Inver Grove Heights City Council

Monday, May 6, 2024 at 6:00 PM

8150 Barbara Avenue, Inver Grove Heights, MN 55077

AGENDA

NOTICE TO RESIDENTS: Individuals may submit written public comments in advance of the meeting by emailing comments to Rebecca Kiernan (rkiernan@ighmn.gov). Comments received prior to 4:00 p.m. on Monday, May 6, 2024, will be provided to the Council at or before the May 6, 2024 meeting.

1. **Call to Order**
2. **Roll Call**
3. **Discussion Items**
    - **A.** Presentation by Simley High School Students on Tobacco Issues
    - **B.** Presentation of 2023 Audit Results
    - **C.** City Council Policies, Procedures and Processes
    - **D.** Preparation for May 20 Commission Interviews
4. **Adjourn**

This document is available upon a three (3) business day request in alternate formats such as braille, large print, audio recording, etc. Please contact Rebecca Kiernan, City Clerk, at 651.450.2513 or rkiernan@ighmn.gov.

Agenda Item 3.B.

Request for Council Action

SUBJECT: Presentation of 2023 Audit Results

MEETING DATE: May 6, 2024
ITEM TYPE: Discussion Items
CONTACT: Amy Hove, Finance Director, 651.450.2521

ACTION REQUESTED
The Council is asked to receive a presentation from the City's auditors, Abdo, summarizing their audit opinion, as well as an overview of 2023 year-end fund and cash balances.

BACKGROUND
Each year the City contracts with an independent Certified Public Accounting firm to audit the City's Comprehensive Annual Financial Report (Report). Abdo, Eick & Meyers, LLP (Abdo) performed the audit for the 2023 report. They have issued an unqualified (clean) opinion on the City's financial statements. This is the highest form of assurance a Certified Public Accounting Firm can issue.

A final draft of the 2023 Comprehensive Annual Finance Report is attached. Following this presentation, the item will be placed on the May 13, 2024 Council Meeting for official Council acceptance.

FISCAL IMPACT
None

RECOMMENDATION

ATTACHMENTS
1. Auditor Presentation
2. 2023 DRAFT Annual Comprehensive Financial Report

Abdo

Lighting the path forward

City of Inver Grove Heights

2023 Financial Statement Audit

Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Proprietary Funds

Audit Results

Auditor's Opinion

Unmodified opinion under GAAP

Minnesota Legal Compliance

No instances of noncompliance

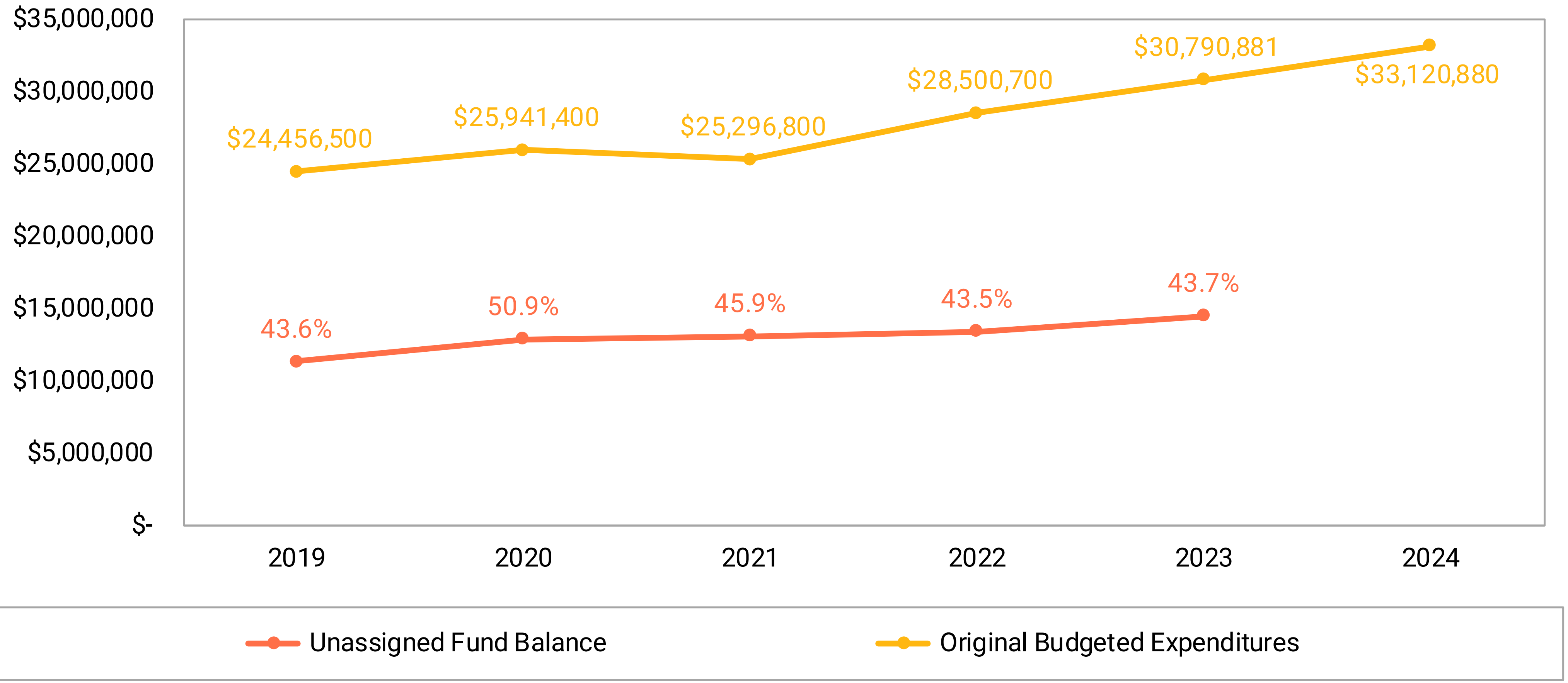
Single Audit Report

Finding related to OMB Compliance Supplement requirements

Audit Results
2023 Audit Findings

- SAFER Grant Finding
    - Reporting Requirements
        - Semi-Annual Financial Report due July 31, 2023

General Fund Fund Balances

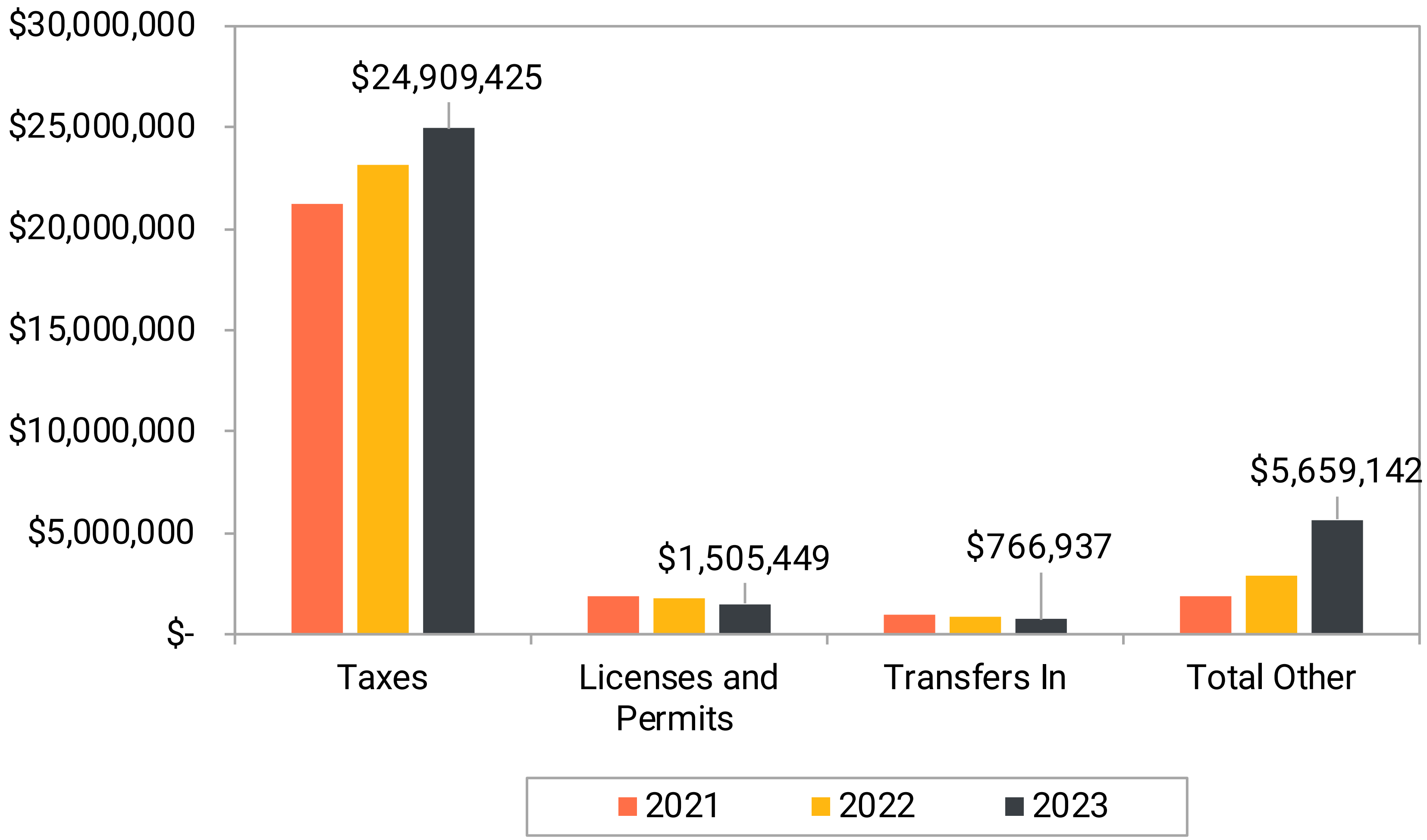


City's Fund Balance Policy – 40-45% of Next Year's Budget

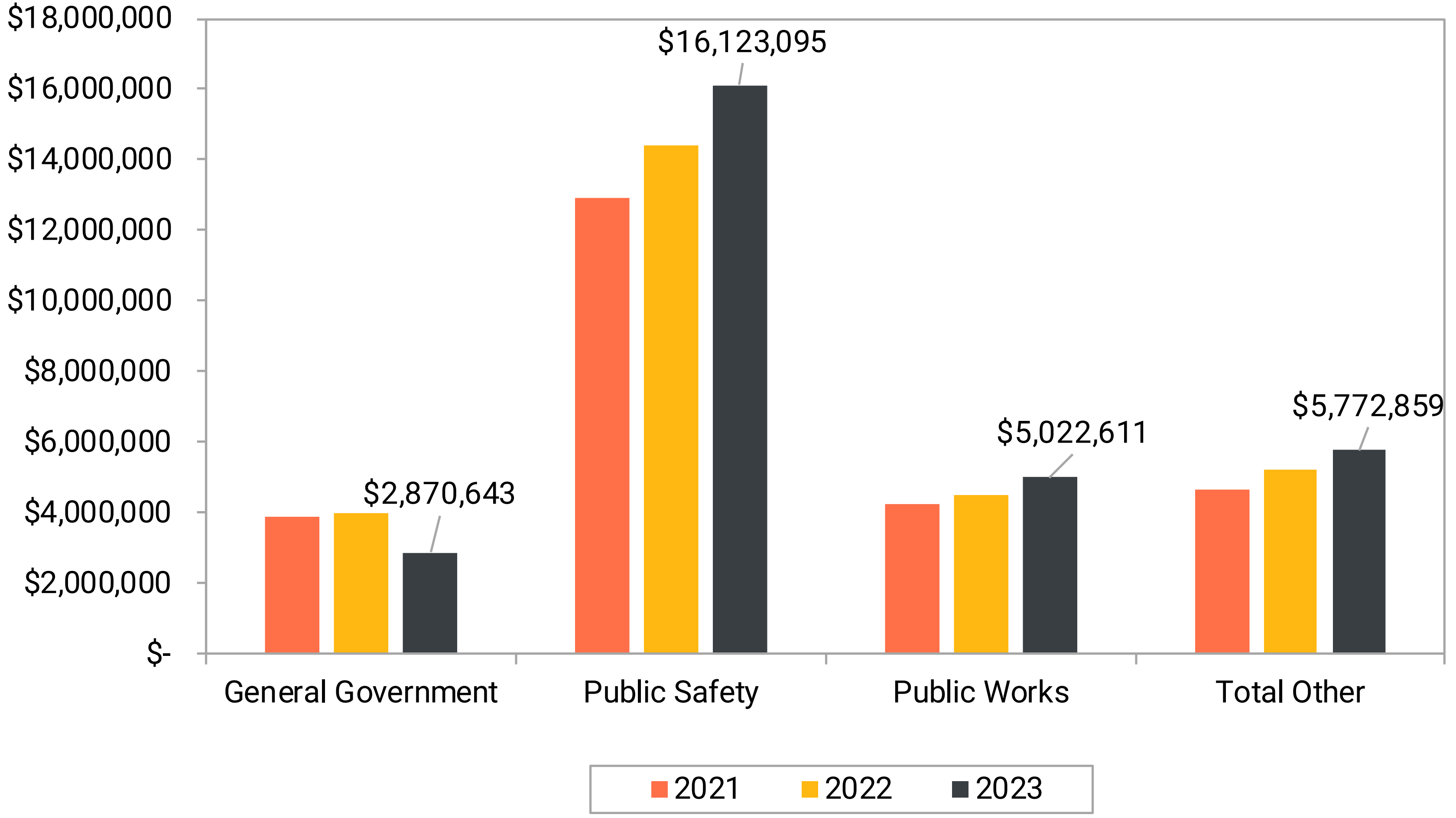
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$30,181,430	$32,074,016	$ 1,892,586
Expenditures	30,930,257	29,262,350	1,667,907
Excess of Revenues Over Expenditures	(748,827)	2,811,666	3,560,493
Other Financing Sources (Uses)			
Transfers in	706,500	766,937	60,437
Transfers out	(443,600)	(526,858)	(83,258)
Total Other Financing Sources (Uses)	262,900	240,079	(22,821)
Net Change in Fund Balances	(485,927)	3,051,745	3,537,672
Fund Balances, January 1	13,763,797	13,763,797	-
Fund Balances, December 31	$13,277,870	$16,815,542	$ 3,537,672

General Fund Revenues by Type

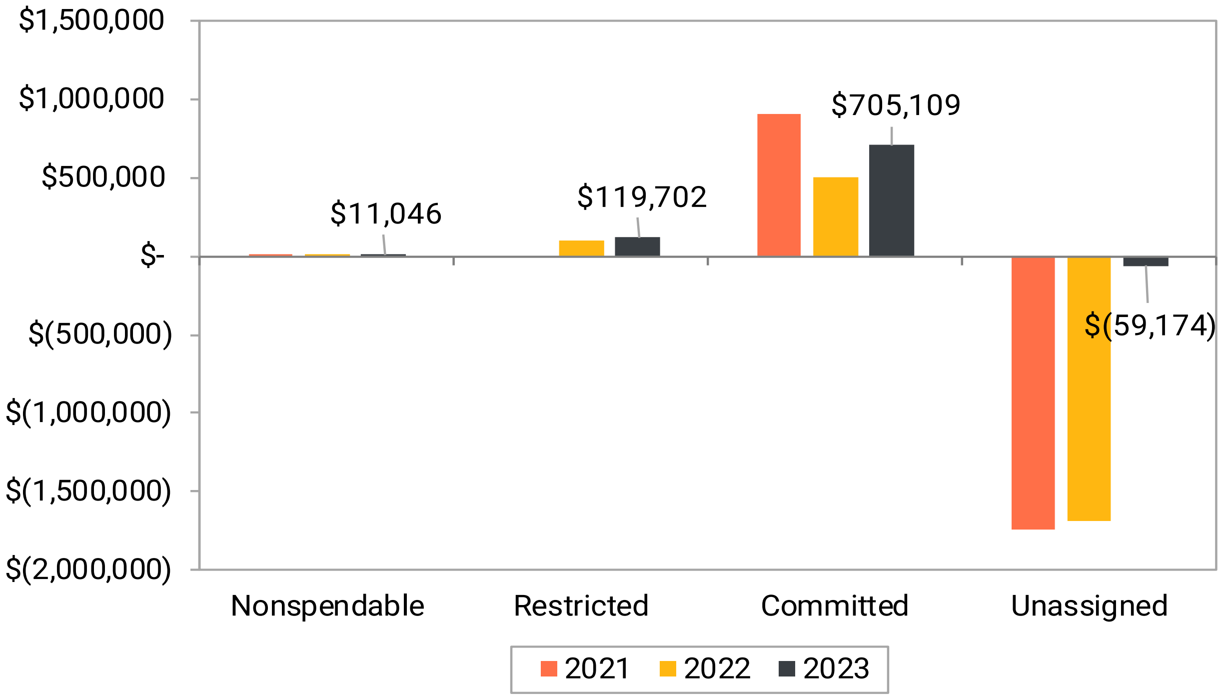


General Fund Expenditures by Type



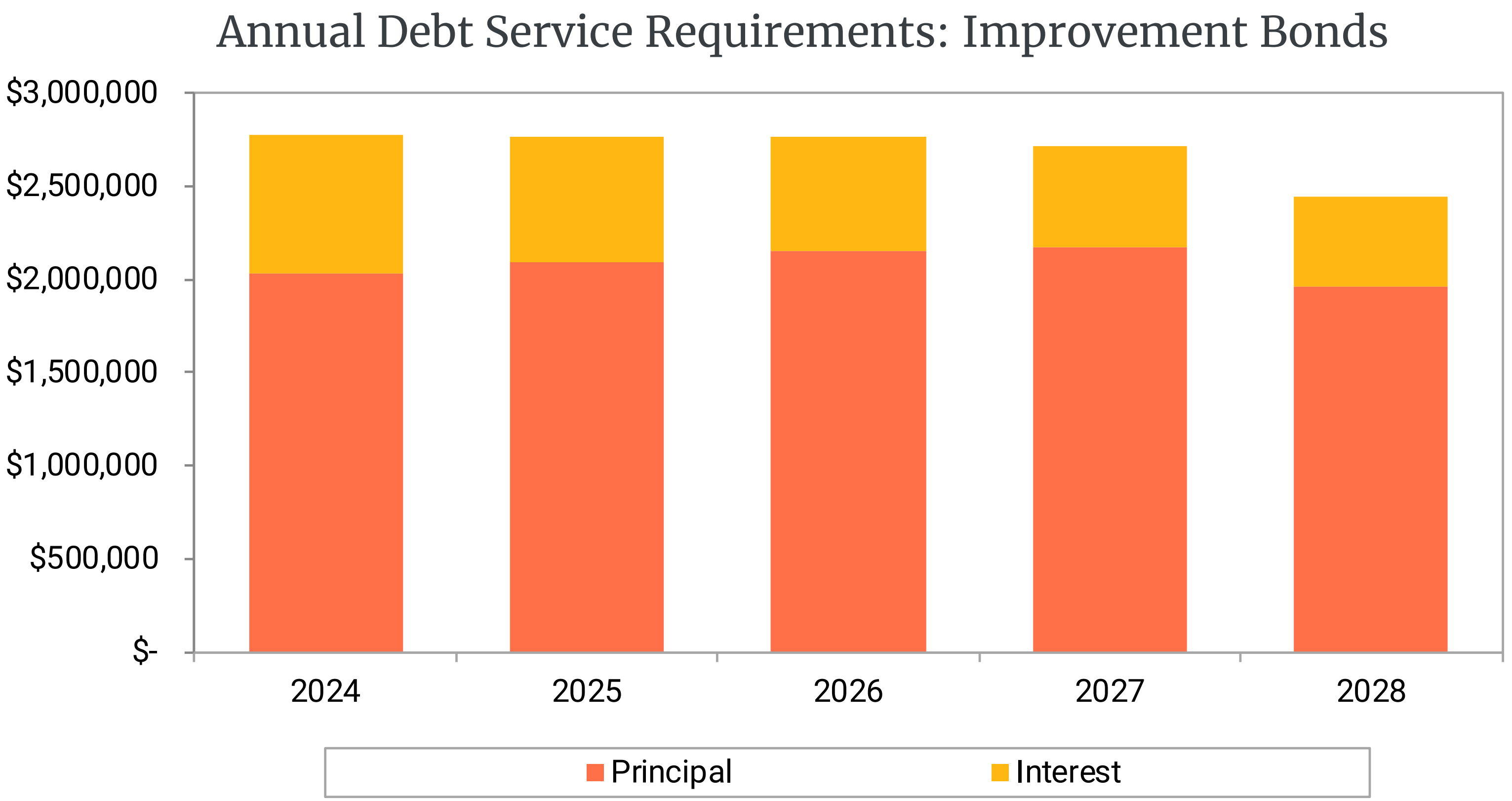
Special Revenue Fund Balances

Fund	Fund Balances December 31, 2023	2022	Increase (Decrease)
Major			
Community Center	$ (48,128)	$ (1,675,018)	$ 1,626,890
American Rescue Plan Act	-	-	-
Nonmajor			
Convention and Visitors Bureau	239,663	85,143	154,520
Opioid Settlement	119,702	95,240	24,462
Economic Development Authority (EDA)	465,446	421,334	44,112
Total	$ 776,683	$ (1,073,301)	$ 1,849,984



Debt Service Funds

Debt Service Fund	Cash Balance	Total Assets	Bonds Outstanding
Major Improvement Bonds	$ 4,245,634	$ 4,505,121	$25,280,000
Total Interest Payments			$ 5,131,406

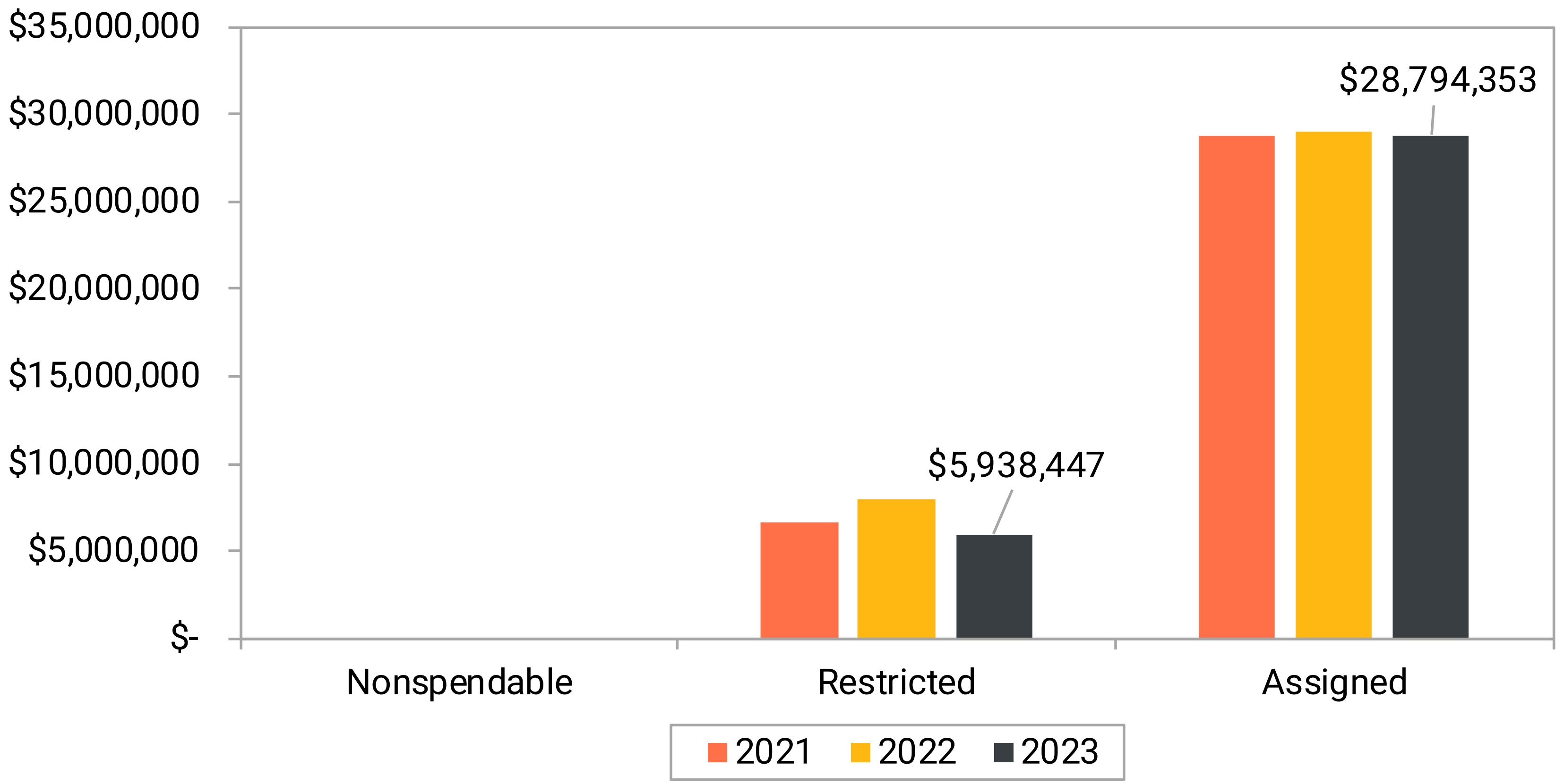


Capital Projects Fund Balances

Capital Projects Fund	Fund Balances December 31, 2023	2022	Increase (Decrease)
Major			
Pavement Management	$13,552,310	$12,518,185	$ 1,034,125
Local Improvement Construction	3,922,345	1,140,142	2,782,203
Closed Bond	1,435,867	2,090,990	(655,123)
Host Community	5,791,335	8,240,845	(2,449,510)
Nonmajor			
Parks Capital Replacement	1,067,841	2,122,468	(1,054,627)
Parks Acquisition and Development	3,221,626	5,217,772	(1,996,146)
State Aid Construction	476,721	455,570	21,151
City Properties	377,737	373,927	3,810
Tree Preservation	759,855	829,228	(69,373)
Emerald Ash Borer	-	58,893	(58,893)
Tax Increment Financing	4,127,163	3,945,464	181,699
Total	$34,732,800	$36,993,484	$ (2,260,684)

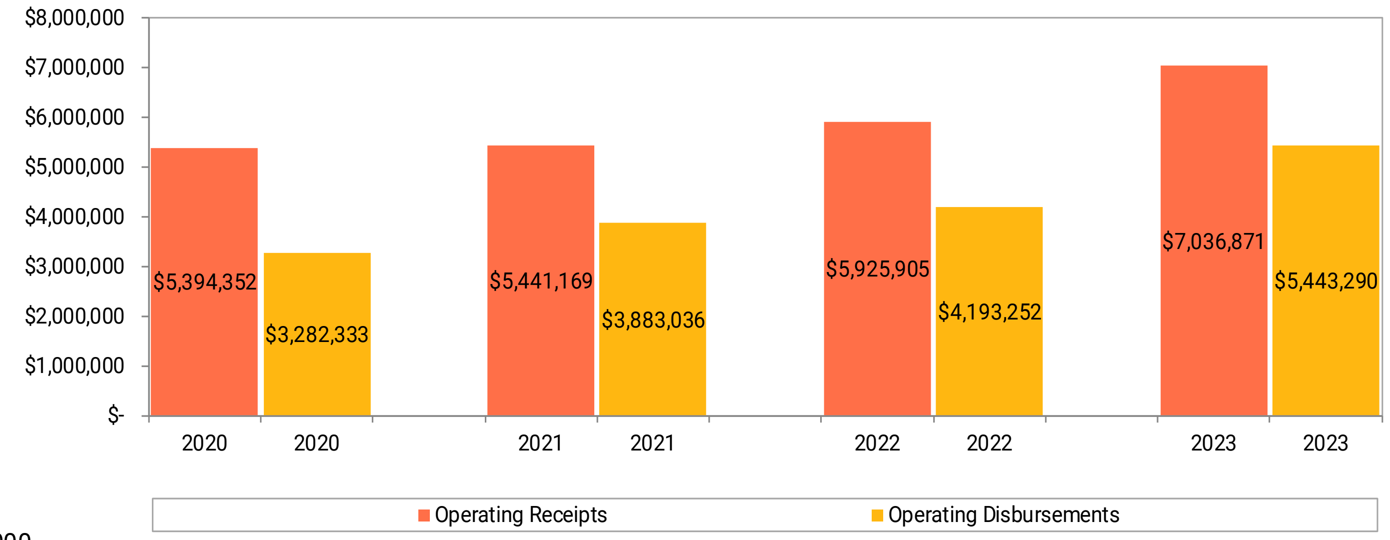
Capital Projects Fund Balances

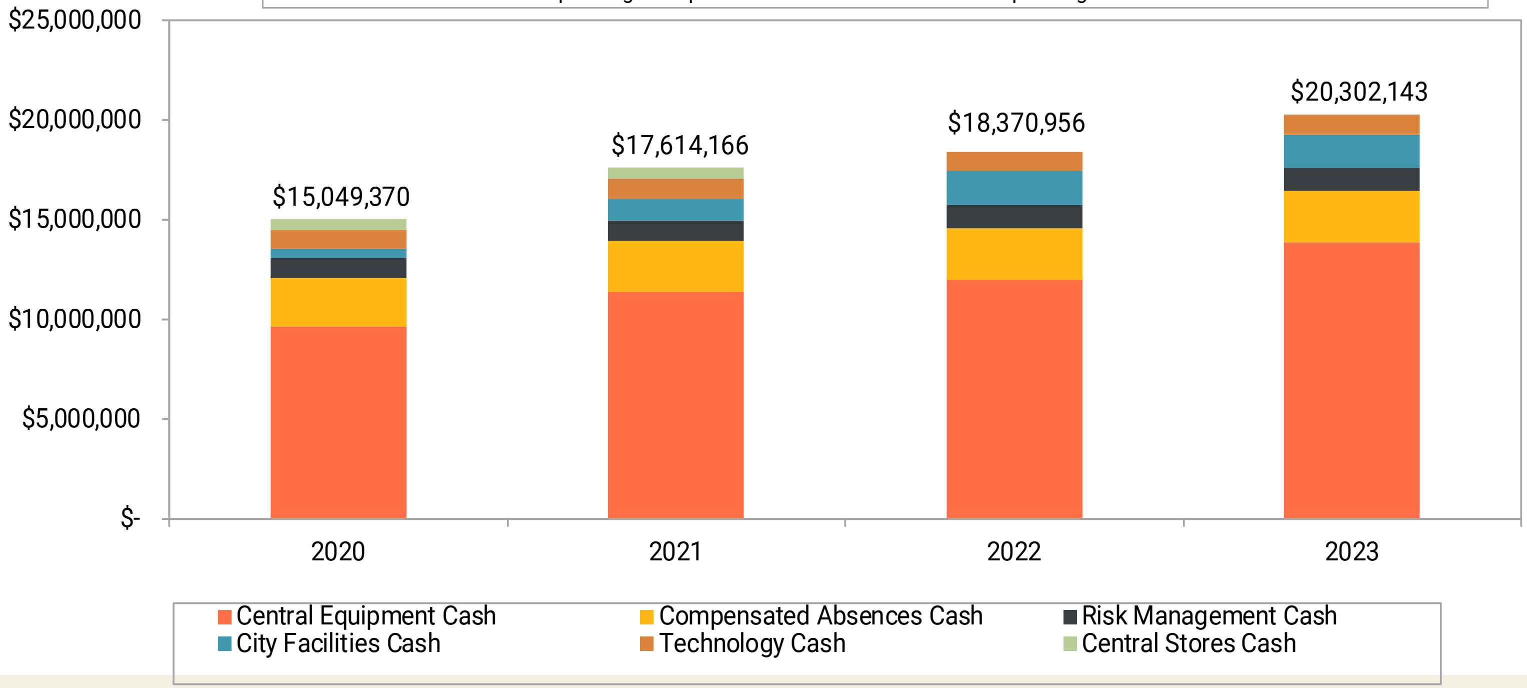
(Continued)



Internal Service Funds

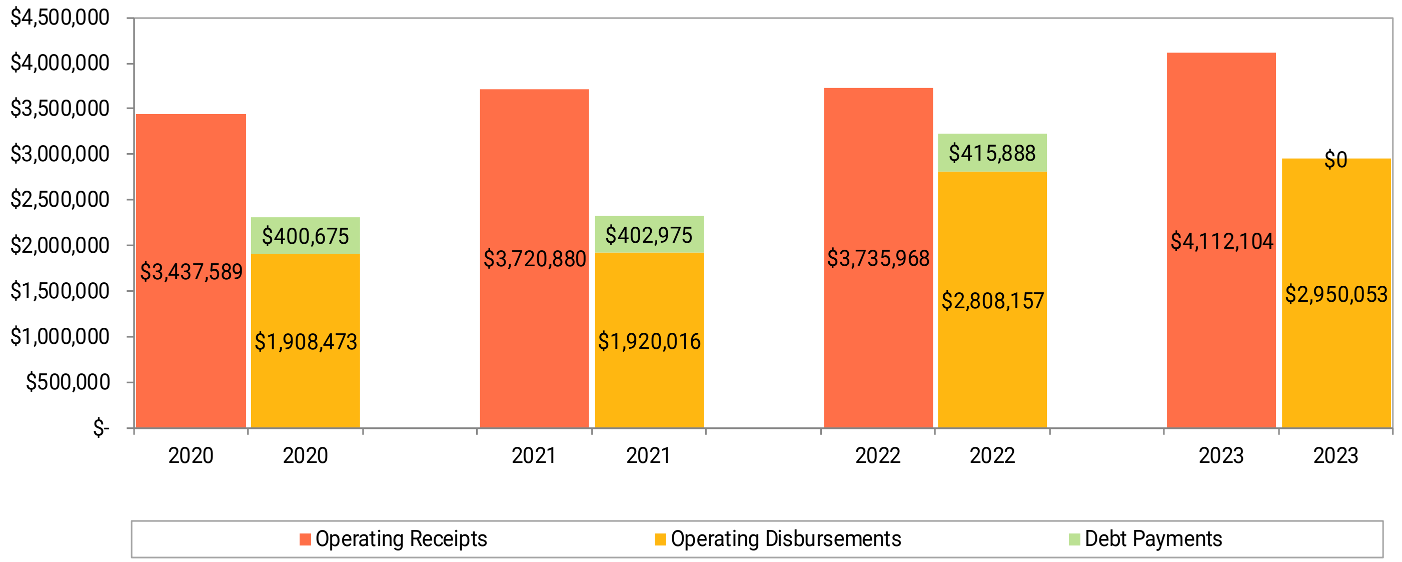
Cash Flows from Operations and Cash Balances

