



Minnesota

# Annual Comprehensive Financial Report

For the Year Ended December 31, 2023



THIS PAGE IS LEFT  
BLANK INTENTIONALLY

**CITY OF ST. FRANCIS, MINNESOTA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2023

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  
 Table of Contents  
 For the Year Ended December 31, 2023

	<u>Page No.</u>
<b>Introductory Section</b>	
Letter of Transmittal from City Administrator and Finance Director	9
Organizational Chart	18
Elected and Appointed Officials	19
Certificate of Achievement for Excellence in Financial Reporting	20
<b>Financial Section</b>	
Independent Auditor's Report	23
Management's Discussion and Analysis	27
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	41
Statement of Activities	42
Fund Financial Statements	
Governmental Funds	
Balance Sheet	46
Reconciliation of the Balance Sheet to the Statement of Net Position	47
Statement of Revenues, Expenditures and Changes in Fund Balances	48
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	49
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	51
Proprietary Funds	
Statement of Net Position	52
Statement of Revenues, Expenses and Changes in Net Position	55
Statement of Cash Flows	56
Notes to the Financial Statements	59
<b>Required Supplementary Information</b>	
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	90
Schedule of Employer's Public Employees Retirement Association Contributions - General Employees Retirement Fund	90
Notes to the Required Supplementary Information - General Employees Retirement Fund	91
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - Public Employees Police and Fire Fund	93
Schedule of Employer's Public Employees Retirement Association Contributions - Public Employees Police and Fire Fund	93
Notes to the Required Supplementary Information - Public Employees Police and Fire Fund	94
Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios	96
Schedule of Employer's Fire Relief Association Contributions	96
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
Nonmajor Governmental Funds	
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	99
Police Forfeiture Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	102

City of St. Francis, Minnesota  
Annual Comprehensive Financial Report  
Table of Contents (Continued)  
For the Year Ended December 31, 2023

	<u>Page No.</u>
<b>Combining and Individual Fund Financial Statements and Schedules (Continued)</b>	
Nonmajor Capital Projects Funds	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	105
Charitable Gambling Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	106
Park Improvements Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	107
Capital Equipment Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	108
Street Improvement Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	109
Building Improvement Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	111
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	112
Debt Service Funds	
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	117
Debt Service Fund G.O. Bonds 2021A	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	118
Debt Service Fund G.O. Bonds 2015A	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	119
Debt Service Fund G.O. Bonds 2017A	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	120
Discretely Presented Component Unit – Economic Development Authority (EDA)	
Balance Sheet	121
Statement of Revenues, Expenditures and Changes in Fund Balances	122
Summary Financial Report	
Revenues and Expenditures for General Operations - Governmental Funds	123
	<u>Table</u>
	<u>Page No.</u>
<b>Statistical Section (Unaudited)</b>	
Net Position by Component	1
Changes in Net Position	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
Assessed Value and Estimated Actual Value of Taxable Property	5
Property Tax Capacity Rates - Direct and Overlapping Governments	6
Principal Property Taxpayers	7
Property Tax Levies and Collections	8
Ratio of Outstanding Debt by Type	9
Ratios of General Bonded Debt Outstanding	10
Computation of Direct and Overlapping Debt	11
Legal Debt Margin Information	12
Pledged-Revenue Coverage	13
Demographic Statistics	14
Principal Employers	15
Full-Time Equivalent City Government Employees by Function	16
Operating Indicators by Function	17
Miscellaneous Statistics	18
Capital Asset Statistics by Function	19

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

INTRODUCTORY SECTION

CITY OF ST. FRANCIS  
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

THIS PAGE IS LEFT  
BLANK INTENTIONALLY



May 10, 2024

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, 2023, 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, 2023. 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 8,306. 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 several years:

- 1) Provide high quality services to residents in a cost-effective manner. The 2024 Budget provides an increased service level at nearly the same cost to the tax base of St. Francis as the 2023 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 2024 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 taken on 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 2024 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 Bridge Street Corridor and Highway 47 as strategic areas for reinvestment. The City sold bonds in 2023 to finance the construction of 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 has 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) 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 on what the city can expect as far as future revenues and tax base increases.

Below are some additional descriptions and highlights of the 2024 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.



Residential Building Activity: The city has had a stable 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.

Commercial Building Activity: The city has seen an increase in commercial development through retail construction. Retail needs remain a gap in within the city and St. Francis has seen an increase in interest to meet the market demands. Additionally, a clinic is working to fill a vacation space as well as new restaurant choices.

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.

Parks: A renewed commitment to parks has increased not only funding put community engagement. The city brought back its Park Commission and within the 2024 budget dedicated funding to repair and replace structures within the existing park system as well as increase amenities to meet the demands of residents.

Public Safety: The 2024 budget also illustrates the City's commitment to addressing Public Safety. The 2024 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, 2022. This was the 12<sup>th</sup> 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, 2023. It was the 14<sup>th</sup> 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,

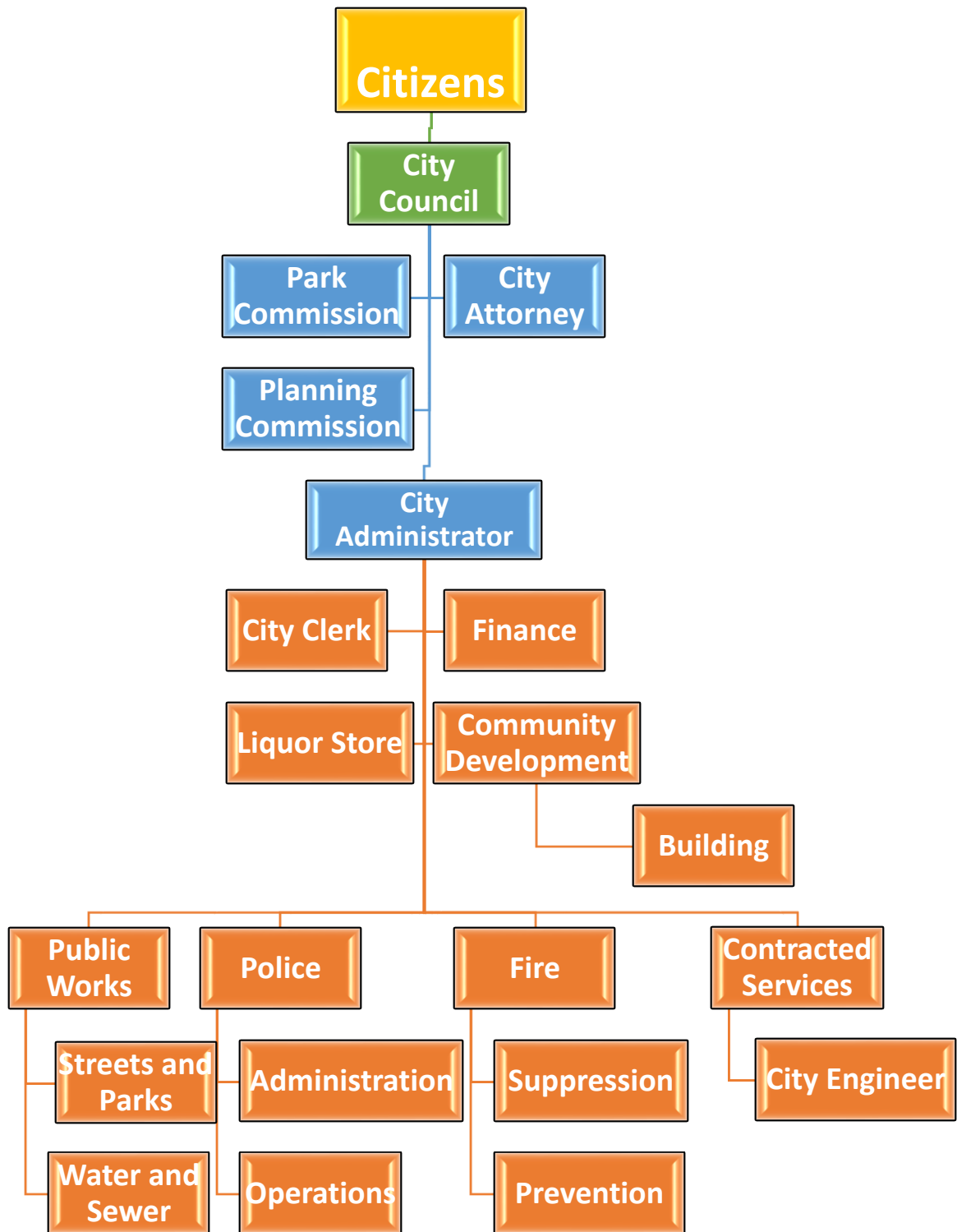


Kate Thunstrom  
City Administrator



Darcy Mulvihill  
Finance Director

# ORGANIZATIONAL CHART



City of St. Francis, Minnesota  
Elected and Appointed Officials  
For the Year Ended December 31, 2023

**ELECTED**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joseph Muehlbauer	Mayor	12/31/2024
Kevin Robinson	Council Member	12/31/2026
Crystal Kreklow	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, 2022

*Christopher P. Morill*

Executive Director/CEO



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

FOR THE YEAR ENDED  
DECEMBER 31, 2023

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

## 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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.

## **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 10, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 10, 2024



THIS PAGE IS LEFT  
BLANK INTENTIONALLY



## 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, 2023.

### 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 revenue from operating grants and investment earnings offsetting increase in 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 the issuance of debt during the year for construction on the new City Hall/Fire Station. Expenditures are expected to offset the increase in future years. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.
- The total and unassigned fund balance in the General fund, as shown in the financial analysis of the city's funds section, increased from prior year.
- The City's total bonded debt increased during the current fiscal year. This was mainly due to the issuance of the 2023A bond, offset by 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**

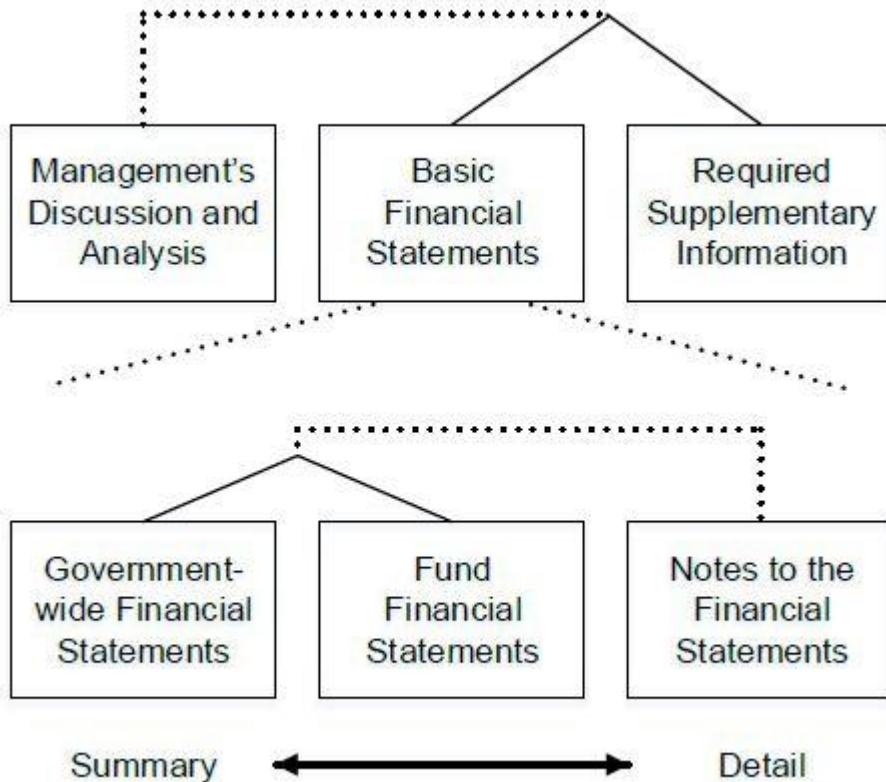


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

	<b>Fund Financial Statements</b>		
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
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"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of Net Position</li> <li>• Statements of Revenues, Expenses and Changes in Fund Net Position</li> <li>• Statements of Cash Flows</li> </ul>
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, sales and charges for services (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, community development, and interest on long-term debt. The business-type activities of the City include water, sewer, liquor store, and storm water.

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 Building 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		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 22,498,872	\$ 10,209,629	\$ 12,289,243	\$ 9,198,006	\$ 8,747,567	\$ 450,439
Capital assets	20,312,195	18,545,413	1,766,782	40,424,590	41,621,708	(1,197,118)
<b>Total Assets</b>	<b>42,811,067</b>	<b>28,755,042</b>	<b>14,056,025</b>	<b>49,622,596</b>	<b>50,369,275</b>	<b>(746,679)</b>
<b>Deferred Outflows of Resources</b>						
Deferred pension resources	2,997,469	3,479,364	(481,895)	117,909	188,909	(71,000)
Deferred charge on refunding	199,126	216,441	(17,315)	-	-	-
<b>Total Deferred Outflows</b>	<b>3,196,595</b>	<b>3,695,805</b>	<b>(499,210)</b>	<b>117,909</b>	<b>188,909</b>	<b>(71,000)</b>
<b>Liabilities</b>						
Noncurrent liabilities outstanding	21,180,114	11,183,664	9,996,450	20,615,046	22,323,111	(1,708,065)
Other liabilities	1,646,472	1,517,853	128,619	312,112	377,287	(65,175)
<b>Total Liabilities</b>	<b>22,826,586</b>	<b>12,701,517</b>	<b>10,125,069</b>	<b>20,927,158</b>	<b>22,700,398</b>	<b>(1,773,240)</b>
<b>Deferred Inflows of Resources</b>						
Deferred pension resources	2,684,228	126,196	2,558,032	154,542	20,943	133,599
Deferred lease resources	1,725,677	1,791,036	(65,359)	-	-	-
<b>Total Deferred Inflows</b>	<b>4,409,905</b>	<b>1,917,232</b>	<b>2,492,673</b>	<b>154,542</b>	<b>20,943</b>	<b>133,599</b>
<b>Net Position</b>						
Net investment in capital assets	12,535,895	13,107,561	(571,666)	20,337,590	20,021,708	315,882
Restricted	1,287,958	1,171,931	116,027	377,920	309,885	68,035
Unrestricted	4,947,318	3,552,606	1,394,712	7,943,295	7,505,250	438,045
<b>Total Net Position</b>	<b>\$ 18,771,171</b>	<b>\$ 17,832,098</b>	<b>\$ 939,073</b>	<b>\$ 28,658,805</b>	<b>\$ 27,836,843</b>	<b>\$ 821,962</b>
<b>Net Position as a Percent of Total</b>						
Net investment in capital assets	66.7 %	73.5 %		71.0 %	71.9 %	
Restricted	6.9	6.6		1.3	1.1	
Unrestricted	26.4	19.9		27.7	27.0	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

