JOINT CITY COUNCIL/ FINANCIAL COMMISSION MEETING
Council Commission Room Chambers July 21, 2025

AGENDA

1. **Call to Order - 5:00 p.m.**
2. **Roll Call/Introductions**
3. **2024 Audit Presentation**
    a. 2024 Financial Audit Presentation
4. **2026 – 2035 Capital Improvement Plan**
    a. 2026 - 2035 Capital Improvement Plan
5. **Adjournment**

Council/Financial Commission Meeting

DATE: 7/21/2025
TO: City Council and Finance Commissioners
FROM: Angela Holm, Finance Director
THROUGH: Dr. Reggie Edwards, City Manager
BY: Angela Holm, Finance Director
SUBJECT: Presentation of 2024 Annual Financial Audit

Requested Council Action:

Background:
City Council Code of Policies Section 2.21 (3)(E)(5) states that an independent public accounting firm will perform an annual audit and will publicly issue an opinion concerning the City's finances. For the fiscal period ending December 31, 2024 the City procured the services of public accounting firm Abdo to perform the City's annual audit.

Abdo staff conducted the 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.

It is management's responsibility to prepare and fairly present the financial statements in accordance with accounting principles generally accepted in the United States of America, employing relevant internal controls necessary to fulfill this responsibility.

It is the auditor's objective to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error. Reasonable assurance is not absolute assurance and is not a guarantee that a material misstatement will be detected if it exists. Misstatements are considered material if there is a likelihood that they would influence the judgement made by a reasonable user based on the financial statements.

The City's Annual Comprehensive Financial Report for the Fiscal Period Ending December 31, 2024 is included. This report is a still in draft status as staff has not obtained the required actuarial report from the City's Fire Relief Association. Information in this report does not impact the overall financial health of the City but is a required component of the audit standards.

Significant fund performance results, financial trends, and other key performance indicators will be presented to Councilmembers and Commissioners by representatives from Abdo.

There are two audit findings represented in the 2024 audit. An audit finding is a conclusion reached that indicates there are areas within an organization's processes, procedures, or controls that need improvement or correction. An audit finding does not automatically indicate fraud or other malfeasance.

Corrective Action Plans to address audit findings are required. It is important to recognize that the action plan must identify and correct the underlying cause of the finding, not simply clear the identified transaction or transactions. Staff have begun corrective actions on the underlying cause of these findings. The results of these corrective actions will be included in the 2025 audit report in the Schedule of Prior Year Findings.

The final dated version of the 2024 Annual Comprehensive Financial Report will be included on the agenda for the regular Council meeting on July 28, 2025. Staff will recommend acceptance of the audit report at that time.

Budget Issues:

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

ATTACHMENTS:

1. 2024 Annual Comprehensive Financial Report
2. Audit Results PowerPoint Presentation

ANNUAL FINANCIAL REPORT

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Brooklyn Center, Minnesota
Annual Financial Report
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INTRODUCTORY SECTION

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Brooklyn Center, Minnesota
Principal City Officials
For the Year Ended December 31, 2024

Elected

Name	Title	Term Expires
April Graves	Mayor	12/31/26
Marquita Butler	Council Member	12/31/24
Dan Jerzak	Council Member	12/31/26
Teneshia Kragnes	Council Member	12/31/26
Kris Lawrence-Anderson	Council Member	12/31/24
	Appointed	
Dr. Reginald Edwards	City Manager	
Siobhan Tolar	City Attorney	
Barb Suciu	City Clerk	
Garrett Flesland	Police Chief	
Jesse Anderson	Community Development Director	
Todd Berg	Fire Chief	
Cordell Wiseman	Recreation Services Director	
Elizabeth Heyman	Public Works Director	
Angela Holm	Finance Director	

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FINANCIAL SECTION

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Brooklyn Center, 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 Brooklyn Center, Minnesota, (the City) as of and for the year ended December 31, 2024, 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, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General fund and Tax Increment District No. 3 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Change in Accounting Principle

As described in Note 10 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

As described in Note 10 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17 and the Schedule of Employer's Share of the Net Pension Liability, the Schedule of Employer's Contributions, the Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios, the Schedule of Changes in the City's OPEB Liability and Related Ratios and the related note disclosures starting on page 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming 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 report. The other information comprises the introductory 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.

Abdo
Mankato, Minnesota
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Management's Discussion and Analysis

As management of the City of Brooklyn Center, (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, 2024.

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 assets table on the following pages. The increase this year was due to capital grants received during the year.

- 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 special revenue related to initiative grants and street reconstruction revenue related to MSA funding. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.

- The unassigned fund balance in the General fund as shown in the financial analysis of the City's funds section increased from prior year.

- The City's total bonded debt increased during the fiscal year. The increase was a result of new improvement and revenue bonds acquired in the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

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

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

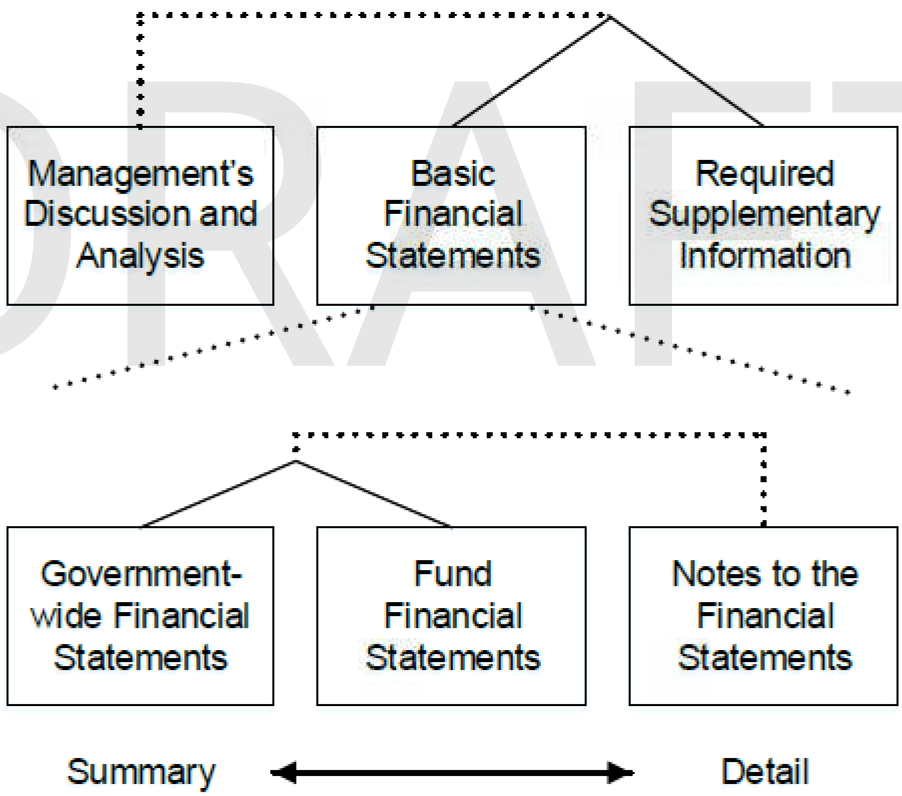


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

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

		Fund Financial Statements	
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid.	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community services, parks and recreation and economic development. The business-type activities of the City include water, Heritage Center of Brooklyn Center, municipal liquor, sanitary sewer utility, storm drainage utility, street lighting utility and recycling utility.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Economic Development Authority and Housing Redevelopment Authority for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found starting on page 33 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 various individual governmental funds, several of which are Debt Service funds that are considered one fund for financial reporting. 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, Debt Service fund and Tax Increment District No. 3, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund and Tax Increment District No. 3. Budgetary comparison statements have been provided for the General fund and Tax Increment District No. 3 fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found starting on page 38 of this report.

Proprietary Funds. 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 municipal liquor, Heritage Center of Brooklyn Center, water utility, sanitary sewer utility, storm drainage utility, street light utility and recycling utility 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 its central garage operations, employee retirement benefit, employee compensation and pension activity for the GERP and PEPFP programs. Because these services predominately benefit governmental rather than *business-type functions*, they have been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of its operations that are considered to be major fund of the City. Internal service funds balances have been incorporated into the functions of the governmental activities that benefited from these services. Individual fund data for the internal services funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found starting on page 45 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 49 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on page 92 of this report.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found starting on page 104 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Brooklyn Center's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Assets						
Current and other assets	$ 80,589,456	$ 76,230,552	$ 4,358,904	$ 21,171,106	$ 18,566,682	$ 2,604,424
Capital assets	75,959,827	75,481,430	478,397	79,624,469	79,953,078	(328,609)
Total Assets	156,549,283	151,711,982	4,837,301	100,795,575	98,519,760	2,275,815
Deferred outflows of resources	11,563,138	13,141,330	(1,578,192)	-	-	-
Liabilities						
Noncurrent liabilities	36,334,481	35,804,829	529,652	38,485,497	36,725,534	1,759,963
Other liabilities	4,752,675	5,387,970	(635,295)	1,789,935	2,142,658	(352,723)
Total Liabilities	41,087,156	41,192,799	(105,643)	40,275,432	38,868,192	1,407,240
Deferred inflows of resources	13,606,602	13,179,664	426,938	4,117,627	4,510,759	(393,132)
Net Position						
Net investment in capital assets	55,631,215	58,550,019	(2,918,804)	44,090,699	43,008,038	1,082,661
Restricted	38,576,901	38,549,514	27,387	-	-	-
Unrestricted	19,210,547	13,381,316	5,829,231	12,311,817	12,132,771	179,046
Total Net Position	$ 113,418,663	$ 110,480,849	$ 2,937,814	$ 56,402,516	$ 55,140,809	$ 1,261,707
Net Position as a Percent of Total						
Net investment in capital assets	49.0 %	53.0 %		78.2 %	78.0 %	
Restricted	34.0	34.9		-	-	
Unrestricted	16.9	12.1		21.8	22.0	
Total Net Position	99.9 %	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.

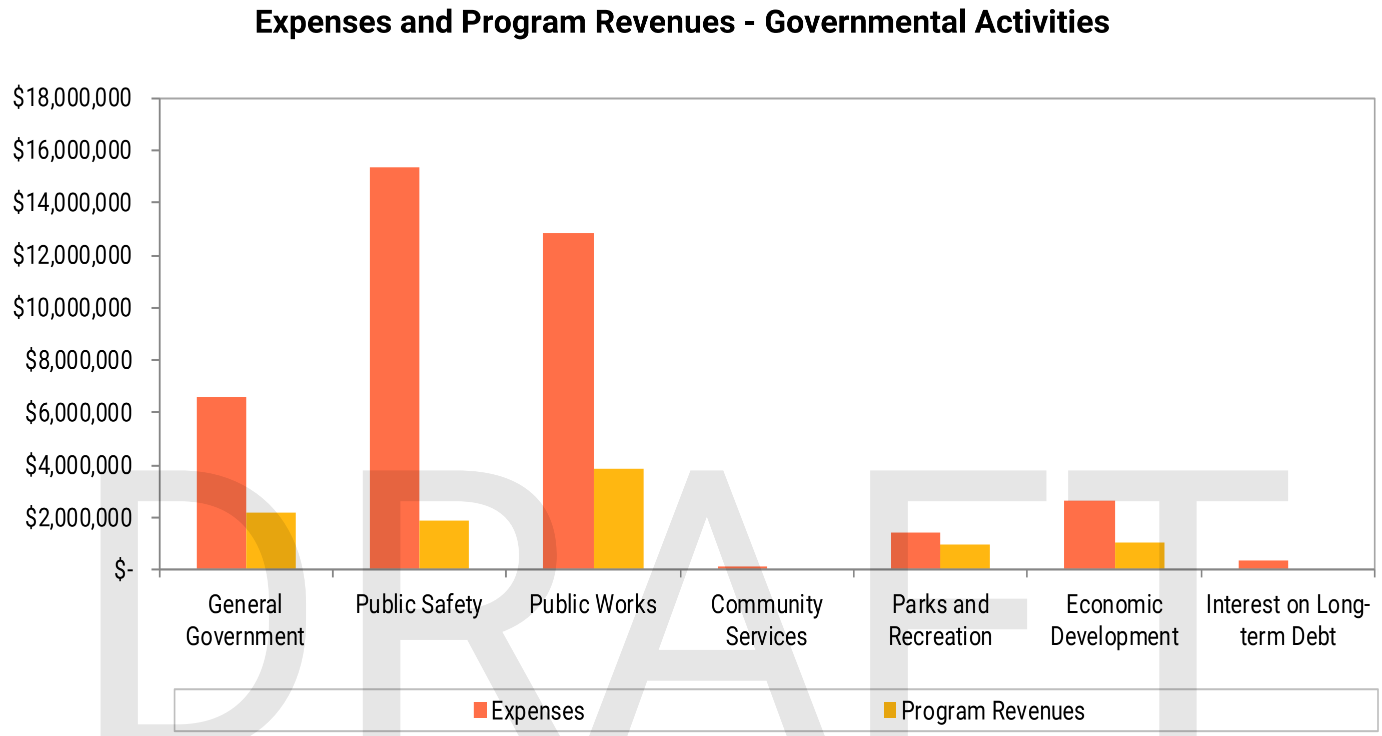
Governmental Activities. Governmental activities increased the City's net position, as shown below. Key elements of this increase are as follows:

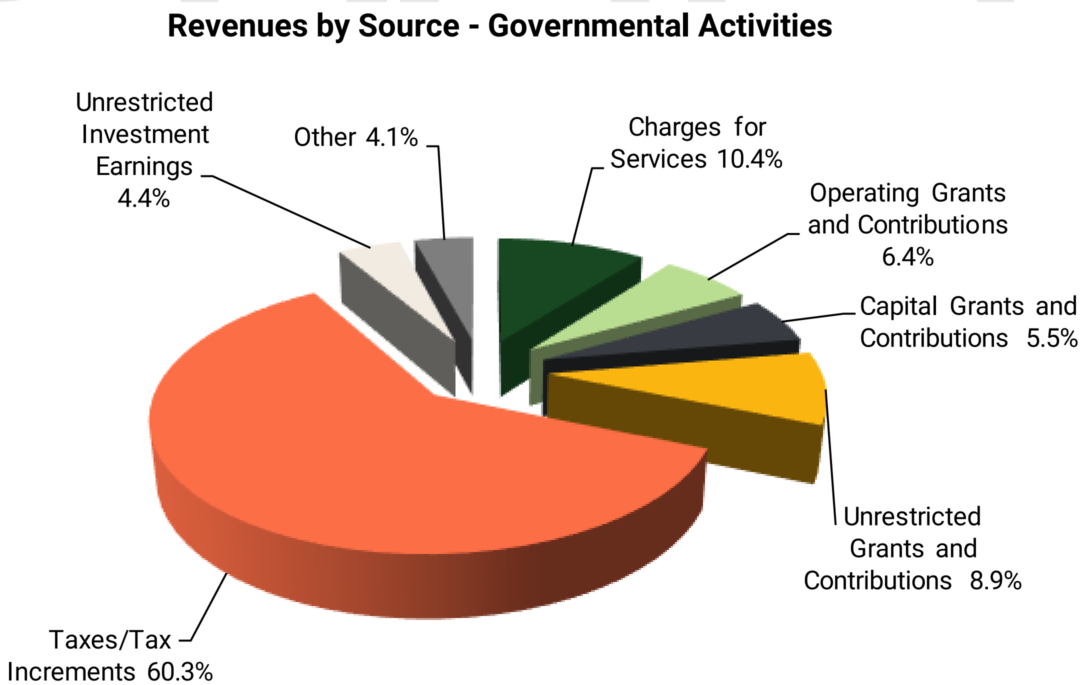
City of Brooklyn Center's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	$ 4,573,642	$ 2,536,548	$ 2,037,094	$ 24,766,364	$ 23,632,778	$ 1,133,586
Operating grants and contributions	2,830,232	4,356,884	(1,526,652)	-	253,788	(253,788)
Capital grants and contributions	2,446,078	1,201,521	1,244,557	-	196,344	(196,344)
General Revenues						
Property taxes	24,769,646	23,100,876	1,668,770	-	-	-
Tax increments	994,856	1,050,058	(55,202)	-	-	-
Lodging taxes	887,205	898,037	(10,832)	-	-	-
Grants and contributions not restricted to specific programs	3,934,901	3,296,142	638,759	-	-	-
Unrestricted investment earnings (loss)	1,927,953	1,788,433	139,520	530,854	528,438	2,416
Other	1,338,276	400,535	937,741	-	-	-
Gain on sale of capital assets	450,000	194,701	255,299	-	-	-
Total Revenues	44,152,789	38,823,735	5,329,054	25,297,218	24,611,348	685,870
Expenses						
General government	6,630,482	6,530,570	99,912	-	-	-
Public safety	15,366,678	15,349,585	17,093	-	-	-
Public works	12,867,649	6,292,303	6,575,346	-	-	-
Community services	131,795	180,657	(48,862)	-	-	-
Park and recreation	1,418,190	5,853,004	(4,434,814)	-	-	-
Economic development	2,666,046	2,954,501	(288,455)	-	-	-
Interest on long-term debt	367,016	395,747	(28,731)	-	-	-
Municipal liquor	-	-	-	6,641,783	6,773,467	(131,684)
Heritage Center of Brooklyn Center	-	-	-	4,729,005	4,545,057	183,948
Water utility	-	-	-	5,132,621	4,940,861	191,760
Sanitary sewer utility	-	-	-	5,716,940	5,326,043	390,897
Storm drainage utility	-	-	-	2,408,574	2,522,856	(114,282)
Street light utility	-	-	-	545,074	653,176	(108,102)
Recycling utility	-	-	-	628,633	537,993	90,640
Total Expenses	39,447,856	37,556,367	1,891,489	25,802,630	25,299,453	503,177
Increase (Decrease) in Net Position Before Contributions	4,704,933	1,267,368	3,437,565	(505,412)	(688,105)	182,693
Capital Contributions	(1,767,119)	-	(1,767,119)	1,767,119	-	1,767,119
Change in Net Position	2,937,814	1,267,368	1,670,446	1,261,707	(688,105)	1,949,812
Net Position - January 1	110,480,849	109,213,481	1,267,368	55,140,809	55,828,914	(688,105)
Net Position - December 31	$ 113,418,663	$ 110,480,849	$ 2,937,814	$ 56,402,516	$ 55,140,809	$ 1,261,707

- Property taxes increased $1,668,770 and charges for services $2,038,478, respectively, mainly due to increased general fund levies and increased valuation of TIF properties.
- Capital Grants and contributions increased $1,244,557.
- Investment earnings totaled $1,929,410.