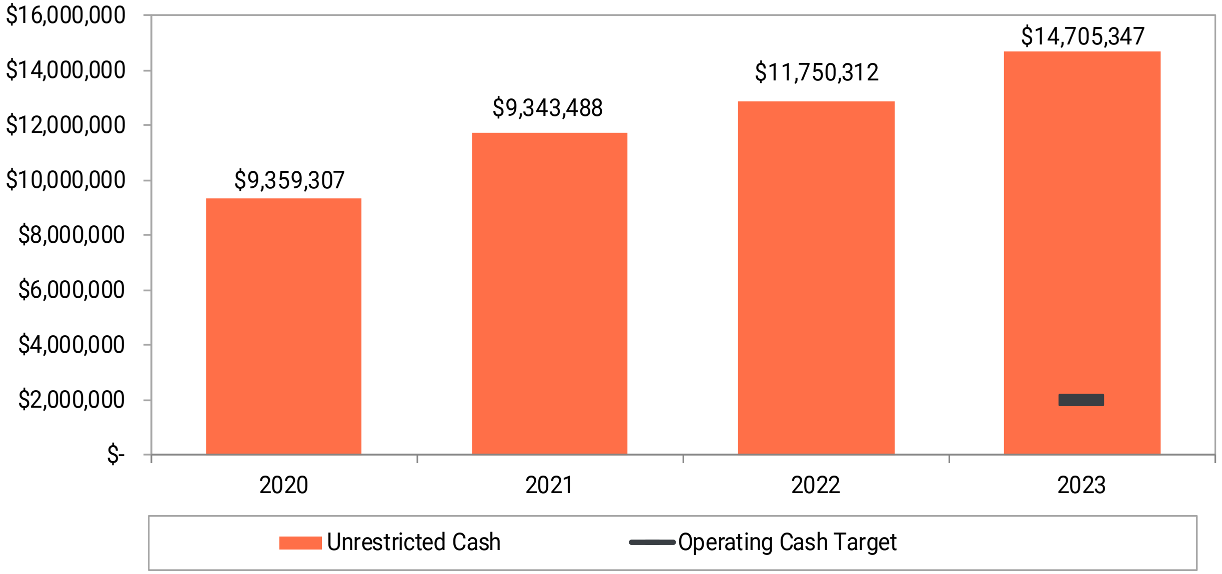


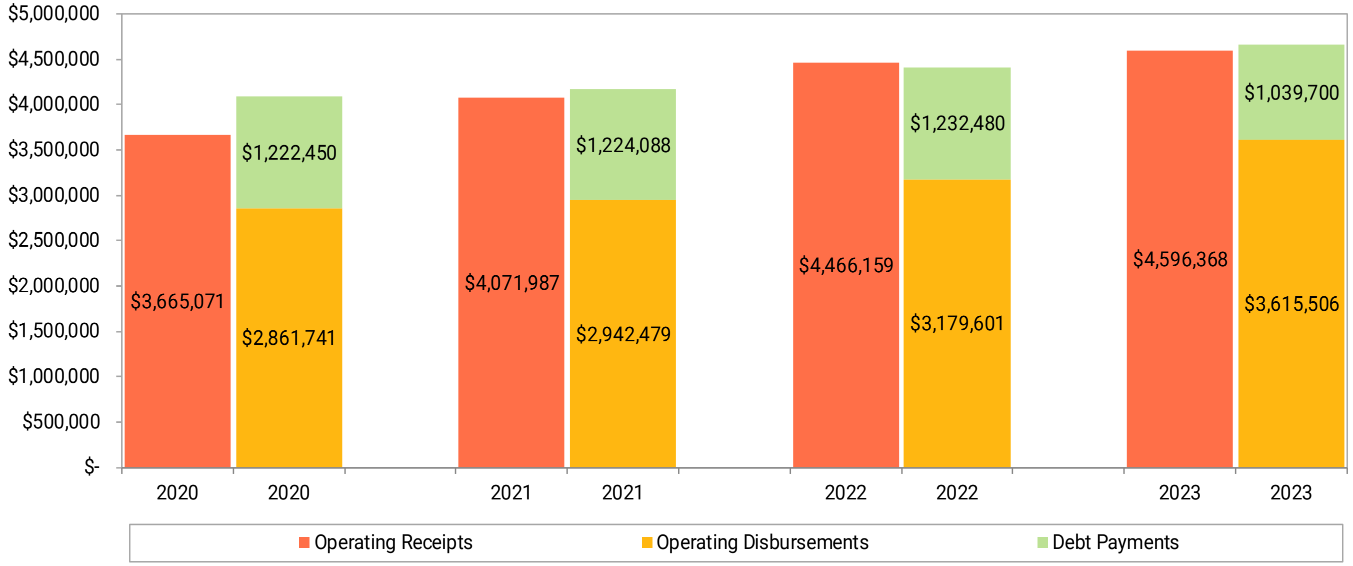


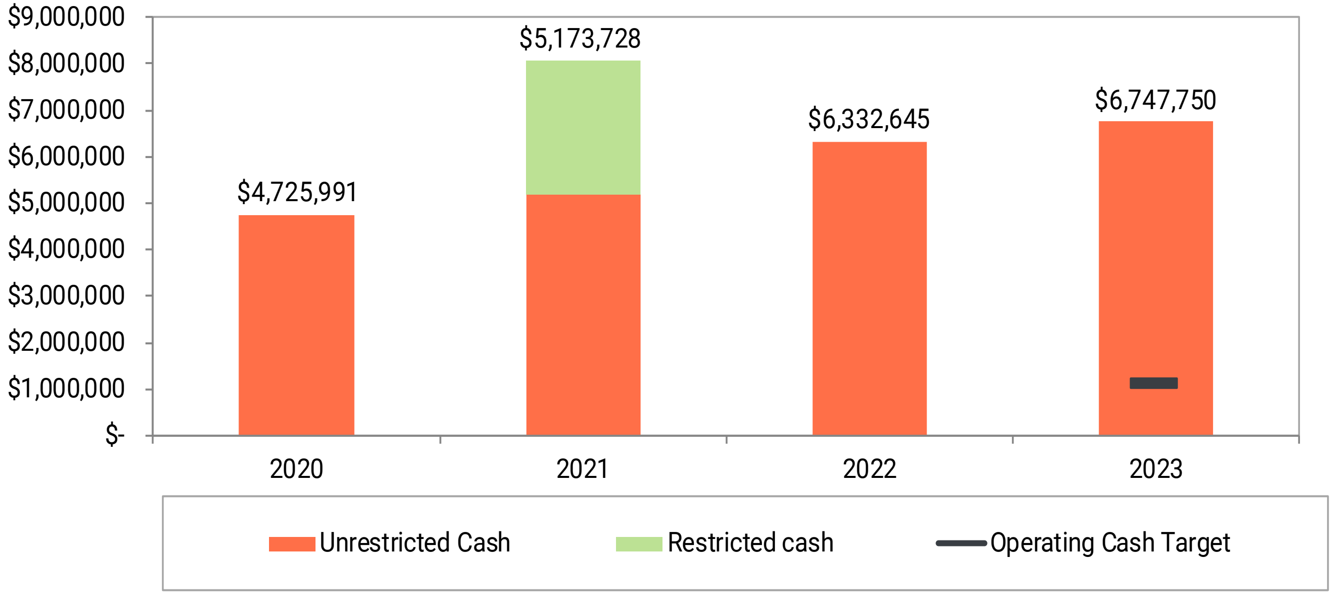
Water Fund – Operating & Capital Funds

Cash Flows from Operations and Cash Balances





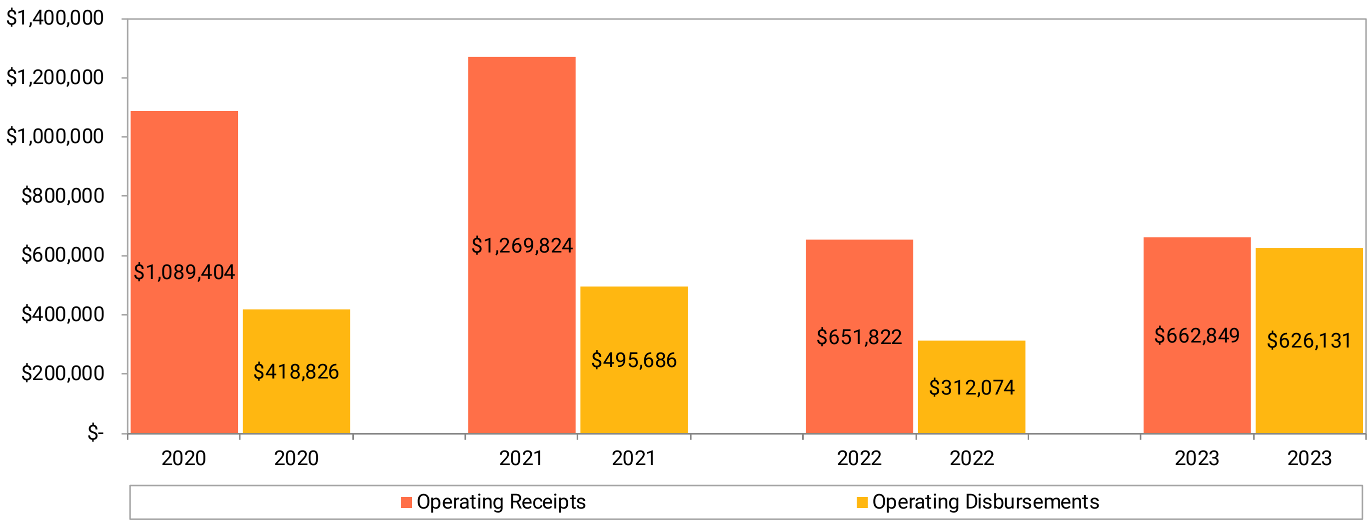


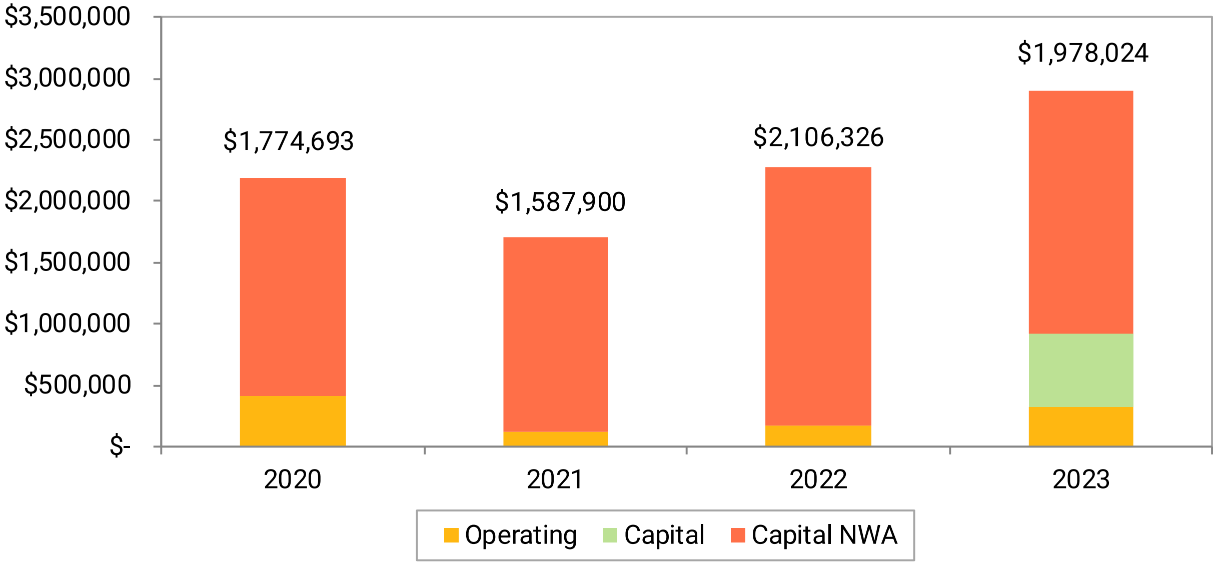


Sewer Fund – Operating & Capital Funds

Cash Flows from Operations and Cash Balances

Abdo





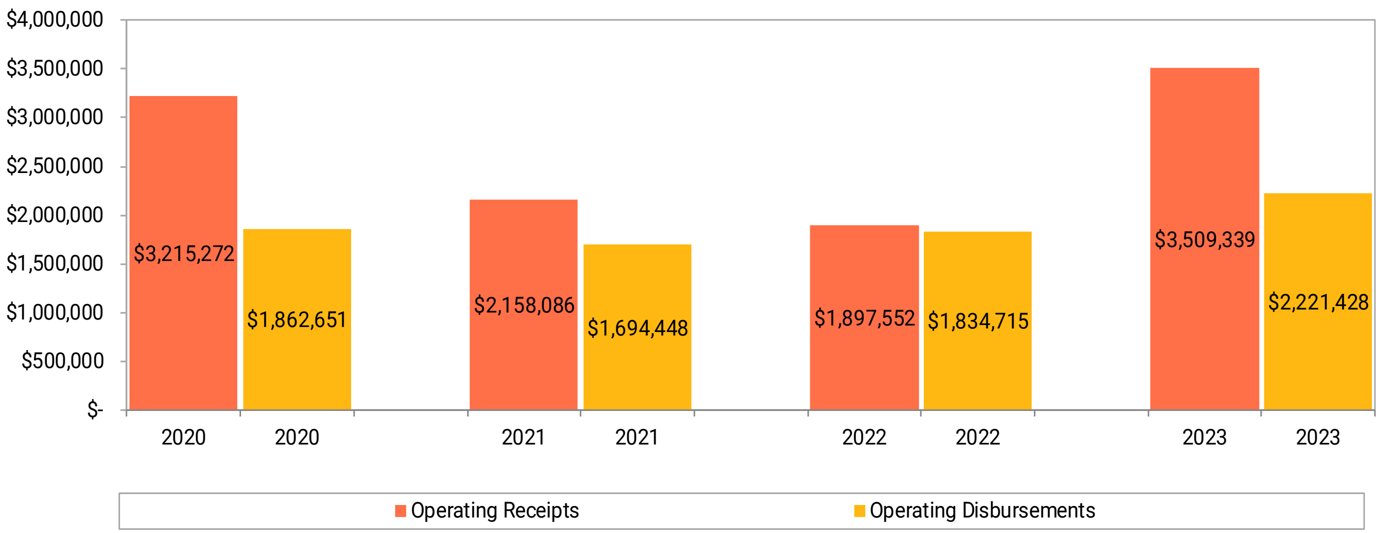
Storm Water Management Fund– Operating, Capital, & Capital NWA Funds

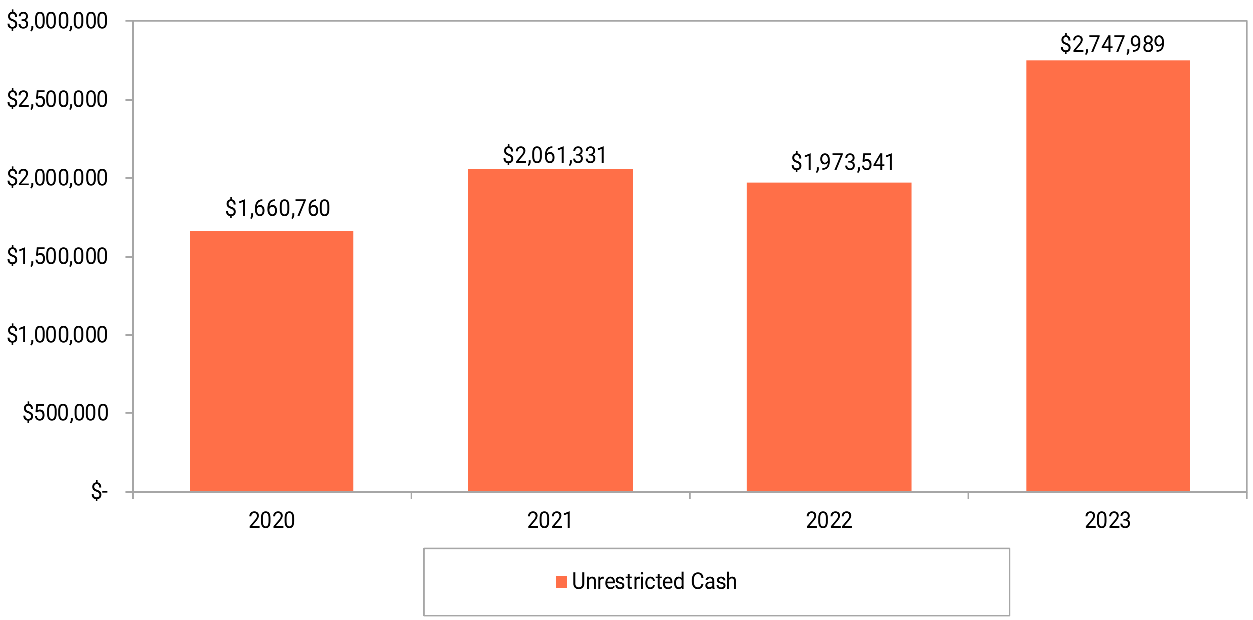
Cash Flows from Operations and Cash Balances

Abdo

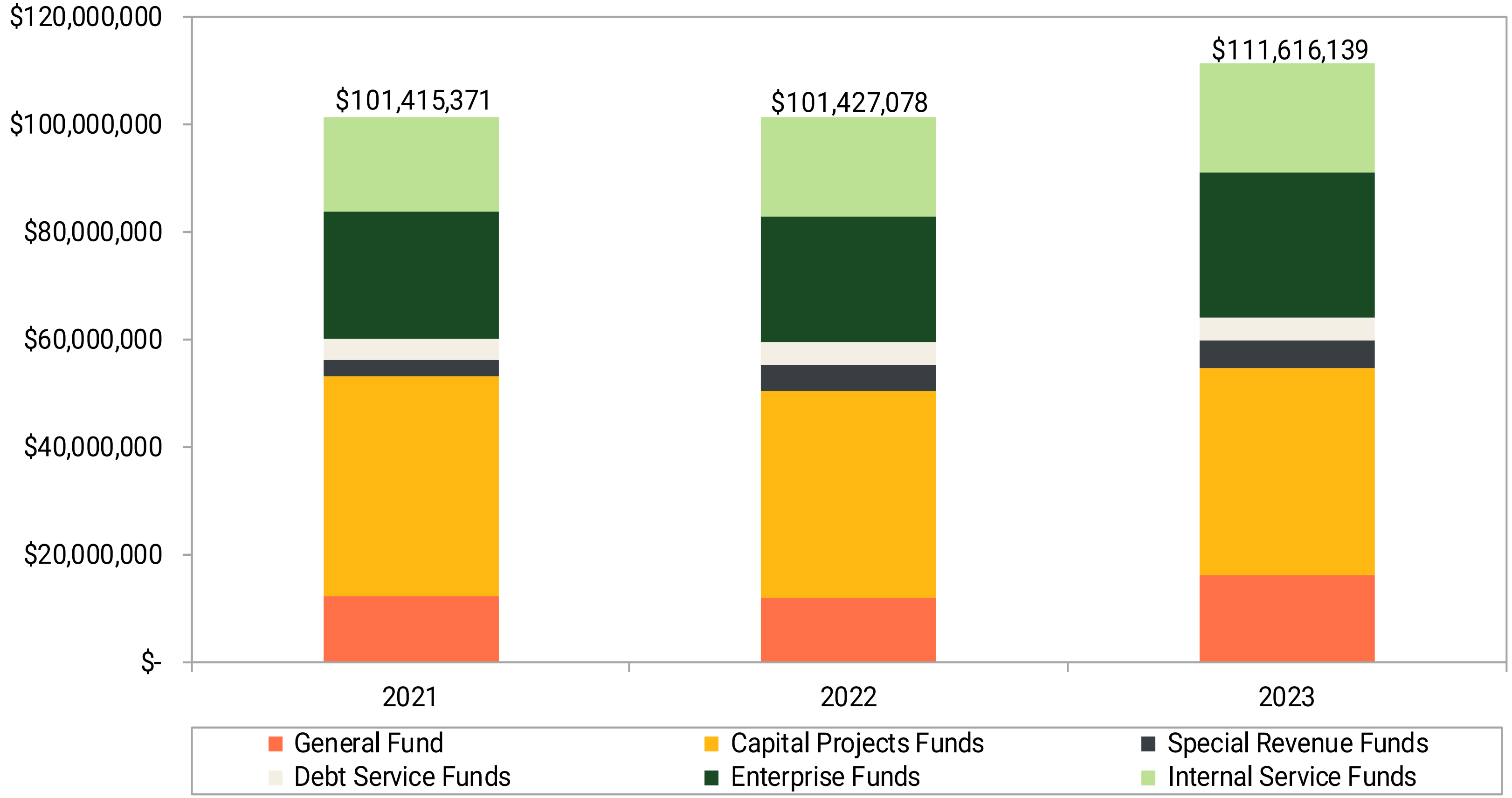
Golf Course Fund

Cash Flows from Operations and Cash Balances





Cash and Investments Balances by Fund Type



Your Abdo Team

Brad Falteysek, CPA

Partner

Bonnie Schwieger, CPA

Partner

Luke Vogt

Senior Associate

Jill Knutson, CPA

Senior Associate

Jason Fagan

Associate

Adam Owens

Associate

Nicole Bjorklund

Associate

Jack Pemble

Intern

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

CITY OF INVER GROVE HEIGHTS, MINNESOTA

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CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

REPORT PREPARED BY:
FINANCE DEPARTMENT

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City of Inver Grove Heights, Minnesota
Annual Comprehensive Financial Report
Table of Contents
For the Year Ended December 31, 2023

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INTRODUCTORY SECTION

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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NEED DATE

To the Mayor, City Council and Citizens of the City of Inver Grove Heights:

Minnesota statutes require every city to issue an annual report on its financial position and activity. These must be prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with audit standards generally accepted in the United States of America by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Inver Grove Heights for the fiscal year ended December 31, 2023.

This report consists of management's representations concerning the finances of the City of Inver Grove Heights. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management 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 statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the City of Inver Grove Heights' internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Inver Grove Heights' financial statements have been audited by Abdo, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Inver Grove Heights' financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

ETHICS | EXCELLENCE | ENGAGEMENT

8150 Barbara Avenue | Inver Grove Heights, Minnesota 55077 | 651-450-2500 | www.ighmn.gov

Profile of the Government

The City of Inver Grove Heights, incorporated in 1965, is a suburban community located about 12 miles south of St. Paul, Minnesota and part of the Twin Cities Metropolitan Area that includes Minneapolis, with a total population estimated to be 4 million. The city is in Dakota County, one of the fastest growing counties in the state in terms of population, housing, and business growth. The City of Inver Grove Heights currently occupies a land area of approximately 30 square miles and serves a population of approximately 36,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. While it is empowered by state statute to extend its corporate limits by annexation, Inver Grove Heights is still developing within its corporate limits and is bordered on all sides by other incorporated communities.

The City of Inver Grove Heights became a statutory city in 1974. The City operates under a statutory form of government consisting of a four-member city council and the mayor who is a voting member. Council members serve four-year staggered terms, and the mayor serves a two-year term. Among its primary duties, the City Council makes laws, sets policies, adopts budgets, and oversees a wide-ranging agenda for the community. The City Administrator is appointed by the City Council. The City Administrator heads the administrative branch of city government and directs all city operations, projects, and programs.

The City of Inver Grove Heights provides a full range of services, including police and fire protection, the construction and maintenance of streets, parks and other infrastructure, water and sewer services, community development support, and recreational activities and cultural events.

The annual budget serves as a foundation for the City of Inver Grove Heights' financial planning and control. All departments of the City submit requests for appropriation for the following year to the City Administrator, who uses this information to develop a proposed budget. This is presented to the City Council for their review. The City Council is required to adopt a proposed budget and tax levy by September 30. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 28.

Factors Affecting Financial Condition

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

Local Economy. The City of Inver Grove Heights continues to experience development and population growth. State Highway 52, which traverses north and south through the City, allows residents and businesses rapid and direct access directly north into downtown St. Paul and to Interstate Highway 94 which connects St. Paul with Minneapolis. This roadway has enhanced residents' access to the broader metropolitan area and increased opportunity for further industrial, commercial, and residential development.

Interstate Highway 494 traverses east and west through the City and connects with Interstate Highway 694 to form a freeway loop around the entire Twin Cities Metropolitan area. The highway system provides Inver Grove Heights ready access to the downtowns of Minneapolis and St. Paul as well as the international airport located 11 miles away.

Inver Grove Heights has several large industries which account for a significant portion of the City's commercial tax capacity. Some of the industries are highly automated and consequently are major taxpayers but not major employers.

Relevant Financial Policies.

In 2023, the City implemented GASB 96 for subscription-based information technology arrangements (SBITA) as required by the Governmental Accounting Standards Board (GASB). GASB's pronouncement provides a definition of a SBITA, establishes that SBITA's result in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability, and provided capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The standards for SBITA's are based on the standards established in Statement No. 87, Leases, as amended.

The primary financial goal of the City's investment policy is to ensure the safety of principal invested by the City. Cash temporarily idle during the year is invested in instruments authorized under *Minnesota Statute No. 118A*. Instruments authorized include certificates of deposit, commercial paper, and obligations of U.S. Treasury and government agencies. To achieve diversification, the policy provides that, except for U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested with a single institution or in a single security type. A report summarizing investment activity and demonstrating compliance with this policy is prepared on a monthly basis for City Council review. Cash balances from all City funds are pooled into an investment fund and investment income is distributed on a pro-rata basis at the end of each quarter.

Capital financing for major municipal improvements is provided through improvement bonds, general obligation bonds, tax increment bonds, or revenue bonds. Depending upon the project, special assessments may be levied upon properties to share in the cost of the improvement project. The special assessments are collected over a period of time and are used to help satisfy the improvement bond debt. Internal financing of improvement projects is usually minimal and only for short periods of time.

The City has adopted a comprehensive set of internal control procedures. The City's accounting system was developed and is continually evaluated to assure the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance in the areas of safeguarding assets against loss from unauthorized use or disposition, reliability of financial records, and convenience of access for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the evaluation of cost and benefits requires estimates and judgments by management, and the cost of a control should not exceed the benefits likely to be derived. All internal controls are evaluated against the above criteria. It is our belief that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of properly recording financial transactions.

Major Initiatives.

Community Development
National economic conditions, including the cost of land and financing continued to impact development activity in 2023. In residential construction, the City permitted 65 new single-family homes and 28 new townhomes, with a total value of $28.7 million. Commercial development projects included a new Silverstar Car Wash ($2.6 million) and Chipotle restaurant ($810,000), plus buildings four and five at Inver Point Business Park, which had a combined value of $10.5 million. When counting several small projects and tenant buildouts, the total value of commercial activity permitted in 2023 equaled $21.2 million.

Police Department
The Inver Grove Heights Police Department has continued to attract and retain top notch officers at a time when many other metro departments are struggling with significant staff vacancies. The Department had an authorized staff of 47 licensed officers in 2023 and stayed within one or two officers of being fully staffed throughout the year.

Dakota County has continued to provide a full-time social worker to the Department who works with officers to follow up on calls for service that have a known or suspected mental health or substance abuse component. Internally, the Department continues to prioritize officer and staff mental health and wellness.

Fire Department
Although the total number of emergency calls responded to in 2023 reached a record high of 3,060 calls, the numbers have leveled off from 2022 to 2023, only increasing by 1.5%. The previous year showed an 8% increase and prior years showed double digit increases. Medical calls made up 67% of all calls, while different types of fires accounted for 3.4%. The rest included a combination of various rescue calls, alarms (fire/carbon monoxide), and other hazardous conditions.

The Fire Department made preparing its future workforce a priority in 2023, working with local school district leadership to set up a new cooperative program between the high school and department. High school students in grades 9-12 were able to sign up as Fire Explorers, which includes the opportunity to attend basic firefighter awareness training. A Cadet Pathways program for those in 11th and 12th grades is also under development. Cadets who successfully complete this program, to be started in 2024, could be hired as a Paid-On-Call or full-time Firefighters upon high school graduation.

Public Works
In 2023, the City received notice of compliance violation from the Minnesota Department of Health related to elevated radium concentrations found in the City's potable drinking water. Although the City had noted elevated radium levels in the past several years, it wasn't until samples taken at the end of 2022 that the levels triggered a public notice to all water customers. The City had previous plans to initiate a design for the rehabilitation of the City's Water Treatment Facility to address the elevated radium levels in 2023, and that effort took significant strides forward in 2023, with the project scheduled to be bid for construction starting in the Spring of 2024 and completed by the Spring of 2025.

The City continued efforts on the Pavement Management Initiative (PMI) in 2023, with the rehabilitation of 6.4 miles of roadways. New development and turn-backs of County Roads added 1.9 miles of new streets to the City's roadway system. No new utility infrastructure (water, sanitary sewer, and storm sewer) was added to the City's system in 2023, as most of the utility infrastructure associated with the new roadways was completed in 2022.

The City continued its partnership with Dakota County on several projects, including completing the preliminary design and beginning the final design of a major street reconstruction and modernization project on 117th Street between Rich Valley Boulevard and TH 52. The City also partnered with Dakota County and the City of Eagan on the reconstruction of CSAH 28 (70th Street) between TH 55 and TH 3, and Argenta Trail (CR 63) between Amana Trail and 65th Street, which was substantially completed in 2023.

Parks & Recreation
The City constructed two new additions to its park system in 2023: Argenta Hills Park and Overlook Ridge Park, which are the second and third of four planned neighborhood parks in the northwest area. Argenta Hills Park includes a paved trail loop, a multi-tier playground featuring a poured-in-place (PIP) rubberized surface, and green space for recreational activities. Similarly, Overlook Ridge Park offers a half basketball court, playground with PIP rubberized surface, open green space, and a shaded structure. In 2023, the Department also embarked on two significant projects that are expected to help define the City's park system for many years to come: the Phase 1 redevelopment of South Valley Park and Phase 4 construction of Heritage Village Park.

The Veteran's Memorial Community Center (VMCC) also had a very strong year in 2023, marked by increased revenues and record attendance. Membership and admission revenue topped $1.3 million, which was $200,000 over 2023 budget projections and $300,000 over 2022 membership and admission revenue. The VMCC offered over 1,100 program opportunities, including fitness classes, aquatic programs, youth activities, and special events, which more than 10,000 participants took advantage of. Inver Wood Golf Course had another exceptional season in 2023, with over 71,000 rounds of golf played on its championship and executive courses. The driving range was also consistently at full capacity with over 12,000 visitors.

<u>Administration & Finance</u>
The City successfully negotiated new multi-year contracts with each of its six collective bargaining groups in 2023, providing clarity on wage and benefit costs for the coming years and competitive terms of employment that will allow the City to attract and retain employees.

In the Finance Department, significant strides were made in streamlining numerous city funds, providing a more transparent and workable structure for staff, policymakers, and the public. As a result of the 2022-2023 water and sewer rate study, the City developed minimum cash reserve policies for its Water and Sanitary Sewer operating funds. The purpose of such policies is to ensure there are adequate resources available to meet the ongoing financial obligations of each fund, and to plan for future capital needs.

For the Future.
Inver Grove Heights sees continued growth and progress in 2024 and beyond, as it invests in increased long-range planning for the maintenance and preservation of existing City assets and expansion to serve new residents.

The City anticipates an increase in residential and commercial development activity in 2024, with multiple projects already in the pipeline. Similarly, significant Parks and Public Works projects started in 2023 are expected to come to fruition in 2024, as noted above.

In 2024, the Police Department will be working on updating city ordinances to help both businesses and residents with quality-of-life and community livability issues. The Police Department will be undertaking compliance checks and enforcement of tobacco licenses, which have shifted from Dakota County to the City, and will also be closely monitoring and responding as needed to changes at the state level regarding the legal use of marijuana and other THC products.

The Fire Department will be looking to the future with a study of future station location needs, which will inform whether the City plans for a significant remodeling of the current Station #3 at 2059 Upper 55th St., or looks to rebuild on a more ideally located site elsewhere in the northern portion of the city. Continued investment in the next generation of firefighters will be a priority, while the Department also looks for opportunities to add to its existing staff through possibilities such as grant funding and part-time hires.

In addition to continued implementation of the annual Pavement Management Initiative and construction of a major rehabilitation project at the City's Water Treatment Plant (2024-2025), the Public Works Department is undertaking a needs analysis and comprehensive site plan study for the expansion of the City's existing Central Maintenance Facility (2024), and a review and potential update of the City's stormwater utility rate structure (2024-2025).

Natural Resource Management Plans, funded by a City-County Conservation Collaboration (CCCC) Grant with Dakota County, will result in additional natural area restoration work within the City's park system, starting with Seidls Lake Park, Harmen Park Reserve and Salem Hills Park in 2024. The objective of this multi-year collaboration is to enhance management efforts for publicly-owned open and green spaces, aiming to better protect, preserve, and restore natural resource areas through joint efforts between the county and cities.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Inver Grove Heights for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This Certificate recognizes the city for publishing an easily readable and efficiently organized financial report which satisfies both GAAP and applicable legal requirements. The city has consecutively received this award since 1986.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Inver Grove Heights' finances.

Respectfully submitted,

Amy Hove
Finance Director

Kristine Lyndon Wilson
City Administrator

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Inver Grove Heights
Minnesota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

City of Inver Grove Heights, Minnesota

Elected and Appointed Officials

As of NEED DATE

ELECTED

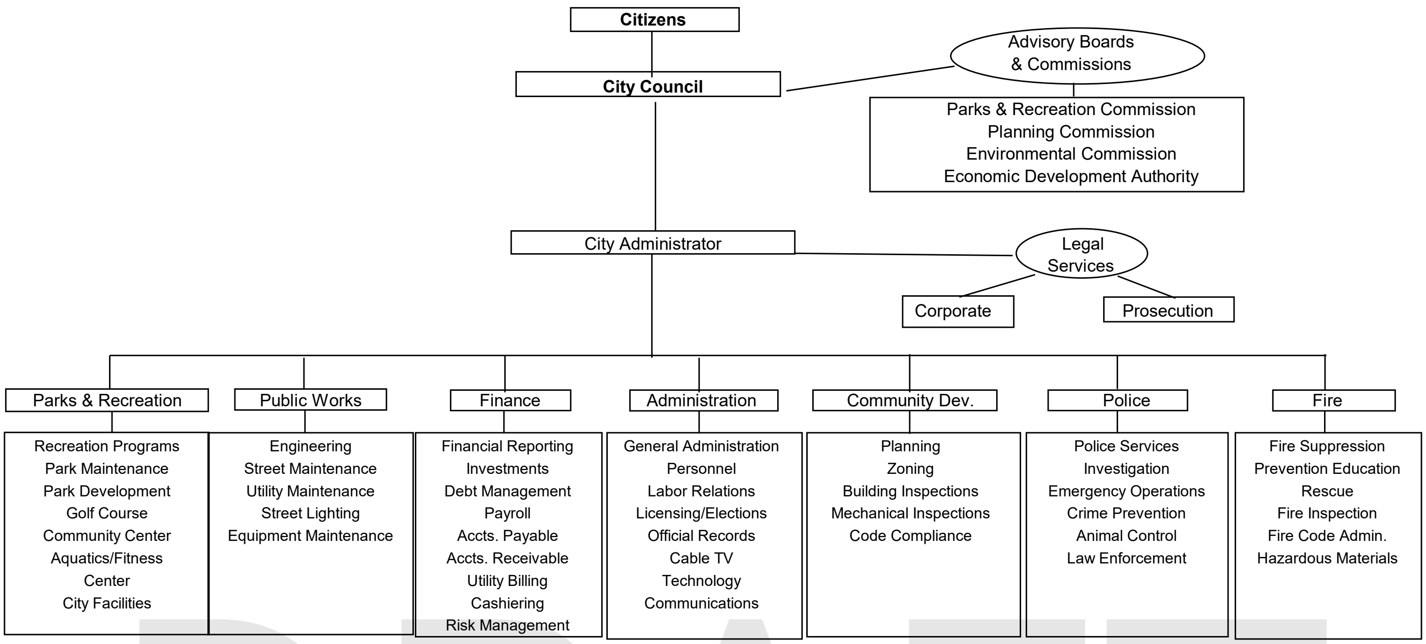
Name	Title	Term Expires
Brenda Dietrich	Mayor	12/31/24
Sue Gliva	Council Member	12/31/24
Tony Scales	Council Member	12/31/26
John Murphy	Council Member	12/31/24
Mary T'Kach	Council Member	12/31/26

APPOINTED

Name	Title
Kris Wilson	City Administrator
Amy Hove	Finance Director
Melissa Chiodo	Police Chief
Judy Thill	Fire Chief
Brian Connolly	Public Works Director
Vacant	Community Development Director
Adam Lares	Parks and Recreation Director

CITY OF INVER GROVE HEIGHTS, MINNESOTA

ORGANIZATION CHART



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FINANCIAL SECTION

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Inver Grove Heights, 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, 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 respective budgetary comparison for the General fund and the Community Center special revenue 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the 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 29 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related notes disclosures, Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 110 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement 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 and the schedule of expenditures of federal awards 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 NEED DATE, 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.

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Minneapolis, Minnesota
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Management's Discussion and Analysis

As management of the City of Inver Grove Heights, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 11 - 18 of this report.

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 increase this year was due to an increase in capital grants and contributions, and charges for services in the business-type activities continuing to outweigh 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 an increase in permit revenue and charges for services. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.

- The City's total bonded debt decreased during the fiscal year. The decrease was a result of scheduled debt service 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. 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.

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, liabilities, and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, community development, and interest on long-term debt. The business-type activities of the City include water, sewer, and storm water utilities and the golf course.

The government-wide financial statements start on page 45 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and internal service 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, Improvement Bonds, Community Center, American Rescue Plan Act, Closed Bond, Local Improvement Construction, Pavement Management, Developer Escrows and the Host Community funds, which are all 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 and Community Center special revenue fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with its budget.

The basic governmental fund financial statements start on page 50 of this report.

Proprietary Funds. 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 all the water, sewer, storm water and golf course funds, which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm water and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for compensated absences, risk management, central equipment maintenance, city facilities and technology. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements start on page 60 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 67 of this report.

Other Information. 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 pensions and other postemployment benefits to its employees.

Required supplementary information can be found starting on page 110 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplementary information.

Combining and individual fund financial statements and schedules start on page 124 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 by $277,012,822 at the close of the most recent fiscal year.

