



Minnesota

**Annual Comprehensive
Financial Report**

For the Year Ended December 31, 2022

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CITY OF ST. FRANCIS, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

DARCY MULVIHILL - FINANCE DIRECTOR

**PREPARED BY THE
DEPARTMENT OF FINANCE**

Member of the Government Finance Officers' Association
of the United States and Canada

City of St. Francis, Minnesota
Annual Comprehensive Financial Report
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INTRODUCTORY SECTION

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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May 9, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of the City of St. Francis:

The annual comprehensive finance report (ACFR) of the City of St. Francis (the City) for the fiscal year ended December 31, 2022, is hereby submitted. Minnesota Statutes and the City Charter require the preparation of audited financial statements by the state auditor or a certified public accountant within 180 days after the close of the fiscal year. The accompanying financial statements have been audited by the firm of Abdo, independent certified public accountants.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City 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's financial statement in conformity with generally accepted accounting principles (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 of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Abdo has issued an unmodified (clean) opinion on the City of St. Francis's financial statements for the year ended December 31, 2022. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the City

St. Francis was originally known as the “Village of Otona” and was established in 1855 along the Rum River with a dam, grist, and a saw mill. The town was formally established as St. Francis in 1857. The Post Office was the first commercial building constructed in 1866, and in that year the Creamery Association was also built. Two other buildings were constructed during this period and still exist today: The Rum River Inn and the H.G. Leathers House. Both of these buildings are also listed on the National Register of Historic Places.

During the late 1960’s, St. Francis began to attract more residents and over the next few decades grew significantly. The community was incorporated in 1974, and with the assistance of a loan from the U.S. Department of Agriculture – Farmer’s Home Administration, the City constructed and began operating a municipal sewer and water system. These systems attracted quality development into the area. By 1980, the population had grown from 897 to 1,184 and by 1990, the population had grown 117% to reach a total of 2,538 residents. Growth continued through the 1990s and has been particularly dramatic in the past years. Today, the population is approximately 8,292. Its small-town character, its schools and accessible location has attracted and continues to attract new residents, particularly young families.

St. Francis is a home rule charter city. Minnesota has two basic types of cities – home rule and statutory – which influence cities’ organization and powers. The difference is the type of enabling legislation from which the municipality gains its authority. Home rule charter cities obtain their powers from a locally enacted home rule charter which is essentially a city constitution. Statutory cities get their power from Chapter 412 of Minnesota Statutes. Home rule charter cities can exercise any powers in their locally adopted charters as long as there’s no conflict with state law. Conversely, charter provisions can specifically restrict the powers of a city.

St. Francis operates under the Council/Administrator form of government. An elected City Council sets the policy and overall direction for St. Francis. Then city staff, under the direction of a city administrator, carries out council decisions and provides day-to-day city services. The city administrator is accountable to the City Council.

The City Council consists of a Mayor and four Council Members elected at-large. City elections are held in even numbered years, with the Mayor serving a two-year term and all Council Members serving four-year terms.

The City of St. Francis provides a full range of services. The general governmental functions include police and fire protection, street maintenance, engineering, planning and zoning, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: water, sewer and a municipal liquor store.

One of the most important activities undertaken each year by the City is the budget process. The quality of decisions made in the budget process conveys the City's long-range plans and policies for current and future services and programs. The budget is a financial, planning, and policy document which reflects the allocation of limited revenue among competing uses and serves as a guide for the various departments in implementing their goals and objectives.

Department heads receive preliminary budget guidance from the City Administrator, with direction from the Mayor and Council. Each department is responsible for submitting the proposed budgets for their respective programs in June. The City Administrator and Finance Director meet individually with each department head to discuss the department's budget submittal, and changes are made, either increases or decreases, to accommodate the overall budget picture. Following the individual meetings, budget workshops are held with the City Council. The submittal of the Proposed Budget is followed by a series of public presentations to the City Council that are designed to give the Council and citizens an overview of the Budget, and to prepare the Council in making informed budget decisions. The final document is adopted in December following the required public hearings.

Local Economy

The City of St. Francis is located in the northernmost section of Anoka County, 12 miles north of Anoka and approximately 30 miles northwest of Minneapolis. The community can be accessed in a north southerly direction by State Trunk Highway 47 and County Road 24 in an east westerly direction. The City occupies approximately 24 square miles, has an estimated population of 8,292 and approximately 2,939 households.

St. Francis is served by Independent School District #15. They serve the communities of St. Francis, East Bethel, Bethel, Oak Grove, Andover, Athens, Nowthen and Stanford. The school district offices as well as the bus garage and several of the school buildings are located within the City limits.

Anoka County has an annual average unemployment rate for 2022 of 3.2%. During the past ten years the unemployment rate was at a high in 2013 of 5.6% to 2019 being the low at 3.1%

The majority of the tax base in St. Francis is residential property. The City has designated sites through its comprehensive plan and recently purchased property on the main highway through the City for development of commercial and industrial sites. The Council continues to discuss water and sewer growth areas north along State Trunk Highway 47.

During this same ten-year period, revenues generated by taxes and special assessments have increased the most not only in amount, but also as a percentage of total revenues. The revenue generated by taxes and assessments has dropped from \$3,072,588 in 2012 to \$4,745,208 in 2022. Its percentage of total revenue in 2013 was 74% and in 2022 was 57%.

Long-term Financial Planning

Unreserved fund balance in the general fund (62.1% of total general fund expenditures) meets the state auditor recommended guidelines of 35%-50%. The goal of the City Council is to establish an unreserved fund balance in the General Fund that is equivalent to forty percent (45%) of general fund expenditures. The 2023 budget reflects current policy and is keeping the fund balance to 64.4% of expenditures.

Annually the City of St. Francis prepares a five-year capital improvement plan in an attempt to anticipate major capital expenditures in advance of the year in which they are budgeted. The purpose of the CIP is to a) identify capital expenditures which are anticipated to be requested over a five-year period; b) determine a source of funding for the requests; and c) provide an opportunity for long term planning.

Relevant Financial Policies

The City has established a comprehensive set of financial polices for use as a guideline during the budget process. One of the policies deals with unpredictable revenues. The City uses a conservation approach in making ongoing revenue assumptions by utilizing growth patterns and knowledge of the developing areas. The City shall budget unpredictable revenues lower than the revenue assumption or anticipated collection.

Major Initiatives for the Year

Below is a description of strategic goals, action plans/strategies for accomplishing these goals, priorities for the coming year, actions taken to address these priorities, and a description of the long-range financial plans and assumptions used. These goals/priorities and financial plans were developed through a series of meetings with the City Council and various work sessions over a number of years:

- 1) Provide high quality services to residents in a cost-effective manner. The 2023 Budget provides an increased service level at nearly the same cost to the tax base of St. Francis as the 2022 Budget. The city was able to make administration and city services more available electronically. This includes but is not limited to promoting electronic payments; processing documents electronically which is more efficient and cost effective; holding virtual meetings which provides greater opportunity for attendance; and enhancing community outreach electronically via platforms such as the website and electronic permitting.
- 2) Provide residents in St. Francis with high quality public safety services. The 2023 Budget provides for an enhanced level of public safety. The fire chief continues an expanded role through the City's partnership for Fire Management Services with the City of Nowthen. The expanded Fire relationship with the City of Nowthen has created a more regional and expanded view of the Fire services in northern Anoka County. The city has also begun conversations with the City of Bethel on fire department support. The department continues to expand policies to enhance the roles of the fire department for additional EMS responses. The City of St. Francis is committed to filling policing vacancies and ensuring Officers and staff continue education and enhanced training opportunities. Public engagement continues to be a high priority with residents of the city and participating in the local school district.
- 3) Manage responsible growth and promote the enhancement of commercial services to residents. The 2023 Budget continues the city's commitment to responsible growth and managing the city's growth to reinvest in commercial areas within the city. Through the St. Francis Forward (re)Development Plan the City has identified both the Bridget Street Corridor and Highway 47 as strategic areas for reinvestment. The City contributes to a Building Capital Improvement Fund to build up funds for a new City Hall/Fire Station located on Bridge Street. This will enhance the usability of the area and provide for more concentration of people within that business district. Within the two strategic areas we strive to complete smart growth through safe access, job creation and retail and commercial choices. The city is also committed to increasing the residential growth in the area. The city, through the Community Development Department of the city – has promoted and facilitated several residential developments that continue to grow the population of the City of St. Francis. These include Rivers Edge, Bluffs of Rum River and Turtles development along with a senior living facility along Highway 47.
- 4) Continue to review and analyze water/sewer rates within the city. The City's commitment to growth has a direct impact on the water/sewer rates by increasing the number of users, rates can effectively be reduced

through WAC/SAC and additional monthly billings. The city continues to promote residential and commercial growth which has a direct impact on the rate users. The comprehensive water meter replacement in 2021 allowed for the city to more accurately bill and track water usage per property. The city is also exploring partnerships with neighboring cities to have some of their developments connect to our city water and sewer system.

- 5) Provide residents with high levels of public park space and recreational activities. The city has obtained and planned for a matching grant from the DNR to install a nearly \$480,000 park improvement in the in the Rivers Edge Development. This will help enhance the city's park system as well as provide recreational opportunities such as basketball and trails for the residents of St. Francis. This Park was constructed in 2022. The city also completed a comprehensive park system plan in 2022 guiding projects and opportunities for the 2023 budget and future funding.
- 6) The City uses a variety of tools for long range financial planning:
 - A) Capital Purchasing Software – the city uses capital purchasing software to plan for and track upcoming capital acquisitions. The forecasted purchases include a nominal price adjustment for annual anticipated increases in pricing. The city contributes to the capital fund annually and reviews the contributions annually to determine an adequate level of contributions.
 - B) The City has a robust road inventory and assessment program that analyzes the street conditions every year to plan out 5 years for road improvements. This provides the city with long-term planning for road projects and an annual nominal price adjustment is included in the estimates.
 - C) The City monitors the growing tax base every year. The City accounts for increases in development and property values to determine the appropriate amount to adjust the tax levy. This annual review allows the city to monitor the tax revenue in relation to the growing tax base and additional strains that new development has on the city. This also helps the city adjust the levy appropriately for any cost-of-living adjustment costs that the city incurs.

D) The city has analyzed the cost of replacement and improvement to the City's building assets. The City has taken active steps to set aside portions of the property tax levy every year to ensure adequate funding for these city assets.

E) The city has also forecasted the amount of growth it can expect over the coming years. Between the Met Council estimates and the city's own land use inventory- a snapshot is provided of the amount of growth the city can expect in the mid to long term. This helps to plan financially for what the city can expect as far as future revenues and tax base increases.

Below are some additional descriptions and highlights of the 2023 Budget:

Development and Redevelopment: The city has adopted a comprehensive Development/Redevelopment plan for the two primary commercial corridors in the City. The St. Francis Forward Plan strategically analyzes the land use options and implementation for development/redevelopment in the Highway 47 and Bridge Street commercial corridors. The plan strongly focuses on these commercial areas located within the MUSA. Sequential steps to implement these development strategies are provided within the plan and the city will be working towards this implementation and documenting the progress.

Building Activity: The city has had a major increase in new residential home permitting over the last few years. The increased building activity has required the city to focus on proper infrastructure and workload management. This focus has allowed the city to properly accommodate the high level of development within the city.

Utility services: The city has also been closely examining the Municipal Urban Service Area (MUSA) to properly stage growth within the community. The city is working to complete the comprehensive planning process with clearly identified MUSA expansion.

Technological Upgrades: The increased building activity has also substantially increased the workload of processing city business. Staffing coupled with technological upgrades, has allowed the City to process this increased activity and accommodate the needs of and additional stresses development brings to city services. In addition to processing city business, upgrades to the city's website have allowed for more citizen engagement and easier searching for residents who are seeking information.

Public Safety: The 2023 budget also illustrates the City's commitment to addressing Public Safety. The 2023 Budget has significant investments in the Police and Fire operations. These departments continue to see support for their operations to ensure the City of St. Francis is a safe community.

Major Initiatives for the Future

The City created the St. Francis Economic Development Authority in 2011. Utilizing the power of this Authority will give the city another tool to encourage economic growth. A community development director was hired in 2015.

The City is experiencing increased building activity and economic growth. The city has a number of development related activities that are in the foreseeable future. These development projects include but are not limited to:

- A major 220-unit residential subdivision on Rum River Boulevard is progressing through the approval process.
- A senior housing complex in addition to commercial development has received land use approvals for development in the core commercial area.
- The City continues to explore the redevelopment opportunities for the City's land located on Bridge Street along the Rum River.
- The City has conducted market studies to determine the viability of various commercial development within the City.
- The City has enhanced its developer outreach and marketing activity.

The City has completed an overhaul of the Street Maintenance Program. The Program will proactively track condition ratings of streets, schedule appropriate projects to maintain the streets, and fund these maintenance projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Francis for its comprehensive annual financial report for the year ended December 31, 2021. This was the 11th year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report (ACFR) meets the program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility.

The City received the GFOA Award for the Distinguished Budget Presentation for the City budget for the fiscal year beginning January 1, 2022. It was the 13th consecutive year the City has received the award for the document.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance staff and cooperation of all city departments. We wish to express our appreciation to all city staff for their dedicated service and high level of professionalism. Credit also must be given to the Mayor and City Council Members for their continued support for maintaining the highest standards of professionalism in the management of the finances of the City of St. Francis.

Respectfully submitted,

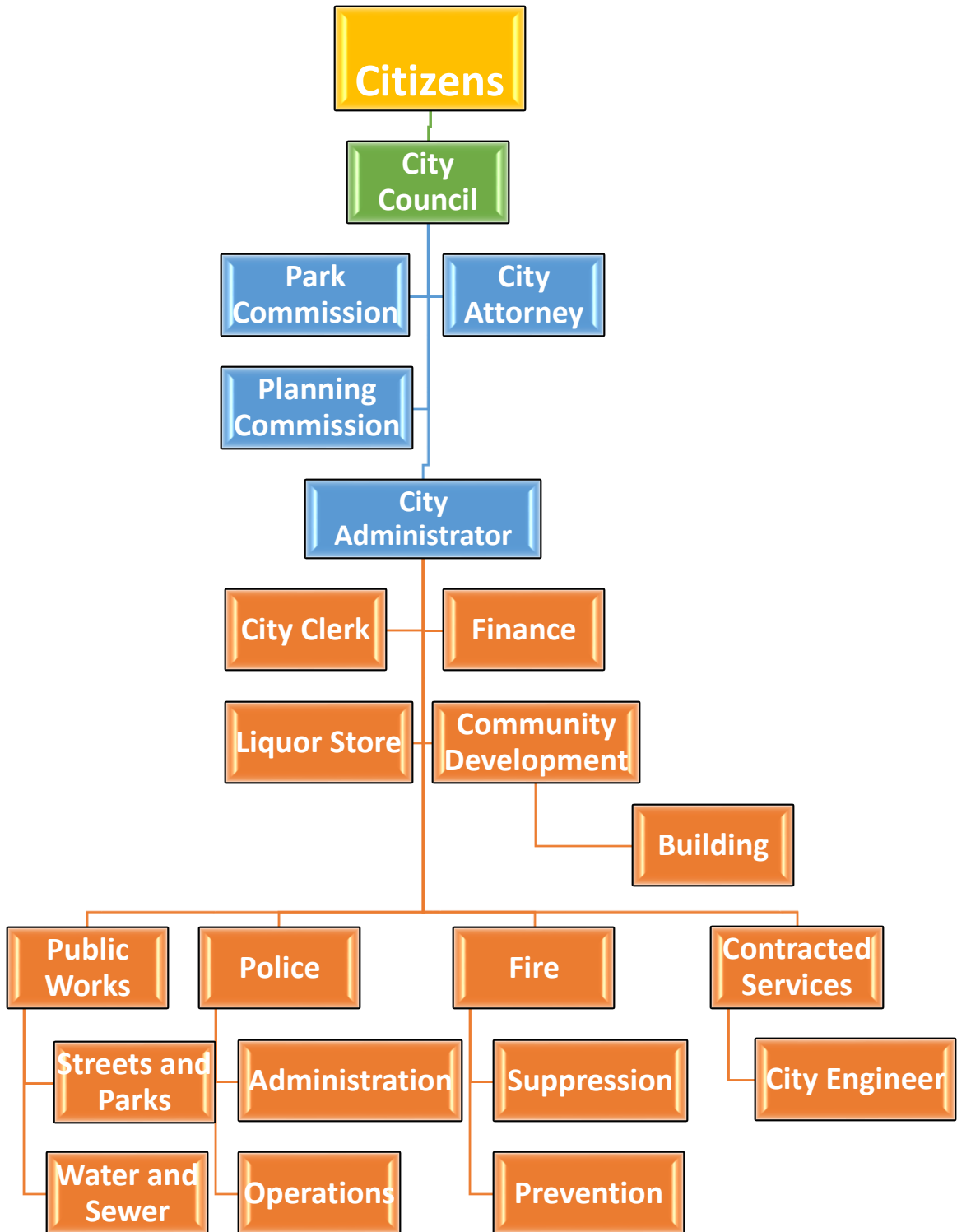


Kate Thunstrom
City Administrator



Darcy Mulvihill
Finance Director

ORGANIZATIONAL CHART



City of St. Francis, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2022

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Feldman	Mayor	12/31/2024
Kevin Robinson	Council Member	12/31/2026
Joe Muehlbauer	Council Member	12/31/2024
Sarah Udvig	Council Member	12/31/2026
Robert Bauer	Council Member	12/31/2024

APPOINTED

<u>Name</u>	<u>Title</u>
Kate Thunstrom	City Administrator
Jenni Wida	City Clerk
Darcy Mulvihill	Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of St. Francis
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION
CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of St. Francis, Minnesota

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of governmental activities, the business-type activities, discretely presented component unit, each major fund and the aggregate remaining fund information of the City of St. Francis, Minnesota (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Change in Accounting Principle

As described in Note 8 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 87, Lease, for the year ended December 31, 2022. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 27 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related notes disclosures, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios starting on page 90 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.



Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
May 9, 2023



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Management's Discussion and Analysis

As management of the City of St. Francis, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022.

Financial Highlights

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased as shown in the summary of changes in net position table on the following pages. The main reason for the increase was an excess of revenues over expenses.
- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to intergovernmental revenues and tax revenue in excess of current year capital expenses. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.
- The unassigned fund balance in the General fund, as shown in the financial analysis of the city's funds section, decreased from prior year.
- The City's total bonded debt decreased during the current fiscal year. This was mainly due regularly scheduled principal payments as shown on the outstanding debt table.

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 supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

Figure 1
Required Components of the
City's Annual Financial Report

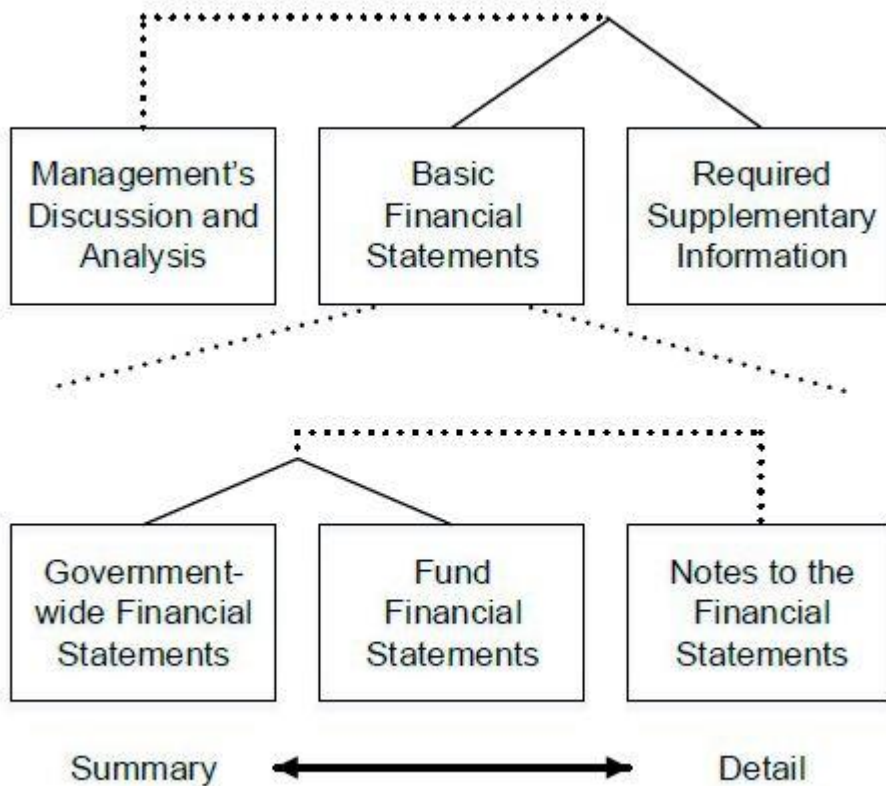


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works (streets and highways), culture and recreation, community development, miscellaneous and interest on long-term debt. The business-type activities of the City include water, sewer, and a municipal liquor store.

The government-wide financial statements start on page 41 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 government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and Street Improvement fund, which are considered to be major funds. 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 or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 46 of this report.

Proprietary Funds. *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, liquor store and storm water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 52 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 start on page 59 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 90 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 98 of this report.

