370
2,876,643 2,876,961	185,288 - - 365,569 2,176,986	- - - - -	839,403 844 - - 1,068,924 892,130	290,014 64,475 839,403 186,132 2,172,668 2,876,643 7,152,370 8,360,097
2,876,643 2,876,961	185,288 - - 365,569 2,176,986	- - - - -	839,403 844 - - 1,068,924 892,130	290,014 64,475 839,403 186,132 2,172,668 2,876,643 7,152,370 8,360,097
2,876,643 2,876,961 2,994,379	185,288 - 365,569 2,176,986 - 803,598 - 8,855,667	612	839,403 844 - 1,068,924 892,130 102,076 7,402,942 470,047 7,003,837 (805,007)	290,014 64,475 839,403 186,132 2,172,668 2,876,643 7,152,370 8,360,097 417,300 8,206,540 895,047 18,943,415 3,657,822
2,876,643 2,876,961 2,994,379	185,288 - - 365,569 2,176,986	612	839,403 844 - 1,068,924 892,130 102,076 7,402,942 470,047 7,003,837	290,014 64,475 839,403 186,132 2,172,668 2,876,643 7,152,370 8,360,097 417,300 8,206,540 895,047 18,943,415

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RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL

FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2020

**Statement 4** 

Fund balance - total governmental funds (Statement 3)	\$32,120,124
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	55,151,912
Net pension asset	559,547
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	131,631
Delinquent special assessments receivable	23,973
Deferred special assessments receivable	8,204,493
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	(23,283,720)
Unamortized bond premiums	(859,061)
Unamortized bond discounts	10,629
Accrued interest payable	(286,419)
Compensated absences payable	(819,255)
Other post employment benefits	(606,506)
Net pension liability	(5,079,134)
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	1,995,741
Deferred inflows of resources	(3,170,706)
Deletica inite no el l'esculves	(3,170,700)
Net position of governmental activities (Statement 1)	\$64,093,249

STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2020

	General Fund	333 G.O. Improvement Note of 2009A	342 G.O. Improvement Bonds of 2016B
Revenues:			
General property taxes	\$8,342,663	\$ -	\$ -
Tax increment	-	-	-
Licenses and permits	972,450	=	-
Special assessments	-	37,355	-
Intergovernmental	642,220	=	-
Charges for services	248,882	-	-
Fines and forfeits	76,811	-	-
Investment earnings	122,482	-	3,801
Miscellaneous	191,631		<u>-</u>
Total revenues	10,597,139	37,355	3,801
Expenditures:			
Current:	• 400 405		
General government	2,100,186	-	-
Public safety	4,722,890	-	-
Public services	1,907,420	-	-
Conservation of natural resources	160,884	-	-
Community development	401,523	=	-
Capital outlay:			
General government	-	=	-
Public safety	14,199	=	-
Public services	4,010	=	-
Debt service:			
Principal	-	-	495,000
Interest and fiscal charges	<u> </u>		11,186
Total expenditures	9,311,112	0	506,186
Revenues over (under) expenditures	1,286,027	37,355	(502,385)
Other financing sources (uses):			
Transfers in	380,000	-	460,402
Transfers out	(931,500)	(37,355)	-
Issuance of debt	-	-	-
Premium on issuance of debt	-	-	-
Proceeds from sale of capital assets	<u> </u>		-
Total other financing sources (uses)	(551,500)	(37,355)	460,402
Net change in fund balance	734,527	0	(41,983)
Fund balance - January 1	6,793,195	<u>-</u>	(2,282,686)
Fund balance - December 31	\$7,527,722	\$0	(\$2,324,669)

406 Area and Unit Charge	420 MSA Construction	485 2018 Street Reconstruction	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$2,122,799	\$10,465,462
=	=	-	766,912	766,912
-	-	-	-	972,450
760,536	-	-	189,162	987,053
-	-	87,000	1,868,524	2,597,744
338,526	=	=	1,022,219	1,609,627
214.257	- 04.700	-	83,468	160,279
214,257	84,789	-	259,055 54,968	684,384 246,599
1,313,319	84,789	87,000	6,367,107	18,490,510
- -	<u>-</u>	<u>-</u>	1,312,414 21,283	3,412,600 4,744,173
155,979	8,912	-	1,011,055	3,083,366
- -	- -	-	· · · · · -	160,884
-	-	-	263,882	665,405
-	-	-	405,310	405,310
=	-	-	136,291	150,490
3,988,609	-	438,853	1,400,169	5,831,641
-	-	-	2,360,000	2,855,000
		<u>-</u>	618,096	629,282
4,144,588	8,912	438,853	7,528,500	21,938,151
(2,831,269)	75,877	(351,853)	(1,161,393)	(3,447,641)
15,295	37,355	<del>-</del>	3,229,737	4,122,789
(597,778)	(762,838)	(659,092)	(1,090,690)	(4,079,253)
4,330,000	-	-	294,235	4,624,235
435,623	-	-	-	435,623
-	<u> </u>	-	240,842	240,842
4,183,140	(725,483)	(659,092)	2,674,124	5,344,236
1,351,871	(649,606)	(1,010,945)	1,512,731	1,896,595
8,307,394	3,733,517	1,010,945	12,661,164	30,223,529
\$9,659,265	\$3,083,911	\$0	\$14,173,895	\$32,120,124

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, 2020 Statement 6

Net change in fund balance - total governmental funds (Statement 5) \$1,896,595 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: Current expenditures capitalized 921,489 Capital outlay 6,387,441 Depreciation (3,114,147)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 5,298,050 Contributions of infrastructure to business-type activities (4,109,805)Miscellaneous other differences related to capital assets (90,800)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 26,669 (17,293)Change in delinquent special assessments receivable Change in deferred special assessments receivable 306,382 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. Bonds and notes issued, including bond premium (5,059,858)Repayment of principal 2,855,000 Amortization of bond premiums and discounts 50,020 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 (153,945)Change in compensated absences payable (18,073)Change in OPEB liability and related deferred outflows and inflows of resources (27,210)Pension expense in governmental funds is measured by current year employee 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 (\$148,170) differed from pension contributions (\$627,385). 479,215 \$5,629,730 Change in net position of governmental activities (Statement 2)

December 31, 2020

	601 Water	be Activities - Enterpris 602 Sewer	Total
Assets:	001 11 4001		1000
Current assets:			
Cash and cash equivalents	\$5,895,566	\$9,609,587	\$15,505,153
Due from other governmental units	29,991	2,494	32,485
Accounts receivable - net	138,452	198,265	336,717
Prepaid items	12,839	104,601	117,440
Inventory	20,863	- -	20,863
Total current assets	6,097,711	9,914,947	16,012,658
Noncurrent assets:			· · · · · · · · · · · · · · · · · · ·
Interfund loan receivable	-	559,110	559,110
Capital assets:			
Construction in progress	7,453,016	2,883,570	10,336,586
Equipment	103,896	446,657	550,553
Water and sewer systems	27,940,244	25,908,535	53,848,779
Total capital assets	35,497,156	29,238,762	64,735,918
Less: Allowance for depreciation	(10,448,698)	(10,921,023)	(21,369,721)
Net capital assets	25,048,458	18,317,739	43,366,197
Total assets	31,146,169	28,791,796	59,937,965
Deferred outflows of resources related to pensions	15,756	15,969	31,725
Liabilities:			
Current liabilities:			
Accounts payable	33,089	17,504	50,593
Salaries payable	10,301	10,301	20,602
Due to other governments	13,301	3,253	16,554
Other accrued liabilities	34,856	680	35,536
Compensated absences payable - current portion	15,536	15,536	31,072
Total current liabilities	107,083	47,274	154,357
Noncurrent liabilities:		_	
Compensated absences payable - noncurrent portion	5,383	5,383	10,766
Other post employment benefits - noncurrent portion	3,484	3,484	6,968
Net pension liability	173,916	176,266	350,182
Total noncurrent liabilities	182,783	185,133	367,916
Total liabilities	289,866	232,407	522,273
Deferred inflows of resources related to pensions	13,447	13,629	27,076
Net position:			
Investment in capital assets	25,048,458	18,317,739	43,366,197
Unrestricted	5,810,154	10,243,990	16,054,144
Total net position	\$30,858,612	\$28,561,729	\$59,420,341

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

For The Year Ended December 31, 2020

	Business-Ty	pe Activities - Enterpr	rise Funds
	601 Water	602 Sewer	Totals
Operating revenues:			
Charges for services	\$1,225,474	\$1,768,044	\$2,993,518
Hook-up charges	43,260	35,187	78,447
Water meter sales	72,825		72,825
Total operating revenues	1,341,559	1,803,231	3,144,790
Operating expenses:			
Personal services	307,712	316,088	623,800
Materials and supplies	290,275	33,244	323,519
Contractual services	210,109	230,420	440,529
MCES sewer charges	-	1,035,391	1,035,391
Depreciation	616,893	512,771	1,129,664
Utilities	85,248	47,168	132,416
Other	22,045	24,783	46,828
Total operating expenses	1,532,282	2,199,865	3,732,147
Operating income (loss)	(190,723)	(396,634)	(587,357)
Nonoperating revenues (expenses):			
Investment earnings	149,623	234,340	383,963
Intergovernmental revenue	42,152	-	42,152
Total nonoperating revenues (expenses)	191,775	234,340	426,115
Income before contributions and transfers	1,052	(162,294)	(161,242)
Contributions and transfers:			
Capital contributions from private sources	1,516,637	1,370,629	2,887,266
Capital contributions from governmental activities	3,940,716	169,089	4,109,805
Transfer in	-	83,821	83,821
Transfer out	(127,357)	-	(127,357)
Total contributions and transfers	5,329,996	1,623,539	6,953,535
Change in net position	5,331,048	1,461,245	6,792,293
Net position - January 1	25,527,564	27,100,484	52,628,048
Net position - December 31	\$30,858,612	\$28,561,729	\$59,420,341
	_	Capital Contributions	Transfers - Net
Amounts reported above		\$6,997,071	(\$43,536)
Amounts reported for business-type activities in the			
statement of activities are different because:			
Transfer in of capital assets from governmental activities	_	(4,109,805)	4,109,805
Amounts reported on the statement of activities	_	\$2,887,266	\$4,066,269

For The Year Ended December 31, 2020

	Business-Typ	oe Activities - Enterp	rise Funds
	601 Water	602 Sewer	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$1,324,219	\$1,808,593	\$3,132,812
Payment to suppliers	(567,189)	(1,441,515)	(2,008,704)
Payment to employees	(289,638)	(295,695)	(585,333)
Net cash flows provided by operating activities	467,392	71,383	538,775
Cash flows from noncapital financing activities:			
Intergovernmental revenue	12,161	_	12,161
Transfers in	- -	83,821	83,821
Transfers out	(127,357)	<u>-</u>	(127,357)
Net cash flows provided by noncapital financing activities	(115,196)	83,821	(31,375)
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(778,045)	(329,925)	(1,107,970)
Cash flows from investing activities:			
Investment earnings	149,623	234,340	383,963
Net increase in cash and cash equivalents	(276,226)	59,619	(216,607)
Cash and cash equivalents - January 1	6,171,792	9,549,968	15,721,760
Cash and cash equivalents - December 31	\$5,895,566	\$9,609,587	\$15,505,153
Reconciliation of operating income to net			
cash provided by operating activities:			
Operating income (loss)	(\$190,723)	(\$396,634)	(\$587,357)
Adjustments to reconcile operating income			
(loss) to net cash flows from operating activities:			
Depreciation	616,893	512,771	1,129,664
Changes in assets and liabilities:			
Decrease (increase) in due from other governmental units	-	(256)	(256)
Decrease (increase) in accounts receivable - net	(17,340)	5,618	(11,722)
Decrease (increase) in prepaid items	1,195	(81,538)	(80,343)
Decrease (increase) in inventory	1,633	-	1,633
Decrease (increase) in deferred outflows of resources	2,741	2,528	5,269
Increase (decrease) in payables	16,376	11,684	28,060
Increase (decrease) in other accrued liabilities	21,284	(655)	20,629
Increase (decrease) in compensated absences	1,285	1,285	2,570
Increase (decrease) in other post employment benefits	300	300	600
Increase (decrease) in net pension liability	33,087	35,437	68,524
Increase (decrease) in deferred inflows of resources	(19,339)	(19,157)	(38,496)
Total adjustments	658,115	468,017	1,126,132
Net cash provided by operating activities	\$467,392	\$71,383	\$538,775
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$5,457,353	\$1,539,718	\$6,997,071

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NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of significant accounting policies:

#### A. FINANCIAL REPORTING ENTITY

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

#### COMPONENT UNITS

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

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

# B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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.

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.

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

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

2018 Street Reconstruction Fund accounts for street and utility improvements within the West Shadow Lake Drive and LaMotte neighborhoods.

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.

#### 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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund and the Program Recreation 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 Program Recreation Special Revenue 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.
- The budget is legally enacted through passage of a resolution on a departmental basis and can
  expended by each department based upon detailed budget estimates for individual expenditure
  accounts.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

- 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.
- 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 periodically 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### G. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Within the government-wide financial statements, the City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

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

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per State Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971.

# H. SPECIAL ASSESSMENT REVENUE RECOGNITION

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

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

Within the government-wide financial statements, the City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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. INTERFUND TRANSACTIONS

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures / expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund. Such advances are classified as "advances to/from other funds." Long-term interfund loans are classified as "interfund loan receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All other interfund transactions are reported as transfers.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 3 to 30 years for buildings, office furniture and equipment, vehicles, machine shop and equipment and other assets, and 15 to 50 years for infrastructure.

### M. 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.

# N. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. 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.

## O. 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### P. 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 position 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 position that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. 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.

#### O. 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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

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

#### R. 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 of which are members of the Federal Reserve System.

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

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

At December 31, 2020, the bank balance of the City's deposits with financial institutions was \$5,357,631 and the carrying amount was \$4,978,958. 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, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trusts and guaranteed investment contracts.

At December 31, 2020, the City had the following investments and maturities:

			Investment Maturities (in Years)		in Years)
Investment Type	Rating	Fair Value	Less Than 1	1 - 3	3 - 6
Brokered certificates of deposit	Not rated	\$19,875,392	\$7,390,586	\$8,981,633	\$3,503,173
Municipal bonds	*	13,545,411	4,103,061	4,921,394	4,520,956
Federal Agency Securities	AA+	2,249,988	-	1,750,098	499,890
4M fund	Not rated	9,499,944	9,499,944	-	-
First American Gov't Obligation fund	AAAm	505,997	505,997		
Total		\$45,676,732	\$21,499,588	\$15,653,125	\$8,524,019
* AAA \$2,853,030; AA+ \$2,464,096			Total investmen	nts	\$45,676,732
AA1 \$485,516; AA2 \$746,304			Deposits		4,978,958
AA3 \$488,021; AA \$4,044,333			Petty cash		940
AA- \$1,236,968; A+ \$616,055			Total cash and	dinvestments	\$50,656,630
A \$611,088					
Ratings per Moody's or S&P					

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, 2020:

		Fair Value Measurement Using				
Investment Type	12/31/2020	Leve	el 1	Level 2	Lev	el 3
Investments at fair value:						
Brokered certificates of deposit	\$19,875,392	\$	-	\$19,875,392	\$	-
Municipal bonds	13,545,411		-	13,545,411		-
Federal Home Loan Mortgage Corp.	2,249,988		_	2,249,988		
			\$0	\$35,670,791		\$0
Investments not categorized:						
4M fund	9,499,944		`			
First American Gov't Obligation fund	505,997					
Total investments	\$45,676,732					

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) of \$1 per share. The pool measures its investments at amortized cost in accordance with GASB Statement No. 79. The 4M Plus fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to penalty equal to 7 days interest on the amount withdrawn.