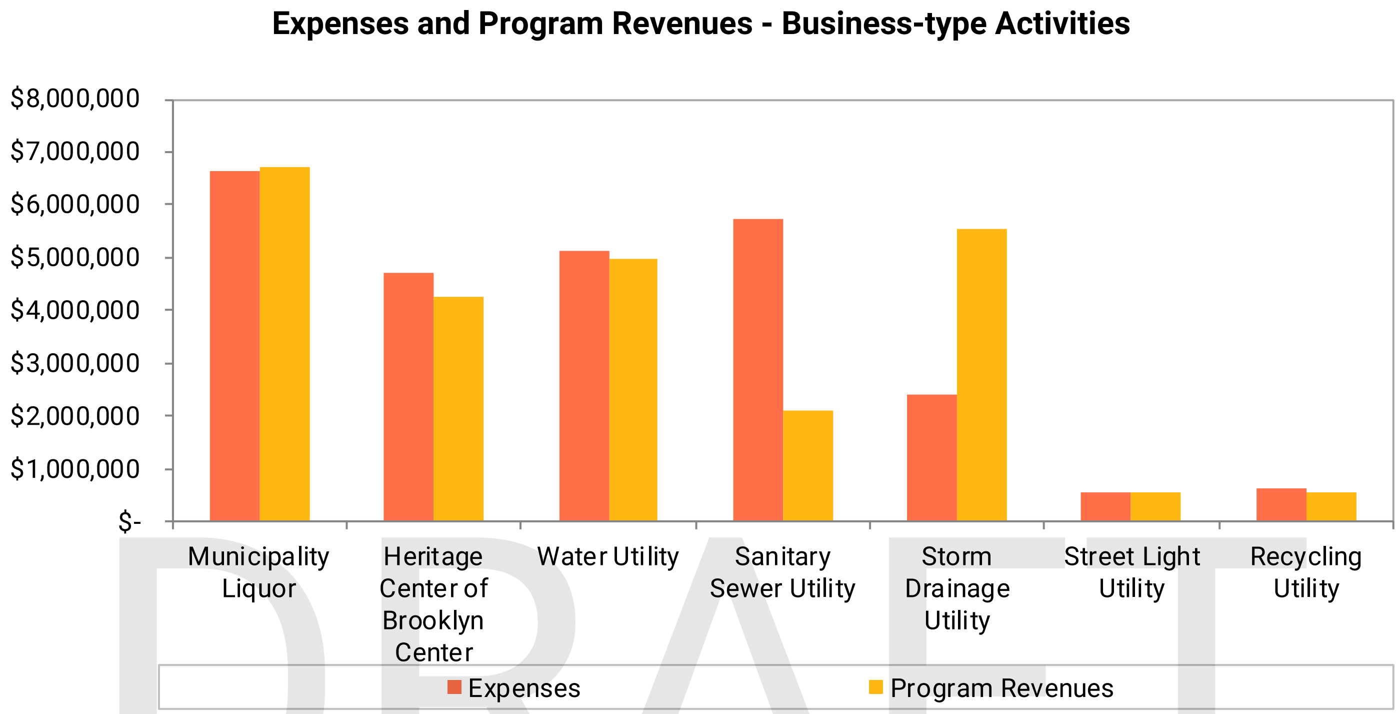
The following graphs depict various governmental activities and show the revenue and expenses directly related to those activities.

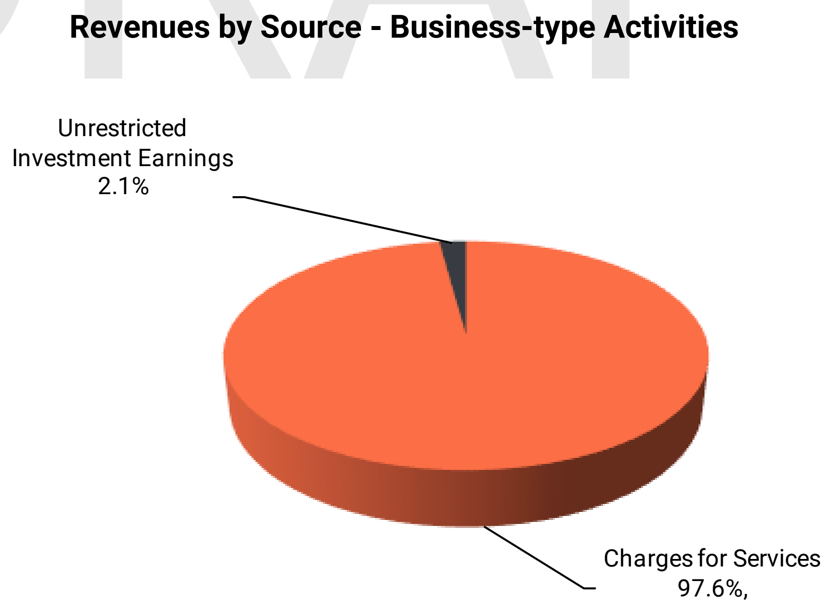




Business-type Activities. Business-type activities decreased the City's net position, as shown in the changes in net position table. Key elements of this decrease are as follows:

- Charges for services increased by $967,168 due to an increase in usage and utility rates.
- Due to inflationary pressures, all business-related expenses trended upward, resulting in an increase of $1,178,290 from the prior year.





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. 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 year.

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, 2024.

	General	Tax Increment District No. 3	Special Assessment Construction	Street Reconstruction	Other Nonmajor Governmental	Total	Prior Year Total
Fund Balances							
Nonspendable	$ 190,099	$ -	$ -	$ -	$ 3,694	$ 193,793	$ 193,535
Restricted	-	20,961,704	-	7,343,327	16,871,671	45,176,702	37,421,721
Committed	-	-	-	-	2,083,782	2,083,782	8,669,542
Assigned	-	-	-	-	-	-	-
Unassigned	14,555,855	-	869,801	-	(871,925)	14,553,731	11,797,376
Total	$ 14,745,954	$ 20,961,704	$ 869,801	$ 7,343,327	$ 18,087,222	$ 62,008,008	$ 58,082,174

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 1 starting on page 49 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	$ 190,099	$ 188,428	$ 1,671
Unassigned	14,555,855	13,407,391	1,148,464
Total	$ 14,745,954	$ 13,595,819	$ 1,150,135
General Fund Expenditures	$ 29,073,606	$ 27,821,556	
Unassigned as a Percent of Expenditures	50.1%	48.2%	
Total Fund Balance as a Percent of Expenditures	50.7%	48.9%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above Major variances that occurred in the General fund from its budget are noted below in the General Fund Budgetary Highlights.

Other major governmental fund analysis is shown below:

	December 31, 2024	December 31, 2023	Increase (Decrease)
Tax Increment District No. 3 fund	$ 20,961,704	$ 21,605,846	$ (644,142)
The Tax Increment District No. 3 fund decrease in fund balance during the year was due to the district no longer collecting increment following decertification in 2021.			
Special Assessment Construction	$ 869,801	$ (798,565)	$ 1,668,366
The Special Assessment account had $5,257,958 in capital improvements that will be reimbursed by future bond proceeds.			
Street Construction Fund	$ 7,343,327	$ 1,060,648	$ 6,282,679
The Street construction fund had bond proceeds that were not spent for 2024.			

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 2024	Ending Net Position 2023	Increase (Decrease)
Water Utility	$ 13,977,289	$ 13,162,998	$ 814,291
The decrease primarily is attributed to increase in operating expenses, interest and other costs.			
Sanitary Sewer Utility	$ 17,114,974	$ 16,730,996	$ 383,978
The decrease primarily is attributed to increase in operating expenses, interest and other costs.			
Stom Drainage Utility	$ 21,052,597	$ 20,751,865	$ 300,732
The decrease primarily is attributed to increase in operating expenses, interest and other costs.			

General Fund Budgetary Highlights

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 28,006,619	$ 28,501,354	$ 494,735
Expenditures	29,891,224	29,073,606	817,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,884,605)	(572,252)	1,312,353
Other Financing Sources (Uses)			
Transfers in	2,051,200	1,889,087	(162,113)
Transfers out	(166,595)	(166,700)	(105)
Total Other Financing Sources (Uses)	1,884,605	1,722,387	(162,218)
Net Change in Fund Balances	-	1,150,135	1,150,135
Fund Balances, January 1	13,595,819	13,595,819	-
Fund Balances, December 31	$ 13,595,819	$ 14,745,954	$ 1,150,135

Revenues were over budget by $496,192, expenditures were under budget by $980,838 and the other financing sources (uses) were under budget by $162,218, causing fund balance to increase by $1,314,812 in 2024. The budget was balanced during the year.

The major variances in the budget for the General fund were:

- Rental dwelling licenses and mechanical permits revenue were over budget by $92,078 and $39,275, respectively. mainly due to increased activity in the housing market and a surge in construction projects.

- Charges for services revenue was over budget by $207,213 mainly due to the increase in rates and number of services provided.

- Investment earnings were over by $360,037 due to an increase in interest rates and market value adjustments.

- Police expenditures were under budget by $725,761. This is due to personal services in the police department being under budget by $940,275 due to staffing shortages.

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, 2024, is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges. The total decrease in the City's investment in capital assets for the current fiscal year for governmental and business-type activities is to the City has started the Orchard Lane reconstruction project in 2024 with continued investment in capital assets.

Major capital asset activity during the current fiscal year included the following

- Costs related to the Dupont Avenue Water Main Crossing rehabilitation project totaled $1,455,375

- Costs related to the 65th Avenue Storm rehabilitation project totaled $866,662

- Costs related to the Lift Station #5 Rehabilitation project totaled $333,246

- Costs related to the basketball court pavement replacement totaled $129,705

- Orchard Lane East Street Reconstruction project costs totaled $3,980,778

- Playground equipment replacements amounted to $347,048

Additional information on the City's capital assets can be found in Note 3C starting on page 63 of this report.

City of Brooklyn Center's Capital Assets
(Net of Depreciation)

	Governmental Activities			Business-type Activities			Total	
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023
Land	$ 5,638,873	$ 5,638,873	$ -	$ 2,698,879	$ 2,698,879	$ -	$ 8,337,752	$ 8,337,752
Easements	320,904	320,904	-	10,285	10,285	-	331,189	331,189
Construction in Progress	4,411,539	2,103,427	2,308,112	5,485,001	971,078	4,513,923	9,896,540	3,074,505
Land Improvements	10,286,424	10,205,874	80,550	122,216	151,371	(29,155)	10,408,640	10,357,245
Buildings and Improvements	5,940,866	6,814,998	(874,132)	21,466,882	21,419,591	47,291	27,407,748	28,234,589
Machinery and Equipment	7,751,980	5,965,420	1,786,560	303,867	272,989	-	8,055,847	6,238,409
Leased Equipment	48,718	66,433	(17,715)	-	-	-	48,718	66,433
Street Infrastructure	41,560,523	44,365,501	(2,804,978)	-	-	-	41,560,523	44,365,501
Street light systems	-	-	-	1,818,830	2,009,764	-	1,818,830	2,009,764
Mains and lines	-	-	-	47,718,509	52,419,121	-	47,718,509	52,419,121
Total	$ 75,959,827	$ 75,481,430	$ 478,397	$ 79,624,469	$ 79,953,078	$ 4,532,059	$ 155,584,296	$ 155,434,508

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of special assessment, tax increment bonds, bonds secured solely by specified revenue sources (i.e., revenue bonds) and leases payable.

City of Brooklyn Center's Outstanding Debt

	Governmental Activities			Business-type Activities			Total	
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023
General Obligation Lease Revenue Bonds	$ -	$ -	$ -	$ 2,000,000	$ 2,145,000	$ (145,000)	$ 2,000,000	$ 2,145,000
General Obligation Improvement Bonds	18,373,892	15,387,688	2,986,204	381,108	567,312	(186,204)	18,755,000	15,955,000
General Obligation Tax Increment Bonds	1,745,000	2,075,000	(330,000)	-	-	-	1,745,000	2,075,000
General Obligation Revenue Bonds	-	-	-	23,045,000	20,220,000	2,825,000	23,045,000	20,220,000
Certificates of Participation	-	-	-	-	-	-	-	-
General Obligation Revenue Notes	-	-	-	10,763,445	11,785,445	(1,022,000)	10,763,445	11,785,445
Leases Payable	50,234	67,689	(17,455)	-	-	-	50,234	67,689
Total	$ 20,169,126	$ 17,530,377	$ 2,638,749	$ 36,189,553	$ 34,717,757	$ 1,471,796	$ 56,358,679	$ 52,248,134

The City's total debt increased by $6,183,274 (approximately 10.6 percent) during the current fiscal year. The City's bond rating was remained 'AA' from Standard & Poor's for their 2024 issues. The City had no new bond issues in 2023.

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is $91,797,996, which is significantly in excess of the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 3E starting on page 66 of this report.

Economic Factors and Next Year's Budgets and Rates

- Continuing redevelopment throughout the City will yield net growth in tax base and stability in tax base along with providing job growth in the City.

- Since 2008, the EDA has acquired approximately 49 acres of land including the former Brookdale Square shopping center site, the former Target site, the former Brookdale Ford dealership property and other parcels within the existing street boundaries of the area. The EDA entered into a Preliminary Development Agreement with Alatus, LLC as the master developer of this site. In May 2018, the site was federally designated as an Opportunity Zone. The preliminary development concept proposed involves the construction of a mixed-use apartment/hotel/commercial/single-family development together with related improvements including a centralized park area, new roads and storm water ponding improvements.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

The City's policy is to maintain a General fund unassigned fund balance of 50.0% - 52.0% of the ensuing year's budgeted General fund operations. Additionally, the City's capital project funding policy transfers the amount of fund balance exceeding 52.0% to the Capital Improvements fund following the completed audit of the City. Total unassigned fund balance at the end of 2023 was $13,407,391, or 47.9% of the adopted 2024 budgeted expenditures.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Brooklyn Center, 6301 Shingle Creek Parkway, Brooklyn Center, Minnesota 55430.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Brooklyn Center, Minnesota
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	$ 50,482,759	$ 13,466,703	$ 63,949,462
Receivables			
Interest	12,807	363,741	376,548
Taxes	164,749	-	164,749
Accounts, net of allowances	293,340	3,608,154	3,901,494
Notes	85,133	-	85,133
Leases	445,785	4,166,158	4,611,943
Special assessments	4,883,389	893,087	5,776,476
Intergovernmental	612,042	81,662	693,704
Internal balances	2,730,401	(2,730,401)	-
Inventories	224,902	1,034,337	1,259,239
Prepaid items	82,552	287,665	370,217
Assets held for resale	20,127,822	-	20,127,822
Capital assets			
Nondepreciable	10,371,316	8,194,165	18,565,481
Depreciable	65,588,511	71,430,304	137,018,815
Net pension asset	443,775	-	443,775
Total Assets	156,549,283	100,795,575	257,344,858
Deferred Outflows of Resources			
Deferred pension resources	9,381,827	-	9,381,827
Deferred other postemployment benefit resources	2,181,311	-	2,181,311
Total Deferred Outflows of Resources	11,563,138	-	11,563,138
Liabilities			
Accounts payable	1,211,702	500,022	1,711,724
Contracts payable	202,686	245,599	448,285
Due to other governments	68,024	137,254	205,278
Accrued interest payable	280,376	397,158	677,534
Accrued salaries and wages	1,022,421	25,059	1,047,480
Deposits payable	760,929	395,655	1,156,584
Unearned revenue	1,206,537	89,188	1,295,725
Noncurrent liabilities			
Due within one year			
Long-term liabilities	3,248,356	4,192,684	7,441,040
Due in more than one year			
Long-term liabilities	19,702,715	34,292,813	53,995,528
Net pension liability	9,370,040	-	9,370,040
Total other postemployment benefits liability	4,013,370	-	4,013,370
Total Liabilities	41,087,156	40,275,432	81,362,588
Deferred Inflows of Resources			
Intergovernmental	515,920	-	515,920
Deferred pension resources	11,918,315	-	11,918,315
Deferred other postemployment benefit resources	766,724	-	766,724
Deferred lease resources	405,643	4,117,627	4,523,270
Total Deferred Inflows of Resources	13,606,602	4,117,627	17,724,229
Net Position			
Net investment in capital assets	55,631,215	44,090,699	99,721,914
Restricted			
Capital projects	-	-	-
Tax increment financing	24,379,706	-	24,379,706
Statutory housing obligation	-	-	-
Economic development	1,866,861	-	1,866,861
Debt service	5,309,666	-	5,309,666
Law enforcement enhancements	72,619	-	72,619
Opioids	118,959	-	118,959
Community prevention, health and safety	1,399,768	-	1,399,768
State-aid street systems	4,985,547	-	4,985,547
Fire relief pension	443,775	-	443,775
Unrestricted	19,210,547	12,311,817	31,522,364
Total Net Position	$ 113,418,663	$ 56,402,516	$ 169,821,179