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 at the close of the most recent fiscal year as shown in the Summary of Net Position below.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are 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 St. Francis's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Assets						
Current and other assets	\$ 10,209,629	\$ 8,744,114	\$ 1,465,515	\$ 8,747,567	\$ 9,772,551	\$ (1,024,984)
Capital assets	18,545,413	17,038,404	1,507,009	41,621,708	43,016,249	(1,394,541)
Total Assets	28,755,042	25,782,518	2,972,524	50,369,275	52,788,800	(2,419,525)
Deferred Outflows of Resources						
Deferred pension resources	3,479,364	2,093,796	1,385,568	188,909	250,091	(61,182)
Deferred charge on refunding	216,441	233,757	(17,316)	-	-	-
Total Deferred Outflows	3,695,805	2,327,553	1,368,252	188,909	250,091	(61,182)
Liabilities						
Noncurrent liabilities outstanding	11,183,664	7,842,160	3,341,504	22,323,111	23,463,986	(1,140,875)
Other liabilities	1,517,853	1,284,212	233,641	377,287	515,811	(138,524)
Total Liabilities	12,701,517	9,126,372	3,575,145	22,700,398	23,979,797	(1,279,399)
Deferred Inflows of Resources						
Deferred pension resources	126,196	2,540,159	(2,413,963)	20,943	311,577	(290,634)
Deferred lease resources	1,791,036	-	1,791,036	-	-	-
Total Deferred Inflows	1,917,232	2,540,159	(622,927)	20,943	311,577	(290,634)
Net Position						
Net investment in capital assets	13,107,561	11,182,725	1,924,836	20,021,708	20,319,926	(298,218)
Restricted	1,171,931	713,596	458,335	309,885	243,905	65,980
Unrestricted	3,552,606	4,547,219	(994,613)	7,505,250	8,183,686	(678,436)
Total Net Position	\$ 17,832,098	\$ 16,443,540	\$ 1,388,558	\$ 27,836,843	\$ 28,747,517	\$ (910,674)
Net Position as a Percent of Total						
Net investment in capital assets	73.5 %	68.0 %		71.9 %	70.7 %	
Restricted	6.6	4.3		1.1	0.8	
Unrestricted	19.9	27.7		27.0	28.5	
	100.0 %	100.0 %		100.0 %	100.0 %	

An additional portion 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* may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole.

Governmental Activities. Governmental activities increased the City's net position. Key elements of the changes are as follows:

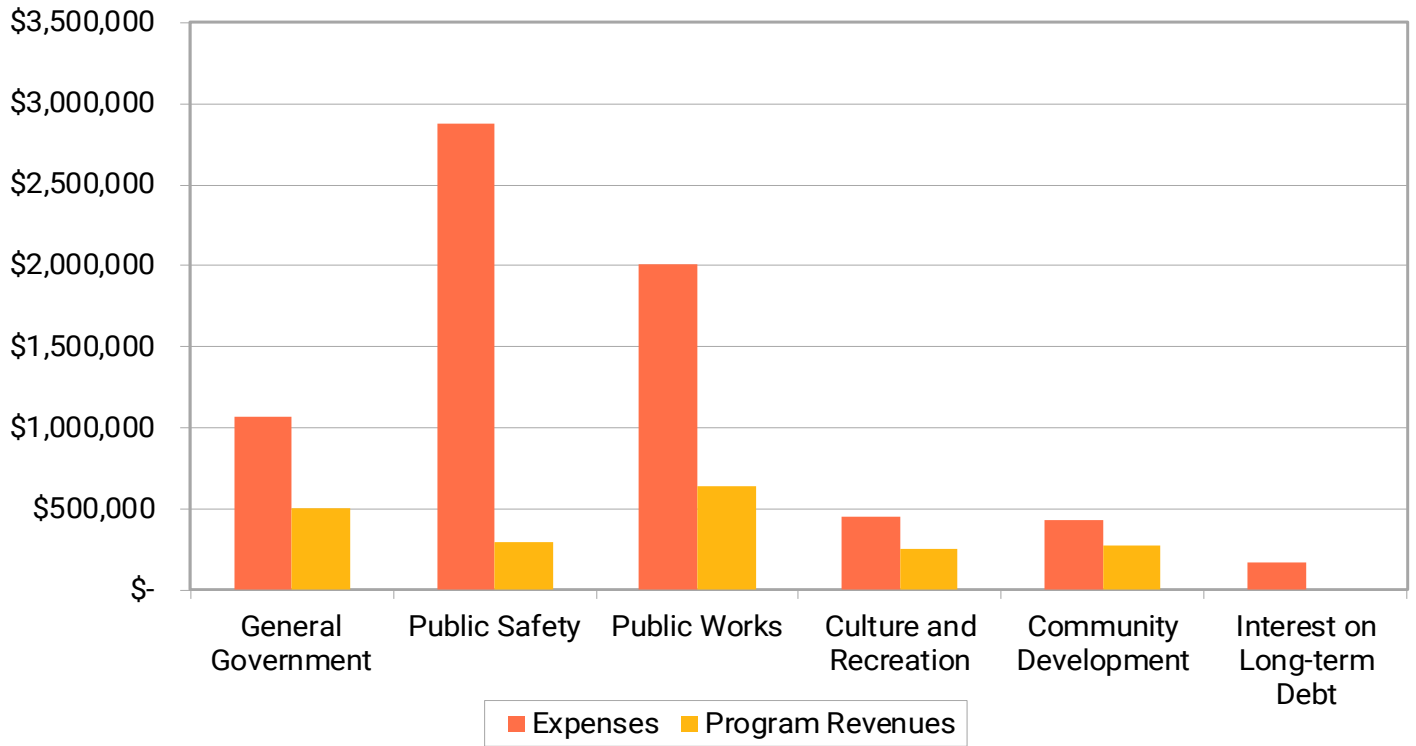
City of St. Francis's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 721,334	\$ 758,380	\$ (37,046)	\$ 6,680,216	\$ 6,237,856	\$ 442,360
Operating grants and contributions	995,654	408,163	587,491	2,657	2,145	512
Capital grants and contributions	252,795	748,612	(495,817)	204,847	517,503	(312,656)
General Revenues						
Taxes						
Property taxes	4,747,168	4,245,519	501,649	-	-	-
Grants and contributions not restricted to specific programs	570,733	573,553	(2,820)	-	-	-
Unrestricted investment earnings	(222,310)	(41,044)	(181,266)	(193,872)	(34,892)	(158,980)
Miscellaneous	-	-	-	-	-	-
Gain on sale of capital assets	13,000	31,551	(18,551)	-	-	-
Total Revenues	<u>7,078,374</u>	<u>6,724,734</u>	<u>353,640</u>	<u>6,693,848</u>	<u>6,722,612</u>	<u>(28,764)</u>
Expenses						
General government	1,065,238	975,615	89,623	-	-	-
Public safety	2,876,790	2,378,478	498,312	-	-	-
Public works	2,005,902	1,475,039	530,863	-	-	-
Culture and recreation	450,620	406,609	44,011	-	-	-
Community development	426,367	491,488	(65,121)	-	-	-
Interest on long-term debt	169,928	181,183	(11,255)	-	-	-
Water	-	-	-	1,264,609	1,203,394	61,215
Sewer	-	-	-	2,017,969	1,900,337	117,632
Storm water	-	-	-	79,437	64,812	14,625
Liquor store	-	-	-	2,937,478	2,439,164	498,314
Total Expenses	<u>6,994,845</u>	<u>5,908,412</u>	<u>1,086,433</u>	<u>6,299,493</u>	<u>5,607,707</u>	<u>691,786</u>
Increase in Net Position Before Transfers	83,529	816,322	(732,793)	394,355	1,114,905	(720,550)
Transfers (Net)	<u>284,880</u>	<u>284,880</u>	<u>-</u>	<u>(284,880)</u>	<u>(284,880)</u>	<u>-</u>
Change in Net Position	1,388,558	1,101,202	287,356	(910,674)	830,025	(1,740,699)
Net Position, January 1	<u>16,443,540</u>	<u>15,342,338</u>	<u>1,101,202</u>	<u>28,747,517</u>	<u>27,917,492</u>	<u>830,025</u>
Net Position, December 31	<u>\$ 17,832,098</u>	<u>\$ 16,443,540</u>	<u>\$ 1,388,558</u>	<u>\$ 27,836,843</u>	<u>\$ 28,747,517</u>	<u>\$ (910,674)</u>

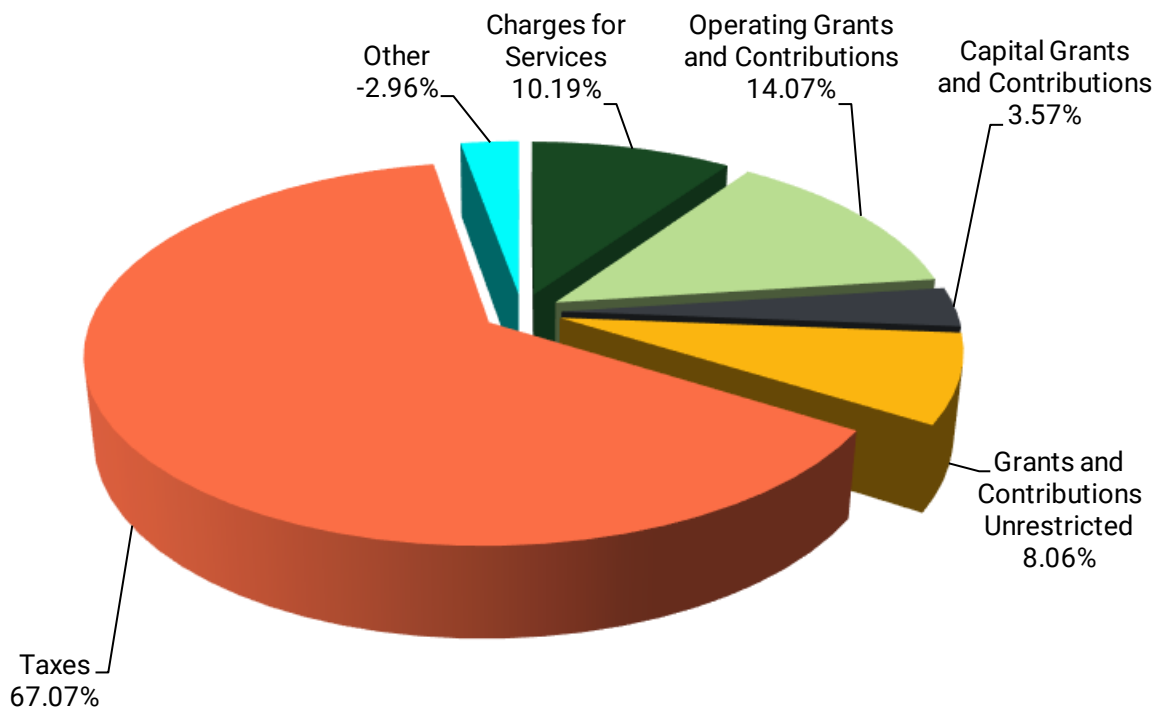
- Overall revenues increased \$353,640 from the prior year. The main reason for the increase was taxes, which increased \$501,649 from prior year.
- Expenses increased \$1,086,433 from the prior year. Public works expenses increased \$530,863 due to and public safety increased \$498,312 mainly due to pension expense resulting from the increase in pension liability and related expenses.

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenue - Governmental Activities



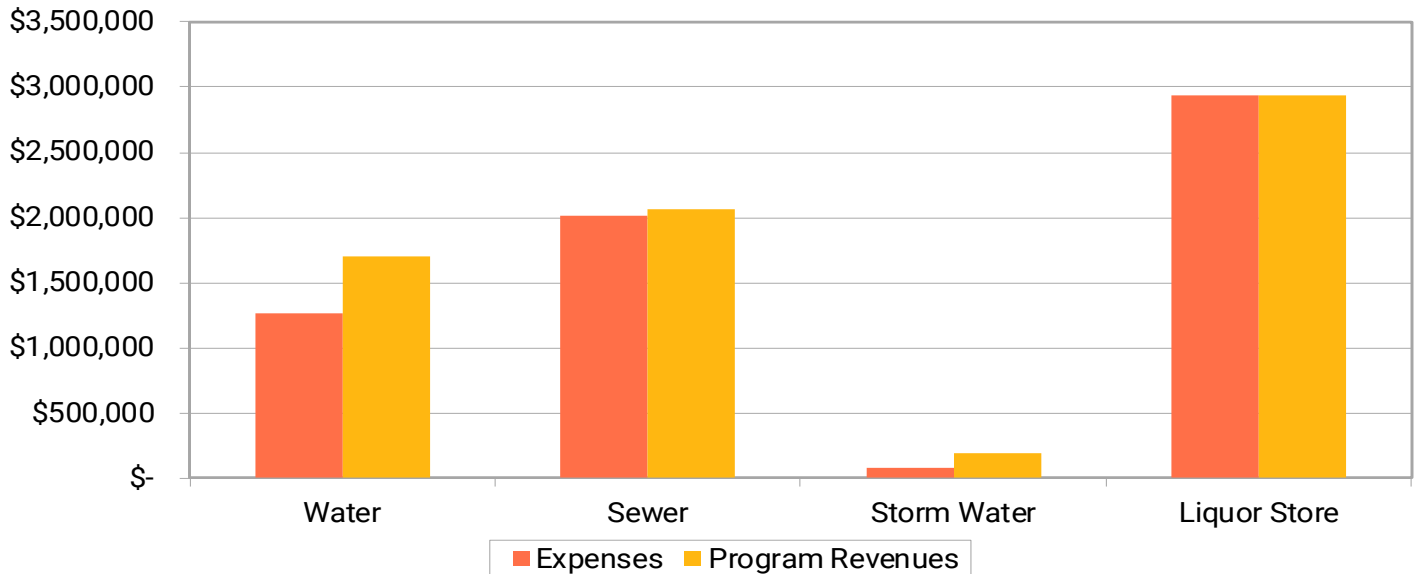
Revenue by Source - Governmental Activities



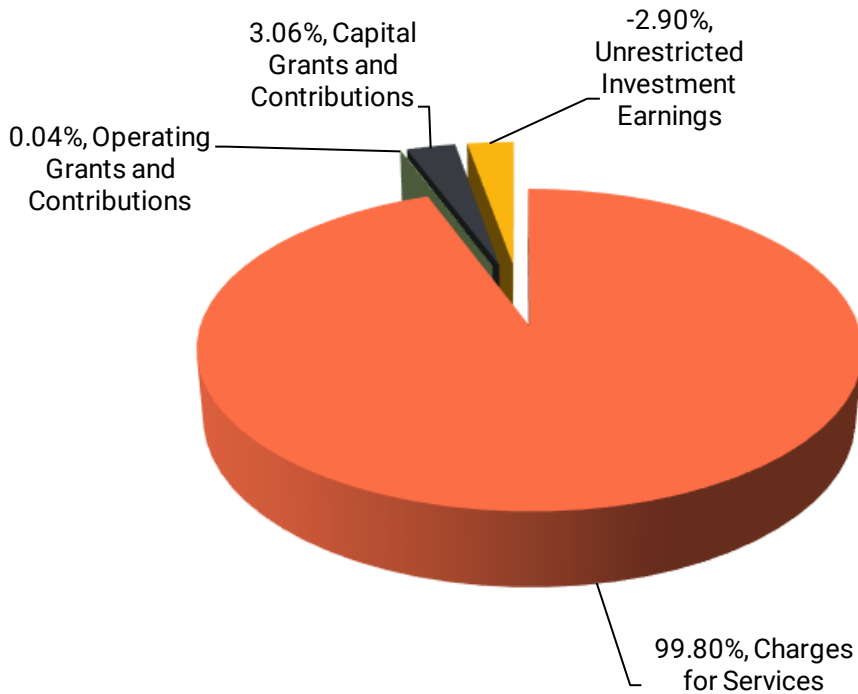
Business-type Activities. Business-type activities decreased the City's net position. Key elements of the changes are listed below:

- Overall revenues in the business-type activities decreased mainly due to a decrease in capital grants and contributions during the year.
- Overall expenses increased mainly due to increases in personal services and professional services in the Liquor Store fund.

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *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. The table below outlines the governmental fund balances for the year ending December 31, 2022.

	General Fund	Street Improvement Fund	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
und Balances						
Nonspendable	\$ 44,080	\$ -	\$ -	\$ 44,080	\$ 41,579	\$ 2,501
Restricted for	-	-	469,434	469,434	742,141	(272,707)
Assigned for	-	877,934	1,465,187	2,343,121	1,898,111	445,010
Unassigned	3,171,402	-	-	3,171,402	3,180,668	(9,266)
	<u>\$ 3,215,482</u>	<u>\$ 877,934</u>	<u>\$ 1,934,621</u>	<u>\$ 6,028,037</u>	<u>\$ 5,862,499</u>	<u>\$ 165,538</u>

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Ending Balance	Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 44,080	\$ 41,579	\$ 2,501
Unassigned	3,171,402	3,180,668	(9,266)
	<u>\$ 3,215,482</u>	<u>\$ 3,222,247</u>	<u>\$ (6,765)</u>
General Fund expenditures	\$ 4,802,482	\$ 4,742,314	
Unassigned as a percent of expenditures	66.0%	67.1%	
Total Fund Balance as a percent of expenditures	67.0%	67.9%	

The fund balance of the City's General fund decreased during the current fiscal year as shown in the table above. The decrease in fund balance was due to revenues under budget by \$80,603, offset by expenditures over budget by \$73,148.

The Street Improvement fund analysis is shown below:

	December 31, 2022	December 31, 2021	Increase (Decrease)
Street Improvement Fund	\$ 877,934	\$ 935,726	\$ (57,792)

The Street Improvement Fund decrease in fund balance during the year was due to several street projects, including the 2022 Poppy Street project and Woodbine Street project.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	Ending Net Position 2022	Ending Net Position 2021	Increase/ (Decrease)
Water	\$ 8,575,385	\$ 7,939,325	\$ 636,060
<i>The increase primarily is attributed to the collection of charges of services during the year and a capital contribution during the year.</i>			
Sewer	\$ 15,943,201	\$ 17,510,162	\$ (1,566,961)
<i>The decrease primarily is attributed to capital contributions of assets to other funds.</i>			
Liquor Store	\$ 2,070,097	\$ 2,154,669	\$ (84,572)
<i>The decrease primarily is attributed to a transfer out to the General Fund made during the year.</i>			
Storm Water	\$ 1,248,160	\$ 1,143,361	\$ 104,799
<i>The increase primarily is attributed to charges for services in excess of expenditures during the year.</i>			

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 4,816,320	\$ -	\$ 4,816,320	\$ 4,735,717	\$ (80,603)
Expenditures	4,876,320	-	4,876,320	4,802,482	(73,838)
Excess of Revenues Over Expenditures	(60,000)	-	(60,000)	(66,765)	(6,765)
Other Financing Sources (Uses) Transfers in	60,000	-	60,000	60,000	-
Net Change in Fund Balances	-	-	-	(6,765)	(6,765)
Fund Balances, January 1	3,222,247	-	3,222,247	3,222,247	-
Fund Balances, December 31	<u>\$ 3,222,247</u>	<u>\$ -</u>	<u>\$ 3,222,247</u>	<u>\$ 3,215,482</u>	<u>\$ (6,765)</u>

The City's General fund budget was not amended during the year. The budget called for a balanced budget. Actual revenues were under budget and actual expenditures were over budget during the year as shown above.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2022, is shown below in the capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- Liquor Store addition/remodel
- New fire truck
- 2022 Poppy Street project began
- Bridge Street project
- Crane truck build began

Additional information on the City's capital assets can be found in Note 3B starting on page 71 of this report.

City of St. Francis's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Land	\$ 1,992,381	\$ 1,628,251	\$ 364,130	\$ 2,359,187	\$ 2,359,187	\$ -
Construction in Progress	797,972	3,465,370	(2,667,398)	3,295	3,463,600	(3,460,305)
Land Improvements	17,287	26,026	(8,739)	-	-	-
Buildings	6,337,411	6,560,833	(223,422)	31,655,752	31,619,219	36,533
Infrastructure	7,948,322	4,195,183	3,753,139	7,019,442	4,958,298	2,061,144
Machinery and Equipment	1,452,040	1,162,741	289,299	584,032	615,945	(31,913)
Total	\$ 18,545,413	\$ 17,038,404	\$ 1,507,009	\$ 41,621,708	\$ 43,016,249	\$ (1,394,541)
Percent Increase (Decrease)			8.8%			-3.2%

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of general obligation bonds and general obligation revenue bonds as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of St. Francis's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
General Obligation Bonds	\$ 5,465,000	\$ 5,885,000	\$ (420,000)	\$ -	\$ -	\$ -
General Obligation Revenue Bonds	-	-	-	21,600,000	23,050,000	(1,450,000)
Bond Premium	189,293	204,436	(15,143)	-	-	-
Total	\$ 5,654,293	\$ 6,089,436	\$ (435,143)	\$ 21,600,000	\$ 23,050,000	\$ (1,450,000)
Percent Increase (Decrease)			-7.1%			-6.3%

The City's total debt decreased during the current fiscal year. The reason for the decrease in debt was regularly scheduled debt principal payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City currently has no outstanding general obligation debt payable solely from ad valorem taxes.

Additional information on the City's long-term debt can be found in Note 3E starting on page 73 of this report.