By far, 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 is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Inver Grove Heights' Summary of Net Position

	Governmental Activities			Business-type Activities			Total		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Assets									
Current and other assets	$ 101,521,869	$ 94,741,219	$ 6,780,650	$ 28,903,151	$ 24,174,772	$ 4,728,379	$ 130,425,020	$ 118,915,991	$ 11,509,029
Capital assets, net of depreciation	149,832,521	141,130,572	8,701,949	69,552,921	71,232,628	(1,679,707)	219,385,442	212,363,200	7,022,242
Total Assets	251,354,390	235,871,791	15,482,599	98,456,072	95,407,400	3,048,672	349,810,462	331,279,191	18,531,271
Deferred Outflows of Resources									
Deferred charge on refunding	-	-	-	97,485	116,662	(19,177)	97,485	116,662	(19,177)
Deferred other postemployement benefits resources	2,009,948	151,212	1,858,736	247,488	17,921	229,567	2,257,436	169,133	2,088,303
Deferred pension resources	16,899,761	17,123,748	(223,987)	313,965	534,253	(220,288)	17,213,726	17,658,001	(444,275)
Total Deferred Outflows of Resources	18,909,709	17,274,960	1,634,749	658,938	668,836	(9,898)	19,568,647	17,943,796	1,624,851
Liabilities									
Long-term liabilities outstanding	965,283,659	59,274,265	906,009,394	347,308,007	13,042,258	334,265,749	1,312,591,666	72,316,523	1,240,275,143
Other liabilities	13,067,274	9,208,095	3,859,179	3,499,791	2,240,187	1,259,604	16,567,065	11,448,282	5,118,783
Total Liabilities	978,350,933	68,482,360	909,868,573	350,807,798	15,282,445	335,525,353	1,329,158,731	83,764,805	1,245,393,926
Deferred Inflows of Resources									
Deferred pension resources	15,393,925	1,184,645	14,209,280	360,491	23,399	337,092	15,754,416	1,208,044	14,546,372
Deferred other postemployement benefits resources	491,942	10,129	481,813	60,573	1,200	59,373	552,515	11,329	541,186
Deferred lease resources	1,090,150	1,234,704	(144,554)	-	-	-	1,090,150	1,234,704	(144,554)
Total Deferred Inflows of Resources	16,976,017	2,429,478	14,546,539	421,064	24,599	396,465	17,397,081	2,454,077	14,943,004
Net Position									
Net investment in capital assets	123,768,963	112,929,545	10,839,418	58,449,172	60,441,697	(1,992,525)	182,218,135	173,371,242	8,846,893
Restricted	13,588,429	14,527,169	(938,740)	-	-	-	13,588,429	14,527,169	(938,740)
Unrestricted	56,346,546	54,778,199	1,568,347	24,859,712	20,327,495	4,532,217	81,206,258	75,105,694	6,100,564
Total Net Position	$ 193,703,938	$ 182,234,913	$ 11,469,025	$ 83,308,884	$ 80,769,192	$ 2,539,692	$ 277,012,822	$ 263,004,105	$ 14,008,717
Net Position as a Percent of Total									
Net investment in capital assets	63.9 %	62.0 %		70.2 %	74.8 %				
Restricted	7.0	8.0		-	-				
Unrestricted	29.1	30.0		29.8	25.2				
	100.0 %	100.0 %		100.0 %	100.0 %				

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Significant changes from the prior year are noted below:

City of Inver Grove Heights' Changes in Net Position

	Governmental Activities			Business-type Activities			Total		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Revenues									
Program Revenues									
Charges for services	$ 9,902,871	$ 9,834,695	$ 68,176	$ 12,289,646	$ 10,898,784	$ 1,390,862	$ 22,192,517	$ 20,733,479	$ 1,459,038
Operating grants and contributions	5,024,620	4,062,148	962,472	17,776	25,808	(8,032)	5,042,396	4,087,956	954,440
Capital grants and contributions	5,242,172	3,104,575	2,137,597	2,783,985	4,516,877	(1,732,892)	8,026,157	7,621,452	404,705
General Revenues									
Taxes									
Property taxes	30,355,206	28,220,220	2,134,986	-	-	-	30,355,206	28,220,220	2,134,986
Tax increment	-	2,567	(2,567)	-	-	-	-	2,567	(2,567)
Other taxes	1,462,995	1,335,434	127,561	-	-	-	1,462,995	1,335,434	127,561
Grants and contributions not restricted to specific programs	591,785	621,200	(29,415)	-	-	-	591,785	621,200	(29,415)
Unrestricted investment earnings (loss)	2,409,969	(1,066,607)	3,476,576	1,120,872	(574,952)	1,695,824	3,530,841	(1,641,559)	5,172,400
Gain on sale of capital assets	199,300	245,535	(46,235)	-	8,500	(8,500)	199,300	254,035	(54,735)
Total Revenues	55,188,918	46,359,767	8,829,151	16,212,279	14,875,017	1,337,262	71,401,197	61,234,784	10,166,413
Expenses									
General government	4,702,390	4,992,374	(289,984)	-	-	-	4,702,390	4,992,374	(289,984)
Public safety	19,639,754	16,083,846	3,555,908	-	-	-	19,639,754	16,083,846	3,555,908
Public works	8,705,146	8,911,207	(206,061)	-	-	-	8,705,146	8,911,207	(206,061)
Culture and recreation	9,179,046	7,612,774	1,566,272	-	-	-	9,179,046	7,612,774	1,566,272
Community development	2,395,156	2,062,697	332,459	-	-	-	2,395,156	2,062,697	332,459
Interest on long-term debt	743,678	798,645	(54,967)	-	-	-	743,678	798,645	(54,967)
Water	-	-	-	3,960,358	3,859,391	100,967	3,960,358	3,859,391	100,967
Sewer	-	-	-	5,036,434	4,400,611	635,823	5,036,434	4,400,611	635,823
Storm water management	-	-	-	1,002,073	686,977	315,096	1,002,073	686,977	315,096
Golf course	-	-	-	2,028,445	2,159,004	(130,559)	2,028,445	2,159,004	(130,559)
Total Expenses	45,365,170	40,461,543	4,903,627	12,027,310	11,105,983	921,327	57,392,480	51,567,526	5,824,954
Excess before transfers	9,823,748	5,898,224	3,925,524	4,184,969	3,769,034	415,935	14,008,717	9,667,258	4,341,459
Transfers - capital assets	-	(538,754)	538,754	-	538,754	(538,754)	-	-	-
Transfers - internal activities	1,645,277	737,244	908,033	(1,645,277)	(737,244)	(908,033)	-	-	-
Change in Net Position	11,469,025	6,096,714	5,372,311	2,539,692	3,570,544	(1,030,852)	14,008,717	9,667,258	4,341,459
Net Position, January 1	182,234,913	176,138,199	6,096,714	80,769,192	77,198,648	3,570,544	263,004,105	253,336,847	9,667,258
Net Position, December 31	$ 193,703,938	$ 182,234,913	$ 11,469,025	$ 83,308,884	$ 80,769,192	$ 2,539,692	$ 277,012,822	$ 263,004,105	$ 14,008,717

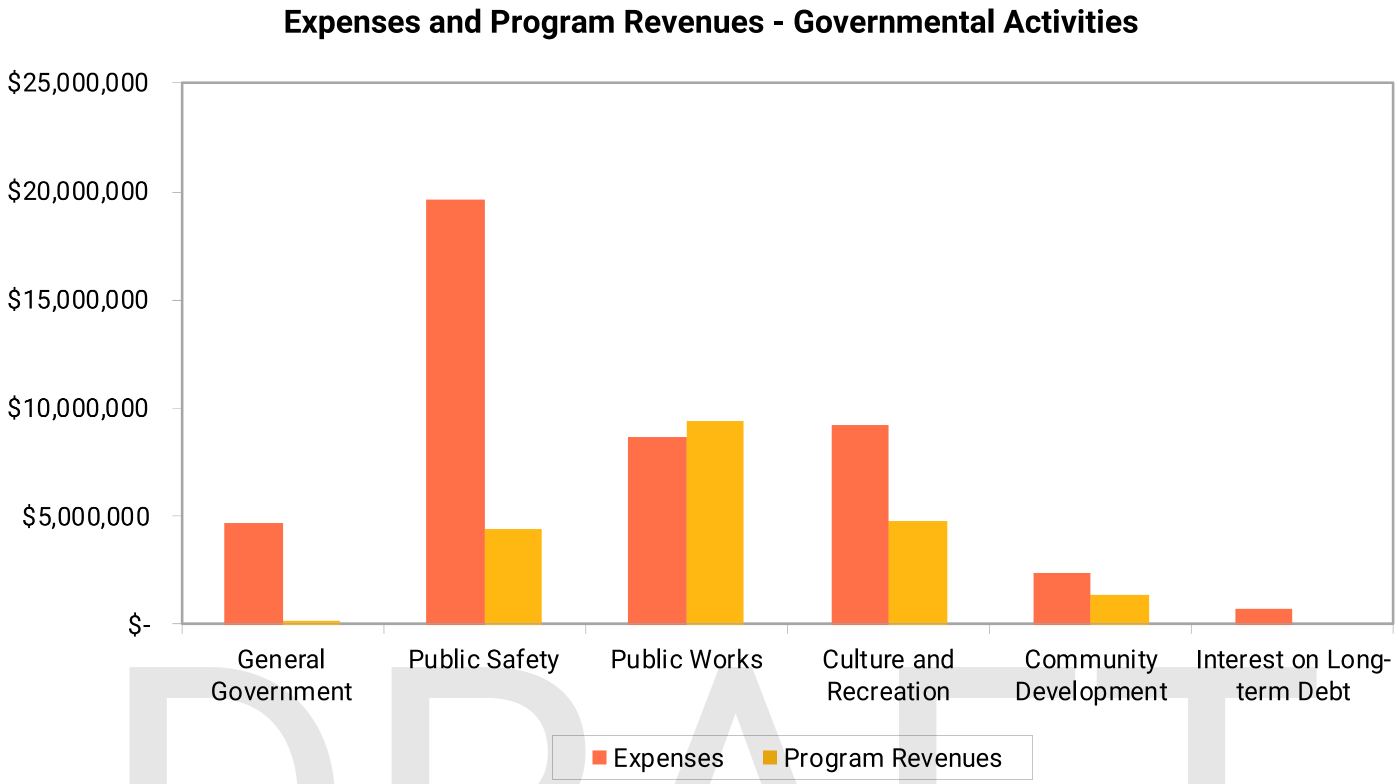
Governmental Activities

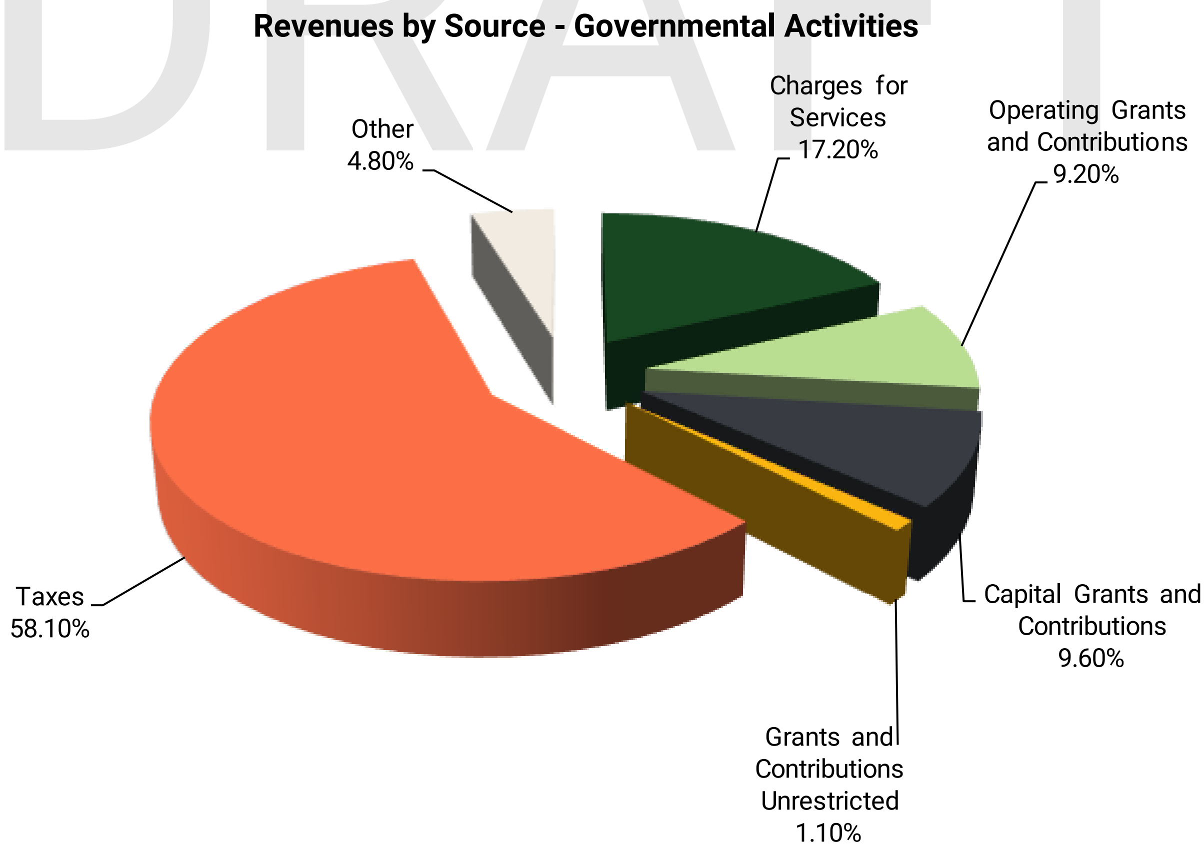
- The increase in operating grants and contributions from 2022 was due to the City's receipt of one-time public safety aid in 2023. This aid, approved by the 2023 Minnesota Legislature, was appropriated to all counties, cities, and townships of a population of 10,000 or more, as well as Minnesota's 11 federally recognized tribal governments.
- The increase in capital grants and contributions from 2022 was primarily due to the City's drawdown of municipal state aid construction dollars towards intersection improvements at Trunk Highway 3 and 65th Street.
- The increase in governmental activity expenses was largely due to increases in public safety and culture and recreation.
  - Public Safety – increase is largely due to increase in the City's share of the net pension liability.
  - Culture and Recreation – increase is largely due to the payment of park dedication fees to the City of Eagan for a new development within the City of Inver Grove Heights serviced by the City of Eagan's utility systems. Payment of park dedication fees is required per a 1997 joint powers agreement with the City of Eagan pertaining to those utility service connections.

Business-type Activities

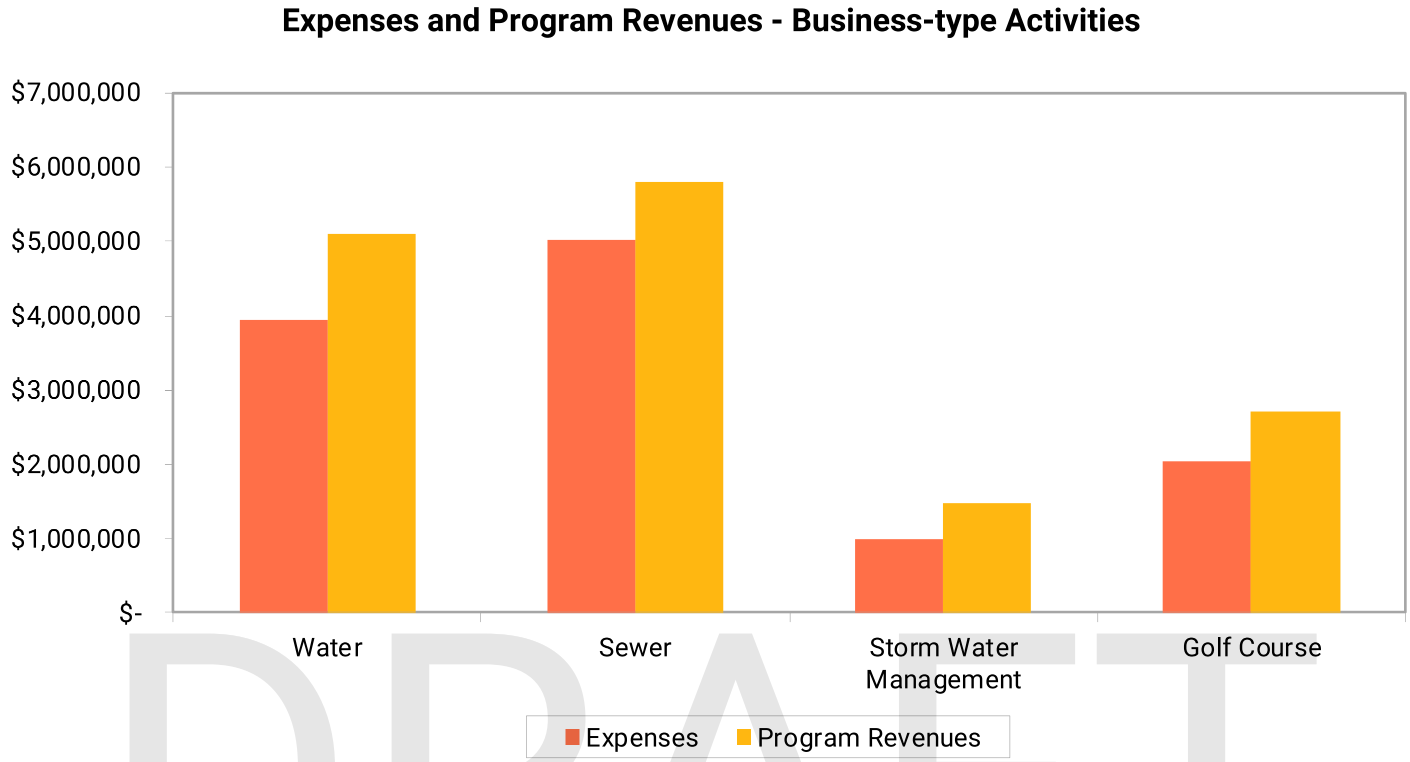
- The increase in charges for services from 2022 is largely due to the 2023 rate increases approved for water, sanitary sewer, and storm water services.
- The decrease in capital grants and contributions was due to larger 2022 development-related utility connection fees for water, sanitary sewer, and storm water.
- The increase in business-type activity expenses was due to a increased costs for the City's share of the net pension liability and additional repairs and maintenance performed on the City's storm water system.

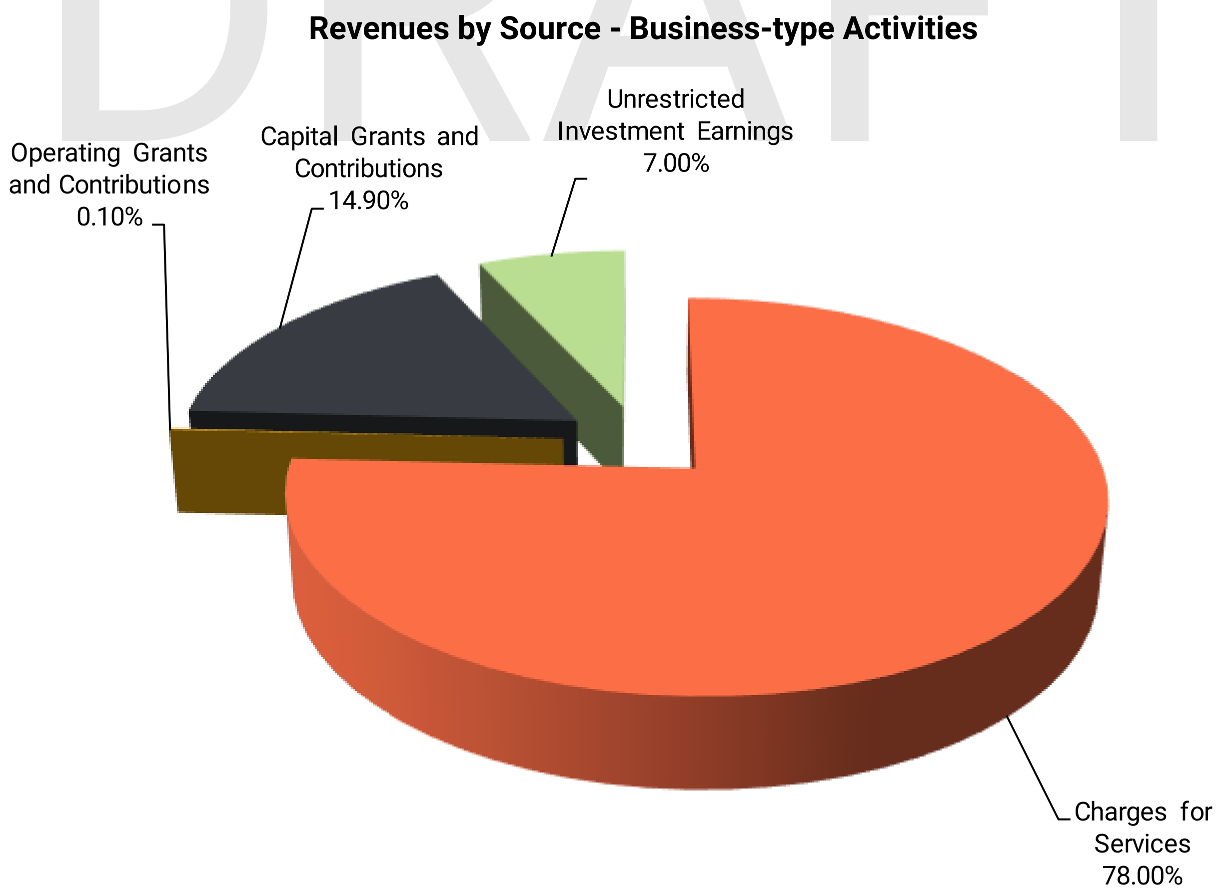
Governmental Activities. Governmental activities increased the City's net position. This increase was primarily the result of an increase in operating grants and contributions and property tax revenue. The following graph depicts various governmental activities and shows the revenues and expenses directly related to those activities.





Business-type Activities. The business-type activities increased the City's net position. This increase was primarily the result of capital contribution credits from public improvement projects, as well as connection fees from development projects for both the sewer and water funds. Below are graphs showing the business-type activities revenue and expense comparisons.





Financial Analysis of the City'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	Community Center	American Rescue Plan Act (ARPA)	Improvement Bonds	Closed Bond	Local Improvement Construction
Fund Balances						
Nonspendable	$ 88,444	$ 11,046	$ -	$ -	$ -	$ -
Restricted	1,590,149	-	-	4,260,594	-	-
Committed	649,116	-	-	-	-	-
Assigned	-	-	-	-	1,435,867	3,922,345
Unassigned	14,487,833	(59,174)	-	-	-	-
Total	$ 16,815,542	$ (48,128)	$ -	$ 4,260,594	$ 1,435,867	$ 3,922,345

	Pavement Management	Host Community	Developer Escrows	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances							
Nonspendable	$ -	$ -	$ -	$ -	$ 99,490	$ 80,872	$ 18,618
Restricted	-	-	-	6,058,149	11,908,892	12,218,955	(310,063)
Committed	-	-	-	705,109	1,354,225	784,077	570,148
Assigned	13,552,310	5,791,335	-	4,092,496	28,794,353	28,971,387	(177,034)
Unassigned	-	-	-	-	14,428,659	11,704,234	2,724,425
Total	$ 13,552,310	$ 5,791,335	$ -	$ 10,855,754	$ 56,585,619	$ 53,759,525	$ 2,826,094

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 3 starting on page 88 of this report.

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	$ 88,444	$ 71,772	$ 16,672
Restricted	1,590,149	26,073	1,564,076
Committed	649,116	278,240	370,876
Unassigned	14,487,833	13,387,712	1,100,121
	$ 16,815,542	$ 13,763,797	$ 3,051,745
General Fund expenditures	$ 29,262,350	$ 27,757,730	
Unassigned Fund Balance as a percent of expenditures for the year	49.5%	48.2%	
Total Fund Balance as a percent of expenditures for the year	57.5%	49.6%	

The fund balance of the City’s General fund increased during the current fiscal year as shown in the table above. The large increase to restricted fund balance is due to the City’s December 2023 receipt of $1.56 million in one-time public safety aid from the State of Minnesota which due to its timing, was left unspent at year-end. Unassigned fund balances increased due to lower-than-expected expenditures primarily reflected within the public safety portion of the City’s General Fund budget.

Other major governmental fund analysis is shown below:

Major Fund	Fund Balances December 31, 2023	Fund Balances December 31, 2022	Increase (Decrease)
Community Center	$ (48,128)	$ (1,675,018)	$ 1,626,890
The Community Center fund balance increased from the prior year, due to the forgiveness of three interfund loans.			
American Rescue Plan Act (ARPA)	$ -	$ -	$ -
The ARPA fund was established to account for receipts from the Coronavirus State and Local Fiscal Recovery Fund program of the American Rescue Plan Act. The majority of the funds received in 2021 and 2022 are reported as unearned revenue and will be recognized as expenditures are incurred.			
Improvement Bonds	$ 4,260,594	$ 4,075,545	$ 185,049
The Improvement Bonds fund is restricted for the payment of debt service. The change in fund balance is a result of the collection of taxes and assessments and repayment of annual bond payments.			
Closed Bond	$ 1,435,867	$ 2,090,990	$ (655,123)
The Closed Bond fund fund balance is assigned for capital improvements. The decrease can be attributed to the loss on the market value of investments and the use of fund balance to replace the levy for the City’s 2020A G.O. bonds.			
Local Improvement Construction	$ 3,922,345	$ 1,140,142	$ 2,782,203
The Local Improvement Construction fund was established to account for the governmental portion of improvement projects. The increase is primarily related to transfers from other funds for the payment of project costs and drawdown of municipal state aid construction funds.			
Pavement Management	$ 13,552,310	$ 12,518,185	$ 1,034,125
The Pavement Management fund was established to account for the governmental portion of capital projects. The ending fund balance is assigned for capital improvements. In 2023, this fund received multiple transfers from utility funds to cover current and future utility costs related to the City's pavement management efforts.			
Host Community	$ 5,791,335	$ 8,240,845	$ (2,449,510)
The Host Community fund balance decreased primarily due to transfers to other funds to fund capital projects and Community Center operations.			
Developer Escrow	$ -	$ -	$ -
The Developer Escrow fund was established to account for the developer escrow receipts and related costs. Revenue is recognized in this fund as funds are used for building related costs.			

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

	Ending Net Position 2023	Ending Net Position 2022	Increase/ (Decrease)
Water	$ 43,571,414	$ 42,820,885	$ 750,529
The increase is primarily attributed to the excess of charges for services over related operating costs and the collection of connection fees.			
Sewer	$ 25,641,374	$ 25,451,055	$ 190,319
The increase is primarily attributed to the excess of charges for services over related operating costs and the collection of connection fees.			
Storm Water Managment	$ 11,764,990	$ 10,942,792	$ 822,198
The increase is primarily attributed to the transfer in of funds from Host Community Fund for future capital projects.			
Golf Course	$ 2,331,106	$ 1,554,460	$ 776,646
The increase is primarily attributed to the excess of charges for services over related operating costs.			

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 30,084,381	$ 97,049	$ 30,181,430	$ 32,074,016	$ 1,892,586
Expenditures	30,347,281	582,976	30,930,257	29,262,350	1,667,907
Excess (Deficiency) of Revenues Over (Under) Expenditures	(262,900)	(485,927)	(748,827)	2,811,666	3,560,493
Other Financing Sources (Uses)					
Transfers in	706,500	-	706,500	766,937	60,437
Transfers out	(443,600)	-	(443,600)	(526,858)	(83,258)
Total Other Financing Sources (Uses)	262,900	-	262,900	240,079	(22,821)
Net Change in Fund Balances	-	(485,927)	(485,927)	3,051,745	3,537,672
Fund Balances, January 1	13,763,797	-	13,763,797	13,763,797	-
Fund Balances, December 31	$ 13,763,797	$ (485,927)	$ 13,277,870	$ 16,815,542	$ 3,537,672

The City's General fund budget was amended during the year as shown above. Budget amendments increased revenue for new grants/aids received and due to be spent in 2023. Additional budget amendments increased expenditures primarily due to projects that were incomplete in 2022 and carried over to 2023, but also for the addition of expenditures funded with new grants/aids.

Actual revenues were over the final budgeted amounts primarily due to the receipt of one-time public safety aid of $1.56 million received by the City in 2023.

Actual expenditures were under the final budgeted amounts primarily due to public safety costs under final budgeted amounts:

- The City's intentional budgeting and saving of fund balance to help pay for the cost of the 9 new firefighters hired in 2022 whose wages are currently covered by a federal Staffing for Adequate Fire and Emergency Response grant. In 2023, the amount budgeted and saved to fund balances under this plan was $325,000.
- Additional public safety budgetary savings can be found in full-time police wages due to position vacancies, paid on call firefighter wages due to less use of this resource in 2023, and police contract costs coming in under budget.

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 (tangible and intangible), buildings, improvements, machinery and equipment, park facilities, roads and bridges, and other infrastructure.

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

- The City completed infrastructure projects within the City in the amount of $7,710,110 including Bryant Lane Improvements, reconstruction of 62nd Street and improvements in the area of 64th Street.

- The City purchased equipment in the amount of $653,461 which included a new Carlson paver and Pelican street sweeper.

- The City has construction in progress at year-end for both governmental and business-type activities totaling $18,453,278.

- The City has construction commitments relating to street, water, sanitary sewer, storm water, parks, and building improvements of $2,291,200 at year-end.

City of Inver Grove Heights' Capital Assets
(Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Land	$ 32,034,539	$ 32,034,539	$ -	$ 4,389,159	$ 4,389,159	$ -
Construction in Progress	17,687,266	12,857,184	4,830,082	586,012	2,439,165	(1,853,153)
Infrastructure	69,757,127	64,493,059	5,264,068	-	-	-
Buildings and Systems	21,333,797	22,204,747	(870,950)	64,053,826	63,823,586	230,240
Improvements other than Buildings	3,058,666	3,643,972	(585,306)	268,655	286,469	(17,814)
Machinery and Equipment	5,862,564	5,672,930	189,634	255,269	294,249	(38,980)
Machinery and Equipment - Right to Use	98,562	224,141	(125,579)	-	-	-
Total	$ 149,832,521	$ 141,130,572	$ 8,701,949	$ 69,552,921	$ 71,232,628	$ (1,679,707)

Additional information on the City's capital assets can be found in Note 3C starting on page 81 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $34,970,000. All of the City's bonds are backed by the full faith and credit of the City.

State statutes limit the amount of G.O. debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is $157,047,090. Only the $21,785,000 in G.O. bonds is counted within the statutory limitation. The other debt of the City is either wholly or partially financed by revenues other than a general tax levy.

City of Inver Grove Heights' Outstanding Debt

Additional information on the City's long-term debt can be found in Note 3E starting on page 83 of this report.

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
G.O. Bonds	$ 21,785,000	$ 23,235,000	$ (1,450,000)	$ -	$ -	$ -
G.O. Special Assessments Bonds	3,495,000	3,995,000	(500,000)	-	-	-
G.O. Revenue Bonds	-	-	-	9,690,000	10,440,000	(750,000)
Bond Premium	683,248	746,069	(62,821)	419,127	467,593	(48,466)
Lease Payable	100,310	224,958	(124,648)	-	-	-
Total	$ 26,063,558	$ 28,201,027	$ (2,137,469)	$ 10,109,127	$ 10,907,593	$ (798,466)

Economic Factors and Next Year's Budgets and Rates

- The City's net tax capacity increased by 6 percent for taxes payable 2024 which was more than the 14.6 percent growth experienced for taxes payable 2023. Tax capacity on Residential property increased 3.9 percent, Commercial property increased 9.6 percent, and Industrial property increased 20.9 percent. The City's levy increased $2,406,599, or 7.9 percent for taxes payable 2024 which resulted in a tax rate increase of 2.7 percent.

- The 2024 budget reflects an increase in the City's investment towards personnel costs and infrastructure:

  - Other than covering a 3% general wage increase and increased health insurance costs, the City added 4 new positions to the budget in 2024: two maintenance workers (one for streets and one for parks), a utility billing coordinator for the finance department, and an additional assistant fire chief for the fire department.

  - Other personnel-related increases included: $75,000 towards the expansion of mental health and physical health support services for police and fire employees and $200,000 as ongoing savings to help mitigate the impact to the tax levy when the City's Staffing for Adequate Fire and Emergency Response grant expires. This grant is currently covering the cost of the 9 new firefighters hired in 2022.

  - The Pavement Management levy increased by 5%, or $145,000 to bring the total levy investment in the program to $3,045,000.

  - $50,000 was added into the Parks budget for continued treatment of Emerald Ash Borer.

- The City increased water rates by 10% in 2024. Although a sizable increase, it followed many years of smaller 2% rate increases that could not be maintained due to the need for future capital investment in the system. In 2024, sanitary sewer rates were increased by 7.5% - the City's sanitary sewer rates are largely driven by treatment costs (and subsequent fee increases to the City) approved by the Metropolitan Council Environmental Services (MCES) which were set at 7.35% for 2024.

- The City will need to undergo additional rate review for its storm water system as this is an area in the City most in need of funding. At present, residents in the Northwest Area of the City have a higher fee rate structure than those residents who reside outside of the Northwest Area. In an effort to bridge some of those disparities within the current storm water fee schedule, the City increased storm water fees by only 5% for Northwest area residents, while increasing the remaining fee schedule by 25%.

- In March 2021 the Federal Government passed the American Rescue Plan Act (ARPA) to help aid in the nation's recovery from the COVID-19 pandemic. As a non-entitlement entity (municipality of less than 50,000 in population), the City received around $3.9 million from the State for this funding. The City intends to use $2.5 million of these funds towards the upcoming Water Treatment Plant Rehabilitation project with the balance of these funds used towards the purchase of new park property in the northwest area and/or other governmental purposes. The City has until December 31, 2024 to obligate those funds (December 31, 2026 to spend).

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Finance Director, City of Inver Grove Heights, 8150 Barbara Avenue, Inver Grove Heights, MN 55077-3412.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of Inver Grove Heights, Minnesota
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	$ 84,511,053	$ 27,105,086	$ 111,616,139
Receivables			
Accrued interest	330,265	125,342	455,607
Taxes	2,103,524	-	2,103,524
Accounts	289,929	1,850,318	2,140,247
Special assessments	6,385,968	365,274	6,751,242
Leases	1,136,002	-	1,136,002
Due from other governments	2,390,766	545,495	2,936,261
Internal balances	1,092,107	(1,092,107)	-
Inventories	107,920	-	107,920
Prepaid items	277,100	3,743	280,843
Land held for resale	1,138,500	-	1,138,500
Net pension asset	1,758,735	-	1,758,735
Capital assets			
Land and construction in progress	49,721,805	4,975,171	54,696,976
Depreciable assets (net of accumulated depreciation)	100,110,716	64,577,750	164,688,466
Total Assets	251,354,390	98,456,072	349,810,462
Deferred Outflows of Resources			
Deferred charge on refunding	-	97,485	97,485
Deferred other postemployment benefits resources	2,009,948	247,488	2,257,436
Deferred pension resources	16,899,761	313,965	17,213,726
Total Deferred Outflows of Resources	18,909,709	658,938	19,568,647
Liabilities			
Accounts and contracts payable	3,111,505	310,780	3,422,285
Escrows payable	2,525,288	-	2,525,288
Accrued salaries payable	270,690	35,470	306,160
Due to other governments	1,013,195	601,050	1,614,245
Accrued interest payable	323,725	114,865	438,590
Deposits payable	8,533	80,933	89,466
Unearned revenue	5,814,338	2,356,693	8,171,031
Long-term liabilities			
Due within one year			
Long-term liabilities	3,621,268	994,333	4,615,601
Due in more than one year			
Long-term liabilities	42,895,602	10,890,938	53,786,540
Total Liabilities	59,584,144	15,385,062	74,969,206
Deferred Inflows of Resources			
Deferred lease resources	1,090,150	-	1,090,150
Deferred pension resources	15,393,925	360,491	15,754,416
Deferred other postemployment benefit resources	491,942	60,573	552,515
Total Deferred Inflows of Resources	16,976,017	421,064	17,397,081
Net Position			
Net investment in capital assets	123,768,963	58,449,172	182,218,135
Restricted for			
Debt service	4,181,396	-	4,181,396
Community development	4,127,163	-	4,127,163
Culture and recreation improvements	1,811,284	-	1,811,284
Public health	119,702	-	119,702
Public safety	1,590,149	-	1,590,149
Fire relief pension	1,758,735	-	1,758,735
Unrestricted	56,346,546	24,859,712	81,206,258
Total Net Position	$ 193,703,938	$ 83,308,884	$ 277,012,822

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

City of Inver Grove Heights, Minnesota
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 4,702,390	$ 138,772	$ -	$ -
Public safety	19,639,754	576,222	3,830,600	-
Public works	8,705,146	3,141,396	1,022,568	5,226,441
Culture and recreation	9,179,046	4,709,886	103,965	15,731
Community development	2,395,156	1,336,595	67,487	-
Interest on long-term debt	743,678	-	-	-
Total Governmental Activities	45,365,170	9,902,871	5,024,620	5,242,172
Business-type Activities				
Water	3,960,358	4,087,810	261	1,016,096
Sewer	5,036,434	4,632,630	69	1,177,716
Storm water management	1,002,073	864,551	17,429	590,173
Golf course	2,028,445	2,704,655	17	-
Total Business-type Activities	12,027,310	12,289,646	17,776	2,783,985
Total	$ 57,392,480	$ 22,192,517	$ 5,042,396	$ 8,026,157

General Revenues
- Taxes
  - Property taxes, levied for general purposes
  - Property taxes, levied for debt service
  - Lodging taxes
  - Franchise taxes
- Grants and contributions not restricted to specific programs
- Unrestricted investment earnings
- Gain on sale of capital assets

Transfers - internal activities

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		
Governmental Activities	Business-type Activities	Total
$ (4,563,618)	$ -	$ (4,563,618)
(15,232,932)	-	(15,232,932)
685,259	-	685,259
(4,349,464)	-	(4,349,464)
(991,074)	-	(991,074)
(743,678)	-	(743,678)
(25,195,507)	-	(25,195,507)
-	1,143,809	1,143,809
-	773,981	773,981
-	470,080	470,080
-	676,227	676,227
-	3,064,097	3,064,097
(25,195,507)	3,064,097	(22,131,410)
27,809,722	-	27,809,722
2,545,484	-	2,545,484
248,216	-	248,216
1,214,779	-	1,214,779
591,785	-	591,785
2,409,969	1,120,872	3,530,841
199,300	-	199,300
1,645,277	(1,645,277)	-
36,664,532	(524,405)	36,140,127
11,469,025	2,539,692	14,008,717
182,234,913	80,769,192	263,004,105
$ 193,703,938	$ 83,308,884	$ 277,012,822

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

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FUND FINANCIAL STATEMENTS

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Inver Grove Heights, Minnesota
Balance Sheet
Governmental Funds
December 31, 2023

		Special Revenue		Debt Service	
	General	Community Center	American Rescue Plan Act (ARPA)	Improvement Bonds	Closed Bond
Assets					
Cash and temporary investments	$ 16,194,869	$ 413,736	$ 3,897,441	$ 4,245,634	$ 1,426,626
Receivables					
Accrued interest	49,230	2,597	-	12,931	9,241
Taxes	1,793,411	-	-	-	-
Accounts	114,878	145,430	-	-	-
Special assessments	6,115	-	-	246,556	731,330
Leases	1,136,002	-	-	-	-
Due from other governments	555,342	304,160	-	-	-
Advances to other funds	-	-	-	-	-
Prepaid items	42,592	11,046	-	-	-
Land held for resale	-	-	-	-	-
Total Assets	$ 19,892,439	$ 876,969	$ 3,897,441	$ 4,505,121	$ 2,167,197
Liabilities					
Accounts and contracts payable	$ 189,553	$ 116,090	$ -	$ -	$ -
Escrows payable	-	-	-	-	-
Accrued salaries payable	198,366	43,106	-	-	-
Due to other governments	23,765	14	-	-	-
Advances from other funds	-	372,140	-	-	-
Deposits payable	-	8,533	-	-	-
Unearned revenue	1,512,308	105,024	3,897,441	-	-
Total Liabilities	1,923,992	644,907	3,897,441	-	-
Deferred Inflows of Resources					
Unavailable revenues - delinquent taxes	238,971	-	-	-	-
Unavailable revenues - special assessments	5,874	-	-	244,527	731,330
Unavailable revenues - intergovernmental	-	280,190	-	-	-
Deferred lease resources	1,090,150	-	-	-	-
Total Deferred Inflows of Resources	1,334,995	280,190	-	244,527	731,330
Fund Balances					
Nonspendable	88,444	11,046	-	-	-
Restricted	1,590,149	-	-	4,260,594	-
Committed	649,116	-	-	-	-
Assigned	-	-	-	-	1,435,867
Unassigned	14,487,833	(59,174)	-	-	-
Total Fund Balances	16,815,542	(48,128)	-	4,260,594	1,435,867
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 20,074,529	$ 876,969	$ 3,897,441	$ 4,505,121	$ 2,167,197