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

#### C. INVESTMENT RISKS

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

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

<u>Credit Risk</u> – Credit risk is the risk than 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, 2020, no individual investments exceeded 5% of the City's total investment portfolio.

# CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2020

# Note 3 RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2020 are as follows:

Property Taxes	Special Assessments	
Receivable	Receivable	Total
\$53,000	\$ -	\$53,000
-	2,138,400	2,138,400
-	2,994,400	2,994,400
-	2,055,000	2,055,000
	811,900	811,900
\$53,000	\$7 999 700	\$8,052,700
	Taxes Receivable	Taxes Assessments Receivable S53,000 \$ -

# Note 4 UNAVAILABLE REVENUE

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

	Property	Special	
	Taxes	Assessments	
	Receivable	Receivable	Total
Major Funds:			
General Fund	\$131,631	\$169	\$131,800
G.O. Improvement Note of 2009A	-	2,164,802	2,164,802
G.O. Improvement Bonds of 2016B	-	2,994,379	2,994,379
Area and Unit Charge	-	2,176,986	2,176,986
Nonmajor Funds	<del>-</del>	892,130	892,130
Total	\$131,631	\$8,228,466	\$8,360,097

# Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$3,532,930	\$ -	\$ -	\$ -	\$3,532,930
Wetland credits	170,421	-	(76,545)	-	93,876
Construction in progress	10,094,933	6,257,268	(4,206,393)	(4,109,805)	8,036,003
Total capital assets, not being depreciated	13,798,284	6,257,268	(4,282,938)	(4,109,805)	11,662,809
Capital assets, being depreciated:					
Buildings	12,335,828	1,127,365	-	-	13,463,193
Office equipment and furniture	713,850	143,325	(27,004)	-	830,171
Vehicles	4,617,444	440,743	(147,864)	-	4,910,323
Machinery and shop equipment	2,568,859	252,534	(66,813)	-	2,754,580
Other equipment	1,555,397	226,733	-	-	1,782,130
Infrastructure	88,241,098	8,430,785	(397,991)		96,273,892
Total capital assets, being depreciated	110,032,476	10,621,485	(639,672)	0	120,014,289
Less accumulated depreciation for:					
Buildings	5,352,351	491,604	-	-	5,843,955
Office equipment and furniture	480,674	51,616	(14,407)	-	517,883
Vehicles	2,774,871	316,575	(142,985)	-	2,948,461
Machinery and shop equipment	1,481,330	207,249	(4,654)		1,683,925
Other equipment	720,205	59,891	-	-	780,096
Infrastructure	63,161,645	1,987,212	(397,991)		64,750,866
Total accumulated depreciation	73,971,076	3,114,147	(560,037)	0	76,525,186
Total capital assets being depreciated - net	36,061,400	7,507,338	(79,635)	0	43,489,103
Governmental activities capital assets - net	\$49,859,684	\$13,764,606	(\$4,362,573)	(\$4,109,805)	\$55,151,912
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated: Construction in progress	\$6,123,837	\$3,498,369	(\$3,324,633)	\$4,039,013	\$10,336,586
Capital assets, being depreciated:					
Machinery and shop equipment	392,536	165,016	(6,999)		550,553
Water and sewer systems	50,120,778	3,657,209	-	70,792	53,848,779
Total capital assets, being depreciated	50,513,314	3,822,225	(6,999)	70,792	54,399,332
Accumulated depreciation for:					
Machinery and shop equipment	252,933	46,848	(6,274)	_	293,507
Water and sewer systems	19,993,398	1,082,816	-	_	21,076,214
Total accumulated depreciation	20,246,331	1,129,664	(6,274)	0	21,369,721
Total capital assets being depreciated - net	30,266,983	2,692,561	(725)	70,792	33,029,611
Business-type activities capital assets - net	\$36,390,820	\$6,190,930	(\$3,325,358)	\$4,109,805	\$43,366,197
	· <del></del>				

# NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

Governmental activities:	
General government	\$520,292
Public safety	288,272
Public services	2,304,733
Conservation of natural resources	850
Total depreciation expense - governmental activities	\$3,114,147
Business-type activities:	
Water	\$616,893
Sewer	512,771
Total depreciation expense - business-type activities	\$1,129,664

# CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2020

# 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, 2020 consisted of the following:

		Final			
	Issue	Maturity	Interest	Original	Payable
	Date	Date	Rate	Issue	12/31/2020
Governmental activities:					
General Obligation Bonds:					
G.O. TIF Bonds, Series 2007A	07/15/07	02/01/24	4.00% - 4.125%	\$4,215,000	\$1,020,000
G.O. Refunding Bonds, Series 2012A	11/15/12	02/01/24	1.00% - 2.00%	2,015,000	650,000
G.O. Bonds, Series 2015A	08/01/15	02/01/31	2.00% - 3.00%	3,095,000	2,310,000
EDA Lease Revenue Bonds, Series 2015B	10/01/15	04/01/36	2.00% - 3.00%	4,350,000	3,665,000
G.O. Utility Revenue Bonds, Series 2016A	11/23/16	02/01/27	2.00%	1,420,000	1,015,000
G.O. Tax Abatement Refunding Bonds, Series 2016C	11/23/16	02/01/23	1.00% - 1.50%	1,600,000	870,000
G.O. Bonds, Series 2018A	12/19/18	02/01/34	3.00% - 5.00%	6,915,000	6,825,000
G.O Utility Revenue Bonds, Series 2020A	07/08/20	02/01/35	2.00% - 4.00%	4,330,000	4,330,000
Total General Obligation Bonds				27,940,000	20,685,000
Special Assessment Bonds:					
G.O. Improvement Bonds, Series, 2013A	07/15/13	02/01/24	1.25% - 4.00%	615,000	255,000
G.O. Improvement Bonds, Series 2014A	11/20/14	02/01/26	0.40% - 2.30%	2,645,000	1,040,000
G.O. Improvement Refunding Bonds, Series 2016B	11/23/16	02/01/21	0.875% - 1.50%	1,975,000	510,000
Total Special Assessment Bonds			•	5,235,000	1,805,000
Direct Borrowings:					
G.O. Certificates of Indebtedness, Series 2018	02/01/18	12/31/21	1.00%	303,900	100,000
G.O. Certificates of Indebtedness, Series 2019	02/01/19	12/31/22	1.00%	388,535	262,535
G.O. Capital Note, Series 2016A	04/14/16	02/01/26	2.00%	294,525	136,950
G.O. Certificates of Indebtness 2020A	01/01/20	12/31/23	1.00%	294,235	294,235
Total Direct Borrowings				1,281,195	793,720
Unamortized bond premiums				1,010,812	859,061
Unamortized bond discounts				(38,362)	(10,629)
Compensated absences payable				N/A	819,255
Total Government Activities			:	\$35,428,645	\$24,951,407
Business-Type Activities:					
Compensated absences payable				N/A	\$41,838

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### CHANGES IN LONG-TERM DEBT

The following is a schedule of changes in City indebtedness for the year ended December 31, 2020:

	Beginning			Ending	Due Within
	Balance	Additions	Deletions	Balance	One Year
Governmental Activities:					
General obligation bonds	\$17,595,000	\$4,330,000	\$1,240,000	\$20,685,000	\$1,830,000
Special assessment bonds	2,855,000	-	1,050,000	1,805,000	960,000
Direct borrowings	1,064,485	294,235	565,000	793,720	359,000
Total bonds and notes payable	21,514,485	4,624,235	2,855,000	23,283,720	3,149,000
Unamortized bond premiums	476,139	435,623	52,701	859,061	-
Unamortized bond discounts	(13,310)	-	(2,681)	(10,629)	-
Compensated absences payable	801,182	491,322	473,249	819,255	445,132
Total governmental activities	\$22,778,496	\$5,551,180	\$3,378,269	\$24,951,407	\$3,594,132
Business-Type Activities:					
Compensated absences payable	\$39,268	\$33,331	\$30,761	\$41,838	\$31,072

#### 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 – These bonds were issued to finance various improvements in the water fund and will be repaid primarily from pledged revenues derived from the constructed assets.

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

Capital Note – This 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	Bonde	d Debt	Direct Bor	rowings
December 31	Principal	Interest	Principal	Interest
2021	\$2,790,000	\$678,447	\$359,000	\$12,250
2022	2,060,000	602,276	264,360	5,387
2023	2,140,000	537,772	134,885	2,405
2024	1,910,000	472,100	35,475	710
2025	1,445,000	417,895	-	-
2026-2030	6,450,000	1,386,009	-	-
2031-2035	5,405,000	430,350	-	-
2036-2040	290,000	5,800		
Total	\$22,490,000	\$4,530,649	\$793,720	\$20,751

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. For business-type activities, compensated absences are liquidated by the Water and Sewer 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.

# CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2020

# REVENUE PLEDGED

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

		Revenue Pledged		Revenue Pleds				ıt Year
Bond Issue	Use of Proceeds	Туре	Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received		
Certificates of Indebtedness	Equipment purchases	Ad valorem taxes	2017 - 2023	\$670,591	\$545,512	\$572,788		
2007A G.O. TIF Bonds	Infrastructure improvements	Tax increment, MSA funding via transfers	2008 - 2024	\$1,107,421	\$261,026	\$261,844		
2010A Improvement and Utility Revenue Bonds	General and water infrastructure improvements	Special assessments, trunk utility charges	2011 - 2020	\$ -	\$116,725	\$120,180		
2012A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, special assessments	2013 - 2024	\$670,323	\$170,520	\$178,080		
2013A Improvement Bonds	Infrastructure improvements	Special assessments	2014 - 2024	\$275,700	\$71,100	\$39,000		
2014A Improvement Bonds	Infrastructure improvements	Special assessments	2015 - 2026	\$1,086,924	\$401,788	\$346		
2015A G.O. Bonds	Infrastructure improvements	Ad valorem taxes	2016 - 2031	\$2,624,469	\$255,313	\$271,228		
2015B EDA Lease Revenue Bonds	Construction of a fire station	Ad valorem taxes	2016 - 2036	\$4,785,694	\$298,938	\$317,297		
2016A Capital Note	Cable communications equipment	Franchise fees	2016 - 2024	\$143,880	\$36,399	\$38,219		
2016A Utility Revenue Bonds	Water infrastructure improvements	Trunk utility charges via transfers	2017 - 2027	\$1,087,050	\$161,700	\$163,100		
2016B Improvement Bonds	Infrastructure improvements	Special assessments, tax increment	2017 - 2020	\$513,825	\$505,868	\$460,402		
2016C G.O. Tax Abatement Bonds	Infrastructure improvements	Ad valorem taxes	2017 - 2023	\$889,315	\$273,770	\$308,570		
2018A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, trunk utility charges, special assessments	2019-2034	\$8,726,767	\$367,788	\$1,321,860		
2020A G.O. Utility Revenue Bonds	Infrastructure improvements	Trunk utility charges via transfers	2021-2036	\$5,253,161	\$ -	\$ -		

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### Note 7 DEFINED BENEFIT PENSION PLANS – PERA

#### A. PLAN DESCRIPTION

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

#### 1. General Employees Retirement Fund (GERF)

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

#### 2. Public Employees Police and Fire Fund (PEPFF)

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

#### **B. BENEFITS PROVIDED**

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

#### 1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary 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. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

#### 2. PEPFF Benefits

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

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. 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 2020 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, 2020 were \$206,802. The City's contributions were equal to the required contributions as set by state statute.

## 2. PEPFF Contributions

Police and Fire member's contribution rates increased from 11.3% of pay to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. The City's contributions to the PEPFF for the year ended December 31, 2020 were \$451,396. 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, 2020, the City reported a liability of \$2,350,219 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 \$72,457. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0392% at the end of the measurement period and 0.0398% for the beginning of the period.

For the year ended December 31, 2020, the City recognized pension expense of \$102,103 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$6,306 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, 2020, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and		
actual economic experience	\$21,421	\$8,892
Changes in actuarial assumptions	-	86,935
Net collective between projected and		
actual investment earnings	41,155	-
Changes in proportion	50,094	85,889
Contributions paid to PERA		
subsequent to the measurement date	100,249	
Total	\$212,919	\$181,716

The \$100,249 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Pension
December 31,	Expense
2021	(177,080)
2022	14,825
2023	36,427
2024	56,782
2025	-
Thereafter	
	(\$69,046)

# 2. PEPFF Pension Costs

At December 31, 2020, the City reported a liability of \$3,079,098 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll

# CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2020

paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2336% at the end of the measurement period and 0.2547% for the beginning of the period.

The State of Minnesota also contributed \$13.5 million to PEPFF during the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, 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 \$4.5 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, 2020, the City recognized pension expense of \$261,457 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$22,317 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 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 fire state aid. The City also recognized \$21,024 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and		
actual economic experience	\$134,107	\$129,208
Changes in actuarial assumptions	911,794	1,834,535
Net collective between projected and		
actual investment earnings	118,257	-
Changes in proportion	382,320	648,287
Contributions paid to PERA		
subsequent to the measurement date	229,475	
Total	\$1,775,953	\$2,612,030

The \$229,475 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

Year Ended	Pension
December 31,	Expense
2021	(276,783)
2022	(826,720)
2023	(40,472)
2024	113,360
2025	(34,937)
Thereafter	
	(\$1,065,552)

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

#### E. ACTUARIAL ASSUMPTIONS

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

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for GERF and 1.0% per year for PEPFF.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for GERF was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020.

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

#### General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- As recommended in the June 30, 2019 experience study, 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.
- The 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 assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100%

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

#### Changes in Plan Provisions:

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

#### Police and Fire Fund

Changes in Actuarial Assumptions:

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

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

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Totals	100%	

#### F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota statutes. Based on that assumption, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### G. PENSION LIABILITY SENSITIVITY

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

	1% Decrease in		1% Increase in
	Discount Rate (6.5%)	Discount Rate (7.5%)	Discount Rate (8.5%)
Proportionate share of the GERF net pension liability	\$3,766,586	\$2,350,219	\$1,181,830
Proportionate share of the PEPFF net pension liability	\$6,137,085	\$3,079,098	\$549,149

#### 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, 2020 is as follows:

GERF	\$108,409
PEPFF	283,774
Fire Pension Plan (Note 8)	2,592
Total	\$394,775

#### 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 (SVF), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The SVF plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. At December 31, 2020 (measurement date), the plan covered 20 active firefighters and zero 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 SVF provides lump-sum 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 per year of service approved by the City of Lino Lakes. 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 SVF 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 \$130,846 in fire state aid to the plan for the year ended December 31, 2020. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the SVF plan for the year ended December 31, 2020 were \$0. The City's contributions were equal to the required contributions as set by state statute, if applicable.