Economic Factors and Next Year's Budgets and Rates

The City is anticipating building activity to stay about the same. Woodhaven Mobile Home Park expanded in 2018 with new homes being added in 2019, 2020 and more in 2021. New home permits should stay about the same as 2022. There were 31 new home permits pulled in 2022, 43 new home permits pulled in 2021, 57 new home permits pulled in 2020, 57 new home permits in 2019, 66 new home permits pulled in 2017 with 38 new home permits pulled in 2016 and 28 new home permits pulled in 2015.

The city is anticipating selling \$13 million of Capital Improvement Bonds to finance a new Fire Station/City Hall. This should have construction start in Fall of 2023 with final completion in Spring of 2025.

The city is converting its financial and permitting software to BS&A Software in September of 2023.

The City's Adopted 2023 Budget includes a property tax levy of \$5,107,690 or 9.38 percent increase over the 2022 Levy.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of St. Francis, 23340 Cree Street NW, St. Francis, Minnesota 55070.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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City of St. Francis, Minnesota
Statement of Net Position
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	EDA
Assets				
Cash and temporary investments	\$ 6,876,683	\$ 7,141,886	\$ 14,018,569	\$ 40,784
Receivables				
Accrued interest	12,137	10,980	23,117	79
Taxes	70,021	-	70,021	-
Accounts	5,350	345,918	351,268	-
Special assessments	201,651	846,168	1,047,819	-
Leases	1,829,685	-	1,829,685	-
Due from other governments	612,785	40,040	652,825	-
Inventories	19,480	362,575	382,055	-
Pension asset	557,237	-	557,237	-
Land held for resale	24,600	-	24,600	-
Capital assets				
Land and construction in progress	2,790,353	2,362,482	5,152,835	-
Depreciable assets (net of accumulated depreciation)	15,755,060	39,259,226	55,014,286	-
Total Assets	<u>28,755,042</u>	<u>50,369,275</u>	<u>79,124,317</u>	<u>40,863</u>
Deferred Outflows of Resources				
Deferred pension resources	3,479,364	188,909	3,668,273	-
Deferred charge on refunding	216,441	-	216,441	-
Total Deferred Outflows of Resources	<u>3,695,805</u>	<u>188,909</u>	<u>3,884,714</u>	<u>-</u>
Liabilities				
Accounts payable	131,515	188,880	320,395	-
Contracts payable	92,369	37,018	129,387	-
Accrued salaries payable	112,877	28,368	141,245	-
Due to other governments	765	28,021	28,786	-
Accrued interest payable	68,884	95,000	163,884	-
Deposits payable	294,290	-	294,290	-
Unearned revenue	817,153	-	817,153	-
Noncurrent liabilities				
Due within one year				
Long-term liabilities	599,833	1,565,715	2,165,548	-
Due in more than one year				
Long-term liabilities	5,311,751	20,125,191	25,436,942	-
Net pension liability	5,272,080	632,205	5,904,285	-
Total Liabilities	<u>12,701,517</u>	<u>22,700,398</u>	<u>35,401,915</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred pension resources	126,196	20,943	147,139	-
Deferred lease resources	1,791,036	-	1,791,036	-
Total Deferred Inflows of Resources	<u>1,917,232</u>	<u>20,943</u>	<u>1,938,175</u>	<u>-</u>
Net Position				
Net investment in capital assets	13,107,561	20,021,708	33,129,269	-
Restricted for				
Debt service	145,469	-	145,469	-
Fire relief pension	743,027	-	743,027	-
System replacement	-	309,885	309,885	-
Park improvements	107,532	-	107,532	-
Police expenses	11,982	-	11,982	-
Economic development projects	-	-	-	40,863
Capital purchases	163,921	-	163,921	-
Unrestricted	3,552,606	7,505,250	11,057,856	-
Total Net Position	<u>\$ 17,832,098</u>	<u>\$ 27,836,843</u>	<u>\$ 45,668,941</u>	<u>\$ 40,863</u>

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,065,238	\$ 379,415	\$ 127,055	\$ -
Public safety	2,876,790	62,039	231,352	-
Public works	2,005,902	2,521	637,247	3,495
Culture and recreation	450,620	2,580	-	246,300
Community development	426,367	274,779	-	3,000
Interest on long-term debt	169,928	-	-	-
Total Governmental Activities	<u>6,994,845</u>	<u>721,334</u>	<u>995,654</u>	<u>252,795</u>
Business-type Activities				
Water	1,264,609	1,610,180	798	85,338
Sewer	2,017,969	1,944,560	813	119,509
Storm water	79,437	186,336	(112)	-
Liquor store	2,937,478	2,939,140	1,158	-
Total Business-type Activities	<u>6,299,493</u>	<u>6,680,216</u>	<u>2,657</u>	<u>204,847</u>
Total Primary Government	<u>\$ 13,294,338</u>	<u>\$ 7,401,550</u>	<u>\$ 998,311</u>	<u>\$ 457,642</u>
Component Unit				
EDA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
State grants and contributions not restricted to specific programs
Unrestricted investment earnings (loss)
Gain on sale of capital assets
Transfers - Capital Assets
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	EDA
\$ (558,768)	\$ -	\$ (558,768)	\$ -
(2,583,399)	-	(2,583,399)	-
(1,362,639)	-	(1,362,639)	-
(201,740)	-	(201,740)	-
(148,588)	-	(148,588)	-
(169,928)	-	(169,928)	-
<u>(5,025,062)</u>	<u>-</u>	<u>(5,025,062)</u>	<u>-</u>
-	431,707	431,707	-
-	46,913	46,913	-
-	106,787	106,787	-
-	2,820	2,820	-
<u>-</u>	<u>588,227</u>	<u>588,227</u>	<u>-</u>
<u>(5,025,062)</u>	<u>588,227</u>	<u>(4,436,835)</u>	<u>-</u>
			<u>-</u>
4,376,551	-	4,376,551	-
370,617	-	370,617	-
570,733	-	570,733	-
(222,310)	(193,872)	(416,182)	(1,083)
13,000	-	13,000	-
1,020,149	(1,020,149)	-	-
284,880	(284,880)	-	-
<u>6,413,620</u>	<u>(1,498,901)</u>	<u>4,914,719</u>	<u>(1,083)</u>
1,388,558	(910,674)	477,884	(1,083)
<u>16,443,540</u>	<u>28,747,517</u>	<u>45,191,057</u>	<u>41,946</u>
<u>\$ 17,832,098</u>	<u>\$ 27,836,843</u>	<u>\$ 45,668,941</u>	<u>\$ 40,863</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of St. Francis, Minnesota

Balance Sheet
Governmental Funds
December 31, 2022

	101	405	Other	Total
	General	Street Improvement	Governmental Funds	Governmental Funds
Assets				
Cash and temporary investments	\$ 4,344,826	\$ 837,013	\$ 1,694,844	\$ 6,876,683
Receivables				
Accrued interest	7,817	723	3,597	12,137
Taxes	63,898	-	6,123	70,021
Accounts	2,226	-	3,124	5,350
Special assessments	10,155	169,265	22,231	201,651
Leases	1,829,685	-	-	1,829,685
Due from other governments	103,827	257,022	251,936	612,785
Inventories	19,480	-	-	19,480
Land held for resale	24,600	-	-	24,600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,406,514</u>	<u>\$ 1,264,023</u>	<u>\$ 1,981,855</u>	<u>\$ 9,652,392</u>
Liabilities				
Accounts payable	\$ 100,858	\$ 29,387	\$ 1,270	\$ 131,515
Contracts payable	-	74,759	17,610	92,369
Accrued salaries payable	112,877	-	-	112,877
Due to other governments	765	-	-	765
Deposits payable	294,290	-	-	294,290
Unearned revenue	817,153	-	-	817,153
Total Liabilities	<u>1,325,943</u>	<u>104,146</u>	<u>18,880</u>	<u>1,448,969</u>
Deferred Inflows of Resources				
Unavailable revenues - taxes	63,898	-	6,123	70,021
Unavailable revenues - special assessments	10,155	169,265	22,231	201,651
Unavailable revenues - intergovernmental	-	112,678	-	112,678
Deferred lease resources	1,791,036	-	-	1,791,036
Total Deferred Inflows of Resources	<u>1,865,089</u>	<u>281,943</u>	<u>28,354</u>	<u>2,175,386</u>
Fund Balances				
Nonspendable	44,080	-	-	44,080
Restricted	-	-	469,434	469,434
Assigned	-	877,934	1,465,187	2,343,121
Unassigned	3,171,402	-	-	3,171,402
Total Fund Balances	<u>3,215,482</u>	<u>877,934</u>	<u>1,934,621</u>	<u>6,028,037</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,406,514</u>	<u>\$ 1,264,023</u>	<u>\$ 1,981,855</u>	<u>\$ 9,652,392</u>

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2022

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental	\$ 6,028,037
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	27,069,258
Less: accumulated depreciation	(8,523,845)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	
	557,237
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bond principal payable	(5,465,000)
Plus premium on bonds issued	(189,293)
Deferred charge on refunding	216,441
Compensated absences payable	(257,291)
Net pension liability	(5,272,080)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pensions resources	3,479,364
Deferred inflows of pension resources	(126,196)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Taxes receivable	70,021
Special assessments receivable	201,651
Intergovernmental	112,678
Governmental funds do not report a liability for accrued interest until due and payable.	(68,884)
Total Net Position - Governmental Activities	\$ 17,832,098

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	101	405	Other	Total
	General	Street Improvement	Governmental Funds	Governmental Funds
Revenues				
Taxes	\$ 3,333,370	\$ 300,000	\$ 1,100,617	\$ 4,733,987
Licenses and permits	212,051	-	-	212,051
Intergovernmental	728,039	993,724	245,000	1,966,763
Charges for services	403,613	-	2,530	406,143
Fines and forfeitures	41,526	-	-	41,526
Special assessments	-	33,222	22,680	55,902
Interest on investments (loss)	(168,483)	(2,313)	(51,514)	(222,310)
Miscellaneous	185,601	144,350	63,232	393,183
Total Revenues	<u>4,735,717</u>	<u>1,468,983</u>	<u>1,382,545</u>	<u>7,587,245</u>
Expenditures				
Current				
General government	1,037,487	-	-	1,037,487
Public safety	2,397,161	-	3,819	2,400,980
Public works	623,820	-	-	623,820
Culture and recreation	329,669	-	43,943	373,612
Community development	411,535	-	-	411,535
Capital outlay				
General government	1,444	-	41,025	42,469
Public safety	-	-	103,993	103,993
Public works	-	1,526,775	75,496	1,602,271
Culture and recreation	-	-	516,297	516,297
Community development	1,366	-	-	1,366
Debt service				
Principal	-	-	420,000	420,000
Interest and other charges	-	-	172,757	172,757
Total Expenditures	<u>4,802,482</u>	<u>1,526,775</u>	<u>1,377,330</u>	<u>7,706,587</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,765)	(57,792)	5,215	(119,342)
Other Financing Sources (Uses)				
Transfers in	<u>60,000</u>	<u>-</u>	<u>224,880</u>	<u>284,880</u>
Net Change in Fund Balances	(6,765)	(57,792)	230,095	165,538
Fund Balances, January 1	<u>3,222,247</u>	<u>935,726</u>	<u>1,704,526</u>	<u>5,862,499</u>
Fund Balances, December 31	<u>\$ 3,215,482</u>	<u>\$ 877,934</u>	<u>\$ 1,934,621</u>	<u>\$ 6,028,037</u>

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2022

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ 165,538
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	1,368,216
Depreciation expense	(894,355)
<p>A gain or loss on the disposal of capital assets, including the difference between carrying value and any related sales proceeds, is included in net position. However, only the sales proceeds are included in the change in the change in fund balance.</p>	
	13,000
<p>Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities</p>	
Disposals	(31,443)
Depreciation on disposals	31,443
<p>Capital assets transferred to enterprise funds are not recorded in the governmental funds.</p>	
	1,020,149
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal repayments	420,000
Current year amortization of bond premium	15,143
Current year amortization of deferred loss on refunding	(17,315)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	5,001
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(206,278)
Pension revenue	47,754
<p>Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Special assessments	(132,535)
Property taxes	40,678
Intergovernmental	(477,768)
<p>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.</p>	
Compensated absences	21,330
	21,330
Change in Net Position - Governmental Activities	\$ 1,388,558

The notes to the financial statements are an integral part of this statement.

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City of St. Francis, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,254,764	\$ 3,254,764	\$ 3,333,370	\$ 78,606
Licenses and permits	268,620	268,620	212,051	(56,569)
Intergovernmental	650,016	650,016	728,039	78,023
Charges for services	424,050	424,050	403,613	(20,437)
Fines and forfeitures	23,500	23,500	41,526	18,026
Interest (loss) on investments	45,000	45,000	(168,483)	(213,483)
Miscellaneous	150,370	150,370	185,601	35,231
Total Revenues	<u>4,816,320</u>	<u>4,816,320</u>	<u>4,735,717</u>	<u>(80,603)</u>
Expenditures				
Current				
General government	1,019,620	1,019,620	1,037,487	(17,867)
Public safety	2,399,550	2,399,550	2,397,161	2,389
Public works	615,900	615,900	623,820	(7,920)
Culture and recreation	361,100	361,100	329,669	31,431
Community development	476,650	476,650	411,535	65,115
Capital outlay				
General government	2,500	2,500	1,444	1,056
Community development	1,000	1,000	1,366	(366)
Total Expenditures	<u>4,876,320</u>	<u>4,876,320</u>	<u>4,802,482</u>	<u>73,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,000)	(60,000)	(66,765)	(6,765)
Other Financing Sources (Uses)				
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	(6,765)	(6,765)
Fund Balances, January 1	<u>3,222,247</u>	<u>3,222,247</u>	<u>3,222,247</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 3,222,247</u>	<u>\$ 3,222,247</u>	<u>\$ 3,215,482</u>	<u>\$ (6,765)</u>

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds				Totals
	601 Water	602 Sewer	609 Liquor Store	Nonmajor	
				603 Storm Water	
Assets					
Current Assets					
Cash and temporary investments	\$ 2,504,080	\$ 3,281,378	\$ 998,920	\$ 357,508	\$ 7,141,886
Receivables					
Accrued interest	5,395	3,199	1,926	460	10,980
Accounts	127,627	179,712	38,579	-	345,918
Special assessments	128,172	78,612	-	78,043	284,827
Due from other governments	13,338	25,356	-	1,346	40,040
Inventory	-	-	362,575	-	362,575
Total Current Assets	<u>2,778,612</u>	<u>3,568,257</u>	<u>1,402,000</u>	<u>437,357</u>	<u>8,186,226</u>
Noncurrent Assets					
Special assessments	390,944	25,381	-	145,016	561,341
Capital assets					
Land	18,115	2,337,838	3,234	-	2,359,187
Construction in progress	3,295	-	-	-	3,295
Buildings	9,014,915	31,175,575	1,587,391	-	41,777,881
Machinery and equipment	751,928	108,219	209,627	-	1,069,774
Infrastructure	5,679,678	4,825,259	-	737,484	11,242,421
Less accumulated depreciation	(5,411,769)	(8,638,860)	(715,224)	(64,997)	(14,830,850)
Net Capital Assets	<u>10,056,162</u>	<u>29,808,031</u>	<u>1,085,028</u>	<u>672,487</u>	<u>41,621,708</u>
Total Noncurrent Assets	<u>10,447,106</u>	<u>29,833,412</u>	<u>1,085,028</u>	<u>817,503</u>	<u>42,183,049</u>
Total Assets	<u>13,225,718</u>	<u>33,401,669</u>	<u>2,487,028</u>	<u>1,254,860</u>	<u>50,369,275</u>
Deferred Outflows of Resources					
Deferred pension resources	54,411	55,448	79,050	-	188,909

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds				Totals
	601	602	609	Nonmajor 603	
	Water	Sewer	Liquor Store	Storm Water	
Liabilities					
Current Liabilities					
Accounts payable and contracts payable	\$ 23,850	\$ 46,109	\$ 149,239	\$ 6,700	\$ 225,898
Accrued salaries payable	8,222	8,542	11,604	-	28,368
Due to other governments	588	-	27,433	-	28,021
Accrued interest payable	45,702	49,298	-	-	95,000
Compensated absences payable - current	14,837	14,837	23,041	-	52,715
Bonds payable - current	767,450	745,550	-	-	1,513,000
Total Current Liabilities	<u>860,649</u>	<u>864,336</u>	<u>211,317</u>	<u>6,700</u>	<u>1,943,002</u>
Noncurrent Liabilities					
Compensated absences payable	13,420	13,420	11,351	-	38,191
Net pension liability	182,093	185,563	264,549	-	632,205
Bonds payable	3,642,550	16,444,450	-	-	20,087,000
Total Noncurrent Liabilities	<u>3,838,063</u>	<u>16,643,433</u>	<u>275,900</u>	<u>-</u>	<u>20,757,396</u>
Total Liabilities	<u>4,698,712</u>	<u>17,507,769</u>	<u>487,217</u>	<u>6,700</u>	<u>22,700,398</u>
Deferred Inflows of Resources					
Deferred pension resources	6,032	6,147	8,764	-	20,943
Net Position					
Net investment in capital assets	5,646,162	12,618,031	1,085,028	672,487	20,021,708
Restricted for system replacement	-	309,885	-	-	309,885
Unrestricted	2,929,223	3,015,285	985,069	575,673	7,505,250
Total Net Position	<u>\$ 8,575,385</u>	<u>\$ 15,943,201</u>	<u>\$ 2,070,097</u>	<u>\$ 1,248,160</u>	<u>\$ 27,836,843</u>

The notes to the financial statements are an integral part of this statement.

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City of St. Francis, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds				Totals
	601	602	609	Nonmajor 603	
	Water	Sewer	Liquor Store	Storm Water	
Operating Revenues					
Sales	\$ -	\$ -	\$ 2,937,081	\$ -	\$ 2,937,081
Cost of sales	-	-	(2,211,211)	-	(2,211,211)
Gross Profit	-	-	725,870	-	725,870
Charges for services	1,467,688	1,877,662	-	174,383	3,519,733
Total Operating Revenues	<u>1,467,688</u>	<u>1,877,662</u>	<u>725,870</u>	<u>174,383</u>	<u>4,245,603</u>
Operating Expenses					
Personal services	251,131	257,141	399,629	-	907,901
Supplies	113,037	105,577	7,466	-	226,080
Professional services	120,900	228,639	184,322	54,854	588,715
Communications	5,717	3,858	1,709	-	11,284
Insurance	24,461	35,538	22,177	-	82,176
Utilities	103,527	163,548	18,386	-	285,461
Repairs and maintenance	110,168	125,864	38,944	-	274,976
Depreciation	370,302	848,618	42,219	24,583	1,285,722
Other	41,045	17,515	11,415	-	69,975
Total Operating Expenses	<u>1,140,288</u>	<u>1,786,298</u>	<u>726,267</u>	<u>79,437</u>	<u>3,732,290</u>
Operating Income (loss)	<u>327,400</u>	<u>91,364</u>	<u>(397)</u>	<u>94,946</u>	<u>513,313</u>
Nonoperating Revenues (Expenses)					
Special assessments	120,266	18,419	-	11,953	150,638
Interest income (loss)	(75,216)	(89,276)	(27,392)	(1,988)	(193,872)
Miscellaneous	23,024	49,292	3,217	(112)	75,421
Interest and other expense	(124,321)	(231,671)	-	-	(355,992)
Total Nonoperating Revenues (Expenses)	<u>(56,247)</u>	<u>(253,236)</u>	<u>(24,175)</u>	<u>9,853</u>	<u>(323,805)</u>
Income (Loss) Before Transfers and Contributions	<u>271,153</u>	<u>(161,872)</u>	<u>(24,572)</u>	<u>104,799</u>	<u>189,508</u>
Transfers and Contributions					
Transfers in	37,058	-	-	-	37,058
Capital contributions	85,338	119,509	-	-	204,847
Capital contributions - other	353,591	(1,373,740)	-	-	(1,020,149)
Transfers out	(111,080)	(150,858)	(60,000)	-	(321,938)
Total Transfers and Contributions	<u>364,907</u>	<u>(1,405,089)</u>	<u>(60,000)</u>	<u>-</u>	<u>(1,100,182)</u>
Change in Net Position	636,060	(1,566,961)	(84,572)	104,799	(910,674)
Net Position, January 1	<u>7,939,325</u>	<u>17,510,162</u>	<u>2,154,669</u>	<u>1,143,361</u>	<u>28,747,517</u>
Net Position, December 31	<u>\$ 8,575,385</u>	<u>\$ 15,943,201</u>	<u>\$ 2,070,097</u>	<u>\$ 1,248,160</u>	<u>\$ 27,836,843</u>

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

Business-type Activities - Enterprise Funds

	Business-type Activities - Enterprise Funds				Totals
	601 Water	602 Sewer	609 Liquor Store	Nonmajor 603 Storm Water	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,479,096	\$ 1,907,116	\$ 2,930,837	\$ 175,315	\$ 6,492,364
Payments to suppliers	(517,561)	(686,781)	(2,660,809)	(40,130)	(3,905,281)
Payments to employees	(234,501)	(238,578)	(347,841)	-	(820,920)
Net Cash Provided (Used) by Operating Activities	<u>727,034</u>	<u>981,757</u>	<u>(77,813)</u>	<u>135,185</u>	<u>1,766,163</u>
Cash Flows from					
Noncapital Financing Activities					
Special assessments received	69,742	23,523	-	28,879	122,144
Transfers from other funds	37,058	-	-	-	37,058
Transfers to other funds	(111,080)	(150,858)	(60,000)	-	(321,938)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(4,280)</u>	<u>(127,335)</u>	<u>(60,000)</u>	<u>28,879</u>	<u>(162,736)</u>
Cash Flows from Capital Financing Activities					
Connection fees received	85,338	119,509	-	-	204,847
Acquisition of capital assets	(313,028)	(426,610)	(40,422)	(140,894)	(920,954)
Interest paid and other on bonds	(133,101)	(236,239)	-	-	(369,340)
Principal paid on bonds	(720,200)	(729,800)	-	-	(1,450,000)
Net Cash Used by Capital Financing Activities	<u>(1,080,991)</u>	<u>(1,273,140)</u>	<u>(40,422)</u>	<u>(140,894)</u>	<u>(2,535,447)</u>
Cash Flows from Investing Activities					
Interest received (lost) on investments	(75,263)	(89,049)	(27,056)	(2,152)	(193,520)
Net Increase (Decrease) in					
Cash and Cash Equivalents	(433,500)	(507,767)	(205,291)	21,018	(1,125,540)
Cash and Cash Equivalents, January 1	<u>2,937,580</u>	<u>3,789,145</u>	<u>1,204,211</u>	<u>336,490</u>	<u>8,267,426</u>
Cash and Cash Equivalents, December 31	<u>\$ 2,504,080</u>	<u>\$ 3,281,378</u>	<u>\$ 998,920</u>	<u>\$ 357,508</u>	<u>\$ 7,141,886</u>

The notes to the financial statements are an integral part of this statement.