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

City of Brooklyn Center, Minnesota
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 6,630,482	$ 2,032,533	$ 107,234	$ -
Public safety	15,366,678	1,001,732	880,734	-
Public works	12,867,649	18,205	1,361,809	2,446,078
Community services	131,795	-	-	-
Parks and recreation	1,418,190	878,602	79,594	-
Economic development	2,666,046	642,570	400,861	-
Interest on long-term debt	367,016	-	-	-
Total Governmental Activities	39,447,856	4,573,642	2,830,232	2,446,078
Business-type Activities				
Municipal liquor	6,641,783	6,723,769	-	-
Heritage Center of Brooklyn Center	4,729,005	4,277,786	-	-
Water utility	5,132,621	4,971,997	-	-
Sanitary sewer utility	5,716,940	5,560,917	-	-
Storm drainage utility	2,408,574	2,105,576	-	-
Street light utility	545,074	570,815	-	-
Recycling utility	628,633	555,504	-	-
Total Business-type Activities	25,802,630	24,766,364	-	-
Total	$ 65,250,486	$ 29,340,006	$ 2,830,232	$ 2,446,078

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

Capital Contributions From (to) Other Funds

Total General Revenues

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 (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (4,490,715)	$ -	$ (4,490,715)
(13,484,212)	-	(13,484,212)
(9,041,557)	-	(9,041,557)
(131,795)	-	(131,795)
(459,994)	-	(459,994)
(1,622,615)	-	(1,622,615)
(367,016)	-	(367,016)
(29,597,904)	-	(29,597,904)
-	81,986	81,986
-	(451,219)	(451,219)
-	(160,624)	(160,624)
-	(156,023)	(156,023)
-	(302,998)	(302,998)
-	25,741	25,741
-	(73,129)	(73,129)
-	(1,036,266)	(1,036,266)
(29,597,904)	(1,036,266)	(30,634,170)
22,950,790	-	22,950,790
1,818,856	-	1,818,856
994,856	-	994,856
887,205	-	887,205
3,934,901	-	3,934,901
1,927,953	530,854	2,458,807
1,338,276	-	1,338,276
450,000	-	450,000
(1,767,119)	1,767,119	-
32,535,718	2,297,973	34,833,691
2,937,814	1,261,707	4,199,521
110,480,849	55,140,809	165,621,658
$ 113,418,663	$ 56,402,516	$ 169,821,179

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

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FUND FINANCIAL STATEMENTS

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Brooklyn Center, Minnesota
Balance Sheet
Governmental Funds
December 31, 2024

	General	Tax Increment District No. 3	*(Formerly Nonmajor)* Special Assessment Construction	*(Formerly Nonmajor)* Street Reconstruction	Other Nonmajor Governmental	Total
Assets						
Cash and investments	$ 16,008,886	$ 1,273,194	$ 1,006,064	$ 7,854,967	$ 18,781,827	$ 44,924,938
Receivables						
Interest	1,905	-	-	-	10,902	12,807
Current taxes	152,434	-	-	-	6,321	158,755
Delinquent taxes	-	-	-	-	5,994	5,994
Accounts, net of allowances	254,791	-	-	-	7	254,798
Notes	-	-	-	-	85,133	85,133
Leases	11,858	-	-	-	433,927	445,785
Special assessments	372,557	-	2,185,750	-	2,325,082	4,883,389
Intergovernmental	15,526	-	-	-	578,412	593,938
Due from other funds	383,008	-	-	-	3,418	386,426
Inventories	183,346	-	-	-	3,694	187,040
Prepaid items	6,753	-	-	-	75,799	82,552
Assets held for resale	-	19,692,844	-	-	434,978	20,127,822
Total Assets	$ 17,391,064	$ 20,966,038	$ 3,191,814	$ 7,854,967	$ 22,745,494	$ 72,149,377
Liabilities						
Accounts payable	$ 447,819	$ 2,478	$ -	$ 511,640	$ 163,251	$ 1,125,188
Contracts payable	-	-	146,569	-	56,117	202,686
Due to other funds	-	-	-	-	3,418	3,418
Due to other governments	68,024	-	-	-	-	68,024
Accrued salaries and wages	1,015,921	-	-	-	3,323	1,019,244
Deposits payable	742,940	1,856	-	-	16,133	760,929
Unearned revenue	33	-	-	-	1,180,833	1,180,866
Total Liabilities	2,274,737	4,334	146,569	511,640	1,423,075	4,360,355
Deferred Inflows of Resources						
Unavailable revenue						
Taxes	-	-	-	-	5,994	5,994
Special assessments	358,880	-	2,175,444	-	2,835,053	5,369,377
Deferred lease resources	11,493	-	-	-	394,150	405,643
Total Deferred Inflows of Resources	370,373	-	2,175,444	-	3,235,197	5,781,014
Fund Balances						
Nonspendable	190,099	-	-	-	3,694	193,793
Restricted	-	20,961,704	-	7,343,327	16,871,671	45,176,702
Committed	-	-	-	-	2,083,782	2,083,782
Unassigned	14,555,855	-	869,801	-	(871,925)	14,553,731
Total Fund Balances	14,745,954	20,961,704	869,801	7,343,327	18,087,222	62,008,008
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 17,391,064	$ 20,966,038	$ 3,191,814	$ 7,854,967	$ 22,745,494	$ 72,149,377

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

City of Brooklyn Center, Minnesota
Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds
December 31, 2024

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

Fund Balances - Governmental Funds	$	62,008,008
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.		69,644,502
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		(20,118,892)
Unamortized premium		(1,701,800)
Leases payable		(50,234)
Some receivables are not available soon enough to pay current-period's expenditure, and therefore are unavailable in governmental funds.		
Delinquent taxes receivable		(19,677)
Special assessments receivable		4,853,457
Governmental funds do not report long-term amounts related to the City's Fire Relief Association Pension Fund		
Net pension asset		443,775
Deferred outflows of pension resources		660,947
Deferred inflows of pension resources		(54,800)
Governmental funds do not report a liability for accrued interest until due and payable.		(280,376)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		(1,966,247)
Total Net Position - Governmental Activities	$	113,418,663

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

City of Brooklyn Center, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Tax Increment District No. 3	*(Formerly Major)* Debt Service	(Formerly *Nonmajor)* Special Assessment Construction
Revenues				
Taxes	$ 23,329,835	$ -	$ -	$ -
Franchise fees	-	-	-	-
Special assessments	66,982	-	-	583,643
Licenses and permits	913,266	-	-	-
Intergovernmental	2,356,113	-	-	-
Charges for services	700,913	3,500	-	-
Fines and forfeits	361,302	-	-	-
Investment earnings (loss)	488,405	54,444	-	-
Miscellaneous	284,538	7,470	-	5
Total Revenues	28,501,354	65,414	-	583,648
Expenditures				
Current				
General government	5,656,220	-	-	-
Public safety	14,835,817	-	-	-
Public works	3,107,609	-	-	-
Community services	131,795	-	-	-
Parks and recreation	4,201,372	-	-	-
Economic development	627,263	709,556	-	-
Nondepartmental	508,534	-	-	-
Capital outlay				
Public works	-	-	-	353,062
Economic development	4,996	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Bond issuance costs	-	-	-	16,537
Total Expenditures	29,073,606	709,556	-	369,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	(572,252)	(644,142)	-	214,049
Other Financing Sources (Uses)				
Transfers in	123,992	-	-	-
Administrative services reimbursement	1,765,095	-	-	-
Other Debt- Principal	-	-	-	-
Bonds and leases issued	-	-	-	1,321,137
Premium on bonds issued	-	-	-	133,180
Transfers out	(166,700)	-	-	-
Total Other Financing Sources (Uses)	1,722,387	-	-	1,454,317
Net Change in Fund Balances	1,150,135	(644,142)	-	1,668,366
Fund Balances, January 1, as previously presented	13,595,819	21,605,846	5,085,185	-
Change to the financial reporting entity (Note 10)				
Change from nonmajor to major	-	-	-	(798,565)
Change from major to nonmajor	-	-	(5,085,185)	-
Fund Balances, January 1, as adjusted or restated	13,595,819	21,605,846	-	(798,565)
Fund Balances, December 31	$ 14,745,954	$ 20,961,704	$ -	$ 869,801

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

(Formerly Nonmajor) Street Reconstruction	Other Nonmajor Governmental	Total
$ -	$ 3,416,686	$ 26,746,521
673,702	-	673,702
-	759,349	1,409,974
-	-	913,266
11,854	4,379,386	6,747,353
-	976,056	1,680,469
-	-	361,302
474,129	707,586	1,724,564
-	112,419	404,432
1,159,685	10,351,482	40,661,583
-	348,956	6,005,176
-	561,418	15,397,235
-	306,002	3,413,611
-	-	131,795
-	1,408,788	5,610,160
-	1,764,760	3,101,579
-	-	508,534
4,411,344	2,124,813	6,889,219
-	-	4,996
-	2,623,796	2,623,796
-	543,761	543,761
45,638	-	62,175
4,456,982	9,682,294	44,292,037
(3,297,297)	669,188	(3,630,454)
-	1,214,234	1,338,226
-	-	1,765,095
-	(21,069)	(21,069)
3,958,863	-	5,280,000
399,082	-	532,262
-	(1,171,526)	(1,338,226)
4,357,945	21,639	7,556,288
1,060,648	690,827	3,925,834
-	17,795,324	58,082,174
6,282,679	(5,484,114)	-
-	5,085,185	-
6,282,679	17,396,395	58,082,174
$ 7,343,327	$ 18,087,222	$ 62,008,008

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

City of Brooklyn Center, 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, 2024

	Primary Government
Amounts reported for governmental activities in the statement of activities are different because	
Net Change in Fund Balances - Governmental Funds	$ 3,925,834
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.	
Capital outlay	5,677,752
Depreciation/amortization expense	(4,510,360)
The net effect of various miscellaneous transactions involving capital assets is to increase (decrease) net position.	
Capital contributions to business-type activities, net	(1,767,119)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal repayments	2,623,796
Lease amortization	17,455
Long-term debt issued (including premiums on current year bonds)	(5,280,000)
Amortization of bond premiums	(315,420)
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.	(40,097)
Long-term pension activity related to the City's Fire Relief Association Pension Fund is not reported in governmental funds.	-
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.	
Property taxes	(77,921)
Tax increments	(16,893)
Special assessments	429,384
Internal service funds are used by management to charge the costs of various services to individual funds. The net revenues of certain activities of internal service funds is reported with governmental activities.	2,271,403
Change in Net Position - Governmental Activities	$ 2,937,814

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

City of Brooklyn Center, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 23,409,464	$ 23,409,464	$ 23,329,835	$ (79,629)
Special assessments	40,000	40,000	66,982	26,982
Licenses and permits	930,055	930,055	913,266	(16,789)
Intergovernmental	2,652,075	2,652,075	2,356,113	(295,962)
Charges for services	493,700	493,700	700,913	207,213
Fines and forfeits	171,000	171,000	361,302	190,302
Investment earnings (loss)	129,825	129,825	488,405	358,580
Miscellaneous	180,500	180,500	284,538	104,038
Total Revenues	28,006,619	28,006,619	28,501,354	494,735
Expenditures				
Current				
General government	6,002,205	6,002,205	5,656,220	345,985
Public safety	15,445,066	15,445,066	14,835,817	609,249
Public works	3,162,947	3,162,947	3,107,609	55,338
Community services	130,000	130,000	131,795	(1,795)
Parks and recreation	4,240,884	4,240,884	4,201,372	39,512
Community development	760,088	760,088	627,263	132,825
Nondepartmental	144,682	144,682	508,534	(363,852)
Capital outlay				
Economic development	5,352	5,352	4,996	356
Total Expenditures	29,891,224	29,891,224	29,073,606	817,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,884,605)	(1,884,605)	(572,252)	1,312,353
Other Financing Sources (Uses)				
Transfers in	-	-	123,992	123,992
Administrative services reimbursement	2,051,200	2,051,200	1,765,095	(286,105)
Transfers out	(166,595)	(166,595)	(166,700)	(105)
Total Other Financing Sources (Uses)	1,884,605	1,884,605	1,722,387	(162,218)
Net Change in Fund Balances	-	-	1,150,135	1,150,135
Fund Balances, January 1	13,595,819	13,595,819	13,595,819	-
Fund Balances, December 31	$ 13,595,819	$ 13,595,819	$ 14,745,954	$ 1,150,135

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

City of Brooklyn Center, Minnesota
Tax Increment District No. 3
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ -	$ -	$ 3,500	$ 3,500
Investment earnings (loss)	60,556	60,556	54,444	(6,112)
Miscellaneous	-	-	7,470	7,470
Total Revenues	60,556	60,556	65,414	4,858
Expenditures				
Current				
Economic development				
Other services and charges	732,500	732,500	709,556	22,944
Net Change in Fund Balances	(671,944)	(671,944)	(644,142)	27,802
Fund Balances, January 1	21,605,846	21,605,846	21,605,846	-
Fund Balances, December 31	$ 20,933,902	$ 20,933,902	$ 20,961,704	$ 27,802

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

City of Brooklyn Center, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental
	411 I 601 Water Utility	**602** Sanitary Sewer Utility	**651** Storm Drainage Utility	Other Enterprise Funds	Total	Activities - Internal Service Funds
Assets						
Current Assets						
Cash and investments	$ 925,900	$ 4,830,308	$ 6,492,069	$ 1,218,426	$ 13,466,703	$ 5,557,821
Receivables						
Interest	363,741	-	-	-	363,741	-
Accounts, net of allowances	1,359,496	1,382,819	430,328	435,511	3,608,154	38,542
Special assessments	891,159	1,928	-	-	893,087	-
Leases	4,166,158	-	-	-	4,166,158	-
Intergovernmental	11,437	-	-	70,225	81,662	18,104
Inventories	102,170	-	-	932,167	1,034,337	37,862
Prepaid items	-	264,639	-	23,026	287,665	-
Total Current Assets	7,820,061	6,479,694	6,922,397	2,679,355	23,901,507	5,652,329
Noncurrent Assets						
Capital assets						
Land	20,734	3,389	587,158	2,087,598	2,698,879	-
Easements	-	-	10,285	-	10,285	-
Land improvements	-	-	-	570,769	570,769	-
Building and improvements	27,149,525	3,194,464	-	16,010,018	46,354,007	166,108
Machinery and equipment	240,053	254,878	161,270	886,553	1,542,754	14,676,366
Street light systems	-	-	-	2,980,836	2,980,836	-
Mains and lines	35,925,382	35,605,675	43,632,322	-	115,163,379	-
Construction in progress	2,894,612	898,161	1,692,228	-	5,485,001	110,000
Total capital assets	66,230,306	39,956,567	46,083,263	22,535,774	174,805,910	14,952,474
Less: accumulated depreciation	(31,753,914)	(22,665,638)	(25,674,767)	(15,087,122)	(95,181,441)	(8,637,149)
Net capital assets	34,476,392	17,290,929	20,408,496	7,448,652	79,624,469	6,315,325
Total Assets	42,296,453	23,770,623	27,330,893	10,128,007	103,525,976	11,967,654
Deferred Outflows of Resources						
Deferred pension resources	-	-	-	-	-	8,720,880
Deferred other postemployment benefit resources	-	-	-	-	-	2,181,311
Total Deferred Outflows of Resources	-	-	-	-	-	10,902,191
Liabilities						
Current Liabilities						
Accounts payable	130,105	10,160	143,319	216,438	500,022	86,514
Contracts payable	50,005	26,721	29,582	139,291	245,599	-
Accrued salaries and wages payable	5,341	1,910	2,437	15,371	25,059	3,177
Accrued interest payable	208,410	81,304	80,288	27,156	397,158	-
Due to other funds	-	-	-	-	-	383,008
Due to other governments	5,763	-	-	131,491	137,254	-
Deposits payable	20,644	7,854	-	367,157	395,655	-
Unearned revenue	-	-	-	89,188	89,188	-
Notes payable	1,033,000	-	-	-	1,033,000	-
Bonds payable	1,457,500	947,184	600,000	155,000	3,159,684	-
Compensated absences payable	-	-	-	-	-	540,158
Total Current Liabilities	2,910,768	1,075,133	855,626	1,141,092	5,982,619	1,012,857
Noncurrent Liabilities						
Notes payable	9,730,445	-	-	-	9,730,445	-
Bonds payable	11,560,324	5,580,516	5,422,670	1,998,858	24,562,368	-
Compensated absences payable	-	-	-	-	-	539,987
Total other postemployment benefits liability	-	-	-	-	-	4,013,370
Net pension liability	-	-	-	-	-	9,370,040
Total Noncurrent Liabilities	21,290,769	5,580,516	5,422,670	1,998,858	34,292,813	13,923,397
Total Liabilities	24,201,537	6,655,649	6,278,296	3,139,950	40,275,432	14,936,254
Deferred Inflows of Resources						
Deferred pension resources	-	-	-	-	-	11,863,515
Deferred other postemployment benefit resources	-	-	-	-	-	766,724
Deferred lease resources	4,117,627	-	-	-	4,117,627	-
Total Deferred Inflows of Resources	4,117,627	-	-	-	4,117,627	12,630,239
Net Position						
Net investment in capital assets	12,501,126	11,368,199	15,065,871	5,155,503	44,090,699	6,315,325
Unrestricted	1,476,163	5,746,775	5,986,726	1,832,554	15,042,218	(11,011,973)
Total Net Position	$ 13,977,289	$ 17,114,974	$ 21,052,597	$ 6,988,057	$ 59,132,917	$ (4,696,648)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(2,730,401)	
Net position of business-type activities					$ 56,402,516	