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

Capital Projects					
Local Improvement Construction	Pavement Management	Host Community	Developer Escrows	Other Governmental Funds	Total Governmental Funds
$ 3,852,710	$ 13,622,447	$ 4,742,480	$ 2,575,812	$ 13,237,155	$ 64,208,910
17,525	69,782	21,653	-	64,972	247,931
-	279,950	-	-	30,163	2,103,524
-	-	28,976	-	-	289,284
212,522	5,181,445	-	-	8,000	6,385,968
-	-	-	-	-	1,136,002
388,397	1,142,867	-	-	-	2,390,766
-	-	1,000,000	-	-	1,000,000
-	-	-	-	-	53,638
-	-	-	-	1,138,500	1,138,500
$ 4,471,154	$ 20,296,491	$ 5,793,109	$ 2,575,812	$ 14,478,790	$ 78,954,523
$ 36,722	$ 775,967	$ 162	$ 50,524	$ 1,625,630	$ 2,794,648
-	-	-	2,525,288	-	2,525,288
-	-	1,612	-	-	243,084
-	-	-	-	989,406	1,013,185
-	-	-	-	1,000,000	1,372,140
-	-	-	-	-	8,533
299,565	-	-	-	-	5,814,338
336,287	775,967	1,774	2,575,812	3,615,036	13,771,216
-	-	-	-	-	238,971
212,522	4,825,347	-	-	8,000	6,027,600
-	1,142,867	-	-	-	1,423,057
-	-	-	-	-	1,090,150
212,522	5,968,214	-	-	8,000	8,779,778
-	-	-	-	-	99,490
-	-	-	-	6,058,149	11,908,892
-	-	-	-	705,109	1,354,225
3,922,345	13,552,310	5,791,335	-	4,092,496	28,794,353
-	-	-	-	-	14,428,659
3,922,345	13,552,310	5,791,335	-	10,855,754	56,585,619
$ 4,471,154	$ 20,296,491	$ 5,793,109	$ 2,575,812	$ 14,478,790	$ 79,136,613

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

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City of Inver Grove Heights, 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 Funds	$ 56,585,619
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	1,758,735
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	213,722,271
Less: accumulated depreciation/amortization	(80,439,593)
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, centralized purchase of consumable office supplies, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities on the statement of net position.	35,891,400
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Bonds payable	(25,280,000)
Plus premium on bonds issued	(683,248)
Lease payable	(100,310)
Other postemployment benefits payable	(2,273,557)
Net pension liability	(14,324,746)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent taxes	238,971
Special assessments	6,027,600
Intergovernmental	1,423,057
Governmental funds do not report long-term amounts related to pensions and OPEB.	
Deferred outflows other postemployment benefit resources	2,009,948
Deferred inflows other postemployment benefit resources	(491,942)
Deferred outflows of pension resources	16,672,583
Deferred inflows of pension resources	(15,133,081)
Governmental funds do not report a liability for accrued interest until due and payable.	(323,725)
Total Net Position - Governmental Activities	$ 195,279,982

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

City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

		Debt Service		Special Revenue	
	General	Improvement Bonds	Closed Bond	Community Center	American Rescue Plan Act (ARPA)
Revenues					
Taxes	$ 24,909,425	$ 2,545,484	$ -	$ -	$ -
Licenses and permits	1,505,449	-	-	-	-
Intergovernmental	3,749,782	-	-	-	-
Charges for services	994,086	-	-	2,766,862	-
Fines and forfeitures	197,013	-	-	-	-
Special assessments	5,364	118,212	-	-	-
Investment earnings (loss)	502,162	115,546	(477,873)	5,488	-
Miscellaneous	210,735	-	-	1,821,173	-
Total Revenues	32,074,016	2,779,242	(477,873)	4,593,523	-
Expenditures					
Current					
General government	2,870,643	-	-	-	-
Public safety	16,072,181	-	-	-	-
Public works	5,021,838	-	-	-	-
Culture and recreation	2,998,574	-	-	3,908,127	-
Community development	2,111,848	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public safety	50,914	-	-	-	-
Public works	773	-	-	-	-
Culture and recreation	-	-	-	543,693	-
Community development	-	-	-	-	-
Debt service					
Principal	124,648	1,950,000	-	-	-
Interest and other charges	10,931	821,443	-	-	-
Total Expenditures	29,262,350	2,771,443	-	4,451,820	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,811,666	7,799	(477,873)	141,703	-
Other Financing Sources (Uses)					
Transfers in	766,937	177,250	-	1,485,187	-
Transfers out	(526,858)	-	(177,250)	-	-
Total Other Financing Sources (Uses)	240,079	177,250	(177,250)	1,485,187	-
Net Change in Fund Balances	3,051,745	185,049	(655,123)	1,626,890	-
Fund Balances, January 1	13,763,797	4,075,545	2,090,990	(1,675,018)	-
Fund Balances, December 31	$ 16,815,542	$ 4,260,594	$ 1,435,867	$ (48,128)	$ -

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

Capital Projects					
Local Improvement Construction	Pavement Management	Host Community	Developer Escrows	Other Governmental Funds	Total Governmental Funds
$ 79,393	$ 4,007,854	$ -	$ -	$ 248,216	$ 31,790,372
-	-	-	-	-	1,505,449
1,301,493	457,788	-	-	10,000	5,519,063
-	-	2,328,082	436,306	1,292,334	7,817,670
-	-	-	-	-	197,013
520	2,176,077	-	-	-	2,300,173
86,552	538,452	349,627	-	572,924	1,692,878
336,656	207,510	4,498	-	27,952	2,608,524
1,804,614	7,387,681	2,682,207	436,306	2,151,426	53,431,142
-	-	-	-	-	2,870,643
-	-	-	-	-	16,072,181
670,505	292,119	147,616	436,306	4,898	6,573,282
-	-	-	-	193,475	7,100,176
-	-	39,239	-	138,877	2,289,964
-	-	71,544	-	-	71,544
-	-	-	-	-	50,914
555,246	7,772,756	-	-	-	8,328,775
-	-	-	-	5,387,912	5,931,605
-	-	-	-	419	419
-	-	-	-	-	2,074,648
-	-	-	-	-	832,374
1,225,751	8,064,875	258,399	436,306	5,725,581	52,196,525
578,863	(677,194)	2,423,808	-	(3,574,155)	1,234,617
2,212,835	2,320,719	39,458	-	1,241,100	8,243,486
(9,495)	(609,400)	(4,912,776)	-	(416,230)	(6,652,009)
2,203,340	1,711,319	(4,873,318)	-	824,870	1,591,477
2,782,203	1,034,125	(2,449,510)	-	(2,749,285)	2,826,094
1,140,142	12,518,185	8,240,845	-	13,605,039	53,759,525
$ 3,922,345	$ 13,552,310	$ 5,791,335	$ -	$ 10,855,754	$ 56,585,619

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

City of Inver Grove Heights, 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	$ 2,826,094
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.	
Capital outlays and lease right to use outlay	12,556,958
Depreciation/Amortization expense	(3,542,351)
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 amortized in the statement of activities.	
Principal repayments	2,074,648
Current year amortization of bond premium	62,821
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.	25,875
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities in the statement of activities.	205,007
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	1,630,139
Property taxes	27,829
Intergovernmental	11,418
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.	
Other postemployment benefits	(159,684)
Long-term pension activity is not reported in governmental funds.	
Pension expense	(2,699,470)
Pension revenue from State contributions	25,785
Change in Net Position - Governmental Activities	$ 13,045,069

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

City of Inver Grove Heights, 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	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 25,074,311	$ 25,074,311	$ 24,909,425	$ (164,886)
Licenses and permits	1,723,300	1,722,300	1,505,449	(216,851)
Intergovernmental	1,886,210	1,978,159	3,749,782	1,771,623
Charges for services	1,039,560	1,040,560	994,086	(46,474)
Fines and forfeitures	180,000	180,000	197,013	17,013
Special assessments	1,500	1,500	5,364	3,864
Investment earnings (loss)	145,000	145,000	502,162	357,162
Miscellaneous	34,500	39,600	210,735	171,135
Total Revenues	30,084,381	30,181,430	32,074,016	1,892,586
Expenditures				
Current				
General government	3,028,495	3,133,495	2,870,643	262,852
Public safety	16,939,336	17,160,406	16,072,181	1,088,225
Public works	5,007,550	5,103,375	5,021,838	81,537
Culture and recreation	3,126,300	3,207,985	2,998,574	209,411
Community development	2,245,600	2,264,996	2,111,848	153,148
Capital outlay				
Public safety	-	50,000	50,914	(914)
Public works	-	10,000	773	9,227
Debt service				
Principal	-	-	124,648	(124,648)
Interest and other charges	-	-	10,931	(10,931)
Total Expenditures	30,347,281	30,930,257	29,262,350	1,667,907
Excess (Deficiency) of Revenues Over (Under) Expenditures	(262,900)	(748,827)	2,811,666	3,560,493
Other Financing Sources (Uses)				
Transfers in	706,500	706,500	766,937	60,437
Transfers out	(443,600)	(443,600)	(526,858)	(83,258)
Total Financing Sources (Uses)	262,900	262,900	240,079	(22,821)
Net Change in Fund Balances	-	(485,927)	3,051,745	3,537,672
Fund Balances, January 1	13,763,797	13,763,797	13,763,797	-
Fund Balances, December 31	$ 13,763,797	$ 13,277,870	$ 16,815,542	$ 3,537,672

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

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City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Center Special Revenue Fund
For the Year Ended December 31, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ 2,400,800	$ 2,400,800	$ 2,766,862	$ 366,062
Investment earnings	-	-	5,488	5,488
Miscellaneous	388,250	388,250	1,821,173	1,432,923
Total Revenues	2,789,050	2,789,050	4,593,523	1,804,473
Expenditures				
Current				
Culture and recreation	3,898,700	3,898,700	3,908,127	(9,427)
Capital outlay				
Culture and recreation	718,200	759,566	543,693	215,873
Total Expenditures	4,616,900	4,658,266	4,451,820	206,446
Excess (Deficiency) of Revenues Under Expenditures	(1,827,850)	(1,869,216)	141,703	2,010,919
Other Financing Sources				
Transfers in	1,827,850	1,827,850	1,485,187	(342,663)
Net Change in Fund Balances	-	(41,366)	1,626,890	1,668,256
Fund Balances, January 1	(1,675,018)	(1,675,018)	(1,675,018)	-
Fund Balances, December 31	$ (1,675,018)	$ (1,716,384)	$ (48,128)	$ 1,668,256

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

City of Inver Grove Heights, Minnesota
Statement of Net Position (Continued on the Following Page)
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Management	Golf Course	Total	Internal Service Funds
Assets						
Current Assets						
Cash and temporary investments	$ 14,705,347	$ 6,747,750	$ 2,904,000	$ 2,747,989	$ 27,105,086	$ 20,302,143
Receivables						
Accrued interest	66,386	31,905	13,812	13,239	125,342	82,334
Accounts	729,182	817,030	304,106	-	1,850,318	645
Special assessments	35,342	137,395	40,241	-	212,978	-
Due from other governments	-	-	545,495	-	545,495	-
Inventories	-	-	-	-	-	107,920
Prepaid items	-	-	-	3,743	3,743	223,462
Total Current Assets	15,536,257	7,734,080	3,807,654	2,764,971	29,842,962	20,716,504
Long-term Assets						
Advance to other funds	-	-	-	-	-	1,464,247
Special assessments	-	-	152,296	-	152,296	-
Capital assets						
Land	583,598	768,102	1,175,104	1,862,355	4,389,159	209,122
Construction in progress	63,130	295,236	227,646	-	586,012	-
Buildings and systems	52,600,815	45,204,921	24,199,657	920,412	122,925,805	17,423,095
Improvements other than buildings	98,108	39,924	-	4,501,427	4,639,459	240,717
Machinery and equipment	391,572	9,585	-	1,071,184	1,472,341	16,640,700
Total Capital Assets	53,737,223	46,317,768	25,602,407	8,355,378	134,012,776	34,513,634
Less accumulated depreciation	(24,720,446)	(16,807,589)	(16,941,400)	(5,990,420)	(64,459,855)	(17,963,791)
Net Capital Assets	29,016,777	29,510,179	8,661,007	2,364,958	69,552,921	16,549,843
Total Long-term Assets	29,016,777	29,510,179	8,813,303	2,364,958	69,705,217	18,014,090
Total Assets	44,553,034	37,244,259	12,620,957	5,129,929	99,548,179	38,730,594
Deferred Outflows of Resources						
Deferred charge on refunding	-	97,485	-	-	97,485	-
Deferred other postemployment benefits resources	83,086	47,265	24,204	92,933	247,488	-
Deferred pension resources	102,437	148,194	27,162	36,172	313,965	227,178
Total Deferred Outflows of Resources	185,523	292,944	51,366	129,105	658,938	227,178

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

City of Inver Grove Heights, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Management	Golf Course	Total	Internal Service Funds
Liabilities						
Current Liabilities						
Accounts and contracts payable	$ 56,698	$ 200,400	$ 48,761	$ 4,921	$ 310,780	$ 316,857
Accrued salaries payable	12,604	7,709	3,537	11,620	35,470	27,606
Due to other governments	217,665	245,256	135,952	2,177	601,050	10
Accrued interest payable	-	114,865	-	-	114,865	-
Deposits payable	-	-	-	80,933	80,933	-
Unearned revenue	152,430	374,228	545,495	1,284,540	2,356,693	-
Compensated absences payable - current portion	69,974	31,636	6,777	46,429	154,816	1,387,690
Bonds payable - current portion	-	828,467	-	-	828,467	-
Other postemployment benefits payable - current portion	3,709	2,110	1,081	4,150	11,050	-
Total Current Liabilities	513,080	1,804,671	741,603	1,434,770	4,494,124	1,732,163
Long-term Liabilities						
Compensated absences payable	39,942	19,149	-	99,537	158,628	1,611,502
Advance from other funds	-	-	-	1,092,107	1,092,107	-
Bonds payable	-	9,280,660	-	-	9,280,660	-
Net pension liability	385,897	558,272	102,322	136,264	1,182,755	855,817
Other postemployment benefits payable	90,272	51,354	26,297	100,972	268,895	-
Total Long-term Liabilities	516,111	9,909,435	128,619	1,428,880	11,983,045	2,467,319
Total Liabilities	1,029,191	11,714,106	870,222	2,863,650	16,477,169	4,199,482
Deferred Inflows of Resources						
Deferred pension resources	117,617	170,155	31,187	41,532	360,491	260,844
Deferred other postemployment benefit resources	20,335	11,568	5,924	22,746	60,573	-
Total Deferred Inflows of Resources	137,952	181,723	37,111	64,278	421,064	260,844
Net Position						
Net investment in capital assets	29,016,777	19,498,537	8,661,007	1,272,851	58,449,172	16,549,843
Unrestricted	14,554,637	6,142,837	3,103,983	1,058,255	24,859,712	19,341,557
Total Net Position	$ 43,571,414	$ 25,641,374	$ 11,764,990	$ 2,331,106	$ 83,308,884	$ 35,891,400

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

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City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Management	Golf Course	Total	Internal Service Funds
Operating Revenues						
Charges for services						
Water sales	$ 3,974,149	$ -	$ -	$ -	$ 3,974,149	$ -
Sewer charges	-	4,632,630	-	-	4,632,630	-
Storm Water charges	-	-	864,551	-	864,551	-
Late fees	80,725	-	-	-	80,725	-
Water meter sales	32,936	-	-	-	32,936	-
Foot golf	-	-	-	1,016	1,016	-
Green fees	-	-	-	941,126	941,126	-
Golf cart rentals	-	-	-	608,578	608,578	-
Practice center	-	-	-	270,356	270,356	-
Golf shop	-	-	-	85,494	85,494	-
Food and beverage	-	-	-	248,054	248,054	-
Other	-	-	-	550,031	550,031	6,497,454
Total Operating Revenues	4,087,810	4,632,630	864,551	2,704,655	12,289,646	6,497,454
Operating Expenses						
Personnel services	823,651	706,612	188,352	974,371	2,692,986	2,290,561
Other current expenses	2,142,455	3,295,459	576,321	933,578	6,947,813	3,936,274
Depreciation	994,252	784,452	237,400	120,496	2,136,600	1,575,971
Total Operating Expenses	3,960,358	4,786,523	1,002,073	2,028,445	11,777,399	7,802,806
Operating Income (Loss)	127,452	(153,893)	(137,522)	676,210	512,247	(1,305,352)
Nonoperating Revenues (Expenses)						
Investment earnings	571,249	344,383	104,821	100,419	1,120,872	717,091
Miscellaneous revenues	261	69	17,429	17	17,776	540,168
Gain on sale of capital assets	-	-	-	-	-	199,300
Interest and amortization expense	-	(249,911)	-	-	(249,911)	-
Total Nonoperating Revenues (Expenses)	571,510	94,541	122,250	100,436	888,737	1,456,559
Income (Loss) Before Contributions and Transfers	698,962	(59,352)	(15,272)	776,646	1,400,984	151,207
Capital Contributions	1,016,096	1,177,716	590,173	-	2,783,985	-
Transfers In	-	-	1,000,493	-	1,000,493	65,226
Transfers Out	(964,529)	(928,045)	(753,196)	-	(2,645,770)	(11,426)
Change in Net Position	750,529	190,319	822,198	776,646	2,539,692	205,007
Net Position - January 1	42,820,885	25,451,055	10,942,792	1,554,460	80,769,192	35,686,393
Net Position, December 31	$ 43,571,414	$ 25,641,374	$ 11,764,990	$ 2,331,106	$ 83,308,884	$ 35,891,400

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

City of Inver Grove Heights, Minnesota
Statement of Cash Flows (Continued on the Following Page)
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Management	Golf Course	Total	Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers and users	$ 4,111,843	$ 4,596,299	$ 645,420	$ 3,509,322	$ 12,862,884	$ 6,496,809
Other operating receipts	261	69	17,429	17	17,776	540,062
Payments to suppliers	(2,182,951)	(3,179,393)	(428,585)	(956,030)	(6,746,959)	(3,828,973)
Payments to employees	(767,102)	(436,113)	(197,546)	(1,265,398)	(2,666,159)	(1,614,317)
Net Cash Provided by Operating Activities	1,162,051	980,862	36,718	1,287,911	3,467,542	1,593,581
Cash Flows from Noncapital Financing Activities						
Payments on interfund balances	-	-	-	(546,053)	(546,053)	639,088
Transfers from other funds	-	-	1,000,493	-	1,000,493	65,226
Transfers to other funds	(964,529)	(928,045)	(753,196)	-	(2,645,770)	(11,426)
Net Cash Provided (Used) by Noncapital Financing Activities	(964,529)	(928,045)	247,297	(546,053)	(2,191,330)	692,888
Cash Flows from Capital and Related Financing Activities						
Connection fees received	1,119,728	1,178,472	560,457	-	2,858,657	-
Acquisition of capital assets	(63,823)	(121,373)	(320,705)	(63,360)	(569,261)	(1,263,313)
Proceeds from sale of capital assets	-	-	-	-	-	199,300
Interest paid on debt	-	(289,700)	-	-	(289,700)	-
Principal paid on bonds	-	(750,000)	-	-	(750,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	1,055,905	17,399	239,752	(63,360)	1,249,696	(1,064,013)
Cash Flows from Investing Activities						
Investment receipts	556,298	344,889	100,172	95,950	1,097,309	708,731
Net Increase (Decrease) in Cash and Cash Equivalents	1,809,725	415,105	623,939	774,448	3,623,217	1,931,187
Cash and Cash Equivalents, January 1	12,895,622	6,332,645	2,280,061	1,973,541	23,481,869	18,370,956
Cash and Cash Equivalents, December 31	$ 14,705,347	$ 6,747,750	$ 2,904,000	$ 2,747,989	$ 27,105,086	$ 20,302,143

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

City of Inver Grove Heights, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Management	Golf Course	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	$ 127,452	$ (153,893)	$ (137,522)	$ 676,210	$ 512,247	$ (1,305,352)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation	994,252	784,452	237,400	120,496	2,136,600	1,575,971
Other income related to operations	261	69	17,429	17	17,776	540,168
(Increase) decrease in assets/deferred outflows of resources						
Accounts receivable	24,033	(33,201)	(56,310)	305	(65,173)	(645)
Due from other governments	-	-	(545,495)	-	(545,495)	-
Inventories	-	-	-	-	-	568
Prepaid items	-	-	-	450	450	(23,410)
Deferred other postemployment benefits resources	(76,629)	(43,256)	(24,204)	(85,478)	(229,567)	-
Deferred pension resources	54,420	108,409	31,270	26,189	220,288	(36,208)
Increase (decrease) in liabilities/deferred inflows of resources						
Accounts and contracts payable	23,720	(4,169)	23,973	(23,193)	20,331	130,158
Accrued salaries payable	(3,353)	(93)	1,840	(232)	(1,838)	4,338
Due to other governments	(64,216)	120,235	123,763	291	180,073	(15)
Deposits payable	-	-	-	9,487	9,487	-
Unearned revenue	-	(3,130)	382,674	794,875	1,174,419	-
Compensated absences payable	14,920	2,975	(221)	(20,985)	(3,311)	216,173
Net pension liability	(125,970)	(1,675)	(79,809)	(340,355)	(547,809)	239,355
Other postemployment benefits payable	62,510	33,924	27,378	68,787	192,599	-
Deferred pension resources	110,747	158,916	28,628	38,801	337,092	252,480
Deferred other postemployment benefits resources	19,904	11,299	5,924	22,246	59,373	-
Net Cash Provided by Operating Activities	$ 1,162,051	$ 980,862	$ 36,718	$ 1,287,911	$ 3,467,542	$ 1,593,581
Schedule of Noncash Capital and Related Financing Activities						
Capital assets acquired on account	$ -	$ 194,202	$ -	$ -	$ 194,202	$ -
Amortization of bond premium	-	48,466	-	-	48,466	-
Amortization of deferred charges on refunding	-	19,177	-	-	19,177	-

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

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Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Inver Grove Heights (the City) was incorporated in 1965 and operates under the State of Minnesota Statutory Plan A form of government. The governing body consists of a five-member City Council elected by voters of the City. 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 City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationships with the City. 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. Included in the City's reporting entity, based upon the application of these criteria, is the following blended component unit.

Blended Component Unit

The Inver Grove Heights Economic Development Authority (EDA) is a legal entity separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and the four City Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit and reported as a special revenue fund. Separate financial statements are not prepared for the EDA.

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 primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. 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 fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers 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, pensions, 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 government'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 *Community Center fund* accounts for the activities at the Veterans Memorial and the Grove Community Center. Charges for services within the fund are committed to Community Center activity.

The *American Rescue Plan Act fund* accounts for the resources received and spending related to the Coronavirus State and Local Fiscal Recovery Grant Program.

The *Closed Bond fund* accounts for improvement revenues and expenditures from replacement funds set aside for capital improvements.

The *Improvement Bonds fund* is a debt service fund that accounts for resources accumulated and payments for principal and interest on long term general obligation debt.

The *Local Improvement Construction fund* accounts for the activities related to the construction projects within the City.

The *Pavement Management fund* accounts for the activities related to the costs to improve and maintain roads within the City.

The *Host Community fund* accounts for the activities related to the economic development grant program.

The *Developer Escrows fund* accounts for the activities related to the collection and use of developer and building related escrow accounts.

The City reports the following major proprietary funds:

The *Water fund*, *Sewer fund and Storm Water Management fund* account for activities related to the operation of a water distribution system, sanitary sewer collection system and storm water system, respectively.

The *Golf Course fund* accounts for resources and payments related to the operation and maintenance of a municipal golf course.

Additionally, the City reports the following fund types:

Internal service funds account for compensated absences, risk management, central equipment, city facilities and technology services provided to other departments or agencies of the City. Internal service funds operate in a manner similar to enterprise funds; however, they provide services primarily to other departments within the City.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes, payments where the amounts are reasonably equivalent in value to the interfund services provided and 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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 non-operating revenues and expenses.

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments. 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 also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.

2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.

5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.

6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.

8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Note 1: Summary of Significant Accounting Policies (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See the investment note disclosure on page 78 for a detailed listing of the City's fair value measurements.

Property Taxes

Property taxes are submitted to the County Auditor by December 28 of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due on October 15.

Unpaid taxes at December 31 become liens on the respective property and are classified in the fund financial statements as delinquent taxes receivable.

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

Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported as restricted cash.

Accounts Receivable

Accounts receivable include amounts billed for services, such as water, sewer, storm water and nuisance charges, provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2023. The City annually certifies delinquent water, sewer, storm water and nuisance accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

All trade (utility) and property tax receivables are shown at gross amount, since both taxes and trade (utility) receivables are assessable to the property taxes and are collectible upon the sale of the assessed property.

Due From Other Governments

The amounts due from other governments primarily include amounts for current taxes and project cost in which the City is receiving grants to support the projects.

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

Land Held for Resale

Land was acquired by the EDA for subsequent resale for redevelopment purposes. Land held for resale is an asset recorded at the lower of cost or realizable value in the fund that acquired it.

Capital Assets

A capital asset is defined as a financial resource that is tangible or intangible in nature, complete in and of itself, and is not a component of another. Capital assets, which include property, easements, 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 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of acquisition. Infrastructure assets acquired prior to the fiscal year ended December 31, 1979 are not reported. Right to use assets are valued at the estimated present value of the related lease liabilities.

Intangible assets prior to 2010 were capitalized and bundled with the infrastructure/land purchases and have been determined to have an indefinite life and therefore have not been broken out from the assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of assets are not capitalized.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Life in Years
Buildings and Structures	20 to 50
Equipment and Machinery	3 to 20
Distribution and Collection Systems	50
Streets and Infrastructure	25

Note 1: Summary of Significant Accounting Policies (Continued)

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 three items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position. These items result from actuarial calculations and current year pension contributions and OPEB contributions made subsequent to the measurement dates. The third item, deferred charge on refunding results in the loss on a bond refunding recognized over shorter of the life of the refunded bond or the refunding bond.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick leave and personal leave benefits. There is an estimated liability for unpaid accumulated sick and personal leave that will be taken as severance upon retirement. All vacation and estimated retirement severance are accrued when incurred in government-wide and proprietary fund financial statements. 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 governmental compensated absences payable.

Other Postemployment Benefits

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 75, at January 1, 2022. The General fund is typically used to liquidate governmental other postemployment benefits payable.

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. Bond issuance costs are reported as an expense in the period incurred. In accordance with federal regulations, the City's general obligation tax exempt bonds follow the arbitrage requirements.

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.

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 governmental pension liabilities.

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 Inver Grove Heights' 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 Employees Plan (GERP), Police and Fire Plan (PEPFP), Defined Contribution Plan (DCP) and Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)				
	GERP	PEPFP	DCP	Fire Relief Association	Total All Plans
City's Proportionate Share	$ 1,419,262	$ 3,603,293	$ 63	$ 432,091	$ 5,454,709
Proportianate Share of State's Contribution	910	(21,888)	-	-	(20,978)
	$ 1,420,172	$ 3,581,405	$ 63	$ 432,091	$ 5,433,731

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 three types of items, which arise only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, one of the items, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: delinquent taxes, special assessments and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

The City also reports deferred lease resources both in the governmental fund financial statements and the statement of net position.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

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 - Consists 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.

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 - These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Pursuant to the Fund Balance Policy approved by City Council, the City Administrator has been delegated the authority to assign and remove assignments of fund balance amounts for specific purposes.

Unassigned - These are residual amounts in the General fund not reported in any other classification. The General fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

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 will strive to maintain a minimum General fund unassigned fund balance of 40 to 45 percent of next year's budgeted expenditures.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Government Accounting Standards Board (GASB). An annual appropriated budget is adopted for the General fund as well as for the Convention and Visitors Bureau, Community Center and Economic Development Authority special revenue funds.

Budgeted amounts are reported as originally adopted, as well as amended by the City Council. General fund budgeted revenues were amended to increase revenues by $97,049. General fund budget amendments increased expenditures $582,976. Individual amendments were not material in relation to the original appropriations which were adjusted. Budgeted expenditure appropriations lapse at year-end. Any unencumbered appropriations that need to be carried forward to the next year must be reappropriated by the City Council from the fund balance.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General fund. Encumbrances outstanding at year-end expire and outstanding purchase orders are cancelled and not reported in the financial statements. Therefore, there are no outstanding encumbrances at year end.

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

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public meetings are conducted to obtain taxpayer comments.

3. The General fund budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for that department. The Convention and Visitors Bureau, Recreation, Community Center and Economic Development Authority special revenue fund budgets are legally enacted through passage of resolutions for each fund as a whole.

4. The City Administrator is authorized to transfer appropriations within a fund’s budget. Additional fund appropriations and deletions are or may be authorized by the City Council.

5. Formal budgetary integration is employed as a management control device during the year for the General fund.

6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service funds. Supplementary budgets are adopted for the Proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.

7. A capital improvement program is reviewed annually by the City Council for the Capital Project funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

8. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personnel services; other current; capital outlay) within each activity.

9. The City Council may authorize transfers of budgeted amounts between City funds.

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Deficit Fund Balance

The following fund had a fund balance deficit at December 31, 2023:

Fund	Amount
Major	
Community Center	$ 48,128

The fund deficit are expected to be eliminated with future fund revenues or transfers from other funds.

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 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.

Note 3: Detailed Notes on All Funds (Continued)

At December 31, 2023, the City's carrying amount of deposits, bank balance, FDIC coverage and pledged collateral are shown in the chart below.

Carrying Amount of Deposits	$ 10,329,463
Bank Balance	$11,155,640
Covered by FDIC	(500,000)
Collateralized with securities pledged in City's name and letters of credit	$ 10,655,640

Investments

At December 31, 2023, the City's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Broker Money Market Funds	N/A	less than 1 year	$ 8,018,174			
Negotiable Certificates of Deposits	N/A	less than 1 year	1,446,348	$ -	$ 1,446,348	$ -
Negotiable Certificates of Deposits	N/A	1 to 5 years	1,403,693	-	1,403,693	-
Government Agency Securities	N/A	less than 1 year	1,997,250	1,997,250	-	-
Government Agency Securities	AA	less than 1 year	982,300	982,300	-	-
Government Agency Securities	AA+	less than 1 year	15,311,150	15,311,150	-	-
Government Agency Securities	AAA	less than 1 year	1,498,215	1,498,215	-	-
Government Agency Securities	N/A	1 to 5 years	1,825,920	1,825,920	-	-
Government Agency Securities	AA+	1 to 5 years	10,995,497	10,995,497	-	-
Government Agency Securities	AAA	1 to 5 years	5,159,409	5,159,409	-	-
Government Agency Securities	NA	more than 5 years	990,480	990,480	-	-
Municipal Bonds	NA	less than 1 year	2,258,306	-	2,258,306	-
Municipal Bonds	A1	less than 1 year	984,080	-	984,080	-
Municipal Bonds	AA-	less than 1 year	558,085	-	558,085	-
Municipal Bonds	AA	less than 1 year	1,608,232	-	1,608,232	-
Municipal Bonds	AA2	less than 1 year	487,900	-	487,900	-
Municipal Bonds	AAA	less than 1 year	3,093,379	-	3,093,379	-
Municipal Bonds	A+	1 to 5 years	348,547	-	348,547	-
Municipal Bonds	A1	1 to 5 years	971,350	-	971,350	-
Municipal Bonds	A3	1 to 5 years	437,295	-	437,295	-
Municipal Bonds	AA	1 to 5 years	5,475,584	-	5,475,584	-
Municipal Bonds	AA-	1 to 5 years	1,250,274	-	1,250,274	-
Municipal Bonds	AA+	1 to 5 years	1,748,394	-	1,748,394	-
Municipal Bonds	AA1	1 to 5 years	921,615	-	921,615	-
Municipal Bonds	AA2	1 to 5 years	3,293,315	-	3,293,315	-
Municipal Bonds	AA3	1 to 5 years	1,639,947	-	1,639,947	-
Municipal Bonds	AAA	1 to 5 years	2,882,933	-	2,882,933	-
Municipal Bonds	A1	more than 5 years	377,686	-	377,686	-
Municipal Bonds	AA	more than 5 years	362,597	-	362,597	-
Municipal Bonds	AA1	more than 5 years	496,880	-	496,880	-
Municipal Bonds	AAA	more than 5 years	282,071	-	282,071	-
Treasury Bill	AAA	less than 1 year	1,984,280	1,984,280	-	-
Treasury Note	AAA	less than 1 year	10,265,015	10,265,015	-	-
Treasury Note	AAA	1 to 5 years	6,314,440	6,314,440	-	-
Certificate of Deposit	AAA	less than 1 year	960,006	-	960,006	-
Certificate of Deposit	AAA	1 to 5 years	2,629,879	-	2,629,879	-
Total Investments			$ 101,260,526	$ 57,323,956	$ 35,918,396	$ -

(1) Ratings are provided by Standard & Poor's where applicable to indicate associated credit risk.
(2) Interest rate risk in disclosed using the segmented time distribution method.
N/A Indicates not applicable or available.

Note 3: Detailed Notes on All Funds (Continued)

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

- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policy, the City will not directly invest more than five percent (5 percent) of the total portfolio in securities maturing more than five (5) years from the date of purchase, unless matched to a specific cash flow. The City was not exposed to interest rate risks due to the fact that their investments are not exposed to highly sensitive changes in interest rates.

- *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 70 of the notes to the financial statements. 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.

- *Concentration of Credit Risk*. Concentration of credit risk is defined as positions of five percent (5 percent) or more in the securities of a single issuer. As of December 31, 2023, the following issuers exceeded 5 percent of the City's total investments: FHLB (24.96 percent), FFCB (6.74 percent), Treasury securities (18.33 percent). The City's investment policy does not allow for an investment in any issuer or security type (except U.S. Treasury Bonds) that is in excess of fifty percent (50 percent) of the City's total investments.

- *Custodial Credit Risk* - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota statutes and the City's investment policy states that in order to provide a level of security for all funds, the collateralization level will be 110 percent of market value not covered by insurance. As of December 31, 2023, all of the City's bank balance was covered by federal depository insurance or by perfected collateral held by the City's agent in the City's name.

- *Custodial Credit Risk* - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of December 31, 2023, all securities were held by the City or its agent in the City's name. The City does not have an investment policy for custodial credit risk.

The City's investments held by a broker-dealer were insured by SIPC or other supplemental insurance as of December 31, 2023. However, each investment brokerage firm may have a limit to their supplemental insurance coverage and because of the size of the City's portfolio in relation to the brokerage firm's excess SIPC coverage limits; the portion of the supplemental policy applicable to the City's portfolio is unknown. The City accepts the risk due to the controls in place at the broker-dealer.

Note 3: Detailed Notes on All Funds (Continued)

A reconciliation of cash and temporary investments as shown on the statement of net position for the City follows:

Carrying Amount of Deposits	$ 10,329,463
Investments	101,260,526
Petty Cash	26,150
Total	$ 111,616,139
As Reported on the Financial Statements	
Statement of net position	
Cash and temporary investments	$ 111,616,139

B. Lease Receivable

As of December 31, 2023, the City had the following lease receivables:

Description	Issue Date	Lease Maturity Date	Interest Rate	Current Year Inflow of Resources	Balance at Year End
Antenna Lease Agreements					
Northside water tower (AT&T)	1/1/2022	12/31/25	3.12 %	$ 74,729	$ 163,466
Northside water tower (Nextera)	1/1/2022	12/31/26	3.28	1,629	14,902
Northside water tower (T-Mobile)	1/1/2022	12/31/25	3.12	40,586	86,647
Pole at Carmen Ave (T-Mobile)	1/1/2022	12/31/24	3.79	28,082	710,138
5030 Babcock Trail (Verizon)	1/1/2022	12/31/28	3.16	30,970	160,849
Total					$ 1,136,002

The City leases space at various City properties to communication companies for the operation and maintenance of communication antennas.