City of St. Francis, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2022

Business-type Activities - Enterprise Funds

	Business-type Activities - Enterprise Funds				Totals
	601 Water	602 Sewer	609 Liquor Store	Nonmajor 603 Storm Water	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income	\$ 327,400	\$ 91,364	\$ (397)	\$ 94,946	\$ 513,313
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	370,302	848,618	42,219	24,583	1,285,722
Other income related to operations	23,024	49,292	3,217	(112)	75,421
(Increase) decrease in assets and deferred outflows of resources					
Accounts receivable	(7,929)	(11,559)	(9,461)	-	(28,949)
Due from other governments	(3,687)	(8,279)	-	1,044	(10,922)
Inventories	-	-	(32,543)	-	(32,543)
Pension resources	23,259	22,752	15,171	-	61,182
Increase (decrease) in liabilities and deferred inflows of resources					
Accounts payable	1,333	(6,242)	(136,168)	14,724	(126,353)
Due to other governments	(39)	-	3,532	-	3,493
Accrued salaries payable	1,638	1,873	3,797	-	7,308
Net pension liability	76,859	79,610	136,889	-	293,358
Compensated absences payable	5,607	5,607	4,553	-	15,767
Pension resources	(90,733)	(91,279)	(108,622)	-	(290,634)
 Net Cash Provided by Operating Activities	 <u>\$ 727,034</u>	 <u>\$ 981,757</u>	 <u>\$ (77,813)</u>	 <u>\$ 135,185</u>	 <u>\$ 1,766,163</u>
Noncash Capital Financing and Investing Activities					
Capital assets contributed from (to) other funds	<u>\$ 353,591</u>	<u>\$ (1,373,740)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (1,020,149)</u>

The notes to the financial statements are an integral part of this statement.

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City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of St. Francis, Minnesota (the City) operates under its own "Home Rule Charter." Under this Charter, the government of the City is governed by the City Council composed of an elected Mayor and four elected City Council Members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The City has identified the following component unit using the above criteria.

Discrete Component Unit

The Economic Development Authority (EDA) of the City was created pursuant to Minnesota statutes 469.090 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. The five-member Board consists of two City Council members and three other City Council approved members. The EDA is presented as a component unit because of the nature and significance of the relationship with the primary government and the ability of the City to impose its will. Based on its relationship with the City, it would be misleading to exclude the EDA as a component unit.

A component unit is a legally separate entity, so there is a basic assumption it should be presented separately (discretely) from the primary government. The governing body does not have substantively the same board as the City and no longer has outstanding debt issued through the City. Thus, the EDA will be reported as a discretely presented component unit. The EDA does not prepare separate financial statements, the financial statements for the EDA are included in the report starting on page 121.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. *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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses 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.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

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

The *Street Improvement fund* accounts for the accumulation of resources for future street improvement capital outlay.

The City reports the following major proprietary funds:

The *Water fund* accounts for costs associated with the City's water system and insure that user charges are sufficient to pay for those costs.

The *Sewer fund* accounts for the costs associated with the City's sewer system and insure that user charges are sufficient to pay for those costs.

The *Liquor Store fund* accounts for the costs associated with the City's liquor operations.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions 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 City 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.

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2022:

- US government securities of \$4,692,360 are valued using quoted market prices (Level 1 inputs)
- State and local government securities of \$3,189,257 are valued using quoted market prices (Level 1 inputs)
- Negotiable Certificates of Deposits of \$2,303,776 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market fund and broker money market investment pools operate in accordance with appropriate State laws and regulations. The 4M fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool share. Financial statements of the 4M fund can be obtained by contracting RBC Global Asset Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Property Taxes

The City Council annually adopts a tax levy in December and certifies it to the County for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Auditor and tax settlements are made to the City during January, July and December each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2022. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established for utility receivables.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Land Held for Resale

The City acquires properties for redevelopment purposes. These properties are reported at their net realizable value in the financial statements. Any costs incurred that are above a property's net realizable value are reported as expenditures of the current period.

Inventories

The inventories are valued using the consumption method and stated at cost, which approximates market using the first-in, first-out (FIFO) method.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets

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

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Land Improvements	15
Buildings and Improvements	15 to 40
Infrastructure	20 to 50
Machinery and Equipment	3 to 20

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Accordingly, the deferred pension resources and deferred charge on refunding, are reported only in the statements of net position. These items result from actuarial calculations and current year pension contributions made subsequent to the measurement date and a deferred loss on refunding bond activity.

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, which is paid to the employee upon separation. A portion of unused sick leave may also be paid upon separation from City service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General fund is typically used to liquidate the governmental compensated absences liability.

Postemployment Benefits Other Than Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the City's fiscal year 2018. Statement No. 75 requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. The City has no plans that would result in an OPEB liability and, therefore, the City anticipates it will not incur any future explicit or implicit OPEB costs for its employees and, therefore, no liability will be recorded.

Long-term Obligations

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from 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. The General fund is typically used to liquidate the governmental net pension liability.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by the St. Francis Fire Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

The total pension expense for the General Employee Plan (GERP), Police and Fire Plan (PEFP), DCP plan, and St. Francis Fire Relief Association (SVF) is as follows:

	Public Employees Retirement Association of Minnesota (PERA)		DCP	Fire Relief Association	Total All Plans
	GERP	PEFP			
Pension Expense	\$ 265,116	\$ 400,012	\$ 120	\$ (52,395)	\$ 612,853

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, intergovernmental and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also recognizes a deferred lease receivable, which is reported under both the modified accrual and full accrual basis.

The City has two additional item which qualifies for reporting in this category. The items, deferred pension resources and deferred lease resources are reported only in the statements of net position and results from actuarial calculations and deferred lease receipts.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by the Finance Director to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 45 percent of budgeted operating expenditures for cash-flow timing needs.

Net Position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, Street Improvement fund, Police Forfeiture fund, Charitable Gambling fund, Debt Service funds, Park Improvements, Building Improvements and Capital Equipment fund. The City does not adopt a formal budget for the Economic Development fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30th, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads, with the approval of the City Administrator, may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is at the department level.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2022 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Street Improvement	\$ 759,966	\$ 1,526,775	\$ 766,809
Park Improvements	-	560,240	560,240
Building Improvements	-	37,262	37,262
G.O Bonds 2021A	98,325	99,576	1,251

The excess expenditures were funded by revenues in excess of expectations, available fund balance and/or future revenue sources.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

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

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was \$937,264 and the bank balance was \$945,844. The bank balance was partially covered by federal depository insurance while the remaining balance was covered by collateral held by the City's agent in the City's name.

Investments

As of December 31, 2022, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Minnesota Municipal Money Market	N/A	less than 1 year	\$ 936,163	\$ -	\$ -	\$ -
Broker Money Market	N/A	less than 1 year	2,000,533	-	-	-
Non-pooled Investments at Fair Value						
Negotiable Certificates of Deposits	N/A	less than 1 year	731,972	-	731,972	-
Negotiable Certificates of Deposits	N/A	1 year to 5 years	1,368,736	-	1,368,736	-
Negotiable Certificates of Deposits	N/A	more than 5 years	203,068	-	203,068	-
State and Local Government Securities	AA-	1 year to 5 years	178,368	178,368	-	-
State and Local Government Securities	AA	1 year to 5 years	1,495,520	1,495,520	-	-
State and Local Government Securities	AAA	1 year to 5 years	1,281,210	1,281,210	-	-
State and Local Government Securities	AAA	more than 5 years	234,159	234,159	-	-
U.S. Government Securities	N/A	less than 1 year	2,735,904	2,735,904	-	-
U.S. Government Securities	AAA	less than 1 year	1,034,910	1,034,910	-	-
U.S. Government Securities	AAA	1 year to 5 years	486,741	486,741	-	-
U.S. Government Securities	AAA	more than 5 years	434,805	434,805	-	-
Total Investments			\$ 13,122,089	\$ 7,881,617	\$ 2,303,776	\$ -

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

The investments of the City are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list on page 62 of the notes. In accordance with its investment policy, the City will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk.
- *Concentration of Credit risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with its investment policy, the investment portfolio should be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific issuer, maturity or class of securities. Extended maturities may be utilized to take advantage of higher yields; however, no more than 10 percent of the total investments should extend beyond five (5) years and in no circumstance should any extend beyond 10 years.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio.

Cash and Investments Summary

A reconciliation of cash and temporary investments as shown on the financial statements for the City follows:

Carrying Amount of Deposits	\$ 937,264
Investments	<u>13,122,089</u>
Total	<u><u>\$ 14,059,353</u></u>
Primary Government	
Cash and temporary investments	\$ 14,018,569
Component Unit	
Cash and temporary investments	<u>40,784</u>
Total	<u><u>\$ 14,059,353</u></u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 1,628,251	\$ 364,130	\$ -	\$ 1,992,381
Construction in progress	3,465,370	1,970,543	(4,637,941)	797,972
Total Capital Assets not being Depreciated	<u>5,093,621</u>	<u>2,334,673</u>	<u>(4,637,941)</u>	<u>2,790,353</u>
Capital Assets, being Depreciated				
Land improvements	174,771	-	-	174,771
Buildings	8,862,306	-	-	8,862,306
Infrastructure	6,750,421	4,127,813	-	10,878,234
Machinery and equipment	3,818,218	576,819	(31,443)	4,363,594
Total Capital Assets being Depreciated	<u>19,605,716</u>	<u>4,704,632</u>	<u>(31,443)</u>	<u>24,278,905</u>
Less Accumulated Depreciation for				
Land improvements	(148,745)	(8,739)	-	(157,484)
Buildings	(2,301,473)	(223,422)	-	(2,524,895)
Infrastructure	(2,555,238)	(374,674)	-	(2,929,912)
Machinery and equipment	(2,655,477)	(287,520)	31,443	(2,911,554)
Total Accumulated Depreciation	<u>(7,660,933)</u>	<u>(894,355)</u>	<u>31,443</u>	<u>(8,523,845)</u>
Total Capital Assets being Depreciated, Net	<u>11,944,783</u>	<u>3,810,277</u>	<u>-</u>	<u>15,755,060</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,038,404</u>	<u>\$ 6,144,950</u>	<u>\$ (4,637,941)</u>	<u>\$ 18,545,413</u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not being Depreciated				
Land	\$ 2,359,187	\$ -	\$ -	\$ 2,359,187
Construction in progress	3,463,600	416,547	(3,876,852)	3,295
Total Capital Assets not being Depreciated	<u>5,822,787</u>	<u>416,547</u>	<u>(3,876,852)</u>	<u>2,362,482</u>
Capital Assets being Depreciated				
Buildings	40,856,935	920,944	-	41,777,879
Infrastructure	8,811,878	2,430,542	-	11,242,420
Machinery and equipment	1,069,773	-	-	1,069,773
Total Capital Assets being Depreciated	<u>50,738,586</u>	<u>3,351,486</u>	<u>-</u>	<u>54,090,072</u>
Less Accumulated Depreciation for				
Buildings	(9,237,716)	(884,411)	-	(10,122,127)
Infrastructure	(3,853,580)	(369,398)	-	(4,222,978)
Machinery and equipment	(453,828)	(31,913)	-	(485,741)
Total Accumulated Depreciation	<u>(13,545,124)</u>	<u>(1,285,722)</u>	<u>-</u>	<u>(14,830,846)</u>
Total Capital Assets being Depreciated, Net	<u>37,193,462</u>	<u>2,065,764</u>	<u>-</u>	<u>39,259,226</u>
Business-type Activities Capital Assets, Net	<u>\$ 43,016,249</u>	<u>\$ 2,482,311</u>	<u>\$ (3,876,852)</u>	<u>\$ 41,621,708</u>

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

Governmental Activities

General government	\$ 18,317
Public safety	278,858
Public works	522,696
Culture and recreation	74,484
Total Depreciation Expense - Governmental Activities	<u>\$ 894,355</u>

Business-type Activities

Water	\$ 370,302
Sewer	848,618
Storm	24,583
Liquor store	42,219
Total Depreciation Expense - Business-type Activities	<u>\$ 1,285,722</u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

C. Interfund Receivables, Payables and Transfers

The City made transfers during the fiscal year 2022 as shown and described below:

Fund	Transfer in			Total
	General	Nonmajor Governmental	Water	
Transfer out				
Water	\$ -	\$ 111,080	\$ -	\$ 111,080
Sewer	-	113,800	37,058	150,858
Liquor Store	60,000	-	-	60,000
Total	\$ 60,000	\$ 224,880	\$ 37,058	\$ 321,938

During the year the City made multiple interfund transfers, all of which were budgeted. The City annually budgets transfers to 1) move revenues from the fund with collection authorization to the Debt Service fund as debt service principal and interest payments become due, 2) transfer Liquor Store fund resources to fund annual operations, 3) transfer funds as part of the capital improvement plans.

D. Lease Receivable

The City leases various antenna sites to companies. These agreements contain various renewal and extension options. The latest maturity date is projected to be in in 2064, however, the City anticipates new or revised leasing arrangements to occur in the future.

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

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
American Towers	11/01/99	1.75 %	\$ 29,326	\$ 1,618,324
Century Link	11/01/84	1.31	4,917	59,788
Qwest Wireless	08/01/04	1.08	20,736	151,573
				\$ 1,829,685

E. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for proprietary activities. These bonds are reported in the proprietary funds as they are expected to be repaid from proprietary fund revenues. In addition, bonds have been issued to refund general obligation bonds.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Improvement Bonds

The following bond was issued to finance various improvement projects throughout the City. It will be retired through a combination of transfers from enterprise funds, generated through utility revenues, future tax levies and special assessments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds Series 2021A	\$ 190,000	3.00 %	08/12/21	02/01/23	\$ 95,000
G.O. Improvement Bonds Series 2015A	265,000	2.00 - 3.00	10/26/15	02/01/26	115,000
G.O. Capital Improvement Bonds Series 2017A	6,705,000	3.00 - 3.25	08/10/17	02/01/36	<u>5,255,000</u>
Total General Obligation Improvement Bonds					<u><u>\$ 5,465,000</u></u>

Annual debt service requirements to maturity for general obligation improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 430,000	\$ 158,531	\$ 588,531
2024	350,000	147,431	497,431
2025	355,000	136,856	491,856
2026	365,000	126,056	491,056
2027	345,000	115,406	460,406
2028 - 2032	1,890,000	412,856	2,302,856
2033 - 2036	<u>1,730,000</u>	<u>109,597</u>	<u>1,839,597</u>
Total	<u><u>\$ 5,465,000</u></u>	<u><u>\$ 1,206,733</u></u>	<u><u>\$ 6,671,733</u></u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be retired from net revenues of the enterprise funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
MPFA - Water Revenue Bonds Series 2008	\$ 9,013,468	2.56 %	12/18/07	08/20/27	\$ 3,231,000
G.O. Bonds Series 2015A	690,000	2.00 - 3.10	11/01/15	02/01/31	445,000
G.O. Revenue Bonds Series 2016A	1,930,000	1.00	06/30/16	02/01/37	1,530,000
G.O. Sewer Revenue Bonds Series 2016B	16,010,544	1.00	10/20/16	08/20/46	13,904,000
G.O. Bonds Series 2021A	2,775,000	1.00-2.00	08/12/21	02/01/31	<u>2,490,000</u>
Total G.O. Revenue Bonds					<u><u>\$ 21,600,000</u></u>

Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2023	\$ 1,513,000	\$ 339,871	\$ 1,852,871
2024	1,549,000	306,644	1,855,644
2025	1,590,000	271,958	1,861,958
2026	1,634,000	236,710	1,870,710
2027	1,672,000	200,974	1,872,974
2028 - 2032	4,149,000	683,961	4,832,961
2033 - 2037	3,449,000	433,490	3,882,490
2038 - 2042	3,227,000	240,630	3,467,630
2043 - 2046	<u>2,817,000</u>	<u>70,020</u>	<u>2,887,020</u>
Total	<u><u>\$ 21,600,000</u></u>	<u><u>\$ 2,784,258</u></u>	<u><u>\$ 24,384,258</u></u>

Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Water	Sewer
Net Operating Revenues	\$ 783,040	\$ 1,059,491
Principal and Interest	853,301	965,564
Percentage of Revenues	109 %	91 %

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Noncurrent liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 5,885,000	\$ -	\$ (420,000)	\$ 5,465,000	\$ 430,000
Bond Premium	204,436	-	(15,143)	189,293	-
Compensated Absences Payable	278,621	172,378	(193,708)	257,291	169,833
	<u>278,621</u>	<u>172,378</u>	<u>(193,708)</u>	<u>257,291</u>	<u>169,833</u>
Governmental Activity Long-term Liabilities	<u>\$ 6,368,057</u>	<u>\$ 172,378</u>	<u>\$ (628,851)</u>	<u>\$ 5,911,584</u>	<u>\$ 599,833</u>
Business-type Activities					
General Obligation Revenue Bonds	\$ 23,050,000	\$ -	\$ (1,450,000)	\$ 21,600,000	\$ 1,513,000
Compensated Absences Payable	75,139	68,483	(52,716)	90,906	52,715
	<u>75,139</u>	<u>68,483</u>	<u>(52,716)</u>	<u>90,906</u>	<u>52,715</u>
Business-type Activity Long-term Liabilities	<u>\$ 23,125,139</u>	<u>\$ 68,483</u>	<u>\$ (1,502,716)</u>	<u>\$ 21,690,906</u>	<u>\$ 1,565,715</u>

F. Fund Balance Classification

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

	General	Street Improvement	Other Governmental Funds	Total
Nonspendable				
Inventories	\$ 19,480	\$ -	\$ -	\$ 19,480
Land held for resale	24,600	-	-	24,600
	<u>24,600</u>	<u>-</u>	<u>-</u>	<u>24,600</u>
Total Nonspendable	<u>\$ 44,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,080</u>
Restricted for				
Debt service	\$ -	\$ -	\$ 185,999	\$ 185,999
Police expenditures	-	-	11,982	11,982
Park improvements	-	-	107,532	107,532
Capital purchases	-	-	163,921	163,921
	<u>-</u>	<u>-</u>	<u>163,921</u>	<u>163,921</u>
Total Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469,434</u>	<u>\$ 469,434</u>
Assigned to				
Capital projects	\$ -	\$ 877,934	\$ 744,177	\$ 1,622,111
Capital equipment	-	-	721,010	721,010
	<u>-</u>	<u>-</u>	<u>721,010</u>	<u>721,010</u>
Total Assigned	<u>\$ -</u>	<u>\$ 877,934</u>	<u>\$ 1,465,187</u>	<u>\$ 2,343,121</u>

Note 4: Defined Benefit Pension Plans - Statewide

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.

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

The Police and Fire Plan, 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 Police and Fire Plan also covers police officers and firefighters belonging to a local relief association 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.