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

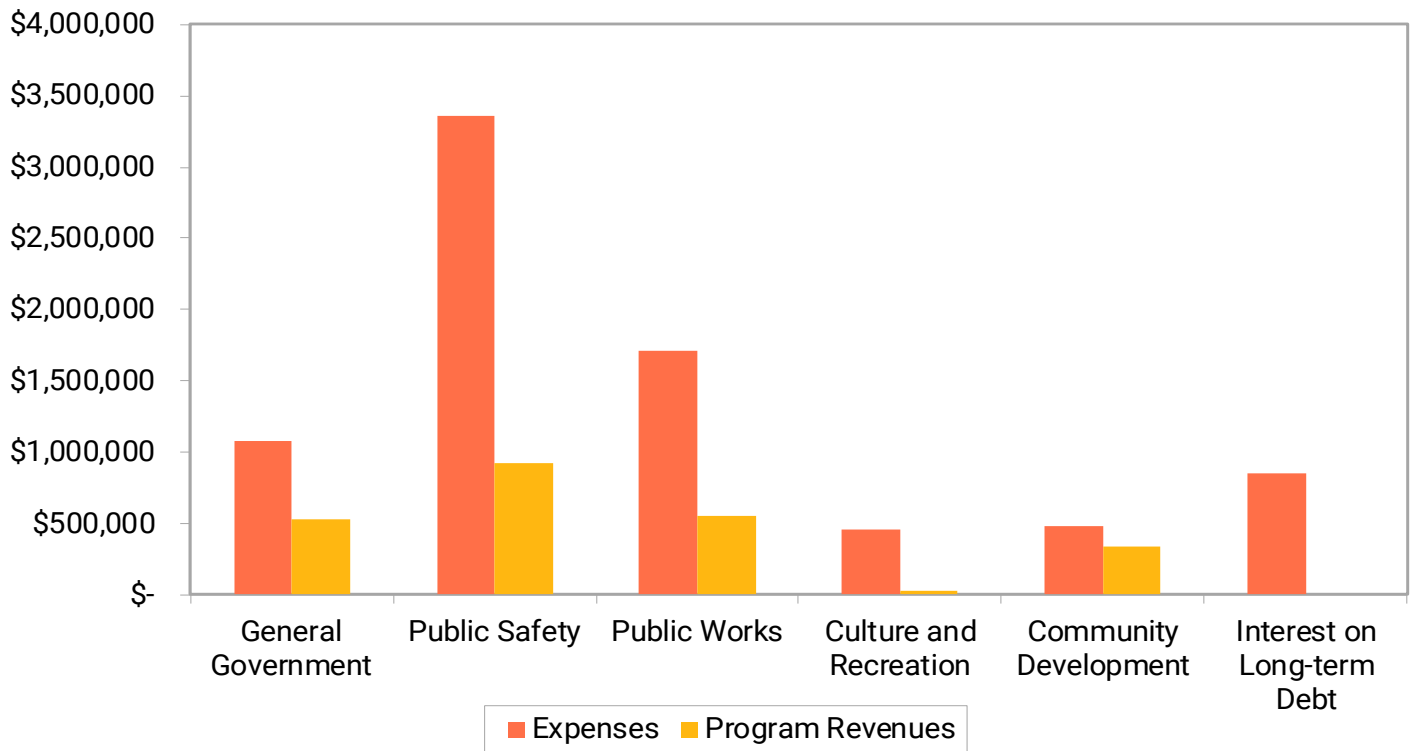
	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 713,776	\$ 721,334	\$ (7,558)	\$ 6,841,294	\$ 6,680,216	\$ 161,078
Operating grants and contributions	1,592,481	995,654	596,827	4,224	2,657	1,567
Capital grants and contributions	72,623	252,795	(180,172)	340,123	204,847	135,276
<b>General Revenues</b>						
<b>Taxes</b>						
Property taxes	5,106,955	4,747,168	359,787	-	-	-
<b>Grants and contributions not restricted to specific programs</b>						
Unrestricted investment earnings (loss)	382,118	(222,310)	604,428	463,233	(193,872)	657,105
Gain on sale of capital assets	66,825	13,000	53,825	-	-	-
<b>Total Revenues</b>	<b>8,568,369</b>	<b>7,078,374</b>	<b>1,489,995</b>	<b>7,648,874</b>	<b>6,693,848</b>	<b>955,026</b>
<b>Expenses</b>						
General government	1,080,060	1,065,238	14,822	-	-	-
Public safety	3,360,922	2,876,790	484,132	-	-	-
Public works	1,706,014	2,005,902	(299,888)	-	-	-
Culture and recreation	454,930	450,620	4,310	-	-	-
Community development	486,175	426,367	59,808	-	-	-
Interest on long-term debt	846,075	169,928	676,147	-	-	-
Water	-	-	-	1,243,810	1,264,609	(20,799)
Sewer	-	-	-	2,037,199	2,017,969	19,230
Storm water	-	-	-	267,650	79,437	188,213
Liquor store	-	-	-	2,973,373	2,937,478	35,895
<b>Total Expenses</b>	<b>7,934,176</b>	<b>6,994,845</b>	<b>939,331</b>	<b>6,522,032</b>	<b>6,299,493</b>	<b>222,539</b>
<b>Increase in Net Position Before Transfers</b>	<b>634,193</b>	<b>83,529</b>	<b>550,664</b>	<b>1,126,842</b>	<b>394,355</b>	<b>732,487</b>
<b>Transfers - Capital Assets Transfers</b>	<b>-</b>	<b>1,020,149</b>	<b>(1,020,149)</b>	<b>-</b>	<b>(1,020,149)</b>	<b>1,020,149</b>
	<b>304,880</b>	<b>284,880</b>	<b>20,000</b>	<b>(304,880)</b>	<b>(284,880)</b>	<b>(20,000)</b>
<b>Change in Net Position</b>	<b>939,073</b>	<b>1,388,558</b>	<b>(449,485)</b>	<b>821,962</b>	<b>(910,674)</b>	<b>1,732,636</b>
<b>Net Position, January 1</b>	<b>17,832,098</b>	<b>16,443,540</b>	<b>1,388,558</b>	<b>27,836,843</b>	<b>28,747,517</b>	<b>(910,674)</b>
<b>Net Position, December 31</b>	<b>\$ 18,771,171</b>	<b>\$ 17,832,098</b>	<b>\$ 939,073</b>	<b>\$ 28,658,805</b>	<b>\$ 27,836,843</b>	<b>\$ 821,962</b>

- Overall revenues increased from the prior year. The main reason for the increase was grants and contributions as well as investment earnings.
- Expenses increased from the prior year. The main reason for the increase is interest on long-term debt. Interest on long-term debt increased due to the addition of the 2023A GO Capital Improvement Bond.

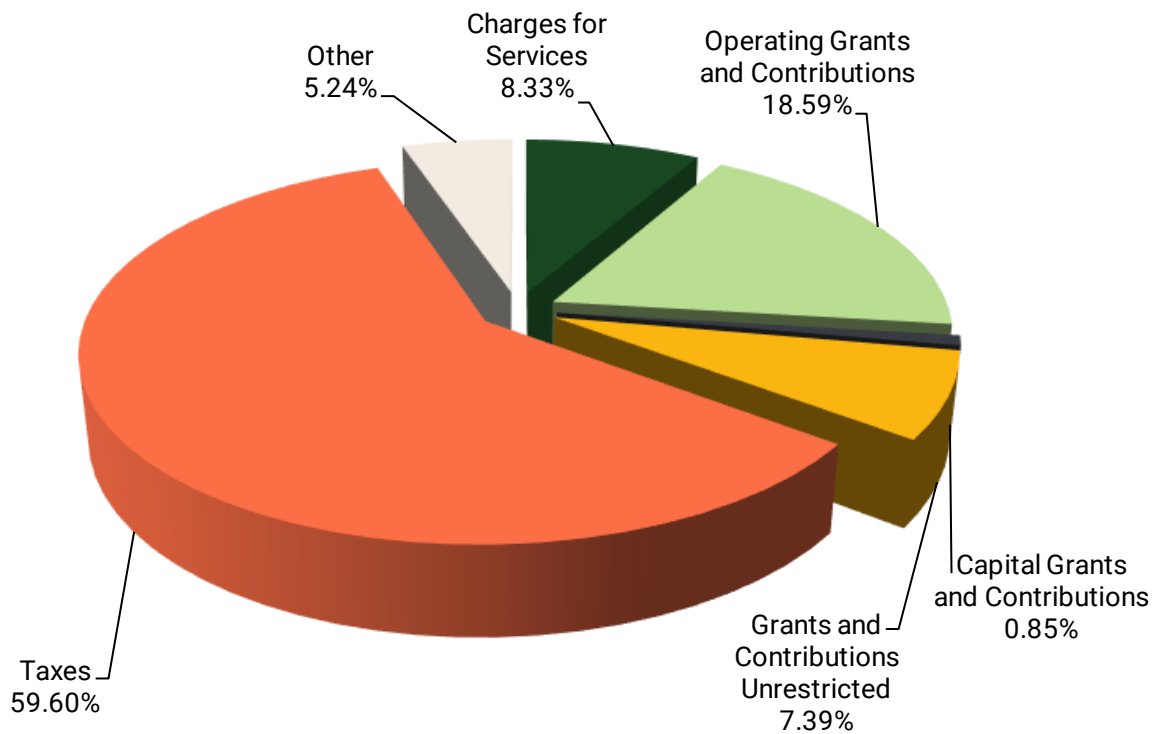


The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

### Expenses and Program Revenue - Governmental Activities



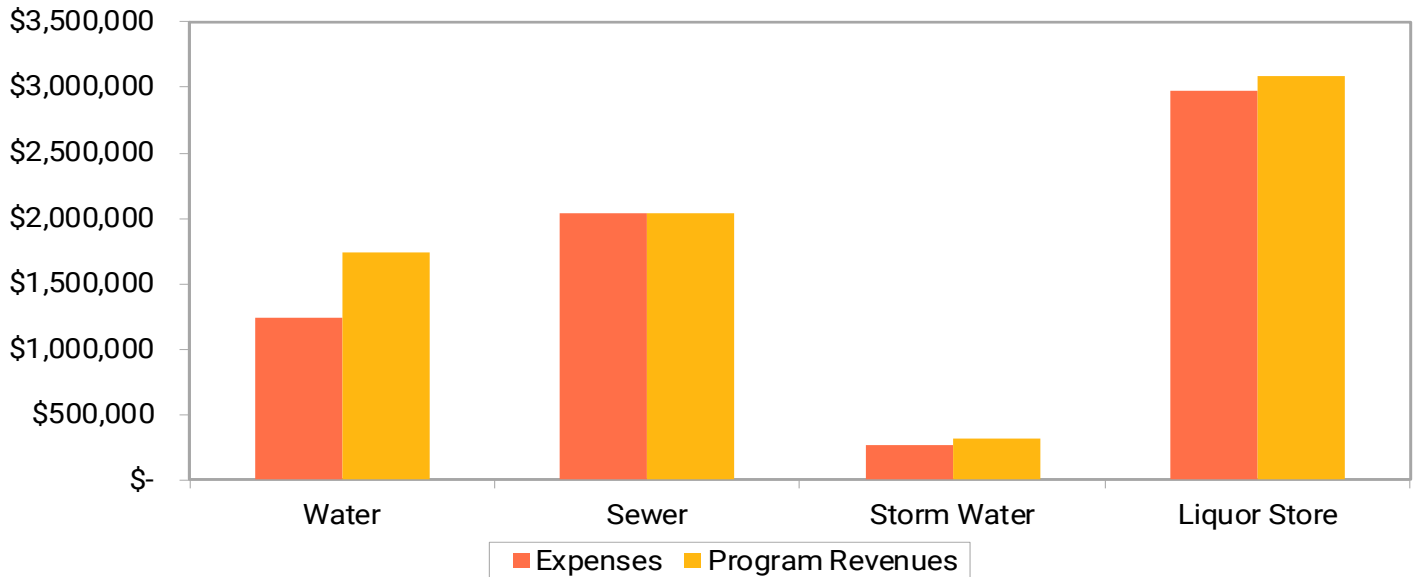
### Revenue by Source - Governmental Activities



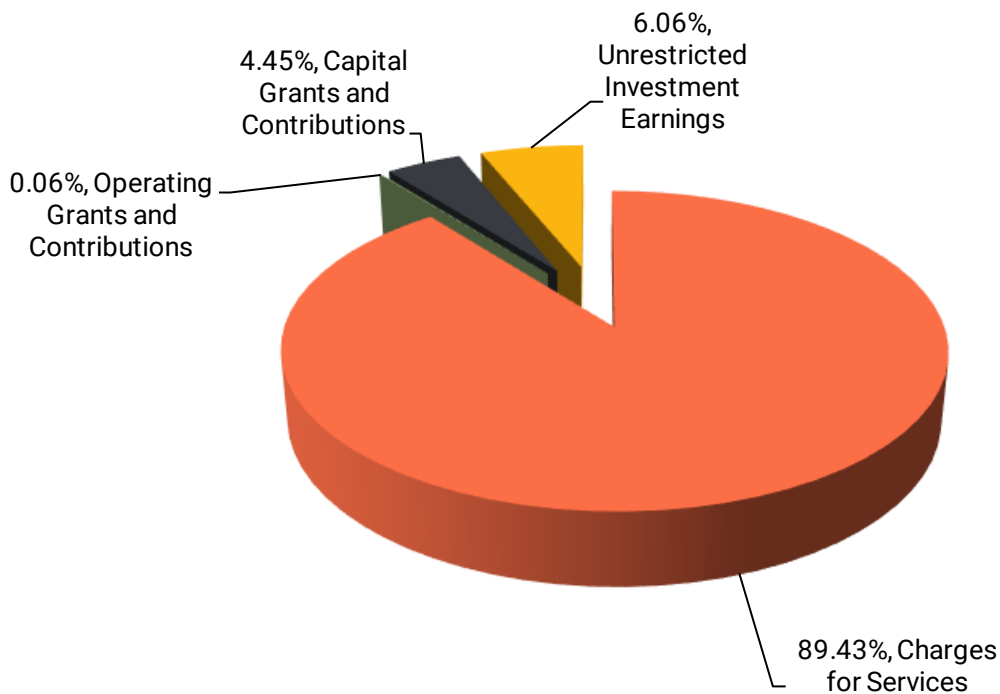
**Business-type Activities.** Business-type activities decreased the City's net position. Key elements of the changes are listed below:

- Overall revenues in the business-type activities increased mainly due to the increase in charges for services and investment earnings.
- Overall expenses increased mainly due to professional services expenses in the Storm Water 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, 2023.

	General Fund	Building Improvement Fund	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances						
Nonspendable	\$ 45,789	\$ -	\$ -	\$ 45,789	\$ 44,080	\$ 1,709
Restricted	-	10,383,110	897,780	11,280,890	469,434	10,811,456
Assigned	-	1,696,462	2,027,443	3,723,905	2,343,121	1,380,784
Unassigned	3,450,362	-	-	3,450,362	3,171,402	278,960
Total Fund Balances	<u>\$ 3,496,151</u>	<u>\$ 12,079,572</u>	<u>\$ 2,925,223</u>	<u>\$ 18,500,946</u>	<u>\$ 6,028,037</u>	<u>\$ 12,472,909</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.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 45,789	\$ 44,080	\$ 1,709
Unassigned	3,450,362	3,171,402	278,960
Total General Fund Balances	<u>\$ 3,496,151</u>	<u>\$ 3,215,482</u>	<u>\$ 280,669</u>
General Fund expenditures	\$ 5,297,245	\$ 4,802,482	
Unassigned as a percent of expenditures	65.1%	66.0%	
Total Fund Balance as a percent of expenditures	66.0%	67.0%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was due to revenues over budget mainly driven by the receipt of additional intergovernmental revenues and investment earnings.

The Building Improvement fund analysis is shown below:

	December 31, 2023	December 31, 2022	Increase (Decrease)
Building Improvement Fund	\$ 12,079,572	\$ 715,427	\$ 11,364,145

*The Building Improvement Fund increase in fund balance during the year was due to the issuance of bonds for the construction of a new City Hall and Fire Station. Expenditures are expected in 2024 to offset the current year increase.*

**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 as follows:

	Ending Net Position 2023	Ending Net Position 2022	Increase/ (Decrease)
Water	\$ 9,156,659	\$ 8,575,385	\$ 581,274
<i>The increase primarily is attributed to the collection of charges of services during the year in excess of expenses.</i>			
Sewer	\$ 15,995,471	\$ 15,943,201	\$ 52,270
<i>The increase primarily is attributed to the collection of charges of services during the year in excess of expenses offset by transfers out to other funds.</i>			
Liquor Store	\$ 2,186,929	\$ 2,070,097	\$ 116,832
<i>The increase is primarily due to a positive gross profit in excess of other expenses during the year.</i>			
Storm Water	\$ 1,319,746	\$ 1,248,160	\$ 71,586
<i>The increase primarily is attributed to the receipt of a grant funding and additional charges for services as compared to the prior year.</i>			

**General Fund Budgetary Highlights**

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 5,053,975	\$ -	\$ 5,053,975	\$ 5,517,914	\$ 463,939
Expenditures	5,113,975	-	5,113,975	5,297,245	183,270
Excess of Revenues Over Expenditures	(60,000)	-	(60,000)	220,669	280,669
Other Financing Sources (Uses) Transfers in	60,000	-	60,000	60,000	-
Net Change in Fund Balances	-	-	-	280,669	280,669
Fund Balances, January 1	3,215,482	-	3,215,482	3,215,482	-
Fund Balances, December 31	\$ 3,215,482	\$ -	\$ 3,215,482	\$ 3,496,151	\$ 280,669

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

- Revenues were over budget due to intergovernmental revenue and investment earnings in excess of budget. The intergovernmental revenue over budget balance is mostly due to the one-time receipt of Public Safety Aid.
- Expenditures were over budget mostly due to public safety expenses and public works expenses.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business type activities as of December 31, 2023, 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:

- City Hall/Fire Station project began
- New crane truck
- Siwek Park project completion

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		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Land	\$ 1,992,381	\$ 1,992,381	\$ -	\$ 2,359,187	\$ 2,359,187	\$ -
Construction in Progress	2,676,901	797,972	1,878,929	-	3,295	(3,295)
Land Improvements	8,832	17,287	(8,455)	-	-	-
Buildings	6,114,881	6,337,411	(222,530)	30,859,646	31,655,752	(796,106)
Infrastructure	8,073,484	7,948,322	125,162	6,653,543	7,019,442	(365,899)
Machinery and Equipment	1,445,716	1,452,040	(6,324)	552,214	584,032	(31,818)
<b>Total</b>	<b>\$ 20,312,195</b>	<b>\$ 18,545,413</b>	<b>\$ 1,766,782</b>	<b>\$ 40,424,590</b>	<b>\$ 41,621,708</b>	<b>\$ (1,197,118)</b>
Percent Increase (Decrease)			9.5%			-2.9%

**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		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
General Obligation Bonds	\$ 18,035,000	\$ 5,465,000	\$ 12,570,000	\$ -	\$ -	\$ -
General Obligation Revenue Bonds	-	-	-	20,087,000	21,600,000	(1,513,000)
Bond Premium	323,536	189,293	134,243	-	-	-
<b>Total</b>	<b>\$ 18,358,536</b>	<b>\$ 5,654,293</b>	<b>\$ 12,704,243</b>	<b>\$ 20,087,000</b>	<b>\$ 21,600,000</b>	<b>\$ (1,513,000)</b>
Percent Increase (Decrease)			224.7%			-7.0%

The City's total debt increased during the current fiscal year. The reason for the increase was the issuance of new debt offset by 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 74 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 2023. There were 20 new home permits pulled in 2023, 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 sold \$13 million of Capital Improvement Bonds to finance a new Fire Station/City Hall. This project is being built in 2024 with occupancy scheduled for December.

The city converting its software to BS&A in September 2023. The software now takes care of General Ledger, accounts receivable, accounts payable, cash receipting, fixed assets, building permits and payroll.