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	$ 32,034,539	$ -	$ -	$ 32,034,539
Construction in progress	12,857,184	12,556,958	(7,726,876)	17,687,266
Total Capital Assets not Being Depreciated	44,891,723	12,556,958	(7,726,876)	49,721,805
Capital Assets Being Depreciated/Amortized				
Infrastructure	113,727,971	7,726,876	-	121,454,847
Buildings and systems	48,593,553	13,593	-	48,607,146
Improvements other than buildings	9,873,789	-	-	9,873,789
Machinery and equipment	17,308,684	1,249,720	(354,352)	18,204,052
Machinery and equipment - Right to Use Assets	374,266	-	-	374,266
Total Capital Assets Being Depreciated/Amortized	189,878,263	8,990,189	(354,352)	198,514,100
Less Accumulated Depreciation for				
Infrastructure	(49,234,912)	(2,462,808)	-	(51,697,720)
Buildings and systems	(26,388,806)	(884,543)	-	(27,273,349)
Improvements other than buildings	(6,229,817)	(585,306)	-	(6,815,123)
Machinery and equipment	(11,635,754)	(1,060,086)	354,352	(12,341,488)
Machinery and equipment - Right to Use Assets	(150,125)	(125,579)	-	(275,704)
Total Accumulated Depreciation/Amortization	(93,639,414)	(5,118,322)	354,352	(98,403,384)
Total Capital Assets Being Depreciated/Amortized, Net	96,238,849	3,871,867	-	100,110,716
Governmental Activities Capital Assets, Net	$ 141,130,572	$ 16,428,825	$ (7,726,876)	$ 149,832,521

Note 3: Detailed Notes on All Funds (Continued)

Depreciation expense was charged to functions of the governmental activities as follows:

Governmental Activities	
General Government	$ 665,693
Public Safety	1,047,691
Public Works	2,723,607
Culture and Recreation	651,646
Community Development	29,685
Total Depreciation Expense - Governmental Activities	$ 5,118,322

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	$ 4,389,159	$ -	$ -	$ 4,389,159
Construction in progress	2,439,165	393,532	(2,246,685)	586,012
Total Capital Assets not Being Depreciated	6,828,324	393,532	(2,246,685)	4,975,171
Capital Assets Being Depreciated				
Buildings and systems	120,679,119	2,246,686	-	122,925,805
Improvements other than buildings	4,639,459	-	-	4,639,459
Machinery and equipment	1,408,981	63,360	-	1,472,341
Total Capital Assets Being Depreciated	126,727,559	2,310,046	-	129,037,605
Less Accumulated Depreciation for				
Buildings and systems	(56,855,533)	(2,016,446)	-	(58,871,979)
Improvements other than buildings	(4,352,990)	(17,814)	-	(4,370,804)
Machinery and equipment	(1,114,732)	(102,340)	-	(1,217,072)
Total Accumulated Depreciation	(62,323,255)	(2,136,600)	-	(64,459,855)
Total Capital Assets Being Depreciated, Net	64,404,304	173,446	-	64,577,750
Business-type Activities Capital Assets, Net	$ 71,232,628	$ 566,978	$ (2,246,685)	$ 69,552,921

Depreciation expense was charged to programs of the business-type activities as follows:

Business-type Activities	
Water	$ 994,252
Sewer	784,452
Storm Water	237,400
Golf Course	120,496
Total Depreciation Expense - Business-type Activities	$ 2,136,600

Note 3: Detailed Notes on All Funds (Continued)

D. Construction Commitments

The City has the following construction commitments at December 31, 2023:

Project	Spent to Date	Remaining Commitment
Dawn Way North and Neighborhood Street Improvements	$ 4,150,148	$ 145,099
Carmen Avenue & Claude Way Area Rehabilitation	1,766,091	254,280
Cheney Trail & Coffman Path Area Rehabilitation	352,940	73,234
Bolland Trail & 62nd Street Rehabilitation	407,125	96,957
Carleda Way Area Reconstruction	1,302,094	58,770
Cahill Trunk Drainage Improvements	157,402	2,844
South Valley Park	1,649,367	659,660
Heritage Village Park Phase IV	973,565	431,576
2023 Water Distribution Equip Rehabilitation - Well #3	-	41,090
Northside Booster Pump Rehabilitation	-	53,689
2023 Sanitary Sewer Rehabilitation	289,848	6,063
2023 Storm Sewer Cleaning & Televising	50,280	3,080
Lead Service Line Inventory	-	65,525
2024 Skyview Park Tennis Court Reconstruction	-	220,457
2024 Oakwood Park Tennis Court Reconstruction	-	178,877
Total	$ 11,098,860	$ 2,291,200

E. Long-term Debt

General Obligation (G.O.) Bonds

The City issues G.O. and G.O. revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. Debt service is covered by tax increments, special assessments, property tax levies and revenues. In addition, G.O. bonds have been issued to refund G.O., G.O. special assessment, and G.O. revenue bonds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds, Series 2015A	$ 7,745,000	2.00 - 3.00 %	09/17/15	02/01/31	$ 4,395,000
G.O. Refunding Capital Bonds, Series 2016A	8,515,000	2.75 - 3.00	12/29/16	02/01/34	6,590,000
G.O. Capital Improvement Plan Bonds, Series 2018A	9,785,000	3.35 - 5.00	12/27/18	02/01/39	8,600,000
G.O. Capital Improvement Plan Bonds, Series 2019A	2,500,000	3.50 - 4.00	01/03/19	02/01/27	2,200,000
Total G.O. Bonds					$ 21,785,000

Note 3: Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity for G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities Principal	Interest	Total
2024	$ 1,525,000	$ 676,223	$ 2,201,223
2025	1,575,000	620,548	2,195,548
2026	1,630,000	563,560	2,193,560
2027	1,645,000	505,760	2,150,760
2028	1,710,000	451,685	2,161,685
2029 - 2033	8,230,000	1,492,953	9,722,953
2034 - 2038	4,615,000	489,581	5,104,581
2039	855,000	14,448	869,448
Total	$ 21,785,000	$ 4,814,758	$ 26,599,758

G.O. Improvement (Special Assessment) Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partially financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2017B	$ 3,505,000	2.00 - 3.00 %	12/11/17	02/01/33	$ 2,495,000
G.O. Improvement Bonds, Series 2020A	1,640,000	.05 - 1.00	12/15/20	02/01/27	1,000,000
Total G.O. Special Assessment Bonds					$ 3,495,000

Annual debt service requirements to maturity for G.O. special assessment bonds are as follows:

Year Ending December 31,	Governmental Activities Principal	Interest	Total
2024	$ 505,000	$ 68,243	$ 573,243
2025	515,000	57,893	572,893
2026	525,000	47,918	572,918
2027	530,000	38,278	568,278
2028	255,000	30,837	285,837
2029 - 2033	1,165,000	73,479	1,238,479
Total	$ 3,495,000	$ 316,648	$ 3,811,648

Note 3: Detailed Notes on All Funds (Continued)

G.O. Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future revenues pledged from the Sewer enterprise funds and are backed by the taxing power of the City. Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Sewer
Net Operating Revenues	$ 4,632,630
Principal and Interest	1,039,700
Percentage of Revenues	22.44 %

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Sewer Revenue Bonds, Series 2015B	$ 4,185,000	3.00 - 4.00 %	09/17/15	02/01/31	$ 2,550,000
G.O. Sewer Refunding Revenue Bonds, Series 2017A	5,685,000	1.50 - 3.00	01/12/17	02/01/36	4,590,000
G.O. Sewer Refunding Revenue Bonds, Series 2021A	2,740,000	2.00 - 3.00	12/30/21	02/01/34	2,550,000
Total G.O. Revenue Bonds					$ 9,690,000

The annual debt service requirements to maturity for G.O. revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2024	$ 780,000	$ 262,575	$ 1,042,575
2025	805,000	237,781	1,042,781
2026	825,000	212,606	1,037,606
2027	855,000	186,700	1,041,700
2028	880,000	161,488	1,041,488
2029 - 2033	4,070,000	434,456	4,504,456
2034 - 2036	1,475,000	53,269	1,528,269
Total	$ 9,690,000	$ 1,548,875	$ 11,238,875

Note 3: Detailed Notes on All Funds (Continued)

Leases Payable

The following leases were issued to finance the use of various police department vehicles. Lease payments include a monthly management fee, ranging from $57 to $69 per month. The leases are nonrenewable. The value of the underlying equipment and machinery lease assets and related accumulated amortization as of December 31, 2023 was $374,266 and $275,704, respectively.

Description	Interest Rate	Issue Date	Lease Maturity Date	Payment Terms		Residual Value	Balance at Year End
Enterprise Fleet Management							
Police Vehicle	5.62 %	01/01/22	01/30/25	$ 624	Monthly	$ 6,581	$ 7,222
Police Vehicle	5.62	01/01/22	01/30/25	624	Monthly	6,581	7,222
Police Vehicle	4.17	01/01/22	02/01/24	817	Monthly	7,441	843
Police Vehicle	4.19	01/01/22	02/29/24	817	Monthly	7,625	1,550
Police Vehicle	4.19	01/01/22	02/29/24	817	Monthly	8,056	1,550
Police Vehicle	4.17	01/01/22	02/01/24	817	Monthly	7,863	843
Police Vehicle	4.30	01/01/22	06/30/24	825	Monthly	7,593	4,611
Police Vehicle	5.30	01/01/22	06/30/25	618	Monthly	6,579	9,765
Police Vehicle	4.46	01/01/22	07/31/24	828	Monthly	8,040	5,399
Police Vehicle	4.46	01/01/22	07/31/24	828	Monthly	7,693	5,399
Police Vehicle	4.40	01/01/22	09/30/24	827	Monthly	7,648	6,898
Police Vehicle	4.17	01/01/22	01/31/26	552	Monthly	5,714	12,038
Police Vehicle	5.35	01/01/22	01/31/27	382	Monthly	3,964	11,425
Police Vehicle	5.55	01/01/22	02/28/27	839	Monthly	3,893	25,545
Total							$ 100,310

The annual debt service requirements to maturity for the lease payables are as follows:

Year Ending December 31,	Governmental Activities Principal	Interest	Total
2024	$ 62,797	$ 5,044	$ 67,841
2025	22,875	1,960	24,835
2026	13,429	785	14,214
2027	1,209	59	1,268
Total	$ 100,310	$ 7,848	$ 108,158

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
G.O. bonds	$ 23,235,000	$ -	$ (1,450,000)	$ 21,785,000	$ 1,525,000
G.O. special assessment bonds	3,995,000	-	(500,000)	3,495,000	505,000
Bond premium	746,069	-	(62,821)	683,248	51,037
Total Bonds Payable	27,976,069	-	(2,012,821)	25,963,248	2,081,037
Pension Liability	27,553,269	-	(12,372,706)	15,180,563	-
Other Postemployment Benefits Liability	736,950	1,536,607	-	2,273,557	89,744
Lease Payable	224,958	-	(124,648)	100,310	62,797
Compensated Absences Payable	2,783,019	1,625,807	(1,409,634)	2,999,192	1,387,690
Governmental Activity Long-term Liabilities	$ 59,274,265	$ 3,162,414	$ (15,919,809)	$ 46,516,870	$ 3,621,268
Business-type Activities					
Bonds Payable					
G.O. revenue bonds	$ 10,440,000	$ -	$ (750,000)	$ 9,690,000	$ 780,000
Bond premium	467,593	-	(48,466)	419,127	48,467
Total Bonds Payable	10,907,593	-	(798,466)	10,109,127	828,467
Pension Liability	1,730,564	-	(547,809)	1,182,755	-
Other Postemployment Benefits Liability	87,346	192,599	-	279,945	11,050
Compensated Absences Payable	316,755	171,598	(174,909)	313,444	154,816
Business-type Activity Long-term Liabilities	$ 13,042,258	$ 364,197	$ (1,521,184)	$ 11,885,271	$ 994,333

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

Fund equity balances are classified below to reflect the limitations and restrictions of the respective funds.

	General	Community Center	Improvement Bonds	Closed Bond
Nonspendable				
Prepaid items	$ 42,592	$ 11,046	$ -	$ -
Leases	45,852	-	-	-
Total Nonspendable	88,444	11,046	-	-
Restricted for				
Debt service	-	-	4,260,594	-
Community development	-	-	-	-
Public safety	1,590,149	-	-	-
Public health	-	-	-	-
Tree preservation	-	-	-	-
Park improvements	-	-	-	-
Total Restricted	1,590,149	-	4,260,594	-
Committed to				
Convention and Visitors Bureau	-	-	-	-
Economic development	-	-	-	-
Public safety	649,116	-	-	-
Total Committed	649,116	-	-	-
Assigned to				
Debt service	-	-	-	1,435,867
Capital improvements	-	-	-	-
Total Assigned	-	-	-	1,435,867
Unassigned	14,487,833	(59,174)	-	-
Total	$ 16,815,542	$ (48,128)	$ 4,260,594	$ 1,435,867

Note 3: Detailed Notes on All Funds (Continued)

	Local Improvement Construction	Pavement Management	Host Community	Other Governmental	Total
Nonspendable					
Prepaid items	$ -	$ -	$ -	$ -	$ 53,638
Leases	-	-	-	-	45,852
Total Nonspendable	-	-	-	-	99,490
Restricted for					
Debt service	-	-	-	-	4,260,594
Community development	-	-	-	4,127,163	4,127,163
Public safety	-	-	-	-	1,590,149
Public health	-	-	-	119,702	119,702
Tree preservation	-	-	-	759,855	759,855
Park improvements	-	-	-	1,051,429	1,051,429
Total Restricted	-	-	-	6,058,149	11,908,892
Committed to					
Convention and Visitors Bureau	-	-	-	239,663	239,663
Economic development	-	-	-	465,446	465,446
Public safety	-	-	-	-	649,116
Total Committed	-	-	-	705,109	1,354,225
Assigned to					
Debt service	-	-	-	-	1,435,867
Capital improvements	3,922,345	13,552,310	5,791,335	4,092,496	27,358,486
Total Assigned	3,922,345	13,552,310	5,791,335	4,092,496	28,794,353
Unassigned	-	-	-	-	14,428,659
Total	$ 3,922,345	$ 13,552,310	$ 5,791,335	$ 10,855,754	$ 56,585,619

Note 3: Detailed Notes on All Funds (Continued)

G. Interfund Receivables, Payables and Transfers

The composition of interfund balances at December 31, 2023 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Advance to/from other funds			
Internal Service	Golf Course	To loan funds for capital improvements	$ 1,092,107
Internal Service	Community Center	To loan funds for capital improvements	372,140
Host Community	Nonmajor governmental	To loan funds for land purchase	1,000,000
Total			$ 2,464,247

The Internal Service Central Equipment fund made advances to the Golf Course and Community Center funds which will be paid back in annual installments. The Host Community fund made advances to the nonmajor governmental EDA fund, which will be paid back when the land for resale has sold.

The composition of interfund transfers for the year ended December 31, 2023 is as follows:

Fund	Transfer In General	Community Center	Improvement Bonds	Local Improvement Construction	Pavement Management	Host Community
Transfer Out						
General	$ -	$ -	$ -	$ -	$ -	$ 39,458
Closed Bond	-	-	177,250	-	-	-
Local Improvement Construction	-	-	-	-	9,002	-
Pavement Management	-	-	-	302,974	-	-
Host Community	2,589	1,485,187	-	1,800,000	600,000	-
Nonmajor Governmental	66,230	-	-	-	-	-
Water	311,500	-	-	-	553,029	-
Sewer	311,500	-	-	-	616,545	-
Storm Water Management	63,692	-	-	109,861	542,143	-
Internal Service	11,426	-	-	-	-	-
Total	$ 766,937	$ 1,485,187	$ 177,250	$ 2,212,835	$ 2,320,719	$ 39,458

Note 3: Detailed Notes on All Funds (Continued)

	Transfer In			
Fund	Nonmajor Governmental	Storm Water Management	Internal Service	Total
Transfer Out				
General	$ 443,600	$ -	$ 43,800	$ 526,858
Closed Bond	-	-	-	177,250
Local Improvement Construction	-	493	-	9,495
Pavement Management	285,000	-	21,426	609,400
Host Community	25,000	1,000,000	-	4,912,776
Nonmajor Governmental	350,000	-	-	416,230
Water	100,000	-	-	964,529
Sewer	-	-	-	928,045
Storm Water Management	37,500	-	-	753,196
Internal Service	-	-	-	11,426
Total	$ 1,241,100	$ 1,000,493	$ 65,226	$ 9,309,205

The City annually budgets transfers for specific purposes and includes transfers to cover funds annual operations, transfers for debt service payments, transfers made as part of capital improvement plans and other transfers made for various reasons. The City made the following one-time non-budgeted transfers for the year ended December 31, 2023:

- The General Fund transferred funds to the Host Community fund and the Internal Service funds to fund current and future project costs.

- The Local Improvement Construction fund transferred funds to the Pavement Management fund and Storm Water Management fund to close construction projects.

- Transfers from the Pavement Management fund to the Local Improvement Construction fund, Nonmajor Governmental funds and Internal Service fund were completed for current and future construction projects.

- A transfer from the Host Community fund to the Community Center fund was adopted by resolution. The transfer was for operating costs.

- Transfers from the Nonmajor Governmental funds to the Local Improvement Construction fund and Pavement Management fund were adopted by resolution. The transfers were for construction projects.

- Transfers from the Nonmajor Governmental funds to the General fund were for funding operating costs and to close projects.

- Transfers from the Water fund to the Pavement Management fund and Nonmajor Governmental funds were for construction projects.

- Transfers from the Sewer fund to the Pavement Management fund were for construction projects.

- Transfers from the Storm Water Management fund to the Pavement Management fund were for construction projects.

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.

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

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.

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 $761,083, $739,972 and $642,758, 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 $1,230,148, $1,086,038 and $857,198, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

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 $7,342,149 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 $202,518. 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 0.1313 percent at the end of the measurement period and 0.127 percent for the beginning of the period.

City Proportionate Share of the Net Pension Liability	$ 7,342,149
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	202,518
Total	$ 7,544,667

For the year ended December 31, 2023, the City recognized pension expense of $1,419,262 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized $910 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.

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

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 239,223	$ 46,688
Changes in Actuarial Assumptions	1,099,255	2,012,421
Net Difference Between Projected and Actual Investment Earnings	-	178,700
Changes in Proportion	232,201	-
Contributions Paid to PERA Subsequent to the Measurement Date	378,304	-
Total	$ 1,948,983	$ 2,237,809

The $378,304 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	$ 297,428
2025	(945,905)
2026	140,624
2027	(159,277)
2028	-
Thereafter	-

<u>Police and Fire Fund Pension Costs</u>

At December 31, 2023, the City reported a liability of $9,021,169 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 0.5224 percent at the end of the measurement period and 0.4418 percent for the beginning of the period.

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

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 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 $3,603,293 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional $21,888 as negative 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 $47,016 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, the City reported its proportionate share of the 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	$ 2,306,832	$ -
Changes in Actuarial Assumptions	8,701,403	12,670,892
Net Difference Between Projected and Actual Investment Earnings	-	356,135
Changes in Proportion	2,757,112	11,862
Contributions Paid to PERA Subsequent to the Measurement Date	625,904	-
Total	$ 14,391,251	$ 13,038,889

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

The $625,904 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	$ 791,607
2025	456,455
2026	2,026,533
2027	(309,928)
2028	(2,238,209)
Thereafter	-

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 %	

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.

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

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.

<u>Police and Fire Fund</u>

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.

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

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	$ 12,988,581	$ 7,342,149	$ 2,697,522
Police and Fire Fund	17,899,075	9,021,169	1,722,342

I. Pension Plan Fiduciary Net Position

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

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan)

One council member is 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.

Total contributions made by the City during the fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		
Employee	Employer	Employee	Employer	Required Rate
$ 63	$ 63	5.00%	5.00%	5.00%

The City’s contributions to the DCP for the years ended December 31, 2023, 2022 and 2021 were $63, $570 and $548, respectively. The City’s contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 6: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

All members of the Inver Grove Heights Fire Department (the Department) are covered by a defined benefit plan administered by the Inver Grove Heights Firefighters Relief Association (the Association). As of December 31, 2023, the plan covered 35 active firefighters and 28 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department’s membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter’s Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full-service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The 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 $277,514 in fire state aid to the plan on behalf of the Department for the year ended December 31, 2023, which was recorded as a revenue. There were no required employer contributions calculated based on statutory provisions. In 2022 and 2023, the City made no voluntary contributions.

D. Pension Costs

At December 31, 2023, the City reported a net pension liability (asset) of ($1,758,735) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2023. 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 (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2022	$ 3,150,329	$ 5,977,815	$ (2,827,486)
Changes for the Year			
Service cost	167,001	-	167,001
Interest on pension liability (asset)	181,834	-	181,834
Plan changes	483,428	-	483,428
Contributions (employer)	-	89,975	(89,975)
Nonemployer contributions	-	252,695	(252,695)
Projected Investment Return	-	337,066	(337,066)
(Gain)/loss	(163,657)	(1,061,048)	897,391
Benefit payments	(22,525)	(22,525)	-
Administrative expenses	-	(18,833)	18,833
Total Net Changes	646,081	(422,670)	1,068,751
Ending Balance December 31, 2022	$ 3,796,410	$ 5,555,145	$ (1,758,735)

For the year ended December 31, 2023, the City recognized pension expense of $432,091.

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

At December 31, 2023, the City reported deferred outflows of resources and 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	$ -	$ 447,510
Changes in Actuarial Assumptions	26,764	30,208
Net Difference Between Projected and Actual Earnings on Plan Investments	569,214	-
Contributions to Plan Subsequent to the Measurement Date	277,514	-
Total	$ 873,492	$ 477,718

Deferred outflows of resources totaling $277,514 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2024	$ (129,098)
2025	(18,282)
2026	88,612
2027	177,028
2028	-

E. Actuarial Assumptions

The total pension asset at December 31, 2023 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement Eligibility at 100 Percent at Age 50	
Salary Increases	2.50% per year
Investment Rate of Return	5.50%
20-Year Municipal Bond Yield	N/A (no unfunded liabilities)

The discount rate remained at 5.50 percent in 2023.

The long-term expected rate of return on pension plan investments was based on the plan's target investment allocation along with long-term expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered.

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

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
Cash	16.00 %	2.00 %
Fixed Income	29.00	3.20
Equities	55.00	7.90
Total	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 5.50 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

G. Pension Asset Sensitivity

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

	City Proportionate Share of NPA		
	1 Percent Decrease (4.50%)	Current (5.50%)	1 Percent Increase (6.50%)
Defined Benefit Plan	$ (1,537,764)	$ (1,758,735)	$ (1,960,240)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Inver Grove Heights Firefighters Relief Association, 8150 Barbara Ave, Inver Grove Heights, MN 55077.

Note 7: Postemployment Benefits Other Than Pensions

A. Plan Description

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage and is administered by HealthPartners, Inc. It is the City's policy for Council to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. The City does not issue a publicly available report. The plan is not considered a trust and contributions are not irrevocable.

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	8
Active Plan Members	169
Total Plan Members	177

B. Funding Policy

Retirees receiving benefits contribute 100 percent of their premium costs. Retirees and their spouses contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with HealthPartners, Inc. The required contributions are based on projected pay-as-you-go financing requirements. For the year ended December 31, 2023, the City's average contribution rate was 0.5 percent of covered-employee payroll. For fiscal year 2023, the City contributed $100,794 to the plan. As of January 1, 2022, there were eight retirees receiving health benefits from the City's health plan.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of $2,553,502 was measured as of January 1, 2023, and was determined by an actuarial valuation as of January 1, 2022. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.00%
Expected Long-Term Investment Return	N/A
20-Year Municipal Bond Yield	4.00%
Inflation Rate	2.50%
Salary Increases	3% - 11.75%
Medical Trend Rate	6.25% in 2023 grading to 5.00% over 5 years and then to 4.00% over the next 48 years

The discount rate used to measure the total OPEB liability was 4.00 percent. The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2022 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Note 7: Postemployment Benefits Other Than Pensions (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at December 31, 2022	$ 824,296
Changes for the Year:	
Service cost	44,659
Interest	16,518
Differences between expected and actual experience	2,375,661
Changes in assumptions or other inputs	(621,088)
Benefit payments	(86,544)
Net Changes	1,729,206
Balances at December 31, 2023	$ 2,553,502

Since the prior measurement date, the following assumptions changed:

- The inflation rate was changed from 2.00% to 2.50%
- The discount rate was changed from 2.00% to 4.00%

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.00 percent) or 1-percentage point higher (5.00 percent) than the current discount rate:

1 Percent Decrease (3.00%)	Current (4.00%)	1 Percent Increase (5.00%)
$ 2,841,500	$ 2,553,502	$ 2,303,740

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rate that is 1-percentage point lower (5.25 percent decreasing to 4.00 percent) or 1-percentage point higher (7.25 percent decreasing to 6.00 percent) than the current cost trend rate:

1 Percent Decrease (5.25% Decreasing to 4.00%)	Healthcare Cost Trend Rates (6.25% Decreasing to 5.00%)	1 Percent Increase (7.25% Decreasing to 6.00%)
$ 2,273,081	$ 2,553,502	$ 2,878,631

Note 7: Postemployment Benefits Other Than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of $268,635. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	$ 39,869	$ 552,515
Net Difference between Projected and Actual Earnings on Plan Investments	2,116,762	-
Contributions to OPEB Subsequent to the Measurement Date	100,805	-
Total	$ 2,257,436	$ 552,515

Deferred outflows of resources totaling $100,805 related to pensions resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	
2024	$ 233,500
2025	233,500
2026	233,500
2027	233,488
2028	227,877
Thereafter	442,251

Note 8: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible.

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

Note 8: Other Information (Continued)

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

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

The risk management activities of the City are accounted for by the Risk Management fund, an internal service fund, which charges its costs to user departments. The fund is designed to build up a reserve which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

B. Contingencies

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. The City currently does not have any open tax increment districts.

C. Conduit Debt Obligations

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payment received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2023, there was one series of Housing Revenue Bonds outstanding as follows:

Series	Amount Issued	Balance Outstanding 12/31/23
2005 Senior Housing Revenue Refunding Bonds	$ 32,290,000	$ 19,635,000

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

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+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.1313 %	$ 7,342,149	$ 202,518	$ 7,544,667	$ 10,441,715	70.3 %	83.1 %
06/30/22	0.1270	10,058,442	295,057	10,353,499	9,136,682	110.1	76.7
06/30/21	0.1212	5,175,783	158,056	5,333,839	8,719,450	59.4	87.0
06/29/20	0.1206	7,230,521	222,930	7,453,451	8,595,785	84.1	79.0
06/30/19	0.1139	6,297,276	195,825	6,493,101	8,063,116	78.1	80.2
06/30/18	0.1121	6,218,848	204,030	6,422,878	7,509,053	82.8	79.5
06/30/17	0.1086	6,932,952	87,187	7,020,139	6,960,481	99.6	75.9
06/29/16	0.1064	8,639,152	112,841	8,751,993	6,603,007	130.8	68.9
06/29/15	0.1083	5,612,668	-	5,612,668	6,258,792	89.7	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	$ 761,083	$ 761,083	$ -	$ 10,147,778	7.5 %
12/31/22	739,972	739,972	-	9,866,294	7.5
12/31/21	642,758	642,758	-	8,570,102	7.5
12/30/20	680,633	680,633	-	9,075,102	7.5
12/31/19	620,963	620,963	-	8,279,503	7.5
12/31/18	593,314	593,314	-	7,910,851	7.5
12/31/17	544,197	544,197	-	7,255,965	7.5
12/30/16	499,836	499,836	-	6,664,480	7.5
12/30/15	488,967	488,967	-	6,519,564	7.5

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

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.

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.

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+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.5224 %	$ 9,021,169	$ 363,417	$ 9,384,586	$ 6,860,306	131.5 %	86.5 %
06/30/22	0.4418	19,225,391	839,871	20,065,262	5,181,948	371.0	70.5
06/30/21	0.4195	3,238,095	145,556	3,383,651	4,957,609	65.3	93.7
06/29/20	0.4222	5,565,048	131,119	5,696,167	4,762,639	116.8	87.2
06/30/19	0.3806	4,051,871	-	4,051,871	4,012,373	101.0	89.3
06/30/18	0.3461	3,689,070	-	3,689,070	3,647,742	101.1	88.8
06/30/17	0.3420	4,617,407	-	4,617,407	3,506,580	131.7	85.4
06/29/16	0.3320	13,323,738	-	13,323,738	3,586,860	371.5	63.9
06/29/15	0.3310	3,760,965	-	3,760,965	3,083,703	122.0	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	$ 1,230,148	$ 1,230,148	$ -	$ 6,949,987	17.7 %
12/31/22	1,086,038	1,086,038	-	6,135,807	17.7
12/31/21	857,198	857,198	-	4,842,927	17.7
12/30/20	892,474	892,474	-	5,042,229	17.7
12/31/19	745,061	745,061	-	4,395,638	17.0
12/31/18	618,063	618,063	-	3,815,205	16.2
12/31/17	581,071	581,071	-	3,586,860	16.2
12/30/16	540,976	540,976	-	3,339,357	16.2
12/30/15	499,560	499,560	-	3,083,703	16.2

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

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 5.40 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. 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.

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.

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

Changes in Actuarial Assumptions (Continued)

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

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

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.

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

Changes in Plan Provisions (Continued)

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.

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)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability									
Service cost	$ 167,001	$ 136,517	$ 173,888	$ 171,379	$ 197,738	$ 192,915	$ 147,752	$ 152,797	$ 149,070
Interest on pension liability (asset)	181,834	165,036	194,716	205,260	232,865	224,791	173,689	151,603	149,666
Changes of assumptions	-	-	(75,515)	-	32,691	-	33,665	-	-
Plan changes	483,428	222,566	209,402	225,435	81,241	-	879,054	-	-
Loss	(163,657)	-	(393,205)	-	(290,848)		(105,129)	-	-
Benefit payments	(22,525)	(475,846)	(747,268)	(845,318)	(245,000)	(319,214)		(168,074)	(55,673)
Net Change in Total Pension Liability	646,081	48,273	(637,982)	(243,244)	8,687	98,492	1,129,031	136,326	243,063
Total Pension Liability - January 1	3,150,329	3,102,056	3,740,038	3,983,282	3,974,595	3,876,103	2,747,072	2,610,746	2,367,683
Total Pension Liability - December 31 (a)	$ 3,796,410	$ 3,150,329	$ 3,102,056	$ 3,740,038	$ 3,983,282	$ 3,974,595	$ 3,876,103	$ 2,747,072	$ 2,610,746
Plan Fiduciary Net Position									
Employer contributions	$ 89,975	$ 87,475	$ 85,075	$ 82,775	$ 80,475	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Nonemployer contributions	252,695	239,102	226,652	213,866	205,308	198,234	195,016	192,612	180,645
Projected investment return	337,066	303,616	300,347	281,966	330,578	286,264	271,808	277,385	221,943
Gain (loss)	(1,061,048)	237,525	65,735	554,080	(690,670)	520,427	122,761	(497,477)	-
Benefit payments	(22,525)	(475,846)	(747,268)	(845,318)	(245,000)	(319,214)	-	(168,074)	(55,673)
Administrative expenses	(18,833)	(17,967)	(10,525)	(8,950)	(8,008)	(8,822)	(7,600)	(7,700)	(6,752)
Net Change in Plan Fiduciary Net Position	(422,670)	373,905	(79,984)	278,419	(327,317)	701,889	606,985	(178,254)	365,163
Plan Fiduciary Net Position - January 1	5,977,815	5,603,910	5,683,894	5,405,475	5,732,792	5,030,903	4,423,918	4,602,172	4,237,009
Plan Fiduciary Net Position - December 31 (b)	$ 5,555,145	$ 5,977,815	$ 5,603,910	$ 5,683,894	$ 5,405,475	$ 5,732,792	$ 5,030,903	$ 4,423,918	$ 4,602,172
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	$ (1,758,735)	$ (2,827,486)	$ (2,501,854)	$ (1,943,856)	$ (1,422,193)	$ (1,758,197)	$ (1,154,800)	$ (1,676,846)	$ (1,991,426)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)	146.33%	189.75%	180.65%	151.97%	135.70%	144.24%	129.79%	161.04%	176.28%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the Required Supplementary Information - Fire Relief Association

<u>Changes in Actuarial Assumptions</u>

2023 - There were no changes since the previous valuation.

2022 - The vesting schedule was changed to 7 year partial vesting and 15 year full vesting.

2021 - A termination scale was added to reflect members resigning prior to retirement age.

2020 - There were no changes since the previous valuation.

2019- There were no changes since the previous valuation.

2018 - The discount rate changed from 5.75% to 5.00%.

2017- There were no changes since the previous valuation.

2016 - The discount rate changed from 6.00% to 5.75%.

2015 - The benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Notes to the Required Supplementary Information - Fire Relief Association (Continued)

Changes in Plan Provisions

2023 – The Benefit Level changed from $10,000 to $12,750.

2022 - There were no changes since the previous valuation.

2021 - The benefit level changed from $8,600 to $10,000

2020 - There were no changes since the previous valuation.

2019 - A benefit level increase from $8,100 to $8,600 was reflected in the active liability

2018 - The benefit level changed from $7,900 to $8,100.

2017 - There were no changes since the previous valuation.

2016 - The benefit level changed from $5,900 to $7,900.

2015 - There were no changes since the previous valuation.

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	$ 277,514	$ 277,514	$ -
12/31/22	251,695	251,695	-
12/31/21	235,102	235,102	-
12/31/20	222,652	222,652	-
12/31/19	209,866	209,866	-
12/31/18	203,308	283,783	(80,475)
12/31/17	195,234	220,234	(25,000)
12/31/16	195,016	220,016	(25,000)
12/31/15	190,612	215,612	(25,000)
12/31/14	205,645	205,645	-

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	$ 44,659	$ 60,250	$ 64,137	$ 53,871	$ 36,389
Interest	16,518	16,502	22,584	26,207	22,943
Differences between expected and actual experience	2,375,661	24,350	39,540	39,601	-
Changes in assumptions	(621,088)	4,578	-	23,458	(20,393)
Benefit payments	(86,544)	(92,091)	(59,890)	(68,517)	(55,701)
Net Change in Total OPEB Liability	1,729,206	13,589	66,371	74,620	(16,762)
Total OPEB Liability - Beginning January 1,	824,296	810,707	744,336	669,716	686,478
Total OPEB Liability - Ending December 31,	$ 2,553,502	$ 824,296	$ 810,707	$ 744,336	$ 669,716
Covered-Employee Payroll	$ 15,147,127	$ 14,804,333	$ 13,228,917	$ 12,812,510	$ 10,686,455
City's total OPEB liability as a percentage of covered-employee payroll	16.86 %	5.57 %	6.13 %	5.81 %	6.27 %

Changes in Assumptions:

For the fiscal year ending December 31, 2023
The inflation rate was changed from 2.00% to 2.50%
The discount rate was changed from 2.00% to 4.00%
For the fiscal year ending December 31, 2022
The health care trend rates, mortality tables, salary increase rates, retirement rates, and withdrawal rates were updated
The inflation rate was changed from 2.50% to 2.00%
For the fiscal year ending December 31, 2021
The discount rate was changed from 2.90% to 2.00%
For the fiscal year ending December 31, 2020
The health care trend rates, mortality tables, and salary increase rates were updated.
The discount rate was changed from 3.80% to 2.90%
For the fiscal year ending December 31, 2019
The discount rate was changed from 3.30% to 3.80%
For the fiscal year ending December 31, 2018
The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2014 Generational Improvement Scale (Blue Collar Tables for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables (de-trended to 2006) and then projected beyond the valuation date using scale MP-2017 (Blue Collar Tables for Police and Fire Personnel).
The subsidized benefits for the officers injured in the line of duty are assumed to end after five years for the two individuals under age 40 as of the valuation date and at age 65 for the one individual over age 55 as of the valuation date.
The withdrawal and retirement tables for all employees were updated.
The discount rate was changed from 4.00% to 3.30%

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

Note: There are no assets accumulated in a trust to pay related benefits for the above OPEB plan.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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NONMAJOR GOVERNMENTAL FUNDS

City of Inver Grove Heights, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2023

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	$ 676,946	$ 12,560,209	$ 13,237,155
Receivables			
Accrued interest	2,925	62,047	64,972
Taxes	30,163	-	30,163
Special assessments	-	8,000	8,000
Land held for resale	1,138,500	-	1,138,500
Total Assets	$ 1,848,534	$ 12,630,256	$ 14,478,790
Liabilities			
Accounts and contracts payable	$ 23,723	$ 1,601,907	$ 1,625,630
Due to other governments	-	989,406	989,406
Advances from other funds	1,000,000	-	1,000,000
Total Liabilities	1,023,723	2,591,313	3,615,036
Deferred Inflows of Resources			
Unavailable revenues - special assessments	-	8,000	8,000
Fund Balances			
Restricted	119,702	5,938,447	6,058,149
Committed	705,109	-	705,109
Assigned	-	4,092,496	4,092,496
Total Fund Balances	824,811	10,030,943	10,855,754
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,848,534	$ 12,630,256	$ 14,478,790

City of Inver Grove Heights, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2023

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 248,216	$ -	$ 248,216
Intergovernmental	10,000	-	10,000
Charges for services	-	1,292,334	1,292,334
Investment earnings (loss)	18,079	554,845	572,924
Miscellaneous	23,639	4,313	27,952
Total Revenues	299,934	1,851,492	2,151,426
Expenditures			
Current			
Public works	-	4,898	4,898
Culture and recreation	96,031	97,444	193,475
Community development	137,366	1,511	138,877
Capital outlay			
Culture and recreation	-	5,387,912	5,387,912
Community development	-	419	419
Total Expenditures	233,397	5,492,184	5,725,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	66,537	(3,640,692)	(3,574,155)
Other Financing Sources (Uses)			
Transfers in	168,600	1,072,500	1,241,100
Transfers out	(12,043)	(404,187)	(416,230)
Total Other Financing Sources (Uses)	156,557	668,313	824,870
Net Change in Fund Balances	223,094	(2,972,379)	(2,749,285)
Fund Balances, January 1	601,717	13,003,322	13,605,039
Fund Balances, December 31	$ 824,811	$ 10,030,943	$ 10,855,754

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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Convention and Visitors Bureau was created by a resolution of the City Council to account for the local lodging tax revenues collected per Ordinance No. 1015, which was adopted by the City Council on October 8, 2001, under the authority of Minnesota statutes, section 469.190.

Economic Development Authority accounts for the activities of the Economic Development Authority.

Opioid Settlement accounts for the opioid related settlement and uses of the funds as stipulated in the settlement agreement.

City of Inver Grove Heights, Minnesota
Nonmajor Special Revenue Funds
Subcombining Balance Sheet
December 31, 2023

	Convention and Visitors Bureau	Economic Development Authority	Opioid Settlement	Total
Assets				
Cash and temporary investments	$ 224,622	$ 333,146	$ 119,178	$ 676,946
Receivables				
Accrued interest	801	1,600	524	2,925
Taxes	30,163	-	-	30,163
Land held for resale	-	1,138,500	-	1,138,500
Total Assets	$ 255,586	$ 1,473,246	$ 119,702	$ 1,848,534
Liabilities				
Accounts and contracts payable	$ 15,923	$ 7,800	$ -	$ 23,723
Advances from other funds	-	1,000,000	-	1,000,000
Total Liabilities	15,923	1,007,800	-	1,023,723
Fund Balances				
Restricted	-	-	119,702	119,702
Committed	239,663	465,446	-	705,109
Total Fund Balances	239,663	465,446	119,702	824,811
Total Liabilities and Fund Balances	$ 255,586	$ 1,473,246	$ 119,702	$ 1,848,534

City of Inver Grove Heights, Minnesota
Nonmajor Special Revenue Funds
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2023

	Convention and Visitors Bureau	Economic Development Authority	Opioid Settlement	Total
Revenues				
Taxes				
Lodging	$ 248,216	$ -	$ -	$ 248,216
Intergovernmental	10,000	-	-	10,000
Investment earnings	4,378	12,878	823	18,079
Miscellaneous	-	-	23,639	23,639
Total Revenues	262,594	12,878	24,462	299,934
Expenditures				
Current				
Culture and recreation	96,031	-	-	96,031
Community development	-	137,366	-	137,366
Total Expenditures	96,031	137,366	-	233,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	166,563	(124,488)	24,462	66,537
Other Financing Sources (Uses)				
Transfers in	-	168,600	-	168,600
Transfers out	(12,043)	-	-	(12,043)
Total Other Financing Sources (Uses)	(12,043)	168,600	-	156,557
Net Change in Fund Balances	154,520	44,112	24,462	223,094
Fund Balances, January 1	85,143	421,334	95,240	601,717
Fund Balances, December 31	$ 239,663	$ 465,446	$ 119,702	$ 824,811

City of Inver Grove Heights, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Convention and Visitors Bureau Special Revenue Fund
For the Year Ended December 31, 2023

	Budget Amounts Original and Final	Actual Amounts	Variance with Final Budget
Revenues			
Lodging taxes	$ 202,500	$ 248,216	$ 45,716
Intergovernmental	10,000	10,000	-
Investment earnings	-	4,378	4,378
Total Revenues	212,500	262,594	50,094
Expenditures			
Current			
Culture and recreation	202,375	96,031	106,344
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,125	166,563	156,438
Other Financing Uses			
Transfers out	(10,125)	(12,043)	(1,918)
Net Change in Fund Balances	-	154,520	154,520
Fund Balances, January 1	85,143	85,143	-
Fund Balances, December 31	$ 85,143	$ 239,663	$ 154,520

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City of Inver Grove Heights, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Economic Development Authority Special Revenue Fund
For the Year Ended December 31, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Investment earnings	$ 1,900	$ 1,900	$ 12,878	$ 10,978
Expenditures				
Current				
Community development	209,965	228,065	137,366	90,699
Deficiency of Revenues Under Expenditures	(208,065)	(226,165)	(124,488)	101,677
Other Financing Sources				
Transfers in	143,600	143,600	168,600	25,000
Net Change in Fund Balances	(64,465)	(82,565)	44,112	126,677
Fund Balances, January 1	421,334	421,334	421,334	-
Fund Balances, December 31	$ 356,869	$ 338,769	$ 465,446	$ 126,677

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NONMAJOR CAPITAL PROJECTS FUNDS

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

Parks Capital Replacement accounts for financial resources assigned for maintenance and replacement of parks facilities.