General Employee Plan Benefits

General Employees Plan 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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for 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. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3-0 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. 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.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2022, 2021 and 2020 were \$137,468, \$137,060 and \$131,311, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2022, 2021 and 2020 were \$202,312, \$202,676 and \$190,524, respectively. The City's contributions were equal to the required contributions for each year as set by Minnesota statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2022, the City reported a liability of \$1,900,808 for its proportionate share of the General Employees Fund'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 \$55,718. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 0.0240 percent which was a decrease of 0.0013 percent from its proportion measured as of June 30, 2021.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

City's Proportionate Share of the Net Pension Liability	\$ 1,900,808
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>55,718</u>
Total	<u><u>\$ 1,956,526</u></u>

For the year ended December 31, 2022, the City recognized pension expense of \$256,790 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$8,326 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Economic Experience	\$ 15,877	\$ 21,314
Changes in Actuarial Assumptions	452,785	7,763
Net Difference between Projected and Actual Earnings on Plan Investments	-	6,134
Changes in Proportion	28,843	27,760
Contributions Paid to PERA Subsequent to the Measurement Date	<u>70,473</u>	<u>-</u>
Total	<u><u>\$ 567,978</u></u>	<u><u>\$ 62,971</u></u>

The \$70,473 reported as deferred outflows of resources related to pensions resulting from the City's contributions to subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 178,833
2024	157,491
2025	(73,688)
2026	171,898

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$4,003,477 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0920 percent which is a decrease of 0.0029 percent from its proportionate share measured as of June 30, 2021.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2021. 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 supplemental 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.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$366,094 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$33,918 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$8,280 the year ended December 31, 2022 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2022, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 246,747	\$ 8,177
Changes in Actuarial Assumptions	2,405,325	47,869
Net Difference between Projected and Actual Earnings on Plan Investments	17,882	-
Changes in Proportion	126,655	14,923
Contributions Paid to PERA Subsequent to the Measurement Date	104,697	-
Total	\$ 2,901,306	\$ 70,969

The \$104,697 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 540,867
2024	548,690
2025	474,314
2026	828,671
2027	333,098

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

E. Long-term Expected Return on Investment

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	<u>25.0</u>	5.90
Total	<u><u>100.00 %</u></u>	

F. Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

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

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan 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 the Police and Fire Plan was completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

H. 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 one percentage point lower or one percentage point higher than the current discount rate:

	1 Percent Decrease (5.50%)	Current (6.50%)	1 Percent Increase (7.50%)
General Employees Fund	\$ 3,002,426	\$ 1,900,808	\$ 997,311
	1 Percent Decrease (4.40%)	Current (5.40%)	1 Percent Increase (6.40%)
Police and Fire Fund	\$ 6,058,748	\$ 4,003,477	\$ 2,341,912

I. 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 on the Internet at www.mnpera.org.

Note 5: Defined Benefit Pension Plan - Fire Relief Association

A. Plan Description

All members of the St. Francis Fire Department (the Department) are covered by a defined benefit plan administered by the St. Francis Fire Relief Association (the Association). As of December 31, 2022, the plan covered 23 active firefighters and 7 vested terminated firefighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

B. Benefits Provided

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

C. Contribution

The St. Francis Fire Department plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$41,690 in fire state aid to the plan on behalf of the St. Francis Fire Department for the year ended December 31, 2022, which was recorded as a revenue. The City had no statutorily-required contributions had to the plan for the year ended December 31, 2022. The City’s voluntary contributions were \$11,500 during the year.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 5: Defined Benefit Pension Plan - Fire Relief Association (Continued)

D. Pension Costs

At December 31, 2022, the City reported a net pension asset of \$557,237 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2022. The total pension asset was measured as of December 31, 2022. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension liability during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2022	\$ 468,173	\$ 1,185,488	\$ (717,315)
Changes for the Year			
Service cost	29,699	-	29,699
Interest on pension liability (asset)	29,872	-	29,872
Actuarial experience (gains)/losses	(16,499)	-	(16,499)
Projected investment earnings	-	71,129	(71,129)
Contributions (employer)	-	11,500	(11,500)
Contributions (State)	-	50,104	(50,104)
Asset (gain)/loss	-	(248,736)	248,736
Administrative costs	-	(1,003)	1,003
Total Net Changes	43,072	(117,006)	160,078
Ending Balance December 31, 2022	<u>\$ 511,245</u>	<u>\$ 1,068,482</u>	<u>\$ (557,237)</u>

For the year ended December 31, 2022, the Fire Department recognized negative pension expense of \$52,395.

December 31, 2022, the City reported deferred inflows and outflows of resources, its contributions subsequent to the measurement date, related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 13,199
Net Difference between Projected and Actual Earnings on Plan Investments	198,989	-
Total	<u>\$ 198,989</u>	<u>\$ 13,199</u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 5: Defined Benefit Pension Plan - Fire Relief Association (Continued)

Other amounts reported as deferred outflows related to the plan will be recognized in pension expense as follows:

2023	\$	46,447
2024		46,447
2025		46,447
2026		46,449

E. Actuarial Assumptions

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

Retirement Eligibility at the later of Age 50 or 20 years of service		
Inflation Rate		3.00%
Investment Rate of Return		6.00%

There were no changes in actuarial assumptions in 2022.

F. Discount Rate

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

G. Pension Liability Sensitivity

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate one percent lower or one percent higher than the current discount rate:

	<u>1 Percent Decrease (5.00%)</u>	<u>Current (6.00%)</u>	<u>1 Percent Increase (7.00%)</u>
Defined Benefit Plan	\$ (537,330)	\$ (557,237)	\$ (576,417)

H. 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.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 5: Defined Benefit Pension Plan - Fire Relief Association (Continued)

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investments 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.

I. Asset Allocation

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	35.00 %	5.10 %
International Stocks	15.00	5.30
Bonds	45.00	0.75
Cash	5.00	-
Total	100.00 %	

The six percent 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.

Description of significant investment policy changes during the year:

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

J. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the St. Francis Fire Department Relief Association, 3740 Bridge Street NW, St. Francis MN, 55070.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 6: Public Employees Defined Contribution Plan (Defined Contribution Plan)

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 120	\$ 120	5.00%	5.00%	5.00%

The City and council member's contributions to the DCP plan for the years ending December 31, 2022, 2021 and 2020 were \$120, \$120 and \$240, respectively.

Note 7: Other Information

A. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increment. The City has no debt subject to the limit.

B. 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 for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

C. Tax Increment Financing 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 would have a material effect on the financial statements.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 8: Change in Accounting Principles

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements. The City's recognition of the beginning balances related to the lease liability and the intangible right to use lease asset were equal balances and had no effect on the beginning net position of the Governmental Activities.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of St. Francis, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2022

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/22	0.0240 %	\$ 1,900,808	\$ 55,718	\$ 1,956,526	\$ 1,795,772	105.8 %	76.7 %
6/30/21	0.0253	1,080,423	32,902	1,113,325	1,818,227	59.4	87.0
6/30/20	0.0241	1,444,905	44,658	1,489,563	1,720,328	84.0	79.0
6/30/19	0.0234	1,293,734	40,165	1,333,899	1,655,440	78.2	80.2
6/30/18	0.0230	1,275,946	41,934	1,317,880	1,548,473	82.4	79.5
6/30/17	0.0229	1,461,921	18,392	1,480,313	1,476,032	99.0	75.9
6/30/16	0.0224	1,818,769	23,762	1,842,531	1,392,886	130.6	68.9
6/30/15	0.0186	963,949	-	963,949	1,095,456	88.0	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/22	\$ 137,468	\$ 137,468	\$ -	\$ 1,832,907	7.5 %
12/31/21	137,060	137,060	-	1,827,467	7.5
12/31/20	131,311	131,311	-	1,750,813	7.5
12/31/19	127,379	127,379	-	1,698,387	7.5
12/31/18	123,228	123,228	-	1,643,040	7.5
12/31/17	110,789	110,789	-	1,477,187	7.5
12/31/16	107,200	107,200	-	1,429,333	7.5
12/31/15	93,328	93,328	-	1,244,373	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

Notes to the Required Supplementary Information - General Employees Fund

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from 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.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. 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 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

City of St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

Notes to the Required Supplementary Information - General Employees Fund (Continued)

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - 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 - 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 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of St. Francis, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2022

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.0920 %	\$ 4,003,477	\$ 174,859	\$ 4,178,336	\$ 1,121,677	356.9 %	70.5 %
06/30/21	0.0949	732,527	32,910	765,437	1,121,017	65.3	93.7
06/30/20	0.0915	1,206,068	28,426	1,234,494	1,032,550	116.8	87.2
06/30/19	0.0849	903,846	-	903,846	893,836	101.1	89.3
06/30/18	0.0768	818,609	-	818,609	809,466	101.1	88.8
06/30/17	0.0760	1,026,090	-	1,026,090	776,950	132.1	85.4
06/30/16	0.0870	3,491,461	-	3,491,461	794,376	439.5	63.9
06/30/15	0.0870	988,524	-	988,524	796,699	124.1	86.6

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Covered Payroll (b/c)
12/31/22	\$ 202,312	\$ 202,312	\$ -	\$ 1,143,007	17.70 %
12/31/21	202,676	202,676	-	1,145,062	17.70
12/31/20	190,524	190,524	-	1,076,407	17.70
12/31/19	165,990	165,990	-	1,024,627	16.20
12/31/18	134,584	134,584	-	830,765	16.20
12/31/17	128,689	128,689	-	794,377	16.20
12/31/16	127,740	127,740	-	788,519	16.20
12/31/15	137,113	137,113	-	846,377	16.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent 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 3.0 percent 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 percent to 60 percent. 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 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

City of St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

Notes to the Required Supplementary Information - Police and Fire Fund (Continued)

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 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 3.00 percent 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 65.00 percent to 60.00 percent. 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 postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2022 (Fire Relief Report Date 2022)	2021 (Fire Relief Report Date 2021)	2020 (Fire Relief Report Date 2020)	2019 (Fire Relief Report Date 2019)	2018 (Fire Relief Report Date 2018)	2017 (Fire Relief Report Date 2017)*	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability								
Service cost	\$ 29,699	\$ 31,555	\$ 25,017	\$ 29,845	\$ 29,053	\$ 23,782	\$ 16,867	\$ 16,456
Interest	29,872	26,157	22,434	26,142	25,889	26,773	14,927	18,114
Changes of benefit terms	-	-	-	-	(4,837)	(24,359)	-	-
Plan changes	-	-	-	-	-	-	85,421	-
Actual experience (gains)/losses	(16,499)	6,061	51,352	-	-	-	85,421	-
Changes of assumptions	-	-	-	(69,168)	(17,091)	-	-	-
Benefit payments, including refunds of employee contributions	-	-	(86,564)	(1,000)	-	-	(17,815)	(115,925)
Net Change in Total Pension Liability	<u>43,072</u>	<u>63,773</u>	<u>12,239</u>	<u>(14,181)</u>	<u>33,014</u>	<u>26,196</u>	<u>99,400</u>	<u>(81,355)</u>
Total Pension Liability - January 1	<u>468,173</u>	<u>404,400</u>	<u>392,161</u>	<u>406,342</u>	<u>373,328</u>	<u>347,132</u>	<u>247,732</u>	<u>329,087</u>
Total Pension Liability - December 31 (a)	<u>\$ 511,245</u>	<u>\$ 468,173</u>	<u>\$ 404,400</u>	<u>\$ 392,161</u>	<u>\$ 406,342</u>	<u>\$ 373,328</u>	<u>\$ 347,132</u>	<u>\$ 247,732</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 50,104	\$ 46,341	\$ 42,022	\$ 41,643	\$ 11,500	\$ 9,000	\$ 36,251	\$ 35,927
Contributions - employee	11,500	12,000	10,500	10,500	-	-	-	-
Net investment income	71,129	61,619	129,714	138,248	47,002	90,515	(18,720)	37,617
Benefit payments, including refunds of employee contributions	-	-	(86,564)	(1,000)	-	-	(17,815)	(115,925)
Asset (gains)/losses	(248,736)	39,415	-	-	-	-	-	-
Administrative expense	(1,003)	(869)	(952)	(977)	(6,743)	(819)	(5,600)	(5,584)
Net Change in Plan Fiduciary Net Position	<u>(117,006)</u>	<u>158,506</u>	<u>94,720</u>	<u>188,414</u>	<u>51,759</u>	<u>98,696</u>	<u>(5,884)</u>	<u>(47,965)</u>
Plan Fiduciary Net Position - January 1	<u>1,185,488</u>	<u>1,026,982</u>	<u>932,262</u>	<u>743,848</u>	<u>710,834</u>	<u>685,791</u>	<u>623,519</u>	<u>671,484</u>
Change in pension plan and measurement date*	-	-	-	-	(1,654)	(75,307)	-	-
Plan Fiduciary Net Position - December 31 (b)	<u>\$ 1,068,482</u>	<u>\$ 1,185,488</u>	<u>\$ 1,026,982</u>	<u>\$ 932,262</u>	<u>\$ 760,939</u>	<u>\$ 709,180</u>	<u>\$ 617,635</u>	<u>\$ 623,519</u>
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	<u>\$ (557,237)</u>	<u>\$ (717,315)</u>	<u>\$ (622,582)</u>	<u>\$ (540,101)</u>	<u>\$ (354,597)</u>	<u>\$ (335,852)</u>	<u>\$ (270,503)</u>	<u>\$ (375,787)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	209.00%	253.22%	253.95%	237.72%	187.27%	189.96%	177.93%	251.69%
Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/22	\$ -	\$ 11,500	\$ (11,500)
12/31/21	-	12,000	(12,000)
12/31/20	-	10,500	(10,500)
12/31/19	-	10,500	(10,500)
12/31/18	-	11,500	(11,500)
12/31/17	-	9,000	(9,000)
12/31/16	35,592	35,592	-
12/31/15	37,251	37,251	-

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of St. Francis, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue			
	Police Forfeiture	Capital Projects	Debt Service	Total
Assets				
Cash and temporary investments	\$ 11,982	\$ 1,504,144	\$ 178,718	\$ 1,694,844
Receivables				
Accrued interest	-	3,252	345	3,597
Taxes	-	-	6,123	6,123
Accounts	-	3,124	-	3,124
Special assessments	-	-	22,231	22,231
Due from other governments	-	245,000	6,936	251,936
Total Assets	\$ 11,982	\$ 1,755,520	\$ 214,353	\$ 1,981,855
Liabilities				
Accounts payable	\$ -	\$ 1,270	\$ -	\$ 1,270
Contracts payable	-	17,610	-	17,610
Total Liabilities	-	18,880	-	18,880
Deferred Inflows of Resources				
Unavailable revenues - taxes	-	-	6,123	6,123
Unavailable revenues - special assessments	-	-	22,231	22,231
Total Deferred Inflows of Resources	-	-	28,354	28,354
Fund Balances				
Restricted	11,982	271,453	185,999	469,434
Assigned	-	1,465,187	-	1,465,187
Total Fund Balances	11,982	1,736,640	185,999	1,934,621
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,982	\$ 1,755,520	\$ 214,353	\$ 1,981,855

City of St. Francis, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2022

	Special Revenue			
	Police Forfeiture	Capital Projects	Debt Service	Total
Revenues				
Taxes	\$ -	\$ 730,000	\$ 370,617	\$ 1,100,617
Intergovernmental	-	245,000	-	245,000
Charges for services	-	2,530	-	2,530
Special assessments	-	-	22,680	22,680
Interest on investments (loss)	-	(44,322)	(7,192)	(51,514)
Miscellaneous	14,526	48,706	-	63,232
Total Revenues	<u>14,526</u>	<u>981,914</u>	<u>386,105</u>	<u>1,382,545</u>
Expenditures				
Current				
Public safety	3,819	-	-	3,819
Culture and recreation	-	43,943	-	43,943
Capital outlay				
General government	-	41,025	-	41,025
Public safety	-	103,993	-	103,993
Public works	-	75,496	-	75,496
Culture and recreation	-	516,297	-	516,297
Debt service				
Principal	-	-	420,000	420,000
Interest and other charges	-	-	172,757	172,757
Total Expenditures	<u>3,819</u>	<u>780,754</u>	<u>592,757</u>	<u>1,377,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,707	201,160	(206,652)	5,215
Other Financing Sources (Uses)				
Transfers in	-	20,000	204,880	224,880
Net Change in Fund Balances	10,707	221,160	(1,772)	230,095
Fund Balances, January 1	<u>1,275</u>	<u>1,515,480</u>	<u>187,771</u>	<u>1,704,526</u>
Fund Balances, December 31	<u>\$ 11,982</u>	<u>\$ 1,736,640</u>	<u>\$ 185,999</u>	<u>\$ 1,934,621</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinances to finance particular functions or other activities of government.

Police Forfeiture - proceeds from the sale of forfeited vehicles which is legally restricted for the purchase of police equipment.

City of St. Francis, Minnesota
 Police Forfeiture Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Miscellaneous	\$ -	\$ -	\$ 14,526	\$ 14,526	\$ 8,210
Expenditures					
Current					
Public safety	12,058	12,058	3,819	8,239	23,898
Net Change in Fund Balances	(12,058)	(12,058)	10,707	22,765	(15,688)
Fund Balances, January 1	1,275	1,275	1,275	-	16,963
Fund Balances, December 31	<u>\$ (10,783)</u>	<u>\$ (10,783)</u>	<u>\$ 11,982</u>	<u>\$ 22,765</u>	<u>\$ 1,275</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

Charitable Gambling - accounts for accumulation of resources to finance future police and fire capital expenditures.

Park Improvements - for the development of new City parks and improvement of existing parks. Revenue is primarily from park development fees.

Capital Equipment - accounts for the accumulation of financial resources for the future purchases of capital outlay.

Building Improvement - accounts for the accumulation of resources for future building improvement capital outlay.

City of St. Francis, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2022

	210 Charitable Gambling	225 Park Improvements	402 Capital Equipment	404 Building Improvement	Total
Assets					
Cash and temporary investments	\$ 160,488	\$ (91,284)	\$ 719,622	\$ 715,318	\$ 1,504,144
Receivables					
Accrued interest	309	176	1,388	1,379	3,252
Accounts	3,124	-	-	-	3,124
Due from other governments		245,000	-	-	245,000
Total Assets	<u>\$ 163,921</u>	<u>\$ 153,892</u>	<u>\$ 721,010</u>	<u>\$ 716,697</u>	<u>\$ 1,755,520</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,270	\$ 1,270
Contracts payable	-	17,610	-	-	17,610
Total Liabilities	<u>-</u>	<u>17,610</u>	<u>-</u>	<u>1,270</u>	<u>18,880</u>
Fund Balances					
Restricted for					
Park improvements	-	107,532	-	-	107,532
Capital purchases	163,921	-	-	-	163,921
Assigned for					
Capital projects	-	28,750	-	715,427	744,177
Capital equipment	-	-	721,010	-	721,010
Total Fund Balances	<u>163,921</u>	<u>136,282</u>	<u>721,010</u>	<u>715,427</u>	<u>1,736,640</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 163,921</u>	<u>\$ 153,892</u>	<u>\$ 721,010</u>	<u>\$ 716,697</u>	<u>\$ 1,755,520</u>

City of St. Francis, Minnesota
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2022

	210 Charitable Gambling	225 Park Improvements	402 Capital Equipment	404 Building Improvement	Total
Revenues					
Property taxes	\$ -	\$ -	\$ 260,000	\$ 470,000	\$ 730,000
Intergovernmental	-	245,000	-	-	245,000
Charges for services	-	2,530	-	-	2,530
Interest on investments (loss)	(4,505)	3,475	(18,915)	(24,377)	(44,322)
Miscellaneous	35,573	-	13,133	-	48,706
Total Revenues	<u>31,068</u>	<u>251,005</u>	<u>254,218</u>	<u>445,623</u>	<u>981,914</u>
Expenditures					
Culture and recreation	-	43,943	-	-	43,943
Capital outlay					
General government	-	-	4,168	36,857	41,025
Public safety	-	-	103,993	-	103,993
Public works	-	-	75,091	405	75,496
Culture and recreation	-	516,297	-	-	516,297
Total Expenditures	<u>-</u>	<u>560,240</u>	<u>183,252</u>	<u>37,262</u>	<u>780,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,068	(309,235)	70,966	408,361	201,160
Other Financing Sources (Uses)					
Transfers in	-	-	20,000	-	20,000
Net Change in Fund Balances	31,068	(309,235)	90,966	408,361	221,160
Fund Balances, January 1	<u>132,853</u>	<u>445,517</u>	<u>630,044</u>	<u>307,066</u>	<u>1,515,480</u>
Fund Balances, December 31	<u>\$ 163,921</u>	<u>\$ 136,282</u>	<u>\$ 721,010</u>	<u>\$ 715,427</u>	<u>\$ 1,736,640</u>

City of St. Francis, Minnesota
 Capital Equipment Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Property tax	\$ 260,000	\$ 260,000	\$ 260,000	\$ -	\$ 250,000
Interest on investments (loss)	7,000	7,000	(18,915)	(25,915)	(8,154)
Miscellaneous	-	-	13,133	13,133	6,000
Total Revenues	<u>267,000</u>	<u>267,000</u>	<u>254,218</u>	<u>(12,782)</u>	<u>247,846</u>
Expenditures					
Capital outlay					
General government	61,482	61,482	4,168	57,314	13,449
Public safety	288,126	288,126	103,993	184,133	643,614
Public works	-	164,874	75,091	89,783	60,190
Total Expenditures	<u>349,608</u>	<u>514,482</u>	<u>183,252</u>	<u>331,230</u>	<u>717,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,608)	(247,482)	70,966	318,448	(469,407)
Other Financing Sources (Uses)					
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net Change in Fund Balances	(62,608)	(227,482)	90,966	318,448	(449,407)
Fund Balances, January 1	<u>630,044</u>	<u>630,044</u>	<u>630,044</u>	<u>-</u>	<u>1,079,451</u>
Fund Balances, December 31	<u>\$ 567,436</u>	<u>\$ 402,562</u>	<u>\$ 721,010</u>	<u>\$ 318,448</u>	<u>\$ 630,044</u>