The City's Adopted 2023 Budget includes a property tax levy of \$5,598,195 or 9.60 percent increase over the 2023 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, 2023

THIS PAGE IS LEFT  
BLANK INTENTIONALLY



City of St. Francis, Minnesota  
Statement of Net Position  
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	EDA
<b>Assets</b>				
Cash and temporary investments	\$ 19,378,963	\$ 7,536,547	\$ 26,915,510	\$ 43,633
Receivables				
Accrued interest	20,559	13,517	34,076	103
Taxes	63,700	-	63,700	-
Accounts	21,227	360,458	381,685	-
Special assessments	170,064	836,389	1,006,453	-
Leases	1,804,317	-	1,804,317	-
Due from other governments	487,895	41,655	529,550	-
Internal balances	(50,879)	50,879	-	-
Inventories	21,189	358,561	379,750	-
Pension asset	557,237	-	557,237	-
Land held for resale	24,600	-	24,600	-
Capital assets				
Land and construction in progress	4,669,282	2,359,187	7,028,469	-
Depreciable assets (net of accumulated depreciation)	15,642,913	38,065,403	53,708,316	-
Total Assets	<u>42,811,067</u>	<u>49,622,596</u>	<u>92,433,663</u>	<u>43,736</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension resources	2,997,469	117,909	3,115,378	-
Deferred charge on refunding	199,126	-	199,126	-
Total Deferred Outflows of Resources	<u>3,196,595</u>	<u>117,909</u>	<u>3,314,504</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	94,140	155,914	250,054	-
Contracts payable	265,376	6,974	272,350	-
Accrued salaries payable	147,907	30,271	178,178	-
Due to other governments	2,911	31,914	34,825	-
Accrued interest payable	488,090	87,039	575,129	-
Deposits payable	187,605	-	187,605	-
Unearned revenue	460,443	-	460,443	-
Noncurrent liabilities				
Due within one year				
Long-term liabilities	543,511	1,593,148	2,136,659	-
Due in more than one year				
Long-term liabilities	18,123,165	18,578,741	36,701,906	-
Net pension liability	2,513,438	443,157	2,956,595	-
Total Liabilities	<u>22,826,586</u>	<u>20,927,158</u>	<u>43,753,744</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred pension resources	2,684,228	154,542	2,838,770	-
Deferred lease resources	1,725,677	-	1,725,677	-
Total Deferred Inflows of Resources	<u>4,409,905</u>	<u>154,542</u>	<u>4,564,447</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	12,535,895	20,337,590	32,873,485	-
Restricted for				
Fire relief pension	557,237	-	557,237	-
System replacement	-	377,920	377,920	-
Park improvements	167,756	-	167,756	-
Police expenses	1,145	-	1,145	-
Public safety	362,860	-	362,860	-
Economic development projects	-	-	-	43,736
Capital purchases	198,960	-	198,960	-
Unrestricted	4,947,318	7,943,295	12,890,613	-
Total Net Position	<u>\$ 18,771,171</u>	<u>\$ 28,658,805</u>	<u>\$ 47,429,976</u>	<u>\$ 43,736</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, 2023

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 1,080,060	\$ 353,053	\$ 178,016	\$ -
Public safety	3,360,922	32,662	892,453	-
Public works	1,706,014	2,979	522,012	29,417
Culture and recreation	454,930	2,450	-	28,096
Community development	486,175	322,632	-	15,110
Interest on long-term debt	846,075	-	-	-
Total Governmental Activities	<u>7,934,176</u>	<u>713,776</u>	<u>1,592,481</u>	<u>72,623</u>
<b>Business-type Activities</b>				
Water	1,243,810	1,626,208	1,539	108,970
Sewer	2,037,199	1,944,750	16	98,656
Storm water	267,650	183,287	2,648	132,497
Liquor store	2,973,373	3,087,049	21	-
Total Business-type Activities	<u>6,522,032</u>	<u>6,841,294</u>	<u>4,224</u>	<u>340,123</u>
Total Primary Government	<u>\$ 14,456,208</u>	<u>\$ 7,555,070</u>	<u>\$ 1,596,705</u>	<u>\$ 412,746</u>
<b>Component Unit</b>				
EDA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on sale of 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
\$ (548,991)	\$ -	\$ (548,991)	\$ -
(2,435,807)	-	(2,435,807)	-
(1,151,606)	-	(1,151,606)	-
(424,384)	-	(424,384)	-
(148,433)	-	(148,433)	-
(846,075)	-	(846,075)	-
<u>(5,555,296)</u>	<u>-</u>	<u>(5,555,296)</u>	<u>-</u>
-	492,907	492,907	-
-	6,223	6,223	-
-	50,782	50,782	-
-	113,697	113,697	-
<u>-</u>	<u>663,609</u>	<u>663,609</u>	<u>-</u>
<u>(5,555,296)</u>	<u>663,609</u>	<u>(4,891,687)</u>	<u>-</u>
			<u>-</u>
4,759,295	-	4,759,295	-
347,660	-	347,660	-
633,591	-	633,591	-
382,118	463,233	845,351	2,873
66,825	-	66,825	-
304,880	(304,880)	-	-
<u>6,494,369</u>	<u>158,353</u>	<u>6,652,722</u>	<u>2,873</u>
939,073	821,962	1,761,035	2,873
<u>17,832,098</u>	<u>27,836,843</u>	<u>45,668,941</u>	<u>40,863</u>
<u>\$ 18,771,171</u>	<u>\$ 28,658,805</u>	<u>\$ 47,429,976</u>	<u>\$ 43,736</u>

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

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

FUND FINANCIAL STATEMENTS

CITY OF ST. FRANCIS  
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

City of St. Francis, Minnesota

Balance Sheet

Governmental Funds

December 31, 2023

	<b>101</b>	<b>404</b>	Other	Total
	General	Building Improvement	Governmental Funds	Governmental Funds
<b>Assets</b>				
Cash and temporary investments	\$ 4,093,928	\$ 12,312,636	\$ 2,972,399	\$ 19,378,963
Receivables				
Accrued interest	10,093	4,521	5,945	20,559
Taxes	58,355	-	5,345	63,700
Accounts	5,350	-	15,877	21,227
Special assessments	11,373	-	158,691	170,064
Leases	1,804,317	-	-	1,804,317
Due from other governments	132,028	-	355,867	487,895
Inventories	21,189	-	-	21,189
Land held for resale	24,600	-	-	24,600
	<u>6,161,233</u>	<u>12,317,157</u>	<u>3,514,124</u>	<u>21,992,514</u>
<b>Total Assets</b>	<b>\$ 6,161,233</b>	<b>\$ 12,317,157</b>	<b>\$ 3,514,124</b>	<b>\$ 21,992,514</b>
<b>Liabilities</b>				
Accounts payable	\$ 70,810	\$ 9,512	\$ 13,818	\$ 94,140
Contracts payable	-	228,073	37,303	265,376
Accrued salaries payable	147,907	-	-	147,907
Due to other governments	2,911	-	-	2,911
Deposits payable	187,605	-	-	187,605
Due to other funds	-	-	50,879	50,879
Unearned revenue	460,443	-	-	460,443
<b>Total Liabilities</b>	<b>869,676</b>	<b>237,585</b>	<b>102,000</b>	<b>1,209,261</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues - taxes	58,355	-	5,345	63,700
Unavailable revenues - special assessments	11,374	-	158,691	170,065
Unavailable revenues - intergovernmental	-	-	322,865	322,865
Deferred lease resources	1,725,677	-	-	1,725,677
<b>Total Deferred Inflows of Resources</b>	<b>1,795,406</b>	<b>-</b>	<b>486,901</b>	<b>2,282,307</b>
<b>Fund Balances</b>				
Nonspendable	45,789	-	-	45,789
Restricted	-	10,383,110	897,780	11,280,890
Assigned	-	1,696,462	2,027,443	3,723,905
Unassigned	3,450,362	-	-	3,450,362
<b>Total Fund Balances</b>	<b>3,496,151</b>	<b>12,079,572</b>	<b>2,925,223</b>	<b>18,500,946</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,161,233</b>	<b>\$ 12,317,157</b>	<b>\$ 3,514,124</b>	<b>\$ 21,992,514</b>

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, 2023

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

Total Fund Balances - Governmental	\$ 18,500,946
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	29,624,121
Less: accumulated depreciation	(9,311,926)
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	(18,035,000)
Plus premium on bonds issued	(323,536)
Deferred charge on refunding	199,126
Compensated absences payable	(308,140)
Net pension liability	(2,513,438)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pensions resources	2,997,469
Deferred inflows of pension resources	(2,684,228)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Taxes receivable	63,700
Special assessments receivable	170,065
Intergovernmental	322,865
Governmental funds do not report a liability for accrued interest until due and payable.	(488,090)
Total Net Position - Governmental Activities	\$ 18,771,171

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, 2023

	<b>101</b>	<b>404</b>	Other	Total
	General	Building Improvement	Governmental Funds	Governmental Funds
Revenues				
Taxes	\$ 3,281,831	\$ 870,000	\$ 987,660	\$ 5,139,491
Licenses and permits	243,859	-	-	243,859
Intergovernmental	1,142,842	-	637,020	1,779,862
Charges for services	424,245	-	29,746	453,991
Fines and forfeitures	30,630	-	-	30,630
Special assessments	-	-	41,092	41,092
Investment earnings	195,361	92,054	94,703	382,118
Miscellaneous	199,146	3,619	43,177	245,942
Total Revenues	<u>5,517,914</u>	<u>965,673</u>	<u>1,833,398</u>	<u>8,316,985</u>
Expenditures				
Current				
General government	1,020,959	-	-	1,020,959
Public safety	2,740,182	-	17,518	2,757,700
Public works	684,357	-	-	684,357
Culture and recreation	378,322	-	-	378,322
Community development	473,425	-	-	473,425
Capital outlay				
General government	-	2,464,202	6,602	2,470,804
Public safety	-	21,495	106,358	127,853
Public works	-	-	569,826	569,826
Culture and recreation	-	-	27,223	27,223
Debt service				
Principal	-	-	430,000	430,000
Interest and other charges	-	270,370	159,481	429,851
Total Expenditures	<u>5,297,245</u>	<u>2,756,067</u>	<u>1,317,008</u>	<u>9,370,320</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>220,669</u>	<u>(1,790,394)</u>	<u>516,390</u>	<u>(1,053,335)</u>
Other Financing Sources (Uses)				
Transfers in	60,000	-	244,880	304,880
Sale of capital assets	-	-	66,825	66,825
Bonds issued	-	13,000,000	-	13,000,000
Premium on bonds issued	-	154,539	-	154,539
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>13,154,539</u>	<u>311,705</u>	<u>13,526,244</u>
Net Change in Fund Balances	280,669	11,364,145	828,095	12,472,909
Fund Balances, January 1	<u>3,215,482</u>	<u>715,427</u>	<u>2,097,128</u>	<u>6,028,037</u>
Fund Balances, December 31	<u>\$ 3,496,151</u>	<u>\$ 12,079,572</u>	<u>\$ 2,925,223</u>	<u>\$ 18,500,946</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, 2023

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

Total Net Change in Fund Balances - Governmental Funds	\$ 12,472,909
<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	2,649,359
Depreciation expense	(882,577)
<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	(94,496)
Depreciation on disposals	94,496
<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	430,000
Debt issued	(13,000,000)
Premium on bonds issued	(154,539)
Current year amortization of bond premium	20,295
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>	
	(419,204)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(293,565)
Pension revenue	12,280
<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	(31,587)
Property taxes	(6,321)
Intergovernmental	210,187
<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	(50,849)
Change in Net Position - Governmental Activities	\$ 939,073

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

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,228,290	\$ 3,228,290	\$ 3,281,831	\$ 53,541
Licenses and permits	218,430	218,430	243,859	25,429
Intergovernmental	963,134	963,134	1,142,842	179,708
Charges for services	427,781	427,781	424,245	(3,536)
Fines and forfeitures	36,340	36,340	30,630	(5,710)
Investment earnings	26,300	26,300	195,361	169,061
Miscellaneous	153,700	153,700	199,146	45,446
Total Revenues	<u>5,053,975</u>	<u>5,053,975</u>	<u>5,517,914</u>	<u>463,939</u>
Expenditures				
Current				
General government	1,017,900	1,017,900	1,020,959	(3,059)
Public safety	2,591,500	2,591,500	2,740,182	(148,682)
Public works	640,200	640,200	684,357	(44,157)
Culture and recreation	371,550	371,550	378,322	(6,772)
Community development	492,825	492,825	473,425	19,400
Total Expenditures	<u>5,113,975</u>	<u>5,113,975</u>	<u>5,297,245</u>	<u>(183,270)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,000)	(60,000)	220,669	280,669
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	-	-	280,669	280,669
Fund Balances, January 1	<u>3,215,482</u>	<u>3,215,482</u>	<u>3,215,482</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 3,215,482</u>	<u>\$ 3,215,482</u>	<u>\$ 3,496,151</u>	<u>\$ 280,669</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, 2023

Business-type Activities - Enterprise Funds

	Business-type Activities - Enterprise Funds				Totals
	601 Water	602 Sewer	609 Liquor Store	Nonmajor 603 Storm Water	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and temporary investments	\$ 2,662,807	\$ 3,275,460	\$ 1,134,314	\$ 463,966	\$ 7,536,547
Receivables					
Accrued interest	6,382	3,904	2,685	546	13,517
Accounts	148,699	211,759	-	-	360,458
Special assessments	104,252	79,949	-	66,832	251,033
Due from other governments	14,724	25,423	-	1,508	41,655
Due from other funds	25,440	25,439	-	-	50,879
Inventory	-	-	358,561	-	358,561
Total Current Assets	<u>2,962,304</u>	<u>3,621,934</u>	<u>1,495,560</u>	<u>532,852</u>	<u>8,612,650</u>
<b>Noncurrent Assets</b>					
Special assessments	389,195	50,072	-	146,089	585,356
<b>Capital assets</b>					
Land	18,115	2,337,838	3,234	-	2,359,187
Buildings	9,014,915	31,265,011	1,587,391	-	41,867,317
Machinery and equipment	707,708	63,999	209,627	-	981,334
Infrastructure	5,679,678	4,825,259	-	737,484	11,242,421
Less accumulated depreciation	(5,734,201)	(9,444,555)	(757,341)	(89,572)	(16,025,669)
Net Capital Assets	<u>9,686,215</u>	<u>29,047,552</u>	<u>1,042,911</u>	<u>647,912</u>	<u>40,424,590</u>
Total Noncurrent Assets	<u>10,075,410</u>	<u>29,097,624</u>	<u>1,042,911</u>	<u>794,001</u>	<u>41,009,946</u>
Total Assets	<u>13,037,714</u>	<u>32,719,558</u>	<u>2,538,471</u>	<u>1,326,853</u>	<u>49,622,596</u>
<b>Deferred Outflows of Resources</b>					
Deferred pension resources	35,648	35,750	46,511	-	117,909

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, 2023

	Business-type Activities - Enterprise Funds				Totals
	601	602	609	Nonmajor 603	
	Water	Sewer	Liquor Store	Storm Water	
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable and contracts payable	\$ 12,523	\$ 44,663	\$ 98,595	\$ 133	\$ 155,914
Contracts payable	-	-	-	6,974	6,974
Accrued salaries payable	8,946	9,429	11,896	-	30,271
Due to other governments	720	-	31,194	-	31,914
Accrued interest payable	39,111	47,928	-	-	87,039
Compensated absences payable - current	16,534	16,534	11,080	-	44,148
Bonds payable - current	783,450	765,550	-	-	1,549,000
Total Current Liabilities	<u>861,284</u>	<u>884,104</u>	<u>152,765</u>	<u>7,107</u>	<u>1,905,260</u>
<b>Noncurrent Liabilities</b>					
Compensated absences payable	15,612	15,612	9,517	-	40,741
Net pension liability	133,983	134,364	174,810	-	443,157
Bonds payable	2,859,100	15,678,900	-	-	18,538,000
Total Noncurrent Liabilities	<u>3,008,695</u>	<u>15,828,876</u>	<u>184,327</u>	<u>-</u>	<u>19,021,898</u>
Total Liabilities	<u>3,869,979</u>	<u>16,712,980</u>	<u>337,092</u>	<u>7,107</u>	<u>20,927,158</u>
<b>Deferred Inflows of Resources</b>					
Deferred pension resources	46,724	46,857	60,961	-	154,542
<b>Net Position</b>					
Net investment in capital assets	6,043,665	12,603,102	1,042,911	647,912	20,337,590
Restricted for system replacement	-	377,920	-	-	377,920
Unrestricted	3,112,994	3,014,449	1,144,018	671,834	7,943,295
Total Net Position	<u>\$ 9,156,659</u>	<u>\$ 15,995,471</u>	<u>\$ 2,186,929</u>	<u>\$ 1,319,746</u>	<u>\$ 28,658,805</u>

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

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

City of St. Francis, Minnesota  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds				Totals
	601	602	609	Nonmajor 603	
	Water	Sewer	Liquor Store	Storm Water	
Operating Revenues					
Sales	\$ -	\$ -	\$ 3,086,966	\$ -	\$ 3,086,966
Cost of sales	-	-	(2,318,382)	-	(2,318,382)
Gross Profit	-	-	768,584	-	768,584
Charges for services	1,607,199	1,905,502	-	177,166	3,689,867
Total Operating Revenues	<u>1,607,199</u>	<u>1,905,502</u>	<u>768,584</u>	<u>177,166</u>	<u>4,458,451</u>
Operating Expenses					
Personal services	271,280	270,369	347,593	-	889,242
Supplies	118,775	108,699	6,993	-	234,467
Professional services	134,090	215,404	176,257	243,075	768,826
Communications	6,108	3,842	1,533	-	11,483
Insurance	31,973	47,284	35,980	-	115,237
Utilities	92,206	159,040	19,625	-	270,871
Repairs and maintenance	94,152	134,926	6,685	-	235,763
Depreciation	366,652	849,915	42,117	24,575	1,283,259
Other	20,439	22,520	18,208	-	61,167
Total Operating Expenses	<u>1,135,675</u>	<u>1,811,999</u>	<u>654,991</u>	<u>267,650</u>	<u>3,870,315</u>
Operating Income (loss)	<u>471,524</u>	<u>93,503</u>	<u>113,593</u>	<u>(90,484)</u>	<u>588,136</u>
Nonoperating Revenues (Expenses)					
Special assessments	9,397	637	-	6,121	16,155
Intergovernmental	1,523	-	-	-	1,523
Investment earnings	172,389	206,905	63,135	20,804	463,233
Miscellaneous	9,628	38,627	104	2,648	51,007
Interest and other expense	(108,135)	(225,200)	-	-	(333,335)
Total Nonoperating Revenues (Expenses)	<u>84,802</u>	<u>20,969</u>	<u>63,239</u>	<u>29,573</u>	<u>198,583</u>
Income Before Transfers and Contributions	<u>556,326</u>	<u>114,472</u>	<u>176,832</u>	<u>(60,911)</u>	<u>786,719</u>
Transfers and Contributions					
Transfers in	37,058	-	-	-	37,058
Capital contributions	108,970	98,656	-	-	207,626
Capital contributions - intergovernmental	-	-	-	132,497	132,497
Transfers out	(121,080)	(160,858)	(60,000)	-	(341,938)
Total Transfers and Contributions	<u>24,948</u>	<u>(62,202)</u>	<u>(60,000)</u>	<u>132,497</u>	<u>35,243</u>
Change in Net Position	581,274	52,270	116,832	71,586	821,962
Net Position, January 1	<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>
Net Position, December 31	<u>\$ 9,156,659</u>	<u>\$ 15,995,471</u>	<u>\$ 2,186,929</u>	<u>\$ 1,319,746</u>	<u>\$ 28,658,805</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, 2023