#### D. PENSION COSTS

At December 31, 2020, the City reported a net pension asset of \$559,547 for the SVF plan. The net pension asset was measured as of December 31, 2020. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension liability during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning balance December 31, 2019	\$270,650	\$588,319	(\$317,669)
Changes for the year:			
Service cost	46,865	-	46,865
Interest on pension liability	19,051	-	19,051
Actuarial experience (gains) / losses	(81,734)	-	(81,734)
Projected investment earnings	-	35,299	(35,299)
Contributions - employer	-	-	-
Contributions - State of MN	-	130,846	(130,846)
Asset (gain) / loss	-	60,661	(60,661)
Benefit payouts	-	-	-
PERA administrative fee		(746)	746
Net changes	(15,818)	226,060	(241,878)
Balance end of year December 31, 2020	\$254,832	\$814,379	(\$559,547)

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2020, the City recognized pension expense of \$2,592.

At December 31, 2020, the City reported deferred inflows of resources from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Difference between projected and		
actual investment earnings	\$ -	\$69,754
Differences between expected and		
actual economic experience	27,904	81,331
Total	\$27,904	\$151,085

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

Year Ended	Pension
December 31,	Expense
2021	(27,188)
2022	(23,558)
2023	(43,956)
2024	(28,479)
2025	-
Thereafter	-

#### E. ACTUARIAL ASSUMPTIONS

The total pension liability at December 31, 2020, 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 2020

#### 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 SVF plan 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 SVF plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension asset would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	1% Decrease in		1% Increase in
	Discount Rate (5.0%)	Discount Rate (6.0%)	Discount Rate (7.0%)
Net pension asset	\$540,430	\$559,547	\$577,643

#### 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 policies 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 SVF that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### 3. Description of Significant Investment Policy Changes During the Year

The SBI made no significant changes to their investment policy during fiscal year 2020 for the Volunteer Firefighter Fund.

#### I. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the SVF plan's fiduciary net position at June 30, 2020 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### C. PARTICIPANTS

As of the January 1, 2019 actuarial valuation, participants of the plan consisted of:

Active employees	42
Inactive employees or beneficiaries	
currently receiving benefits	4
Total	46

#### D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$613,474 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2019. Changes in the total OPEB liability during 2020 were:

Balance - beginning of year	\$560,631
Changes for the year:	
Service cost	63,577
Interest	12,256
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	(22,990)
Net changes	52,843
Balance - end of year	\$613,474

The OPEB liability will be liquidated by the general, water and sewer funds.

#### E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2019 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	2.00%
Investment rate of return	2.00%

Healthcare cost trend rates 7% for 2020, decreasing 1% per year

to an ultimate rate of 3% for 2024 and beyond

Retirees' share of benefit-related costs 100%

The previous actuarial valuation included a liability for benefits provided to the beneficiary of a deceased employee. As of the most recent actuarial valuation date, the beneficiary was not enrolled in the City's plan, but has been assigned a 20% probability of returning to the plan.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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 January 14, 2020, obtained from www.fmsbonds.com/market-yields.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality tables with Scale MP-2019. Based on past experience of the plan, 90% of future retirees are assumed to continue medical coverage until age 65. 25% of future police/fire retirees are assumed to select spousal coverage. No spousal coverage is assumed for other future retirees. 50% of police/fire employees are assumed to retire at age 55, the balance at age 65. 50% of other City employees are assumed to retire at age 62, the balance at age 65.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1%) or 1% higher (3%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	1%	2%	3%
Total OPEB liability	\$647,908	\$613,474	\$579,420

### 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 (6% decreasing to 2%) or 1% higher (8% decreasing to 4%) than the current healthcare cost trend rates:

		Healthcare Cost	
	1% Decrease	Trend Rates	1% Increase
	(6% decreasing to 2%)	(7% decreasing to 3%)	(8% decreasing to 4%)
Total OPEB liability	\$552,251	\$613,474	\$686,802

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

For the year ended December 31, 2020, the City recognized \$50,800 of OPEB expense. At December 31, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected	<del>.</del>	
and actual experience	\$10,689	\$252,951

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

Year Ended	OPEB
December 31,	Expense
2021	(25,033)
2022	(25,033)
2023	(25,033)
2024	(25,033)
2025	(25,033)
Thereafter	(117,097)
	(\$242,262)

#### Note 10 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. DEFICIT FUND BALANCES

The City has deficit fund balances at December 31, 2020 as follows:

	Fund Balance
	Deficit
Major Funds:	
G.O. Improvement Bonds of 2016B	(\$2,324,669)
Nonmajor Funds:	
G.O. Utility Revenue Bonds of 2020A	(318)
Tax Increment Financing 1-11	(804,689)

The City intends to fund these deficits through future tax levies, special assessment collections, tax increments, transfers from other funds, and various other sources.

#### B. EXPENDITURES IN EXCESS OF BUDGET

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

	Final		
	Budget	Actual	Overage
General government:			
Elections	\$53,950	\$54,003	\$53
Public safety:			
Building inspection	343,560	348,427	4,867

#### CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2020

#### 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, 2020 is as follows:

	Receivable	Payable	
Short-term advances:			
Major Funds:			
G.O. Improvement Bonds of 2016B	\$156,310	\$ -	
Nonmajor Funds:			
Closed Bond Fund	683,093	-	
Tax Increment Financing 1-11		839,403	
	\$839,403	\$839,403	
Long-term interfund loans: Major Funds: G.O. Improvement Bonds of 2016B Sewer Fund Nonmajor Funds:	\$ - 559,110	\$2,876,643 -	
Building and Facilities	2,317,533	-	
	\$2,876,643	\$2,876,643	

#### CITY OF LINO LAKES, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2020

#### Note 12 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2020 are as follows:

	Transfer In	Transfer Out
Major Funds:		
General Fund	\$380,000	\$931,500
G.O. Improvement Note of 2009A	-	37,355
G.O. Improvement Bonds of 2016B	460,402	-
Area and Unit Charge	15,295	597,778
MSA Construction	37,355	762,838
2018 Street Construction	-	659,092
Water Fund	-	127,357
Sewer Fund	83,821	-
Nonmajor governmental funds	3,229,737	1,090,690
Total	\$4,206,610	\$4,206,610

During 2020, transfers were made to provide funding for capital improvement projects and capital outlay in accordance with the City's capital improvement plan. Transfers were also made to provide resources for debt service payments, to close debt service and capital project funds, 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.

#### Note 13 FUND BALANCE

At December 31, 2020, a summary of the governmental fund balance classifications is as follows:

	General Fund	G.O. Improvement Bonds of 2016B	Area and Unit Charge	MSA Construction	Other Governmental Funds	Total
Nonspendable:						
Prepaid items	\$315,224	\$ -	\$ -	\$ -	\$2,076	\$317,300
Corpus of permanent fund					100,000	100,000
Total nonspendable	315,224	0	0	0	102,076	417,300
Restricted for:						
Debt service	-	-	-	-	5,003,330	5,003,330
Capital improvements	-	-	803,598	-	1,327,036	2,130,634
Blue Heron Days	-	-	-	-	13,171	13,171
Narcotics and forfeiture funds	-	-	-	-	248,347	248,347
K-9 Unit purposes	-	-	-	-	22,110	22,110
Tax increment purposes	-	-	-	-	740,979	740,979
Environmental purposes	-	-	-	-	47,969	47,969
Total restricted	0	0	803,598	0	7,402,942	8,206,540
Committed for:						
Future projects	425,000	-	-	-	-	425,000
Economic development	-	-	-	-	238,500	238,500
Cable TV purposes	-	-	-	-	209,070	209,070
Recreation purposes	-	-	-	-	22,477	22,477
Total committed	425,000	0	0	0	470,047	895,047
Assigned for:						
Capital improvements			8,855,667	3,083,911	7,003,837	18,943,415
Unassigned	6,787,498	(2,324,669)			(805,007)	3,657,822
Total fund balance	\$7,527,722	(\$2,324,669)	\$9,659,265	\$3,083,911	\$14,173,895	\$32,120,124

#### Note 14 PROPERTY UNDER LEASE AGREEMENT

The City entered into an agreement to lease space within its City Hall Complex, which at year end had a cost of \$4,744,742 and a net book value of \$1,330,693, to New Creations Child Care and Learning Center, LLC. The lease expires June 30, 2029, although the City has the option to terminate the lease with no less than 12 months notice any time after the 61<sup>st</sup> month of the lease. Approximate future minimum lease payments receivable under the operating lease are as follows:

Year Ending	
December 31,	Amount
2021	85,120
2022	87,679
2023	90,329
2024	93,025
2025	95,812
Thereafter	358,210
	\$810,175

#### Note 15 TAX INCREMENT DISTRICTS

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

The following table reflects values at December 31, 2020:

	TIF 1-5		TIF 1-11	TIF 1-12
	Cottage	TIF 1-10	Woods	Clearwater
	Homesteads	Panattoni	Edge	Creek
Authorizing law	M.S. 469	M.S. 469	M.S. 469	M.S. 469
Year established	1994	2004	2005	2017
Final year of district	2022	2023	2031	2026
Net tax capacity:				
Original	\$128	\$15,869	\$21,032	\$21,416
Current (payable 2019)*	40,398	243,818	224,749	371,626
Captured - retained	\$40,270	\$227,949	\$203,717	\$350,210

<sup>\*</sup>Numbers for pay-year 2020 are not available

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 \$204,186 and the outstanding balance at December 31, 2020 was \$781,637.

#### Note 16 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### 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, 2020.

#### C. COMMITTED CONTRACTS

At December 31, 2020, the City had commitments of \$1,477,019 for uncompleted construction contracts.

#### Note 17 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### Note 18 RECENTLY ISSUED ACCOUNTING STANDARDS

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

Statement No. 87 Leases. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 91** Conduit Debt Obligations. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

**Statement No. 92** *Omnibus 2020.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 93** Replacement of Interbank Offered Rates. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2020.

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

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

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

#### Note 19 SUBSEQUENT EVENTS

On January 4, 2021 the Lino Lakes YMCA notified the City that they are unable to develop a sustainable operating model that abides by the terms of their Development Agreement. The YMCA's development agreement requires that if the YMCA facility is not operated as a recreational facility, the title of the facility will revert back to the City. This clause resulted in the YMCA's conveyance of its Lino Lakes facility to the City of Lino Lakes effective March 1, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION** 

	Budgeted 2	Amounts	2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:		_		
General propery taxes:				
Current and delinquent	\$8,403,756	\$8,403,756	\$8,342,085	(\$61,671)
Penalties and interest	4,000	4,000	578	(3,422)
Total general property taxes	8,407,756	8,407,756	8,342,663	(65,093)
Licenses and permits:				
Business	144,233	99,233	94,758	(4,475)
Non-business	788,113	788,113	877,692	89,579
Total licenses and permits	932,346	887,346	972,450	85,104
Intergovernmental:				
State:				
Police state aid	255,000	263,500	263,430	(70)
OTS grant	-	-	24,403	24,403
MSA maintenance	255,000	272,000	272,021	21
Other	28,000	18,000	19,864	1,864
County solid waste grant	78,459	59,459	62,502	3,043
Total intergovernmental	616,459	612,959	642,220	29,261
Charges for services:				
General government	20,788	20,788	37,457	16,669
Engineering and planning fees	28,999	28,999	33,354	4,355
Public safety	190,800	120,800	114,438	(6,362)
Public services	10,750	10,750	13,633	2,883
Investment management charge to other funds	50,000	50,000	50,000	-
Total charges for services	301,337	231,337	248,882	17,545
Fines and forfeits	116,100	81,100	76,811	(4,289)
Investment earnings	30,000	30,000	122,482	92,482
Miscellaneous:				
Gas franchise fees	55,000	55,000	50,142	(4,858)
Building lease revenue	110,090	110,090	110,384	294
Refunds and reimbursements	42,082	20,824	29,501	8,677
Donations	500	500	-	(500)
Other	3,500	3,500	1,604	(1,896)
Total miscellaneous	211,172	189,914	191,631	1,717
Total revenues	10,615,170	10,440,412	10,597,139	156,727

	inal		(Negative)
Expenditures:			
General government:			
Mayor and city council:			
Current:			
Personal services 49,098	49,098	45,569	3,529
Other services and charges 18,700	18,700	16,703	1,997
Contractual services 23,000	23,000	20,299	2,701
Total mayor and city council 90,798	90,798	82,571	8,227
Elections:	<del></del>		· · · · · · · · · · · · · · · · · · ·
Current:			
Personal services 43,250	46,750	46,691	59
Supplies 1,600	1,600	1,104	496
Other services and charges 800	800	483	317
Contractual services -	-	1,048	(1,048)
Capital outlay 4,800	4,800	4,677	123
Total elections 50,450	53,950	54,003	(53)
Administration:		2 .,002	(65)
Current:			
	545,894	533,573	12,321
Supplies -	-	24	(24)
Other services and charges 25,860	70,860	77,992	(7,132)
Contractual services 10,539	10,539	13,891	(3,352)
	627,293	625,480	1,813
Finance:	021,273	023,100	1,013
Current:			
	272,468	269,674	2,794
Supplies 1,000	1,000	467	533
	253,955	250,198	3,757
e ·	106,167	109,851	(3,684)
	633,590	630,190	3,400
Cable TV:	033,390	030,190	3,400
Current:			
	2 650	649	2 000
	2,658		2,009
	2.659	620	(620)
Total cable tv 2,658	2,658	1,269	1,389
Legal consultants:			
Current:	120 000	110.260	10.640
	130,000	119,360	10,640
Engineering/planning:			
Current:	111 1	4404-6	
Contractual services 111,160	111,160	110,152	1,008

	Budgeted A	Amounts	2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures: (continued)				
General government: (continued)				
Charter commission:				
Current:				
Other services and charges	2,500	2,500	148	2,352
Government buildings:			_	
Current:				
Personal services	2,511	2,511	2,813	(302)
Supplies	42,400	42,400	45,202	(2,802)
Other services and charges	361,609	361,609	348,626	12,983
Contractual services	71,200	71,200	80,372	(9,172)
Total government buildings	477,720	477,720	477,013	707
Total general government	2,090,169	2,129,669	2,100,186	30,103
Public safety:				
Police:				
Current:				
Personal services	3,882,523	3,698,523	3,648,356	50,167
Supplies	39,125	39,125	33,249	5,876
Other services and charges	142,819	142,819	133,542	9,277
Contractual services	45,713	45,713	44,751	962
Capital outlay	32,317	32,317	14,199	18,118
Total police	4,142,497	3,958,497	3,874,097	84,400
Fire protection:				
Current:				
Personal services	516,907	440,407	418,996	21,411
Supplies	26,200	26,200	17,710	8,490
Other services and charges	52,980	52,980	41,371	11,609
Contractual services	44,030	44,030	36,488	7,542
Total fire protection	640,117	563,617	514,565	49,052
Building inspection:				
Current:				
Personal services	334,345	315,269	324,427	(9,158)
Supplies	3,650	3,650	3,701	(51)
Other services and charges	11,240	11,240	9,293	1,947
Contractual services	3,325	13,401	11,006	2,395
Total building inspection	352,560	343,560	348,427	(4,867)
Total public safety	5,135,174	4,865,674	4,737,089	128,585