Parks Acquisition and Development accounts for park dedication fees, related revenues and new park and/or trail improvements or amenities.

State Aid Construction accounts for the use of municipal state aid allotments to finance projects not assessed such as street lights, sidewalks, and streets.

City Properties accounts for financial resources assigned for future city property purchases and sales.

Tree Preservation accounts for financial resources assigned for tree preservation.

Emerald Ash Borer accounts for financial resources assigned for future emerald ash borer projects.

Tax Increment Financing accounts for the use of tax increment in the City’s tax increment districts.

City of Inver Grove Heights, Minnesota
Nonmajor Capital Projects Funds
Subcombining Balance Sheet
December 31, 2023

	Parks Capital Replacement	Parks Acquisition and Development	State Aid Construction	City Properties
Assets				
Cash and temporary investments	$ 1,866,620	$ 4,980,082	$ 474,427	$ 375,919
Receivables				
Accrued interest	11,329	22,749	2,294	1,818
Special assessments	-	-	-	8,000
Total Assets	$ 1,877,949	$ 5,002,831	$ 476,721	$ 385,737
Liabilities				
Accounts and contracts payable	$ 810,108	$ 791,799	$ -	$ -
Due to other governments	-	989,406	-	-
Total Liabilities	810,108	1,781,205	-	-
Deferred Inflows of Resources				
Unavailable revenues - special assessments	-	-	-	8,000
Fund Balances				
Restricted	-	1,051,429	-	-
Assigned	1,067,841	2,170,197	476,721	377,737
Total Fund Balances	1,067,841	3,221,626	476,721	377,737
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,877,949	$ 5,002,831	$ 476,721	$ 385,737

Tree Preservation	Emerald Ash Borer	Tax Increment Financing	Total
$ 755,861	$ -	$ 4,107,300	$ 12,560,209
3,994	-	19,863	62,047
-	-	-	8,000
$ 759,855	$ -	$ 4,127,163	$ 12,630,256
$ -	$ -	$ -	$ 1,601,907
-	-	-	989,406
-	-	-	2,591,313
-	-	-	8,000
759,855	-	4,127,163	5,938,447
-	-	-	4,092,496
759,855	-	4,127,163	10,030,943
$ 759,855	$ -	$ 4,127,163	$ 12,630,256

City of Inver Grove Heights, Minnesota

Nonmajor Capital Projects Funds
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2023

	Parks Capital Replacement	Parks Acquisition and Development	State Aid Construction	City Properties
Revenues				
Charges for services	$ -	$ 1,292,334	$ -	$ -
Investment earnings	91,936	226,056	21,151	4,229
Miscellaneous	88	4,225	-	-
Total Revenues	92,024	1,522,615	21,151	4,229
Expenditures				
Current				
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay				
Culture and recreation	2,181,651	3,206,261	-	-
Community development	-	-	-	419
Total Expenditures	2,181,651	3,206,261	-	419
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,089,627)	(1,683,646)	21,151	3,810
Other Financing Sources (Uses)				
Transfers in	1,035,000	37,500	-	-
Transfers out	-	(350,000)	-	-
Total Other Financing Sources (Uses)	1,035,000	(312,500)	-	-
Net Change in Fund Balances	(1,054,627)	(1,996,146)	21,151	3,810
Fund Balances, January 1	2,122,468	5,217,772	455,570	373,927
Fund Balances, December 31	$ 1,067,841	$ 3,221,626	$ 476,721	$ 377,737

Tree Preservation	Emerald Ash Borer	Tax Increment Financing	Total
$ -	$ -	$ -	$ 1,292,334
28,071	192	183,210	554,845
-	-	-	4,313
28,071	192	183,210	1,851,492
-	4,898	-	4,898
97,444	-	-	97,444
-	-	1,511	1,511
-	-	-	5,387,912
-	-	-	419
97,444	4,898	1,511	5,492,184
(69,373)	(4,706)	181,699	(3,640,692)
-	-	-	1,072,500
-	(54,187)	-	(404,187)
-	(54,187)	-	668,313
(69,373)	(58,893)	181,699	(2,972,379)
829,228	58,893	3,945,464	13,003,322
$ 759,855	$ -	$ 4,127,163	$ 10,030,943

City of Inver Grove Heights, 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				2022
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Taxes					
Property taxes	$ 24,969,311	$ 24,969,311	$ 24,802,500	$ (166,811)	$ 22,981,792
Cable franchise fees	105,000	105,000	106,925	1,925	111,131
Total taxes	25,074,311	25,074,311	24,909,425	(164,886)	23,092,923
Licenses and permits					
Business	163,700	163,700	221,763	58,063	1,791,487
Nonbusiness	1,559,600	1,558,600	1,283,686	(274,914)	28,705
Total licenses and permits	1,723,300	1,722,300	1,505,449	(216,851)	1,820,192
Intergovernmental					
Federal					
Other	1,161,210	1,188,546	1,284,760	96,214	940,197
State					
Property tax credits	-	-	2,978	2,978	-
Police and fire aid	710,000	710,000	822,830	112,830	712,264
Other	-	64,613	1,622,098	1,557,485	57,187
County	15,000	15,000	16,116	1,116	15,315
Local	-	-	1,000	1,000	-
Total intergovernmental	1,886,210	1,978,159	3,749,782	1,771,623	1,724,963
Charges for services					
General government	10,000	11,000	10,343	(657)	7,118
Public safety	139,060	139,060	165,367	26,307	155,152
Parks and Recreation	237,300	237,300	263,393	26,093	251,210
Public works	401,200	401,200	348,019	(53,181)	265,633
Rentals	220,000	220,000	188,000	(32,000)	250,661
Community development	32,000	32,000	18,964	(13,036)	21,388
Total charges for services	1,039,560	1,040,560	994,086	(46,474)	951,162
Fines and forfeitures	180,000	180,000	197,013	17,013	193,985
Special assessments	1,500	1,500	5,364	3,864	33,212
Investment earnings (loss)	145,000	145,000	502,162	357,162	(189,568)
Miscellaneous					
Donations	21,000	26,100	27,700	1,600	16,580
Other	13,500	13,500	183,035	169,535	140,162
Total miscellaneous	34,500	39,600	210,735	171,135	156,742
Total Revenues	30,084,381	30,181,430	32,074,016	1,892,586	27,783,611

City of Inver Grove Heights, 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				2022
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures					
Current					
General government					
Mayor and city council					
Personnel services	$ 48,300	$ 48,300	$ 47,843	$ 457	$ 48,350
Supplies	10,150	10,150	9,851	299	1,017
Other services and charges	202,300	202,300	270,282	(67,982)	183,427
Total mayor and city council	260,750	260,750	327,976	(67,226)	232,794
City administration					
Personnel services	1,241,700	1,193,960	1,059,779	134,181	1,755,627
Supplies	81,900	81,900	79,623	2,277	25,037
Other services and charges	296,395	296,395	280,376	16,019	753,067
Total city administration	1,619,995	1,572,255	1,419,778	152,477	2,533,731
Elections					
Personnel services	24,400	24,400	24,511	(111)	100,899
Supplies	22,600	22,600	23,361	(761)	15,906
Other services and charges	60,600	60,600	9,008	51,592	20,744
Total elections	107,600	107,600	56,880	50,720	137,549
Financial administration					
Personnel services	807,500	855,240	813,179	42,061	902,011
Supplies	51,800	51,800	51,614	186	41,303
Other services and charges	180,850	285,850	201,216	84,634	151,595
Total financial administration	1,040,150	1,192,890	1,066,009	126,881	1,094,909
Total general government	3,028,495	3,133,495	2,870,643	262,852	3,998,983
Public safety					
Police					
Personnel services	8,138,350	8,138,350	7,838,929	299,421	7,381,588
Supplies	529,000	545,132	572,195	(27,063)	205,890
Other services and charges	2,518,541	2,634,325	2,339,697	294,628	2,058,775
Total police	11,185,891	11,317,807	10,750,821	566,986	9,646,253
Fire					
Personnel services	3,699,315	3,699,315	3,493,270	206,045	3,141,638
Supplies	290,650	367,954	370,138	(2,184)	189,009
Other services and charges	1,763,480	1,775,330	1,457,952	317,378	1,327,570
Total fire	5,753,445	5,842,599	5,321,360	521,239	4,658,217
Total public safety	16,939,336	17,160,406	16,072,181	1,088,225	14,304,470

City of Inver Grove Heights, 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				2022
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (continued)					
Public works					
Streets and highways					
Personnel services	$ 217,500	$ 217,500	$ 215,030	$ 2,470	$ 203,536
Supplies	7,550	7,550	7,030	520	5,243
Other services and charges	20,800	20,800	6,287	14,513	30,127
Total streets and highways	245,850	245,850	228,347	17,503	238,906
Engineering					
Personnel services	1,024,300	1,024,300	903,213	121,087	906,549
Supplies	74,800	74,800	70,151	4,649	20,374
Other services and charges	156,400	252,225	180,756	71,469	133,496
Total engineering	1,255,500	1,351,325	1,154,120	197,205	1,060,419
Street maintenance					
Personnel services	1,237,100	1,237,100	1,236,951	149	1,123,236
Supplies	492,200	492,200	530,510	(38,310)	323,807
Other services and charges	1,586,900	1,586,900	1,680,020	(93,120)	1,604,003
Total street maintenance	3,316,200	3,316,200	3,447,481	(131,281)	3,051,046
Street lighting					
Other services and charges	190,000	190,000	191,890	(1,890)	160,088
Total public works	5,007,550	5,103,375	5,021,838	81,537	4,510,459
Culture and recreation					
Parks					
Personnel services	1,362,900	1,362,900	1,288,057	74,843	1,242,214
Supplies	277,500	277,500	261,104	16,396	194,736
Other services and charges	852,600	928,161	851,724	76,437	811,299
Total Parks	2,493,000	2,568,561	2,400,885	167,676	2,248,249
Recreation					
Personnel services	413,700	413,700	388,729	24,971	344,084
Supplies	55,100	56,224	59,893	(3,669)	32,913
Other services and charges	164,500	169,500	149,067	20,433	157,615
Total Recreation	633,300	639,424	597,689	41,735	534,612
Total culture and recreation	3,126,300	3,207,985	2,998,574	209,411	2,782,861
Community development					
Community development					
Personnel services	421,200	421,200	374,762	46,438	422,652
Supplies	25,450	25,450	29,968	(4,518)	5,579
Other services and charges	141,050	141,050	123,382	17,668	39,613
Total community development	587,700	587,700	528,112	59,588	467,844

City of Inver Grove Heights, 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				2022
	Budget Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (continued)					
Community development (continued)					
Planning					
Personnel services	$ 301,100	$ 301,100	$ 305,445	$ (4,345)	$ 277,046
Supplies	17,800	17,800	17,552	248	7,125
Other services and charges	105,500	124,896	74,917	49,979	71,273
Total planning	424,400	443,796	397,914	45,882	355,444
Inspections					
Personnel services	1,030,000	1,030,000	1,003,574	26,426	974,729
Supplies	79,500	79,500	77,545	1,955	14,894
Other services and charges	124,000	124,000	104,703	19,297	94,582
Total inspections	1,233,500	1,233,500	1,185,822	47,678	1,084,205
Total community development	2,245,600	2,264,996	2,111,848	153,148	1,907,493
Total current	30,347,281	30,870,257	29,075,084	1,795,173	27,504,266
Debt service					
Principal	-	-	124,648	(124,648)	149,308
Interest and other	-	-	10,931	(10,931)	11,721
Total debt service	-	-	135,579	(135,579)	161,029
Capital outlay					
Public safety	-	50,000	50,914	(914)	92,435
Public works	-	10,000	773	9,227	-
Total capital outlay	-	60,000	51,687	8,313	92,435
Total Expenditures	30,347,281	30,930,257	29,262,350	1,667,907	27,757,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(262,900)	(748,827)	2,811,666	3,560,493	25,881
Other Financing Sources (Uses)					
Transfers in	706,500	706,500	766,937	60,437	872,198
Lease issued	-	-	-	-	58,318
Transfers out	(443,600)	(443,600)	(526,858)	(83,258)	(400,991)
Total Other Financing Sources (Uses)	262,900	262,900	240,079	(22,821)	529,525
Net Change in Fund Balances	-	(485,927)	3,051,745	3,537,672	555,406
Fund Balances, January 1	13,763,797	13,763,797	13,763,797	-	13,208,391
Fund Balances, December 31	$ 13,763,797	$ 13,277,870	$ 16,815,542	$ 3,537,672	$ 13,763,797

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INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis. Revenues are recognized in the accounting period in which they are earned and become objectively measurable; expenses are recognized in the period incurred, if objectively measurable.

Compensated Absences was established to account for payment of unused vacation, sick, personal leave, severance and also the allocation of such costs to respective departments.

Risk Management was established to account for all City insurance programs related to the ongoing operations with the exception of employee benefit coverage.

Central Equipment was established to account for the cost of operating a maintenance facility and providing vehicles and equipment used by City departments and funds. The exception is the Golf Course fund which maintains its own equipment and vehicles.

City Facilities was established to account for the cost of maintaining City Hall. User departments are charged a rental fee based upon square footage.

Technology was established to account for the maintenance of all computer systems of the City.

City of Inver Grove Heights, Minnesota

Internal Service Funds
Combining Statement of Net Position
December 31, 2023

	Compensated Absences	Risk Management	Central Equipment	City Facilities
Assets				
Current Assets				
Cash and temporary investments	$ 2,571,117	$ 1,163,420	$ 13,866,690	$ 1,678,716
Receivables				
Accrued interest	-	6,214	63,061	8,399
Accounts	-	77	-	568
Inventories	-	-	107,920	-
Prepaid items	-	214,697	44	100
Total Current Assets	2,571,117	1,384,408	14,037,715	1,687,783
Long-term Assets				
Advance to other funds	-	-	1,464,247	-
Capital assets				
Land	-	-	209,122	-
Buildings and systems	-	-	1,722,450	15,700,645
Improvements other than buildings	-	-	240,717	-
Machinery and equipment	-	-	15,290,773	138,334
Less accumulated depreciation/amortization	-	-	(11,871,051)	(5,083,317)
Total Capital Assets (Net of Accumulated Depreciation)	-	-	5,592,011	10,755,662
Total Long-term Assets	-	-	7,056,258	10,755,662
Total Assets	2,571,117	1,384,408	21,093,973	12,443,445
Deferred Outflows of Resources				
Deferred pension resources	-	3,412	78,159	37,673
Liabilities				
Current Liabilities				
Accounts and contracts payable	-	437	197,015	45,682
Accrued salaries payable	-	470	9,599	3,737
Due to other governments	-	-	-	10
Compensated absences payable - current	1,277,787	-	53,915	17,455
Total Current Liabilities	1,277,787	907	260,529	66,884
Long-term Liabilities				
Compensated absences payable	1,487,039	-	60,679	16,968
Net pension liability	-	12,852	294,440	141,921
Total Long-term Liabilities	1,487,039	12,852	355,119	158,889
Total Liabilities	2,764,826	13,759	615,648	225,773
Deferred Inflows of Resources				
Deferred pension resources	-	3,917	89,742	43,256
Net Position				
Investment in capital assets	-	-	5,592,011	10,755,662
Unrestricted	(193,709)	1,370,144	14,874,731	1,456,427
Total Net Position	$ (193,709)	$ 1,370,144	$ 20,466,742	$ 12,212,089

Technology	Total
$ 1,022,200	$ 20,302,143
4,660	82,334
-	645
-	107,920
8,621	223,462
1,035,481	20,716,504
-	1,464,247
-	209,122
-	17,423,095
-	240,717
1,211,593	16,640,700
(1,009,423)	(17,963,791)
202,170	16,549,843
202,170	18,014,090
1,237,651	38,730,594
107,934	227,178
73,723	316,857
13,800	27,606
-	10
38,533	1,387,690
126,056	1,732,163
46,816	1,611,502
406,604	855,817
453,420	2,467,319
579,476	4,199,482
123,929	260,844
202,170	16,549,843
440,010	17,947,603
$ 642,180	$ 34,497,446

City of Inver Grove Heights, Minnesota
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

	Compensated Absences	Risk Management	Central Equipment	City Facilities
Operating Revenues				
Charges for services	$ -	$ 1,244,200	$ 3,163,700	$ 813,354
Operating Expenses				
Personnel services	156,482	25,947	627,949	292,055
Other current expenses	-	1,315,500	977,777	1,029,251
Depreciation and amortization	-	-	900,846	643,695
Total Operating Expenses	156,482	1,341,447	2,506,572	1,965,001
Operating Income (Loss)	(156,482)	(97,247)	657,128	(1,151,647)
Nonoperating Revenues				
Investment earnings (loss)	(10,594)	53,018	537,741	91,732
Miscellaneous revenues	-	79,566	14,677	425,049
Loss on interfund loan			(1,393,954)	
Gain on sale of capital assets	-	-	199,300	-
Total Nonoperating Revenues	(10,594)	132,584	(642,236)	516,781
Income (Loss) Before Transfers	(167,076)	35,337	14,892	(634,866)
Transfers In	-	-	65,226	-
Transfers Out	-	-	-	-
Change in Net Position	(167,076)	35,337	80,118	(634,866)
Net Position, January 1	(26,633)	1,334,807	20,386,624	12,846,955
Net Position, December 31	$ (193,709)	$ 1,370,144	$ 20,466,742	$ 12,212,089

Technology	Total
$ 1,276,200	$ 6,497,454
1,188,128	2,290,561
613,746	3,936,274
31,430	1,575,971
1,833,304	7,802,806
(557,104)	(1,305,352)
45,194	717,091
20,876	540,168
-	199,300
66,070	1,456,559
(491,034)	151,207
-	65,226
(11,426)	(11,426)
(502,460)	205,007
1,144,640	35,686,393
$ 642,180	$ 35,891,400

City of Inver Grove Heights, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2023

	Compensated Absences	Risk Management	Central Equipment	City Facilities
Cash Flows from Operating Activities				
Receipts from customers and users	$ -	$ 1,244,123	$ 3,163,700	$ 812,786
Other operating receipts	-	79,564	14,641	425,031
Payments to suppliers	-	(1,340,625)	(852,377)	(1,063,768)
Payments to employees	(29,011)	(27,626)	(596,335)	(295,015)
Net Cash Provided (Used) by Operating Activities	(29,011)	(44,564)	1,729,629	(120,966)
Cash Flows from Noncapital Financing Activities				
Payments on interfund balances	-	-	639,088	-
Transfers from other funds	-	-	65,226	-
Transfers to other funds	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	704,314	-
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	-	-	(1,263,313)	-
Proceeds from sale of capital assets	-	-	199,300	-
Net Cash Provided (Used) by and Related Financing Activities	-	-	(1,064,013)	-
Cash Flows from Investing Activities				
Investment receipts	-	51,568	523,000	89,457
Net Increase (Decrease) in Cash and Cash Equivalents	(29,011)	7,004	1,892,930	(31,509)
Cash and Cash Equivalents, January 1	2,600,128	1,156,416	11,973,760	1,710,225
Cash and Cash Equivalents, December 31	$ 2,571,117	$ 1,163,420	$ 13,866,690	$ 1,678,716
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	$ (156,482)	$ (97,247)	$ 657,128	$ (1,151,647)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	-	900,846	643,695
Other income related to operations	-	79,566	14,677	425,049
(Increase) decrease in assets/deferred outflows of resources				
Accounts receivable	-	(77)	-	(568)
Inventories	-	-	568	-
Prepaid items	-	(18,715)	(20)	3,946
Deferred pension resources	-	1,752	43,142	26,832
Increase (decrease) in liabilities/deferred inflows of resources				
Accounts and contracts payable	-	(6,410)	124,877	(38,473)
Accrued salaries payable	-	65	(8,247)	(1,280)
Due to other governments	-	-	(25)	10
Compensated absences payable	127,471	(3,253)	10,211	(3,605)
Net pension liability	-	(3,936)	(97,957)	(65,356)
Deferred pension resources	-	3,691	84,429	40,431
Net Cash Provided (Used) by Operating Activities	$ (29,011)	$ (44,564)	$ 1,729,629	$ (120,966)

Technology	Total
$ 1,276,200	$ 6,496,809
20,826	540,062
(572,203)	(3,828,973)
(666,330)	(1,614,317)
58,493	1,593,581
-	639,088
-	65,226
(11,426)	(11,426)
(11,426)	692,888
-	(1,263,313)
-	199,300
-	(1,064,013)
44,706	708,731
91,773	1,931,187
930,427	18,370,956
$ 1,022,200	$ 20,302,143
$ (557,104)	$ (1,305,352)
31,430	1,575,971
20,876	540,168
-	(645)
-	568
(8,621)	(23,410)
(107,934)	(36,208)
50,164	130,158
13,800	4,338
-	(15)
85,349	216,173
406,604	239,355
123,929	252,480
$ 58,493	$ 1,593,581

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PROPRIETARY FUNDS

The Water fund, Sewer fund, and Storm Water Management fund account for activities related to the operation of a water distribution system, sanitary sewer collection system and storm water system, respectively, and rely to a significant extent on fees and charges for support.

Water consists of the Water Operating, Water Capital, and Water Capital NWA funds.

Sewer consists of the Sewer Operating, Sewer Capital, and Sewer Capital NWA funds.

Storm Water consists of the Storm Water Operating, Storm Water Capital, and Storm Water Capital NWA funds.

City of Inver Grove Heights, Minnesota

Enterprise Funds
Water Fund
Combining Schedule Net Position
December 31, 2023

	510 Water Operating	511 Water Capital	513 Water Capital NWA	Total
Assets				
Current Assets				
Cash and temporary investments	$ 2,102,002	$ 12,603,345	$ -	$ 14,705,347
Receivables				
Accrued interest	17,232	49,154	-	66,386
Accounts	729,182	-	-	729,182
Special assessments	23,180	12,162	-	35,342
Total Current Assets	2,871,596	12,664,661	-	15,536,257
Long-term Assets				
Capital assets				
Land	-	583,598	-	583,598
Construction in progress	(44,585)	107,715	-	63,130
Buildings and systems	-	52,600,815	-	52,600,815
Improvements other than buildings	-	98,108	-	98,108
Machinery and equipment	-	391,572	-	391,572
Total Capital Assets	(44,585)	53,781,808	-	53,737,223
Less accumulated depreciation	(244,252)	(24,476,194)	-	(24,720,446)
Total Long-term Assets	(288,837)	29,305,614	-	29,016,777
Total Assets	2,582,759	41,970,275	-	44,553,034
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	83,086	-	-	83,086
Deferred pension resources	102,437	-	-	102,437
Total Deferred Outflows of Resources	185,523	-	-	185,523

City of Inver Grove Heights, Minnesota
Enterprise Funds
Water Fund
Combining Schedule Net Position (Continued)
December 31, 2023

	510 Water Operating	511 Water Capital	513 Water Capital NWA	Total
Liabilities				
Current Liabilities				
Accounts and contracts payable	$ 55,629	$ 1,069	$ -	$ 56,698
Accrued salaries payable	12,604	-	-	12,604
Due to other governments	84,903	132,762	-	217,665
Unearned revenue	-	152,430	-	152,430
Compensated absences payable - current portion	69,974	-	-	69,974
Other postemployment benefits payable - current portion	3,709	-	-	3,709
Total Current Liabilities	226,819	286,261	-	513,080
Long-term Liabilities				
Compensated absences payable	39,942	-	-	39,942
Net pension liability	385,897	-	-	385,897
Other postemployment benefits payable	90,272	-	-	90,272
Total Long-term Liabilities	516,111	-	-	516,111
Total Liabilities	742,930	286,261	-	1,029,191
Deferred Inflows of Resources				
Deferred pension resources	117,617	-	-	117,617
Deferred other postemployment benefit resources	20,335	-	-	20,335
Total Deferred Inflows of Resources	137,952	-	-	137,952
Net Position				
Investment in capital assets	(288,837)	29,305,614	-	29,016,777
Unrestricted	2,176,237	12,378,400	-	14,554,637
Total Net Position	$ 1,887,400	$ 41,684,014	$ -	$ 43,571,414

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City of Inver Grove Heights, Minnesota
Enterprise Funds
Water Fund
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

	510 Water Operating	511 Water Capital	513 Water Capital NWA	Total
Operating Revenues				
Charges for services				
Water sales	$ 3,974,149	$ -	$ -	$ 3,974,149
Late fees	80,725	-	-	80,725
Water meter sales	32,936	-	-	32,936
Total Operating Revenues	4,087,810	-	-	4,087,810
Operating Expenses				
Personnel services	823,651	-	-	823,651
Other current expenses	1,773,379	369,076	-	2,142,455
Depreciation	994,252	-	-	994,252
Total Operating Expenses	3,591,282	369,076	-	3,960,358
Operating Income (Loss)	496,528	(369,076)	-	127,452
Nonoperating Revenues (Expenses)				
Investment earnings	277,606	280,074	13,569	571,249
Miscellaneous revenues	261	-	-	261
Total Nonoperating Revenues (Expenses)	277,867	280,074	13,569	571,510
Income (Loss) Before Contributions and Transfers	774,395	(89,002)	13,569	698,962
Capital Contributions	-	1,016,096	-	1,016,096
Capital Contributions from Other Funds	-	29,064,970	-	29,064,970
Capital Contributions to Other Funds	(29,064,970)	-	-	(29,064,970)
Transfers In	-	10,730,919	-	10,730,919
Transfers Out	(7,001,831)	(553,029)	(4,140,588)	(11,695,448)
Change in Net Position	(35,292,406)	40,169,954	(4,127,019)	750,529
Net Position - January 1	37,179,806	1,514,060	4,127,019	42,820,885
Net Position, December 31	$ 1,887,400	$ 41,684,014	$ -	$ 43,571,414

City of Inver Grove Heights, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule Net Position
December 31, 2023

	520 Sewer Operating	521 Sewer Capital	523 Sewer Capital NWA	Total
Assets				
Current Assets				
Cash and temporary investments	$ 1,108,947	$ 5,638,803	$ -	$ 6,747,750
Receivables				
Accrued interest	14,535	17,370	-	31,905
Accounts	817,030	-	-	817,030
Special assessments	-	137,395	-	137,395
Total Current Assets	1,940,512	5,793,568	-	7,734,080
Long-term Assets				
Capital assets				
Land	-	768,102	-	768,102
Construction in progress	-	295,236	-	295,236
Buildings and systems	-	45,204,921	-	45,204,921
Improvements other than buildings	-	39,924	-	39,924
Machinery and equipment	-	9,585	-	9,585
Total Capital Assets	-	46,317,768	-	46,317,768
Less accumulated depreciation	(184,452)	(16,623,137)	-	(16,807,589)
Total Long-term Assets	(184,452)	29,694,631	-	29,510,179
Total Assets	1,756,060	35,488,199	-	37,244,259
Deferred Outflows of Resources				
Deferred charge on refunding	-	97,485	-	97,485
Deferred other postemployment benefits resources	47,265	-	-	47,265
Deferred pension resources	148,194	-	-	148,194
Total Deferred Outflows of Resources	195,459	97,485	-	292,944

City of Inver Grove Heights, Minnesota
Enterprise Funds
Sewer Fund
Combining Schedule Net Position (Continued)
December 31, 2023

	520 Sewer Operating	521 Sewer Capital	523 Sewer Capital - NWA	Total
Liabilities				
Current Liabilities				
Accounts and contracts payable	$ 6,198	$ 194,202	$ -	$ 200,400
Accrued salaries payable	7,709	-	-	7,709
Due to other governments	75,655	169,601	-	245,256
Accrued interest payable	-	114,865	-	114,865
Unearned revenue	-	374,228	-	374,228
Compensated absences payable - current portion	31,636	-	-	31,636
Bonds payable - current portion	-	828,467	-	828,467
Other postemployment benefits payable - current portion	2,110	-	-	2,110
Total Current Liabilities	123,308	1,681,363	-	1,804,671
Long-term Liabilities				
Compensated absences payable	19,149	-	-	19,149
Bonds payable	-	9,280,660	-	9,280,660
Net pension liability	558,272	-	-	558,272
Other postemployment benefits payable	51,354	-	-	51,354
Total Long-term Liabilities	628,775	9,280,660	-	9,909,435
Total Liabilities	752,083	10,962,023	-	11,714,106
Deferred Inflows of Resources				
Deferred pension resources	170,155	-	-	170,155
Deferred other postemployment benefit resources	11,568	-	-	11,568
Total Deferred Inflows of Resources	181,723	-	-	181,723
Net Position				
Net investment in capital assets	(184,452)	19,682,989	-	19,498,537
Unrestricted	1,202,165	4,940,672	-	6,142,837
Total Net Position	$ 1,017,713	$ 24,623,661	$ -	$ 25,641,374

City of Inver Grove Heights, Minnesota

Enterprise Funds
Sewer Fund
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

	520 Sewer Operating	521 Sewer Capital	523 Sewer Capital - NWA	Total
Operating Revenues				
Charges for services				
Sewer charges	$ 4,632,630	$ -	$ -	$ 4,632,630
Operating Expenses				
Personnel services	706,612	-	-	706,612
Other current expenses	2,874,781	420,678	-	3,295,459
Depreciation	782,238	2,214	-	784,452
Total Operating Expenses	4,363,631	422,892	-	4,786,523
Operating Income (Loss)	268,999	(422,892)	-	(153,893)
Nonoperating Revenues (Expenses)				
Investment earnings	248,329	96,054	-	344,383
Miscellaneous revenues	69	-	-	69
Interest and amortization expense	-	(249,911)	-	(249,911)
Total Nonoperating Revenues (Expenses)	248,398	(153,857)	-	94,541
Income (Loss) Before Contributions and Transfers	517,397	(576,749)	-	(59,352)
Capital Contributions	-	1,177,716	-	1,177,716
Capital Contributions from Other Funds	-	27,706,453	-	27,706,453
Capital Contributions to Other Funds	(27,706,453)	-	-	(27,706,453)
Transfers In	-	6,269,330	229,416	6,498,746
Transfers Out	(6,580,830)	(845,961)	-	(7,426,791)
Change in Net Position	(33,769,886)	33,730,789	229,416	190,319
Net Position - January 1	34,787,599	(9,107,128)	(229,416)	25,451,055
Net Position, December 31	$ 1,017,713	$ 24,623,661	$ -	$ 25,641,374

City of Inver Grove Heights, Minnesota
Enterprise Funds
Storm Water Management Fund
Combining Schedule Net Position
December 31, 2023

	530 Storm Water Operating	531 Storm Water Capital	533 Storm Water Capital NWA	Total
Assets				
Current Assets				
Cash and temporary investments	$ 321,568	$ 604,408	$ 1,978,024	$ 2,904,000
Receivables				
Accrued interest	1,517	2,621	9,674	13,812
Accounts	304,106	-	-	304,106
Special assessments	7,677	-	32,564	40,241
Due from other governments	-	-	545,495	545,495
Total Current Assets	634,868	607,029	2,565,757	3,807,654
Long-term Assets				
Special assessments	54,603	-	97,693	152,296
Capital assets				
Land	1,175,104	-	-	1,175,104
Construction in progress	227,646	-	-	227,646
Buildings and systems	24,199,657	-	-	24,199,657
Total Capital Assets	25,602,407	-	-	25,602,407
Less accumulated depreciation	(16,941,400)	-	-	(16,941,400)
Net Capital Assets	8,661,007	-	-	8,661,007
Total Assets	9,350,478	607,029	2,663,450	12,620,957
Deferred Outflows of Resources				
Deferred other postemployment benefits resources	24,204	-	-	24,204
Deferred pension resources	27,162	-	-	27,162
Liabilities				
Current Liabilities				
Accounts and contracts payable	-	48,761	-	48,761
Accrued salaries payable	3,537	-	-	3,537
Due to other governments	6,633	129,319	-	135,952
Unearned revenue	-	-	545,495	545,495
Compensated absences payable - current portion	6,777	-	-	6,777
Other postemployment benefits payable - current portion	1,081	-	-	1,081
Total Current Liabilities	18,028	178,080	545,495	741,603
Long-term Liabilities				
Net pension liability	102,322	-	-	102,322
Other postemployment benefits payable	26,297	-	-	26,297
Total Long-term Liabilities	128,619	-	-	128,619
Total Liabilities	146,647	178,080	545,495	870,222
Deferred Inflows of Resources				
Deferred pension resources	31,187	-	-	31,187
Deferred other postemployment benefit resources	5,924	-	-	5,924
Total Deferred Inflows of Resources	37,111	-	-	37,111
Net Position				
Investment in capital assets	8,661,007	-	-	8,661,007
Unrestricted	557,079	428,949	2,117,955	3,103,983
Total Net Position	$ 9,218,086	$ 428,949	$ 2,117,955	$ 11,764,990

City of Inver Grove Heights, Minnesota
Enterprise Funds
Storm Water Management Fund
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

	530 Storm Water Operating	531 Storm Water Capital	533 Storm Water Capital NWA	Total
Operating Revenues				
Charges for services				
Storm water charges	$ 864,551	$ -	$ -	$ 864,551
Operating Expenses				
Personnel services	188,352	-	-	188,352
Other current expenses	374,530	179,758	22,033	576,321
Depreciation	237,400	-	-	237,400
Total Operating Expenses	800,282	179,758	22,033	1,002,073
Operating Income (Loss)	64,269	(179,758)	(22,033)	(137,522)
Nonoperating Revenues (Expenses)				
Investment earnings	13,639	4,115	87,067	104,821
Miscellaneous revenues	13	17,416	-	17,429
Total Nonoperating Revenues (Expenses)	13,652	21,531	87,067	122,250
Income (Loss) Before Contributions and Transfers	77,921	(158,227)	65,034	(15,272)
Capital Contributions	85,472	129,319	375,382	590,173
Transfers In	41	1,000,000	452	1,000,493
Transfers Out	(101,192)	(542,143)	(109,861)	(753,196)
Change in Net Position	62,242	428,949	331,007	822,198
Net Position - January 1	9,155,844	-	1,786,948	10,942,792
Net Position, December 31	$ 9,218,086	$ 428,949	$ 2,117,955	$ 11,764,990

STATISTICAL SECTION (UNAUDITED)

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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STATISTICAL SECTION (UNAUDITED)

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

Contents **Pages**

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

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City of Inver Grove Heights, Minnesota

Summary Financial Report

Governmental Funds

Revenues and Expenditures For General Operations

For the Years Ended December 31, 2023 and 2022

	Total 2023	Total 2022	Percent Increase (Decrease)
Revenues			
Taxes	$ 31,790,372	$ 29,491,935	7.79 %
Licenses and permits	1,505,449	1,820,192	(17.29)
Intergovernmental	5,519,063	3,281,568	68.18
Charges for services	7,817,670	7,825,923	(0.11)
Fines and forfeits	197,013	193,985	1.56
Special assessments	2,300,173	1,843,776	24.75
Investment earnings (loss)	1,692,878	(747,272)	N/A
Miscellaneous	2,608,524	1,172,444	122.49
Total Revenues	$ 53,431,142	$ 44,882,551	19.05 %
Per Capita	$ 1,497	$ 1,256	19.19 %
Expenditures			
Current			
General government	$ 2,870,643	$ 3,998,983	(28.22) %
Public safety	16,072,181	14,336,568	12.11
Public works	6,573,282	5,675,556	15.82
Culture and recreation	7,100,176	6,688,174	6.16
Community development	2,289,964	1,973,428	16.04
Capital outlay			
General government	71,544	57,964	23.43
Public safety	50,914	98,901	(48.52)
Public works	8,328,775	6,308,219	32.03
Culture and recreation	5,931,605	1,570,776	277.62
Community development	419	-	N/A
Debt service			
Principal	2,074,648	2,164,308	(4.14)
Interest and other charges	832,374	886,738	(6.13)
Total Expenditures	$ 52,196,525	$ 43,759,615	19.28 %
Per Capita	$ 1,462	$ 1,224	19.42 %
Total Long-term Indebtedness	$ 26,063,558	$ 28,201,027	(7.58) %
Per Capita	730	789	(7.47)
General Fund Balance - December 31	$ 16,815,542	$ 13,763,797	22.17 %
Per Capita	471	385	22.31

The purpose of this report is to provide a summary of financial information concerning the City of Inver Grove Heights to interested citizens. The complete financial statements may be examined at City Hall, 8150 Barbara Avenue, Inver Grove Heights, MN 55077-3412. Questions about this report should be directed to the Finance Department at (651) 450-2500.

Table 1

City of Inver Grove Heights, Minnesota

Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	$ 88,745,756	$ 92,587,696	$ 96,443,126	$ 93,604,421
Restricted	6,560,238	7,697,092	8,666,803	10,112,971
Unrestricted	37,024,099	32,064,187	30,600,727	31,939,890
Total Governmental Activities Net Position	$ 132,330,093	$ 132,348,975	$ 135,710,656	$ 135,657,282
Business-type Activities				
Net investment in capital assets	$ 38,248,637	$ 40,500,700	$ 48,192,046	$ 49,136,855
Restricted	-	-	-	-
Unrestricted	20,875,925	18,559,610	13,397,258	10,707,274
Total Business-type Activities Net Position	$ 59,124,562	$ 59,060,310	$ 61,589,304	$ 59,844,129
Total Primary Government				
Net investment in capital assets	$ 126,994,393	$ 133,088,396	$ 144,635,172	$ 142,741,276
Restricted	6,560,238	7,697,092	8,666,803	10,112,971
Unrestricted	57,900,024	50,623,797	43,997,985	42,647,164
Total Primary Government Net Position	$ 191,454,655	$ 191,409,285	$ 197,299,960	$ 195,501,411

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 67 in fiscal 2015. Years prior to 2015 have not been restated. The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated. In 2021, the activities of the Storm Water Management fund were transfered to a newly created enterprise fund. Years prior to 2021 have not been restated.