	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	\$ 1,599,187	\$ 1,912,015	\$ 3,125,649	\$ 179,652	\$ 6,816,503
Payments to suppliers	(508,938)	(693,161)	(2,626,532)	(242,668)	(4,071,299)
Payments to employees	(255,322)	(256,384)	(366,099)	-	(877,805)
Net Cash Provided (Used) by Operating Activities	<u>834,927</u>	<u>962,470</u>	<u>133,018</u>	<u>(63,016)</u>	<u>1,867,399</u>
Cash Flows from					
Noncapital Financing Activities					
Increase in due from other funds	(25,440)	(25,439)	-	-	(50,879)
Special assessments received	35,066	(25,391)	-	16,259	25,934
Transfers from other funds	37,058	-	-	-	37,058
Transfers to other funds	(121,080)	(160,858)	(60,000)	-	(341,938)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(74,396)</u>	<u>(211,688)</u>	<u>(60,000)</u>	<u>16,259</u>	<u>(329,825)</u>
Cash Flows from Capital Financing Activities					
Connection fees received	108,970	98,656	-	-	207,626
Capital grants received	-	-	-	132,497	132,497
Acquisition of capital assets	-	(89,436)	-	-	(89,436)
Interest paid and other on bonds	(114,726)	(226,570)	-	-	(341,296)
Principal paid on bonds	(767,450)	(745,550)	-	-	(1,513,000)
Net Cash Used by Capital Financing Activities	<u>(773,206)</u>	<u>(962,900)</u>	<u>-</u>	<u>132,497</u>	<u>(1,603,609)</u>
Cash Flows from Investing Activities					
Interest received on investments	171,402	206,200	62,376	20,718	460,696
Net Increase (Decrease) in Cash and Cash Equivalents	158,727	(5,918)	135,394	106,458	394,661
Cash and Cash Equivalents, January 1	<u>2,504,080</u>	<u>3,281,378</u>	<u>998,920</u>	<u>357,508</u>	<u>7,141,886</u>
Cash and Cash Equivalents, December 31	<u>\$ 2,662,807</u>	<u>\$ 3,275,460</u>	<u>\$ 1,134,314</u>	<u>\$ 463,966</u>	<u>\$ 7,536,547</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, 2023

	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 (loss)	\$ 471,524	\$ 93,503	\$ 113,593	\$ (90,484)	\$ 588,136
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	366,652	849,915	42,117	24,575	1,283,259
Other income related to operations	14,446	38,627	104	2,648	55,825
(Increase) decrease in assets and deferred outflows of resources					
Accounts receivable	(21,072)	(32,047)	38,579	-	(14,540)
Due from other governments	(1,386)	(67)	-	(162)	(1,615)
Inventories	-	-	4,014	-	4,014
Pension resources	18,763	19,698	32,539	-	71,000
Increase (decrease) in liabilities and deferred inflows of resources					
Accounts payable	(11,327)	(1,446)	(50,644)	407	(63,010)
Due to other governments	132	-	3,761	-	3,893
Accrued salaries payable	724	887	292	-	1,903
Net pension liability	(48,110)	(51,199)	(89,739)	-	(189,048)
Compensated absences payable	3,889	3,889	(13,795)	-	(6,017)
Pension resources	40,692	40,710	52,197	-	133,599
 Net Cash Provided by Operating Activities	 <u>\$ 834,927</u>	 <u>\$ 962,470</u>	 <u>\$ 133,018</u>	 <u>\$ (63,016)</u>	 <u>\$ 1,867,399</u>
Noncash Capital Financing and Investing Activities					
Book value of disposed capital assets	<u>\$ 3,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,295</u>

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

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

## 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.

## 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 *Building Improvement fund* accounts for the accumulation of resources for future building 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.

### 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.

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

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, 2023:

- US government securities of \$13,418,891 are valued using quoted market prices (Level 1 inputs)
- State and local government securities of \$3,176,375 are valued using quoted market prices (Level 1 inputs)
- Negotiable Certificates of Deposits of \$4,767,480 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.

## **Note 1: Summary of Significant Accounting Policies (Continued)**

### ***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 2023. 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.

### ***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.

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

***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.



City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

***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.

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

	Public Employees Retirement Association of Minnesota (PERA)		DCP	Fire Relief Association (SVF)	Total All Plans
	GERP	PEPFP			
City's proportionate share	\$ 230,737	\$ 501,475	\$ 240	\$ -	\$ 732,452
Proportionate share of State's contribution	169	3,866	-	-	4,035
<b>Total pension expense</b>	<b>\$ 230,906</b>	<b>\$ 505,341</b>	<b>\$ 240</b>	<b>\$ -</b>	<b>\$ 736,487</b>

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position and fund financial statements 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 City has the following items listed below reported in the statement of net position and governmental funds balance sheet.

- *Unavailable revenues* are presented in the governmental funds from three sources: property taxes, special assessments, and intergovernmental. These arise only under a modified accrual basis of accounting that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* are reported only in the statements of net position and results from actuarial calculations.
- *Deferred lease resources* are reported in the governmental funds balance sheet and are deferred to the period the amounts become available. This item is also reported in the statement of net position.

## **Note 1: Summary of Significant Accounting Policies (Continued)**

### ***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.

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.

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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 30<sup>th</sup>, 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.

**B. Deficit Fund Balance**

For following fund had a deficit at December 31, 2023:

Fund	Amount
Nonmajor Governmental	
G.O. Bonds 2021A	\$ 50,879

The deficit is expected to be eliminated in future years with collection of tax revenues and transfers from other funds.

**C. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2023 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General Fund	\$ 5,113,975	\$ 5,297,245	\$ 183,270
Building Improvements	-	2,756,067	2,756,067
Police Forfeiture	7,416	17,518	10,102
Street Improvement	194,000	458,084	264,084
Park Improvements	-	135	135

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

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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.

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 \$737,552 and the bank balance was \$711,126. 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.

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

**Investments**

As of December 31, 2023, 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
<b>Pooled Investments at Amortized Costs</b>						
Minnesota Municipal Money Market	N/A	less than 1 year	\$ 4,847,635	\$ -	\$ -	\$ -
Broker Money Market	N/A	less than 1 year	11,210	-	-	-
<b>Non-pooled Investments at Fair Value</b>						
Negotiable Certificates of Deposits	N/A	less than 1 year	2,634,990	-	2,634,990	-
Negotiable Certificates of Deposits	N/A	1 year to 5 years	2,132,490	-	2,132,490	-
State and Local Government Securities	AA-	less than 1 year	24,930	24,930	-	-
State and Local Government Securities	AA-	1 year to 5 years	257,596	257,596	-	-
State and Local Government Securities	AA	less than 1 year	278,126	278,126	-	-
State and Local Government Securities	AA	1 year to 5 years	1,326,255	1,326,255	-	-
State and Local Government Securities	AAA	less than 1 year	532,335	532,335	-	-
State and Local Government Securities	AAA	1 year to 5 years	757,133	757,133	-	-
U.S. Government Securities	N/A	less than 1 year	11,967,950	11,967,950	-	-
U.S. Government Securities	AAA	less than 1 year	491,025	491,025	-	-
U.S. Government Securities	AAA	1 year to 5 years	959,916	959,916	-	-
<b>Total Investments</b>			<b>\$ 26,221,591</b>	<b>\$ 16,595,266</b>	<b>\$ 4,767,480</b>	<b>\$ -</b>

- (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.

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.

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

- *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	\$ 737,552
Investments	<u>26,221,591</u>
Total	<u><u>\$ 26,959,143</u></u>
Primary Government	
Cash and temporary investments	\$ 26,915,510
Component Unit	
Cash and temporary investments	<u>43,633</u>
Total	<u><u>\$ 26,959,143</u></u>

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

**B. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 1,992,381	\$ -	\$ -	\$ 1,992,381
Construction in progress	797,972	2,537,612	(658,683)	2,676,901
Total Capital Assets not being Depreciated	<u>2,790,353</u>	<u>2,537,612</u>	<u>(658,683)</u>	<u>4,669,282</u>
Capital Assets, being Depreciated				
Land improvements	174,771	-	-	174,771
Buildings	8,862,306	-	-	8,862,306
Infrastructure	10,878,234	516,297	-	11,394,531
Machinery and equipment	4,363,594	254,133	(94,496)	4,523,231
Total Capital Assets being Depreciated	<u>24,278,905</u>	<u>770,430</u>	<u>(94,496)</u>	<u>24,954,839</u>
Less Accumulated Depreciation for				
Land improvements	(157,484)	(8,455)	-	(165,939)
Buildings	(2,524,895)	(222,530)	-	(2,747,425)
Infrastructure	(2,929,912)	(391,135)	-	(3,321,047)
Machinery and equipment	(2,911,554)	(260,457)	94,496	(3,077,515)
Total Accumulated Depreciation	<u>(8,523,845)</u>	<u>(882,577)</u>	<u>94,496</u>	<u>(9,311,926)</u>
Total Capital Assets being Depreciated, Net	<u>15,755,060</u>	<u>(112,147)</u>	<u>-</u>	<u>15,642,913</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,545,413</u>	<u>\$ 2,425,465</u>	<u>\$ (658,683)</u>	<u>\$ 20,312,195</u>

*Construction Commitment*

The City has an active construction project as of December 31, 2023. The commitment with contractors is noted below:

Project	Spent to date	Remaining Commitment
City Hall/Fire Station	<u>\$ 1,516,512</u>	<u>\$ 8,849,129</u>

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 2,359,187	\$ -	\$ -	\$ 2,359,187
Construction in progress	3,295	-	(3,295)	-
Total Capital Assets not being Depreciated	<u>2,362,482</u>	<u>-</u>	<u>(3,295)</u>	<u>2,359,187</u>
Capital Assets being Depreciated				
Buildings	41,777,879	89,436	-	41,867,315
Infrastructure	11,242,420	-	-	11,242,420
Machinery and equipment	1,069,773	-	(88,440)	981,333
Total Capital Assets being Depreciated	<u>54,090,072</u>	<u>89,436</u>	<u>(88,440)</u>	<u>54,091,068</u>
Less Accumulated Depreciation for				
Buildings	(10,122,127)	(885,542)	-	(11,007,669)
Infrastructure	(4,222,978)	(365,899)	-	(4,588,877)
Machinery and equipment	(485,741)	(31,818)	88,440	(429,119)
Total Accumulated Depreciation	<u>(14,830,846)</u>	<u>(1,283,259)</u>	<u>88,440</u>	<u>(16,025,665)</u>
Total Capital Assets being Depreciated, Net	<u>39,259,226</u>	<u>(1,193,823)</u>	<u>-</u>	<u>38,065,403</u>
Business-type Activities Capital Assets, Net	<u>\$ 41,621,708</u>	<u>\$ (1,193,823)</u>	<u>\$ (3,295)</u>	<u>\$ 40,424,590</u>

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

**Governmental Activities**

General government	\$ 15,712
Public safety	266,082
Public works	525,887
Culture and recreation	74,896
Total Depreciation Expense - Governmental Activities	<u>\$ 882,577</u>

**Business-type Activities**

Water	\$ 366,652
Sewer	849,915
Storm	24,575
Liquor store	42,117
Total Depreciation Expense - Business-type Activities	<u>\$ 1,283,259</u>



City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

**C. Interfund Receivables, Payables and Transfers**

The City made transfers during the fiscal year 2023 as shown and described below:

Fund	Transfer in			Total
	General	Nonmajor Governmental	Water	
Transfer out				
Water	\$ -	\$ 121,080	\$ -	\$ 121,080
Sewer	-	123,800	37,058	160,858
Liquor Store	60,000	-	-	60,000
<b>Total</b>	<b>\$ 60,000</b>	<b>\$ 244,880</b>	<b>\$ 37,058</b>	<b>\$ 341,938</b>

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.

The City had the following interfund balances during the fiscal year 2023 as shown and described below:

Receivable Fund	Payable Fund	Purpose	Amount
Water	Debt service fund	To provide cash flows	\$ 25,440
Sewer	Debt service fund	To provide cash flows	25,439
<b>Total</b>			<b>\$ 50,879</b>

**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, 2023 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	\$ 1,616,427
Century Link	11/01/84	1.31	4,917	55,511
Qwest Wireless	08/01/04	1.08	20,736	132,379
				<b>\$ 1,804,317</b>

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

**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.

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 2015A	\$ 265,000	2.00 - 3.00 %	10/26/15	02/01/26	\$ 90,000
G.O. Capital Improvement Bonds					
Series 2017A	6,705,000	3.00 - 3.25	08/10/17	02/01/36	4,945,000
G.O. Capital Improvement Bonds					
Series 2023A	13,000,000	4.11	08/23/23	02/01/53	<u>13,000,000</u>
Total General Obligation Improvement Bonds					<u>\$ 18,035,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 350,000	\$ 656,799	\$ 1,006,799
2025	355,000	680,988	1,035,988
2026	610,000	664,063	1,274,063
2027	600,000	640,913	1,240,913
2028	620,000	617,413	1,237,413
2029-2033	3,495,000	2,698,488	6,193,488
2034-2038	3,280,000	1,996,266	5,276,266
2039-2043	2,360,000	1,524,834	3,884,834
2044-2048	2,870,000	1,004,250	3,874,250
2049-2053	<u>3,495,000</u>	<u>367,918</u>	<u>3,862,918</u>
Total	<u>\$ 18,035,000</u>	<u>\$ 10,851,932</u>	<u>\$ 28,886,932</u>

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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	\$ 2,617,000
G.O. Bonds					
Series 2015A	690,000	2.00 - 3.10	11/01/15	02/01/31	400,000
G.O. Revenue Bonds					
Series 2016A	1,930,000	1.00	06/30/16	02/01/37	1,445,000
G.O. Sewer Revenue					
Bonds Series 2016B	16,010,544	1.00	10/20/16	08/20/46	13,455,000
G.O. Bonds					
Series 2021A	2,775,000	1.00-2.00	08/12/21	02/01/31	<u>2,170,000</u>
 Total G.O. Revenue Bonds					 <u><u>\$ 20,087,000</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
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	1,020,000	164,281	1,184,281
2029-2033	3,795,000	624,561	4,419,561
2034-2038	3,382,000	389,050	3,771,050
2039-2044	3,341,000	208,360	3,549,360
2044-2046	<u>2,104,000</u>	<u>41,849</u>	<u>2,145,849</u>
 Total	 <u><u>\$ 20,087,000</u></u>	 <u><u>\$ 2,444,387</u></u>	 <u><u>\$ 22,531,387</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	\$ 947,146	\$ 1,042,074
Principal and Interest	882,176	970,695
Percentage of Revenues	93 %	93 %

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

Changes in Long-term Liabilities

Noncurrent liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 5,465,000	\$ 13,000,000	\$ (430,000)	\$ 18,035,000	\$ 350,000
Bond Premium	189,293	154,538	(20,295)	323,536	-
Compensated Absences Payable	257,291	267,374	(216,525)	308,140	193,511
	<u>257,291</u>	<u>267,374</u>	<u>(216,525)</u>	<u>308,140</u>	<u>193,511</u>
Governmental Activity Long-term Liabilities	<u>\$ 5,911,584</u>	<u>\$ 13,421,912</u>	<u>\$ (666,820)</u>	<u>\$ 18,666,676</u>	<u>\$ 543,511</u>
<b>Business-type Activities</b>					
General Obligation Revenue Bonds	\$ 21,600,000	\$ -	\$ (1,513,000)	\$ 20,087,000	\$ 1,549,000
Compensated Absences Payable	90,906	38,131	(44,148)	84,889	44,148
	<u>90,906</u>	<u>38,131</u>	<u>(44,148)</u>	<u>84,889</u>	<u>44,148</u>
Business-type Activity Long-term Liabilities	<u>\$ 21,690,906</u>	<u>\$ 38,131</u>	<u>\$ (1,557,148)</u>	<u>\$ 20,171,889</u>	<u>\$ 1,593,148</u>

**F. Fund Balance Classification**

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

	General	Building Improvement	Other Governmental Funds	Total
<b>Nonspendable</b>				
Inventories	\$ 21,189	\$ -	\$ -	\$ 21,189
Land held for resale	24,600	-	-	24,600
	<u>24,600</u>	<u>-</u>	<u>-</u>	<u>24,600</u>
Total Nonspendable	<u>\$ 45,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,789</u>
<b>Restricted for</b>				
Debt service	\$ -	\$ 10,383,110	\$ 167,059	\$ 10,550,169
Police expenditures	-	-	1,145	1,145
Public safety	-	-	362,860	362,860
Park improvements	-	-	167,756	167,756
Capital purchases	-	-	198,960	198,960
	<u>-</u>	<u>-</u>	<u>198,960</u>	<u>198,960</u>
Total Restricted	<u>\$ -</u>	<u>\$ 10,383,110</u>	<u>\$ 897,780</u>	<u>\$ 11,280,890</u>
<b>Assigned to</b>				
Capital projects	\$ -	\$ 1,696,462	\$ 1,097,874	\$ 2,794,336
Capital equipment	-	-	929,569	929,569
	<u>-</u>	<u>-</u>	<u>929,569</u>	<u>929,569</u>
Total Assigned	<u>\$ -</u>	<u>\$ 1,696,462</u>	<u>\$ 2,027,443</u>	<u>\$ 3,723,905</u>

City of St. Francis, Minnesota  
St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

City of St. Francis, Minnesota  
St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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 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. 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 2023 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, 2023, 2022 and 2021 were \$149,327, \$137,468 and \$137,060, 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 2023 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, 2023, 2022 and 2021 were \$220,179, \$202,312 and \$202,676, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of St. Francis, Minnesota  
 St. Francis, Minnesota  
 Notes to the Financial Statements  
 December 31, 2023

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

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$1,364,421 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 \$37,653. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0244 percent at the end of the measurement period and 0.024 percent for the beginning of the period.