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

City of Brooklyn Center, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	411 I 601 Water Utility	**602** Sanitary Sewer Utility	**651** Storm Drainage Utility	Other Enterprise Funds	Total	
Operating Revenues						
Sales and user fees	$ 4,968,351	$ 5,560,917	$ 2,105,576	$ 11,009,646	$ 23,644,490	$ 2,940,979
Cost of sales	-	-	-	(6,837,394)	(6,837,394)	-
Gross Profit	4,968,351	5,560,917	2,105,576	4,172,252	16,807,096	2,940,979
Charges for services	-	-	-	1,111,569	1,111,569	-
Total Operating Revenues	4,968,351	5,560,917	2,105,576	5,283,821	17,918,665	2,940,979
Operating Expenses						
Personal services	773,647	298,050	383,891	2,481,353	3,936,941	128,609
Supplies	581,857	25,601	22,114	100,650	730,222	551,513
Other services	1,158,202	4,129,945	433,236	2,075,278	7,796,661	368,376
Insurance	74,827	34,627	5,245	98,898	213,597	77,501
Utilities	311,136	22,802	2,803	414,283	751,024	1,062
Rent	-	-	-	166,845	166,845	-
Depreciation/amortization	1,989,268	1,116,576	1,464,622	470,562	5,041,028	1,081,809
Total Operating Expenses	4,888,937	5,627,601	2,311,911	5,807,869	18,636,318	2,208,870
Operating Income (Loss)	79,414	(66,684)	(206,335)	(524,048)	(717,653)	732,109
Nonoperating Revenues (Expenses)						
Intergovernmental	-	-	-	-	-	592,287
Interest earnings	40,409	154,050	216,242	120,153	530,854	203,399
Gain (loss) on sale/disposal of capital assets	-	-	-	-	-	450,000
Other revenue	119,037	-	-	52,307	171,344	461,126
Interest and other costs	(374,659)	(116,082)	(113,510)	(53,224)	(657,475)	-
Total Nonoperating Revenues (Expenses)	(215,213)	37,968	102,732	119,236	44,723	1,706,812
Income (Loss) Before Contributions	(135,799)	(28,716)	(103,603)	(404,812)	(672,930)	2,438,921
Capital Contributions From (to) Other Funds	950,090	412,694	404,335	-	1,767,119	-
Change in Net Position	814,291	383,978	300,732	(404,812)	1,094,189	2,438,921
Net Position, January 1	13,162,998	16,730,996	20,751,865	7,392,869	58,038,728	(7,135,569)
Net Position, December 31	$ 13,977,289	$ 17,114,974	$ 21,052,597	$ 6,988,057	$ 59,132,917	$ (4,696,648)

Change in net position as shown above	$ 1,094,189
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	167,518
Change in net position of business-type activities.	$ 1,261,707

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

City of Brooklyn Center, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental
	411 I 601 Water Utility	**602** Sanitary Sewer Utility	**651** Storm Drainage Utility	Other Enterprise Funds	Total	Activities - Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers and users	$ 4,644,918	$ 5,449,155	$ 2,256,624	$ 11,952,899	$ 24,303,596	$ 3,262,139
Payments to suppliers	(2,103,144)	(4,186,603)	(536,123)	(9,604,102)	(16,429,972)	(906,632)
Payments to employees	(792,689)	(304,835)	(393,469)	(2,547,660)	(4,038,653)	(1,053,454)
Other operating receipts	130,474	-	-	52,307	182,781	461,126
Net Cash Provided (Used) by Operating Activities	1,879,559	957,717	1,327,032	(146,556)	4,017,752	1,763,179
Cash Flows from Noncapital Financing Activities						
Intergovernmental grants	-	-	-	-	-	253,023
Increase (decrease) in due to other funds	-	-	-	-	-	(31,390)
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	-	-	221,633
Cash Flows from Capital and Related Financing Activities						
Acquisition of capital assets	(1,449,353)	(513,939)	(943,183)	(38,825)	(2,945,300)	(2,269,933)
Proceeds from sale of capital assets	-	-	-	-	-	450,000
Proceeds from issuance of debt	3,305,361	1,145,630	1,652,810	-	6,103,801	-
Principal paid on long-term debt	(2,433,250)	(919,954)	(570,000)	(145,000)	(4,068,204)	-
Interest paid on long-term debt	(477,613)	(184,749)	(168,568)	(69,471)	(900,401)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,054,855)	(473,012)	(28,941)	(253,296)	(1,810,104)	(1,819,933)
Cash Flows from Investing Activities						
Interest received (paid) on cash and investments	(74,982)	154,050	216,242	120,153	415,463	203,399
Net Increase (Decrease) in Cash and Cash Equivalents	749,722	638,755	1,514,333	(279,699)	2,623,111	368,278
Cash and Cash Equivalents, January 1	176,178	4,191,553	4,977,736	1,498,125	10,843,592	5,189,543
Cash and Cash Equivalents, December 31	$ 925,900	$ 4,830,308	$ 6,492,069	$ 1,218,426	$ 13,466,703	$ 5,557,821
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	$ 79,414	$ (66,684)	$ (206,335)	$ (524,048)	$ (717,653)	$ 732,109
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation	1,989,268	1,116,576	1,464,622	470,562	5,041,028	1,081,809
Other income (expense) related to operations	119,037	-	-	52,307	171,344	800,390
(Increase) decrease in assets						
Accounts receivable	19,436	12,488	151,048	(91,699)	91,273	11,270
Intergovernmental	(5,474)	72,999	-	(70,225)	(2,700)	(18,104)
Special assessments	(191,084)	-	-	-	(191,084)	-
Prepaid items	2,772	(4,084)	4,559	6,857	10,104	4,682
Inventories	67,735	-	-	81,133	148,868	2,350
Leases	245,135	-	-	-	245,135	-
(Increase) decrease in deferred outflows of resources						
Deferred pension resources	-	-	-	-	-	2,655,164
Deferred other postemployment benefit resources	-	-	-	-	-	(1,076,972)
Increase (decrease) in liabilities						
Accounts payable	(77,896)	(66,973)	(87,861)	(2,021)	(234,751)	84,788
Contracts payable	32,020	24,430	10,577	(40,934)	26,093	-
Due to other governments	(1,753)	-	-	44,211	42,458	-
Net pension liability	-	-	-	-	-	(3,476,456)
Accrued salaries and wages	(19,042)	(6,785)	(9,578)	(66,307)	(101,712)	(12,302)
Deposits payable	13,123	(124,250)	-	(6,439)	(117,566)	-
Unearned revenue	-	-	-	47	47	-
Compensated absences payable	-	-	-	-	-	(292,662)
Other postemployment benefits liability	-	-	-	-	-	1,344,601
Increase (decrease) in deferred inflows of resources						
Deferred pension resources	-	-	-	-	-	39,716
Deferred other postemployment benefit resources	-	-	-	-	-	(117,204)
Deferred lease resources	(393,132)	-	-	-	(393,132)	-
Net cash flows provided (used) by operating activities	$ 1,879,559	$ 957,717	$ 1,327,032	$ (146,556)	$ 4,017,752	$ 1,763,179
Schedule of Noncash Investing Capital and Financing Activities						
Capital assets transferred/disposed	$ (48,740)	$ (1,456)	$ 48,741	$ -	$ (1,455)	$ -
Capital assets contributed from other funds	$ 950,090	$ 412,694	$ 404,335	$ -	$ 1,767,119	$ -
Amortization of bond premiums	$ 122,481	$ 71,862	$ 67,304	$ 13,987	$ 275,634	$ -

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 Brooklyn Center (the City) was incorporated in 1911. The City operates under a Home Rule Charter as defined by Minnesota Statutes which provides for a Mayor Council form of government. The governing body consists of a Mayor and four City Council members. The Council exercises legislative authority and determines all matters of policy. The Council appoints the city administrator who is responsible for the proper administration of all affairs relating to the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Component units for which the City has been determined to be financially accountable can be blended with the primary government or be included as a discrete presentation. Each discretely presented component unit is reported in a separate column in the government-wide financial statements. Included in the City's reporting entity, based upon the application of these criteria, are the following blended component units.

Housing and Redevelopment Authority (HRA)

The HRA was created by the City to carry out certain redevelopment and low rent assistance programs pursuant to state law. The HRA is primarily responsible for residential development and redevelopment. The City Council serves as the Board of Directors for the HRA, with the power to levy taxes and enter into contracts. The Council reviews and approves the tax levy and all expenditures for the HRA which is reported as a special revenue fund. The HRA does not issue separate financial statements. Financial information may be obtained at the City's offices.

Economic Development Authority (EDA)

The EDA was created pursuant to Minnesota statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the City Council. The governing board for the EDA is the City Council, with the power to issue bonds and enter into contracts. The council reviews and approves major community development improvement activities. City general obligation tax increment financing bonds are issued to finance EDA activities which is reported as a special revenue fund. The EDA does not issue separate financial statements. Financial information may be obtained at the City's offices.

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 activities of the City and its component units. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary funds. 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, other postemployment benefits, 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 *Tax Increment District No. 3 special revenue fund* accounts the collection of tax increment generated revenues for parcels within the District. These funds are used to finance the various redevelopment activities throughout the City. This fund also provides the resources to repay the debt service on bonds issued to finance these redevelopment activities.

The *Special Assessment Construction capital project fund* accounts for the resources and expenditures required for the acquisition and construction of capital facilities or improvements financed wholly or in part by special assessments levied against benefited properties.

The *Street Reconstruction capital project fund* accounts for the resources and expenditures required for the acquisition and construction of capital facilities or improvements financed wholly or in part by franchise fees.

The City reports the following major proprietary funds:

The *Water fund* accounts for the water service charges which are used to finance the pumping, treatment and distribution of water to customers. Administration, wells, water treatment, water storage and distribution are included.

The *Sanitary Sewer fund* accounts for the wastewater service charges which are used to finance the collection and pumping of sanitary sewage through a system of sewer lines and lift stations. Sewage is treated by the Metropolitan Council Environmental Services whose fees represent about 60 percent of the fund's operating expenses.

The *Storm Drainage Utility fund* accounts for collection and treatment of surface runoff water that does not require sanitary wastewater treatment. It incorporates not only the storm sewer collection system, but also structures such as holding ponds and facilities to improve water quality. Fees are based upon the quantity of water running off a property and vary with both size and absorption characteristics of the parcel.

Additionally, the City reports the following fund types:

Internal Service funds are used to account for central garage services, health care insurance benefits for retired employees, compensated absences and pension activity provided to other departments of the City on a cost reimbursement basis.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Deposits and Investments

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

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

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

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

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

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

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

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

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

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

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

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

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's recurring fair value measurements are listed in detail on page 62 and are valued using quoted market prices (Level 1 inputs).

Note 1: Summary of Significant Accounting Policies (Continued)

The City has the following recurring fair value measurements as of December 31, 2024:

- Negotiable certificates of deposits of $7,032,121, municipal bonds of $25,207,627, federal agency securities of $4,025,480 and U.S. treasury securities of $2,149,846 are valued using a matrix pricing model (Level 2 inputs).

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Investment Policy

The City's investment policy follows Minnesota statutes, which reduces the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Custodial Credit Risk* - For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the government would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2024 all investments were insured or registered, or securities were held by the City or its agent in the City's name.

- *Credit Risk* - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper that is rated in the highest quality category by at least two nationally recognized rating agencies. The City's investment policy does not further limit the ratings of their investments. The policy also requires that any counterparty in investment transactions be pre-qualified and approved by the City Council and that the portfolio be diversified to limit potential losses on individual securities.

- *Concentration Risk* - The City's investment policy does requires that the investment portfolio be diversified to minimize potential losses on individual securities. As of the year end, the City had portfolio concentrations in excess of five percent (excluding external investment pools) in the following federal agencies: Federal Home Loan Bank (6.3 percent)

- *Interest Rate Risk* - The City's investment policy mitigates interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in short-term securities. The City's policy restricts investments to investments maturing no more than six years from the date of purchase. No more than ten percent of the City's portfolio at any time shall be invested in securities with maturities of more than five years. The policy also states that the portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably expected.

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

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

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

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Delinquent utility charges are annually certified to the county for collection. As a result, there is no allowance for uncollectable amounts in the enterprise funds.

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 annually certified to the County or 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.

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.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories and Prepaid Items

Inventories in the governmental funds are reported using the consumption method and valued at cost, using the first in/first out (FIFO) method. Inventories in the proprietary funds are valued at cost, using the weighted average method in the Municipal Liquor and Heritage Center of Brooklyn Center funds and the FIFO method in all other funds.

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. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

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)

Assets Held for Resale

Assets held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or to attract new business. These assets are stated at the lower of cost or acquisition value. During the year ended December 31, 2024 management has reviewed the cost value reported for these assets and has indicated the properties are fairly presented for financial purposes.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than the amounts in the table listed below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City had already accounted for its prior infrastructure at historical cost for the initial reporting of these assets. As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Assets	Amount
Infrastructure	$ 250,000
Buildings and Building Improvements	50,000
Land Improvements	25,000
Heavy Equipment	25,000
Furniture and Furnishings	10,000
Motorized Vehicles	10,000
Technology Equipment	10,000
Land Easements	10,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the City, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Temporary Easements	Based on Contract
Land Improvements	25
Buildings and Structures	25
Water and Sewer Mains and Lines, Wells and Storage Tanks, Sewer Lift Stations	25
Infrastructure	25
Street Light Systems	15
Machinery and Equipment	5 - 15

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 two 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 contributions made subsequent to the respective measurement dates.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and vested sick leave pay is accrued in the Public Employee Compensated Absences internal service fund. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, a liability is recognized for that portion of accumulating sick leave benefits that is vested. The City pays out up to 230 hours of vacation upon separation and one third of accrued sick leave time. The Public Employee Compensated Absences internal service fund is typically used to liquidate the applicable liabilities.

Postemployment Benefits Other Than Pensions

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 group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement 75, at January 1, 2024. The Public Employee Retirement internal service fund is typically used to liquidate the applicable liabilities.

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 GERP and PEPFP Pension internal service funds are typically used to liquidate the applicable liabilities.

The total pension expense for the GERP, PEPFP and DCP is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Single Employer	
	GERP	PEPFP	DCP	Fire Relief	Total
Pension Expense	$ 513,793	$ 738,127	$ 1,688	$ 245,067	$ 1,498,675
Proportionate Share of State's Contribution	3,227	20,106	-	-	23,333
Total	$ 517,020	$ 758,233	$ 1,688	$ 245,067	$ 1,522,008

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term Obligations

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

In the fund financial statements, governmental fund types recognized 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable* revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. 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. Deferred pension resources and deferred other postemployment benefit resources are reported only in the statement of net position and results from actuarial calculations. Deferred lease resources are reported as deferred inflows resulting from lease amortization calculations. Additionally, imposed nonexchange revenue transactions, state aid, and capital funding received for subsequent years, is deferred and recognized as an inflow of resources in the period that the resources are required to be used. This item is reported both in the governmental fund balance sheet and the statement of net position as a deferred inflow of resources.

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 (the Council), which is the City’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Council itself or by an official to which the governing body delegates the authority. The Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

The City has formally adopted a fund balance policy for the General fund. The policy establishes a year-end target unassigned fund balance amount of 50.0 to 52.0 percent of the next year's operating budget for cash flow needs (working capital). At December 31, 2024 unassigned fund balance was 47.9 percent of the subsequent year's budgeted expenditures.

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 acquiring capital assets.

b. Restricted net position - Consists of net position balances restricted by limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on January 1 of the following year. At least one special City Council meeting is conducted to obtain public comments as required by the State Truth in Taxation Law.

The City Council annually adopts budgets prior to January 1 on a basis consistent with accounting principles generally accepted in the United States of America for the General and special revenue funds; however, the City did not budget for the Community Development Block Grant, Tax Increment District No. 8, Opioid Settlement and American Rescue Plan Act funds, which are not legally obligated to complete budgets. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

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

The City's legal level of budgetary control is at the fund level for funds other than the General fund. The legal level of budgetary control for the General fund is at the department level. The City's department heads may make transfers of appropriations within a department with the approval of the City Manager. Transfers of appropriations between departments require the approval of the City Manager. Transfers of appropriations between funds require the approval of the Council. Budgeted amounts are as originally adopted, or as amended by the Council. There were no budget amendments made during the year.

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the following fund:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Economic Development Authority	$ 602,666	$ 1,374,220	$ 771,554
Tax Increment District No. 5	474,337	488,626	14,289
Tax Increment District No. 6	134,115	136,068	1,953

These over expenditures were funded by revenues in excess of budget and available fund balances.

C. Deficit Fund Equity

The following funds had fund equity deficits at December 31, 2024:

Fund	Amount
Nonmajor	
Special Revenue	
Centerbrook Golf Course	$ 235,626
Tax Increment District No. 10	3,418
Capital Projects	
Capital Reserve Emergency	629,187
Internal Service	
EE Retirement Benefit	2,943,249
Pension - GERP	6,766,946
Pension - PEPFP	5,745,729

These deficits will be funded through future charges for services, tax increments, levies, assessments and interfund transfers. Internal service fund deficits will be funded through future interfund charges, grant revenues and employee withholdings.

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 Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

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

Authorized collateral in lieu of a corporate surety bond includes:

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

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

At year end, the City's carrying amount of deposits was a $138,510 while the bank balance was $330,564.

Note 3: Detailed Notes on all Funds (Continued)

Investments

As of December 31, 2024, the City had the following investments that are insured or registered, or securities held by the city or it's agent in the City's name:

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						
4M Fund	N/A	less than 1 year	$ 23,287,517	$ -	$ -	$ -
Brokered Money Market Accounts	N/A	less than 1 year	2,091,756	-	-	-
Non-pooled Investments at Fair Value						
Negotiable Certificate of Deposits	N/A	less than 1 year	4,612,798	-	4,612,798	-
Negotiable Certificate of Deposits	N/A	1 to 5 years	2,419,323	-	2,419,323	-
U.S. Treasury Securities	AAA	less than 1 year	1,465,890	-	1,465,890	-
U.S. Treasury Securities	AAA	1 to 5 years	683,956	-	683,956	-
Federal Agency Securities	AAA	less than 1 year	968,770	-	968,770	-
Federal Agency Securities	AAA	1 to 5 years	3,056,710	-	3,056,710	-
Municipal Bonds	A1 or better	less than 1 year	3,886,749	-	3,886,749	-
Municipal Bonds	A1 or better	1 to 5 years	21,320,878	-	21,320,878	-
Total Investments			$ 63,794,347	$ -	$ 38,415,074	$ -

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.
N/A Indicates not applicable or available.

Cash on Hand

Cash in the possession of the City, consisting of petty cash and change funds, totals $16,405.