City of St. Francis, Minnesota
Charitable Gambling Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Charges for services	\$ 40,000	\$ 40,000	\$ 35,573	\$ (4,427)	\$ 47,340
Investment earnings (loss)	850	850	(4,505)	(5,355)	(150)
Total Revenues	<u>40,850</u>	<u>40,850</u>	<u>31,068</u>	<u>(9,782)</u>	<u>47,190</u>
Fund Balances, January 1	<u>132,853</u>	<u>132,853</u>	<u>132,853</u>	<u>-</u>	<u>85,663</u>
Fund Balances, December 31	<u>\$ 173,703</u>	<u>\$ 173,703</u>	<u>\$ 163,921</u>	<u>\$ (9,782)</u>	<u>\$ 132,853</u>

City of St. Francis, Minnesota
Park Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Intergovernmental	\$ -	\$ -	\$ 245,000	\$ 245,000	\$ -
Charges for services	1,000	1,000	2,530	1,530	65,942
Interest on investments (loss)	700	700	3,475	2,775	(1,127)
Miscellaneous	-	-	-	-	150
Total Revenues	<u>1,700</u>	<u>1,700</u>	<u>251,005</u>	<u>249,305</u>	<u>64,965</u>
Expenditures					
Current					
Culture and recreation	-	-	43,943	(43,943)	28,274
Capital outlay					
Culture and recreation	-	-	516,297	(516,297)	216,933
Total Expenditures	<u>-</u>	<u>-</u>	<u>560,240</u>	<u>(560,240)</u>	<u>245,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,700	1,700	(309,235)	(310,935)	(180,242)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	278,018
Net Change in Fund Balances	1,700	1,700	(309,235)	(310,935)	97,776
Fund Balances, January 1	<u>445,517</u>	<u>445,517</u>	<u>445,517</u>	<u>-</u>	<u>347,741</u>
Fund Balances, December 31	<u>\$ 447,217</u>	<u>\$ 447,217</u>	<u>\$ 136,282</u>	<u>\$ (310,935)</u>	<u>\$ 445,517</u>

City of St. Francis, Minnesota
 Building Improvement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Property tax	\$ 470,000	\$ 470,000	\$ 470,000	\$ -	\$ 246,000
Interest on investments	1,000	1,000	(24,377)	(25,377)	579
Total Revenues	<u>471,000</u>	<u>471,000</u>	<u>445,623</u>	<u>(25,377)</u>	<u>246,579</u>
Expenditures					
Capital outlay					
General government	-	-	36,857	(36,857)	-
Public works	-	-	405	(405)	16,072
Total Expenditures	<u>-</u>	<u>-</u>	<u>37,262</u>	<u>(37,262)</u>	<u>16,072</u>
Net Change in Fund Balances	471,000	471,000	408,361	(62,639)	230,507
Fund Balances, January 1	<u>307,066</u>	<u>307,066</u>	<u>307,066</u>	<u>-</u>	<u>76,559</u>
Fund Balances, December 31	<u>\$ 778,066</u>	<u>\$ 778,066</u>	<u>\$ 715,427</u>	<u>\$ (62,639)</u>	<u>\$ 307,066</u>

City of St. Francis, Minnesota
Street Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property tax	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ 240,000
Intergovernmental	116,097	116,097	993,724	877,627	144,995
Special assessments	-	-	33,222	33,222	44,638
Interest on investments (loss)	10,000	10,000	(2,313)	(12,313)	(6,194)
Miscellaneous	39,000	39,000	144,350	105,350	-
Total Revenues	<u>465,097</u>	<u>465,097</u>	<u>1,468,983</u>	<u>1,003,886</u>	<u>423,439</u>
Expenditures					
Capital outlay					
Public works	<u>759,966</u>	<u>759,966</u>	<u>1,526,775</u>	<u>(766,809)</u>	<u>487,674</u>
Net Change in Fund Balances	(294,869)	(294,869)	(57,792)	237,077	(64,235)
Fund Balances, January 1	<u>935,726</u>	<u>935,726</u>	<u>935,726</u>	<u>-</u>	<u>999,961</u>
Fund Balances, December 31	<u>\$ 640,857</u>	<u>\$ 640,857</u>	<u>\$ 877,934</u>	<u>\$ 237,077</u>	<u>\$ 935,726</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 3,222,764	\$ 3,222,764	\$ 3,305,873	\$ 83,109	\$ 3,177,442
Franchise fees	32,000	32,000	27,497	(4,503)	29,471
Total taxes	<u>3,254,764</u>	<u>3,254,764</u>	<u>3,333,370</u>	<u>78,606</u>	<u>3,206,913</u>
Licenses and permits					
Business	25,530	25,530	22,020	(3,510)	25,540
Nonbusiness	243,090	243,090	190,031	(53,059)	189,490
Total licenses and permits	<u>268,620</u>	<u>268,620</u>	<u>212,051</u>	<u>(56,569)</u>	<u>215,030</u>
Intergovernmental					
Federal					
Other	-	-	47,925	47,925	-
State					
Local government aid	524,176	524,176	524,176	-	510,060
Property tax credits	-	-	5,800	5,800	4,622
Police and fire aid	125,840	125,840	147,138	21,298	138,294
County	-	-	3,000	3,000	3,416
Total intergovernmental	<u>650,016</u>	<u>650,016</u>	<u>728,039</u>	<u>78,023</u>	<u>656,392</u>
Charges for services					
General government	338,700	338,700	311,253	(27,447)	305,614
Public safety	78,170	78,170	83,309	5,139	120,530
Public works	2,180	2,180	2,521	341	2,196
Community development	5,000	5,000	6,530	1,530	5,225
Total charges for services	<u>424,050</u>	<u>424,050</u>	<u>403,613</u>	<u>(20,437)</u>	<u>433,565</u>
Fines and forfeitures	<u>23,500</u>	<u>23,500</u>	<u>41,526</u>	<u>18,026</u>	<u>24,163</u>
Interest on investments	<u>45,000</u>	<u>45,000</u>	<u>(168,483)</u>	<u>(213,483)</u>	<u>(25,229)</u>
Miscellaneous					
Rents and leases	60,370	60,370	100,908	40,538	60,587
Recycling and landfill abatement	30,000	30,000	45,069	15,069	38,636
Donations and other	60,000	60,000	39,624	(20,376)	58,871
Total miscellaneous	<u>150,370</u>	<u>150,370</u>	<u>185,601</u>	<u>35,231</u>	<u>158,094</u>
Total Revenues	<u>4,816,320</u>	<u>4,816,320</u>	<u>4,735,717</u>	<u>(80,603)</u>	<u>4,668,928</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	\$ 27,210	\$ 27,210	\$ 27,353	\$ (143)	\$ 27,070
Other services and charges	12,880	12,880	7,025	5,855	10,800
Total mayor and city council	<u>40,090</u>	<u>40,090</u>	<u>34,378</u>	<u>5,712</u>	<u>37,870</u>
City administration					
Personal services	400,800	400,800	374,127	26,673	381,204
Supplies	10,100	10,100	11,407	(1,307)	11,213
Other services and charges	71,010	71,010	80,784	(9,774)	75,292
Total city administration	<u>481,910</u>	<u>481,910</u>	<u>466,318</u>	<u>15,592</u>	<u>467,709</u>
Elections					
Personal services	7,020	7,020	12,960	(5,940)	8
Supplies	1,000	1,000	-	1,000	-
Other services and charges	2,850	2,850	1,128	1,722	70
Total elections	<u>10,870</u>	<u>10,870</u>	<u>14,088</u>	<u>(3,218)</u>	<u>78</u>
Financial administration					
Personal services	255,100	255,100	232,787	22,313	226,757
Supplies	1,300	1,300	256	1,044	2,234
Other services and charges	5,150	5,150	6,085	(935)	4,791
Total financial administration	<u>261,550</u>	<u>261,550</u>	<u>239,128</u>	<u>22,422</u>	<u>233,782</u>
Assessor					
Other services and charges	<u>35,000</u>	<u>35,000</u>	<u>34,670</u>	<u>330</u>	<u>35,422</u>
Legal and accounting					
Other services and charges	<u>170,100</u>	<u>170,100</u>	<u>224,705</u>	<u>(54,605)</u>	<u>173,366</u>
Municipal building					
Supplies	2,100	2,100	2,724	(624)	2,909
Other services and charges	15,000	15,000	17,910	(2,910)	17,978
Rent for offices	3,000	3,000	3,566	(566)	4,305
Total municipal building	<u>20,100</u>	<u>20,100</u>	<u>24,200</u>	<u>(4,100)</u>	<u>25,192</u>
Total general government	<u>1,019,620</u>	<u>1,019,620</u>	<u>1,037,487</u>	<u>(17,867)</u>	<u>973,419</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety					
Police					
Personal services	\$ 1,697,000	\$ 1,697,000	\$ 1,643,430	\$ 53,570	\$ 1,650,814
Supplies	83,800	83,800	85,347	(1,547)	89,505
Other services and charges	219,100	219,100	212,014	7,086	211,505
Total police	<u>1,999,900</u>	<u>1,999,900</u>	<u>1,940,791</u>	<u>59,109</u>	<u>1,951,824</u>
Fire					
Personal services	275,200	275,200	280,781	(5,581)	284,205
Supplies	48,750	48,750	42,583	6,167	70,505
Other services and charges	73,700	73,700	84,426	(10,726)	71,366
Total fire	<u>397,650</u>	<u>397,650</u>	<u>407,790</u>	<u>(10,140)</u>	<u>426,076</u>
Pandemic					
Other services and charges	-	-	47,925	(47,925)	-
Animal control					
Other services and charges	2,000	2,000	655	1,345	75
Total public safety	<u>2,399,550</u>	<u>2,399,550</u>	<u>2,397,161</u>	<u>2,389</u>	<u>2,377,975</u>
Public works					
Streets and highways					
Personal services	322,100	322,100	303,807	18,293	319,829
Supplies	49,750	49,750	57,292	(7,542)	45,935
Other services and charges	162,300	162,300	178,834	(16,534)	141,577
Total streets and highways	<u>534,150</u>	<u>534,150</u>	<u>539,933</u>	<u>(5,783)</u>	<u>507,341</u>
Recycling					
Personal services	43,500	43,500	45,360	(1,860)	41,816
Supplies	5,450	5,450	5,260	190	3,162
Other services and charges	25,250	25,250	32,174	(6,924)	23,139
Total recycling	<u>74,200</u>	<u>74,200</u>	<u>82,794</u>	<u>(8,594)</u>	<u>68,117</u>
Miscellaneous					
Other services and charges	7,550	7,550	1,093	6,457	8,701
Total public works	<u>615,900</u>	<u>615,900</u>	<u>623,820</u>	<u>(7,920)</u>	<u>584,159</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation					
Parks and recreation					
Personal services	\$ 184,000	\$ 184,000	\$ 167,683	\$ 16,317	\$ 176,221
Supplies	58,250	58,250	62,753	(4,503)	32,838
Other services and charges	108,850	108,850	99,439	9,411	88,445
Total parks and recreation	<u>351,100</u>	<u>351,100</u>	<u>329,875</u>	<u>21,225</u>	<u>297,504</u>
Pioneer days					
Other services and charges	10,000	10,000	(206)	10,206	-
Total culture and recreation	<u>361,100</u>	<u>361,100</u>	<u>329,669</u>	<u>31,431</u>	<u>297,504</u>
Community development					
Planning and zoning					
Personal services	241,200	241,200	197,139	44,061	230,490
Supplies	1,525	1,525	1,362	163	1,104
Other services and charges	65,300	65,300	54,721	10,579	77,630
Total planning and zoning	<u>308,025</u>	<u>308,025</u>	<u>253,222</u>	<u>54,803</u>	<u>309,224</u>
Building inspection					
Personal services	125,700	125,700	124,511	1,189	121,344
Supplies	5,800	5,800	4,602	1,198	2,134
Other services and charges	37,125	37,125	29,200	7,925	30,237
Total building inspection	<u>168,625</u>	<u>168,625</u>	<u>158,313</u>	<u>10,312</u>	<u>153,715</u>
Total community development	<u>476,650</u>	<u>476,650</u>	<u>411,535</u>	<u>65,115</u>	<u>462,939</u>
Total current	<u>4,872,820</u>	<u>4,872,820</u>	<u>4,799,672</u>	<u>73,148</u>	<u>4,695,996</u>
Capital outlay					
General government	2,500	2,500	1,444	1,056	1,337
Community development	1,000	1,000	1,366	(366)	44,981
Total capital outlay	<u>3,500</u>	<u>3,500</u>	<u>2,810</u>	<u>690</u>	<u>46,318</u>
Total Expenditures	<u>4,876,320</u>	<u>4,876,320</u>	<u>4,802,482</u>	<u>73,838</u>	<u>4,742,314</u>

City of St. Francis, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual (Continued)
 For the Year Ended December 31, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (60,000)	\$ (60,000)	\$ (66,765)	\$ (6,765)	\$ (73,386)
Other Financing Sources (Uses)					
Transfers in	60,000	60,000	60,000	-	60,000
Sale of capital assets	-	-	-	-	7,026
Transfers out	-	-	-	-	(278,018)
Total Other Financing Sources (Uses)	60,000	60,000	60,000	-	(210,992)
Net Change in Fund Balances	-	-	(6,765)	(6,765)	(284,378)
Fund Balances, January 1	3,222,247	3,222,247	3,222,247	-	3,506,625
Fund Balances, December 31	<u>\$ 3,222,247</u>	<u>\$ 3,222,247</u>	<u>\$ 3,215,482</u>	<u>\$ (6,765)</u>	<u>\$ 3,222,247</u>

City of St. Francis, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2022

	311 G.O. Bonds 2021A	327 G.O. Bonds 2015A	330 G.O Bonds 2017A	Total
Assets				
Cash and temporary investments	\$ 2,323	\$ 80,697	\$ 95,698	\$ 178,718
Receivables				
Accrued interest	4	156	185	345
Taxes	-	-	6,123	6,123
Special assessments	3,472	18,759	-	22,231
Due from other governments	<u>1,033</u>	<u>351</u>	<u>5,552</u>	<u>6,936</u>
Total Assets	<u><u>\$ 6,832</u></u>	<u><u>\$ 99,963</u></u>	<u><u>\$ 107,558</u></u>	<u><u>\$ 214,353</u></u>
Deferred Inflows of Resources				
Unavailable revenues - taxes	\$ -	\$ -	\$ 6,123	\$ 6,123
Unavailable revenues - special assessments	<u>3,472</u>	<u>18,759</u>	<u>-</u>	<u>22,231</u>
Total Deferred Inflows of Resources	<u>3,472</u>	<u>18,759</u>	<u>6,123</u>	<u>28,354</u>
Fund Balances				
Restricted for debt service	<u>3,360</u>	<u>81,204</u>	<u>101,435</u>	<u>185,999</u>
Total Deferred Inflows of Resources and Fund Balances	<u><u>\$ 6,832</u></u>	<u><u>\$ 99,963</u></u>	<u><u>\$ 107,558</u></u>	<u><u>\$ 214,353</u></u>

City of St. Francis, Minnesota
Debt Service Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2022

	311 G.O. Bonds 2021A	327 G.O. Bonds 2015A	330 G.O Bonds 2017A	Total
Revenues				
Taxes	\$ 21,125	\$ 20,750	\$ 328,742	\$ 370,617
Special assessments	16,223	6,457	-	22,680
Interest on investments (loss)	(142)	(2,477)	(4,573)	(7,192)
Total Revenues	<u>37,206</u>	<u>24,730</u>	<u>324,169</u>	<u>386,105</u>
Expenditures				
Debt service				
Principal	95,000	25,000	300,000	420,000
Interest and other charges	4,576	3,925	164,256	172,757
Total Expenditures	<u>99,576</u>	<u>28,925</u>	<u>464,256</u>	<u>592,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,370)	(4,195)	(140,087)	(206,652)
Other Financing Sources (Uses)				
Transfers in	<u>39,880</u>	-	<u>165,000</u>	<u>204,880</u>
Net Change in Fund Balances	(22,490)	(4,195)	24,913	(1,772)
Fund Balances, January 1	<u>25,850</u>	<u>85,399</u>	<u>76,522</u>	<u>187,771</u>
Fund Balances, December 31	<u><u>\$ 3,360</u></u>	<u><u>\$ 81,204</u></u>	<u><u>\$ 101,435</u></u>	<u><u>\$ 185,999</u></u>

City of St. Francis, Minnesota
Debt Service Fund G.O. Bonds 2021A
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 20,900	\$ 20,900	\$ 21,125	\$ 225	\$ 21,157
Special assessments	16,000	16,000	16,223	223	22,026
Investment earnings	20	20	(142)	(162)	(273)
Miscellaneous	-	-	-	-	2,536
Total Revenues	<u>36,920</u>	<u>36,920</u>	<u>37,206</u>	<u>286</u>	<u>45,446</u>
Expenditures					
Debt service					
Principal	95,000	95,000	95,000	-	95,000
Interest and other charges	3,325	3,325	4,576	(1,251)	5,359
Total Expenditures	<u>98,325</u>	<u>98,325</u>	<u>99,576</u>	<u>(1,251)</u>	<u>100,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(61,405)</u>	<u>(61,405)</u>	<u>(62,370)</u>	<u>(965)</u>	<u>(54,913)</u>
Other Financing Sources (Uses)					
Transfers in	39,880	39,880	39,880	-	39,880
Bonds issued	-	-	-	-	190,000
Payment on refunding bonds	-	-	-	-	(190,000)
Total Other Financing Sources (Uses)	<u>39,880</u>	<u>39,880</u>	<u>39,880</u>	<u>-</u>	<u>39,880</u>
Net Change in Fund Balances	(21,525)	(21,525)	(22,490)	(965)	(15,033)
Fund Balances, January 1	<u>25,850</u>	<u>25,850</u>	<u>25,850</u>	<u>-</u>	<u>40,883</u>
Fund Balances, December 31	<u>\$ 4,325</u>	<u>\$ 4,325</u>	<u>\$ 3,360</u>	<u>\$ (965)</u>	<u>\$ 25,850</u>

City of St. Francis, Minnesota
Debt Service Fund G.O. Bonds 2015A
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Property taxes	\$ 20,470	\$ 20,470	\$ 20,750	\$ 280	\$ 20,778
Special assessments	9,840	9,840	6,457	(3,383)	8,847
Investment earnings	500	500	(2,477)	(2,977)	(496)
Total Revenues	<u>30,810</u>	<u>30,810</u>	<u>24,730</u>	<u>(6,080)</u>	<u>29,129</u>
Expenditures					
Debt service					
Principal	25,000	25,000	25,000	-	25,000
Interest and other charges	3,925	3,925	3,925	-	4,425
Total Expenditures	<u>28,925</u>	<u>28,925</u>	<u>28,925</u>	<u>-</u>	<u>29,425</u>
Net Change in Fund Balances	1,885	1,885	(4,195)	(6,080)	(296)
Fund Balances, January 1	<u>85,399</u>	<u>85,399</u>	<u>85,399</u>	<u>-</u>	<u>85,695</u>
Fund Balances, December 31	<u>\$ 87,284</u>	<u>\$ 87,284</u>	<u>\$ 81,204</u>	<u>\$ (6,080)</u>	<u>\$ 85,399</u>

City of St. Francis, Minnesota
Debt Service Fund G.O. Bonds 2017A
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Property taxes	\$ 327,220	\$ 327,220	\$ 328,742	\$ 1,522	\$ 329,455
Investment earnings	-	-	(4,573)	(4,573)	-
Total Revenues	<u>327,220</u>	<u>327,220</u>	<u>324,169</u>	<u>(3,051)</u>	<u>329,455</u>
Expenditures					
Debt service					
Principal	300,000	300,000	300,000	-	290,000
Interest and other charges	164,256	164,256	164,256	-	173,106
Total Expenditures	<u>464,256</u>	<u>464,256</u>	<u>464,256</u>	<u>-</u>	<u>463,106</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,036)	(137,036)	(140,087)	(3,051)	(133,651)
Other Financing Sources (Uses)					
Transfers in	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>-</u>	<u>165,000</u>
Net Change in Fund Balances	27,964	27,964	24,913	(3,051)	31,349
Fund Balances, January 1	<u>76,522</u>	<u>76,522</u>	<u>76,522</u>	<u>-</u>	<u>45,173</u>
Fund Balances, December 31	<u>\$ 104,486</u>	<u>\$ 104,486</u>	<u>\$ 101,435</u>	<u>\$ (3,051)</u>	<u>\$ 76,522</u>

City of St. Francis, Minnesota
 Economic Development Authority (EDA)
 (Discretely Presented Component Unit)
 Balance Sheet
 December 31, 2021

		240
		<u>EDA</u>
Assets		
Cash and temporary investments	\$	40,784
Accrued interest		<u>79</u>
Total Assets	\$	<u><u>40,863</u></u>
Fund Balances		
Restricted for		
Economic development projects	\$	<u><u>40,863</u></u>

City of St. Francis, Minnesota
 Economic Development Authority (EDA)
 (Discretely Presented Component Unit)
 Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2021

	240
	<u>EDA</u>
Revenues	
Interest on investments	\$ (1,083)
Fund Balances, January 1	<u>41,946</u>
Fund Balances, December 31	<u><u>\$ 40,863</u></u>

City of St. Francis, Minnesota
 Summary Financial Report
 Governmental Funds
 Revenues and Expenditures For General Operations
 For the Years Ended December 31, 2022 and 2021

	Total		Percent Increase (Decrease)
	2022	2021	
Revenues			
Taxes	\$ 4,733,987	\$ 4,314,303	9.73 %
Licenses and permits	212,051	215,030	(1.39)
Intergovernmental	1,966,763	801,387	145.42
Charges for services	406,143	499,507	(18.69)
Fines and forfeits	41,526	24,163	71.86
Special assessments	55,902	75,511	(25.97)
Interest (loss) on investments	(222,310)	(41,044)	(441.64)
Miscellaneous	393,183	222,330	76.85
Total Revenues	\$ 7,587,245	\$ 6,111,187	24.15 %
Per Capita	\$ 915	\$ 751	21.91 %
Expenditures			
Current			
General government	\$ 1,037,487	\$ 973,419	6.58 %
Public safety	2,400,980	2,401,873	(0.04)
Public works	623,820	584,159	6.79
Culture and recreation	373,612	325,778	14.68
Community development	411,535	462,939	(11.10)
Capital outlay			
General government	42,469	14,786	187.22
Public safety	103,993	643,614	(83.84)
Public works	1,602,271	563,936	184.12
Culture and recreation	516,297	216,933	138.00
Community development	1,366	44,981	(96.96)
Debt service			
Principal	420,000	410,000	2.44
Interest and other charges	172,757	182,890	(5.54)
Total Expenditures	\$ 7,706,587	\$ 6,825,308	12.91 %
Per Capita	\$ 929	\$ 838	10.87 %
Total Long-term Indebtedness	\$ 5,465,000	\$ 5,885,000	(7.14) %
Per Capita	659	723	
General Fund Balance - December 31	\$ 3,215,482	\$ 3,222,247	(0.21) %
Per Capita	388	396	

The purpose of this report is to provide a summary of financial information concerning the City of St. Francis to interested citizens. The complete financial statements may be examined at City Hall, 23340 Cree Street NW, St. Francis, MN 55070. Questions about this report should be directed to Darcy Mulvihill, Finance Director at (763) 753-2630.