City Proportionate Share of the Net Pension Liability	\$ 1,364,421
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>37,653</u>
Total	<u><u>\$ 1,402,074</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$230,737 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$169 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, 2023, 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	\$ 44,632	\$ 9,746
Changes in Actuarial Assumptions	228,559	373,976
Net Difference Between Projected and Actual Investment Earnings	-	78,212
Changes in Proportion	15,840	13,879
Contributions Paid to PERA Subsequent to the Measurement Date	<u>73,995</u>	<u>-</u>
Total	<u><u>\$ 363,026</u></u>	<u><u>\$ 475,813</u></u>

City of St. Francis, Minnesota  
 St. Francis, Minnesota  
 Notes to the Financial Statements  
 December 31, 2023

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

The \$73,995 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024		\$	22,502
2025			(208,677)
2026			28,991
2027			(29,598)

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$1,592,174 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0922 percent at the end of the measurement period and 0.092 percent for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. 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, 2022. 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, 2023, the City recognized pension expense of \$501,475 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$3,866 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 \$8,298 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.



City of St. Francis, Minnesota  
 St. Francis, Minnesota  
 Notes to the Financial Statements  
 December 31, 2023

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

At December 31, 2023, 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	\$ 440,257	\$ -
Changes in Actuarial Assumptions	1,863,320	2,238,316
Net Difference Between Projected and Actual Investment Earnings	-	100,250
Changes in Proportion	80,969	11,192
Contributions Paid to PERA Subsequent to the Measurement Date	111,245	-
Total	\$ 2,495,791	\$ 2,349,758

The \$111,245 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 109,951
2025	35,575
2026	389,932
2027	(105,641)
2028	(395,029)

**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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

City of St. Francis, Minnesota  
St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

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

**F. Actuarial Assumptions**

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 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 and 1.00 percent for the the Police and Fire Plan.

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 for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

City of St. Francis, Minnesota  
 St. Francis, Minnesota  
 Notes to the Financial Statements  
 December 31, 2023

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

Police and Fire Fund

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5 percent to 7.0 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2023 was 7.0 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 and Police and Fire Funds were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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 (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 2,413,770	\$ 1,364,421	\$ 501,291
Police and Fire Fund	3,159,063	1,592,174	303,982

**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](http://www.mnpera.org).

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 5: Defined Benefit Pension Plan - Fire Relief Association**

**A. Plan Description**

The St. Francis Fire Department (the Department) participates in the Statewide Volunteer Firefighter Retirement Plan (Volunteer Firefighter Plan accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum [or monthly] defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2023, the plan covered 23 active firefighters and 7 vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota statutes, chapter 353g.

**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 \$ in fire state aid to the fund for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the Volunteer Firefighter Fund for the year ended December 31, 2023, were \$57,572. The City's contributions were equal to the required contributions as set by state statute, if applicable. In addition, the City made voluntary contributions of \$10,500 to the plan.

**D. Pension Costs**

At December 31, 2023, 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 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 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	\$ 511,245	\$ 1,068,482	\$ (557,237)

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

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

For the year ended December 31, 2023, the Fire Department recognized pension expense of \$0. The City received communication during the audit year from the Statewide Volunteer Firefighter Retirement Plan (Volunteer Firefighter Plan accounted for in the Volunteer Firefighter Fund) that current year information would not be provided for the plan. Therefore the City is reporting the net pension liability(asset) with a measurement date a year earlier than the Fire Departments year end.

December 31, 2023, 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	-
Contributions to Plan Subsequent to the Measurement Date	57,572	-
Total	\$ 256,561	\$ 13,199

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

2024	\$ 46,448
2025	46,448
2026	46,448
2027	46,446

**E. Actuarial Assumptions**

The total pension liability at December 31, 2023 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	2.25% per year
Investment Rate of Return	6.50%

There were no changes in actuarial assumptions in 2023.

**F. 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, 2023

**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.

**G. 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 6.0 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.

The SBI made no significant changes to their investment policy during fiscal year 2023 for the Volunteer Firefighter Fund.

**H. 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.

**I. 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:

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

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

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

**J. Pension Plan Fiduciary Net Position**

Detailed information about the Department fiduciary net position as of June 30, 2023, is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at [www.mnpera.org](http://www.mnpera.org).

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	
\$ 240	\$ 240	5.00%	5.00%	5.00%

The City and council member's contributions to the DCP plan for the years ending December 31, 2023, 2022 and 2021 were \$240, \$120 and \$120, 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.

City of St. Francis, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 7: Other Information (Continued)**

**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.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. FRANCIS  
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

City of St. Francis, Minnesota  
Required Supplementary Information  
For the Year Ended December 31, 2023

**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
6/30/23	0.0244 %	\$ 1,364,421	\$ 37,653	\$ 1,402,074	\$ 1,944,063	70.2 %	83.1 %
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)
12/31/23	\$ 149,327	\$ 149,327	\$ -	\$ 1,991,025	7.5 %
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, 2023

**Notes to the Required Supplementary Information - General Employees Fund**

Changes in Actuarial Assumptions

2023 - The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

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, 2023

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

Changes in Plan Provisions

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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, 2023

**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
06/30/23	0.0922 %	\$ 1,592,174	\$ 64,191	\$ 1,656,365	\$ 1,206,955	131.9 %	86.5 %
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 Payroll (b/c)
12/31/23	\$ 220,179	\$ 220,179	\$ -	\$ 1,243,948	17.70 %
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	16.2
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, 2023

**Notes to the Required Supplementary Information - Police and Fire Fund**

Changes in Actuarial Assumptions

2023 - The investment return assumption was changed from 6.5 percent to 7.00 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

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.

City of St. Francis, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

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

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.

Changes in Plan Provisions

2023 - Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023. Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years. A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 - 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, 2023

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

	2023 (Fire Relief Report Date 2022)	2022 (Fire Relief Report Date 2021)	2021 (Fire Relief Report Date 2020)	2020 (Fire Relief Report Date 2019)	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
<b>Total Pension Liability</b>								
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)
<b>Net Change in Total Pension Liability</b>	<b>43,072</b>	<b>63,773</b>	<b>12,239</b>	<b>(14,181)</b>	<b>33,014</b>	<b>26,196</b>	<b>99,400</b>	<b>(81,355)</b>
<b>Total Pension Liability - January 1</b>	<b>468,173</b>	<b>404,400</b>	<b>392,161</b>	<b>406,342</b>	<b>373,328</b>	<b>347,132</b>	<b>247,732</b>	<b>329,087</b>
<b>Total Pension Liability - December 31 (a)</b>	<b>\$ 511,245</b>	<b>\$ 468,173</b>	<b>\$ 404,400</b>	<b>\$ 392,161</b>	<b>\$ 406,342</b>	<b>\$ 373,328</b>	<b>\$ 347,132</b>	<b>\$ 247,732</b>
<b>Plan Fiduciary Net Position</b>								
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)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(117,006)</b>	<b>158,506</b>	<b>94,720</b>	<b>188,414</b>	<b>51,759</b>	<b>98,696</b>	<b>(5,884)</b>	<b>(47,965)</b>
<b>Plan Fiduciary Net Position - January 1</b>	<b>1,185,488</b>	<b>1,026,982</b>	<b>932,262</b>	<b>743,848</b>	<b>710,834</b>	<b>685,791</b>	<b>623,519</b>	<b>671,484</b>
Change in pension plan and measurement date*	-	-	-	-	(1,654)	(75,307)	-	-
<b>Plan Fiduciary Net Position - December 31 (b)</b>	<b>\$ 1,068,482</b>	<b>\$ 1,185,488</b>	<b>\$ 1,026,982</b>	<b>\$ 932,262</b>	<b>\$ 760,939</b>	<b>\$ 709,180</b>	<b>\$ 617,635</b>	<b>\$ 623,519</b>
<b>Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)</b>	<b>\$ (557,237)</b>	<b>\$ (717,315)</b>	<b>\$ (622,582)</b>	<b>\$ (540,101)</b>	<b>\$ (354,597)</b>	<b>\$ (335,852)</b>	<b>\$ (270,503)</b>	<b>\$ (375,787)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)</b>	209.00%	253.22%	253.95%	237.72%	187.27%	189.96%	177.93%	251.69%
<b>Covered-employee Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-employee Payroll</b>	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)
12/31/23	\$ 57,572	\$ 68,072	\$ (10,500)
12/31/22	50,104	61,604	(11,500)
12/31/21	44,341	56,341	(12,000)
12/31/20	42,022	52,522	(10,500)
12/31/19	39,189	49,689	(10,500)
12/31/18	37,521	49,021	(11,500)
12/31/17	35,947	44,947	(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, 2023

City of St. Francis, Minnesota  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2023

	Special Revenue			
	Police Forfeiture	Capital Projects	Debt Service	Total
<b>Assets</b>				
Cash and temporary investments	\$ 1,840	\$ 2,758,825	\$ 211,734	\$ 2,972,399
<b>Receivables</b>				
Accrued interest	-	5,448	497	5,945
Taxes	-	-	5,345	5,345
Accounts	-	15,877	-	15,877
Special assessments	-	143,686	15,005	158,691
Due from other governments	-	350,160	5,707	355,867
<b>Total Assets</b>	<b>\$ 1,840</b>	<b>\$ 3,273,996</b>	<b>\$ 238,288</b>	<b>\$ 3,514,124</b>
<b>Liabilities</b>				
Accounts payable	\$ 695	\$ 13,123	\$ -	\$ 13,818
Contracts payable	-	37,303	-	37,303
Due to other funds	-	-	50,879	50,879
<b>Total Liabilities</b>	<b>695</b>	<b>50,426</b>	<b>50,879</b>	<b>102,000</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues - taxes	-	-	5,345	5,345
Unavailable revenues - special assessments	-	143,686	15,005	158,691
Unavailable revenues - intergovernmental	-	322,865	-	322,865
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>466,551</b>	<b>20,350</b>	<b>486,901</b>
<b>Fund Balances</b>				
Restricted	1,145	729,576	167,059	897,780
Assigned	-	2,027,443	-	2,027,443
<b>Total Fund Balances</b>	<b>1,145</b>	<b>2,757,019</b>	<b>167,059</b>	<b>2,925,223</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,840</b>	<b>\$ 3,273,996</b>	<b>\$ 238,288</b>	<b>\$ 3,514,124</b>

City of St. Francis, Minnesota  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended December 31, 2023

	Special Revenue			
	Police Forfeiture	Capital Projects	Debt Service	Total
Revenues				
Taxes	\$ -	\$ 640,000	\$ 347,660	\$ 987,660
Intergovernmental	-	637,020	-	637,020
Charges for services	-	29,746	-	29,746
Special assessments	-	33,196	7,896	41,092
Investment earnings	-	84,598	10,105	94,703
Miscellaneous	6,681	36,496	-	43,177
Total Revenues	<u>6,681</u>	<u>1,461,056</u>	<u>365,661</u>	<u>1,833,398</u>
Expenditures				
Current				
Public safety	17,518	-	-	17,518
Capital outlay				
General government	-	6,602	-	6,602
Public safety	-	106,358	-	106,358
Public works	-	569,826	-	569,826
Culture and recreation	-	27,223	-	27,223
Debt service				
Principal	-	-	430,000	430,000
Interest and other charges	-	-	159,481	159,481
Total Expenditures	<u>17,518</u>	<u>710,009</u>	<u>589,481</u>	<u>1,317,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,837)</u>	<u>751,047</u>	<u>(223,820)</u>	<u>516,390</u>
Other Financing Sources (Uses)				
Transfers in	-	40,000	204,880	244,880
Sale of capital assets	-	66,825	-	66,825
Total Other Financing Sources (Uses)	<u>-</u>	<u>106,825</u>	<u>204,880</u>	<u>311,705</u>
Net Change in Fund Balances	(10,837)	857,872	(18,940)	828,095
Fund Balances, January 1	<u>11,982</u>	<u>1,899,147</u>	<u>185,999</u>	<u>2,097,128</u>
Fund Balances, December 31	<u>\$ 1,145</u>	<u>\$ 2,757,019</u>	<u>\$ 167,059</u>	<u>\$ 2,925,223</u>

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

## **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, 2023  
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Miscellaneous	\$ -	\$ -	\$ 6,681	\$ 6,681	\$ 14,526
Expenditures					
Current					
Public safety	7,416	7,416	17,518	(10,102)	3,819
Net Change in Fund Balances	(7,416)	(7,416)	(10,837)	(3,421)	10,707
Fund Balances, January 1	11,982	11,982	11,982	-	1,275
Fund Balances, December 31	<u>\$ 4,566</u>	<u>\$ 4,566</u>	<u>\$ 1,145</u>	<u>\$ (3,421)</u>	<u>\$ 11,982</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.

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

City of St. Francis, Minnesota  
Nonmajor Capital Projects Funds  
Combining Balance Sheet  
December 31, 2023

	<b>210</b> Charitable Gambling	<b>225</b> Park Improvements	<b>402</b> Capital Equipment	<b>405</b> Street Improvement	Total
<b>Assets</b>					
Cash and temporary investments	\$ 194,304	\$ 167,589	\$ 1,271,804	\$ 1,125,128	\$ 2,758,825
Receivables					
Accrued interest	460	167	2,155	2,666	5,448
Accounts	4,196	-	11,681	-	15,877
Special assessments	-	-	-	143,686	143,686
Due from other governments	-	-	19,912	330,248	350,160
<b>Total Assets</b>	<b><u>\$ 198,960</u></b>	<b><u>\$ 167,756</u></b>	<b><u>\$ 1,305,552</u></b>	<b><u>\$ 1,601,728</u></b>	<b><u>\$ 3,273,996</u></b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 13,123	\$ -	\$ 13,123
Contracts payable	-	-	-	37,303	37,303
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>13,123</u></b>	<b><u>37,303</u></b>	<b><u>50,426</u></b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues - special assessments	-	-	-	143,686	143,686
Unavailable revenues - intergovernmental	-	-	-	322,865	322,865
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>466,551</u></b>	<b><u>466,551</u></b>
<b>Fund Balances</b>					
Restricted for					
Park improvements	-	167,756	-	-	167,756
Public safety	-	-	362,860	-	362,860
Capital equipment	198,960	-	-	-	198,960
Assigned for					
Capital projects	-	-	-	1,097,874	1,097,874
Capital equipment	-	-	929,569	-	929,569
<b>Total Fund Balances</b>	<b><u>198,960</u></b>	<b><u>167,756</u></b>	<b><u>1,292,429</u></b>	<b><u>1,097,874</u></b>	<b><u>2,757,019</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 198,960</u></b>	<b><u>\$ 167,756</u></b>	<b><u>\$ 1,305,552</u></b>	<b><u>\$ 1,601,728</u></b>	<b><u>\$ 3,273,996</u></b>