	Budgeted A	Amounts	2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Public services:				
Streets:				
Current:				
Personal services	632,990	632,990	566,310	66,680
Supplies	140,000	125,000	118,259	6,741
Other services and charges	110,600	110,600	95,152	15,448
Contractual services	84,500	84,500	67,907	16,593
Total streets	968,090	953,090	847,628	105,462
Fleet:				
Current:				
Personal services	131,227	131,227	133,243	(2,016)
Supplies	183,000	183,000	133,108	49,892
Other services and charges	84,273	64,273	58,080	6,193
Contractual services	67,000	47,000	52,027	(5,027)
Capital outlay	5,000	5,000	4,010	990
Total fleet	470,500	430,500	380,468	50,032
Parks:				
Current:				
Personal services	524,687	489,621	465,633	23,988
Supplies	33,000	23,000	16,204	6,796
Other services and charges	45,550	65,550	58,881	6,669
Contractual services	43,700	43,700	41,461	2,239
Total parks	646,937	621,871	582,179	39,692
Recreation:				
Current:				
Personal services	155,938	102,093	96,560	5,533
Supplies	2,500	-	-	-
Other services and charges	16,800	5,050	4,295	755
Contractual services	300	300	300	-
Total recreation	175,538	107,443	101,155	6,288
Total public services	2,261,065	2,112,904	1,911,430	201,474

	Budgeted A	ımounts	2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Conservation of natural resources:				
Forestry:				
Current:				
Personal services	37,802	37,802	34,887	2,915
Supplies	2,950	2,950	3,230	(280)
Other services and charges	380	380	229	151
Contractual services	20,000	20,000	20,307	(307)
Total forestry	61,132	61,132	58,653	2,479
Environmental:		· ·		
Current:				
Personal services	51,729	44,732	41,167	3,565
Supplies	1,000	1,000	1,046	(46)
Other services and charges	9,430	9,430	3,882	5,548
Contractual services	1,100	1,100	1,044	56
Total environmental	63,259	56,262	47,139	9,123
Solid waste abatement:				
Current:				
Personal services	47,439	37,739	34,606	3,133
Supplies	1,100	1,100	628	472
Other services and charges	7,220	7,220	5,298	1,922
Contractual services	22,700	13,400	14,560	(1,160)
Total solid waste abatement	78,459	59,459	55,092	4,367
Total Solid Waste doublinem	70,137	37,137	33,072	1,507
Total conservation of natural resources	202,850	176,853	160,884	15,969
Community development:				
Community development:				
Current:				
Personal services	220,948	220,948	198,808	22,140
Supplies	100	100	48	52
Other services and charges	7,900	7,900	3,646	4,254
Contractual services	925	925	702	223
Total community development	229,873	229,873	203,204	26,669
Economic development:		· ·		
Current:				
Personal services	21,219	11,219	9,948	1,271
Other services and charges	14,040	21,040	20,519	521
Contractual services	73,225	37,125	36,777	348
Total economic development	108,484	69,384	67,244	2,140

	Budgeted A	mounts	2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Planning and zoning commission:				
Current:				
Personal services	110,105	110,105	111,058	(953)
Supplies	200	200	-	200
Other services and charges	16,250	16,250	10,361	5,889
Contractual services	38,000	13,000	9,656	3,344
Total planning and zoning commission	164,555	139,555	131,075	8,480
Total community development	502,912	438,812	401,523	37,289
Other:				
Contingency	75,000	-	-	-
Total expenditures	10,267,170	9,723,912	9,311,112	413,420
Revenues over (under) expenditures	348,000	716,500	1,286,027	570,147
Other financing sources (uses):				
Transfers in	380,000	380,000	380,000	_
Transfers out	(928,000)	(931,500)	(931,500)	-
Total other financing sources (uses)	(548,000)	(551,500)	(551,500)	0
Net change in fund balance	(\$200,000)	\$165,000	734,527	\$570,147
Fund balance - January 1			6,793,195	
Fund balance - December 31			\$7,527,722	

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

For	The	Last	Ten	Years

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$63,577	\$53,789	\$16,547	\$16,990
Interest	12,256	10,893	21,355	22,542
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(245,168)	-	(51,083)
Changes in assumptions	-	-	-	-
Benefit payments	(22,990)	(15,527)	(27,798)	(31,536)
Net change in total OPEB liability	52,843	(196,013)	10,104	(43,087)
Total OPEB liability - beginning	560,631	756,644	746,540	789,627
Total OPEB liability - ending	\$613,474	\$560,631	\$756,644	\$746,540
Covered-employee payroll	\$3,496,085	\$3,379,110	\$3,240,932	\$3,499,836
Total OPEB liability as a percentage of covered-employee payroll	17.5%	16.6%	23.3%	21.3%

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

For The Last Ten Years

Measurement	Fiscal Year	City's Proportionate Share (Percentage) of	City's Proportionate Share (Amount) of the Net	State's Proportionate Share (Amount) of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability		City's Proportionate Share of the Net Pension Liability as a Percentage of its	Plan Fiduciary Net Position as a Percentage of the Total
Date	Ending	the Net Pension	Pension	Associated	Associated with	Covered	Covered	Pension
June 30,	December 31,	Liability	Liability (a)	with City (b)	City (a+b)	Payroll (c)	Payroll ((a+b)/c)	Liability
2015	2015	0.0410%	\$2,124,883	\$ - 41.022	\$2,124,883	\$2,407,426	88.3%	78.2%
2016 2017	2016 2017	0.0387% 0.0414%	3,142,248 2,642,949	41,033 33,230	3,183,281 2,676,179	2,401,546 2,666,880	132.6% 100.3%	68.9% 75.9%
2017	2017	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%

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND For The Last Ten Years

**Statement 13** 

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%

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

Statement 14

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

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND For The Last Ten Years

**Statement 15** 

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%

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -

LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION

For The Last Ten Years

Fiscal year ending and measurement date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total pension liability:	200000000000000000000000000000000000000	20000000131,2013		
Service cost	\$46,865	\$52,320	\$48,182	\$47,952
Interest on pension liability	19,051	16,603	8,754	6,191
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(81,734)	(22,680)	69,760	(11,672)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-
Net change in total pension liability	(15,818)	46,243	126,696	42,471
Total pension liability - beginning	270,650	224,407	97,711	55,240
Total pension liability - ending (a)	\$254,832	\$270,650	\$224,407	\$97,711
Plan fiduciary net position:				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Contributions - State of Minnesota	130,846	121,630	118,144	113,797
Contributions - other	-	-	64,869	58,800
Net investment income	95,960	78,063	(18,696)	9,153
Benefit payments, including refunds of employee contributions	-	-	-	-
Administrative expense	(746)	(694)	(702)	(572)
Net change in plan fiduciary net position	226,060	198,999	163,615	181,178
Plan fiduciary net position - beginning	588,319	389,320	225,705	44,527
Plan fiduciary net position - ending (b)	\$814,379	\$588,319	\$389,320	\$225,705
Net pension liability/(asset) - ending (a) - (b)	(\$559,547)	(\$317,669)	(\$164,913)	(\$127,994)
Plan fiduciary net position as a percentage of the total pension liability	320%	217%	173%	231%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

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

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION

For The Last Ten Years

Statement	17
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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

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

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

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO RSI December 31, 2019

#### Note A LEGAL COMPLIANCE – BUDGETS

The General Fund budget is 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.

#### 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. The previous actuarial valuation included a liability for benefits provided to the beneficiary of a deceased employee. As of the most recent actuarial valuation date, the beneficiary was not enrolled in the City's plan, but has been assigned a 20% probability of returning to the plan.

#### **Note C PENSION INFORMATION**

#### PERA – General Employees Retirement Fund

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%.
- As recommended in the June 30, 2019 experience study, 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.
- The 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 assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

#### 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.

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO RSI

December 31, 2019

• 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

#### 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%.

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO RSI December 31, 2019

- 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**

There are no factors that affect trends in the amounts reported, such as change of benefit terms or assumptions. With only three years reported in the RSI, there is no additional information to include in the notes.

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# COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

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## SPECIAL REVENUE FUNDS

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

## **DEBT SERVICE FUNDS**

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

### CAPITAL PROJECT FUNDS

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

## PERMANENT FUNDS

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2020

_	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments	\$750,910	\$5,003,913	\$6,264,591	\$158,419	\$12,177,833
Due from other governments	-	-	16,585	-	16,585
Accounts receivable - net	3,084	-	1,855	-	4,939
Prepaid items	2,076	=	- -	<del>-</del>	2,076
Advances to other funds	- -	-	683,093	-	683,093
Taxes receivable:			•		ŕ
Due from county	-	-	35,031	-	35,031
Special assessments receivable:			,		,
Due from county	_	2,279	3,450	_	5,729
Delinquent	_	<del>-</del>	7,736	_	7,736
Deferred	-	634,133	250,261	_	884,394
Interfund loan receivable	_	-	2,317,533	_	2,317,533
Total assets  Liabilities, Deferred Inflows of Reso	\$756,070 eurces, and Fund Ba	\$5,640,325	\$9,580,135	\$158,419	\$16,134,949
Liabilities:					
Accounts payable	\$319	\$3,180	\$214,728	\$10,450	\$228,677
Advances from other funds	\$319	\$3,100	839,403	\$10,430	839,403
Retainage payable	-	-	844	-	844
Total liabilities	319	3,180	1,054,975	10,450	1,068,924
Total habilities	319	3,180	1,034,973	10,430	1,008,924
Deferred inflows of resources:					
Unavailable revenue	<del>-</del> -	634,133	257,997		892,130
Fund balance:					
Nonspendable	2,076	-	-	100,000	102,076
Restricted	283,628	5,003,330	2,068,015	47,969	7,402,942
Committed	470,047	-	-	-	470,047
Assigned	-	-	7,003,837	-	7,003,837
Unassigned	-	(318)	(804,689)	-	(805,007)
Total fund balance	755,751	5,003,012	8,267,163	147,969	14,173,895
Total liabilities, deferred inflows					
of resources, and fund balance	\$756,070	\$5,640,325	\$9,580,135	\$158,419	\$16,134,949

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

For The Year Ended December 31, 2020

	Special Revenue	Debt Service	- Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Revenues:					
General property taxes	\$ -	\$2,122,799	\$ -	\$ -	\$2,122,799
Tax increment	-	-	766,912	-	766,912
Special assessments	-	119,630	69,532	-	189,162
Intergovernmental	1,619,509	-	249,015		1,868,524
Charges for services	65,831	-	956,388	-	1,022,219
Fines and forfeits	83,468	-	-	-	83,468
Investment earnings	16,530	75,200	163,576	3,749	259,055
Miscellaneous	7,747	38,219	202	8,800	54,968
Total revenues	1,793,085	2,355,848	2,205,625	12,549	6,367,107
Expenditures: Current:					
General government	1,260,698	-	51,716	-	1,312,414
Public safety	21,283	-	-	_	21,283
Public services	6,969	-	993,636	10,450	1,011,055
Community development	-	-	263,882	-	263,882
Capital outlay:			,		,
General government	358,811	-	46,499	-	405,310
Public safety	28,272	_	108,019	_	136,291
Public services	-	_	1,400,169	_	1,400,169
Debt service:			, ,		, ,
Principal	_	2,360,000	_	_	2,360,000
Interest and fiscal charges	_	618,096	_	_	618,096
Total expenditures	1,676,033	2,978,096	2,863,921	10,450	7,528,500
Revenues over (under) expenditures	117,052	(622,248)	(658,296)	2,099	(1,161,393)
Other financing sources (uses):					
Transfers in	-	1,437,681	1,792,056	_	3,229,737
Transfers out	-	-	(1,090,690)	-	(1,090,690)
Issuance of debt	-	-	294,235	_	294,235
Proceeds from sale of capital assets	-	-	240,842	-	240,842
Total other financing sources (uses)	0	1,437,681	1,236,443	0	2,674,124
Net change in fund balance	117,052	815,433	578,147	2,099	1,512,731
Fund balance - January 1	638,699	4,187,579	7,689,016	145,870	12,661,164
Fund balance - December 31	\$755,751	\$5,003,012	\$8,267,163	\$147,969	\$14,173,895

#### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

<u>Coronavirus Relief Funds</u> – accounts for CARES funds received by the City.

SUBCOMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS December 31, 2020

Assets	201 Program Recreation	203 Economic Development Authority	204 Cable TV and Communications Fund	205 Blue Heron Days
Cash and investments	\$19,935	\$238,500	\$209,070	\$12,729
Accounts receivable - net	2,642	-	-	442
Prepaid items	1,778			298
Total assets	\$24,355	\$238,500	\$209,070	\$13,469
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$100	\$ -	\$ -	\$ -
Total liabilities	100	-		
Fund balance:				
Nonspendable	1,778	-	-	298
Restricted	-	-	-	13,171
Committed	22,477	238,500	209,070	
Total fund balance	24,255	238,500	209,070	13,469
Total liabilities and fund balance	\$24,355	\$238,500	\$209,070	\$13,469

206 Federal Forfeitures - Justice	207 State Narcotics Forfeitures	208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	Total Nonmajor Special Revenue Funds
\$14,073 - -	\$75,698 - -	\$68,479 - -	\$1,568 - -	\$88,529 - -	\$22,329 - -	\$750,910 3,084 2,076
\$14,073	\$75,698	\$68,479	\$1,568	\$88,529	\$22,329	\$756,070
\$ -	\$ <del>-</del>	\$ -	\$ -	\$ -	\$219	\$319
	<u>-</u>	-	-		219	319
_	_	-	-	-	-	2,076
14,073	75,698	68,479	1,568	88,529	22,110	283,628
<u> </u>	<u> </u>	<u> </u>			<u>-</u> .	470,047
14,073	75,698	68,479	1,568	88,529	22,110	755,751
\$14,073	\$75,698	\$68,479	\$1,568	\$88,529	\$22,329	\$756,070

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2020

	201 Program Recreation	203 Economic Development Authority	204 Cable TV and Communications Fund	205 Blue Heron Days
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	1,672	-	64,159	-
Fines and forfeits	-	-	-	-
Investment earnings	806	3,786	4,878	515
Miscellaneous		-	-	2,000
Total revenues	2,478	3,786	69,037	2,515
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public services	6,508	-	-	461
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Total expenditures	6,508	0	0	461
Revenues over (under) expenditures	(4,030)	3,786	69,037	2,054
Fund balance - January 1	28,285	234,714	140,033	11,415
Fund balance - December 31	\$24,255	\$238,500	\$209,070	\$13,469

206 Federal Forfeitures - Justice	207 State Narcotics Forfeitures	208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	212 Coronavirus Relief Funds	Total Nonmajor Special Revenue Funds
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,619,509	\$1,619,509
-	-	-	-	-	-	-	65,831
11,338	59,115	12,550	465	-	-	-	83,468
286	1,813	1,698	41	2,152	555	-	16,530
					5,747		7,747
11,624	60,928	14,248	506	2,152	6,302	1,619,509	1,793,085
- 1,944 -	- 15,013 -	- 2,637 -	- 502 -	- - -	- 1,187 -	1,260,698 - -	1,260,698 21,283 6,969
-	-	-	-	-	-	358,811	358,811
15,198	-	10,465	-	-	2,609	-	28,272
17,142	15,013	13,102	502	0	3,796	1,619,509	1,676,033
(5,518)	45,915	1,146	4	2,152	2,506	0	117,052
19,591	29,783	67,333	1,564	86,377	19,604		638,699
\$14,073	\$75,698	\$68,479	\$1,568	\$88,529	\$22,110	\$0	\$755,751

## **DEBT SERVICE FUNDS**

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

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

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

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

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

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

SUBCOMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

December 31, 2020

		332 G.O.		336 G.O.	337 G.O.
	315	TIF	335 G.O.	Improvement	Improvement
	Certificates	Bonds	Bonds	Bonds	Bonds
	of Indebtedness	of 2007A	of 2012A	of 2013A	of 2014A
Assets					
Cash and investments	\$291,473	\$150,014	\$214,199	\$394,144	\$673,531
Special assessments receivable:					
Due from county	-	-	-	-	-
Deferred			-	197,951	
Total assets	\$291,473	\$150,014	\$214,199	\$592,095	\$673,531
Liabilities, Deferred Inflows of Resources, and Fund	l Balance				
Liabilities:					
Accounts payable		\$318	\$318	\$318	\$318
Deferred inflows of resources:					
Unavailable revenue	-	-	-	197,951	
Fund balance:					
Restricted	291,473	149,696	213,881	393,826	673,213
Unassigned	-	-	-	-	-
Total fund balance	291,473	149,696	213,881	393,826	673,213
Total liabilities, deferred inflows of					
resources, and fund balance	\$291,473	\$150,014	\$214,199	\$592,095	\$673,531

338 G.O. Bonds of 2015A	339 EDA Lease Revenue Bonds of 2015B	340 G.O. Capital Note of 2016A	341 G.O. Utility Revenue Bonds of 2016A	343 G.O. Tax Abatement Bonds of 2016C	344 G.O. Bonds of 2018A	345 G.O. Utility Revenue Bonds of 2020A	Total Nonmajor Debt Service Funds
\$644,885	\$321,054	\$1,600	\$270,474	\$410,362	\$1,632,177	\$ -	\$5,003,913
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	2,279 436,182	<u>-</u>	2,279 634,133
\$644,885	\$321,054	\$1,600	\$270,474	\$410,362	\$2,070,638	\$0	\$5,640,325
\$318	\$318	\$ -	\$318	\$318	\$318	\$318	\$3,180
		<u> </u>	<u>-</u>		436,182		634,133
644,567	320,736	1,600	270,156	410,044	1,634,138	-	5,003,330
644,567	320,736	1,600	270,156	410,044	1,634,138	(318)	(318) 5,003,012
\$644,885	\$321,054	\$1,600	\$270,474	\$410,362	\$2,070,638	\$0	\$5,640,325

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR DEBT SERVICE FUNDS For The Year Ended December 31, 2020

	315 Certificates of Indebtedness	332 G.O. TIF Bonds of 2007A	334 G.O. Improvement and Utility Bonds of 2010A	335 G.O. Bonds of 2012A	336 G.O. Improvement Bonds of 2013A	337 G.O. Improvement Bonds of 2014A
Revenues:						
General property taxes	\$572,788	\$ -	\$ -	\$178,080	\$ -	\$ -
Special assessments	-	-	-	-	39,000	346
Investment earnings	9,261	-	-	2,369	9,051	14,025
Miscellaneous	<u> </u>	-				-
Total revenues	582,049	0	0	180,449	48,051	14,371
Expenditures: Debt service:						
Principal	532,000	215,000	115,000	160,000	60,000	380,000
Interest and fiscal charges	13,512	46,844	4,825	11,338	11,918	22,606
Total expenditures	545,512	261,844	119,825	171,338	71,918	402,606
Revenues over (under) expenditures	36,537	(261,844)	(119,825)	9,111	(23,867)	(388,235)
Other financing sources (uses):						
Transfers in	<u> </u>	261,844	120,180			132,817
Total other financing sources (uses)	0	261,844	120,180	0	0	132,817
Net change in fund balance	36,537	0	355	9,111	(23,867)	(255,418)
Fund balance - January 1	254,936	149,696	(355)	204,770	417,693	928,631
Fund balance - December 31	\$291,473	\$149,696	\$0	\$213,881	\$393,826	\$673,213

338 G.O. Bonds of 2015A	339 EDA Lease Revenue Bonds of 2015B	340 G.O. Capital Note of 2016A	341 G.O. Utility Revenue Bonds of 2016A	343 G.O. Tax Abatement Bonds of 2016C	344 G.O. Bonds of 2018A	345 G.O. Bonds of 2020A	Total Nonmajor Debt Service Funds
\$271,228 - 11,608 - 282,836	\$317,297 - 5,105 - 322,402	\$ - 406 38,219 38,625	\$ - - 3,245 - - 3,245	\$301,570 - 5,108 - 306,678	\$481,836 80,284 15,022 - 577,142	\$ - - - 0	\$2,122,799 119,630 75,200 38,219 2,355,848
200,000 59,498 259,498	175,000 127,806 302,806	33,000 5,219 38,219	140,000 22,018 162,018	260,000 14,088 274,088	90,000 278,106 368,106	318 318	2,360,000 618,096 2,978,096
23,338	19,596	406 - 0	(158,773) 163,100 163,100	32,590	209,036 759,740 759,740	(318)	(622,248) 1,437,681 1,437,681
23,338 621,229	19,596 301,140	406 1,194	4,327 265,829	32,590 377,454	968,776 665,362	(318)	815,433 4,187,579
\$644,567	\$320,736	\$1,600	\$270,156	\$410,044	\$1,634,138	(\$318)	\$5,003,012

#### CAPITAL PROJECT FUNDS

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

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

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

<u>Capital Equipment Revolving</u> – to account for proceeds from Equipment Certificates and funds held to purchase capital equipment.

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

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

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

<u>Pavement Management</u> – to account for money received from levies, assessments, and developer charges for future street maintenance projects.

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

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

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

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

<u>2040 Comp Plan Update</u> – this fund accounts for the financing sources received and expenditures incurred to update the City's 2040 Comprehensive Plan.

<u>Cedar Street Reconstruction</u> – this fund accounts for the activities relating to the construction of roadway improvements on East Cedar Street & Elmcrest Avenue North.

SUBCOMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2020

Assets	301 Closed Bond Fund	401 Building and Facilities	402 Capital Equipment Revolving	403 Office Equipment Revolving	405 Dedicated Parks
Cash and investments	\$ -	\$217,039	\$613,188	\$58,860	\$1,327,880
Due from other governments	Ψ -	Ψ217,039 -	ψ015,100 -	-	φ1,327,000
Accounts receivable - net	_	1,855	_	_	_
Advances to other funds	683,093	-	_	_	_
Taxes receivable:	003,073				
Due from county	_	_	_	_	_
Special assessments receivable:					
Due from county	1,369	_	_	_	_
Delinquent	4,801	_	_	_	_
Deferred	7,309	_	_	_	_
Interfund loan receivable	-	2,317,533	-	_	_
Total assets	\$696,572	\$2,536,427	\$613,188	\$58,860	\$1,327,880
Liabilities, Deferred Inflows of Resources, and	Fund Balance				
Liabilities:					
Accounts payable	\$ -	\$2,500	\$32,532	\$ -	\$ -
Advances from other funds	-	-	-	-	-
Retainage payable	_	_	_	_	844
Total liabilities	0	2,500	32,532	0	844
Deferred inflows of resources:					
Unavailable revenue	12,110				-
Fund balance:					
Restricted	_	_	_	_	1,327,036
Assigned	684,462	2,533,927	580,656	58,860	-,,
Unassigned	-	-	-	-	_
Total fund balance	684,462	2,533,927	580,656	58,860	1,327,036
Total liabilities, deferred inflows of					
resources, and fund balance	\$696,572	\$2,536,427	\$613,188	\$58,860	\$1,327,880

SUBCOMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2020

Assets	411 Tax Increment Financing 1-5	417 Tax Increment Financing 1-10	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	421 Pavement Management
Cash and investments	\$405,626	\$201,829	\$ -	\$235,110	\$541,085
Due from other governements	-	-	-	- -	- -
Accounts receivable - net	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Taxes receivable:					
Due from county	-	-	34,970	61	-
Special assessments receivable:					
Due from county	-	-	-	-	-
Delinquent	-	-	-	-	-
Deferred	-	-	-	-	-
Interfund loan receivable				-	
Total assets	\$405,626	\$201,829	\$34,970	\$235,171	\$541,085
Liabilities, Deferred Inflows of Resou	rces, and Fund Balanc	ee			
Liabilities:					
Accounts payable	\$ -				
	Φ -	\$ -	\$256	\$101,647	\$42,680
Advances from other funds	ф - -	\$ - -	\$256 839,403	\$101,647 -	\$42,680 -
Advances from other funds Contracts payable	- -	<u>-</u>	839,403	- -	- -
Advances from other funds	- 0	\$ - - - 0	839,403	\$101,647 - - - 101,647	\$42,680 - - - 42,680
Advances from other funds Contracts payable	- -	<u>-</u>	839,403	- -	- -
Advances from other funds Contracts payable Total liabilities	- -	<u>-</u>	839,403	- -	- -
Advances from other funds Contracts payable Total liabilities  Deferred inflows of resources:	- -	<u>-</u>	839,403	- -	- -
Advances from other funds Contracts payable Total liabilities  Deferred inflows of resources: Unavailable revenue	0	- 0	839,403	- 101,647 -	- -
Advances from other funds Contracts payable Total liabilities  Deferred inflows of resources: Unavailable revenue  Fund balance: Restricted	- -	<u>-</u>	839,403	- -	- - 42,680 -
Advances from other funds Contracts payable Total liabilities  Deferred inflows of resources: Unavailable revenue  Fund balance:	0	- 0	839,403	- 101,647 -	- -
Advances from other funds Contracts payable Total liabilities  Deferred inflows of resources: Unavailable revenue  Fund balance: Restricted Assigned	0	- 0	839,403 - 839,659	- 101,647 - 133,524	- - 42,680 -
Advances from other funds Contracts payable Total liabilities  Deferred inflows of resources: Unavailable revenue  Fund balance: Restricted Assigned Unassigned	- - 0 405,626 - -	201,829	839,403 - 839,659 - - (804,689)	- 101,647 - 133,524 - -	- 42,680 - 498,405

422 Surface Water Management	423 Street Reconstruction	424 Surface Water Maintenance	425 Park and Trail Improvements	484 Comp Plan Update	486 Cedar Street Reconstruction	Total Nonmajor Capital Project Funds
Φ1 550 200	<b>\$557.050</b>	<b>#2.50</b> , 400	<b>#2</b> (0, (0.4	<b>#22.2</b> 60	<b>#2.251</b>	06.264.501
\$1,550,300	\$557,958	\$259,489	\$269,604	\$23,369	\$3,254	\$6,264,591
-	-	-	-	16,000	585	16,585 1,855
-	-	-	-	-	-	683,093
-	-	-	-	-	-	35,031
1,659	422	-	-	-	-	3,450
2,935	-	-	-	-	-	7,736
192,038	50,914	-	-	-	-	250,261
		<del>-</del>		-		2,317,533
\$1,746,932	\$609,294	\$259,489	\$269,604	\$39,369	\$3,839	\$9,580,135
\$4,227	\$ -	\$27,026	\$ -	\$21	\$3,839	\$214,728
-	-	-	-	-	-	839,403
-	<u> </u>			-		844
4,227	0	27,026	0	21	3,839	1,054,975
194,973	50,914		<u>-</u>	<u>-</u>	<u>-</u>	257,997
						2,068,015
1,547,732	558,380	232,463	269,604	39,348	-	7,003,837
-	-	-	-	-	-	(804,689
1,547,732	558,380	232,463	269,604	39,348	0	8,267,163

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR CAPITAL PROJECT FUNDS For The Year Ended December 31, 2020

	301 Closed Bond Fund	401 Building and Facilities	402 Capital Equipment Revolving	403 Office Equipment Revolving	405 Dedicated Parks
Revenues:					
Tax increment	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	12,620	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	204,173	-	-	557,500
Investment earnings	15,863	3,636	19,056	1,582	25,046
Miscellaneous	-	-	-	-	202
Total revenues	28,483	207,809	19,056	1,582	582,748
Expenditures:					
Current:					
General government	3,903	34,945	-	12,868	-
Public services	-	-	-	-	13,570
Community development	-	-	-	-	-
Capital outlay:					
General government	-	46,499	-	-	-
Public safety	-	-	104,903	3,116	-
Public services	-	-	261,688	-	142,468
Total expenditures	3,903	81,444	366,591	15,984	156,038
Revenues over (under) expenditures	24,580	126,365	(347,535)	(14,402)	426,710
Other financing sources (uses):					
Transfers in	-	-	-	25,000	-
Transfers out	(382,789)	-	-	-	-
Issuance of debt	-	-	294,235	-	-
Proceeds from sale of capital assets	-	-	15,365	-	-
Total other financing sources (uses)	(382,789)	0	309,600	25,000	0
Net change in fund balance	(358,209)	126,365	(37,935)	10,598	426,710
Fund balance - January 1	1,042,671	2,407,562	618,591	48,262	900,326
Fund balance - December 31	\$684,462	\$2,533,927	\$580,656	\$58,860	\$1,327,036