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STATISTICAL SECTION (UNAUDITED)

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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STATISTICAL SECTION (UNAUDITED)

This part of the City of St. Francis' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of out-standing debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2022	2021	2020	2019
Governmental Activities				
Net investment in capital assets	\$ 13,107,561	\$ 11,182,725	\$ 10,645,221	\$ 7,822,639
Restricted	1,171,931	713,596	664,078	815,170
Unrestricted	<u>3,552,606</u>	<u>4,547,219</u>	<u>4,103,641</u>	<u>3,598,693</u>
Total Governmental Activities Net Position	<u>\$ 17,832,098</u>	<u>\$ 16,443,540</u>	<u>\$ 15,412,940</u>	<u>\$ 12,236,502</u>
Business-type Activities				
Net investment in capital assets	\$ 20,021,708	\$ 20,319,926	\$ 19,054,469	\$ 18,804,562
Restricted	309,885	243,905	180,370	118,170
Unrestricted	<u>7,505,250</u>	<u>8,183,686</u>	<u>8,682,653</u>	<u>8,274,103</u>
Total Business-type Activities Net Position	<u>\$ 27,836,843</u>	<u>\$ 28,747,517</u>	<u>\$ 27,917,492</u>	<u>\$ 27,196,835</u>
Primary Government				
Net investment in capital assets	\$ 33,129,269	\$ 31,502,651	\$ 29,699,690	\$ 26,627,201
Restricted	1,481,816	957,501	844,448	933,340
Unrestricted	<u>11,057,856</u>	<u>12,730,905</u>	<u>12,786,294</u>	<u>11,872,796</u>
Total Primary Government Net Position	<u>\$ 45,668,941</u>	<u>\$ 45,191,057</u>	<u>\$ 43,330,432</u>	<u>\$ 39,433,337</u>

Table 1

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 7,197,173	\$ 7,196,658	\$ 6,861,667	\$ 6,344,949	\$ 6,471,404	\$ 6,491,164
682,100	507,871	1,010,138	940,821	997,754	1,066,566
3,454,837	2,941,748	2,538,153	2,269,512	3,371,139	2,345,374
<u>\$ 11,334,110</u>	<u>\$ 10,646,277</u>	<u>\$ 10,409,958</u>	<u>\$ 9,555,282</u>	<u>\$ 10,840,297</u>	<u>\$ 9,903,104</u>
\$ 19,032,537	\$ 19,003,781	\$ 13,019,826	\$ 9,103,334	\$ 8,824,440	\$ 8,073,272
57,865	-	-	-	-	-
7,237,698	5,826,703	5,789,331	5,306,618	5,488,087	6,973,367
<u>\$ 26,328,100</u>	<u>\$ 24,830,484</u>	<u>\$ 18,809,157</u>	<u>\$ 14,409,952</u>	<u>\$ 14,312,527</u>	<u>\$ 15,046,639</u>
\$ 26,229,710	\$ 26,200,439	\$ 19,881,493	\$ 15,448,283	\$ 15,295,844	\$ 14,564,436
739,965	507,871	1,010,138	940,821	997,754	1,066,566
10,692,535	8,768,451	8,327,484	7,576,130	8,859,226	9,318,741
<u>\$ 37,662,210</u>	<u>\$ 35,476,761</u>	<u>\$ 29,219,115</u>	<u>\$ 23,965,234</u>	<u>\$ 25,152,824</u>	<u>\$ 24,949,743</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2022	2021	2020	2019
Expenses				
Governmental Activities				
General government	\$ 1,065,238	\$ 975,615	\$ 997,414	\$ 976,132
Public safety	2,876,790	2,378,478	2,630,451	2,288,796
Public works	2,005,902	1,475,039	1,537,431	1,204,645
Culture and recreation	450,620	406,609	376,361	377,685
Community development	426,367	491,488	488,633	910,312
Interest on long-term debt	169,928	181,183	191,290	201,696
Total Governmental Activities Expenses	<u>6,994,845</u>	<u>5,908,412</u>	<u>6,221,580</u>	<u>5,959,266</u>
Business-type Activities				
Water	1,264,609	1,203,394	1,158,339	1,129,380
Sewer	2,017,969	1,900,337	1,884,716	1,807,212
Storm water	79,437	64,812	54,476	25,800
Liquor store	2,937,478	2,439,164	2,509,775	2,344,537
Total Business-type Activities Expenses	<u>6,299,493</u>	<u>5,607,707</u>	<u>5,607,306</u>	<u>5,306,929</u>
Total Primary Government Expenses	<u>\$ 13,294,338</u>	<u>\$ 11,516,119</u>	<u>\$ 11,828,886</u>	<u>\$ 11,266,195</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 379,415	\$ 337,360	\$ 249,186	\$ 290,747
Public safety	62,039	77,299	98,787	148,675
Public works	2,521	2,196	1,061	2,878
Culture and recreation	2,580	1,635	1,345	1,870
Community development	274,779	339,890	411,815	709,992
Operating grants and contributions	995,654	408,163	824,812	263,037
Capital grants and contributions	252,795	748,612	1,979,574	256,058
Total Governmental Activities Program Revenues	<u>1,969,783</u>	<u>1,915,155</u>	<u>3,566,580</u>	<u>1,673,257</u>
Business-type Activities				
Charges for services				
Water	1,610,180	1,591,308	1,501,234	1,262,447
Sewer	1,944,560	1,958,382	1,773,962	1,652,322
Strom Water	186,336	186,334	173,812	174,543
Liquor store	2,939,140	2,501,832	2,778,937	2,428,757
Operating grants and contributions	2,657	2,145	25,482	7,014
Capital grants and contributions	204,847	517,503	1,060,565	903,951
Total Business-type Activities Program Revenues	<u>6,887,720</u>	<u>6,757,504</u>	<u>7,313,992</u>	<u>6,429,034</u>
Total Primary Government Program Revenues	<u>\$ 8,857,503</u>	<u>\$ 8,672,659</u>	<u>\$ 10,880,572</u>	<u>\$ 8,102,291</u>

Table 2

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 917,976	\$ 874,683	\$ 888,099	\$ 789,269	\$ 869,752	\$ 684,752
1,822,687	2,132,904	2,334,480	2,207,108	1,787,394	1,742,193
1,406,804	969,437	925,873	860,847	1,205,771	1,103,653
403,747	389,408	468,326	118,667	371,104	362,829
731,427	598,366	427,300	324,235	242,227	268,789
210,612	400,157	357,173	359,316	365,306	376,293
<u>5,493,253</u>	<u>5,364,955</u>	<u>5,401,251</u>	<u>4,659,442</u>	<u>4,841,554</u>	<u>4,538,509</u>
1,076,288	1,064,443	1,057,465	1,167,893	1,121,532	1,156,583
1,856,264	1,345,198	1,184,441	1,049,262	941,358	972,980
29,538	33,435	55,385	-	-	-
2,164,820	2,130,722	2,008,390	1,986,813	1,948,432	1,899,467
<u>5,126,910</u>	<u>4,573,798</u>	<u>4,305,681</u>	<u>4,203,968</u>	<u>4,011,322</u>	<u>4,029,030</u>
<u>\$ 10,620,163</u>	<u>\$ 9,938,753</u>	<u>\$ 9,706,932</u>	<u>\$ 8,863,410</u>	<u>\$ 8,852,876</u>	<u>\$ 8,567,539</u>
\$ 435,914	\$ 440,529	\$ 298,140	\$ 304,092	\$ 270,718	\$ 246,588
177,641	163,362	184,994	181,458	190,140	105,181
2,612	3,599	2,868	3,689	2,172	4,361
2,170	2,385	3,030	1,590	1,460	1,345
178,218	181,565	243,640	205,289	184,877	130,917
257,868	236,903	371,047	275,631	282,057	274,161
725,120	422,985	1,186,137	242,557	382,286	957,583
<u>1,779,543</u>	<u>1,451,328</u>	<u>2,289,856</u>	<u>1,214,306</u>	<u>1,313,710</u>	<u>1,720,136</u>
1,595,533	1,682,412	1,390,364	1,193,195	1,134,332	1,132,206
1,778,971	1,867,070	1,361,064	999,664	930,651	906,182
176,850	171,867	169,020	-	-	-
2,313,806	2,236,569	2,133,575	2,157,348	2,109,850	2,058,662
3,059	3,669	3,800	-	-	-
924,503	4,969,830	3,849,842	186,264	108,000	129,000
<u>6,792,722</u>	<u>10,931,417</u>	<u>8,907,665</u>	<u>4,536,471</u>	<u>4,282,833</u>	<u>4,226,050</u>
<u>\$ 8,572,265</u>	<u>\$ 12,382,745</u>	<u>\$ 11,197,521</u>	<u>\$ 5,750,777</u>	<u>\$ 5,596,543</u>	<u>\$ 5,946,186</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2022	2021	2020	2019
Net Revenues (Expenses)				
Governmental activities	\$ (5,025,062)	\$ (3,993,257)	\$ (2,655,000)	\$ (4,286,009)
Business-type activities	588,227	1,149,797	1,706,686	1,122,105
Total Primary Government Net Revenues (Expenses)	<u>\$ (4,436,835)</u>	<u>\$ (2,843,460)</u>	<u>\$ (948,314)</u>	<u>\$ (3,163,904)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 4,747,168	\$ 4,245,519	\$ 3,997,032	\$ 3,817,876
Tax increments	-	-	-	-
Grants and contributions not restricted to specific program	570,733	573,553	555,814	465,589
Gain on sale of capital assets	13,000	31,551	11,905	219,358
Unrestricted investment earnings	(222,310)	(41,044)	120,007	175,698
Transfers - capital assets	1,020,149	-	-	-
Transfers	284,880	284,880	1,146,680	509,880
Total Governmental Activities	<u>6,413,620</u>	<u>5,094,459</u>	<u>5,831,438</u>	<u>5,188,401</u>
Business-type Activities				
Interest on investments	(193,872)	(34,892)	160,651	-
Gain on sale of capital assets	-	-	-	256,510
Transfers - capital assets	(1,020,149)	-	-	-
Transfers	(284,880)	(284,880)	(1,146,680)	-
Total Business-type Activities	<u>(1,498,901)</u>	<u>(319,772)</u>	<u>(986,029)</u>	<u>256,510</u>
Total Primary Government	<u>\$ 4,914,719</u>	<u>\$ 4,774,687</u>	<u>\$ 4,845,409</u>	<u>\$ 5,444,911</u>
Change in Net Position				
Governmental activities	\$ 1,388,558	\$ 1,101,202	\$ 3,176,438	\$ 902,392
Business-type activities	(910,674)	830,025	720,657	1,378,615
Total Primary Government	<u>\$ 477,884</u>	<u>\$ 1,931,227</u>	<u>\$ 3,897,095</u>	<u>\$ 2,281,007</u>

Table 2

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ (3,713,710)	\$ (3,913,627)	\$ (3,111,395)	\$ (3,445,136)	\$ (3,527,844)	\$ (2,818,373)
1,665,812	6,357,619	4,601,984	332,503	271,511	197,020
<u>\$ (2,047,898)</u>	<u>\$ 2,443,992</u>	<u>\$ 1,490,589</u>	<u>\$ (3,112,633)</u>	<u>\$ (3,256,333)</u>	<u>\$ (2,621,353)</u>
\$ 3,514,249	\$ 3,249,599	\$ 3,277,360	\$ 3,175,224	\$ 3,017,872	\$ 3,001,538
-	-	7,512	14,393	14,260	14,270
494,318	365,831	362,359	353,353	318,445	85,992
39,123	80,867	-	963	4,521	-
68,973	29,655	33,960	21,200	34,894	(17,832)
-	-	-	(323,039)	-	-
284,880	423,994	284,880	264,880	1,075,036	264,880
<u>4,401,543</u>	<u>4,149,946</u>	<u>3,966,071</u>	<u>3,506,974</u>	<u>4,465,028</u>	<u>3,348,848</u>
113,434	87,702	82,101	40,832	69,413	37,157
3,250	-	-	-	-	-
-	-	-	323,039	-	-
<u>(284,880)</u>	<u>(423,994)</u>	<u>(284,880)</u>	<u>(264,880)</u>	<u>(1,075,036)</u>	<u>(264,880)</u>
<u>(168,196)</u>	<u>(336,292)</u>	<u>(202,779)</u>	<u>98,991</u>	<u>(1,005,623)</u>	<u>(227,723)</u>
<u>\$ 4,233,347</u>	<u>\$ 3,813,654</u>	<u>\$ 3,763,292</u>	<u>\$ 3,605,965</u>	<u>\$ 3,459,405</u>	<u>\$ 3,121,125</u>
\$ 687,833	\$ 236,319	\$ 854,676	\$ 61,838	\$ 937,184	\$ 530,475
1,497,616	6,021,327	4,399,205	431,494	(734,112)	(30,703)
<u>\$ 2,185,449</u>	<u>\$ 6,257,646</u>	<u>\$ 5,253,881</u>	<u>\$ 493,332</u>	<u>\$ 203,072</u>	<u>\$ 499,772</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2022	2021	2020	2019
General Fund				
Nonspendable	\$ 44,080	\$ 41,579	\$ 61,674	\$ 54,139
Assigned	-	-	-	-
Unassigned	<u>3,171,402</u>	<u>3,180,668</u>	<u>3,444,951</u>	<u>3,180,461</u>
Total General Fund	<u>\$ 3,215,482</u>	<u>\$ 3,222,247</u>	<u>\$ 3,506,625</u>	<u>\$ 3,234,600</u>
All other Governmental Funds				
Restricted	\$ 469,434	\$ 742,141	\$ 666,468	\$ 784,845
Assigned	2,343,121	1,898,111	2,182,223	2,121,685
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other Governmental Funds	<u>\$ 2,812,555</u>	<u>\$ 2,640,252</u>	<u>\$ 2,848,691</u>	<u>\$ 2,906,530</u>

Table 3

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 13,318	\$ 18,844	\$ 40,816	\$ 8,580	\$ 16,682	\$ 15,079
-	-	-	-	-	8,174
2,760,914	3,865,169	3,325,693	2,755,704	2,572,375	2,225,913
<u>\$ 2,774,232</u>	<u>\$ 3,884,013</u>	<u>\$ 3,366,509</u>	<u>\$ 2,764,284</u>	<u>\$ 2,589,057</u>	<u>\$ 2,249,166</u>
\$ 619,149	\$ 429,069	\$ 1,559,175	\$ 1,450,454	\$ 1,519,299	\$ 1,781,010
2,366,151	1,219,879	1,158,547	787,069	770,866	500,910
-	(270,282)	(321,979)	(663,590)	(860,053)	(1,494,602)
<u>\$ 2,985,300</u>	<u>\$ 1,378,666</u>	<u>\$ 2,395,743</u>	<u>\$ 1,573,933</u>	<u>\$ 1,430,112</u>	<u>\$ 787,318</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2022	2021	2020	2019
Revenues				
Taxes				
General property tax	\$ 4,733,987	\$ 4,314,303	\$ 3,998,565	\$ 3,806,521
Tax increments	-	-	-	-
Special assessments	55,902	75,511	86,444	104,511
Licenses and permits	212,051	215,030	264,898	450,529
Intergovernmental	1,966,763	801,387	3,158,447	851,229
Charges for services	406,143	499,507	433,015	617,622
Fines and forfeitures	41,526	24,163	38,158	29,400
Interest on investments	(222,310)	(41,044)	120,007	175,698
Miscellaneous	393,183	222,330	198,530	204,232
Total Revenues	<u>7,587,245</u>	<u>6,111,187</u>	<u>8,298,064</u>	<u>6,239,742</u>
Expenditures				
Current				
General government	1,037,487	973,419	943,028	919,599
Public safety	2,400,980	2,401,873	2,636,569	2,019,852
Public works	623,820	584,159	575,294	601,663
Culture and recreation	373,612	325,778	294,034	316,672
Community development	411,535	462,939	840,471	682,422
Capital outlay				
General government	42,469	14,786	4,909	8,620
Public safety	103,993	643,614	128,699	207,569
Public works	1,602,271	563,936	3,216,804	943,298
Culture and recreation	516,297	216,933	-	-
Community development	1,366	44,981	11,379	220,217
Debt service				
Principal	420,000	410,000	405,000	390,000
Interest and other charges	172,757	182,890	193,480	203,638
Total Expenditures	<u>7,706,587</u>	<u>6,825,308</u>	<u>9,249,667</u>	<u>6,513,550</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>(119,342)</u>	<u>(714,121)</u>	<u>(951,603)</u>	<u>(273,808)</u>
Other Financing Sources (Uses)				
Transfers in	284,880	562,898	1,333,680	509,880
Transfers out	-	(278,018)	(187,000)	-
Bond issued	-	190,000	-	-
Payment on refunding bonds	-	(190,000)	-	-
Payment to escrow agent	-	-	-	-
Premium on bonds issued	-	-	-	-
Land sales	-	-	-	139,025
Sale of capital assets	-	7,026	19,109	6,501
Total Other Financing Sources (Uses)	<u>284,880</u>	<u>291,906</u>	<u>1,165,789</u>	<u>655,406</u>
Net Change in Fund Balance	<u>\$ 165,538</u>	<u>\$ (422,215)</u>	<u>\$ 214,186</u>	<u>\$ 381,598</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>9.35 %</u>	<u>9.94 %</u>	<u>9.85 %</u>	<u>10.53 %</u>

Table 4

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 3,511,347	\$ 3,257,514	\$ 3,271,277	\$ 3,170,208	\$ 3,058,619	\$ 3,007,177
-	-	7,512	14,393	14,260	14,270
74,966	85,984	1,284,161	263,123	196,257	51,141
228,153	214,855	145,980	126,862	94,205	87,298
989,920	855,400	741,398	611,364	567,935	449,284
623,033	457,882	593,857	486,490	460,737	326,599
36,854	25,631	30,836	39,909	49,635	33,927
68,973	29,655	33,960	21,200	34,894	(17,832)
289,556	188,986	285,467	195,832	195,635	193,875
<u>5,822,802</u>	<u>5,115,907</u>	<u>6,394,448</u>	<u>4,929,381</u>	<u>4,672,177</u>	<u>4,145,739</u>
875,337	824,154	774,871	731,292	843,302	654,631
1,793,598	1,693,408	1,649,746	1,670,971	1,556,675	1,533,049
701,696	622,009	497,261	547,069	595,967	691,772
298,290	277,528	295,925	291,477	259,049	247,542
726,750	583,379	397,237	323,342	239,745	264,659
2,065	8,142	27,283	10,781	8,178	3,164
105,900	272,964	66,091	480,177	132,601	86,291
482,312	100,524	805,651	274,465	369,510	651,780
7,165	46	73,234	165,143	92,695	120,194
-	-	-	-	-	26,470
415,000	870,000	310,000	316,022	325,499	288,549
208,550	459,093	357,994	362,849	371,828	372,182
<u>5,616,663</u>	<u>5,711,247</u>	<u>5,255,293</u>	<u>5,173,588</u>	<u>4,795,049</u>	<u>4,940,283</u>
206,139	(595,340)	1,139,155	(244,207)	(122,872)	(794,544)
1,843,280	783,994	644,880	1,531,604	1,465,036	604,880
(1,558,400)	(360,000)	(360,000)	(1,266,724)	(390,000)	(340,000)
-	6,705,000	-	265,000	-	560,000
-	-	-	-	-	-
-	(7,386,676)	-	-	-	-
-	272,582	-	-	-	-
-	-	-	-	-	-
5,834	80,867	-	33,375	30,521	27,321
<u>290,714</u>	<u>95,767</u>	<u>284,880</u>	<u>563,255</u>	<u>1,105,557</u>	<u>852,201</u>
<u>\$ 496,853</u>	<u>\$ (499,573)</u>	<u>\$ 1,424,035</u>	<u>\$ 319,048</u>	<u>\$ 982,685</u>	<u>\$ 57,657</u>
<u>11.63 %</u>	<u>24.62 %</u>	<u>15.37 %</u>	<u>15.52 %</u>	<u>16.32 %</u>	<u>16.04 %</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Shown By Year of Tax Collectability)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Estimated Market Value				
Real property	\$ 756,074,800	\$ 685,649,800	\$ 637,525,800	\$ 580,370,400
Personal property	<u>5,048,600</u>	<u>7,762,200</u>	<u>7,459,600</u>	<u>7,740,700</u>
Total Estimated Market Value	<u>\$ 761,123,400</u>	<u>\$ 693,412,000</u>	<u>\$ 644,985,400</u>	<u>\$ 588,111,100</u>
Tax Capacity				
Residential property	\$ 6,232,193	\$ 5,516,622	\$ 5,206,235	\$ 4,716,185
Commercial / industrial property	840,550	814,511	685,757	621,584
Other	446,852	503,472	443,635	262,865
Contribution to Fiscal Disparities Pool	(343,146)	(315,965)	(307,139)	(291,793)
Receivable From Fiscal Disparities Pool	1,963,816	1,765,135	1,765,135	1,636,528
Tax Increment	<u>-</u>	<u>-</u>	<u>(2,032)</u>	<u>-</u>
Net Tax Capacity	<u>\$ 9,140,265</u>	<u>\$ 8,283,775</u>	<u>\$ 7,791,591</u>	<u>\$ 6,945,369</u>
Net Tax Capacity as a Percentage of Estimated Market Value	<u>1.201 %</u>	<u>1.195 %</u>	<u>1.208 %</u>	<u>1.181 %</u>
Gross Tax Levy	<u>\$ 4,669,590</u>	<u>\$ 4,234,590</u>	<u>\$ 3,984,590</u>	<u>\$ 3,793,590</u>
Tax Capacity Rate	<u>51.147 %</u>	<u>50.589 %</u>	<u>50.218 %</u>	<u>53.177 %</u>

Source: Anoka County Property Records and Taxation Department.