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, 2023

	<b>210</b> Charitable Gambling	<b>225</b> Park Improvements	<b>402</b> Capital Equipment	<b>405</b> Street Improvement	Total
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 280,000	\$ 360,000	\$ 640,000
Intergovernmental	-	-	382,772	254,248	637,020
Charges for services	-	29,746	-	-	29,746
Special assessments	-	-	-	33,196	33,196
Interest on investments	9,930	338	43,763	30,567	84,598
Miscellaneous	25,109	1,525	9,849	13	36,496
Total Revenues	<u>35,039</u>	<u>31,609</u>	<u>716,384</u>	<u>678,024</u>	<u>1,461,056</u>
<b>Expenditures</b>					
Capital outlay					
General government	-	-	6,602	-	6,602
Public safety	-	-	106,358	-	106,358
Public works	-	-	111,742	458,084	569,826
Culture and recreation	-	135	27,088	-	27,223
Total Expenditures	<u>-</u>	<u>135</u>	<u>251,790</u>	<u>458,084</u>	<u>710,009</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,039</u>	<u>31,474</u>	<u>464,594</u>	<u>219,940</u>	<u>751,047</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	40,000	-	40,000
Sale of capital assets	-	-	66,825	-	66,825
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>106,825</u>	<u>-</u>	<u>106,825</u>
Net Change in Fund Balances	35,039	31,474	571,419	219,940	857,872
Fund Balances, January 1	<u>163,921</u>	<u>136,282</u>	<u>721,010</u>	<u>877,934</u>	<u>1,899,147</u>
Fund Balances, December 31	<u>\$ 198,960</u>	<u>\$ 167,756</u>	<u>\$ 1,292,429</u>	<u>\$ 1,097,874</u>	<u>\$ 2,757,019</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, 2023  
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Charges for services	\$ 40,000	\$ 40,000	\$ 25,109	\$ (14,891)	\$ 35,573
Investment earnings	500	500	9,930	9,430	(4,505)
Total Revenues	<u>40,500</u>	<u>40,500</u>	<u>35,039</u>	<u>(5,461)</u>	<u>31,068</u>
Fund Balances, January 1	<u>163,921</u>	<u>163,921</u>	<u>163,921</u>	<u>-</u>	<u>132,853</u>
Fund Balances, December 31	<u>\$ 204,421</u>	<u>\$ 204,421</u>	<u>\$ 198,960</u>	<u>\$ (5,461)</u>	<u>\$ 163,921</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 245,000
Charges for services	1,000	1,000	29,746	28,746	2,530
Investment earnings	700	700	338	(362)	3,475
Miscellaneous	-	-	1,525	1,525	-
Total Revenues	<u>1,700</u>	<u>1,700</u>	<u>31,609</u>	<u>29,909</u>	<u>251,005</u>
Expenditures					
Current					
Culture and recreation	-	-	-	-	43,943
Capital outlay					
Culture and recreation	-	-	135	(135)	516,297
Total Expenditures	<u>-</u>	<u>-</u>	<u>135</u>	<u>(135)</u>	<u>560,240</u>
Net Change in Fund Balances	1,700	1,700	31,474	29,774	(309,235)
Fund Balances, January 1	<u>136,282</u>	<u>136,282</u>	<u>136,282</u>	<u>-</u>	<u>445,517</u>
Fund Balances, December 31	<u>\$ 137,982</u>	<u>\$ 137,982</u>	<u>\$ 167,756</u>	<u>\$ 29,774</u>	<u>\$ 136,282</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
<b>Revenues</b>					
Property tax	\$ 280,000	\$ 280,000	\$ 280,000	\$ -	\$ 260,000
Intergovernmental	-	-	382,772	382,772	-
Interest on investments	7,000	7,000	43,763	36,763	(18,915)
Miscellaneous	-	-	9,849	9,849	13,133
<b>Total Revenues</b>	<b>287,000</b>	<b>287,000</b>	<b>716,384</b>	<b>429,384</b>	<b>254,218</b>
<b>Expenditures</b>					
Capital outlay					
General government	73,314	73,314	6,602	66,712	4,168
Public safety	418,196	418,196	106,358	311,838	103,993
Public works	-	246,584	111,742	134,842	75,091
Debt service					
Principal	-	-	19,863	(19,863)	-
Bond issuance costs	-	-	7,225	(7,225)	-
<b>Total Expenditures</b>	<b>491,510</b>	<b>738,094</b>	<b>251,790</b>	<b>486,304</b>	<b>183,252</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,510)	(451,094)	464,594	915,688	70,966
<b>Other Financing Sources (Uses)</b>					
Transfers in	40,000	40,000	40,000	-	20,000
Sale of capital assets	-	-	66,825	66,825	-
<b>Total Other Financing Sources (Uses)</b>	<b>40,000</b>	<b>40,000</b>	<b>106,825</b>	<b>66,825</b>	<b>20,000</b>
<b>Net Change in Fund Balances</b>	<b>(164,510)</b>	<b>(411,094)</b>	<b>571,419</b>	<b>982,513</b>	<b>90,966</b>
Fund Balances, January 1	721,010	721,010	721,010	-	630,044
Fund Balances, December 31	\$ 556,500	\$ 309,916	\$ 1,292,429	\$ 982,513	\$ 721,010

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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property tax	\$ 360,000	\$ 360,000	\$ 360,000	\$ -	\$ 300,000
Intergovernmental	116,097	116,097	254,248	138,151	993,724
Special assessments	-	-	33,196	33,196	33,222
Investment earnings	10,000	10,000	30,567	20,567	(2,313)
Miscellaneous	39,000	39,000	13	(38,987)	144,350
Total Revenues	<u>525,097</u>	<u>525,097</u>	<u>678,024</u>	<u>152,927</u>	<u>1,468,983</u>
Expenditures					
Capital outlay					
Public works	<u>194,000</u>	<u>194,000</u>	<u>458,084</u>	<u>(264,084)</u>	<u>1,526,775</u>
Net Change in Fund Balances	331,097	331,097	219,940	(111,157)	(57,792)
Fund Balances, January 1	<u>877,934</u>	<u>877,934</u>	<u>877,934</u>	<u>-</u>	<u>935,726</u>
Fund Balances, December 31	<u><u>\$ 1,209,031</u></u>	<u><u>\$ 1,209,031</u></u>	<u><u>\$ 1,097,874</u></u>	<u><u>\$ (111,157)</u></u>	<u><u>\$ 877,934</u></u>

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

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, 2023  
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Property tax	\$ 870,000	\$ 870,000	\$ 870,000	\$ -	\$ 470,000
Interest on investments	1,000	1,000	92,054	91,054	(24,377)
Miscellaneous	-	-	3,619	3,619	-
Total Revenues	<u>871,000</u>	<u>871,000</u>	<u>965,673</u>	<u>94,673</u>	<u>445,623</u>
Expenditures					
Capital outlay					
General government	-	-	2,464,202	(2,464,202)	37,262
Public safety	-	-	21,495	(21,495)	-
Public works	-	-	-	-	-
Debt service					
Interest and other	-	-	270,370	(270,370)	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,756,067</u>	<u>(2,756,067)</u>	<u>37,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>871,000</u>	<u>871,000</u>	<u>(1,790,394)</u>	<u>(2,661,394)</u>	<u>408,361</u>
Other Financing Sources (Uses)					
Bond issued	-	-	13,000,000	13,000,000	-
Premium on bonds issued	-	-	154,539	154,539	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13,154,539</u>	<u>13,154,539</u>	<u>-</u>
Net Change in Fund Balances	871,000	871,000	11,364,145	10,493,145	408,361
Fund Balances, January 1	<u>715,427</u>	<u>715,427</u>	<u>715,427</u>	<u>-</u>	<u>307,066</u>
Fund Balances, December 31	<u>\$ 1,586,427</u>	<u>\$ 1,586,427</u>	<u>\$ 12,079,572</u>	<u>\$ 10,493,145</u>	<u>\$ 715,427</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 3,197,630	\$ 3,197,630	\$ 3,255,616	\$ 57,986	\$ 3,305,873
Franchise fees	30,660	30,660	26,215	(4,445)	27,497
Total taxes	<u>3,228,290</u>	<u>3,228,290</u>	<u>3,281,831</u>	<u>53,541</u>	<u>3,333,370</u>
Licenses and permits					
Business	24,120	24,120	22,355	(1,765)	22,020
Nonbusiness	194,310	194,310	221,504	27,194	190,031
Total licenses and permits	<u>218,430</u>	<u>218,430</u>	<u>243,859</u>	<u>25,429</u>	<u>212,051</u>
Intergovernmental					
Federal					
Other	275,000	275,000	356,710	81,710	47,925
State					
Local government aid	547,184	547,184	543,984	(3,200)	524,176
Property tax credits	-	-	5,448	5,448	5,800
Police and fire aid	140,950	140,950	221,590	80,640	147,138
Other	-	-	-	-	-
County	-	-	15,110	15,110	3,000
Total intergovernmental	<u>963,134</u>	<u>963,134</u>	<u>1,142,842</u>	<u>179,708</u>	<u>728,039</u>
Charges for services					
General government	338,400	338,400	333,885	(4,515)	311,253
Public safety	81,591	81,591	81,361	(230)	83,309
Public works	2,050	2,050	2,979	929	2,521
Community development	5,740	5,740	6,020	280	6,530
Total charges for services	<u>427,781</u>	<u>427,781</u>	<u>424,245</u>	<u>(3,536)</u>	<u>403,613</u>
Fines and forfeitures	<u>36,340</u>	<u>36,340</u>	<u>30,630</u>	<u>(5,710)</u>	<u>41,526</u>
Interest (loss) on investments	<u>26,300</u>	<u>26,300</u>	<u>195,361</u>	<u>169,061</u>	<u>(168,483)</u>
Miscellaneous					
Rents and leases	61,320	61,320	111,322	50,002	100,908
Recycling and landfill abatement	34,860	34,860	45,445	10,585	45,069
Donations and other	57,520	57,520	42,379	(15,141)	39,624
Total miscellaneous	<u>153,700</u>	<u>153,700</u>	<u>199,146</u>	<u>45,446</u>	<u>185,601</u>
Total Revenues	<u>5,053,975</u>	<u>5,053,975</u>	<u>5,517,914</u>	<u>463,939</u>	<u>4,735,717</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	\$ 27,210	\$ 27,210	\$ 25,897	\$ 1,313	\$ 27,353
Other services and charges	12,180	12,180	14,022	(1,842)	7,025
Total mayor and city council	<u>39,390</u>	<u>39,390</u>	<u>39,919</u>	<u>(529)</u>	<u>34,378</u>
City administration					
Personal services	391,300	391,300	388,401	2,899	374,127
Supplies	10,000	10,000	9,915	85	11,407
Other services and charges	83,910	83,910	79,847	4,063	80,784
Total city administration	<u>485,210</u>	<u>485,210</u>	<u>478,163</u>	<u>7,047</u>	<u>466,318</u>
Elections					
Personal services	1,000	1,000	28	972	12,960
Supplies	150	150	-	150	-
Other services and charges	2,750	2,750	1,963	787	2,572
Total elections	<u>3,900</u>	<u>3,900</u>	<u>1,991</u>	<u>1,909</u>	<u>15,532</u>
Financial administration					
Personal services	242,700	242,700	245,786	(3,086)	232,787
Supplies	2,000	2,000	784	1,216	256
Other services and charges	6,000	6,000	5,215	785	6,085
Total financial administration	<u>250,700</u>	<u>250,700</u>	<u>251,785</u>	<u>(1,085)</u>	<u>239,128</u>
Assessor					
Other services and charges	<u>37,000</u>	<u>37,000</u>	<u>34,762</u>	<u>2,238</u>	<u>34,670</u>
Legal and accounting					
Other services and charges	<u>181,100</u>	<u>181,100</u>	<u>189,472</u>	<u>(8,372)</u>	<u>224,705</u>
Municipal building					
Supplies	2,500	2,500	2,157	343	2,724
Other services and charges	15,100	15,100	17,947	(2,847)	17,910
Rent for offices	3,000	3,000	4,763	(1,763)	3,566
Total municipal building	<u>20,600</u>	<u>20,600</u>	<u>24,867</u>	<u>(4,267)</u>	<u>24,200</u>
Total general government	<u>1,017,900</u>	<u>1,017,900</u>	<u>1,020,959</u>	<u>(3,059)</u>	<u>1,038,931</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety					
Police					
Personal services	\$ 1,791,500	\$ 1,791,500	\$ 1,768,298	\$ 23,202	\$ 1,643,430
Supplies	86,800	86,800	98,949	(12,149)	85,347
Other services and charges	225,400	225,400	252,332	(26,932)	212,014
Total police	<u>2,103,700</u>	<u>2,103,700</u>	<u>2,119,579</u>	<u>(15,879)</u>	<u>1,940,791</u>
Fire					
Personal services	342,700	342,700	365,271	(22,571)	280,781
Supplies	64,250	64,250	77,985	(13,735)	42,583
Other services and charges	76,850	76,850	95,103	(18,253)	84,426
Total fire	<u>483,800</u>	<u>483,800</u>	<u>538,359</u>	<u>(54,559)</u>	<u>407,790</u>
Pandemic					
Other services and charges	-	-	81,710	(81,710)	47,925
Animal control					
Other services and charges	4,000	4,000	534	3,466	655
Total public safety	<u>2,591,500</u>	<u>2,591,500</u>	<u>2,740,182</u>	<u>(148,682)</u>	<u>2,397,161</u>
Public works					
Streets and highways					
Personal services	341,000	341,000	341,324	(324)	303,807
Supplies	51,750	51,750	59,887	(8,137)	57,292
Other services and charges	159,250	159,250	167,058	(7,808)	178,834
Total streets and highways	<u>552,000</u>	<u>552,000</u>	<u>568,269</u>	<u>(16,269)</u>	<u>539,933</u>
Recycling					
Personal services	45,750	45,750	44,606	1,144	45,360
Supplies	5,850	5,850	24,259	(18,409)	5,260
Other services and charges	26,750	26,750	35,907	(9,157)	32,174
Total recycling	<u>78,350</u>	<u>78,350</u>	<u>104,772</u>	<u>(26,422)</u>	<u>82,794</u>
Miscellaneous					
Other services and charges	9,850	9,850	11,316	(1,466)	1,093
Total public works	<u>640,200</u>	<u>640,200</u>	<u>684,357</u>	<u>(44,157)</u>	<u>623,820</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation					
Parks and recreation					
Personal services	\$ 197,800	\$ 197,800	\$ 193,778	\$ 4,022	\$ 167,683
Supplies	61,000	61,000	54,235	6,765	62,753
Other services and charges	112,750	112,750	130,309	(17,559)	99,233
Total parks and recreation	<u>371,550</u>	<u>371,550</u>	<u>378,322</u>	<u>(6,772)</u>	<u>329,669</u>
Community development					
Planning and zoning					
Personal services	238,600	238,600	228,086	10,514	197,139
Supplies	1,825	1,825	1,989	(164)	1,362
Other services and charges	60,800	60,800	63,036	(2,236)	56,087
Total planning and zoning	<u>301,225</u>	<u>301,225</u>	<u>293,111</u>	<u>8,114</u>	<u>254,588</u>
Building inspection					
Personal services	144,800	144,800	129,268	15,532	124,511
Supplies	4,800	4,800	7,961	(3,161)	4,602
Other services and charges	42,000	42,000	43,085	(1,085)	29,200
Total building inspection	<u>191,600</u>	<u>191,600</u>	<u>180,314</u>	<u>11,286</u>	<u>158,313</u>
Total community development	<u>492,825</u>	<u>492,825</u>	<u>473,425</u>	<u>19,400</u>	<u>412,901</u>
Total Expenditures	<u>5,113,975</u>	<u>5,113,975</u>	<u>5,297,245</u>	<u>(183,270)</u>	<u>4,802,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,000)	(60,000)	220,669	280,669	(66,765)
Other Financing Sources (Uses)					
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Net Change in Fund Balances	-	-	280,669	280,669	(6,765)
Fund Balances, January 1	<u>3,215,482</u>	<u>3,215,482</u>	<u>3,215,482</u>	<u>-</u>	<u>3,222,247</u>
Fund Balances, December 31	<u>\$ 3,215,482</u>	<u>\$ 3,215,482</u>	<u>\$ 3,496,151</u>	<u>\$ 280,669</u>	<u>\$ 3,215,482</u>

City of St. Francis, Minnesota  
Debt Service Funds  
Combining Balance Sheet  
December 31, 2023

	<b>311</b> G.O. Bonds 2021A	<b>327</b> G.O. Bonds 2015A	<b>330</b> G.O Bonds 2017A	Total
<b>Assets</b>				
Cash and temporary investments	\$ -	\$ 84,017	\$ 127,717	\$ 211,734
Receivables				
Accrued interest	-	199	298	497
Taxes	-	-	5,345	5,345
Special assessments	2,181	12,824	-	15,005
Due from other governments	-	336	5,371	5,707
	<u>-</u>	<u>336</u>	<u>5,371</u>	<u>5,707</u>
<b>Total Assets</b>	<u><u>\$ 2,181</u></u>	<u><u>\$ 97,376</u></u>	<u><u>\$ 138,731</u></u>	<u><u>\$ 238,288</u></u>
<b>Liabilities</b>				
Due to other funds	<u>\$ 50,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,879</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues - taxes	-	-	5,345	5,345
Unavailable revenues - special assessments	2,181	12,824	-	15,005
<b>Total Deferred Inflows of Resources</b>	<u>2,181</u>	<u>12,824</u>	<u>5,345</u>	<u>20,350</u>
<b>Fund Balances</b>				
Restricted for debt service	<u>(50,879)</u>	<u>84,552</u>	<u>133,386</u>	<u>167,059</u>
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<u><u>\$ 2,181</u></u>	<u><u>\$ 97,376</u></u>	<u><u>\$ 138,731</u></u>	<u><u>\$ 238,288</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, 2023