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

	Primary Government
Deposits - City Pooled Account	$ 138,510
Investments - City Pooled Account	63,794,347
Cash on Hand	16,605
Total Cash and Investments	$ 63,949,462

Notes Receivable

The Revolving Loan Fund disbursed a loan to Phu Bia in the amount of $70,000 on February 15, 2022. It will be repaid in 85 monthly payments of $871 with an interest rate of 1.25 percent. This loan is secured by the borrower. The balance as of December 31, 2024 is $58,944.

Note 3: Detailed Notes on all Funds (Continued)

The Revolving Loan Fund disbursed a loan to Taste of Africa in the amount of $30,000 on February 15, 2022. It will be repaid in 84 monthly payments of $871 with an interest rate of 1.25 percent. This loan is secured by the borrower. The balance as of December 31, 2024 is $26,189.

Lease Receivable

The City leases various tower sites to companies. These agreements contain various renewal and extension options. The latest maturity date is projected to be in in 2039, however, the City anticipates new or revised leasing arrangements to occur in the future. Additionally, the City has leased a portion of their building for a Logis Hot Site effective January 1, 2022 for 48 months until December 31, 2025. Furthermore, the EDA has leased a building the Phu Bia Grocery effective February 15, 2022 for monthly lease payments 120 months until January 15, 2032.

Long-term lease activity for the year ended December 31, 2024 was as follows:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Verizon Tower Lease 1	1/1/2022	2.71 %	$ 62,805	$ 946,687
AT&T Tower Lease 2	4/1/2022	2.71	61,967	704,446
Sprint Tower 1	1/1/2022	2.71	60,444	681,920
T-Mobile Tower 2	1/1/2022	2.71	58,153	144,624
T-Mobile Tower 3	1/1/2022	2.71	52,100	718,856
Verizon Tower Lease 2	1/1/2022	2.71	63,318	821,752
Zayo Group Tower 2	1/1/2022	2.71	15,700	109,800
Dish Wireless Tower Lease	11/1/2022	5.43	3,023	38,075
Phu Bia Grocery Lease	2/15/2022	2.71	39,777	434,289
Logis Hot Site Lease	1/1/2022	2.22	11,494	11,494
Total				$ 4,611,943

Note 3: Detailed Notes on all Funds (Continued)

C. Capital Assets

Capital asset activity for the City for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated/Amortized				
Land	$ 5,638,873	$ -	$ -	$ 5,638,873
Perpetual easements	320,904	-	-	320,904
Construction in progress	2,103,427	2,970,645	(662,533)	4,411,539
Total Capital Assets not Being Depreciated/Amortized	8,063,204	2,970,645	(662,533)	10,371,316
Capital Assets Being Depreciated/Amortized				
Temporary easements	-	-	-	-
Buildings and improvements	26,570,298	21,805	-	26,592,103
Land improvements	18,348,638	674,643	-	19,023,281
Machinery and equipment	15,305,454	3,066,006	(745,907)	17,625,553
Leased equipment (intangible right to use asset)	97,434	-	-	97,434
Street infrastructure	80,664,797	-	-	80,664,797
Total Capital Assets Being Depreciated/Amortized	140,986,621	3,762,454	(745,907)	144,003,168
Less Accumulated Depreciation/Amortization for				
Temporary easements	-	-	-	-
Buildings and improvements	(19,755,300)	(895,937)	-	(20,651,237)
Land improvements	(8,142,764)	(594,093)	-	(8,736,857)
Machinery and equipment	(9,340,034)	(1,279,446)	745,907	(9,873,573)
Leased equipment (intangible right to use asset)	(31,001)	(17,715)	-	(48,716)
Street infrastructure	(36,299,296)	(2,804,978)	-	(39,104,274)
Total Accumulated Depreciation/Amortization	(73,568,395)	(5,592,169)	745,907	(78,414,657)
Total Capital Assets Being Depreciated/Amortized, Net	67,418,226	(1,829,715)	-	65,588,511
Governmental Activities Capital Assets, Net	$ 75,481,430	$ 1,140,930	$ (662,533)	$ 75,959,827

Note 3: Detailed Notes on all Funds (Continued)

	Restated Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-type Activities					
Capital Assets not Being Depreciated/Amortized					
Land	$ 2,698,879	$ -	$ -	$ -	$ 2,698,879
Perpetual easements	10,285	-	-	-	10,285
Construction in progress	971,078	4,573,250	(59,327)	-	5,485,001
Total Capital Assets not Being Depreciated/Amortized	3,680,242	4,573,250	(59,327)	-	8,194,165
Capital Assets Being Depreciated/Amortized					
Land improvements	570,769	-	-	-	570,769
Buildings and improvements	46,091,885	59,327	-	202,795	46,354,007
Machinery and equipment	1,402,130	140,624	-		1,542,754
Street light systems	2,980,836	-	-	-	2,980,836
Mains and lines	115,366,174	-	-	(202,795)	115,163,379
Total Capital Assets Being Depreciated/Amortized	166,411,794	199,951	-	-	166,611,745
Less Accumulated Depreciation/Amortization for					
Land improvements	(419,398)	(29,155)	-	-	(448,553)
Buildings and improvements	(24,672,294)	(214,831)	-	-	(24,887,125)
Machinery and equipment	(1,129,141)	(109,746)	-	-	(1,238,887)
Street light systems	(971,072)	(190,934)	-	-	(1,162,006)
Mains and lines	(62,947,053)	(4,496,362)	-	(1,455)	(67,444,870)
Total Accumulated Depreciation/Amortization	(90,138,958)	(5,041,028)	-	(1,455)	(95,181,441)
Total Capital Assets Being Depreciated/Amortized, Net	76,272,836	(4,841,077)	-	(1,455)	71,430,304
Governmental Activities Capital Assets, Net	$ 79,953,078	$ (267,827)	$ -	$ (1,455)	$ 79,624,469

Note 3: Detailed Notes on all Funds (Continued)

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

Governmental Activities	
General government	$ 187,526
Public safety	512,590
Public works	3,223,559
Parks and recreation	568,792
Economic development	17,893
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	1,081,809
Total Depreciation/Amortization Expense - Governmental Activities	$ 5,592,169
Business-type Activities	
Water	$ 1,989,268
Sanitary Sewer	1,116,576
Storm Drainage	1,464,622
Municipal Liquor Store	119,845
Heritage Center of Brooklyn Center	159,783
Street Light Utility	190,934
Total Depreciation/Amortization Expense - Business-type Activities	$ 5,041,028

Construction Commitments

The City has active construction projects as of December 31, 2024. The projects include street construction and various public facilities. At year end the City's commitments with contractors are as follows:

Project	Contract Amount	Remaining Commitment
ORCHARD LANE EAST IMP PROJECT	$ 8,224,451	$ 5,381,669
Total	$ 8,224,451	$ 5,381,669

D. Interfund Receivables, Payables and Transfers

Due to/from other funds

The General fund has a due from other funds $383,008 to the internal service funds, which represents lending/borrowing arrangements to cover temporary deficit cash balances at the end of the fiscal year. Balances will be paid with future tax increments, interoperating revenues and/or interfund transfers. Furthermore, internal borrowings related to tax increment financing totaled $3,418 from the EDA fund to nonmajor tax increment districts.

Note 3: Detailed Notes on all Funds (Continued)

Interfund Transfers

	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
Transfers Out			
General Fund	$ -	$ 166,700	$ 166,700
Nonmajor Governmental Funds	123,992	1,047,534	1,171,526
Total	$ 123,992	$ 1,214,234	$ 1,338,226

During the year ended December 31, 2024 the City made the following transfers:

- From the General fund to nonmajor governmental funds for current and future technology needs ($100,000) and cash flow purposes for the Centerbrook Golf Course ($66,700).
- From the nonmajor HRA fund to the nonmajor EDA fund ($579,580) as an annual cash inflow.
- From the nonmajor Tax Increment District No. 5 fund to the Debt Service for annual debt service cash flows.

E. General Long-term Debt

General Obligation Tax Increment Bonds

The following bonds were issued for redevelopment projects. The additional tax increments resulting from increased tax capacity of redevelopment properties will be used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental					
G.O. Tax Increment Bonds of 2016B	$ 2,075,000	2.00 - 2.50 %	12/08/16	02/01/29	$ 1,745,000

The annual debt service requirements to maturity for general obligation tax increment bonds are as follows:

Year Ending December 31	**General Obligation Tax Increment Bonds** Governmental Activities Principal	Interest	Total
2025	$ 335,000	$ 36,875	$ 371,875
2026	340,000	29,700	369,700
2027	350,000	21,938	371,938
2028	355,000	13,563	368,563
2029	365,000	4,563	369,563
Total	$ 1,745,000	$ 106,639	$ 1,851,639

Note 3: Detailed Notes on all Funds (Continued)

G.O. Special Assessment (Improvement) 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 partly 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
Governmental					
G.O. Improvement Bonds of 2015A	$ 3,416,248	2.00 - 2.50 %	7/9/2015	2/1/2026	$ 713,892
G.O. Improvement Bonds of 2016A	1,820,000	0.95 - 1.85	10/13/2016	2/1/2027	585,000
G.O. Improvement Bonds of 2017A	3,735,000	2.375 - 3.00	6/8/2017	2/1/2028	1,570,000
G.O. Improvement Bonds of 2018A	3,835,000	3.00 - 5.00	6/11/2018	2/1/2029	2,035,000
G.O. Improvement Bonds of 2019A	3,355,000	4.00 - 5.00	9/12/2019	2/1/2030	2,275,000
G.O. Improvement Bonds of 2020A	1,955,000	1.00 - 2.00	11/24/2020	2/1/2031	1,520,000
G.O. Improvement Bonds of 2021A	3,005,000	2.00 - 4.00	9/22/2021	2/1/2032	2,475,000
G.O. Improvement Bonds of 2022A	2,095,000	4.00 - 5.00	12/15/2022	2/1/2033	1,920,000
G.O. Improvement Bonds of 2024A	5,280,000	4.00 - 5.00	6/13/2024	2/1/2035	5,280,000
Total G.O. Special Assessments Bonds - Governmental					18,373,892
Business-type					
G.O. Improvement Bonds of 2015A	1,823,752	2.00 - 2.50	7/9/2015	2/1/2026	381,108
Total					$ 18,755,000

The annual debt service requirements to maturity for general obligation special assessments bonds are as follows:

Year Ending December 31	**G.O. Special Assessment Bonds** Governmental Activities Principal	Interest	Total
2025	$ 2,355,316	$ 688,662	$ 3,043,978
2026	2,868,576	556,070	3,424,646
2027	2,555,000	453,669	3,008,669
2028	2,415,000	362,475	2,777,475
2029	2,060,000	280,125	2,340,125
2030 - 2034	5,510,000	575,488	6,085,488
2035	610,000	12,200	622,200
Total	$ 18,373,892	$ 2,928,689	$ 21,302,581

Note 3: Detailed Notes on all Funds (Continued)

Year Ending December 31	G.O. Special Assessment Bonds Business-type Activities Principal	Interest	Total
2025	$ 189,684	$ 7,157	$ 196,841
2026	191,424	2,392	193,816
Total	$ 381,108	$ 9,549	$ 390,657

G.O. Revenue Bonds

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

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Business-type					
Revenue Refunding Bonds of 2015B	$ 1,660,000	2.00 - 2.50 %	7/9/2015	2/1/2026	$ 170,000
Revenue Bonds of 2016A	3,605,000	0.95 - 1.85	10/13/2016	2/1/2027	1,160,000
Revenue Bonds of 2017A	4,625,000	2.375 - 3.00	6/8/2017	2/1/2028	2,020,000
Revenue Bonds of 2018A	4,350,000	3.00 - 5.00	6/11/2018	2/1/2029	2,425,000
Revenue Bonds of 2019A	4,790,000	4.00 - 5.00	9/12/2019	2/1/2030	3,430,000
Revenue Bonds of 2020A	2,830,000	1.00 - 2.00	11/24/2020	2/1/2031	2,040,000
Revenue Bonds of 2021A	5,005,000	2.00 - 4.00	9/22/2021	2/1/2032	4,185,000
Revenue Bonds of 2022A	2,240,000	4.00 - 5.00	12/15/2022	2/1/2033	2,075,000
Revenue Bonds of 2024A	5,540,000	4.00 - 5.00	6/13/2024	2/1/2035	5,540,000
Total					$ 23,045,000

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

Year Ending December 31	G.O. Revenue Bonds Business-type Activities Principal	Interest	Total
2025	$ 2,815,000	$ 837,760	$ 3,652,760
2026	3,290,000	686,456	3,976,456
2027	3,430,000	560,469	3,990,469
2028	3,150,000	442,122	3,592,122
2029	2,730,000	406,337	3,136,337
2030 - 2034	6,950,000	656,119	7,606,119
2035	680,000	13,600	693,600
Total	$ 23,045,000	$ 3,602,863	$ 26,647,863

Note 3: Detailed Notes on all Funds (Continued)

G.O. Lease Revenue Bonds

These notes were issued to fund the construction of a City-owned municipal liquor store.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Lease Revenue Bonds of 2019B	$ 2,520,000	3.00 - 4.00 %	09/18/19	02/01/35	$ 2,000,000

The annual debt service requirements to maturity for notes payable are as follows:

Year Ending December 31	General Obligation Lease Revenue Bonds Business-type Activities Principal	Interest	Total
2025	$ 155,000	$ 61,700	$ 216,700
2026	160,000	55,400	215,400
2027	165,000	48,900	213,900
2028	170,000	43,050	213,050
2029	175,000	37,875	212,875
2030 - 2034	965,000	105,825	1,070,825
2035 - 2036	210,000	3,150	213,150
Total	$ 2,000,000	$ 355,900	$ 2,355,900

General Obligation Revenue Note

The General Obligation Revenue Note was financed by the MN Public Facilities Authority Drinking Water State Revolving Fund for the construction of a new water treatment plant.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
PFA Revenue Note of 2015	$ 19,622,797	1.00 %	01/20/15	08/20/34	$ 10,763,445

Note 3: Detailed Notes on all Funds (Continued)

The annual debt service requirements to maturity for notes payable are as follows:

Year Ending December 31	General Obligation Revenue Notes Governmental Activities Principal	Interest	Total
2025	$ 1,033,000	$ 108,030	$ 1,141,030
2026	1,043,000	97,700	1,140,700
2027	1,053,000	87,270	1,140,270
2028	1,064,000	76,740	1,140,740
2029	1,075,000	66,100	1,141,100
2029 - 2033	5,495,445	167,150	5,662,595
Total	$ 10,763,445	$ 602,990	$ 11,366,435

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

	Water	Sanitary Sewer	Storm Drainage	Municipal Liquor
Revenue	$ 4,968,351	$ 5,560,917	$ 2,105,576	$ 2,141,600
Principal and Interest	2,910,863	1,104,703	738,568	214,471
Percent of Revenue	58.6%	19.9%	35.1%	10.0%

<u>Leases Payable</u>

The City leases golf carts for use at the Centerbrook Golf Course. Lease payments amount to $18,900 annually and will mature on September 11, 2027 at a discount rate of 2.42 percent.

Note 3: Detailed Notes on all Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation tax increment bonds	$ 2,075,000	$ -	$ (330,000)	$ 1,745,000	$ 335,000
General obligation special assessment bonds	15,387,688	5,280,000	(2,293,796)	18,373,892	2,355,316
Bond premium	1,386,380	532,262	(216,842)	1,701,800	-
Less amounts for unamortized discounts	-	-	-	-	-
Total Bonds Payable	18,849,068	5,812,262	(2,840,638)	21,820,692	2,690,316
Leases Payable	67,689	-	(17,455)	50,234	17,882
Compensated Absences Payable	1,372,807		(292,662)	1,080,145	540,158
Governmental Activity Long-term Liabilities	$ 20,289,564	$ 5,812,262	$ (3,150,755)	$ 22,951,071	$ 3,248,356

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type Activities					
Bonds Payable					
General obligation improvement bonds	$ 567,312	$ -	$ (186,204)	$ 381,108	$ 189,684
General obligation revenue bonds	20,220,000	5,540,000	(2,715,000)	23,045,000	2,815,000
General obligation lease revenue bonds	2,145,000	-	(145,000)	2,000,000	155,000
Bond premium	2,007,777	563,800	(275,633)	2,295,944	-
Total Bonds Payable	24,940,089	6,103,800	(3,321,837)	27,722,052	3,159,684
Leases Payable	-	-	-	-	-
Notes Payable					
General obligation revenue notes	11,785,445	-	(1,022,000)	10,763,445	1,033,000
Business-type Activity Long-term Liabilities	$ 36,725,534	$ 6,103,800	$ (4,343,837)	$ 38,485,497	$ 4,192,684

Note 3: Detailed Notes on all Funds (Continued)

Conduit Debt Obligations with Limited Commitments

From time to time, the City has issued Housing Revenue Bonds, Health Care Facilities Revenue Bonds and School Facilities Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of rental housing, educational or health care facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments 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, 2024, there were two series of fixed rate Multifamily Housing Revenue Refunding bonds, one Housing Revenue Development Refinancing Note, two Healthcare Revenue Notes, four Senior Housing Development Revenue Notes, three Multifamily Housing Revenue bonds, One Multifamily Housing Note and four Charter School Lease Revenue bonds outstanding. The aggregate amount of the conduit debt as of December 31, 2024 is $90,366,645.