Table 1

	Fiscal Year				
2018	2019	2020	2021	2022	2023
$ 101,204,542	$ 108,559,698	$ 113,246,973	$ 108,803,798	$ 112,929,545	$ 123,768,963
9,651,283	9,707,215	9,080,704	10,885,593	14,527,169	13,588,429
39,293,328	42,628,763	51,420,595	56,448,808	54,778,199	56,346,546
$ 150,149,153	$ 160,895,676	$ 173,748,272	$ 176,138,199	$ 182,234,913	$ 193,703,938
$ 51,148,138	$ 51,455,529	$ 51,251,800	$ 59,652,599	$ 60,441,697	$ 58,449,172
-	-	-	2,900,000	-	-
9,464,848	11,295,098	11,972,101	14,646,049	20,327,495	24,859,712
$ 60,612,986	$ 62,750,627	$ 63,223,901	$ 77,198,648	$ 80,769,192	$ 83,308,884
$ 152,352,680	$ 160,015,227	$ 164,498,773	$ 168,456,397	$ 173,371,242	$ 182,218,135
9,651,283	9,707,215	9,080,704	13,785,593	14,527,169	13,588,429
48,758,176	53,923,861	63,392,696	71,094,857	75,105,694	81,206,258
$ 210,762,139	$ 223,646,303	$ 236,972,173	$ 253,336,847	$ 263,004,105	$ 277,012,822

Table 2

City of Inver Grove Heights, Minnesota

Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	$ 1,764,065	$ 1,655,475	$ 2,996,056	$ 2,481,001
Public safety	8,069,896	8,109,514	10,727,458	12,087,235
Public works	7,284,147	6,816,075	8,887,750	7,690,391
Culture and recreation	6,382,850	6,576,337	6,768,580	7,919,434
Community development	-	1,792,921	1,599,270	2,540,933
Interest on long-term debt	873,009	771,350	926,142	1,007,774
Total Governmental Activities Expenses	25,048,934	24,373,967	25,721,672	31,905,256
Business-type activities				
Water	2,722,584	2,381,673	2,562,739	2,705,498
Sewer	3,422,724	3,628,484	3,571,160	4,265,285
Storm Water Management	-	-	-	-
Golf course	1,537,243	1,581,313	1,486,481	3,901,573
Total Business-type Activities Expenses	7,545,588	7,682,551	7,591,470	7,620,380
Total Primary Government Expenses	$ 32,594,522	$ 32,056,518	$ 33,313,142	$ 39,525,636
Program Revenues				
Governmental activities				
Charges for services				
General government	$ 13,086	$ 11,190	$ 19,706	$ 21,386
Public safety	625,566	629,828	628,342	689,060
Public works	3,257,758	3,552,354	3,346,781	3,038,693
Culture and recreation	2,966,749	3,184,781	3,570,598	2,922,124
Community development	1,144,089	702,948	1,019,012	1,202,410
Operating grants and contributions	1,170,083	1,012,882	986,082	1,219,181
Capital grants and contributions	6,587,288	3,860,088	5,079,885	2,125,371
Total Governmental Activities Program Revenues	11,476,071	15,764,619	12,954,071	14,650,406
Business-type activities				
Charges for services				
Water	2,818,851	2,899,782	2,878,095	3,051,811
Sewer	3,052,651	3,088,659	3,281,356	3,460,592
Storm Water Management	-	-	-	-
Golf course	1,414,141	1,634,226	1,306,162	1,467,194
Operating grants and contributions	1,418	12,587	12,345	8,283
Capital grants and contributions	1,177,104	1,463,961	2,175,951	1,392,096
Total Business-type Activities Program Revenues	8,663,883	8,464,165	9,099,215	9,653,909
Total Primary Government Program Revenues	$ 20,139,954	$ 24,228,784	$ 22,053,286	$ 24,304,315

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 2,395,582	$ 3,017,849	$ 2,969,823	$ 4,209,265	$ 4,992,374	$ 4,702,390
10,236,391	11,486,291	12,994,292	12,388,559	16,083,846	19,639,754
7,056,944	8,989,180	8,983,184	7,307,967	8,911,207	8,705,146
7,139,360	7,497,438	6,135,155	6,803,476	7,612,774	9,179,046
2,124,968	2,322,377	3,693,217	2,119,884	2,062,697	2,395,156
1,091,471	1,452,062	1,003,536	861,888	798,645	743,678
33,726,768	30,044,716	34,765,197	35,779,207	33,691,039	45,365,170
3,003,465	2,779,567	2,887,882	3,021,693	3,859,391	3,960,358
4,123,098	3,959,592	4,148,917	3,944,724	4,400,611	5,036,434
-	-	-	743,576	686,977	1,002,073
1,932,241	1,796,957	2,127,755	1,966,693	2,159,004	2,028,445
10,872,356	9,058,804	8,536,116	9,164,554	9,676,686	12,027,310
$ 44,599,124	$ 39,103,520	$ 43,301,313	$ 44,943,761	$ 43,367,725	$ 57,392,480
$ 12,049	$ 49,005	$ 83,437	$ 18,375	$ 22,797	$ 138,772
635,233	769,972	605,334	671,520	719,421	576,222
3,469,315	3,971,781	5,152,781	5,053,204	4,022,301	3,141,396
3,210,032	3,314,495	1,861,459	4,468,966	3,371,762	4,709,886
1,401,683	1,754,000	1,142,921	1,877,571	1,698,414	1,336,595
2,567,895	3,254,500	5,486,950	2,153,837	4,062,148	5,024,620
7,803,984	4,182,202	4,864,126	2,679,057	3,104,575	5,242,172
11,218,225	19,100,191	17,295,955	19,197,008	16,922,530	20,169,663
3,132,068	3,031,231	3,212,973	3,706,014	3,606,552	4,087,810
3,693,679	3,753,168	3,847,337	4,094,880	4,220,841	4,632,630
-	-	-	1,109,046	677,140	864,551
1,879,599	1,755,886	2,145,792	2,419,528	2,394,251	2,704,655
10,087	6,667	5,223	10,232	25,808	17,776
1,717,863	2,106,572	1,365,247	3,957,841	4,516,877	2,783,985
9,379,976	10,433,296	10,653,524	10,576,572	15,297,541	15,091,407
$ 20,598,201	$ 29,533,487	$ 27,949,479	$ 29,773,580	$ 32,220,071	$ 35,261,070

Table 2

City of Inver Grove Heights, Minnesota

Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Net Revenues (Expenses)				
Governmental activities	$ (8,609,348)	$ (12,767,601)	$ (17,254,850)	$ (22,508,543)
Business-type activities	781,614	1,507,745	2,033,529	(1,492,380)
Total Primary Government Net Revenues (Expenses)	$ (12,454,568)	$ (7,827,734)	$ (11,259,856)	$ (15,221,321)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	$ 15,070,818	$ 16,657,367	$ 18,068,901	$ 19,395,888
Tax increments	1,931,061	2,020,664	1,959,743	1,578,646
Lodging taxes	105,877	106,361	128,367	133,979
Franchise taxes	90,442	98,221	103,406	107,441
Grants and contributions not restricted to specific programs	95,004	144,337	280,346	146,791
Unrestricted investment earnings (loss)	575,796	435,751	345,223	545,279
Gain on sale of capital assets	12,855	11,070	78,545	89,116
Transfers	1,112,503	841,284	(348,000)	458,029
Total Governmental Activities	12,353,555	18,994,356	20,315,055	20,616,531
Business-type activities				
Unrestricted investment earnings	284,415	232,427	147,465	205,234
Gain on sale of capital assets	-	-	-	-
Transfers	(1,112,503)	(841,284)	348,000	(458,029)
Total Business-type Activities	4,308,923	(828,088)	(608,857)	495,465
Total Primary Government	$ 16,662,478	$ 18,166,268	$ 19,706,198	$ 21,111,996
Change in Net Position				
Governmental activities	$ 10,385,008	$ 7,547,454	$ 3,361,681	$ (53,374)
Business-type activities	(46,474)	898,888	2,528,994	(1,745,175)
Total Primary Government	$ 4,207,910	$ 10,338,534	$ 8,446,342	$ 5,890,675

Note 1: The City implemented GASB Statement No. 68 and GASB Statement No. 67 in fiscal 2015. Years prior to 2015 have not been restated. The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Note 2: The City created a new Storm Water Management fund in 2021. As part of creating the fund, all balances of the Storm Water Management capital projects fund were transferred to this fund. Years prior to 2021 have not been restated.

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ (10,944,525)	$ (17,469,242)	$ (16,582,199)	$ (16,768,509)	$ (23,460,125)	$ (25,195,507)
1,374,492	2,117,408	1,412,018	5,620,855	4,335,486	3,064,097
$ (24,000,923)	$ (9,570,033)	$ (15,351,834)	$ (15,170,181)	$ (11,147,654)	$ (22,131,410)
$ 21,043,742	$ 23,348,621	$ 24,825,120	$ 26,282,771	$ 28,220,220	$ 30,355,206
1,655,941	1,738,995	-	-	2,567	-
133,872	133,808	77,357	120,618	128,548	248,216
1,135,415	1,171,449	1,177,600	1,183,827	1,206,886	1,214,779
161,095	75,893	112,520	322,839	621,200	591,785
761,542	1,592,145	1,807,149	(386,473)	(1,066,607)	2,409,969
21,486	-	10,860	109,509	245,535	199,300
939,547	321,140	1,424,189	(8,474,655)	198,490	1,645,277
22,455,169	25,852,640	28,382,051	29,434,795	19,158,436	36,664,532
354,181	341,373	485,445	(120,763)	(574,952)	1,120,872
-	-	-	-	8,500	-
(939,547)	(321,140)	(1,424,189)	8,474,655	(198,490)	(1,645,277)
(252,795)	(585,366)	20,233	(938,744)	8,353,892	(524,405)
$ 22,202,374	$ 25,267,274	$ 28,402,284	$ 28,496,051	$ 27,512,328	$ 36,140,127
$ 14,908,115	$ 10,912,809	$ 12,852,596	$ 2,389,927	$ 6,096,714	$ 11,469,025
789,126	2,137,641	473,274	13,974,747	3,570,544	2,539,692
$ (1,798,549)	$ 15,697,241	$ 13,050,450	$ 13,325,870	$ 16,364,674	$ 14,008,717

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 3

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	$ 57,292	$ 3,667	$ 15,799	$ 141,195
Restricted	22,000	-	-	-
Committed	-	-	-	-
Unassigned	9,111,824	9,922,952	9,600,129	10,038,550
Total General Fund	$ 9,191,116	$ 9,926,619	$ 9,615,928	$ 10,179,745
All Other Governmental Funds				
Nonspendable	$ 21,450	$ 7,203	$ 2,887	$ 17,761
Restricted	4,137,256	10,128,899	18,332,804	20,275,918
Committed	1,023,281	955,348	720,397	738,817
Assigned	13,249,048	14,066,297	13,408,861	17,069,166
Unassigned	(2,727,214)	(1,949,474)	(1,847,409)	(3,741,559)
Total All Other Governmental Funds	$ 15,703,821	$ 23,208,273	$ 30,617,540	$ 34,360,103

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 12,679	$ 177,753	$ 28,365	$ 17,785	$ 71,772	$ 88,444
-	-	16,118	19,061	26,073	1,590,149
-	-	-	75,587	278,240	649,116
10,520,461	11,313,120	12,870,165	13,095,958	13,387,712	14,487,833
$ 10,533,140	$ 11,490,873	$ 12,914,648	$ 13,208,391	$ 13,763,797	$ 16,815,542
$ 105,287	$ 15,236	$ 1,485	$ 4,611	$ 9,100	$ 11,046
16,286,001	10,642,272	8,785,571	10,754,837	12,192,882	10,318,743
1,790,562	2,836,946	4,078,939	910,881	505,837	705,109
22,069,612	21,371,523	24,710,670	28,781,879	28,971,387	28,794,353
(6,573,705)	(4,101,728)	(1,749,993)	(1,736,987)	(1,683,478)	(59,174)
$ 33,677,757	$ 30,764,249	$ 35,826,672	$ 38,715,221	$ 39,995,728	$ 39,770,077

Table 4

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	$ 17,190,552	$ 18,951,875	$ 20,287,670	$ 21,228,180
Licenses and permits	1,241,654	844,006	1,133,121	1,355,686
Intergovernmental	4,124,588	1,111,405	2,686,298	1,828,149
Charges for services	6,389,688	6,857,352	7,073,953	6,044,318
Fines and forfeitures	135,382	120,029	119,855	173,365
Special assessments	2,295,620	1,759,195	1,536,041	1,649,876
Donations	-	-	-	-
Investment earnings (loss)	359,937	257,824	231,466	391,228
Miscellaneous	234,831	455,909	771,714	1,050,756
Total Revenues	31,972,252	30,357,595	33,840,118	33,721,558
Expenditures				
Current				
General government	1,641,093	1,667,440	1,868,611	1,870,026
Public safety	7,959,499	8,342,569	9,332,846	9,837,271
Public works	4,466,294	4,580,122	4,504,655	4,848,977
Culture and recreation	5,174,615	5,284,502	5,268,205	5,696,321
Community development	1,499,946	1,612,736	1,696,528	2,008,043
Capital outlay	5,497,746	4,939,260	8,747,031	6,000,301
Debt service				
Principal	6,249,919	3,688,280	2,851,870	2,575,000
Interest and other charges	888,890	675,558	787,537	882,784
Bond issuance costs	83,755	131,221	140,713	85,505
Total Expenditures	33,461,757	30,921,688	35,197,996	33,804,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,489,505)	(564,093)	(1,357,878)	(82,670)
Other Financing Sources (Uses)				
Transfers in	7,171,496	5,633,063	7,596,433	5,668,147
Transfers out	(5,917,699)	(4,762,561)	(7,928,133)	(4,960,644)
Bonds issued	-	7,745,000	-	3,505,000
Lease issued	-	-	-	-
Premium on bonds issued	118,912	188,546	273,154	128,904
Refunding bonds issued	4,650,000	-	8,515,000	-
Payment to refunded bond escrow agent	(1,761,033)	-	-	-
Principal paid on refunded bonds	-	-	-	-
Insurance recovery	300	-	-	-
Sale of capital assets	-	-	-	47,643
Total Other Financing Sources (Uses)	4,261,976	8,804,048	8,456,454	4,389,050
Net Change in Fund Balances	$ 2,772,471	$ 8,239,955	$ 7,098,576	$ 4,306,380
Debt Service as a Percentage of Noncapital Expenditures	24.25%	16.36%	12.30%	10.98%

Note: In 2018, current refunding bonds were issued to refund a significant portion of outstanding debt.

Table 4

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 24,029,756	$ 26,375,433	$ 26,106,752	$ 27,569,539	$ 29,491,935	$ 31,790,372
1,515,601	1,884,737	1,232,336	1,939,133	1,820,192	1,505,449
8,443,585	4,964,285	6,584,684	3,111,726	3,281,568	5,519,063
6,635,041	7,310,715	6,988,370	9,510,155	7,825,923	7,817,670
185,181	187,738	145,283	166,286	193,985	197,013
1,235,379	1,354,147	1,424,389	1,079,854	1,843,776	2,300,173
88,317	-	-	-	-	-
565,567	1,306,923	1,393,306	(298,830)	(747,272)	1,692,878
776,392	1,072,834	1,159,838	1,201,916	1,172,444	2,608,524
43,474,819	44,456,812	45,034,958	44,279,779	44,882,551	53,431,142
2,147,041	2,147,501	2,569,221	3,900,394	3,998,983	2,870,643
10,753,947	11,897,247	12,571,164	12,589,736	14,336,568	16,072,181
4,668,439	5,501,354	5,388,120	5,614,601	5,675,556	6,573,282
6,058,369	6,006,067	5,123,142	6,022,413	6,688,174	7,100,176
1,915,702	1,657,141	3,644,949	2,060,832	1,973,428	2,289,964
18,103,407	18,382,651	7,622,854	6,873,673	8,035,860	14,383,257
11,015,000	2,385,000	2,135,000	1,560,000	2,164,308	2,074,648
1,134,477	1,234,714	1,069,906	941,357	886,738	832,374
124,608	110,529	47,548	-	-	-
55,920,990	49,322,204	40,171,904	39,563,006	43,759,615	52,196,525
(12,446,171)	(4,865,392)	4,863,054	4,716,773	1,122,936	1,234,617
9,224,763	9,746,464	9,313,089	11,824,493	7,620,711	8,243,486
(7,300,022)	(9,225,805)	(7,709,382)	(13,448,974)	(6,966,052)	(6,652,009)
9,785,000	2,500,000	-	-	-	-
-	-	-	-	58,318	-
407,479	55,244	19,437	-	-	-
-	-	1,640,000	-	-	-
-	-	-	-	-	-
-	-	(1,640,000)	-	-	-
-	-	-	-	-	-
-	-	-	90,000	-	-
12,117,220	3,075,903	1,623,144	(1,534,481)	712,977	1,591,477
$ (328,951)	$ (1,789,489)	$ 6,486,198	$ 3,182,292	$ 1,835,913	$ 2,826,094
31.32%	10.86%	9.28%	7.58%	8.25%	7.33%

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Table 4.1

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Tax Increments		Lodging Tax	Franchise Tax		Total
2014	$ 15,063,172	$ 1,931,061		$ 98,691	$ 97,628		$ 17,190,552
2015	16,726,629	2,020,664		106,361	98,221		18,951,875
2016	18,096,154	1,959,743		128,367	103,406		20,287,670
2017	19,408,114	1,578,646		133,979	107,441		21,228,180
2018	21,104,528	1,655,941		133,872	1,135,415	(1)	24,029,756
2019	23,331,181	1,738,995		133,808	1,171,449		26,375,433
2020	24,851,795	-	(2)	77,357	1,177,600		26,106,752
2021	26,265,094	-		120,618	1,183,827		27,569,539
2022	28,153,934	2,567		128,548	1,206,886		29,491,935
2023	30,327,377	-		248,216	1,214,779		31,790,372

(1) The City began the collection of gas and electric utility franchise fees in 2018.
(2) In 2020, the City transferred authority over their existing Tax Increment Financing Districts to another entity.

Table 5

City of Inver Grove Heights, Minnesota

Statistical Section (Unaudited)

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended December 31, (1)	Tax Capacity				
	Real Property				
	Residential Property	Commercial Property	Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value
2014	$ 23,532,484	$ 9,252,706	$ 711,742	$ 3,824,454	$ 29,672,478
2015	25,635,739	9,263,633	726,252	3,914,916	31,710,708
2016	27,361,534	9,779,662	753,881	4,071,056	33,824,021
2017	28,111,605	9,722,415	787,939	4,126,152	34,495,807
2018	31,103,141	9,930,791	823,979	4,623,984	37,233,927
2019	33,620,344	10,011,283	802,338	4,660,532	39,773,433
2020	35,972,794	10,284,333	818,480	4,796,534	42,279,073
2021	38,317,299	11,095,364	885,375	5,034,580	45,263,458
2022	40,830,541	11,380,555	521,898	5,378,618	47,354,376
2023	47,888,464	12,027,565	527,995	5,728,590	54,715,434

Source: Dakota County Assessor.

(1) Represents the year the taxes are payable, not the year the taxes are levied.

Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
46.128	$ 2,798,175,018	1.20 %
48.131	3,005,516,326	1.19
49.266	3,198,957,044	1.18
51.644	3,270,107,980	1.18
51.112	3,560,206,357	1.18
53.537	3,805,930,599	1.17
51.037	4,049,704,082	1.16
50.590	4,314,509,327	1.17
51.925	4,548,648,085	1.16
48.814	5,234,903,001	1.15

Table 6

City of Inver Grove Heights, Minnesota

Statistical Section (Unaudited)

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

	City of Inver Grove Heights		
Fiscal Year	Operating Millage	Debt Service Millage	Total Direct Rate
2014	41.849 %	4.279 %	46.128 %
2015	43.984	4.147	48.131
2016	43.621	5.645	49.266
2017	45.717	5.927	51.644
2018	46.379	4.733	51.112
2019	47.674	5.863	53.537
2020	45.151	5.886	51.037
2021	45.038	5.552	50.590
2022	47.251	4.674	51.925
2023	44.718	4.096	48.814

Source: Dakota County Treasurer - Auditor.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Inver Grove Heights. Not all overlapping rates apply to all City of Inver Grove Heights property owners (i.e. the rates for School District #199 apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the school district.)

(2) Special districts include: Metropolitan Council, Mosquito Control, and Metropolitan Transit.

Table 6

Overlapping Rates (1)					Total
Dakota County	School District No. 199	School District No. 196	School District No. 197	Special Districts (2)	Direct & Overlapping Rates
31.827 %	33.418 %	27.606 %	23.863 %	4.993 %	167.835 %
29.633	34.864	23.271	24.063	4.567	164.529
28.570	30.272	24.317	22.170	4.614	159.209
28.004	28.572	23.336	22.295	4.458	158.309
26.580	26.680	21.352	21.224	3.878	150.826
25.386	26.537	20.613	24.246	3.824	154.143
24.133	22.896	19.860	22.125	3.631	143.682
22.716	23.368	20.046	21.900	3.432	142.052
21.630	22.296	19.971	20.391	3.381	139.594
18.816	20.009	17.904	17.067	2.914	125.524

City of Inver Grove Heights, Minnesota

Table 7

Statistical Section (Unaudited)
Principal Property Taxpayers
Current and Nine Years Ago

Taxpayer	2023 Net Tax Capacity	2023 Rank	2023 Percent of Total Net Tax Capacity	2014 Net Tax Capacity	2014 Rank	2014 Percent of Total Net Tax Capacity
Xcel Energy (Northern States Power)	$ 2,820,230	1	4.67 %	$ 1,965,602	1	5.87 %
Flint Hills	1,331,918	2	2.20	489,280	2	1.46
Southview Gables / GSIC II Southview LLC	995,480	3	1.65			
Lake Cove Village Partnership	713,029	4	1.18	335,105	5	1.00
Salem Green Ltd. Partnership	616,750	5	1.02	252,178	7	0.75
PHM Inver Grove Inc	590,142	6	0.98	337,874	4	1.01
Chicago & NW Trans Co.	588,386	7	0.97			
Crossings IGH LLC	462,198	8	0.76			
Pearlwood Estates LP	460,592	9	0.76	284,646	6	0.85
Brentwood Hills Ltd. Partnership	412,852	10	0.68	229,321	9	0.68
ML Casa IV LP (I & G Southview LLC)				457,731	3	1.37
Vansouth Ltd. Partnership				284,646	6	0.85
Farmers Union Central Exchange (Cenex)				248,314	8	0.74
Pearlwood Estates Ltd				209,303	10	0.62
Total	$ 8,991,577		14.88 %	$ 5,094,000		15.21 %

Source: Dakota County Treasurer - Auditor.

Table 8

City of Inver Grove Heights, Minnesota

Statistical Section (Unaudited)
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy	Total Collections	Percentage of Total Collections to Levy
2014	$ 15,056,760	$ 14,906,474	99.00	$ 209,651	$ 15,056,760	100 %
2015	16,468,844	16,369,815	99.40	119,121	16,468,844	100
2016	18,022,195	17,928,458	99.48	121,505	18,022,195	100
2017	19,197,825	19,056,388	99.26	141,437	19,197,825	100
2018	21,041,791	20,921,998	99.43	138,037	21,041,791	100
2019	23,310,688	23,282,030	99.88	81,723	23,310,688	100
2020	24,810,277	24,673,232	99.45	120,512	24,793,744	100
2021	26,202,752	26,071,741	99.50	158,544	26,202,752	100
2022	28,064,780	27,912,552	99.46	126,474	28,039,026	100
2023	30,414,189	30,127,420	99.06	-	30,127,420	99

Source: Dakota County Treasurer - Auditor.

City of Inver Grove Heights, Minnesota

Table 9

Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities	
Fiscal Year	General Obligation (G.O.) Bonds (1)	G.O. Tax Increment Bonds	G.O. Special Assessments Bonds	Leases Payable	G.O. Revenue Bonds (1)	Capital Leases
2014	$ 9,790,308	$ 3,982,550	$ 9,796,053	$ -	$ 17,282,225	$ 56,823
2015	17,363,296	2,836,275	7,567,731	-	20,408,629	29,120
2016	25,734,951	1,681,275	6,242,731	-	19,018,096	-
2017	25,073,158	1,131,275	8,452,731	-	23,197,427	-
2018	25,943,500	560,000	7,269,990	-	21,511,921	-
2019	27,673,288	-	6,190,866	-	14,786,830	-
2020	26,671,000	-	5,007,560	-	13,511,374	-
2021	25,303,163	-	4,750,727	148,377	15,172,519	-
2022	23,882,175	-	4,093,894	224,958	10,907,593	-
2023	22,381,187	-	3,582,061	100,310	10,109,127	-

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

See the Schedule of Demographic and Economic Statistics for personal income and population data.

Total Primary Government		Percentage of Personal Income		Per Capita	
$	40,907,959	3.79	%	$	1,187
	48,205,051	3.94			1,389
	52,677,053	4.27			1,502
	57,854,591	4.45			1,642
	55,285,411	3.88			1,563
	48,650,984	3.27			1,371
	45,189,934	2.15			1,281
	45,374,786	2.90			1,267
	39,108,620	2.27			1,094
	36,172,685	1.97			1,013

Table 10

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Restricted for Debt Service	Net Bonded Debt	Percentage of Estimated Market Value of Taxable Property (1)	Per Capita (2)
2014	$ 40,851,136	$ 4,662,906	$ 36,188,230	1.29 %	$ 1,050
2015	48,175,931	6,000,117	42,175,814	1.40	1,218
2016	52,677,053	5,119,578	47,557,475	1.49	1,350
2017	57,854,591	4,657,944	53,196,647	1.63	1,510
2018	55,285,411	5,129,747	50,155,664	1.41	1,418
2019	48,650,984	4,201,334	44,449,650	1.17	1,253
2020	45,189,934	4,304,080	40,885,854	1.01	1,158
2021	45,226,409	4,190,980	41,035,429	0.95	1,146
2022	38,883,662	4,074,672	34,808,990	0.77	974
2023	36,072,375	4,181,396	31,890,979	0.61	893

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

Table 11

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2023

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
School District # 199	$ 38,125,000	86.0 %	$ 32,804,694
School District # 196	372,305,000	5.5	20,400,452
School District # 197 (3)	127,020,000	0.6	793,240
Metropolitan Council (2)	191,435,000	1.0	1,819,590
Total Overlapping Debt	728,885,000		55,817,976
City of Inver Grove Heights Direct Debt	26,063,558	100.00	26,063,558
Total Direct and Overlapping Debt	$ 754,948,558		$ 81,881,534

Source: Dakota County Treasurer/Auditor, Official Statement obtained on EMMA and Municipal Advisor's records

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 to the City of Inver Grove Heights, Minnesota. This process recognizes 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.

(1) Amounts do not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

(2) Debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt.

(3) Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

Table 12

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Debt Limit	$ 83,945,251	$ 90,165,490	$ 95,968,711	$ 98,103,239
Total Net Debt Applicable to Limit	6,181,018	14,077,236	13,229,040	14,530,123
Legal Debt Margin	$ 73,929,618	$ 77,764,233	$ 76,088,254	$ 82,739,671
Total Net Debt Applicable to the Limit as a Percent of Debt Limit	7.36%	15.61%	13.78%	14.81%

Table 12

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 106,806,191	$ 114,177,918	$ 121,295,097	$ 129,435,280	$ 136,459,443	$ 157,047,090
23,056,521	24,751,521	23,883,401	21,776,263	20,406,263	18,587,832
$ 83,573,116	$ 83,749,670	$ 89,426,397	$ 97,411,696	$ 107,659,017	$ 138,459,258
21.59%	21.68%	19.69%	16.82%	14.95%	11.84%

Legal Debt Margin Calculation for Fiscal Year 2023

Taxable Market Value	$ 5,234,903,001
Debt Limit (3 Percent of Market Value)	$ 157,047,090
Debt Applicable to Limit	
General obligation bonds	21,785,000
Less: amount available in debt service funds	(3,197,168)
Total Net Debt Applicable to Limit	18,587,832
Legal Debt Margin	$ 138,459,258

City of Inver Grove Heights, Minnesota

Table 13

Statistical Section (Unaudited)
Pledged Revenue Coverage
Last Ten Fiscal Years

Water G.O. Revenue Bonds

Fiscal Year	Water Charges and other	Less Operating Expense (1)	Net Available Revenue	Debt Service Principal (2)	Debt Service Interest	Debt Service Total	Coverage
2014	$ 2,818,851	$ 1,771,162	$ 1,047,689	$ 745,000	$ 169,423	$ 914,423	114.57 %
2015	2,899,782	1,449,803	1,449,979	805,000	91,050	896,050	161.82
2016	2,878,095	1,572,283	1,305,812	825,000	74,039	899,039	145.25
2017	3,051,811	1,702,566	1,349,245	845,000	57,324	902,324	149.53
2018	3,132,068	2,005,111	1,126,957	850,000	40,426	890,426	126.56
2019	3,031,231	1,807,741	1,223,490	369,999	27,701	397,700	307.64
2020	3,212,973	1,894,709	1,318,264	379,999	20,676	400,675	329.01
2021	3,602,230	2,036,110	1,566,120	390,000	12,975	402,975	388.64
2022	3,606,552	2,859,679	746,873	409,088	6,800	415,888	179.59
2023	4,087,810	2,966,106	1,121,704	-	-	-	-

Sewer G.O. Revenue Bonds

Fiscal Year	Sewer Charges and other	Less Operating Expense (1)	Net Available Revenue	Debt Service Principal (3)	Debt Service Interest	Debt Service Total	Coverage
2014	$ 3,052,651	$ 2,299,419	$ 753,232	$ 465,000	$ 434,060	$ 899,060	83.78 %
2015	3,088,659	2,653,539	435,120	475,000	301,760	776,760	56.02
2016	3,281,356	2,455,570	825,786	525,000	472,244	997,244	82.81
2017	3,460,592	2,938,354	522,238	715,000	559,112	1,274,112	40.99
2018	3,693,679	2,779,890	913,789	790,000	609,351	1,399,351	65.30
2019	3,738,809	2,893,402	845,407	815,001	493,866	1,308,867	64.59
2020	3,847,337	3,003,492	843,845	850,001	372,449	1,222,450	69.03
2021	3,929,095	2,755,555	1,173,540	880,000	344,088	1,224,088	95.87
2022	4,220,841	3,327,065	893,776	895,912	336,568	1,232,480	72.52
2023	4,632,630	4,002,071	630,559	750,000	289,700	1,039,700	60.65

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

(1) Excludes depreciation expense.

(2) Excludes refunded principal paid through cash held with fiscal agent ($2,885,000 in 2014).

(3) Excludes refunded principal paid through escrow agent ($4,780,000 in 2014).

City of Inver Grove Heights, Minnesota

Table 14

Statistical Section (Unaudited)

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income (1)	Unemployment Rate
2014	34,458	$ 1,213,335,096	$ 35,212	3.9 %
2015	34,627	1,219,285,924	35,212	3.5
2016	35,234	1,234,916,466	35,049	3.3
2017	35,236	1,300,419,816	36,906	3.3
2018	35,372	1,425,526,972	40,301	2.6
2019	35,481	1,488,569,874	41,954	3.0
2020	35,321	2,108,063,243	59,683	7.9
2021	35,801	1,564,897,511	43,711	3.4
2022	35,743	1,719,235,622	48,022	2.0
2023	35,701	1,832,116,175	51,175	2.6

Data Sources
  Metropolitan Council (www.metrocouncil.org)
  Minnesota Dept of Employment and Economic Development (www.deed.state.mn.us)
  U.S. Census Bureau (www.factfinder2.census.gov)

(1) Per Capita Personal Income is for the State of Minnesota, not solely the City of Inver Grove Heights and uses the latest published numbers.

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City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Principal Employers
Prior Year and Nine Years Ago

	2023			2014		
	Employees	Rank	Percent of City Employment (1)	Employees	Rank	Percent of City Employment (1)
CHS Inc / Cenex	2,205	1	11.23	1,000	1	2.65
Evergreen Industries	1,201	2	6.12	450	4	1.19
Independent School District 199	532	3	2.71	447	5	1.18
Gertens	435	4	2.22	475	3	1.26
City of Inver Grove Heights	421	5	2.14	212	10	0.56
Travel Tags	379	6	1.93	350	6	0.93
Inver Hills Community College	375	7	1.91	484	2	1.28
Total Construction	250	8	1.27	250	7	0.66
Wal-Mart	210	9	1.07	230	8	0.61
Woodlyn Heights Senior Living	100	10	0.51			
American Food Groups				220	9	0.58
Total	6,108		31.11 %	4,118		10.90 %

Source: MN Department of Economic Employment and Development

(1) Represents total employment, not just within the City

City of Inver Grove Heights, Minnesota

Table 16

Statistical Section (Unaudited)
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017
General Government	29	28	34	30
Public Safety				
Police				
Officers	32	35	36	39
Civilians	5	6	6	5
Fire				
Firefighters and officers	2	3	3	4
Civilians	2	2	2	1
Public Works				
Engineering	6	6	6	6
Maintenance	15	15	16	16
Culture and Recreation	22	25	24	28
Water and Sewer	7	7	9	8
Total	120	127	136	137

Source: City budgets and personnel records.

Table 16

2018	2019	2020	2021	2022	2023
32	38	39	43	42	41
39	40	41	45	46	46
7	5	6	5	6	6
4	7	7	7	16	17
1	1	1	1	1	1
7	8	8	8	7	8
13	12	12	13	13	13
27	30	32	33	35	39
9	10	11	10	10	10
139	151	157	165	176	181

City of Inver Grove Heights, Minnesota
Statistical Section (Unaudited)
Operating Indicators by Function
Last Ten Fiscal Years

Table 17

Function	2014	2015	2016	2017
Police				
Physical arrests [1]	353	418	377	520
Traffic violations	1,653	1,285	1,154	2,086
Fire				
Calls answered	1,249	1,193	1,324	1,602
Public Works				
Resurfacing (miles)	1.75	1.25	0.70	0.68
Culture and Recreation				
Athletic field permits issued [3]	2,849	2,877	2,823	2,907
Community center admissions	230,717	227,791	225,696	227,323
Rink hours used	4,155	4,045	5,467	5,822
Rounds of golf purchased	50,667	52,997	42,913	44,067
Driving range buckets [2]	17,167	19,901	10,647	13,457
Water				
New connections	50	37	427	78
Water main breaks	10	3	4	5
Average daily consumption (millions of gallons)	2.65	2.75	2.65	2.80

Sources: City department records.

(1) Only Felony arrests were tracked between 2014 and 2016
(2) Driving Range buckets can be purchased in 3 sizes ranging from 20 to 75 balls per bucket.
(3) In 2021, the City implemented new software. Athletic permits are now tracked by hours versus number of permits issued.

Table 17

2018	2019	2020	2021	2022	2023
542	544	686	719	600	624
2,542	1,909	1,622	1,827	1,585	1,468
1,577	1,816	2,217	2,787	3,014	3,058
1.81	0.40	2.2	2.93	8.08	6.4
2,856	2,842	2,660	5,101	7,123	7,057
228,911	219,918	85,669	119,176	163,615	165,499
4,493	5,449	3,230	5,300	5,079	5,563
59,738	57,644	71,288	82,439	72,683	70,841
13,921	14,281	18,282	20,958	19,954	18,973
198	72	45	81	222	101
9	1	2	2	7	4
2.70	2.68	2.96	3.14	2.99	2.97

City of Inver Grove Heights, Minnesota

Table 18

Statistical Section (Unaudited)
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017
Public Safety				
Police				
Stations	1	1	1	1
Patrol units	21	21	21	20
Fire stations				
Stations	2	2	2	2
Fire trucks	10	10	10	11
Other vehicles	4	4	4	4
Public Works				
Highways and streets				
Streets (miles)	140	141	144	149
Street lights (1)	33	33	33	33
Traffic signals (2)	2	2	2	2
Culture and Recreation				
Parks acreage	844	844	844	844
Parks	28	28	28	28
Swimming pools	4	4	4	4
Ice rinks	10	10	10	10
Athletic fields	24	24	24	24
Tennis courts	11	11	11	11
Community centers	1	1	1	1
Golf courses	1	1	1	1
Utilities				
Water				
Miles of water main	158	156	161	158
Wells	7	7	7	7
Fire hydrants	1,683	1,711	1,647	1,673
Maximum daily capacity (millions of gallons)	13	13	13	13
Sewer				
Miles of sanitary sewer	125	132	129	129
Miles of storm sewers	99	102	102	104

Source: City department records.

(1) The majority of street lights in the City are owned by the utility companies.

(2) The majority of traffic lights in the City are owned by Dakota County and/or the State of Minnesota.

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
19	20	23	26	29	29
2	3	3	3	3	3
11	11	11	11	11	11
4	4	6	5	5	7
152	141	141	144	144	146
33	48	48	30	30	26
2	2	2	2	2	12
911	916	1,054	1,062	1,062	1,062
28	28	29	30	30	30
4	4	4	4	4	4
10	10	11	11	12	12
24	24	26	26	26	26
11	14	12	12	12	12
1	1	1	1	1	1
1	1	1	1	1	1
152	154	161	166	169	169
7	7	7	7	7	7
1,762	1,802	1,831	1,923	1,948	1,955
13	13	13	13	13	13
130	131	131	135	134	134
101	108	111	113	115	114

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OTHER REPORTS

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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**INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE**

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Inver Grove Heights, 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,, and have issued our report thereon dated NEED DATE.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Abdo
Minneapolis, Minnesota
NEED DATE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Inver Grove Heights, 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, and have issued our report thereon dated NEED DATE

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abdo
Minneapolis, Minnesota
NEED DATE

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FEDERAL FINANCIAL AWARD PROGRAMS

CITY OF INVER GROVE HEIGHTS
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Honorable Mayor and City Council
City of Inver Grove Heights, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of City of Inver Grove Heights, Minnesota (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City 's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City 's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Abdo
Minneapolis, Minnesota
NEED DATE

City of Inver Grove Heights, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Funding Source	Administering Department	Federal Domestic Assistance Number	Program Name/Number	Federal Program Clusters	Federal Expenditures
U.S. Department of Justice	City of Burnsville	16.738	Edward Byrne Memorial Justice Assistance Grant (JAG) Program-Local Solicitation		$ 10,379
U.S. Department of Transportation	City of South St. Paul	20.600 (1)	State and Community Highway Safety	3,003	
U.S. Department of Transportation	City of South St. Paul	20.616 (1)	National Priority Safety Programs	6,194	
			Total Highway Saftey Cluster		$ 9,197
U.S. Department of Homeland Security	Dakota County	97.067	Homeland Security Grant Program		8,407
U.S. Department of Homeland Security	Direct	97.044	Assistance to Firefighters Grant		14,674
U.S. Department of Transportation	City of South St. Paul	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		11,405
U.S. Department of Homeland Security	Direct	97.083	Staffing for Adequate Fire and Emergency Response		1,240,667
Total					$ 1,294,729

(1) Denotes Highway Safety Cluster

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Inver Grove Heights, Minnesota (the City) for the year ended December 31, 2023. The City's reporting entity is defined in Note 1A to the City's financial statements. The information in this schedule is presented in accordance with the requirement of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. All Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the schedule.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting.