411 Tax Increment Financing 1-5	417 Tax Increment Financing 1-10	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	421 Pavement Management	422 Surface Water Management	423 Street Reconstruction
\$51,006	\$170,339	\$290,062	\$255,505	\$ -	\$ -	\$ -
-	-	-	-	-	44,478	12,434
-	-	-	-	-	150.005	-
- 9,822	- 5,821	-	- 3,076	36,630 17,674	158,085 31,229	14,632
-	-	-	-	-	-	-
60,828	176,160	290,062	258,581	54,304	233,792	27,066
-	-	-	-	- 846,047	9,076	-
52,732	1,590	4,403	205,157	640,047	9,076	-
52,752	1,000	.,	200,107			
-	-	-	-	-	-	-
-	-	-	-	51,863	24,360	-
52,732	1,590	4,403	205,157	897,910	33,436	0
8,096	174,570	285,659	53,424	(843,606)	200,356	27,066
5,070				(0.0,000)		
				870,563		
- -	(170,339)	(290,062)	-	670,303	-	(247,500)
-	-	-	-	-	-	-
-				-	225,477	
0	(170,339)	(290,062)	0	870,563	225,477	(247,500)
8,096	4,231	(4,403)	53,424	26,957	425,833	(220,434)
397,530	197,598	(800,286)	80,100	471,448	1,121,899	778,814
\$405,626	\$201,829	(\$804,689)	\$133,524	\$498,405	\$1,547,732	\$558,380

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

For The	Vear	Fnded	Decen	nher	31	2020

	424 Surface Water Maintenance	425 Park and Trail Improvements	484 2040 Comp Plan Update	486 Cedar Street Reconstruction	Total Nonmajor Capital Project Funds
Revenues:	Ф	Ф	Ф	Ф	Φ7.66.01 <b>2</b>
Tax increment	\$ -	\$ -	\$ -	\$ -	\$766,912
Special assessments	-	-	16,000	222.015	69,532
Intergovernmental	-	-	16,000	233,015	249,015
Charges for services	7.001	- 0.012	126	-	956,388
Investment earnings	7,001	9,012	126	-	163,576
Miscellaneous	7,001	- 0.012	16.106	222.015	202
Total revenues	7,001	9,012	16,126	233,015	2,205,625
Expenditures:					
Current:					
General government	-	-	-	-	51,716
Public services	84,556	30,000	10,387	-	993,636
Community development	- -	-	-	-	263,882
Capital outlay:					
General government	-	-	-	-	46,499
Public safety	-	-	-	-	108,019
Public services	-	148,116	-	771,674	1,400,169
Total expenditures	84,556	178,116	10,387	771,674	2,863,921
Revenues over (under) expenditures	(77,555)	(169,104)	5,739	(538,659)	(658,296)
Other financing sources (uses):					
Transfers in	130,000	115,000	25,000	626,493	1,792,056
Transfers out	-	,	,	-	(1,090,690)
Issuance of debt	_	_	_	_	294,235
Proceeds from sale of capital assets	_	_	_	_	240,842
Total other financing sources (uses)	130,000	115,000	25,000	626,493	1,236,443
Net change in fund balance	52,445	(54,104)	30,739	87,834	578,147
Fund balance - January 1	180,018	323,708	8,609	(87,834)	7,689,016
Fund balance - December 31	\$232,463	\$269,604	\$39,348	\$0	\$8,267,163

SPECIAL REVENUE FUND - PROGRAM RECREATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL For The Year Ended December 31, 2020

	Budgeted A	Amounts	2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		(i (Suii (S)
Revenues:				
Charges for services	\$77,690	\$77,690	\$1,672	(\$76,018)
Investment earnings	- -	- -	806	806
Total revenues	77,690	77,690	2,478	(75,212)
Expenditures:				
Public services:				
Current:				
Personal services	52,653	52,653	1,072	51,581
Supplies	17,170	17,170	4,873	12,297
Contractual services	12,656	12,656	563	12,093
Total expenditures	82,479	82,479	6,508	75,971
Revenues over (under) expenditures	(4,789)	(4,789)	(4,030)	759
Other financing sources (uses):				
Transfers in	11,500	<u> </u>	<u> </u>	
Net change in fund balance	\$6,711	(\$4,789)	(4,030)	\$759
Fund balance - January 1			28,285	
Fund balance - December 31			\$24,255	

STATISTICAL SECTION (UNAUDITED)

# STATISTICAL SECTION (UNAUDITED)

This part of the City of Lino Lakes, Minnesota's Comprehensive Annual 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 withhin which the City's financial activities take place.	Tables 13-14
Operating Information  These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	Tables 15-17

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$24,600,103	\$22,166,342	\$22,241,821	\$19,540,807
Restricted	11,598,803	11,595,112	11,000,033	8,666,357
Unrestricted	13,463,210	17,639,038	16,849,636	20,527,704
Total governmental activities net position	\$49,662,116	\$51,400,492	\$50,091,490	\$48,734,868
Business-type activities:				
Net investment in capital assets	\$29,216,866	\$28,798,095	\$28,423,284	\$27,556,022
Unrestricted	11,201,362	12,102,013	12,999,182	13,888,278
Total business-type activities net position	\$40,418,228	\$40,900,108	\$41,422,466	\$41,444,300
Primary government:				
Net investment in capital assets	\$53,816,969	\$50,964,437	\$50,665,105	\$47,096,829
Restricted	11,598,803	11,595,112	11,000,033	8,666,357
Unrestricted	24,664,572	29,741,051	29,848,818	34,415,982
Total primary government net position	\$90,080,344	\$92,300,600	\$91,513,956	\$90,179,168

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.

					_
2015	2016	2017	2018	2019	2020
\$18,230,746	\$18,597,344	\$22,868,259	\$24,640,555	\$28,433,053	\$31,960,308
8,635,293	13,342,852	11,730,147	10,579,817	12,390,431	13,446,203
13,888,120	10,187,254	12,017,212	16,577,520	17,640,035	18,686,238
13,000,120	10,167,234	12,017,212	10,377,320	17,040,033	10,000,230
\$40,754,159	\$42,127,450	\$46,615,618	\$51,797,892	\$58,463,519	\$64,092,749
\$29,127,829	\$31,860,610	\$31,831,950	\$32,709,079	\$36,390,820	\$43,366,197
14,672,630	13,863,447	14,846,045	15,570,827	16,237,228	16,054,144
\$43,800,459	\$45,724,057	\$46,677,995	\$48,279,906	\$52,628,048	\$59,420,341
\$47,358,575	\$50,457,954	\$54,700,209	\$57,349,634	\$64,823,873	\$75,326,505
8,635,293	13,342,852	11,730,147	10,579,817	12,390,431	13,446,203
28,560,750	24,050,701	26,863,257	32,148,347	33,877,263	34,740,382
\$84,554,618	\$87,851,507	\$93,293,613	\$100,077,798	\$111,091,567	\$123,513,090

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$1,990,137	\$1,883,961	\$1,566,388	\$2,036,550
Public safety	4,019,101	4,046,415	3,950,197	4,107,759
Public services	9,329,451	6,795,150	5,376,671	5,880,030
Conservation of natural resources	139,544	184,051	141,204	159,649
Community development	617,747	430,121	404,726	407,448
Interest and fees on long-term debt	927,535	837,755	951,842	618,680
Total governmental activities expenses	17,023,515	14,177,453	12,391,028	13,210,116
Business-type activities:				
Water	966,643	949,121	927,800	965,641
Sewer	1,638,063	1,527,637	1,584,395	1,628,258
Total business-type activities expenses	2,604,706	2,476,758	2,512,195	2,593,899
Total primary government expenses	\$19,628,221	\$16,654,211	\$14,903,223	\$15,804,015
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$103,687	\$129,151	\$93,118	\$103,072
Public safety	713,985	642,745	697,584	763,470
Public services	593,263	668,128	632,002	621,221
Conservation of natural resources	4,392	19,297	1,347	1,882
Community development	5,138	16,940	28,118	39,395
Operating grants and contributions	593,798	450,179	527,368	840,676
Capital grants and contributions	7,347,613	5,125,693	941,960	335,733
Total governmental activities program revenues	9,361,876	7,052,133	2,921,497	2,705,449
Business-type activities:				
Charges for services:				
Water	1,090,104	1,371,809	1,208,742	965,425
Sewer	1,494,188	1,505,781	1,516,397	1,564,099
Operating grants and contributions	-	-	-	263,024
Capital grants and contributions	1,462	20,018	883	1,035
Total business-type activities	2,585,754	2,897,608	2,726,022	2,793,583
Total primary government program revenues	\$11,947,630	\$9,949,741	\$5,647,519	\$5,499,032

2015	2016	2017	2018	2019	2020
\$2,016,351	\$2,456,864	\$2,395,633	\$2,345,386	\$2,466,130	\$4,197,81
5,135,865	6,567,523	5,166,538	4,749,394	5,053,511	4,867,13
7,971,712	6,228,893	5,492,395	5,384,522	5,810,919	4,118,47
186,111	216,905	200,016	201,590	183,982	161,55
432,268	454,144	459,455	576,794	686,421	660,66
632,876	831,529	518,897	414,607	498,587	733,20
16,375,183	16,755,858	14,232,934	13,672,293	14,699,550	14,738,85
1 204 907	1 267 602	1 245 240	1 222 755	1 222 011	1 522 20
1,394,897 2,089,842	1,367,693 1,850,962	1,245,249 1,901,821	1,332,755 1,964,471	1,322,811 2,002,711	1,532,28 2,199,86
3,484,739	3,218,655	3,147,070	3,297,226	3,325,522	3,732,14
\$19,859,922	\$19,974,513	\$17,380,004	\$16,969,519	\$18,025,072	\$18,471,00
\$818 468	\$520.231	\$550.117	\$562.816	\$612.237	\$587.88
\$818,468 199.498	\$520,231 1,359,426	\$550,117 2 249 152	\$562,816 1 591 658	\$612,237 1,255,363	\$587,88
199,498	1,359,426	2,249,152	1,591,658	1,255,363	1,235,82
					\$587,88 1,235,82 1,106,24
199,498 603,866 -	1,359,426 865,327	2,249,152 801,633 - -	1,591,658 448,009 - -	1,255,363 1,273,900 -	1,235,82 1,106,24
199,498 603,866 - - 526,107	1,359,426 865,327 - - 722,858	2,249,152 801,633 - - 1,106,014	1,591,658 448,009 - - 861,429	1,255,363 1,273,900 - - 870,532	1,235,82 1,106,24 - - 2,470,02
199,498 603,866 - 526,107 1,176,732	1,359,426 865,327 - - 722,858 5,046,307	2,249,152 801,633 - - 1,106,014 4,141,383	1,591,658 448,009 - - 861,429 5,187,023	1,255,363 1,273,900 - - 870,532 6,820,419	1,235,8 1,106,2 - - 2,470,0 6,894,2
199,498 603,866 - - 526,107	1,359,426 865,327 - - 722,858	2,249,152 801,633 - - 1,106,014	1,591,658 448,009 - - 861,429	1,255,363 1,273,900 - - 870,532	1,235,82 1,106,24 - - 2,470,02 6,894,20
199,498 603,866 - 526,107 1,176,732 3,324,671	1,359,426 865,327 - 722,858 5,046,307 8,514,149	2,249,152 801,633 - 1,106,014 4,141,383 8,848,299	1,591,658 448,009 - - - 861,429 5,187,023 8,650,935	1,255,363 1,273,900 - 870,532 6,820,419 10,832,451	1,235,8 1,106,2 - - 2,470,0 6,894,2 12,294,1
199,498 603,866 - 526,107 1,176,732 3,324,671	1,359,426 865,327 - 722,858 5,046,307 8,514,149	2,249,152 801,633 - 1,106,014 4,141,383 8,848,299	1,591,658 448,009 - - - - - - - - - - - - - - - - - -	1,255,363 1,273,900 - 870,532 6,820,419 10,832,451	1,235,8 1,106,2 - 2,470,0 6,894,2 12,294,1
199,498 603,866 - 526,107 1,176,732 3,324,671 1,014,836 1,621,633	1,359,426 865,327 - 722,858 5,046,307 8,514,149	2,249,152 801,633 - 1,106,014 4,141,383 8,848,299 1,150,834 1,698,963	1,591,658 448,009 - 861,429 5,187,023 8,650,935 1,217,589 1,753,712	1,255,363 1,273,900 - 870,532 6,820,419 10,832,451 1,172,580 1,771,143	1,235,8 1,106,2 - 2,470,0 6,894,2 12,294,1 1,341,5 1,803,2
199,498 603,866 - 526,107 1,176,732 3,324,671 1,014,836 1,621,633 263,024	1,359,426 865,327 - 722,858 5,046,307 8,514,149 1,094,897 1,659,322	2,249,152 801,633 - 1,106,014 4,141,383 8,848,299 1,150,834 1,698,963 -	1,591,658 448,009 - 861,429 5,187,023 8,650,935 1,217,589 1,753,712	1,255,363 1,273,900 - 870,532 6,820,419 10,832,451 1,172,580 1,771,143	1,235,8 1,106,2 - 2,470,0 6,894,2 12,294,1 1,341,5 1,803,2 42,1
199,498 603,866 - 526,107 1,176,732 3,324,671 1,014,836 1,621,633	1,359,426 865,327 - 722,858 5,046,307 8,514,149	2,249,152 801,633 - 1,106,014 4,141,383 8,848,299 1,150,834 1,698,963	1,591,658 448,009 - 861,429 5,187,023 8,650,935 1,217,589 1,753,712	1,255,363 1,273,900 - 870,532 6,820,419 10,832,451 1,172,580 1,771,143	1,235,82

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

_	2011	2012	2013	2014
Net (expense) revenue:	(D= 554 550)	(4= 4= == 0)	(00.450.704)	(040 =04.55=)
Governmental activities	(\$7,661,639)	(\$7,125,320)	(\$9,469,531)	(\$10,504,667)
Business-type activities	(18,952)	420,850	213,827	199,684
Total primary government, net	(7,680,591)	(6,704,470)	(9,255,704)	(10,304,983)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	8,768,805	8,610,709	8,563,595	8,806,886
Unrestricted grants and contributions	4,072	4,941	4,442	4,443
Unrestricted investment earnings	251,250	202,828	(54,204)	265,695
Gain on disposal of capital assets	37,579	4,175	-	1,727
Special item - withdrawal from fire district	-	-	-	-
Transfers	66,122	41,043	(353,304)	69,294
Total governmental activities	9,127,828	8,863,696	8,160,529	9,148,045
Business-type activities:				
Unrestricted investment earnings	126,215	102,073	(44,773)	154,468
Transfers	(66,122)	(41,043)	353,304	(69,294)
Total business-type activities	60,093	61,030	308,531	85,174
Total primary government	\$9,187,921	\$8,924,726	\$8,469,060	\$9,233,219
Change in net position:				
Governmental activities	\$1,466,189	\$1,738,376	(\$1,309,002)	(\$1,356,622)
Business-type activities	41,141	481,880	522,358	284,858
Total primary government change in net position	\$1,507,330	\$2,220,256	(\$786,644)	(\$1,071,764)
<del></del>				

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.