F. Components of Fund Balance

At December 31, 2024 portions of the City's fund balance are not available for appropriation due to not being in spendable form (nonspendable), legal restrictions (restricted), City Council action (committed) and policy and/or intent (assigned). The following is a summary of the components of fund balance:

	General	Tax Increment District No. 3	Street Reconstruction	Street Reconstruction	Other Governmental Funds	Total
Nonspendable						
Inventories	$ 183,346	$ -	$ -	$ -	$ 3,694	$ 187,040
Prepaid items	6,753	-	-	-	-	6,753
Total	$ 190,099	$ -	$ -	$ -	$ 3,694	$ 193,793
Restricted						
Debt service	$ -	$ -	$ -	$ -	$ 5,015,909	$ 5,015,909
Tax increment financing	-	20,961,704	-	-	3,412,008	24,373,712
Economic development	-	-	-	-	1,866,861	1,866,861
Law enforcement enhancements	-	-	-	-	72,619	72,619
Opiods	-	-	-	-	118,959	118,959
Community prevention, health and safety	-	-	-	-	1,399,768	1,399,768
Municipal street projects	-	-	-	7,343,327	4,985,547	12,328,874
Total	$ -	$ 20,961,704	$ -	$ 7,343,327	$ 16,871,671	$ 45,176,702
Committed						
Community prevention, health and safety	$ -	$ -	$ -	$ -	$ 180,374	$ 180,374
Technology improvements	-	-	-	-	433,121	433,121
Capital projects	-	-	-	-	1,470,287	1,470,287
Total	$ -	$ -	$ -	$ -	$ 2,083,782	$ 2,083,782
Unassigned	$ 14,555,855	$ -	$ 869,801	$ -	$ (871,925)	$ 14,553,731

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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than $425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Plan (Police and Fire Plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employee Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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. The 2024 annual increase was 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 prorated increase.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

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 chapters 353, 353E, 353G and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 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, 2024, 2023 and 2022, were $833,711, $758,282 and $729,550, 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 2024 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, 2024, 2023 and, 2022 were $883,853, $869,104 and $734,786, 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, 2024, the City reported a liability of $4,654,385 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 $120,353.

City's Proportionate Share of the Net Pension Liability	$	4,654,385
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City		120,353
Total	$	4,774,738

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1259 percent at the end of the measurement period and 0.1231 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of $513,793 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional $3,227 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed $170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized $214,145 for the year ended December 31, 2024 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 General Employees Fund.

At December 31, 2024, the City reported 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	$	434,833	$	-
Changes in Actuarial Assumptions		22,562		1,733,011
Net Difference Between Projected and Actual Investment Earnings		-		1,300,833
Changes in Proportion		78,249		37,620
Contributions Paid to PERA Subsequent to the Measurement Date		423,259		-
Total	$	958,903	$	3,071,464

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

The $423,259 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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	$	(1,408,129)
2026		(204,090)
2027		(566,869)
2028		(356,732)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of $4,715,655 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3584 percent at the end of the measurement period and 0.3453 percent for the beginning of the period.

The State of Minnesota contributed $37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of $19.4 million, and $9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, $9 million supplemental state aid was paid on October 1, 2024. 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's proportionate share of the net pension liability associated with the City totaled $179,759.

City's Proportionate Share of the Net Pension Liability	$	4,715,655
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City		179,759
Total	$	4,895,414

For the year ended December 31, 2024, the City recognized pension expense of $738,127 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional $20,106 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of $9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized $101,786 for the year ended December 31, 2024 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.

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

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 1,823,240	$ -
Changes in Actuarial Assumptions	5,291,180	6,693,320
Net Difference Between Projected and Actual Investment Earnings	-	1,834,737
Changes in Proportion	203,481	263,994
Contributions Paid to PERA Subsequent to the Measurement Date	444,076	-
Total	$ 7,761,977	$ 8,792,051

The $444,076 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	$ (470,039)
2026	1,273,520
2027	(648,256)
2028	(1,738,043)
2029	108,668

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 Return on Investment
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 for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and Police and Fire Plan.

Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1.0% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3.0% 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 are 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 General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

<u>General Employees Fund</u>

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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

Police and Fire Fund

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the previous valuation.

Changes in Plan Provisions

- The State contribution of $9 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year.
- The additional $9 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 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 Plans 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	$ 10,165,925	$ 4,654,385	$ 120,640
Police and Fire Fund	11,144,013	4,715,655	(563,373)

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: Other Pension Plans

The City has City Council members that are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP 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, therefore, there is no future liability to the employer. *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 5 percent of salary which is matched by the elected official's employer. 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 2024 were:

Contribution Amount		Percentage of Covered Payroll		
Employee	Employer	Employee	Employer	Required Rate
$ 1,688	$ 1,688	5.00%	5.00%	5.00%

Additional City employees belonging to International Union of Operating Engineers (IUOE) are participants in a multiple-employer defined benefit pension plan Central Pension Fund of the International Union of Operating Engineers and Participating Employers (CPF) administered by the Board of Trustees of the Central Pension Fund. The plan is a cost-sharing pension multi-employer plan that is not a state or local governmental pension plan. The plan issues a publicly available financial report located on their website at www.cpfiuoe.org. The City has 26 employees who are covered by this pension plan. The plan provides benefits such as monthly retirement income, special and early retirement benefits, post-retirement surviving spouse benefits, pre-retirement surviving spouse benefits, and disability benefits. The plan is a supplemental pension fund authorized by Minnesota Statutes, 356.24, subdivision 1(9). The City's contributions to the plan are pursuant to a collective bargaining agreement. Total employer contributions for the year ended December 31, 2024 were $1,688.

Note 6: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

All members of the City's fire department (the Department) are covered by a defined benefit plan administered by the Sample Fire Department Relief Association (the Association). As of December 31, 2023, the plan covered 31 active firefighters, 14 inactive members, five retired/disabled firefighters and eight surviving spouses/beneficiaries. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69. The City levies property taxes at the direction of and for the benefit of the plan and passes through state aids allocated to the plan, all in accordance with enabling state statutes. The minimum tax levy obligation is the financial contribution requirement for the year less anticipated state aids.

B. Benefits Provided

Basic Service Pension for Retired Members

Upon retirement each individual will receive a lump sum distribution of $10,000 per year of service. This benefit level was placed into effect on June 28, 2021. Prior to 1998, a monthly benefit level of $26.50 was available for retirees. The monthly benefit is no longer an option for retiring members. Vested, terminated members, who are entitled to benefits but are not yet receiving them, are bound by the provisions in effect at the time of termination from membership. 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.

Basic Service Pension for Deferred Pensioner

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.

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 $205,560 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. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan. The firefighter has no obligation to contribute to the plan.

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

D. Pension Costs

At December 31, 2024, the City reported a net pension asset of $(443,775) for the Association. The net pension liability (asset) was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by specialist 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)
Balances at January 1, 2024	$ 2,721,158	$ 3,164,933	$ (443,775)
Changes for the Year			
Service cost	149,011	-	149,011
Interest	131,975	-	131,975
Changes in benefit terms	263,965	-	263,965
Changes in assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	-	-
Contributions - state and local	-	223,177	(223,177)
Investment income (loss)	-	276,399	(276,399)
Benefit payments	(183,515)	(183,515)	-
Administrative expense	-	(24,825)	24,825
Net Changes	361,436	291,236	70,200
Balances at December 31, 2024	$ 3,082,594	$ 3,456,169	$ (373,575)

For the year ended December 31, 2024, the City recognized pension expense of $32,173.

At December 31, 2024, the City reported its deferred outflows of resources and deferred inflows of resources to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	$ 24,554	$ 1,544
Liability Experience (Gains) and Losses	25,912	141,381
Net Difference Between Projected and Actual Earnings on Plan Investments	69,864	-
Changes in Proportion	-	-
Investment (Gains) and Losses	-	-
Contributions Paid to Plan Subsequent to the Measurement Date	223,177	-
Total	$ 343,507	$ 142,925

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

Deferred outflows of resources totaling $223,177 related to the Plan resulting from the City's contributions to pensions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2025	$	39,802
2026		68,297
2027		(56,724)
2028		(29,681)
2029		(18,149)
Thereafter		(26,140)

E. Actuarial Assumptions

The total pension liability at December 31, 2024 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Expected Long-Term Investment Return	5.50%, net of investment expense
Investment Rate of Return	5.50%
Inflation Rate	2.50%
Mortality	
Pre-retirement	Pub-2010 Public Safety Employee mortality tables projected with mortality improvement scale based on scale MP-2021.
Post-retirement	Pub-2010 Healthy Retired Public Safety mortality tables projected with mortality improvement scale based on scale MP-2021. Male rates are adjusted by a factor of 0.98.
Post-disability	Pub-2010 Public Safety Disabled Retiree mortality tables projected with mortality improvement scale based on scale MP-2021. Male rates are adjusted by a factor of 1.05.

Since the prior measurement date, the following assumptions changed:

- The expected investment return and discount rate decreased from 5.25 percent to 4.75 percent to reflect updated capital market assumptions.

- The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2020 Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2022 Minnesota PERA Police and Fire Plan actuarial valuation.

- The inflation assumption increased from 2.25 percent and 2.50 percent.

F. Discount Rate

The discount rate used to measure the total pension liability was 4.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the actual statutory contribution rate. Based on those assumptions, the Association's fiduciary net position was projected to be available to make all projected future benefit payments of the 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.

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

G. Asset Allocation

The long-term expected rate of return on pension plan investments was set based on the plan's target investment allocation along with long-term return expectations by asset class. All economic assumptions were based on input from various published sources and projected future financial data available.

The target allocation and best estimates of arithmetic 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	45.0 %	4.52 %
International Equity	15.0	5.08
Fixed Income	35.0	2.44
Real Estate and Alternatives	-	3.73
Cash	5.0	0.99
Total	100.00 %	

H. Pension Liability Sensitivity

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

	1 Percent Decrease (3.75%)	Current (4.75%)	1 Percent Increase (5.75%)
Defined Benefit Plan	$ (349,947)	$ (443,775)	$ (532,355)

I. Pension Plan Fiduciary Net Position

The Association issues a financial report that includes financial statements and required supplementary information for the Brooklyn Center Fire Department Relief Association. That report is available at the City of Brooklyn Center City offices.

Note 7: Postemployment Benefits Other Than Pensions

A. Plan Description

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the City and the union representing employees and are renegotiated each three-year bargaining period. The component unit is included in the City's plan. The Retiree Health Plan does not issue a publicly available financial report.

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	18
Active Plan Members	145
Total Plan Members	163

B. Funding Policy

Contribution requirements also are negotiated between the City and union representatives. The City does not contribute to the cost of current-year premiums for eligible retired plan members and their spouses.

For the year ended December 31, 2024, the City's average contribution rate was 30.4 percent of covered-employee payroll. For the fiscal year 2024, the City did not directly contribute to the plan. The General fund is typically used to liquidate the governmental portion of the net OPEB obligation.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of $4,013,370 was measured as of December 31, 2023, and the OPEB liability was determined by an actuarial valuation as of December 31, 2023.

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.77%
Expected Long-Term Investment Return	N/A
20-Year Municipal Bond Yield	3.77%
Inflation Rate	2.60%
Salary Increases	N/A
Medical Trend Rate	N/A

Note 7: Postemployment Benefits Other Than Pensions(Continued)

The discount rate used to measure the total OPEB liability was 3.77 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 20-year municipal bond rate. The equivalent single rate is the discount rate.

The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale.

Economic assumptions are 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.

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2023	$ 2,668,769
Changes for the Year	
Service Costs	114,787
Interest Costs	108,000
Assumption Changes	141,643
Differences between expected and actual experience	1,213,970
Benefit Payment	(233,799)
Net Changes	1,344,601
Balances at December 31, 2024	$ 4,013,370

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 4.05 percent to 3.77 percent.

Since the prior measurement date, the following plan provisions changed:

- None

Since the prior measurement date, the following benefit terms changed:

- None

Note 7: Postemployment Benefits Other Than Pensions (Continued)

E. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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 2.77%	Discount Rate Current 3.77%	1 Percent Increase 4.77%
$ 4,479,201	$ 4,013,370	$ 3,620,055

The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 6.75% Decreasing to 6.45%	Healthcare Cost Trend Rates 7.75% Decreasing to 7.45%	1 Percent Increase 8.75% Decreasing to 8.45%
$ 3,577,676	$ 4,013,370	$ 4,534,426

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

For the year ended December 31, 2024, the City Recognized OPEB expense of $150,425. At December 31, 2024, 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
Differences Between Expected and Actual Economic Experience	$ 1,756,536	$ -
Changes in Actuarial Assumptions	350,209	766,724
Contributions Paid to OPEB Subsequent to the Measurement Date	74,566	-
Total	$ 2,181,311	$ 766,724

Deferred outflows of resources totaling $74,566 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 as of December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

2025	$ 184,738
2026	184,738
2027	178,368
2028	174,611
2029	165,311
Thereafter	452,255

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

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

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. As of December 31, 2024, the City is under the legal debt margin.

D. Tax Increment Districts

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

E. Arbitrage Rebate

The Tax Reform Act of 1986 requires governmental entities to pay to the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditures of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. The City issued greater than $5 million of bonds in subsequent years and thereafter is required to rebate excess investment income relating to these issues to the federal government. The extent of the City's liability for the arbitrage rebates on the remaining bond issues is not determined at this time. However, in the opinion of management any such liability would be immaterial.

Note 9: Jointly Governed Organizations

The City has several agreements with other entities that provide reduced costs, better service, and additional benefits to the participants. The programs in which the City participates are listed below and amounts recorded within the current year's financial statements are disclosed.

Local Government Information Systems Association (LOGIS)

This consortium of approximately 30 government entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of its board, and the Consortium is fiscally independent of the City. The total amount recorded within the 2024 financial statements of the City is $823,198 for general services and application upgrades provided. Costs were allocated to the various funds based on applications and/or use of services. Complete financial statements for LOGIS may be obtained at the LOGIS offices located at 5750 Duluth Street, Golden Valley, Minnesota 55422.

LOGIS Insurance Group

This group provides cooperative purchasing of health and life insurance benefits for approximately 45 governmental entities. The total of 2023 health and life insurance costs paid by the City was $1,872,634. Complete financial statements may be obtained from Gallagher Benefit Services, Inc. located at 3600 American Blvd West, Bloomington, MN 55431.

Note 10: Adjustments to Beginning Balances and Changes in Accounting Principle

Change within Major and Nonmajor Fund Reporting

During fiscal year 2024, the Special Assessment Construction and Street Reconstruction capital project funds were determined to be major and the Debt Service fund was determined to be nonmajor. The effects of the changes within the financial reporting entity are shown in applicable financial statement.

Change in Accounting Principle

During fiscal year 2024, the City adopted the provisions of the Governmental Accounting Standard Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and Statements No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statement results in significant change to the classifications of the components of the financial statements. There were no adjustments or restatements of beginning balances needed for the adoption of these statements.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.1259 %	$ 4,654,385	$ 120,353	$4,774,738	$ 10,655,463	43.7 %	86.7 %
6/30/2023	0.1231	6,883,614	189,767	7,073,381	10,176,093	67.6	83.1
6/30/2022	0.1250	9,900,041	290,319	10,190,360	7,042,154	140.6	76.7
6/30/2021	0.1206	5,150,160	157,297	5,307,457	8,685,747	59.3	87.0
6/30/2020	0.1240	7,434,367	229,207	7,663,574	8,843,395	84.1	79.0
6/30/2019	0.1189	6,573,715	204,324	6,778,039	8,411,938	78.1	80.2
6/30/2018	0.1194	6,623,822	217,244	6,841,066	7,892,915	83.9	79.5
6/30/2017	0.1201	7,667,105	96,388	7,763,493	7,735,587	99.1	75.9
6/30/2016	0.1172	9,516,060	124,251	9,640,311	7,269,667	130.9	68.9
6/30/2015	0.1243	6,441,872	-	6,441,872	7,303,595	88.2	78.2

Schedule of Employer's PERA Contributions - General Employees Retirement 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)
12/31/2024	$ 833,711	$ 833,711	$ -	$11,116,147	7.50 %
12/31/2023	758,282	758,282	-	10,110,427	7.50
12/31/2022	727,505	727,505	-	9,700,067	7.50
12/31/2021	673,181	673,181	-	8,977,525	7.50
12/31/2020	649,561	649,561	-	8,660,814	7.50
12/31/2019	651,633	651,633	-	8,688,397	7.50
12/31/2018	612,983	612,983	-	8,173,316	7.50
12/31/2017	572,442	572,442	-	7,634,297	7.50
12/31/2016	550,846	550,846	-	7,344,613	7.50
12/31/2015	564,168	564,168	-	7,522,240	7.50

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 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 Employee Retirement Fund (Continued)

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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 Juen 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 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 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 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 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 - Public Employees Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.3584 %	$ 4,715,655	$ 179,759	$4,895,414	$ 4,963,447	95.0 %	87.0 %
6/30/2023	0.3453	5,962,882	240,183	6,203,065	4,693,362	127.0	86.5
6/30/2022	0.3429	2,646,825	126,416	2,773,241	4,151,333	63.8	70.5
6/30/2021	0.4161	3,211,851	144,394	3,356,245	5,100,055	63.0	93.7
6/30/2020	0.4405	5,806,261	136,792	5,943,053	4,970,710	116.8	87.2
6/30/2019	0.4483	4,772,606	-	4,772,606	4,729,530	100.9	89.3
6/30/2018	0.4330	4,615,334	-	4,615,334	4,549,453	101.4	88.8
6/30/2017	0.4410	5,954,025	-	5,954,025	4,529,519	131.4	85.4
6/30/2016	0.4290	17,216,517	-	17,216,517	4,128,855	417.0	63.9
6/30/2015	0.4460	5,067,604	-	5,067,604	4,031,138	125.7	86.6

Schedule of Employer's PERA Contributions - Public Employees 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)
12/31/2024	$ 883,853	$ 883,853	$ -	$ 4,993,522	17.70 %
12/31/2023	869,104	869,104	-	4,910,192	17.70
12/31/2022	734,786	734,786	-	4,151,333	17.70
12/31/2021	832,803	832,803	-	4,705,104	17.70
12/31/2020	887,315	887,315	-	5,013,084	17.70
12/31/2019	818,676	818,676	-	4,829,945	16.95
12/31/2018	761,952	761,952	-	4,703,405	16.20
12/31/2017	720,865	720,865	-	4,449,784	16.20
12/31/2016	689,601	689,601	-	4,256,796	16.20
12/31/2015	687,935	687,935	-	4,246,511	16.20

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in Actuarial Assumptions

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - 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.