Note 3: Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers, if any, are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended December 31, 2023, the City did not elect to use the 10% de minimis indirect cost rate.

City of Inver Grove Heights, Minnesota
Schedule of Findings, Responses and Questioned Costs
For the Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)	No

Identification of Major Programs/Projects	CFDA No.
Staffing for Adequate Fire and Emergency Response	97.083

Dollar threshold used to distinguish between Type A and Type B Programs	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None

Section III - Major Federal Award Findings and Questioned Costs

There are material weaknesses and instances of noncompliance that are required to be reported in accordance with the Uniform Guidance.

Section IV - Schedule of Prior Year Audit Findings

None

Other Issues

A Corrective Action Plan is required because there are findings required to be reported under the Federal Single Audit Act.

Finding	Description
2023-001	**U.S. Department of Homeland Security** **Staffing for Adequate Fire and Emergency Response**
	Reporting
Criteria:	The Staffing for Adequate Fire and Emergency Response grant requires grantees to submit several reports, including but not limited to semi-annual financial reports.
Condition:	During the course of our engagement, we noted the City did not file the required semi-annual financial performance report due July 31, 2023.
Cause:	Staff was aware of the due dates for the semi-annual financial performance reports and thought the semi-annual financial report due July 31, 2023 had been submitted, only to find out later that it had not been finalized within the federal grants system.
Effect:	The City is out of compliance with the grant program.
Recommendation:	We recommend City staff modify their existing procedures to ensure that reports are finalized and complete within the federal grants system.

Management Response:

After last year's finding, management designed a process whereby staff in both the Fire Department and Finance Department would monitor reporting deadlines; and the Finance Department would confirm with the Fire Department that all of the required reports were submitted in a timely manner. Staff in the Finance Department received confirmation that the semi-annual performance report due July 31, 2023 had been submitted only to find out later that the report had not been finalized, or officially submitted, within the federal grants system. This internal process has now been enhanced to require the Fire Department send a copy of the final submitted report to the Finance Department which will allow the Finance Department to confirm actual submission.

2023-001 **U.S. Department of Homeland Security**
Staffing for Adequate Fire and Emergency Response

Reporting

The Staffing for Adequate Fire and Emergency Response grant requires grantees to submit several reports, including but not limited to semi-annual financial reports. During the course of our engagement, we noted the City did not file one of the required semi-annual financial performance report.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Action Planned in Response to Finding:

The City's process for monitoring the ongoing reporting requirements has been enhanced to require the Fire Department send a copy of the final submitted report to the Finance Department. Previously, the Finance Department was receiving only a verbal confirmation from the Fire Department that the report had been submitted.

Official Responsible for Ensuring CAP:

Amy Hove, Finance Director, would be responsible for procedures.

Planned Completion Date for CAP:

Procedures will be implemented for all reports due in 2024 although the City would like to note that the 2023 semi-annual financial report and 2023 semi-annual performance report due January 31, 2024 were submitted on time and a copy of each report has been saved within the Finance Department files.

Plan to Monitor Completion of CAP:

Staff in the Finance Department will continue to follow this procedure to ensure reports are submitted completely and on time.

Sincerely,

Amy Hove
Finance Director

City of Inver Grove Heights, Minnesota
Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2023

Finding	Description
2022-001	**U.S. Department of Homeland Security** **Staffing for Adequate Fire and Emergency Response**
	Activities Allowed or Unallowed and Allowable Costs
Criteria:	The Staffing for Adequate Fire and Emergency Response grant requires grantees to request reimbursement for payroll costs incurred during the applicable grant period.
Recommendation:	We recommend City staff review the grant requirements and determine a process for properly requesting reimbursement.
Current Year Status:	The finding was removed from the current year report. During the audit, no discrepancies were found between the general ledger and the reimbursement requests.
2022-002	**U.S. Department of Homeland Security** **Staffing for Adequate Fire and Emergency Response**
	Reporting
Criteria:	The Staffing for Adequate Fire and Emergency Response grant requires grantees to submit several reports, including but not limited to semi-annual financial reports.
Recommendation:	We recommend City staff review the grant requirements and determine a process for filing the required reporting forms.
Current Year Status:	The finding has been modified in the current year report. The majority of the reporting requirements were met, except for one semi-annual financial report.
2022-003	**U.S. Department of Homeland Security** **Staffing for Adequate Fire and Emergency Response**
	Activities Allowed or Unallowed and Allowable Costs **Reporting** **Deficiency in Internal Control over Compliance**
Criteria:	Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires internal control procedures to be performed over expenditures.
Recommendation:	We recommend the City develops internal controls specifically addressing reimbursement request approval and reporting requirements.
Current Year Status:	The finding was removed from the current year report. During the audit, we noted no significant deficiencies in the internal controls over reimbursement requests and reporting requirements.

Agenda Item 3.C.

Request for Council Action

SUBJECT: City Council Policies, Procedures and Processes

MEETING DATE: May 6, 2024
ITEM TYPE: Discussion Items
CONTACT: Kris Wilson, City Administrator, 651.450.2511

ACTION REQUESTED
The Council is asked to discuss and provide direction on the following topics related to the operation of Council meetings and conducting of Council business:

1. Proposed amendments to City Code language related to City Council meetings;
2. Process for accepting written public comment (i.e. letters and emails) into the record;
3. Potential policy on proclamations and resolutions.

BACKGROUND
1.) Proposed amendments to City Code language related to the City Council meetings.

Title 1 of the City Code establishes a number of procedural items related to Council meetings including the procedure for adopting Ordinances and Resolutions, the day and time of Council meetings, the order of the agenda, etc. In several cases, the City's existing practice does not directly align with the current language of the City Code. To rectify this, staff is recommending that the Council consider the following amendments to the City Code:

A. Reading of Ordinances, Resolutions, Petitions and Communications. The City Code currently states that all ordinances, resolutions, petitions and communications shall be "read in full" before a vote is taken or the communication is received. The current practice is to provide the ordinance or resolution in writing - to both the Council and the public, but not to read them out loud during the meeting, which could significantly impact the overall length of some Council meetings. Staff is recommending that the requirement to read these documents in full be removed from the Code.

B. Scheduling of 2nd and 3rd Readings of Ordinances. The City Code currently states that the second and third reading of an ordinance shall take place at "the following two regular council meetings." However, scheduling of the second and third reading of ordinances often skips a meeting or two in order to allow time for publication of a public hearing notice, for staff to conduct additional research at the request of Council, or for additional public input to be gathered. These are valid and useful reasons to skip a meeting or two between the first and second or second and third reading of an ordinance. Therefore, staff recommends that the Code language be changed to require a second and third reading at "two subsequent regular council meetings" rather than specifically "the following two regular council meetings."

C. Order of Business for Council Meetings. The City Code currently outlines an order of business for Council meetings. Staff is suggesting that "Adoption of the Agenda" be added after the Call to Order and Roll Call. This gives Councilmembers and staff an opportunity to add or subtract items from the agenda at the start of a meeting. Staff occasionally requests a change to the agenda at the start of a meeting, which is sometimes due to the request of an applicant to pull or delay consideration of their application or the need for Council approval on a time-sensitive item, such as the recent authorization to purchase new motors for the Fire Department's boat. The addition of a formal "Adoption of the Agenda" item would also allow Councilmembers to request that a reconsideration of an item from the previous meeting be added to the agenda. Any and all changes to the Agenda would have to be approved by a majority of the Council. This would just add a clear and identifiable point on the agenda at which to do so.

Secondly, staff proposes updating this same section of the City Code to show the Public Comment period in the proper place on the agenda, which is after Regular Business.

<u>D. Voting Procedure.</u> The City Code currently states that "the votes of the members on any question shall be a roll call vote . . ." A literal reading of this would prevent the Council from taking a voice vote on any matter, including the closing of a pubic hearing, the acceptance of communication into the record, etc. Staff recommends amending this language to provide that voice votes shall be taken unless a roll call vote is requested by the Mayor or any Councilmember. This will allow for current practice to continue, where voice votes are often used for noncontroversial or procedural items and roll call votes are used for substantive items, such as the adoption of ordinances and resolutions, granting of licenses and approval or denial of land use applications.

Draft language to achieve these proposed amendments is attached for the Council's consideration. If, after this discussion, the Council wishes to proceed with some or all of these proposed changes, the attached document would be converted to an ordinance format, with or without amendments, and placed on the agenda of an upcoming Council meeting for a first reading.

2.) Accepting Written Public Comment into the Record. The Council has a practice of accepting written public comments - typically items received via letter or email -- into the record prior to acting on an agenda item. The City receives no such comments on many agenda items, but significant written public comment does come in on more controversial agenda items. Currently, at the top of the Council agenda, it says that written public comments received prior to 4:00 p.m. on the date of the meeting will be provided to the Council at or before the meeting. With meetings starting at 6:00 p.m., this doesn't give Councilmembers much time to review the comments - particularly when there is a large volume of them. There have also been some questions and concerns about how the public can follow the comments received in writing. Staff recommends that the Council consider amending the current policy of receiving written comments up until 4:00 p.m. on the day of the meeting, to something earlier in the day - possibly noon or 2:00 p.m. This would allow staff time to convey all comments received to the Mayor and Council earlier. Additionally, if the Council desires, staff could upload the comments to the published agenda packet prior to the start of the meeting and create a copy for the table in the lobby - thereby providing access to the comments to members of the public attending the meeting in person or watching from home. Lastly, the intent would be to offer up for the record comments received directly by the City Clerk or received by an individual member of the Council and forwarded to the City Clerk by the established deadline. It is up to individual Councilmembers whether they forward communications received directly to the Clerk for inclusion in the record.

3.) Policy on Proclamations, Resolutions and Presentations. Staff receive occasional requests for the Council to consider a proclamation or resolution on various topics or to place a community or non-profit group on the agenda to promote the work or cause of their organization or an upcoming fundraiser. Many of these are good causes or seem harmless on their surface, but they can lead to a slippery slope. Recently, numerous local elected bodies have been encouraged by members of the public to weigh in on national or international issues, such as the Israel-Gaza conflict. Additionally, staff is approached a handful of times throughout the year with requests for various proclamations or "air time" for fundraising appeals or events.

Resolutions or proclamations on subjects that are not directly within the scope or responsibility of city government can be challenging for a number of reasons. Which groups or causes do we say yes to and which do we not? Does the Council wish to spend meeting time on these topics, especially during meetings that have an already lengthy agenda? How do some topics impact the nonpartisan nature of city government?

Earlier this year, staff learned of the attached policy adopted by Dakota County, that outlines when the County Board will or won't consider proclamations and resolutions. The Council is asked to review this policy and provide direction to staff regarding whether it is interested in a similar policy for itself.

FISCAL IMPACT
NA

RECOMMENDATION

ATTACHMENTS
1. Proposed City Code Amendments (Title 1 Chapter 2)
2. Proposed City Code Amendments (Title 1 Chapter 5)
3. Dakota County Policy on Proclamations & Resolutions

CITY CODE 1-2-3: PROCEDURES:

A. Form Of Ordinances Amending Code: An ordinance amending this code must specify the chapter, article, section, subsection or clause to be amended. Language to be added must be underlined; language to be repealed must be stricken. An ordinance repealing an entire chapter, article, section, subsection or clause need refer only to that chapter, article, section, subsection or clause, and the text need not be reproduced. The text of an ordinance adding only new provisions to the code need not be underlined.

B. Ordinances, Resolutions, Motions, Petitions And Communications: Every ordinance and resolution shall be presented in writing~~ and shall be read in full before a vote is taken thereon, but reading in full may be dispensed with by unanimous consent~~. All motions shall be recorded in the minutes and stated in full before they are submitted to a vote by the presiding officer. All petitions and other communications addressed to the council shall be in writing and shall be ~~read in full upon presentation of the same to the council. They shall then be ~~recorded in the minutes by title and filed with the minutes in the office of the clerk.

C. Signatures: Every ordinance and resolution passed by the council shall be signed by the mayor, attested by the clerk, and filed in the ordinance or resolution book. Proof of publication of every ordinance shall be attached to and filed with the ordinance.

D. Passage Of Ordinances:

   1. Every proposed ordinance shall be in writing. After amendments, if any, have been made and accepted by the council, the ordinance, in its then final form, shall receive a reading <u>at </u>~~in the following~~ two (2) <u>subsequent </u>regular council meetings. If the proposed ordinance is passed by a majority of the council at each of the ~~following ~~two (2) <u>subsequent </u>regular council meetings, with or without additional amendments, as may be accepted by the council in either or both of said meetings, then the ordinance shall become effective in the form as finally passed as provided herein.

   2. An ordinance may be presented, read and passed at any one council meeting if the rules are suspended by unanimous vote of the whole council. The ordinance may then be passed by a majority vote.

E. Effective Date Of Ordinances: <u>Unless otherwise specified in the ordinance itself, </u>~~No~~ ordinance<u>s</u> shall become effective <u>upon passage by the Council and publication </u>~~until five (5) days after it is published ~~in the official newspaper. (1974 Code § 110.03)

F. Emergency Ordinances: When the council, by a unanimous vote of the council members present at any regular or special meeting, declares emergency action appropriate with reference to fire, civil disorder, riot, flood, tornado, and other disasters or other acts of nature, then any ordinance dealing with such declared emergency situation may be passed at that meeting and shall be effective at a time and date set forth in said ordinance. An ordinance passed under this emergency rule shall automatically be suspended and be of no further effect following the tenth day after the ordinance has been passed unless another termination date is specified within the ordinance. (1974 Code § 110.03; amd. 2008 Code)

G. Exceptions: ~~Subsections D, E and F of this section do not apply to a~~An ordinance, such as a rezoning or zoning code amendment or subdivision regulation amendment, which by law is required to be considered by either the planning commission or city council after~~t~~ a public hearing ~~upon published notice or upon published or mailed notice to affected property owners~~shall be exempt from the three reading requirements of Subsection D above. In such instances, the ordinance may be presented, read and passed at any one council meeting. (1974 Code § 110.03)

CHAPTER 5
COUNCIL RULES AND PROCEDURE

SECTION:

1-5-1 Meetings

1-5-2 Presiding Officer; Appeals

1-5-3 Order Of Business

1-5-4 Agenda

1-5-5 Quorum

1-5-6 Voting Procedure

1-5-7 Addressing Council

1-5-8 Minutes

1-5-9 Suspension, Repeal Or Amendment Of Rules

1-5-1: MEETINGS:

A. Regular Meetings: The City Council shall adopt a meeting schedule on an annual basis. Unless otherwise shown in the adopted annual council meeting schedule, ~~R~~regular meetings of the council shall be held on the second and fourth Mondays of each calendar month at six o'clock (6:00) P.M.~~;~~ and a council work session shall be held on the first Monday of each calendar month at six o'clock (6:00) P.M. Any regular meeting falling upon a holiday shall be held on such other date as determined by the city council.

B. Special Meetings:

1. Authority: The mayor or any two (2) members of the council may call a special meeting of the council by filing a demand therefor in writing with the city clerk.

2. Notice Requirements: The demand for and the notice of a special meeting shall state the purpose or purposes of the meeting and the date, time and place of the meeting. At least three (3) days before the date of the special meeting, written notice of any special meeting that is not an emergency meeting shall be posted on the principal bulletin board in city hall and shall be mailed or otherwise delivered to each member of the city council and shall be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings with the city. As an alternative to mailing or otherwise delivering notice to persons who have filed a written request for notice of special meetings, the city may publish the notice once, at least three (3) days before the meeting, in the official newspaper of the city. If the notice is to be delivered, it shall be personally delivered or be left at the

usual place of residence with a person of suitable age and discretion then residing therein, or shall be left in a conspicuous place at the residence if no such person can be found therein.

3. Request List: The city clerk shall maintain a list of those persons that have filed, in writing with the clerk, a request for notice of special meetings. A person filing a request for notice of special meetings may limit the request to notification of meetings of a particular city public body and may limit the request to notification of meetings concerning particular subjects, in which case, the city is only required to send notice to that person concerning special meetings involving that particular public body or involving that particular subject. All requests for notices of special meetings shall expire on December 31 of each year. If a person wishes to continue receiving notice of special meetings for the next year, the person must, in writing, refile a request with the city clerk. Not more than sixty (60) days prior to December 31, the city clerk shall send notice of the refiling requirement to each person who filed during the preceding year.

C. Emergency Meetings:

1. Definition: An "emergency meeting" is a special meeting called because of circumstances that, in the judgment of the city council, require immediate consideration by the city council.

2. Authority: The mayor or any two (2) members of the council may call an emergency meeting of the council by filing a demand therefor in writing with the city clerk.

3. Notice Requirements:

a. The demand for the emergency meeting shall state the purpose or purposes of the meeting and the date, time and place of the meeting. Notice of the emergency meeting shall be given to members of the city council at least twelve (12) hours in advance of the meeting by any of the following means:

(1) A telephone call to the member at the member's home or business; or

(2) A written notice shall be personally delivered; or

(3) A written notice shall be left at the member's usual place of residence with a person of suitable age and discretion then residing therein, or the notice thereof shall be left in a conspicuous place at the residence if no such person can be found therein.

b. Good faith efforts shall be made to provide notice of the emergency meeting to each medium that has filed a written request for notice if the request includes the news medium's telephone number. Notice to the news medium of the emergency meeting shall be given by telephone or by any other method used to notify the members of the city council. Notice shall be provided to each news medium which has filed a written request for notice as soon as reasonably practicable after notice has been given to the members. The notice of emergency meeting shall include the purpose or purposes of the meeting and the date, time and place of the meeting. Posted or published notice of an emergency meeting shall not be required.

4. Discussions Of Matters Other Than Emergency: If matters not directly related to the emergency are discussed or acted upon at an emergency meeting, the minutes of the meeting shall include a specific description of the matters.

D. Recessed Meetings: If any meeting is a recessed or continued session of a previous meeting, and the time and place of the meeting was established during the previous meeting and recorded in the minutes of that meeting, then no further published or mailed notice is necessary.

E. Location Of Meetings: All meetings, including special, emergency and recessed meetings, shall be held in the city hall, unless the notice of the regular, special, emergency or recessed meeting designates a different location.

F. Actual Notice Of Meeting: If a person receives actual notice of a meeting at least twenty four (24) hours before the meeting, all notice requirements of this section are satisfied with respect to that person, regardless of the method of receipt of notice.

G. Open Meetings: All council meetings, including regular, special, emergency and recessed meetings, shall be open to the public, unless closed pursuant to law. (1974 Code §§ 200.01, 200.03, and 200.05; amd. 2008 Code; Ord. 1239, 8-22-2011; Ord. 1408, 4-26-2021)

1-5-2: PRESIDING OFFICER; APPEALS:

A. Officials Serve As Presiding Officer: The mayor shall preside at all meetings of the council. In the absence of the mayor, the acting mayor shall preside. In the absence of both, the council members shall elect one of their members as temporary chairperson.

B. Duties: The presiding officer shall preserve order, enforce the rules of procedure herein prescribed and determine without debate, subject to the final decision of the council on appeal, all questions of procedure and order. Except as otherwise provided by statute or by these rules, the proceedings of the council shall be conducted in accordance with "Robert's Rules Of Order Revised".

C. Appeal Of Rulings Of Presiding Officer: Any member may appeal to the council from a ruling of the presiding officer. If the appeal is seconded, the member may speak once solely on the question involved, and the presiding officer may explain his ruling, but no other council member shall participate in the discussion. The appeal shall be sustained if it is approved by a majority of the members present, exclusive of the presiding officer.

D. Motion To Reconsider: A motion to reconsider any action by the council may be made only at the meeting at which such action is taken or the next regular meeting. It may be made either immediately during the same session or at a recessed or adjourned session thereof. Such motion must be made by one from the prevailing side but may be seconded by any member.

E. Participation By Presiding Officer: The mayor or such other member of the council as may be presiding may move, second and debate from the chair. The presiding officer shall not be deprived of any of the privileges of a council member by reason of acting as the presiding officer. (1974 Code § 200.07)

1-5-3: ORDER OF BUSINESS:

A. Council business shall be conducted in the following order:

1. Call to order.

2. Roll call.

3. Approval of agenda.

~~3.~~4. Presentations.

~~4.~~5. Public hearings.

~~5. Public comment.~~

6. Consent agenda.

7. Regular agenda.

~~7.~~8. Public comment.

~~8.~~9. Mayor and council comments.

~~9.~~10. Adjourn. (1974 Code § 200.11; amd. 2008 Code)

B. The order of business may be varied by the presiding officer~~, but all public hearings shall be held at the time specified in the notice of the hearing~~. (1974 Code § 200.11)

1-5-4: AGENDA:

A. Filing Agenda: An agenda of business for each regular council meeting shall be prepared by the City Administrator and filed in the office of the clerk not later than twelve o'clock (12:00) noon on the Thursday~~Wednesday~~ preceding the meeting.

B. Distribution: The agenda shall be prepared in accordance with the order of business, and copies thereof shall be delivered to each council member as far in advance of the meeting time as preparation will permit.

C. Approval of the Agenda. The meeting agenda shall be approved by majority vote. Once the agenda is approved, the order of agenda items may be amended or items may be removed from the agenda by a vote of 2/3rds of the members present at the meeting. ~~Business Items Not On Agenda:~~ Once the agenda has been adopted, n~~N~~o additional item(s) of business ~~not listed on the agenda will~~ may be considered or ~~considered~~ added to the agenda except upon unanimous ~~consent~~ vote of the council members present at the meeting. (1974 Code § 200.11)

D. Consent Agenda: The objective of a consent agenda is to speed the process of meetings by acting upon issues requiring only a vote not a debate, thereby allowing more time for discussion and debating issues of substance. To provide the necessary and effective use of the consent agenda, the following rules govern the consent agenda:

1. At the request of any individual council member or a citizen, an item shall be removed from the consent agenda and considered separately ~~placed in its normal location~~ on the agenda. ~~for debate~~.

2. A motion to approve the consent agenda shall not be debated.

3. The consent agenda shall be adopted only by a unanimous vote of the council members present at the meeting. (1974 Code § 200.11; amd. 2008 Code)

1-5-5: QUORUM:

At all council meetings, a majority of all the council members elected shall constitute a quorum for the transaction of business, but a smaller number may adjourn from time to time. (1974 Code § 200.11)

1-5-6: VOTING PROCEDURE:

A. Except where a roll call vote is required by law or requested by the Mayor or any member of the Council, all votes shall be voice votes. Where a vote is taken by roll call vote.~~The votes of the members on any question shall be a roll call vote as called by the city clerk~~. ~~T~~the clerk shall call the roll of votes on a rotating system to ensure that the order to which members are called to vote will vary on each question. If a member being present does not vote, the minutes, as to his/her name, shall be marked, "present - not voting".

B. ~~A majority vote of all members of the council shall be necessary for approval of any ordinance unless a larger number is required by statute. Except as otherwise provided by statute, a~~ A majority vote of those members of the Council present ~~voting shall prevail in all other cases.~~shall be required for the passage of any motion or approval of any resolution or ordinance, except as otherwise provided by state statute or the provisions of the City Code. (1974 Code § 200.11)

1-5-7: ADDRESSING COUNCIL:

Any person desiring to address the council shall first secure the permission of the presiding officer. Each person addressing the council shall give his/her name and address in an audible tone for the records and, unless further time is granted by the presiding officer, shall limit his/her address to a reasonable time except at a public hearing when the limit shall be three (3) minutes. All remarks should be addressed to the council as a body and not to any member. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked a council member except through the presiding officer. (1974 Code § 200.11)

1-5-8: MINUTES:

A. Approval And Amendments: The city clerk shall ~~keep a record~~prepare written minutes of all council meetings. ~~Unless a reading of the minutes of a council meeting is requested by a member, such minutes may be approved without reading if each member has previously been provided with a copy.~~Minutes shall be presented to the City Council for approval. The council may, by motion carried by majority vote, amend the minutes at the meeting the minutes are submitted for approval. Such amending motion shall become a part of the minutes of the subsequent meeting.

B. Statements Entered Into Minutes: A council member may request, through the presiding officer, the privilege of having an abstract of his/her statement on any subject under consideration by the council, or the reason for his/her dissent from or support of any action of the council, entered in the minutes. Unless ~~the council, by motion, objects,~~a majority of the council votes to deny the request, such statements shall be entered in the minutes. (1974 Code § 200.09)

1-5-9: SUSPENSION, REPEAL OR AMENDMENT OF RULES:

These rules, or any of them, may be temporarily suspended by a four-fifths (4/5) ~~consent of~~vote of ~~all the council members~~the Council members present at the meeting where a motion to suspend the rules is made. These rules ~~and~~ shall not be repealed or amended except by a majority vote of the whole council after notice has been given at some preceding council meeting. (1974 Code § 200.13)

ADDENDUM

Guidelines for Requested Resolutions and Proclamations

The Dakota County Board is a nonpartisan body that does not advocate for positions or policies that do not have a direct, unambiguous and explicit relationship to the County's policies, programs, services, or budgets. This policy provides the County Board and Administration with guidelines in responding to requests for Resolutions and Proclamations. It outlines, in general, the reasons for Board Proclamations and Resolutions:

Ceremonial Proclamations and Resolutions are documents signed by the Board Chair and issued for: public awareness, arts and cultural celebrations and special honors.

Resolutions — Resolutions for the County Board to take affirmative action on an item of County business such as:

- Approval of Board minutes, County policies, procedures, and guidelines
- Approval of the annual budget, budget amendments, capital improvement plans, to establish funds, to make large purchases
- Approval to advertise for bids and proposals, to enter into contracts and agreements
- Approval of interim or ad hoc committees to analyze issues
- Approval of appointments of some employees and appointments to various boards and committees
- Approval of comprehensive plan and other plans, ordinance and ordinance amendments, permits, licenses, findings of facts, and other regulatory issues
- Approval of employment policies and union agreements
- Approval of commissioner's salaries, approval of official newspaper, approval of official website, and other annual requirements
- Establishing or dissolution of Joint Powers Agreements
- Enacting a State of Emergency
- Other actions required by State or Federal law or policy

Statements to Influence State and Federal Policy:

- Resolutions about State policy that are directly and explicitly related to the County policies, budget, programs and services. For example, issues of importance raised by the Association of Minnesota Counties and the Minnesota Inter-County Association, and funding of local projects and initiatives.
- Resolutions about Federal policy that are directly and explicitly related to the County policy, budget, programs and services. For example, issues of importance raised by the National Association of Counties and funding of local projects and initiatives.

Proclamations and Resolutions will not be issued for:

Issues in which the County Board is not required by Federal law or policy, State law or policy, or local law or policy to act upon unless identified above. For example: expressing an opinion on matters of political or ideological controversy; expressing an opinion on issues generally identified and known as supported by one political party and/or opposed by a political party; expressing an opinion or position on topics that have no direct, unambiguous and explicit relationship to the County's policies, programs, services, or budgets; events or organizations with no explicit and unambiguous relationship to the County's policies, programs, services, or budgets; campaigns or events contrary or not directly related to County policies.

Administration of the Guidelines:

Requests for County Board action on a Resolution or Proclamation will be processed by the County Manager, or its designee, upon consultation with the County Board Chair. The County Manager, or its designee, will apply the guidelines and provide a reply to the requestor. This policy/guideline, or the administration of this policy/guideline, does not exclude anyone from bringing their issues and/or opinions to the County Board, as a person can either contact a County Commissioner directly and/or present their issue to the Board during the Public Comment Period portion of a Board meeting Agenda.

Agenda Item 3.D.

Request for Council Action

SUBJECT: Preparation for May 20 Commission Interviews

MEETING DATE: May 6, 2024
ITEM TYPE: Discussion Items
CONTACT: Kris Wilson, City Administrator, 651.450.2511

ACTION REQUESTED
The Council is asked to review plans for its upcoming Commissioner interview and appointment process and provide direction on any changes that it wishes to see.

BACKGROUND
The Council is scheduled to interview applicants and make appointments to the City's three advisory commissions at a special meeting on Monday, May 20. Newly appointed or reappointed Commissioners will take their seats at each Commission's first meeting of June.

The Council will be seeking to make the following appointments:

Planning Commission
3 seats to fill, each for a full 3-year term
2 incumbents have reapplied, and 21 additional applications have been received

Environmental Advisory Commission
3 seats to fill for a full 3-year term plus 1 to complete the remaining 2 years on a vacated term
2 incumbents have reapplied, and 12 additional applications have been received

Parks & Recreation Advisory Commission
3 seats to fill, each for a full 3-year term
2 incumbents have reapplied, and 13 additional applications have been received

Emailed and dropped off applications will be accepted through the close of business on May 1 and applications sent by U.S. mail must be postmarked no later than May 1, so it is possible some additional applications will still be received.

Paper copies of the applications will be provided to Councilmembers at the May 13 Council meeting, to allow time for review prior to the May 20 interviews.

Interview Process
Due to the number of applicants to be interviewed, staff has historically scheduled interviews in 10-minute increments and the Council has asked 3 questions of each applicant. In recent years, the 3 questions have been:

1. Tell us a little bit about your education, background and personal achievements that may relate to your appointment to a City Commission.

2. How long have you been a resident of Inver Grove Heights? What community activities have you been involved in?

3. What personal characteristics do you possess that would make you a good choice for the appointment?

Recognizing that the Council may wish to update the list of questions this year, staff has collected and attached a sampling of questions asked by other metro-area cities when interviewing applicants for advisory boards and commissions - and also offered up some possible alternatives.

One thing to keep in mind when selecting questions for the in-person interviews, is the fact that applicants have already answered 4 questions in writing on the application form. The questions already asked and answered are:

1. How long have you lived in Inver Grove Heights?

2. Please provide an overview of your employment, occupation or other experiences.

3. Please provide a short paragraph summarizing why you are seeking appointment to an Advisory Commission.

4. Briefly describe your background and any other information not previously given which you believe should be considered regarding the appointment you are seeking.

The Council may wish to avoid duplicating these same topics during the in-person interviews and use the brief amount of time available to inquire about other topics.

Additionally, as was requested during last year's Commissioner interview process, staff will be providing a current roster for each Commission to give the Council some sense of the Commission's current make-up. This will include name, address, date of initial appointment, and expiration date of current term.

If the Council would like any other changes to the process for interviewing and appointing Commissioners, it is asked to provide such direction during this conversation.

FISCAL IMPACT
NA

RECOMMENDATION

ATTACHMENTS
1. Possible Alternative Questions for 2024 Commissioner Interviews
2. Commission Interview Questions from other cities (April 2024)

Possible Alternative Questions for Commission Interviews:

1. Tell us one thing you love about Inver Grove Heights and one thing you would like to see changed or improved.

2. Why have you applied for this particular Commission and what knowledge or experience would you bring to the topics that come before this group?

3. How would you describe Inver Grove Heights to a friend or acquaintance who has never been here?

4. How do you get your news and information about what's going on with the City government and in the community more broadly?

NOTE: The Council may wish to ask one or more questions specific to the Commission that a person is applying for. Examples of possible such questions are offered below. However, the application form allows applicants to express an interest in multiple Commissions and provide a ranking of their first, second and third choices. In this case, the Council would need to ask just one Commission-specific question in order to stay on schedule.

Planning Commission:

- Overall, would you categorize the development that has taken place in Inver Grove Heights over the last few years as a positive or negative thing for the city?
- The Planning Commission is often required to balance the rights and preferences of individual property owners with the rights and preferences of surrounding neighbors or the community in general. If appointed to the Planning Commission, how would you weigh these sometimes-competing interests?

Parks & Recreation Advisory Commission:

- How do you or your family utilize the City's existing park system and/or recreational programming?
- How would you rate Inver Grove Heights's existing mix of active use park spaces (such as playgrounds, tennis courts, ball fields) and passive use spaces (such as trails and natural areas)?

Environmental Advisory Commission:

- In the coming year, the EAC will be asked to advise the City Council on Pine Bend Landfill's expansion application. If appointed, what knowledge or understanding of solid waste issues would you bring to the Commission?
- What do you see as a city government's role in supporting or promoting sustainability practices?

City of Eagan

1. Thank you for applying to serve on an Advisory Commission. Could you tell us a bit more about yourself and your interest in serving?

2. What do you see as the Advisory Planning Commission's primary role in addressing land use planning and development to ensure that Eagan remains attractive to our residents and businesses?

3. The City's goal is to be inclusive and equitably serve our racially diverse community so everyone can thrive. As a prospective commission member, what will you do to understand the perspectives of residents from different backgrounds?

City of Burnsville

1. Please briefly tell us about yourself; your background; your work experience, your education, and your activities within the community of Burnsville or any other communities in which you have lived.

2. Tell us about what you know of the focus and role of the Planning Commission.

3. What issues do you think need to be addressed by the Planning Commission?

City of Farmington

1. Please tell us about yourself

2. Why do you want to be on the Planning Commission?

3. What would you bring to the commission? What is your vision for the city of Farmington?

4. What do you think the role of the commission is?

5. What questions do you have for us?

City of Vadnais Heights

1. Please provide a brief description of your education and work experience, along with your past involvement in Vadnais Heights.

2. What areas of your past experiences do you see benefitting the Planning Commission?

3. You had an opportunity to see the Commission duties listed in the City Code. What are the two or three top issues you see facing Vadnais Heights? What would you like to see the Planning Commission accomplish?

4. You have seen the rules for City advisory commissions in Chapter 227. Do you foresee problems meeting attendance requirements? Do you understand the meaning of conflict of interest? Do you have any known conflicts of interest?

5. In summary, why are you the best candidate to be appointed to the Planning Commission?

City of Lakeville

1. Why do you wish to volunteer for a Lakeville advisory committee?
2. What makes you the best candidate for this position?

3. Please name three qualities a member of this advisory board should have.
4. How would you describe your ability to work as a member of a team?
5. What would be your objectives, priorities, or goals if you were appointed?
6. What do you believe should be Lakeville's long-term goals?
7. Are you aware of any circumstances in which you may have a conflict of interest due to work or personal situations? Do you see any conflicts with the meeting schedule?
8. How do you determine priorities in scheduling your time?

Specific to certain advisory board:

Arts Center Board

1. Do you have any specific ideas on how to improve the success of the Arts Center?
2. Do you attend or participate in activities at the Arts Center?

Economic Development Commission

1. Please describe your understanding of the role of the EDC.
2. Can you share more about your experience with strategic planning and/or long-term planning?

Parks, Recreation, & Natural Resources Committee

1. Describe your understanding of the role of the PRNRC.
2. Have you participated in the City's recreation programs in the past? What was your experience?

Planning Commission

1. Describe your understanding of the role of the Planning Commission.
2. Have you had any interaction with Lakeville or other cities on planning or zoning related issues?

Youth Advisory Commission

1. Why are you interested in serving on the Lakeville Youth Advisory Commission?
2. What are some topics you'd like to see the Commission address?

City of Rosemount

GENERAL

1. Please provide us with a summary of your background and involvement in the community.
2. Tell us what you feel your role should be as a member of an advisory commission.
3. Why do you feel that you would be a good person to represent the opinions and concerns of the City?
4. What is your main reason for applying for this appointment, in other words are you basically interested in serving the community or do you have a specific motivating issue that is compelling you to apply for this position?
5. In your opinion, what are the three most important responsibilities an advisory commission member has towards his/her community?
6. What expertise, special experience, etc., do you have that would assist you in a position on an advisory committee?

PARKS AND RECREATION

1. Describe the contract you have made with the parks and recreation programs or facilities in the City of Rosemount.
2. Please name any recreational or sport organization(s) you are affiliated with (i.e. RAHA, RAAA, ASA)
3. In a hypothetical situation, you are attending a Parks and Recreation Commission meeting as a commissioner and are reviewing a specific park design in a given neighborhood. A group of residents attend the meeting and present opposite views of this park design. How would you approach this situation?
4. Are there any particular issues that you see facing the community concerning our parks and recreation department?
5. How does recreation benefit the residents of the City of Rosemount?

UTILITIES

1. Do you have any prior experience dealing with water or sewer utilities and /or water, sewer or storm sewer issues?
2. Why do you feel that you would be a good person to represent the opinions and concerns of the City?
3. Are there any particular issues that you see facing the community concerning utilities?

PLANNING

1. Why do you feel that you would be a good person to represent the opinions and concerns of the City?
2. What is your experience as it relates to planning development?

3. What role do you believe the Planning Commission should have in dealing with these or any other issues?

4. How do you feel that overall community planning and land use decision making is enhanced by public input and involvement?

5. Is there a new development or project that you are aware of in the city. Can you tell me about the project and what you thought about it. Was it good for the community and neighborhood? Why or why not.

6. What would you do if a friend or neighbor was an applicant or strongly spoke for or against a project that was being considered by the planning commission?

7. The Planning Commission's role is to enforce the rules or ordinances already adopted by the City. What would you do if you disagreed with an ordinance that was already in place?

8. How do you currently receive information about the City and development in the community?

9. Based upon how long you've lived here and what you know about the community, do you think the City is growing too fast, too slow or just right. Why?

ESC

1. In your opinion as a resident of Rosemount, what city services could be improved with better use of sustainability? What steps would you recommend the city takes to make these improvements?

2. Are there any particular issues that you see facing the community regarding environmental and sustainability concerns?

3. What motivates you to be a member of the ESC?

PORT AUTHORITY

1. If you had to choose one economic development strategy to focus on, what would it be and why?

2. Which industries/businesses do you want to see more of in your community?

3. How do you feel about the City's vision?

4. Based upon how long you've lived here and what you know about the community, do you think the City is growing too fast, too slow or just right. Why.