	<b>311</b> G.O. Bonds 2021A	<b>327</b> G.O. Bonds 2015A	<b>330</b> G.O Bonds 2017A	Total
Revenues				
Taxes	\$ -	\$ 20,474	\$ 327,186	\$ 347,660
Special assessments	1,439	6,457	-	7,896
Investment earnings	867	4,367	4,871	10,105
Total Revenues	<u>2,306</u>	<u>31,298</u>	<u>332,057</u>	<u>365,661</u>
Expenditures				
Debt service				
Principal	95,000	25,000	310,000	430,000
Interest and other charges	1,425	2,950	155,106	159,481
Total Expenditures	<u>96,425</u>	<u>27,950</u>	<u>465,106</u>	<u>589,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94,119)	3,348	(133,049)	(223,820)
Other Financing Sources (Uses)				
Transfers in	<u>39,880</u>	-	<u>165,000</u>	<u>204,880</u>
Net Change in Fund Balances	(54,239)	3,348	31,951	(18,940)
Fund Balances, January 1	<u>3,360</u>	<u>81,204</u>	<u>101,435</u>	<u>185,999</u>
Fund Balances, December 31	<u>\$ (50,879)</u>	<u>\$ 84,552</u>	<u>\$ 133,386</u>	<u>\$ 167,059</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 21,125
Special assessments	-	-	1,439	1,439	16,223
Investment earnings	-	-	867	867	(142)
Total Revenues	<u>-</u>	<u>-</u>	<u>2,306</u>	<u>2,306</u>	<u>37,206</u>
Expenditures					
Debt service					
Principal	95,000	95,000	95,000	-	95,000
Interest and other charges	1,900	1,900	1,425	475	4,576
Total Expenditures	<u>96,900</u>	<u>96,900</u>	<u>96,425</u>	<u>475</u>	<u>99,576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,900)	(96,900)	(94,119)	2,781	(62,370)
Other Financing Sources (Uses)					
Transfers in	<u>39,880</u>	<u>39,880</u>	<u>39,880</u>	<u>-</u>	<u>39,880</u>
Net Change in Fund Balances	(57,020)	(57,020)	(54,239)	2,781	(22,490)
Fund Balances, January 1	<u>3,360</u>	<u>3,360</u>	<u>3,360</u>	<u>-</u>	<u>25,850</u>
Fund Balances, December 31	<u>\$ (53,660)</u>	<u>\$ (53,660)</u>	<u>\$ (50,879)</u>	<u>\$ 2,781</u>	<u>\$ 3,360</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 20,470	\$ 20,470	\$ 20,474	\$ 4	\$ 20,750
Special assessments	7,000	7,000	6,457	(543)	6,457
Investment earnings	500	500	4,367	3,867	(2,477)
Total Revenues	<u>27,970</u>	<u>27,970</u>	<u>31,298</u>	<u>3,328</u>	<u>24,730</u>
Expenditures					
Debt service					
Principal	25,000	25,000	25,000	-	25,000
Interest and other charges	3,425	3,425	2,950	475	3,925
Total Expenditures	<u>28,425</u>	<u>28,425</u>	<u>27,950</u>	<u>475</u>	<u>28,925</u>
Net Change in Fund Balances	(455)	(455)	3,348	3,803	(4,195)
Fund Balances, January 1	<u>81,204</u>	<u>81,204</u>	<u>81,204</u>	<u>-</u>	<u>85,399</u>
Fund Balances, December 31	<u>\$ 80,749</u>	<u>\$ 80,749</u>	<u>\$ 84,552</u>	<u>\$ 3,803</u>	<u>\$ 81,204</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Property taxes	\$ 327,220	\$ 327,220	\$ 327,186	\$ (34)	\$ 328,742
Investment earnings	-	-	4,871	4,871	(4,573)
Total Revenues	<u>327,220</u>	<u>327,220</u>	<u>332,057</u>	<u>4,837</u>	<u>324,169</u>
Expenditures					
Debt service					
Principal	310,000	310,000	310,000	-	300,000
Interest and other charges	155,106	155,106	155,106	-	164,256
Total Expenditures	<u>465,106</u>	<u>465,106</u>	<u>465,106</u>	<u>-</u>	<u>464,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,886)	(137,886)	(133,049)	4,837	(140,087)
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	27,114	27,114	31,951	4,837	24,913
Fund Balances, January 1	<u>101,435</u>	<u>101,435</u>	<u>101,435</u>	<u>-</u>	<u>76,522</u>
Fund Balances, December 31	<u>\$ 128,549</u>	<u>\$ 128,549</u>	<u>\$ 133,386</u>	<u>\$ 4,837</u>	<u>\$ 101,435</u>



**City of St. Francis, Minnesota**  
 Economic Development Authority (EDA)  
 (Discretely Presented Component Unit)  
 Balance Sheet  
 December 31, 2023

	<b>240</b>
	<u>EDA</u>
<b>Assets</b>	
Cash and temporary investments	\$ 43,633
Accrued interest	<u>103</u>
<b>Total Assets</b>	<b><u>\$ 43,736</u></b>
<b>Fund Balances</b>	
Restricted for	
Economic development projects	<b><u>\$ 43,736</u></b>

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, 2023

	<b>240</b>
	<u>EDA</u>
Revenues	
Interest on investments	\$ 2,873
Fund Balances, January 1	<u>40,863</u>
Fund Balances, December 31	<u><u>\$ 43,736</u></u>

City of St. Francis, Minnesota  
Summary Financial Report  
Governmental Funds  
Revenues and Expenditures For General Operations  
For the Years Ended December 31, 2023 and 2022

	Total		Percent Increase (Decrease)
	2023	2022	
<b>Revenues</b>			
Taxes	\$ 5,139,491	\$ 4,733,987	8.57 %
Licenses and permits	243,859	212,051	15.00
Intergovernmental	1,779,862	1,966,763	(9.50)
Charges for services	453,991	406,143	11.78
Fines and forfeits	30,630	41,526	(26.24)
Special assessments	41,092	55,902	(26.49)
Interest (loss) on investments	382,118	(222,310)	271.89
Miscellaneous	245,942	393,183	(37.45)
	<u>\$ 8,316,985</u>	<u>\$ 7,587,245</u>	
Total Revenues			9.62 %
Per Capita	\$ 1,001	\$ 915	9.43 %
<b>Expenditures</b>			
<b>Current</b>			
General government	\$ 1,020,959	\$ 1,037,487	(1.59) %
Public safety	2,757,700	2,400,980	14.86
Public works	684,357	623,820	9.70
Culture and recreation	378,322	373,612	1.26
Community development	473,425	411,535	15.04
<b>Capital outlay</b>			
General government	2,470,804	42,469	5,717.90
Public safety	127,853	103,993	22.94
Public works	569,826	1,602,271	(64.44)
Culture and recreation	27,223	516,297	(94.73)
Community development	-	1,366	(100.00)
<b>Debt service</b>			
Principal	430,000	420,000	2.38
Interest and other charges	429,851	172,757	148.82
	<u>\$ 9,370,320</u>	<u>\$ 7,706,587</u>	
Total Expenditures			21.59 %
Per Capita	\$ 1,128	\$ 929	21.38 %
Total Long-term Indebtedness	\$ 18,035,000	\$ 5,465,000	230.01 %
Per Capita	2,171	659	
General Fund Balance - December 31	\$ 3,496,151	\$ 3,215,482	8.73 %
Per Capita	421	388	

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.

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

STATISTICAL SECTION (UNAUDITED)

CITY OF ST. FRANCIS  
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

## 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			
	2023	2022	2021	2020
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 12,535,895	\$ 13,107,561	\$ 11,182,725	\$ 10,645,221
Restricted	1,287,958	1,171,931	713,596	664,078
Unrestricted	4,947,318	3,552,606	4,547,219	4,103,641
Total Governmental Activities Net Position	<u>\$ 18,771,171</u>	<u>\$ 17,832,098</u>	<u>\$ 15,412,940</u>	<u>\$ 12,236,502</u>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 20,337,590	\$ 20,021,708	\$ 20,319,926	\$ 19,054,469
Restricted	377,920	309,885	243,905	180,370
Unrestricted	7,943,295	7,505,250	8,183,686	8,682,653
Total Business-type Activities Net Position	<u>\$ 28,658,805</u>	<u>\$ 27,836,843</u>	<u>\$ 28,747,517</u>	<u>\$ 27,917,492</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 32,873,485	\$ 33,129,269	\$ 31,502,651	\$ 29,699,690
Restricted	1,665,878	1,481,816	957,501	844,448
Unrestricted	12,890,613	11,057,856	12,730,905	12,786,294
Total Primary Government Net Position	<u>\$ 47,429,976</u>	<u>\$ 45,668,941</u>	<u>\$ 45,191,057</u>	<u>\$ 43,330,432</u>



**Table 1**

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 7,822,639	\$ 7,197,173	\$ 7,196,658	\$ 6,861,667	\$ 6,344,949	\$ 6,471,404
815,170	682,100	507,871	1,010,138	940,821	997,754
3,598,693	3,454,837	2,941,748	2,538,153	2,269,512	3,371,139
<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>
\$ 18,804,562	\$ 19,032,537	\$ 19,003,781	\$ 13,019,826	\$ 9,103,334	\$ 8,824,440
118,170	57,865	-	-	-	-
8,274,103	7,237,698	5,826,703	5,789,331	5,306,618	5,488,087
<u>\$ 27,196,835</u>	<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>
\$ 26,627,201	\$ 26,229,710	\$ 26,200,439	\$ 19,881,493	\$ 15,448,283	\$ 15,295,844
933,340	739,965	507,871	1,010,138	940,821	997,754
11,872,796	10,692,535	8,768,451	8,327,484	7,576,130	8,859,226
<u>\$ 39,433,337</u>	<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>

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			
	2023	2022	2021	2020
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 1,080,060	\$ 1,065,238	\$ 975,615	\$ 997,414
Public safety	3,360,922	2,876,790	2,378,478	2,630,451
Public works	1,706,014	2,005,902	1,475,039	1,537,431
Culture and recreation	454,930	450,620	406,609	376,361
Community development	486,175	426,367	491,488	488,633
Interest on long-term debt	846,075	169,928	181,183	191,290
<b>Total Governmental Activities Expenses</b>	<b>7,934,176</b>	<b>6,994,845</b>	<b>6,221,580</b>	<b>5,959,266</b>
<b>Business-type Activities</b>				
Water	1,243,810	1,264,609	1,203,394	1,158,339
Sewer	2,037,199	2,017,969	1,900,337	1,884,716
Storm water	267,650	79,437	64,812	54,476
Liquor store	2,973,373	2,937,478	2,439,164	2,509,775
<b>Total Business-type Activities Expenses</b>	<b>6,522,032</b>	<b>6,299,493</b>	<b>5,607,707</b>	<b>5,607,306</b>
<b>Total Primary Government Expenses</b>	<b>\$ 14,456,208</b>	<b>\$ 13,294,338</b>	<b>\$ 11,829,287</b>	<b>\$ 11,566,572</b>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for services</b>				
General government	\$ 353,053	\$ 379,415	\$ 337,360	\$ 249,186
Public safety	32,662	62,039	77,299	98,787
Public works	2,979	2,521	2,196	1,061
Culture and recreation	2,450	2,580	1,635	1,345
Community development	322,632	274,779	339,890	411,815
Operating grants and contributions	1,592,481	995,654	408,163	824,812
Capital grants and contributions	72,623	252,795	748,612	1,979,574
<b>Total Governmental Activities Program Revenues</b>	<b>2,378,880</b>	<b>1,969,783</b>	<b>3,566,580</b>	<b>1,673,257</b>
<b>Business-type Activities</b>				
<b>Charges for services</b>				
Water	1,626,208	1,610,180	1,591,308	1,501,234
Sewer	1,944,750	1,944,560	1,958,382	1,773,962
Strom Water	183,287	186,336	186,334	173,812
Liquor store	3,087,049	2,939,140	2,501,832	2,778,937
Operating grants and contributions	4,224	2,657	2,145	25,482
Capital grants and contributions	340,123	204,847	517,503	1,060,565
<b>Total Business-type Activities Program Revenues</b>	<b>7,185,641</b>	<b>6,887,720</b>	<b>6,757,504</b>	<b>7,313,992</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 9,564,521</b>	<b>\$ 8,857,503</b>	<b>\$ 10,324,084</b>	<b>\$ 8,987,249</b>

**Table 2**

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 976,132	\$ 917,976	\$ 874,683	\$ 888,099	\$ 789,269	\$ 869,752
2,288,796	1,822,687	2,132,904	2,334,480	2,207,108	1,787,394
1,204,645	1,406,804	969,437	925,873	860,847	1,205,771
377,685	403,747	389,408	468,326	118,667	371,104
910,312	731,427	598,366	427,300	324,235	242,227
201,696	210,612	400,157	357,173	359,316	365,306
<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>
1,129,380	1,076,288	1,064,443	1,057,465	1,167,893	1,121,532
1,807,212	1,856,264	1,345,198	1,184,441	1,049,262	941,358
25,800	29,538	33,435	55,385	-	-
2,344,537	2,164,820	2,130,722	2,008,390	1,986,813	1,948,432
<u>5,306,929</u>	<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>\$ 10,800,182</u>	<u>\$ 10,491,865</u>	<u>\$ 9,975,049</u>	<u>\$ 8,965,123</u>	<u>\$ 9,045,522</u>	<u>\$ 8,549,831</u>
\$ 290,747	\$ 435,914	\$ 440,529	\$ 298,140	\$ 304,092	\$ 270,718
148,675	177,641	163,362	184,994	181,458	190,140
2,878	2,612	3,599	2,868	3,689	2,172
1,870	2,170	2,385	3,030	1,590	1,460
709,992	178,218	181,565	243,640	205,289	184,877
263,037	257,868	236,903	371,047	275,631	282,057
256,058	725,120	422,985	1,186,137	242,557	382,286
<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>
1,262,447	1,595,533	1,682,412	1,390,364	1,193,195	1,134,332
1,652,322	1,778,971	1,867,070	1,361,064	999,664	930,651
174,543	176,850	171,867	169,020	-	-
2,428,757	2,313,806	2,236,569	2,133,575	2,157,348	2,109,850
7,014	3,059	3,669	3,800	-	-
903,951	924,503	4,969,830	3,849,842	186,264	108,000
<u>6,429,034</u>	<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>\$ 8,208,577</u>	<u>\$ 8,244,050</u>	<u>\$ 13,221,273</u>	<u>\$ 10,121,971</u>	<u>\$ 5,850,181</u>	<u>\$ 6,002,969</u>

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

	Fiscal Year			
	2023	2022	2021	2020
<b>Net Revenues (Expenses)</b>				
Governmental activities	\$ (5,555,296)	\$ (5,025,062)	\$ (2,655,000)	\$ (4,286,009)
Business-type activities	663,609	588,227	1,149,797	1,706,686
<b>Total Primary Government Net Revenues (Expenses)</b>	<u>\$ (4,891,687)</u>	<u>\$ (4,436,835)</u>	<u>\$ (1,505,203)</u>	<u>\$ (2,579,323)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
Taxes				
Property taxes	\$ 5,106,955	\$ 4,747,168	\$ 4,245,519	\$ 3,997,032
Tax increments	-	-	-	-
Grants and contributions not restricted to specific programs	633,591	570,733	573,553	555,814
Gain on sale of capital assets	66,825	13,000	31,551	11,905
Unrestricted investment earnings	382,118	(222,310)	(41,044)	120,007
Transfers - capital assets	-	1,020,149	-	-
Transfers	304,880	284,880	284,880	1,146,680
<b>Total Governmental Activities</b>	<u>6,494,369</u>	<u>6,413,620</u>	<u>5,094,459</u>	<u>5,831,438</u>
<b>Business-type Activities</b>				
Interest on investments	463,233	(193,872)	(34,892)	160,651
Gain on sale of capital assets	-	-	-	-
Transfers - capital assets	-	(1,020,149)	-	-
Transfers	(304,880)	(284,880)	(284,880)	(1,146,680)
<b>Total Business-type Activities</b>	<u>158,353</u>	<u>(1,498,901)</u>	<u>(319,772)</u>	<u>(986,029)</u>
<b>Total Primary Government</b>	<u>\$ 6,652,722</u>	<u>\$ 4,914,719</u>	<u>\$ 4,774,687</u>	<u>\$ 4,845,409</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 939,073	\$ 1,388,558	\$ 2,439,459	\$ 1,545,429
Business-type activities	821,962	(910,674)	830,025	720,657
<b>Total Primary Government</b>	<u>\$ 1,761,035</u>	<u>\$ 477,884</u>	<u>\$ 3,269,484</u>	<u>\$ 2,266,086</u>

**Table 2**

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ (3,713,710)	\$ (3,913,627)	\$ (3,111,395)	\$ (3,445,136)	\$ (3,527,844)	\$ (2,818,373)
<u>1,122,105</u>	<u>1,665,812</u>	<u>6,357,619</u>	<u>4,601,984</u>	<u>332,503</u>	<u>271,511</u>
<u>\$ (2,591,605)</u>	<u>\$ (2,247,815)</u>	<u>\$ 3,246,224</u>	<u>\$ 1,156,848</u>	<u>\$ (3,195,341)</u>	<u>\$ (2,546,862)</u>
\$ 3,817,876	\$ 3,514,249	\$ 3,249,599	\$ 3,277,360	\$ 3,175,224	\$ 3,017,872
-	-	-	7,512	14,393	14,260
465,589	494,318	365,831	362,359	353,353	318,445
219,358	39,123	80,867	-	963	4,521
175,698	68,973	29,655	33,960	21,200	34,894
-	-	-	-	(323,039)	-
<u>509,880</u>	<u>284,880</u>	<u>423,994</u>	<u>284,880</u>	<u>264,880</u>	<u>1,075,036</u>
<u>5,188,401</u>	<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>
-	113,434	87,702	82,101	40,832	69,413
256,510	3,250	-	-	-	-
-	-	-	-	323,039	-
<u>-</u>	<u>(284,880)</u>	<u>(423,994)</u>	<u>(284,880)</u>	<u>(264,880)</u>	<u>(1,075,036)</u>
<u>256,510</u>	<u>(168,196)</u>	<u>(336,292)</u>	<u>(202,779)</u>	<u>98,991</u>	<u>(1,005,623)</u>
<u>\$ 5,444,911</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>
\$ 1,474,691	\$ 487,916	\$ 1,038,551	\$ 520,935	\$ (20,870)	\$ 1,646,655
<u>1,378,615</u>	<u>1,497,616</u>	<u>6,021,327</u>	<u>4,399,205</u>	<u>431,494</u>	<u>(734,112)</u>
<u>\$ 2,853,306</u>	<u>\$ 1,985,532</u>	<u>\$ 7,059,878</u>	<u>\$ 4,920,140</u>	<u>\$ 410,624</u>	<u>\$ 912,543</u>

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

	Fiscal Year			
	2023	2022	2021	2020
General Fund				
Nondisposable	\$ 45,789	\$ 44,080	\$ 41,579	\$ 61,674
Assigned	-	-	-	-
Unassigned	<u>3,450,362</u>	<u>3,171,402</u>	<u>3,180,668</u>	<u>3,444,951</u>
Total General Fund	<u>\$ 3,496,151</u>	<u>\$ 3,215,482</u>	<u>\$ 3,222,247</u>	<u>\$ 3,506,625</u>
All other Governmental Funds				
Restricted	\$ 11,280,890	\$ 469,434	\$ 742,141	\$ 666,468
Assigned	3,723,905	2,343,121	1,898,111	2,182,223
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other Governmental Funds	<u>\$ 15,004,795</u>	<u>\$ 2,812,555</u>	<u>\$ 2,640,252</u>	<u>\$ 2,848,691</u>