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 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 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 60.0 percent to 70.0 percent. Minor changes to form of payment assumptions were applied.

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

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

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

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

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

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

Changes in Plan Provisions

2024 - The State contribution of $9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional $9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - 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 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 million state contribution. New annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 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 65.0 percent to 60.0 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 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum.

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

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

City of Brooklyn Center, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

	2024 (Fire Relief Report Date 2023)	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	$ 149,011	$ 137,340	$ 114,281	$ 112,974	$ 99,907	$ 107,405	$ 98,240	$ 120,802	$ 88,266	$ 85,904
Interest	131,975	135,288	124,570	136,948	137,983	171,057	191,790	174,191	173,219	178,242
Changes in benefit terms	263,965	15,086	242,775	-	164,525	18,251	-	26,709	-	-
Changes in assumptions	-	34,989	-	5,863	-	52,746	44,974	(50,396)	358,422	-
Differences between expected and actual experience	-	44,119	-	(17,492)	-	(141,409)	-	(75,613)	-	-
Benefit payments	(183,515)	(170,479)	(430,577)	(520,165)	(350,222)	(744,211)	(131,608)	(136,168)	(59,016)	(617,541)
Net Changes	361,436	196,343	51,049	(281,872)	52,193	(536,161)	203,396	59,525	560,891	(353,395)
Total Pension Liability - January 1	2,721,158	2,524,815	2,473,766	2,755,638	2,703,445	3,239,606	3,036,210	2,976,685	2,415,794	2,769,189
Total Pension Liability - December 31 (a)	$ 3,082,594	$ 2,721,158	$ 2,524,815	$ 2,473,766	$ 2,755,638	$ 2,703,445	$ 3,239,606	$ 3,036,210	$ 2,976,685	$ 2,415,794
Plan Fiduciary Net Position										
Employer contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions - state and local	223,177	205,560	186,797	180,079	165,652	164,147	154,366	147,002	143,061	158,545
Investment income (loss)	276,399	(438,162)	308,374	199,905	503,214	(236,910)	557,117	275,625	(181,185)	149,635
Benefit payments	(183,515)	(170,479)	(430,577)	(520,165)	(350,222)	(744,211)	(131,608)	(136,168)	(59,016)	(617,541)
Administrative expense	(24,825)	(18,497)	(24,003)	(17,060)	(21,126)	(15,708)	(15,024)	(9,495)	(14,560)	(10,080)
Net Changes	291,236	(421,578)	40,591	(157,241)	297,518	(832,682)	564,851	276,964	(111,700)	(319,441)
Total Plan Fiduciary Net Position - January 1	3,164,933	3,586,511	3,545,920	3,703,161	3,405,643	4,238,325	3,673,474	3,396,510	3,508,210	3,827,651
Total Plan Fiduciary Net Position - December 31 (b)	$ 3,456,169	$ 3,164,933	$ 3,586,511	$ 3,545,920	$ 3,703,161	$ 3,405,643	$ 4,238,325	$ 3,673,474	$ 3,396,510	$ 3,508,210
Total Net Pension Liability (Asset) - December 31 (a-b)	$ (373,575)	$ (443,775)	$ (1,061,696)	$ (1,072,154)	$ (947,523)	$ (702,198)	$ (998,719)	$ (637,264)	$ (419,825)	$ (1,092,416)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	112.1%	116.3%	142.1%	143.3%	134.4%	126.0%	130.8%	121.0%	114.1%	145.2%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City'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	N/A

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

Notes to the Required Supplementary Information - Fire Relief Association

Changes in Actuarial Assumptions

2023 - The expected investment return and discount rate decreased from 5.25 percent to 4.75 percent to reflect updated capital market assumptions. The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2020 Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2022 Minnesota PERA Police and Fire Plan actuarial valuation. The inflation assumption increased from 2.25 percent and 2.50 percent.

2022 - There were no changes in actuarial assumptions since the previous valuation.

2021 - The mortality and withdrawal assumptions were updated from the rates used in the July 1, 2018 Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2020 Minnesota PERA Police and Fire Plan actuarial valuation. The inflation assumption was changed from 2.50 percent to 2.25 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

2020 - There were no changes in actuarial assumptions since the previous valuation.

2019 - The mortality and withdrawal assumptions were updated from the rates used in the July 1, 2016 Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2018 Minnesota PERA Police and Fire Plan actuarial valuation. The inflation assumption was changed from 2.75 percent to 2.50 percent.

2018 - The discount rate was changed from 6.25 percent to 5.75 percent to reflect updated capital market assumptions.

2017 - The discount rate was changed from 5.75 percent to 6.25 percent to reflect updated capital market assumptions.

2016 - The discount rate was changed from 7.00 percent to 5.75 percent to reflect updated capital market assumptions.

Changes in Benefit Terms

2023 - There were no changes in benefit terms since the previous valuation.

2022 - The lump sum distribution upon retirement per year of service was changed from $8,500 to $10,000.

2021 - There were no changes in benefit terms since the previous valuation.

2020 - The lump sum distribution upon retirement per year of service was changed from $7,700 to $8,500.

2019 - The lump sum distribution upon retirement per year of service was changed from $7,600 to $7,700.

2018 - There were no changes in benefit terms since the previous valuation.

2017 - The lump sum distribution upon retirement per year of service was changed from $7,500 to $7,600.

2016 - There were no changes in benefit terms since the previous valuation.

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Excess (Deficiency) (a-b)
12/31/24	$ 138,138	$ -	$ (138,138)
12/31/23	48,372	223,177	174,805
12/31/22	48,372	205,560	157,188
12/31/21	67,773	187,797	120,024
12/31/20	67,773	170,652	102,879
12/31/19	85,089	159,147	74,058
12/31/18	85,089	154,366	69,277
12/31/17	71,203	147,002	75,799
12/31/16	71,203	143,061	71,858
12/31/15	101,453	158,545	57,092

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

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service Costs	$ 114,787	$ 149,390	$ 168,883	$ 144,086	$ 114,736
Interest Costs	108,000	66,441	58,795	69,311	85,818
Assumption Changes	141,643	22,792	861,034	16,844	45,132
Differences between expected and actual experience	1,213,970	(546,218)	(442,198)	130,147	277,698
Benefit Payment	(233,799)	(199,109)	(150,986)	(131,937)	(110,790)
Net Change in Total OPEB Liability	1,344,601	(506,704)	495,528	228,451	412,594
Total OPEB Liability - Beginning	2,668,769	3,175,473	2,679,945	2,451,494	2,038,900
Total OPEB Liability - Ending	$ 4,013,370	$ 2,668,769	$ 3,175,473	$ 2,679,945	$ 2,451,494
Covered - Employee Payroll	$ 13,200,000	$ 12,400,000	$ 12,200,000	$ 12,190,688	$ 12,599,989
City's total OPEB liability as a percentage of covered employee payroll	30.40 %	21.52 %	26.03 %	21.98 %	19.46 %

Changes in assumptions:

2024 - Medical trend was updated based on recently published trend model. Discount rate was changed from 4.05 percent to 3.77 percent. Medical per capital claims tables were updated based on recent experience and demographics. Future retiree medical plan blending was updated based on analysis of medical plan election rates. Future retirement participation rates for future retirees were updated from 50% to 40% based on an analysis of past plan experience. Future retiree spouse participation rates were updated from 40% to 30% based on analysis of past plan experience.

2023 - The discount rate was changed from 2.12 percent to 4.05 percent.

2022 - The medical trend rate was updated based on recently published trend model and trend surveys to better reflect future anticipated experience. Medical per capita claims tables were updated based on recent experience and demographics. The discount rate was updated from 2.12 percent to 2.06 percent based on recent municipal bond index rates. Withdrawal, retirement, mortality, disability and salary scale assumptions were updated to those included in the recently published PERA actuarial valuations. Future retiree participation rates were updated from 65% to 50% based on analysis of past plan experience. Future retiree spouse participation rates were updated from 40% for PERA Coordinated and 60% for PERA Police and Fire to 40% based on analysis of past plan experience. Future retiree medical plan blending was updated based on an analysis of medical plan election rates as of the valuation date.

2021 - The discount rate was changed from 2.74 percent to 2.12 percent.

2020 - The discount rate was changed from 4.09 percent to 2.74 percent. The healthcare trend rates, mortality tables, and payroll growth rates were

Changes in Plan Provisions:
• None

Changes in benefits:
• None

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COMBINING AND INDIVIUDAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Brooklyn Center, Minnesota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Nonmajor Special Revenue	Nonmajor Capital Projects	*(Formerly Major)* Debt Service	Total
Assets				
Cash and investments	$ 7,448,542	$ 6,323,325	$ 5,009,960	$ 18,781,827
Receivables				
Interest	10,902	-	-	10,902
Current taxes	6,321	-	-	6,321
Delinquent taxes	5,994	-	-	5,994
Accounts, net of allowances	7	-	-	7
Notes	85,133	-	-	85,133
Leases	433,927	-	-	433,927
Special assessments	-	-	2,325,082	2,325,082
Intergovernmental	62,492	515,920	-	578,412
Due from other funds	3,418	-	-	3,418
Inventories	3,694	-	-	3,694
Prepaid items	75,799	-	-	75,799
Advances to other funds	-	-	-	-
Assets held for resale	434,978	-	-	434,978
Total Assets	$ 8,571,207	$ 6,839,245	$ 7,335,042	$ 22,745,494
Liabilities				
Accounts payable	$ 155,811	$ 7,440	$ -	$ 163,251
Contracts payable	-	56,117	-	56,117
Due to other funds	3,418	-	-	3,418
Accrued salaries and wages	3,323	-	-	3,323
Deposits payable	16,133	-	-	16,133
Unearned revenue	1,180,833	-	-	1,180,833
Total Liabilities	1,359,518	63,557	-	1,423,075
Deferred Inflows of Resources				
Unavailable revenue				
Taxes	5,994	-	-	5,994
Special assessments	-	515,920	2,319,133	2,835,053
Deferred lease resources	394,150	-	-	394,150
Total Deferred Inflows of Resources	400,144	515,920	2,319,133	3,235,197
Fund Balances				
Nonspendable	3,694	-	-	3,694
Restricted	6,870,215	4,985,547	5,015,909	16,871,671
Committed	180,374	1,903,408	-	2,083,782
Unassigned	(242,738)	(629,187)	-	(871,925)
Total Fund Balances	6,811,545	6,259,768	5,015,909	18,087,222
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,571,207	$ 6,839,245	$ 7,335,042	$ 22,745,494

City of Brooklyn Center, Minnesota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue	Capital Projects	*(Formerly Major)* Debt Service	Total
Revenues				
Taxes				
Property taxes	$ 586,081	$ -	$ 1,818,856	$ 2,404,937
Tax increments	1,011,749	-	-	1,011,749
Special assessments	-	-	759,349	759,349
Intergovernmental	1,408,207	2,971,179	-	4,379,386
Charges for services	976,056	-	-	976,056
Investment earnings (loss)	303,000	258,893	145,693	707,586
Miscellaneous	112,419	-	-	112,419
Total Revenues	4,397,512	3,230,072	2,723,898	10,351,482
Expenditures				
Current				
General government	241,630	107,326	-	348,956
Public safety	561,418	-	-	561,418
Public works	-	306,002	-	306,002
Parks and recreation	1,408,788	-	-	1,408,788
Economic development	1,764,760	-	-	1,764,760
Capital outlay				
Public works	-	2,124,813	-	2,124,813
Debt service				
Principal	-	-	2,623,796	2,623,796
Interest and other	-	-	543,761	543,761
Total Expenditures	3,976,596	2,538,141	3,167,557	9,682,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	420,916	691,931	(443,659)	669,188
Other Financing Sources (Uses)				
Transfers in	739,851	100,000	374,383	1,214,234
Other Debt- Principal	(21,069)	-	-	(21,069)
Transfers out	(1,171,526)	-	-	(1,171,526)
Total Other Financing Sources (Uses)	(452,744)	100,000	374,383	21,639
Net Change in Fund Balances	(31,828)	791,931	(69,276)	690,827
Fund Balance, January 1, as previously reported	6,843,373	10,951,951	-	17,795,324
Change to the financial reporting entity (Note 10)				
Change from nonmajor to major fund	-	(5,484,114)	-	(5,484,114)
Change from major to nonmajor fund	-	-	5,085,185	5,085,185
Fund Balances, January 1, as adjusted or restated	6,843,373	5,467,837	5,085,185	17,396,395
Fund Balances, December 31	$ 6,811,545	$ 6,259,768	$ 5,015,909	$ 18,087,222

City of Brooklyn Center, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2024

	202 Housing and Redevelopment Authority	203 Economic Development Authority	204 Community Development Block Grant	205 Police Forfeitures	206 Revolving Loan	207 Local Affordable Housing	613 Centerbrook Golf Course	277 Tax Increment District No. 2
Assets								
Cash and investments	$ 8,113	$ 1,578,409	$ 72,376	$ 120,459	$ 60,585	$ 191,777	$ (234,075)	$ 1,328,065
Receivables								
Interest	-	10,902	-	-	-	-	-	-
Current taxes	-	-	-	-	-	-	-	-
Delinquent taxes	-	-	-	-	-	-	-	-
Accounts, net of allowances	-	-	-	-	-	-	7	-
Notes	-	-	-	-	85,133	-	-	-
Leases	-	433,927	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Due from other funds	-	3,418	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	3,694	-
Prepaid items	-	-	-	-	-	-	-	-
Assets held for resale	-	12,000	-	-	-	-	-	422,978
Total Assets	$ 8,113	$ 2,038,656	$ 72,376	$ 120,459	$ 145,718	$ 191,777	$ (230,374)	$ 1,751,043
Liabilities								
Accounts payable	$ -	$ 682	$ -	$ 31,707	$ -	$ -	$ 5,099	$ -
Due to other funds	-	-	-	-	-	-	-	-
Accrued wages payable	-	3,170	-	-	-	-	153	-
Deposits payable	-	-	-	16,133	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total Liabilities	-	3,852	-	47,840	-	-	5,252	-
Deferred Inflows of Resources								
Unavailable revenue								
Taxes	-	-	-	-	-	-	-	-
Deferred lease resources	-	394,150	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	394,150	-	-	-	-	-	-
Fund Balances								
Nonspendable								
Inventories	-	-	-	-	-	-	3,694	-
Restricted								
Tax increment financing	-	-	-	-	-	191,777	-	1,751,043
Economic development	8,113	1,640,654	72,376	-	145,718	-		-
Law enforcement enhancements	-	-	-	72,619	-	-	-	-
Opioids	-	-	-	-	-	-	-	-
Community prevention, health and safety	-	-	-	-	-	-	-	-
Committed								
Cable communications	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(239,320)	-
Total Fund Balances	8,113	1,640,654	72,376	72,619	145,718	191,777	(235,626)	1,751,043
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,113	$ 2,038,656	$ 72,376	$ 120,459	$ 145,718	$ 191,777	$ (230,374)	$ 1,751,043

280 Tax Increment District No. 5	281 Tax Increment District No. 6	282 Tax Increment District No. 7	283 Tax Increment District No. 8	284 Tax Increment District No. 9	285 Tax Increment District No. 10	286 City Initiative Grants	287 Opioid Settlement Funds	292 American Rescue Plan Act	Total
$ 660,815	$ 43,718	$ 562,877	$ 172,653	$ 22,983	$ -	$ 1,603,069	$ 128,639	$ 1,128,079	$ 7,448,542
-	-	-	-	-	-	-	-	-	10,902
6,321	-	-	-	-	-	-	-	-	6,321
-	-	5,994	-	-	-	-	-	-	5,994
-	-	-	-	-	-	-	-	-	7
-	-	-	-	-	-	-	-	-	85,133
-	-	-	-	-	-	-	-	-	433,927
-	-	-	-	-	-	62,492	-	-	62,492
-	-	-	-	-	-	-	-	-	3,418
-	-	-	-	-	-	-	-	-	3,694
-	-	-	-	-	-	-	-	75,799	75,799
-	-	-	-	-	-	-	-	-	434,978
$ 667,136	$ 43,718	$ 568,871	$ 172,653	$ 22,983	$ -	$ 1,665,561	$ 128,639	$ 1,203,878	$ 8,571,207
$ -	$ -	$ 179	$ -	$ -	$ -	$ 85,419	$ 9,680	$ 23,045	$ 155,811
-	-	-	-	-	3,418	-	-	-	3,418
-	-	-	-	-	-	-	-	-	3,323
-	-	-	-	-	-	-	-	-	16,133
-	-	-	-	-	-	-	-	1,180,833	1,180,833
-	-	179	-	-	3,418	85,419	9,680	1,203,878	1,359,518
-	-	5,994	-	-	-	-	-	-	5,994
-	-	-	-	-	-	-	-	-	394,150
-	-	5,994	-	-	-	-	-	-	400,144
-	-	-	-	-	-	-	-	-	3,694
667,136	43,718	562,698	172,653	22,983	-	-	-	-	3,412,008
-	-	-	-	-	-	-	-	-	1,866,861
-	-	-	-	-	-	-	-	-	72,619
-	-	-	-	-	-	-	118,959	-	118,959
-	-	-	-	-	-	1,399,768	-	-	1,399,768
-	-	-	-	-	-	180,374	-	-	180,374
-	-	-	-	-	(3,418)	-	-	-	(242,738)
667,136	43,718	562,698	172,653	22,983	(3,418)	1,580,142	118,959	-	6,811,545
$ 667,136	$ 43,718	$ 568,871	$ 172,653	$ 22,983	$ -	$ 1,665,561	$ 128,639	$ 1,203,878	$ 8,571,207

City of Brooklyn Center, Minnesota
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
(Continued on the Following Pages)
For the Year Ended December 31, 2024