2015	2016	2017	2018	2019	2020
(\$13,050,512)	(\$8,241,709)	(\$5,384,635)	(\$5,021,358)	(\$3,867,099)	(\$2,444,657)
2,449,785	1,079,511	538,756	916,107	2,512,995	2,342,061
(10,600,727)	(7,162,198)	(4,845,879)	(4,105,251)	(1,354,104)	(102,596)
9,243,236	9,343,500	9,753,971	10,229,691	10,706,977	11,259,043
5,363	91,385	181,712	59,508	38,926	47,188
112,961	210,142	207,792	369,485	1,029,944	684,384
17,836	66,255	38,022	17,318	68,472	150,041
-	1,333,166	-	-	-	-
66,834	(914,414)	(308,694)	(472,370)	(1,311,593)	(4,066,269)
9,446,230	10,130,034	9,872,803	10,203,632	10,532,726	8,074,387
51.167	107.110	106 400	212.424	500 554	202.072
51,167	107,119	106,488	213,434	523,554	383,963
(66,834) (15,667)	914,414 1,021,533	308,694 415,182	472,370 685,804	1,311,593 1,835,147	4,066,269 4,450,232
(13,007)	1,021,333	413,162	003,004	1,033,147	4,430,232
\$9,430,563	\$11,151,567	\$10,287,985	\$10,889,436	\$12,367,873	\$12,524,619
(\$3,604,282)	\$1,888,325	\$4,488,168	\$5,182,274	\$6,665,627	\$5,629,730
2,434,118	2,101,044	953,938	1,601,911	4,348,142	6,792,293
(\$1,170,164)	\$3,989,369	\$5,442,106	\$6,784,185	\$11,013,769	\$12,422,023

FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
General Fund:				
Nonspendable	\$165,079	\$180,786	\$176,797	\$253,471
Committed	-	-	-	-
Unassigned	5,440,101	5,053,031	5,209,286	5,053,064
Total general fund	\$5,605,180	\$5,233,817	\$5,386,083	\$5,306,535
All other governmental funds:				
Nonspendable	906,010	823,113	101,710	101,302
Restricted	2,658,010	3,041,524	3,651,550	2,830,526
Committed	110,568	115,196	121,075	152,078
Assigned	10,808,268	15,573,179	15,710,702	18,027,773
Unassigned	(3,154,496)	(3,262,728)	(3,393,547)	(375,851)
Total all other governmental funds	\$11,328,360	\$16,290,284	\$16,191,490	\$20,735,828
Total all funds	\$16,933,540	\$21,524,101	\$21,577,573	\$26,042,363

The City implemented GASB Statement No. 54 for the fiscal year ended December 31, 2011. Information for years prior to 2011 is presented in accordance with fund balance classifications in effect at that time.

					_
2015	2016	2017	2018	2019	2020
\$220,677	\$225,114	\$243,317	\$286,186	\$296,907	\$315,224
- -	<del>-</del>	- -	- -	443,900	425,000
5,725,736	6,031,077	6,573,608	6,599,956	6,052,388	6,787,498
\$5,946,413	\$6,256,191	\$6,816,925	\$6,886,142	\$6,793,195	\$7,527,722
101,177	101,220	101,659	101,998	102,842	102,076
2,637,638	6,502,424	5,289,641	9,824,255	6,650,462	8,206,540
163,239	170,950	175,401	182,613	175,485	470,047
15,022,852	15,778,480	14,581,669	19,195,652	19,672,706	18,943,415
(3,815,304)	(978,496)	(2,909,173)	(2,935,459)	(3,171,161)	(3,129,676)
\$14,109,602	\$21,574,578	\$17,239,197	\$26,369,059	\$23,430,334	\$24,592,402
\$20,056,015	\$27,830,769	\$24,056,122	\$33,255,201	\$30,223,529	\$32,120,124

# CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2011	2012	2013	2014
Revenues:				
Property taxes	\$8,655,971	\$8,560,340	\$8,475,214	\$8,612,011
Licenses and permits	322,030	319,172	431,654	407,681
Intergovernmental	1,331,914	5,267,570	500,963	823,025
Special assessments	904,522	816,998	2,130,519	1,278,202
Charges for services	812,604	744,633	717,300	731,640
Fines and forfeits	154,020	155,956	119,079	149,653
Investment earnings	251,244	202,825	(53,466)	265,794
Miscellaneous	460,710	414,088	384,749	767,477
Total revenues	12,893,015	16,481,582	12,706,012	13,035,483
Expenditures:				
Current:				
General government	1,773,515	1,619,215	1,569,722	1,692,175
Public safety	3,791,329	3,861,265	3,744,957	3,845,732
Public services	3,251,923	4,396,406	3,956,766	4,156,497
Conservation of natural resources	134,122	176,318	134,127	149,292
Community development	624,286	435,154	418,533	402,750
Capital outlay	4,209,593	616,931	291,135	674,488
Debt service:				
Principal	2,030,000	2,145,000	2,214,000	3,664,000
Interest and fiscal charges	983,129	831,875	774,172	696,780
Bond issuance costs	- -	47,054	17,137	-
Total expenditures	16,797,897	14,129,218	13,120,549	15,281,714
Excess (deficiency) of revenues over expenditures	(3,904,882)	2,352,364	(414,537)	(2,246,231)
Other financing sources (uses):				
Proceeds from sale of capital assets	50,953	4,175	16,727	1,727
Insurace recovery	-	-	-	-
Issuance of debt	120,000	2,165,000	808,000	3,140,000
Premium on bonds issued	-	-	6,558	
Payment to refunded bond escrow agent	_	_	(435,000)	_
Loan payable reapportionment	(565,000)	_	-	_
Transfers in	2,971,715	1,979,457	1,722,541	2,608,534
Transfers out	(2,905,593)	(1,910,435)	(1,650,817)	(2,539,240)
Total other financing sources (uses)	(327,925)	2,238,197	468,009	3,211,021
Special item - withdrawal from fire district				
Net change in fund balance	(\$4,232,807)	\$4,590,561	\$53,472	\$964,790
Debt service as a percentage of noncapital expenditures	23.9%	22.0%	23.3%	29.9%
Debt service as a percentage of total expenditures	17.9%	21.1%	22.8%	28.5%

2015	2016	2017	2018	2019	2020
\$8,950,507	\$9,369,090	\$9,772,741	\$10,215,761	\$10,685,592	\$11,232,374
551,202	895,581	1,447,571	1,260,046	941,569	972,450
679,627	706,944	1,080,953	3,453,300	688,389	2,597,744
703,141	4,400,635	2,283,974	2,005,970	1,935,178	987,053
696,501	1,293,556	1,327,781	1,003,896	1,862,803	1,609,62
127,803	251,653	613,593	137,940	131,936	160,27
112,915	210,142	207,792	369,485	1,029,944	684,38
766,072	417,448	410,640	323,379	265,130	246,59
12,587,768	17,545,049	17,145,045	18,769,777	17,540,541	18,490,51
1,643,966	1,845,667	1,952,669	1,948,909	2,007,741	3,412,60
11,895,482	4,333,080	4,360,517	4,575,957	4,720,122	4,744,17
4,779,696	3,203,837	3,414,412	3,148,058	3,538,624	3,083,36
191,038	201,635	183,392	199,026	207,919	160,88
422,935	425,402	433,144	572,910	680,419	665,40
1,566,057	3,044,615	2,152,848	3,469,208	7,444,939	6,387,44
2,802,511	2,769,525	8,058,525	3,130,600	2,815,075	2,855,00
542,166	816,362	640,029	437,659	562,471	629,28
62,831	98,906	<u>-</u>	<u>-                                      </u>	<u>-</u>	-
23,906,682	16,739,029	21,195,536	17,482,327	21,977,310	21,938,15
(11,318,914)	806,020	(4,050,491)	1,287,450	(4,436,769)	(3,447,64
54 522	72 192	102 229	49,391	77,986	240,84
54,522	72,182	103,328	49,391	711,854	240,64
8,606,250	5,464,000	311,000	7,218,900	388,535	4,624,23
		311,000		300,333	4,024,23
114,960	41,497	-	401,193	-	433,02
-	-	-	-	-	-
3,392,971	3,521,180	6 004 442	4 266 440	2 777 662	4,122,78
		6,984,443	4,266,440	2,777,663	
(3,336,137)	(3,241,959)	(7,122,927)	(4,024,295)	(2,550,941)	(4,079,25
8,832,566	5,856,900	275,844	7,911,629	1,405,097	5,344,23
	1,111,834	<u> </u>	<u> </u>	<u> </u>	-
(\$2,486,348)	\$7,774,754	(\$3,774,647)	\$9,199,079	(\$3,031,672)	\$1,896,59
15.0%	26.2%	45.4%	25.5%	23.2%	23.8

Payable Year	Residential Property	Commercial/ Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Taxable Market Value
2011	\$16,214,698	\$3,223,901	\$303,964	\$19,742,563	42.04	\$1,804,121,500
2012	14,743,557	2,945,026	310,870	17,999,453	42.89	1,640,455,854
2013	13,693,905	2,571,769	336,047	16,601,721	46.77	1,519,857,242
2014	13,646,798	2,450,473	341,974	16,439,245	46.68	1,509,921,169
2015	15,455,516	2,536,783	347,316	18,339,615	43.77	1,694,366,064
2016	15,472,329	2,609,482	359,006	18,440,817	46.02	1,699,288,883
2017	16,480,328	2,767,099	396,378	19,643,805	45.14	1,808,417,118
2018	17,879,879	2,966,548	442,867	21,289,294	42.83	1,959,826,108
2019	18,920,892	3,294,449	471,895	22,687,236	41.82	2,082,803,803
2020	20,781,383	3,686,997	419,457	24,887,837	39.87	2,294,753,477

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

Source: Anoka County, Minnesota Assessors' Office

#### DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES

Last Ten Fiscal Years

(rate per \$100 of Tax Capacity)

		City Direct Rate			Overlappi			
		General		Centennial		Other		Total Direct and
Fiscal	Basic	Obligation	Total	School District	Anoka	Taxing	Total	Overlapping
Year	Rate	Debt Service	Direct	ISD # 12	County	Districts	Overlapping	Tax Rate
2011	37.425	4.616	42.041	43.695	39.952	6.278	89.925	131.966
2012	37.501	5.393	42.894	40.010	41.146	6.691	87.847	130.741
2013	40.964	5.810	46.774	43.681	44.411	6.940	95.032	141.806
2014	39.784	6.899	46.683	46.186	43.239	6.712	96.137	142.820
2015	37.819	5.951	43.770	36.562	38.123	6.021	80.706	124.476
2016	35.025	10.994	46.019	36.426	38.894	6.405	81.725	127.744
2017	35.105	10.035	45.140	29.097	36.841	5.810	71.748	116.888
2018	36.168	6.658	42.826	34.970	35.334	5.658	75.962	118.788
2019	33.875	7.942	41.817	35.984	34.473	5.300	75.757	117.574
2020	31.803	8.067	39.870	34.059	33.078	5.048	72.185	112.055

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 Property Records and Tax Divisior

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### PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

		2020			2011	
Taxpayer	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity
AX Lino Lakes LP	\$398,754	1	1.60%	\$ -	-	-
Biynah MN WI LLC	349,912	2	1.41%	-	-	-
US Home Corporation	243,725	3	0.98%	-	-	-
Target Corporation	239,248	4	0.96%	241,894	1	1.23%
Northern States Power Co	231,476	5	0.93%	-	-	_
Minnegasco Inc	176,296	6	0.71%	-	-	-
Lino Lakes Assisted Living LLC	167,796	7	0.67%	-	-	-
LLAH Limited Partnership	144,733	8	0.58%	-	-	-
Gargaro Properties LLC	123,474	9	0.50%	97,920	7	0.50%
Tomas Commercial Real Estate Holdings LLC	104,240	10	0.42%	-	-	-
Lino Lakes Realty LLC	-		-	227,648	2	1.15%
Xcel Energy	-		-	152,398	3	0.77%
Moline Concrete Products	-		-	140,306	4	0.71%
Kohl's Department Store	-		-	130,194	5	0.66%
Taylor Corporation	-		-	111,778	6	0.57%
EOC Lino Lakes LLC	-		-	96,246	8	0.49%
Marmon/Keystone Corp	-		-	89,250	9	0.45%
Royal Oaks Realty Inc				79,789	10	0.40%
Total	\$2,179,654		8.76%	\$1,367,423		6.93%

Source: Anoka County

# **CITY OF LINO LAKES, MINNESOTA**PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

	Taxes I	Taxes Levied for the Fiscal Year			ithin the of Levy
Fiscal Year	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy
2011	\$7,719,240	\$940,760	\$8,660,000	\$8,486,845	98.0%
2012	7,192,818	1,034,441	8,227,259	8,095,502	98.4%
2013	7,190,538	1,025,090	8,215,628	8,094,911	98.5%
2014	7,098,922	1,197,122	8,296,044	8,229,986	99.2%
2015	7,490,578	1,195,494	8,686,072	8,630,830	99.4%
2016	7,018,572	2,039,856	9,058,428	9,022,964	99.6%
2017	7,360,431	2,131,424	9,491,855	9,439,688	99.5%
2018	8,165,859	1,610,873	9,776,732	9,729,472	99.5%
2019	8,193,124	1,862,292	10,055,416	9,981,243	99.3%
2020	8,368,756	2,122,762	10,491,518	10,415,622	99.3%

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

	Total Collectio	ns to Date		
Collections in Subsequent		Percentage of	Outstanding Delinquent	Percentage of Levy
Years	Amount	Levy	Taxes	Outstanding
\$127,296	\$8,614,141	99.5%	\$45,859	0.5%
78,631	8,174,133	99.4%	53,126	0.6%
70,352	8,165,263	99.4%	50,365	0.6%
42,365	8,272,351	99.7%	23,693	0.3%
26,865	8,657,695	99.7%	28,377	0.3%
10,021	9,032,985	99.7%	25,443	0.3%
15,974	9,455,662	99.6%	36,193	0.4%
33,231	9,762,703	99.9%	14,029	0.1%
45,842	10,027,085	99.7%	28,331	0.3%
- -	10,415,622	99.3%	75,896	0.7%

#### CITY OF LINO LAKES, MINNESOTA

#### RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	G	Governmental Activities			
Fiscal Year	General Obligation Bonds	Special Assessments Payable	Other Long-Term Debt	General Obligation Revenue Bonds	
2011	\$9,421,000	\$7,985,000	\$3,695,000	\$405,000	
2012	10,331,000	7,095,000	3,695,000	-	
2013	9,610,000	5,975,000	3,695,000	-	
2014	9,036,000	7,640,000	2,080,000	-	
2015	16,377,291	6,620,000	1,720,000	-	
2016	18,337,081	7,795,000	1,609,000	-	
2017	14,837,768	4,905,000	233,475	-	
2018	20,360,713	3,890,000	202,125	-	
2019	18,952,364	2,855,000	169,950	-	
2020	22,190,202	1,805,000	136,950		

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.