**Table 3**

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 54,139	\$ 13,318	\$ 18,844	\$ 40,816	\$ 8,580	\$ 16,682
-	-	-	-	-	-
<u>3,180,461</u>	<u>2,760,914</u>	<u>3,865,169</u>	<u>3,325,693</u>	<u>2,755,704</u>	<u>2,572,375</u>
<u>\$ 3,234,600</u>	<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>
\$ 784,845	\$ 619,149	\$ 429,069	\$ 1,559,175	\$ 1,450,454	\$ 1,519,299
2,121,685	2,366,151	1,219,879	1,158,547	787,069	770,866
-	-	(270,282)	(321,979)	(663,590)	(860,053)
<u>\$ 2,906,530</u>	<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>

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

	Fiscal Year			
	2023	2022	2021	2020
Revenues				
Taxes				
General property tax	\$ 5,139,491	\$ 4,733,987	\$ 4,314,303	\$ 3,998,565
Tax increments	-	-	-	-
Special assessments	41,092	55,902	75,511	86,444
Licenses and permits	243,859	212,051	215,030	264,898
Intergovernmental	1,779,862	1,966,763	801,387	3,158,447
Charges for services	453,991	406,143	499,507	433,015
Fines and forfeitures	30,630	41,526	24,163	38,158
Interest on investments	382,118	(222,310)	(41,044)	120,007
Miscellaneous	245,942	393,183	222,330	198,530
Total Revenues	<u>8,316,985</u>	<u>7,587,245</u>	<u>6,111,187</u>	<u>8,298,064</u>
Expenditures				
Current				
General government	1,020,959	1,037,487	973,419	943,028
Public safety	2,757,700	2,400,980	2,401,873	2,636,569
Public works	684,357	623,820	584,159	575,294
Culture and recreation	378,322	373,612	325,778	294,034
Community development	473,425	411,535	462,939	840,471
Capital outlay				
General government	2,470,804	42,469	14,786	4,909
Public safety	127,853	103,993	643,614	128,699
Public works	569,826	1,602,271	563,936	3,216,804
Culture and recreation	27,223	516,297	216,933	-
Community development	-	1,366	44,981	11,379
Debt service				
Principal	430,000	420,000	410,000	405,000
Interest and other charges	429,851	172,757	182,890	193,480
Total Expenditures	<u>9,370,320</u>	<u>7,706,587</u>	<u>6,825,308</u>	<u>9,249,667</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>(1,053,335)</u>	<u>(119,342)</u>	<u>(714,121)</u>	<u>(951,603)</u>
Other Financing Sources (Uses)				
Transfers in	304,880	284,880	562,898	1,333,680
Transfers out	-	-	(278,018)	(187,000)
Bond issued	13,000,000	-	190,000	-
Payment on refunding bonds	-	-	(190,000)	-
Payment to escrow agent	-	-	-	-
Premium on bonds issued	154,539	-	-	-
Land sales	-	-	-	-
Sale of capital assets	66,825	-	7,026	19,109
Total Other Financing Sources (Uses)	<u>13,526,244</u>	<u>284,880</u>	<u>291,906</u>	<u>1,165,789</u>
Net Change in Fund Balance	<u>\$ 12,472,909</u>	<u>\$ 165,538</u>	<u>\$ (422,215)</u>	<u>\$ 214,186</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>12.79 %</u>	<u>9.94 %</u>	<u>9.85 %</u>	<u>10.53 %</u>



Table 4

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 3,806,521	\$ 3,511,347	\$ 3,257,514	\$ 3,271,277	\$ 3,170,208	\$ 3,058,619
-	-	-	7,512	14,393	14,260
104,511	74,966	85,984	1,284,161	263,123	196,257
450,529	228,153	214,855	145,980	126,862	94,205
851,229	989,920	855,400	741,398	611,364	567,935
617,622	623,033	457,882	593,857	486,490	460,737
29,400	36,854	25,631	30,836	39,909	49,635
175,698	68,973	29,655	33,960	21,200	34,894
204,232	289,556	188,986	285,467	195,832	195,635
<u>6,239,742</u>	<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>
919,599	875,337	824,154	774,871	731,292	843,302
2,019,852	1,793,598	1,693,408	1,649,746	1,670,971	1,556,675
601,663	701,696	622,009	497,261	547,069	595,967
316,672	298,290	277,528	295,925	291,477	259,049
682,422	726,750	583,379	397,237	323,342	239,745
8,620	2,065	8,142	27,283	10,781	8,178
207,569	105,900	272,964	66,091	480,177	132,601
943,298	482,312	100,524	805,651	274,465	369,510
-	7,165	46	73,234	165,143	92,695
220,217	-	-	-	-	-
390,000	415,000	870,000	310,000	316,022	325,499
203,638	208,550	459,093	357,994	362,849	371,828
<u>6,513,550</u>	<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>(273,808)</u>	<u>206,139</u>	<u>(595,340)</u>	<u>1,139,155</u>	<u>(244,207)</u>	<u>(122,872)</u>
509,880	1,843,280	783,994	644,880	1,531,604	1,465,036
-	(1,558,400)	(360,000)	(360,000)	(1,266,724)	(390,000)
-	-	6,705,000	-	265,000	-
-	-	-	-	-	-
-	-	(7,386,676)	-	-	-
-	-	272,582	-	-	-
139,025	-	-	-	-	-
6,501	5,834	80,867	-	33,375	30,521
<u>655,406</u>	<u>290,714</u>	<u>95,767</u>	<u>284,880</u>	<u>563,255</u>	<u>1,105,557</u>
<u>\$ 381,598</u>	<u>\$ 496,853</u>	<u>\$ (499,573)</u>	<u>\$ 1,424,035</u>	<u>\$ 319,048</u>	<u>\$ 982,685</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Estimated Market Value				
Real property	\$ 942,081,400	\$ 756,074,800	\$ 685,649,800	\$ 637,525,800
Personal property	<u>5,559,300</u>	<u>5,048,600</u>	<u>7,762,200</u>	<u>7,459,600</u>
 Total Estimated Market Value	 <u>\$ 947,640,700</u>	 <u>\$ 761,123,400</u>	 <u>\$ 693,412,000</u>	 <u>\$ 644,985,400</u>
Tax Capacity				
Residential property	\$ 8,178,961	\$ 6,232,193	\$ 5,516,622	\$ 5,206,235
Commercial / industrial property	875,596	840,550	814,511	685,757
Other	523,303	446,852	503,472	443,635
Contribution to Fiscal Disparities Pool	(331,771)	(343,146)	(315,965)	(307,139)
Receivable From Fiscal Disparities Pool	1,891,078	1,963,816	1,765,135	1,765,135
Tax Increment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,032)</u>
 Net Tax Capacity	 <u>\$ 11,137,167</u>	 <u>\$ 9,140,265</u>	 <u>\$ 8,283,775</u>	 <u>\$ 7,791,591</u>
Net Tax Capacity as a Percentage of Estimated Market Value	<u>1.175 %</u>	<u>1.201 %</u>	<u>1.195 %</u>	<u>1.208 %</u>
Gross Tax Levy	<u>\$ 5,107,690</u>	<u>\$ 4,669,590</u>	<u>\$ 4,234,590</u>	<u>\$ 3,984,590</u>
Tax Capacity Rate	<u>44.719 %</u>	<u>51.147 %</u>	<u>50.589 %</u>	<u>50.218 %</u>

Source: Anoka County Property Records and Taxation Department.

Note: Property in the County is reassessed annually.

**Table 5**

2019	2018	2017	2016	2015	2014
\$ 580,370,400	\$ 525,321,000	\$ 474,776,600	\$ 451,592,700	\$ 441,346,300	\$ 392,686,000
<u>7,740,700</u>	<u>7,565,000</u>	<u>7,013,300</u>	<u>6,691,100</u>	<u>5,971,100</u>	<u>6,124,000</u>
<u>\$ 588,111,100</u>	<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>
\$ 4,716,185	\$ 4,377,814	\$ 3,865,537	\$ 3,651,698	\$ 3,546,894	\$ 3,037,063
621,584	586,633	582,609	539,921	520,655	516,209
262,865	237,868	225,462	224,223	220,816	222,735
(291,793)	(276,717)	(263,268)	(225,976)	(251,537)	(274,535)
1,636,528	1,521,933	1,462,769	1,364,588	1,358,498	1,434,712
-	-	-	(12,522)	(12,002)	(11,891)
<u>\$ 6,945,369</u>	<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>1.181 %</u>	<u>1.210 %</u>	<u>1.219 %</u>	<u>1.209 %</u>	<u>1.203 %</u>	<u>1.235 %</u>
<u>\$ 3,793,590</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>53.177 %</u>	<u>53.997 %</u>	<u>54.117 %</u>	<u>58.428 %</u>	<u>58.909 %</u>	<u>59.629 %</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
2023	41.674 %	3.045 %	44.719 %	24.482 %	15.883 %	26.605 %	2.499 %	87.583 %	98.305 %
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

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 Nine Years Ago

**Table 7**

Taxpayer	2023			2014		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Alliant Techsystems	\$ 271,843	1	2.83 %	\$ 175,977	1	3.56 %
ALS Properties Woodhaven LLC	121,830	2	1.27	101,934	2	2.06
Minnegasco Inc.	95,618	3	1.00	52,696	6	1.07
King Exchange LLC	89,190	4	0.93	61,416	5	1.24
St. Francis Realty LLC	86,946	5	0.91	92,167	3	1.87
Northern Capital Investments	58,849	6	0.61	25,000	7	1
Kwik Trip	42,854	7	0.45	-	-	-
Martinson Machine, LLLP	35,438	8	0.37	-	-	-
Village Bank	32,107	9	0.33	23,024	8	0.47
Abbey Field LTD Partnership	28,832	10	0.30	17,099	1	0
Connexus Energy	-	-	-	69,512	4	1.41
Jensen Family LP	-	-	-	21,582	9	0.44
Total	<u>\$ 863,507</u>		<u>9.00 %</u>	<u>\$ 640,407</u>		<u>12.98 %</u>

Source: Anoka County Property Records and Taxation Department.

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

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
2023	\$ 5,107,690	\$ 5,107,690	\$ 5,107,690	100.00 %	\$ -	\$ 5,107,690	100.00 %
2022	4,669,590	4,669,590	4,669,590	100.00	-	4,669,590	100.00
2021	4,234,590	4,234,590	4,234,590	100.00	-	4,234,590	100.00
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

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
2023	\$ 18,358,536	\$ -	\$ -	\$ -	\$ 20,087,000	\$ -
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	-

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>
\$ 38,445,536	10.55 %	\$ 4,629
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

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
2023	\$ 38,445,536	\$ -	\$ 38,445,536	4.06 %	\$ 4,629
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

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, 2023

**Table 11**

	Net Debt	Percentage Applicable to City	Amount Applicable to City of St. Francis Share of Debt
Direct Debt			
City of St. Francis	\$ 18,358,536	100.00 %	\$ 18,358,536
Overlapping Debt			
Anoka County	33,990,000	1.94	659,338
Isanti County	5,185,000	0.02	1,255
School District 15	75,480,000	20.36	15,368,936
School District 728	285,730,000	0.00	8,000
Metropolitan Council	238,225,000	0.19	451,436
Anoka County RR Authority	5,770,000	1.94	111,926
Total Overlapping Debt	644,380,000		16,600,892
Total Direct and Overlapping Debt	\$ 662,738,536		\$ 34,959,428

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			
	2023	2022	2021	2020
Estimated Market Value of Taxable Property	\$ 948,934,200	\$ 761,123,400	\$ 693,412,000	\$ 644,985,000
Statutory Percentage	3.0%	3.0%	3.0%	3.0%
Statutory Debt Limit	28,468,026	22,833,702	20,802,360	19,349,550
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 28,468,026</u>	<u>\$ 22,833,702</u>	<u>\$ 20,802,360</u>	<u>\$ 19,349,550</u>

Legal Debt Margin Calculation for Fiscal Year 2019

Estimated Market Value of Taxable Property	\$ 948,934,200
Statutory Percentage	3.0%
Statutory Debt Limit	<u>\$ 28,468,026</u>
Total Bonds Outstanding	\$ 38,445,536
Less: Special Assessment Bonds	(18,358,536)
Less: Utility Revenue Bonds	<u>(20,087,000)</u>
Debt Applicable to Limit	<u>\$ -</u>
Legal Debt Margin	<u>\$ 28,468,026</u>

**Table 12**

Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 588,111,100	\$ 532,886,000	\$ 481,789,900	\$ 458,283,800	\$ 447,317,400	\$ 398,810,000
<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
17,643,333	15,986,580	14,453,697	13,748,514	13,419,522	11,964,300
-	-	-	-	-	-
<u>\$ 17,643,333</u>	<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>

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	
2023	\$ 20,474	\$ 7,896	\$ 28,370	\$ 120,000	\$ 4,375	\$ 124,375	0.228 %
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

G.O. Revenue Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service			Coverage
				Principal (3)	Interest	Total	
2023	\$ 3,720,327	\$ 1,731,107	\$ 1,989,220	\$ 1,513,000	\$ 341,296	\$ 1,854,296	107.276 %
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

(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
2023	8,306	\$ 364,301,160	\$ 43,860	2.5 %
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

(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

THIS PAGE IS LEFT  
BLANK INTENTIONALLY



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

**Table 15**

Employer	2023			2014		
	Employees	Rank	Percent of City Employment	Employees	Rank	Percent of City Employment
Independent School District #15 (includes Bus Garage)	710	1	46.93 %	832	1	0.54 %
County Market	60 *	2	3.97	85	2	0.05
McDonald's	58 *	3	3.83	54	4	0.03
Temperature Specialists, Inc.	43	4	2.84	57	3	0.04
Kwik Trip	41	5	2.71	-	-	-
Northland Screw Products	40 *	6	2.64	38	6	0.02
The Ponds Golf Course & Restaurant	40 *	7	2.64	29	8	0.02
City of St. Francis	36	8	2.38	33	7	0.02
Lit'l Sprouts Childcare	27	9	1.78	-	-	-
Beef O' Bradys	14	10	0.93	40	5	0.03
Kid's Country	-		-	26	9	0.02
Rum River Inn	-		-	25	10	0.02
Total	<u>1,069</u>		<u>70.65 %</u>	<u>1,219</u>		<u>0.79 %</u>

\*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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	8	8	8	8	8	8	8	8	6	6
Public Safety										
Police	14	14	14	14	14	14	14	14	14	13
Fire	1	1	1	1	-	-	-	-	-	-
Public Works	3	3	3	3	3	3	3	3	2	2
Culture and Recreation	2	2	2	2	2	2	2	2	2	2
Water	3	3	3	3	3	3	3	2	2	2
Sewer	2	2	2	2	2	2	2	2	2	2
Municipal Liquor Store	3	3	3	2	2	2	2	2	4	4
<b>Total</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>35</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>33</b>	<b>32</b>	<b>31</b>

Source: various city departments

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

**Table 17**

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Government</b>										
Ordinances and resolutions adopted	92	87	83	63	52	58	60	52	82	56
Administration - Licenses processed	22	25	24	27	30	27	34	30	30	30
Finance - Payroll checks issued	1,376	1,352	1,418	1,385	1,396	1,333	1,237	1,274	1,275	1,153
Finance - Invoices paid	3,930	2,609	2,728	3,161	3,081	3,354	3,080	3,100	3,010	3,048
<b>Police</b>										
Chargeable offenses (Parts 1 & 2)	381	447	811	734	325	325	335	611	602	780
Miscellaneous offenses (Parts 3 & 4)	4,842	4,269	3,934	4,052	828	813	522	3,140	4,309	4,372
Public safety calls for service	6,690	6,427	6,521	6,246	3,962	3,663	3,912	3,751	4,911	5,152
Traffic citations issued	513	394	659	631	4,790	4,476	4,434	368	432	698
<b>Fire</b>										
Number of calls answered	750	730	659	541	484	377	323	251	254	328
<b>Code Enforcement</b>										
Building permits issued	837	879	565	621	621	487	374	318	333	279
<b>Highways and Streets</b>										
Asphalt streets maintained	38	37	37	36	36	36	36	36	36	36
Gravel maintenance (miles)	8	8	8	8	11	11	11	11	11	11
Gravel usage (Tons)	-	-	-	-	-	-	-	1,778	62	199
Sand/salt usage (tons)	530	654	413	277	350	441	366	371	210	357
<b>Water</b>										
Water pumped (million gallons)	218	202	211	201	172	185	168	177	173	175
Water main breaks repaired	-	-	-	-	-	-	-	1	1	-
<b>Wastewater</b>										
Gallons of wastewater treated (millions)	136	132	127	127	121	116	120	130	113	125
Miles of sewer mains cleaned	5	5	5	5	5	5	5	3	1	1

Sources: Various government departments.

City of St. Francis, Minnesota  
 Statistical Section (Unaudited)  
 Miscellaneous Statistics  
 December 31, 2023

**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.

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

**Table 19**

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	48.1	47	47	47	47	47	47	47	47
Street lights	286	286	279	273	270	270	270	270	259	259
Traffic signals	0	0	0	0	0	0	0	-	1	1
Culture and Recreation										
Parks division										
Parks	16	16	14	14	14	14	14	14	14	14
Parks acreage	89.3	89.3	83	83	83	83	83	83	83	83
Utilities										
Water										
Miles of water main	30.1	30.1	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7
Consumers	5,314	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	24	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
Lift stations	9	9	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	814,000	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.