Note: Property in the County is reassessed annually.

Table 5

2018	2017	2016	2015	2014	2013
\$ 525,321,000	\$ 474,776,600	\$ 451,592,700	\$ 441,346,300	\$ 392,686,000	\$ 405,703,000
7,565,000	7,013,300	6,691,100	5,971,100	6,124,000	6,496,600
<u>\$ 532,886,000</u>	<u>\$ 481,789,900</u>	<u>\$ 458,283,800</u>	<u>\$ 447,317,400</u>	<u>\$ 398,810,000</u>	<u>\$ 412,199,600</u>
\$ 4,377,814	\$ 3,865,537	\$ 3,651,698	\$ 3,546,894	\$ 3,037,063	\$ 3,153,799
586,633	582,609	539,921	520,655	516,209	563,227
237,868	225,462	224,223	220,816	222,735	221,807
(276,717)	(263,268)	(225,976)	(251,537)	(274,535)	(310,154)
1,521,933	1,462,769	1,364,588	1,358,498	1,434,712	1,320,087
-	-	(12,522)	(12,002)	(11,891)	(11,899)
<u>\$ 6,447,531</u>	<u>\$ 5,873,109</u>	<u>\$ 5,541,932</u>	<u>\$ 5,383,324</u>	<u>\$ 4,924,293</u>	<u>\$ 4,936,867</u>
<u>1.210 %</u>	<u>1.219 %</u>	<u>1.209 %</u>	<u>1.203 %</u>	<u>1.235 %</u>	<u>1.198 %</u>
<u>\$ 3,488,791</u>	<u>\$ 3,244,573</u>	<u>\$ 3,244,573</u>	<u>\$ 3,180,953</u>	<u>\$ 2,988,086</u>	<u>\$ 2,988,086</u>
<u>53.997 %</u>	<u>54.117 %</u>	<u>58.428 %</u>	<u>58.909 %</u>	<u>59.629 %</u>	<u>63.026 %</u>

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Property Tax Capacity Rates - Direct and Overlapping Governments
 Last Ten Fiscal Years

Table 6

Year Taxes Payable	City			Overlapping Rates				Totals	
	General	Debt Service	Total	Anoka County	School District No. 15	School District No. 728	Special Districts	No. 15	No. 728
2022	47.110 %	4.037 %	51.147 %	29.254 %	18.833 %	30.889 %	3.239 %	102.473 %	114.529 %
2021	46.186	4.403	50.589	31.086	21.957	31.717	3.470	107.102	116.862
2020	45.847	4.371	50.218	33.078	22.200	34.371	3.406	108.902	121.073
2019	48.614	4.563	53.177	34.473	24.858	32.865	3.666	116.174	124.181
2018	46.729	7.268	53.997	35.334	26.962	36.137	4.026	120.319	129.494
2017	53.467	0.650	54.117	36.841	24.625	33.208	3.912	96.421	105.004
2016	57.562	0.866	58.428	38.894	29.371	39.266	4.430	131.123	141.018
2015	58.390	0.519	58.909	38.123	29.449	42.483	4.117	130.598	143.632
2014	59.209	0.420	59.629	43.239	33.635	51.286	4.542	141.045	158.696
2013	62.591	0.435	63.026	44.761	33.707	50.058	4.094	145.588	161.939

Source: Anoka County Property Records and Taxation Department.

Note: Overlapping rates are those of local and County governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Principal Property Taxpayers
 Current Year and 10 Years Ago

Table 7

Taxpayer	2022			2013		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Alliant Techsystems	\$ 213,006	1	3.12 %	\$ 206,370	1	3.34 %
ALS Properties Woodhaven LLC	106,787	2	1.56	101,571	3	1.64
St. Francis Realty LLC	87,522	3	1.28	107,486	2	1.74
Minnegasco Inc.	84,956	4	1.24	48,552	6	0.79
King Exchange LLC	78,490	5	1.15	70,402	5	1.14
Northern Capital Investments	55,063	6	0.81	-	-	-
Kwik Trip	39,434	7	0.58	-	-	-
Weaver Brothers	30,973	8	0.45			
Village Bank	29,813	9	0.44	27,341	10	0.44
Abbey Field LTD Partnership	27,098	10	0.40	-	-	-
Jensen Family LP	-	-	-	30,594	8	0.50
Central Bank	-	-	-	38,437	7	0.62
Connexus Energy	-	-	-	71,536	4	1.16
Kerry Street LLC	-	-	-	28,955	9	0.47
Total	\$ 753,142		11.03 %	\$ 731,244		11.84 %

Source: Anoka County Property Records and Taxation Department.

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City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Table 8

Fiscal Year	Original Gross Levy	Net Levy	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy	Total Collections	Percentage of Total Collections to Levy
2022	\$ 4,669,590	\$ 4,669,590	\$ 4,669,590	100.00 %	\$ 9,026	\$ 4,678,616	100.19 %
2021	4,234,590	4,234,590	4,234,590	100.00	38,872	4,273,462	100.92
2020	3,984,590	3,984,590	3,774,658	94.73	3,791	3,778,449	94.83
2019	3,793,590	3,488,791	3,485,000	99.89	3,791	3,488,791	100.00
2018	3,488,791	3,244,573	3,238,987	99.83	5,586	3,244,573	100.00
2017	3,244,573	3,244,573	3,239,514	99.84	5,059	3,244,573	100.00
2016	3,244,573	3,180,953	3,171,773	99.71	9,134	3,180,907	100.00
2015	3,180,953	2,988,086	2,985,995	99.93	2,091	2,988,086	100.00
2014	2,988,086	2,988,086	2,972,920	99.49	15,166	2,988,086	100.00
2013	2,988,086	2,873,160	2,847,168	99.10	20,638	2,867,806	99.81

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities	
	General Obligation Bonds	Lease Revenue Bonds	Capital Lease/Lease Purchase	Contract for Deed	General Obligation Revenue Bonds	Lease Purchase
2022	\$ 5,654,293	\$ -	\$ -	\$ -	\$ 21,600,000	\$ -
2021	6,089,436	-	-	-	23,050,000	-
2020	6,514,580	-	-	-	24,082,000	562,970
2019	6,934,723	-	-	-	25,436,000	614,813
2018	7,339,867	-	-	-	26,767,000	-
2017	7,770,010	-	-	-	27,891,000	-
2016	1,430,000	7,315,000	-	-	36,711,544	-
2015	1,505,000	7,550,000	-	-	30,268,000	-
2014	1,310,000	7,780,000	16,022	-	14,406,000	-
2013	1,380,000	8,005,000	46,521	-	15,406,000	-

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

See the Demographic Statistics table on page 151 for personal income and population data.

* - Personal income and population data were not available for the current year, therefore these calculations were not possible.

Table 9

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 27,254,293	7.85 %	\$ 3,287
21,139,436	8.25	3,579
31,159,550	8.92	3,873
32,985,536	11.16	4,192
34,106,867	12.18	4,523
35,661,010	12.73	4,729
45,456,544	16.23	6,028
39,323,000	14.42	5,314
23,512,022	7.91	3,248
24,837,521	8.80	3,413

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Market Value of Taxable Property	Per Capita
2022	\$ 27,254,293	\$ 145,469	\$ 27,108,824	3.56 %	\$ 3,269
2021	29,139,436	159,226	28,980,210	4.18	3,559
2020	30,596,580	169,361	30,427,219	5.48	4,095
2019	32,370,723	153,737	32,216,986	6.38	4,506
2018	34,106,867	124,340	33,982,527	7.38	4,804
2017	35,661,010	112,802	35,548,208	8.19	5,122
2016	38,141,544	613,035	37,528,509	6.96	4,269
2015	31,773,000	626,991	31,146,009	3.78	2,080
2014	15,716,000	654,800	15,061,200	3.91	2,213
2013	16,786,000	681,165	16,104,835	3.23	2,060

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 See Assessed Value and Estimated Actual Value of Taxable Property on page 138 - 139 for property value data.
 See the Demographic Statistics on page 151 for population data.

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Computation of Direct and Overlapping Debt
 December 31, 2022

Table 11

	Net Debt	Percentage Applicable to City	Amount Applicable to City of St. Francis Share of Debt
Direct Debt			
City of St. Francis	\$ 5,654,293	100.00 %	\$ 5,654,293
Overlapping Debt			
Anoka County	41,405,000	1.90	785,246
Isanti County	6,190,000	0.03	1,572
School District 15	81,735,000	20.23	16,533,192
School District 728	288,640,000	0.00	5,773
Metropolitan Council	166,860,000	0.18	293,507
Anoka County RR Authority	3,050,000	1.90	57,843
Total Overlapping Debt	587,880,000		17,677,133
Total Direct and Overlapping Debt	\$ 593,534,293		\$ 23,331,426

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

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

* The percentage of overlapping debt applicable is estimated using taxable market property values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the county's total taxable market value.

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2022	2021	2020	2019
Estimated Market Value of Taxable Property	\$ 761,123,400	\$ 693,412,000	\$ 644,985,000	\$ 588,111,100
Statutory Percentage	3.0%	3.0%	3.0%	3.0%
Statutory Debt Limit	22,833,702	20,802,360	19,349,550	17,643,333
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 22,833,702</u>	<u>\$ 20,802,360</u>	<u>\$ 19,349,550</u>	<u>\$ 17,643,333</u>

Legal Debt Margin Calculation for Fiscal Year 2019

Estimated Market Value of Taxable Property	\$ 761,123,400
Statutory Percentage	3.0%
Statutory Debt Limit	<u>\$ 22,833,702</u>
Total Bonds Outstanding	\$ 27,254,293
Less: Special Assessment Bonds	(5,654,293)
Less: Utility Revenue Bonds	<u>(21,600,000)</u>
Debt Applicable to Limit	<u>\$ -</u>
Legal Debt Margin	<u>\$ 22,833,702</u>

Table 12

Fiscal Year					
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 532,886,000	\$ 481,789,900	\$ 458,283,800	\$ 447,317,400	\$ 398,810,000	\$ 412,199,600
<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>2.0%</u>
15,986,580	14,453,697	13,748,514	13,419,522	11,964,300	8,243,992
-	-	-	-	-	-
<u>\$ 15,986,580</u>	<u>\$ 14,453,697</u>	<u>\$ 13,748,514</u>	<u>\$ 13,419,522</u>	<u>\$ 11,964,300</u>	<u>\$ 8,243,992</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Pledged - Revenue Coverage
Last Ten Fiscal Years

Table 13

G.O. Special Assessment Bonds							
Fiscal Year	Property Taxes	Special Assessments	Revenue Available	Debt Service			Coverage
				Principal	Interest	Total	
2022	\$ 41,875	\$ 22,680	\$ 64,555	\$ 120,000	\$ 8,501	\$ 128,501	0.502 %
2021	41,935	30,873	72,808	120,000	9,784	129,784	0.561
2020	41,654	41,047	82,701	120,000	11,748	131,748	0.628
2019	41,661	46,658	88,319	115,000	13,507	128,507	0.687
2018	41,678	26,978	68,656	115,000	14,889	129,889	0.529
2017	41,543	34,153	75,696	630,000	28,152	658,152	0.115
2016	41,486	52,856	94,342	75,000	41,726	116,726	0.808
2015	20,819	22,335	43,154	70,000	38,736	108,736	0.397
2014	21,307	22,180	43,487	70,000	45,223	115,223	0.377
2013	20,984	24,024	45,008	65,000	35,317	100,317	0.449

G.O. Revenue Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service			Coverage
				Principal (3)	Interest	Total	
2022	\$ 3,550,197	\$ 1,707,666	\$ 1,842,531	\$ 1,450,000	\$ 369,340	\$ 1,819,340	101.275 %
2021	3,840,902	1,534,696	2,306,206	1,450,779	433,461	1,884,420	122.383
2020	4,171,479	1,472,497	2,698,982	1,405,843	431,905	1,837,748	146.864
2019	3,494,127	1,376,831	2,117,296	1,331,000	444,384	1,775,384	119.258
2018	3,557,284	1,355,133	2,202,151	1,124,000	456,355	1,580,355	139.345
2017	3,845,952	1,209,624	2,636,328	4,470,544	610,805	5,081,349	51.882
2016	3,261,442	992,279	2,269,163	17,297,000	539,674	17,836,674	12.722
2015	2,364,011	1,120,195	1,243,816	1,043,000	400,791	1,443,791	86.149
2014	2,140,792	1,120,195	1,020,597	1,000,000	452,516	1,452,516	70.264
2013	2,139,806	1,008,043	1,131,763	968,000	428,117	1,396,117	81.065

(1) Operating revenues includes connection fees.

(2) Excluding depreciation.

(3) Net of crossover refunding.

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Demographic Statistics
 Last Ten Fiscal Years

Table 14

Year	(1) Population	(2) Personal Income	(3) Per Capita Personal Income	(4) Unemployment Rate
2022	8,292	\$ 347,310,420	\$ 41,885	3.2 %
2021	8,142	353,403,510	43,405	4.5
2020	8,045	349,193,225	43,405	4.3
2019	7,868	295,640,100	37,575	3.1
2018	7,541	280,074,920	37,140	3.3
2017	7,400	272,754,400	36,859	4.0
2016	7,327	301,337,529	41,127	3.5
2015	7,296	300,062,592	41,127	3.5
2014	7,240	297,404,720	41,078	5.1
2013	7,277	282,303,938	38,794	5.6

(1) Metropolitan Council

(2) Estimates by the City. Calculated by multiplying per capita personal income and the population.

(3) Metropolitan Council

(4) Minnesota Department of Employment and Economic Development

* Information not available at time of publication

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Principal Employers
Current Year and Ten Years Ago

Table 15

Employer	2022			2013		
	Employees	Rank	Percent of City Employment	Employees	Rank	Percent of City Employment
Independent School District #15 (includes Bus Garage)	710	1	46.93 %	455	1	36.28 %
County Market	60 *	2	3.97	90	2	7.18
McDonald's	58 *	3	3.83	58	3	4.63
Temperature Specialists, Inc.	43	4	2.84	33	7	2.63
Kwik Trip	41	5	2.71	-	-	-
Northland Screw Products	40 *	6	2.64	30	8	2.39
The Ponds Golf Course & Restaurant	40 *	7	2.64	48	4	3.83
City of St. Francis	36	8	2.38	36	5	2.87
Lit'l Sprouts Childcare	27	9	1.78	-	-	-
Beef O' Bradys	14	10	0.93	35	6	2.79
Kid's Country	-		-	27	9	2.15
ISD #15 Bus Garage	-		-	12	10	0.96
Total	1,069		70.65 %	824		65.71 %

*Estimated as business would not provide exact number

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Table 16

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government	8	8	8	8	8	8	8	6	6	6
Public Safety										
Police	14	14	14	14	14	14	14	14	13	12
Fire	1	1	1	-	-	-	-	-	-	-
Public Works	3	3	3	3	3	3	3	2	2	3
Culture and Recreation	2	2	2	2	2	2	2	2	2	2
Water	3	3	3	3	3	3	2	2	2	2
Sewer	2	2	2	2	2	2	2	2	2	2
Municipal Liquor Store	3	3	2	2	2	2	2	4	4	4
Total	36	36	35	34	34	34	33	32	31	31

Source: various city departments

City of St. Francis, Minnesota
Operating Indicators by Function
Last Ten Fiscal Years

Table 17

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Ordinances and resolutions adopted	87	83	63	52	58	60	52	82	56	54
Administration - Licenses processed	25	24	27	30	27	34	30	30	30	29
Finance - Payroll checks issued	1,352	1,418	1,385	1,396	1,333	1,237	1,274	1,275	1,153	1,230
Finance - Invoices paid	2,609	2,728	3,161	3,081	3,354	3,080	3,100	3,010	3,048	5,304
Police										
Chargeable offenses (Parts 1 & 2)	447	811	734	325	325	335	611	602	780	700
Miscellaneous offenses (Parts 3 & 4)	4,269	3,934	4,052	828	813	522	3,140	4,309	4,372	4,290
Public safety calls for service	6,427	6,521	6,246	3,962	3,663	3,912	3,751	4,911	5,152	4,990
Traffic citations issued	394	659	631	4,790	4,476	4,434	368	432	698	640
Fire										
Number of calls answered	730	659	541	484	377	323	251	254	328	368
Code Enforcement										
Building permits issued	879	565	621	621	487	374	318	333	279	303
Highways and Streets										
Asphalt streets maintained	37	37	36	36	36	36	36	36	36	36
Gravel maintenance (miles)	8	8	8	11	11	11	11	11	11	12
Gravel usage (Tons)	-	-	-	-	-	-	1,778	62	199	872
Sand/salt usage (tons)	654	413	277	350	441	366	371	210	357	189
Water										
Water pumped (million gallons)	202	211	201	172	185	168	177	173	175	188
Water main breaks repaired	-	-	-	-	-	-	1	1	-	-
Wastewater										
Gallons of wastewater treated (millions)	132	127	127	121	116	120	130	113	125	119
Miles of sewer mains cleaned	5	5	5	5	5	5	3	1	1	3

Sources: Various government departments.

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Miscellaneous Statistics
 December 31, 2022

Table 18

Year of Incorporation	1974
Area of City	23.70 square miles
Miles of Roadways	
City	48.1
State / County	26.9
Private	4.6
Water System	
Number of hydrants	
City	310
Private	68
Number of wells	3
Miles of water mains	
City	30.1
Private	7.4
Raw	0.6
Abandoned	0.2
Sewer System	
Lift stations	
City	9
Private	2
Miles of sewer mains	
City	24.0
Private	5.7
Number of manholes	
City	504
Private	142
Fire Protection	
Number of stations	1
Number of employees	21
Police Protection	
Number of stations	1
Number of employees	16
Parks	
Number	16
Acres	89.3
Elections	
Registered voters last election	5,109
Number of votes cast last election	3,167
Percentage of registered voters voting	61.99%

Sources: Various government departments.

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City of St. Francis, Minnesota
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 19

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	7	7	7	7	7
Fire stations										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Highways and streets										
Streets (miles)	48.1	47	47	47	47	47	47	47	47	47
Street lights	286	279	273	270	270	270	270	259	259	252
Traffic signals	0	0	0	0	0	0	0	1	1	1
Culture and Recreation										
Parks division										
Parks	16	14	14	14	14	14	14	14	14	14
Parks acreage	89.3	83	83	83	83	83	83	83	83	83
Utilities										
Water										
Miles of water main	30.1	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7
Consumers	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380
Maximum daily capacity (gallons)	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000
Sewer										
Miles of sanitary sewer	24	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
Lift stations	9	12	12	12	12	12	12	12	12	12
Maximum daily treatment capacity (gallons)	814,000	814,000	814,000	814,000	814,000	814,000	540,000	540,000	540,000	540,000
Storm sewer										
Miles of storm sewer	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7

Source: City of St. Francis, Minnesota

Note: No capital asset indicators are available for the general government function.