<sup>(1)</sup> Personal income information is not yet available for 2020 from the Bureau of Economic Analysis Report

Total Primary Government	Percentage of Assessed Market Value	Percentage of Personal Income	Per Capita
\$21,506,000	1.19%	0.16%	1,049
21,121,000	1.29%	0.15%	1,024
19,280,000	1.27%	0.13%	925
18,756,000	1.24%	0.12%	888
24,717,291	1.46%	0.15%	1,205
27,741,081	1.63%	0.17%	1,334
19,976,243	1.10%	0.12%	946
24,452,838	1.25%	0.14%	1,145
21,977,314	1.03%	0.12%	994
24,132,152	1.05%	(1)	1,077

#### CITY OF LINO LAKES, MINNESOTA

RATIOS OF NET GENERAL BONDED DEBT

Last Ten Fiscal Years

	Governmental .		
	General	Special	Total
Fiscal	Obligation	Assessments	Primary
Year	Bonds	Payable	Government
2011	\$9,421,000	\$7,985,000	\$17,406,000
2012	10,331,000	7,095,000	17,426,000
2013	9,610,000	5,975,000	15,585,000
2014	9,036,000	7,640,000	16,676,000
2015	16,377,291	6,620,000	22,997,291
2016	18,337,081	7,795,000	26,132,081
2017	14,837,768	4,905,000	19,742,768
2018	20,360,713	3,890,000	24,250,713
2019	18,952,364	2,855,000	21,807,364
2020	22,190,202	1,805,000	23,995,202

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

	Less: Amounts		Percentage	
Per	Available in Debt	Net	of Assessed	Per
Capita (Total)	Service Funds	Bonded Debt	Market Value	Capita (Net)
\$849	\$2,638,129	\$14,767,871	0.82%	\$720
845	3,035,557	14,390,443	0.88%	698
748	3,357,196	12,227,804	0.80%	587
789	2,501,738	14,174,262	0.94%	671
1,121	2,813,226	20,184,065	1.19%	984
1,256	8,420,263	17,711,818	1.04%	851
935	5,171,905	14,570,863	0.81%	690
1,102	4,456,461	19,794,252	1.01%	900
986	4,772,799	17,034,565	0.80%	765
1,071	5,399,895	18,595,307	0.81%	830

As of December 31, 2020

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Overlapping debt:			
Anoka County	\$61,405,000	6.1%	\$3,764,510
ISD 12	88,547,738	43.1%	38,189,664
ISD 624	324,205,000	3.1%	10,028,252
ISD 831	161,160,000	7.1%	11,363,427
Metropolitan Council	1,688,625,662	0.6%	9,611,081
Anoka County Railroad Authority	20,280,000	6.1%	1,243,291
Total overlapping			74,200,225
City of Lino Lakes direct debt	24,132,152	100%	24,132,152
Total direct and overlapping debt			\$98,332,377

<sup>\*</sup>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.

Sources: taxable value data used to estimate applicable percentages provided by the County Property Appraiser. Debt outstanding data provided by each governmental unit.

Market value	\$2,384,497,900
Applicable percentage	3%
Debt limit	71,534,937
Debt applicable to limit:	
Total bonded debt	24,132,152
Less:	
Special assessment bonds	(1,805,000)
Tax abatement bonds	(870,000)
Tax increment bonds	(1,020,000)
Utility revenue bonds	(7,220,000)
	13,217,152
Legal debt margin	\$58,317,785

**Legal Debt Margin Calculation for Fiscal Years 2011 Through 2020** 

Fiscal		Debt	Net Debt Applicable to	Legal Debt	Amount of Debt Applicable to	Net Debt Applicable to Limit
Year	Population	Limit	Limit	Margin	Debt Limit	Per Capita
2011	20,505	54,123,645	2,961,000	51,162,645	5.47%	144
2012	20,625	49,213,676	4,591,000	44,622,676	9.33%	223
2013	20,833	45,595,717	4,280,000	41,315,717	9.39%	205
2014	21,129	45,297,635	4,191,000	41,106,635	9.25%	198
2015	20,519	50,830,982	11,941,250	38,889,732	23.49%	582
2016	20,803	50,978,666	10,122,081	40,856,585	19.86%	487
2017	21,117	54,252,514	10,426,243	43,826,271	19.22%	494
2018	22,000	58,794,783	14,497,838	44,296,945	24.66%	659
2019	21,650	65,496,045	13,637,314	51,858,731	20.82%	630
2020	22,410	71,534,937	13,217,152	58,317,785	18.48%	590

Fiscal Year	(1) Population	(2) Personal Income (thousands of dollars)	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2011	20,505	\$831,170	\$40,535	6,426	5.9%
2012	20,625	857,753	41,588	6,421	5.6%
2013	20,833	879,903	42,236	6,392	4.5%
2014	21,129	917,252	43,412	6,410	3.4%
2015	20,519	934,764	45,556	6,371	3.3%
2016	20,803	975,682	46,901	6,473	3.9%
2017	21,117	1,028,123	48,687	6,500	3.1%
2018	22,000	1,094,205	51,258	6,558	3.9%
2019	21,650	1,131,213	52,250	6,641	3.2%
2020	22,410	Not available	Not available	6,654	4.8%

#### Sources:

- (1) Estimates from Metropolitan Council, except for 2010 which is per the U.S. Census and 2016 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 website (audit report).
- (4) Information from MN Department of Employment and Economic Development. Anoka County statistics used as local information is unavailable.

Current Year and Nine Years Ago

		2020				
Employer	Employees	Rank	Percentage of Total City Employment <sup>(1)</sup>	Employees	Rank	Percentage of Total City Employment <sup>(1)</sup>
State of Minnesota Corrections	478	1	26.1%	432	1	24.0%
ISD 12 - Centennial Schools	391	2	21.4%	362	2	20.1%
Target Corporation	200	3	10.9%	260	3	14.4%
Molin Concrete Products	130	4	7.1%	120	6	6.7%
Rehbein Transit, Inc.	130	5	7.1%	100	8	5.6%
Anoka County Juvenile Center	130	6	7.1%	86	9	4.8%
Kohls	123	7	6.7%	121	5	6.7%
Distribution Alternatives	120	8	6.6%	-	_	-
City of Lino Lakes	67	9	3.7%	-	_	-
Northern Wholesale	61	10	3.3%	-	-	-
Curtis 1000 (AdGraphics/Taylor Corp)	-	_	-	130	4	7.2%
YMCA	-	-	-	120	7	6.7%
Nol-Tech Systems, Inc.		-	-	70	10	3.9%
Total	1,830			1,801		

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

Source: City of Lino Lakes Official Statements and employer surveys

## CITY OF LINO LAKES, MINNESOTA

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

		1 1	yees as of December 3	
	2011	2012	2013	2014
General Government:				
Administration	3.50	3.50	3.50	3.50
Seniors	-	-	-	-
Finance	3.00	3.00	3.00	3.00
Economic Development	1.00	1.00	-	-
Planning	1.00	1.00	1.00	1.00
Community Development	2.00	2.00	2.00	2.00
Building	-	-	-	-
Other	0.70	0.70	0.70	0.70
Total General Government	11.20	11.20	10.20	10.20
Public Safety:				
Sworn Officers	25.00	25.00	25.00	25.00
Civilians	4.00	3.00	3.00	4.00
Fire	-	-	-	1.00
Building Inspection	2.50	2.50	2.50	2.00
Total Public Safety	31.50	30.50	30.50	32.00
Public Works:				
Streets	7.00	7.00	7.00	7.00
Other	1.00	1.00	1.00	1.00
Total Public Works	8.00	8.00	8.00	8.00
Parks, Recreation and Forestry	9.00	9.00	8.70	8.70
Water	2.15	2.15	2.30	2.30
Sewer	2.15	2.15	2.30	2.30
Total	64.00	63.00	62.00	63.50

Source: City Finance Office

2015	2016	2017	2018	2019	2020
3.50	4.00	4.00	4.00	4.00	4.00
-	-	-	-	-	-
3.00	3.50	3.50	3.50	3.50	3.10
-	-	-	-	-	-
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
-	-	-	-	-	-
0.70	0.65	0.65	0.65	0.65	0.625
10.20	11.15	11.15	11.15	11.15	10.73
26.00	27.00	27.00	27.00	27.00	27.00
4.00	4.50	4.50	4.00	4.00	4.00
1.00	1.50	1.50	1.50	1.50	1.50
2.00	2.50	2.50	2.50	3.50	3.50
33.00	35.50	35.50	35.00	36.00	36.00
7.00	6.50	6.65	6.65	6.65	6.50
1.00	1.50	1.50	1.50	1.50	1.50
8.00	8.00	8.15	8.15	8.15	8.00
8.70	7.75	7.90	6.90	6.90	5.78
2.30	2.30	2.70	3.20	3.20	3.25
2.30	2.30	2.70	3.20	3.20	3.25
(4.50	(7.00	69.10	(7.60	(0, (0,	(7.00
64.50	67.00	68.10	67.60	68.60	67.00

	2011	2012	2013	2014
General Government:				
Elections	1	2	1	2
Registered voters	11,705	13,478	12,020	12,610
Number of votes cast	4,314	11,546	1,575	7,854
Voter participation (registered)	36.9%	85.7%	13.1%	62.3%
Public Safety:				
Police:				
Calls for Service	6,384	6,344	6,210	6,281
Traffic Citations & Warnings	2,604	2,694	2,597	2,296
Part I Crime Rate	1,117	983	918	631
Part II Crime Rate	2,911	2,396	2,144	1,836
Police:				
Case Numbers Generated				
Avg Response Time (Emergency & Non-Emergency)				
Part I Crime Offenses				
Part II Crime Offenses				
Group A				
Group B				
Clearance Rate				
Fire:				
Fire Call Load				
Fire Property Loss				
Fire Property Saved				
Fire Inspections				
Inspections:	450	450	400	42.1
Building Permits (1) (2)	452	459	490	431
Value of Building Permits Other Permits	\$11,192,264	\$10,751,626	\$17,683,665	\$13,535,514
Public Works:				
General Maintenance (hours)	7,416	6,939	3,994	5,200
Street Mantenance (hours)	4,352	5,926	5,740	3,840
Fleet Maintenance (hours)	4,214	3,945	4,548	4,746
Snow Plowing/Sanding (hours)	1,534	594	1,639	2,141
Culture and Recreation:				
Parks				
Park Maintenance (hours)	9,813	9,739	8,480	8,537
Utilities:				
Water Maintenance (hours)	3,568	3,585	3,119	3,189
Sanitary Sewer Maintenance (hours)	3,557	3,517	3,109	3,178

<sup>(1) 4,337</sup> and 581 repair permits issued in 2008 - 2009, respectively, due to storm damage.

Source: Various City Departments

<sup>(2)</sup> Increase in permits issued - June 2017 storm damage.

<sup>(3)</sup> The Public Safety Department modified the metrics maintained for business purposes in 2016. Those changes are reflected in the 2016-2018 Operating Indicators.

<sup>(4)</sup> Transition to FBI Uniform Crime Reporting NIBRS (National Incident Based Reporting System) in 2019. January -July 2019 SRS, August-Dec 2019 NIBRS.

2015	2016	2017	2018	2019	2020
1	2	1	2	1	4
12,143	13,636	12,624	12,860	13,312	14,964
4,085	11,562	2,165	10,738	3,075	13,505
33.6%	84.8%	17.1%	83.5%	23.1%	90.2%
6,210	6,210	(3)	(3)	(3)	(3)
2,199	2,199	(3)	(3)	(3)	(3)
1,226	1,091	(3)	(3)	(3)	(3)
2,395	3,635	(3)	(3)	(3)	(3)
	16,321	18,199	14,487	13,973	13,214
	5:26 minutes	4:42 minutes	5:16 minutes	5:53 minutes	6:41 minutes
	224	176	195	93 (4)	(4)
	746	808	587	304 (4)	(4)
				266 (4)	778
				98 (4)	217
	73%	82%	69%	60%	48%
	269	316	356	379	371
	\$694,000	\$325,100	\$205,200	\$246,600	\$241,450
	\$10,511,300	\$6,342,100	\$1,791,500	\$7,548,100	\$13,682,450
	53	117	107	98	60
654	761	5,422	3,281	1,107	882
\$26,570,593	\$53,390,619	\$50,984,047	\$50,990,945	\$41,766,531	\$51,686,278
	880	985	1,023	1,183	1,254
7,839	5,534	6,313	420	7,420	5,407
3,347	4,053	3,765	12,418	4,328	4,317
4,322	4,437	3,785	2,648	3,504	3,390
4,322 754	960	928	2,048	2,130	1,232
/34	900	728	2,117	2,130	1,232
8,332	9,698	8,576	9,027	9,610	8,113
3,240	3,539	3,278	4,080	3,944	3,645
3,240	3,539	3,278	4,080	3,944	3,645
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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	12	12	12	12	12	12	12	12	12
Fire:										
Stations	1	1	1	1	2	2	2	2	2	2
Fire Trucks	5	5	5	5	7	7	8	8	8	8
Public Works:										
Lights	673	673	673	673	673	815	838	854	859	859
Vehicles	29	29	29	29	29	39	39	39	39	39
City Streets (miles)	100.7	100.7	100.7	100.7	100.7	100.7	100.7	106.9	108.2	104.6 (1)
Culture & Recreation:										
Parks:										
Parks	18	18	18	18	18	17	18	19	19	19
Park Acres	141	141	141	141	141	139.6	147	152	152	152
Asphalt Trails (miles)	26	26	26	26	26	29.75	30	30	30	28 (2)
Concrete Trails (miles)	-	_	-	-	_	_	-	-	-	7(2)
Boardwalk (miles)	-	_	-	-	_	_	-	-	-	0(2)
Park Shelters	6	6	6	6	6	6	6	7	7	` <del>´</del>
Basketball Courts	6	6	6	6	6	6	6	7	7	7
Fishing Pier	1	1	1	1	1	1	-	-	-	_
Skating Rinks	4	4	4	4	4	4	3	3	3	3
Soccer Fields	8	8	8	8	8	6	4	4	4	4
Baseball/Softball Fields	20	20	20	20	20	8	8	8	8	8
Tennis Courts	2	2	2	2	2	2	-	-	1	1
Playgrounds	16	16	16	16	16	15	16	17	17	17
Water:										
Distribution System (miles)	74.7	74.7	74.7	74.7	74.7	85.6	99.4	89.0	89.5	91.8
Water Connections	4,424	4,452	4,484	4,520	4,542	4,649	4,738	4,919	4,990	5,175
Gallons Pumped (millions)	492	609	536	536	449	452	494	508	493	547
Number of Fire Hydrants	538	538	538	538	1,024	1,024	1,028	942	937	1,013
Water Tower Capacity (millions gallons)	2	2	2	2	2	2	2	2	2	2
Sanitary Sewer:										
Collection System (miles)	69.8	69.8	69.8	69.8	77.9	77.9	87.0	79.5	80.1	80.1
Sewer Connections	4,567	4,567	4,624	4,685	4,685	4,817	4,976	5,102	5,276	5,439
Storm Sewer:										
Pipe (miles)	41.4	41.4	41.4	41.4	41.4	53.7	54.1	55.0	55.6	49.86 (1)

Source: Various City Departments

<sup>(1)</sup> Decrease due to reclassification of ownership.

 $<sup>(2)</sup> In \ 2020, trails \ were \ broken \ out \ between \ asphalt \ trail, concrete \ sidewalk, and \ boardwalk.$