	202 Housing and Redevelopment Authority	203 Economic Development Authority	204 Community Development Block Grant	205 Police Forfeitures	206 Revolving Loan	207 Local Affordable Housing	613 Centerbrook Golf Course	277 Tax Increment District No. 2
Revenues								
Taxes								
Property taxes	$ 586,081	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tax increments	-	-	-	-	-	-	-	-
Intergovernmental	-	211,878	-	-	-	188,983	-	-
Charges for services	-	630,263	-	-	-	-	316,382	-
Investment earnings (loss)	-	58,464	-	2,918	1,976	2,794	-	40,454
Miscellaneous	-	-	-	-	1,337	-	-	-
Total Revenues	586,081	900,605	-	2,918	3,313	191,777	316,382	40,454
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	35,071	-	-	-	-
Parks and recreation	-	-	-	-	-	-	454,421	-
Economic development	-	1,374,220	-	-	-	-	-	1,274
Total Expenditures	-	1,374,220	-	35,071	-	-	454,421	1,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	586,081	(473,615)	-	(32,153)	3,313	191,777	(138,039)	39,180
Other Financing Sources (Uses)								
Transfers in	-	579,580	-	-	-	-	160,271	-
Other Debt- Principal	-	-	-	-	-	-	-	-
Transfers out	(579,580)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(579,580)	579,580	-	-	-	-	160,271	-
Net Change in Fund Balances	6,501	105,965	-	(32,153)	3,313	191,777	22,232	39,180
Fund Balances, January 1	1,612	1,534,689	72,376	104,772	142,405	-	(257,858)	1,711,863
Fund Balances, December 31	$ 8,113	$ 1,640,654	$ 72,376	$ 72,619	$ 145,718	$ 191,777	$ (235,626)	$ 1,751,043

280 Tax Increment District No. 5	281 Tax Increment District No. 6	282 Tax Increment District No. 7	283 Tax Increment District No. 8	284 Tax Increment District No. 9	285 Tax Increment District No. 10	286 City Initiative Grants	287 Opioid Settlement Funds	292 American Rescue Plan Act	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 586,081
440,688	142,621	96,082	285,539	46,819	-	-	-	-	1,011,749
-	-	-	-	-	-	146,030	-	861,316	1,408,207
-	-	-	-	-	-	29,411	-	-	976,056
49,434	928	19,039	4,283	249	-	75,525	1,694	45,242	303,000
-	-	-	-	347	-	25,839	84,896	-	112,419
490,122	143,549	115,121	289,822	47,415	-	276,805	86,590	906,558	4,397,512
-	-	-	-	-	-	241,630	-	-	241,630
-	-	-	-	-	-	481,027	45,320	-	561,418
-	-	-	-	-	-	141,380	-	812,987	1,408,788
1,496	136,068	3,740	245,703	1,274	985	-	-	-	1,764,760
1,496	136,068	3,740	245,703	1,274	985	864,037	45,320	812,987	3,976,596
488,626	7,481	111,381	44,119	46,141	(985)	(587,232)	41,270	93,571	420,916
-	-	-	-	-	-	-	-	-	739,851
-	-	-	-	(21,069)	-	-	-	-	(21,069)
(374,383)	-	-	-	-	-	(123,992)	-	(93,571)	(1,171,526)
(374,383)	-	-	-	(21,069)	-	(123,992)	-	(93,571)	(452,744)
114,243	7,481	111,381	44,119	25,072	(985)	(711,224)	41,270	-	(31,828)
552,893	36,237	451,317	128,534	(2,089)	(2,433)	2,291,366	77,689	-	6,843,373
$ 667,136	$ 43,718	$ 562,698	$ 172,653	$ 22,983	$ (3,418)	$ 1,580,142	$ 118,959	$ -	$ 6,811,545

City of Brooklyn Center, Minnesota
Housing and Redevelopment Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			2023
	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues				
Taxes				
Property taxes	$ 586,081	$ 586,081	$ -	$ 508,233
Other Financing Sources (Uses)				
Tranfers out	586,081	579,580	(6,501)	508,959
Net Change in Fund Balances	-	6,501	6,501	(726)
Fund Balances, January 1	1,612	1,612	-	2,338
Fund Balances, December 31	$ 1,612	$ 8,113	$ 6,501	$ 1,612

City of Brooklyn Center, Minnesota
Economic Development Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			2023
	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues				
Intergovernmental	$ -	$ 211,878	$ 211,878	$ -
Charges for services	-	630,263	630,263	-
Investment earnings (loss)	16,806	58,464	41,658	62,882
Total Revenues	16,806	900,605	883,799	62,882
Expenditures				
Current				
Economic development				
Personal services	342,145	393,246	(51,101)	231,972
Other services and charges	260,521	980,974	(720,453)	387,289
Total Expenditures	602,666	1,374,220	(771,554)	619,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(585,860)	(473,615)	112,245	(556,379)
Other Financing Sources (Uses)				
Transfer in	586,081	579,580	6,501	508,959
Net Change in Fund Balances	221	105,965	118,746	(47,420)
Fund Balances, January 1	1,534,689	1,534,689	-	1,682,109
Fund Balances, December 31	$ 1,534,910	$ 1,640,654	$ 118,746	$ 1,634,689

City of Brooklyn Center, Minnesota
Centerbrook Golf Course
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			2023
	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues				
Charges for services	$ 297,000	$ 316,382	$ 19,382	$ 315,465
Miscellaneous	-	-	-	1,670
Total Revenues	297,000	316,382	19,382	317,135
Expenditures				
Current				
Parks and recreation				
Personal services	236,849	244,371	(7,522)	216,659
Supplies	36,386	31,751	4,635	30,660
Other services and charges	199,691	178,299	21,392	183,529
Total Expenditures	472,926	454,421	18,505	430,848
Excess (Deficiency) of Revenues Over (Under) Expenditures	(175,926)	(138,039)	877	(113,713)
Other Financing Sources (Uses)				
Transfers in	80,000	160,271	(80,271)	80,000
Net Change in Fund Balances	(95,926)	22,232	(79,394)	(33,713)
Fund Balances, January 1	(257,858)	(257,858)	-	(224,145)
Fund Balances, December 31	$ (353,784)	$ (235,626)	$ (79,394)	$ (257,858)

City of Brooklyn Center, Minnesota
Tax Increment District No. 5
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			2023
	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues				
Tax increments	$ 498,468	$ 440,688	$ (57,780)	$ 498,472
Investment earnings (loss)	5,869	49,434	43,565	39,127
Total Revenues	504,337	490,122	(14,215)	537,599
Expenditures				
Current				
Economic development				
Other services and charges	30,000	1,496	28,504	5,759
Excess (Deficiency) of Revenues Over (Under) Expenditures	474,337	488,626	14,289	531,840
Other Financing Sources (Uses)				
Transfers out	(373,525)	(374,383)	(858)	(358,333)
Net Change in Fund Balances	100,812	114,243	13,431	173,507
Fund Balances, January 1	552,893	552,893	-	379,386
Fund Balances, December 31	$ 653,705	$ 667,136	$ 13,431	$ 552,893

City of Brooklyn Center, Minnesota
Tax Increment District No. 6
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			2023
	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues				
Tax increments	$ 133,878	$ 142,621	$ 8,743	$ 133,879
Investment earnings (loss)	-	928	928	306
Total Revenues	133,878	143,549	9,671	134,185
Expenditures				
Current				
Economic development				
Other services and charges	134,115	136,068	(1,953)	152,910
Net Change in Fund Balances	(237)	7,481	7,718	(18,725)
Fund Balances, January 1	36,237	36,237	-	54,962
Fund Balances, December 31	$ 36,000	$ 43,718	$ 7,718	$ 36,237

City of Brooklyn Center, Minnesota
Tax Increment District No. 7
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			2023
	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues				
Tax increments	$ 170,135	$ 96,082	$ (74,053)	$ 143,246
Investment earnings (loss)	2,800	19,039	16,239	16,860
Total Revenues	172,935	115,121	(57,814)	160,106
Expenditures				
Current				
Economic development				
Other services and charges	45,791	3,740	42,051	13,285
Net Change in Fund Balances	127,144	111,381	(15,763)	146,821
Fund Balances, January 1	451,317	451,317	-	304,496
Fund Balances, December 31	$ 578,461	$ 562,698	$ (15,763)	$ 451,317

City of Brooklyn Center, Minnesota
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2024

	401 Capital Improvements	402 Municipal State Aid for Construction	406 Capital Reserve Emergency	410 Technology	Total
Assets					
Cash and investments	$ 1,526,404	$ 4,992,987	$ (629,187)	$ 433,121	$ 6,323,325
Receivables					
Intergovernmental	-	515,920	-	-	515,920
Total Assets	$ 1,526,404	$ 5,508,907	$ (629,187)	$ 433,121	$ 6,839,245
Liabilities					
Accounts payable	$ -	$ 7,440	$ -	$ -	$ 7,440
Contracts payable	56,117	-	-	-	56,117
Total Liabilities	56,117	7,440	-	-	63,557
Deferred Inflows of Resources					
Unavailable revenue					
Intergovernmental	-	515,920	-	-	515,920
Fund Balances					
Restricted					
Municipal street projects	-	4,985,547	-	-	4,985,547
Committed					
Capital projects	1,470,287	-	-	-	1,470,287
Technology improvements	-	-	-	433,121	433,121
Unassigned	-	-	(629,187)	-	(629,187)
Total Fund Balances	1,470,287	4,985,547	(629,187)	433,121	6,259,768
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,526,404	$ 5,508,907	$ (629,187)	$ 433,121	$ 6,839,245

City of Brooklyn Center, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2024

	401 Capital Improvements	402 Municipal State Aid for Construction	406 Capital Reserve Emergency	407 *(Formerly Nonmajor)* Special Assessment Construction	409 *(Formerly Nonmajor)* Street Reconstruction	410 Technology	Total
Revenues							
Intergovernmental	$ 1,810,548	$ 1,160,631	$ -	$ -	$ -	$ -	$ 2,971,179
Investment earnings	56,133	188,925	-	-	-	13,835	258,893
Total Revenues	1,866,681	1,349,556	-	-	-	13,835	3,230,072
Expenditures							
Current							
General government	-	-	85,224	-	-	22,102	107,326
Public works	-	306,002	-	-	-	-	306,002
Capital outlay							
Public works	2,124,813	-	-	-	-	-	2,124,813
Total Expenditures	2,124,813	306,002	85,224	-	-	22,102	2,538,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	(258,132)	1,043,554	(85,224)	-	-	(8,267)	691,931
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	100,000	100,000
Net Change in Fund Balances	(258,132)	1,043,554	(85,224)	-	-	91,733	791,931
Fund Balances, January 1, as previously presented	1,728,419	3,941,993	(543,963)	(798,565)	6,282,679	341,388	10,951,951
Change to the financial reporting entity (Note 10) Change from nonmajor to major	-	-	-	798,565	(6,282,679)	-	(5,484,114)
Fund Balances, January 1, as adjusted or restated	1,728,419	3,941,993	(543,963)	-	-	341,388	5,467,837
Fund Balances, December 31	$ 1,470,287	$ 4,985,547	$ (629,187)	$ -	$ -	$ 433,121	$ 6,259,768

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City of Brooklyn Center, Minnesota
General Fund
Comparative Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and temporary investments	$ 16,008,886	$ 14,090,769
Receivables		
Interest	1,905	1,523
Current taxes	152,434	67,247
Delinquent taxes	-	69,142
Accounts, net of allowances	254,791	235,254
Leases	11,858	23,455
Special assessments	372,557	232,681
Intergovernmental	15,526	10,445
Due from other funds	383,008	671,122
Inventories	183,346	68,944
Prepaid items	6,753	119,484
Total Assets	$ 17,391,064	$ 15,590,066
Liabilities		
Accounts payable	$ 447,819	$ 270,182
Due to other governments	68,024	130,352
Accrued wages payable	1,015,921	692,922
Deposits payable	742,940	579,616
Unearned revenue	33	-
Total Liabilities	2,274,737	1,673,072
Deferred Inflows of Resources		
Unavailable revenue		
Property taxes	-	69,142
Special assessments	358,880	229,046
Deferred lease resources	11,493	22,987
Total Deferred Inflows of Resources	370,373	321,175
Fund Balances		
Nonspendable	190,099	188,428
Unassigned	14,555,855	13,407,391
Total Fund Balances	14,745,954	13,595,819
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 17,391,064	$ 15,590,066

City of Brooklyn Center, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued on Following Pages)
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024				2023
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Taxes					
Property taxes	$ 22,497,464	$ 22,497,464	$ 22,442,630	$ (54,834)	$ 20,938,324
Penalties and interest	12,000	12,000	-	(12,000)	50,716
Lodging tax	900,000	900,000	887,205	(12,795)	898,037
Total taxes	23,409,464	23,409,464	23,329,835	(79,629)	21,887,077
Special assessments	40,000	40,000	66,982	26,982	40,774
Licenses and permits					
Liquor and beer licenses	30,200	30,200	56,579	26,379	46,805
Building permits	500,000	500,000	281,624	(218,376)	414,941
Mechanical permits	45,000	45,000	84,275	39,275	134,493
Sewer and water permits	3,000	3,000	2,680	(320)	1,990
Plumbing permits	65,000	65,000	76,165	11,165	64,253
Garbage licenses	2,375	2,375	5,750	3,375	2,225
Mechanical licenses	10,000	10,000	8,745	(1,255)	9,730
Service station licenses	2,190	2,190	3,185	995	1,330
Vehicle dealer licenses	1,500	1,500	1,500	-	1,500
Cigarette licenses	3,240	3,240	6,600	3,360	2,325
Sign permits	2,000	2,000	2,230	230	2,101
Rental dwelling licenses	200,000	200,000	292,078	92,078	301,938
Amusement licenses	50	50	105	55	15
Electrical permits	50,000	50,000	70,480	20,480	85,652
ROW permits	10,000	10,000	15,275	5,275	7,550
Miscellaneous	5,500	5,500	5,995	495	4,135
Total licenses and permits	930,055	930,055	913,266	(16,789)	1,080,983
Intergovernmental					
State					
Local government aid	1,513,990	1,513,990	1,513,990	-	1,250,185
Police pension aid	440,000	440,000	476,097	36,097	366,611
PERA aid	-	-	-	-	-
Fireperson pension aid	208,000	208,000	245,067	37,067	223,177
Police training	48,000	48,000	36,491	(11,509)	-
Other	392,085	392,085	29,400	(362,685)	130,253
Local					
Miscellaneous	50,000	50,000	55,068	5,068	3,891
Total intergovernmental	2,652,075	2,652,075	2,356,113	(295,962)	1,974,117
Charges for services					
General government	82,200	82,200	153,465	71,265	155,645
Public safety	10,500	10,500	23,439	12,939	22,572
Public works	500	500	4,161	3,661	4,500
Community development	10,000	10,000	18,200	8,200	24,038
Recreation	130,500	130,500	172,322	41,822	153,002
Community center	260,000	260,000	329,326	69,326	296,338
Total charges for services	493,700	493,700	700,913	207,213	656,095
Fines and forfeits	171,000	171,000	361,302	190,302	333,467
Investment earnings (loss)	129,825	129,825	488,405	358,580	510,641
Miscellaneous					
Other	180,500	180,500	284,538	104,038	304,285
Total miscellaneous	180,500	180,500	284,538	104,038	304,285
Total Revenues	28,006,619	28,006,619	28,501,354	494,735	26,787,439

City of Brooklyn Center, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024				2023
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures					
Current					
General government					
Mayor and Council					
Personal services	$ 60,306	$ 60,306	$ 59,094	$ 1,212	$ 58,323
Supplies	-	-	4,898	(4,898)	1,914
Other services and charges	121,473	121,473	125,846	(4,373)	128,042
Total Mayor and Council	181,779	181,779	189,838	(8,059)	188,279
Administrative (Manager, Clerk, HR) offices					
Personal services	1,117,072	1,117,072	1,021,972	95,100	873,699
Supplies	14,925	14,925	16,806	(1,881)	21,958
Other services and charges	188,164	188,164	205,909	(17,745)	219,576
Total administrative (Manager, Clerk, HR) offices	1,320,161	1,320,161	1,244,687	75,474	1,115,233
Elections and voter registration					
Personal services	187,940	187,940	210,555	(22,615)	75,950
Supplies	10,000	10,000	5,043	4,957	375
Other services and charges	38,400	38,400	11,793	26,607	12,381
Total elections and voter registration	236,340	236,340	227,391	8,949	88,706
Finance					
Personal services	746,557	746,557	666,335	80,222	576,039
Supplies	18,000	18,000	12,222	5,778	4,726
Other services and charges	69,745	69,745	121,316	(51,571)	93,621
Total finance	834,302	834,302	799,873	34,429	674,386
Assessing					
Other services and charges	270,000	270,000	125,455	144,545	268,916
Legal					
Other services and charges	470,000	470,000	541,795	(71,795)	604,933
Communications and engagements					
Personal services	342,611	342,611	365,007	(22,396)	246,665
Supplies	-	-	-	-	-
Other services and charges	282,201	282,201	159,382	122,819	170,437
Total communications and engagements	624,812	624,812	524,389	100,423	417,102
Government buildings					
Personal services	487,313	487,313	399,259	88,054	438,337
Supplies	86,750	86,750	103,236	(16,486)	82,600
Other services and charges	636,679	636,679	700,689	(64,010)	645,273
Total government buildings	1,210,742	1,210,742	1,203,184	7,558	1,166,210
Information technology					
Personal services	374,544	374,544	360,927	13,617	323,302
Supplies	16,100	16,100	13,825	2,275	15,872
Other services and charges	463,425	463,425	424,856	38,569	365,057
Total information technology	854,069	854,069	799,608	54,461	704,231
Total general government	6,002,205	6,002,205	5,656,220	345,985	5,227,996

City of Brooklyn Center, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024				2023
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (Continued)					
Public safety					
Community prevention, health and safety					
Personal services	$ 162,894	$ 162,894	$ 160,436	$ 2,458	$ 183,910
Supplies	7,705	7,705	4,624	3,081	2,280
Other services and charges	135,830	135,830	278,346	(142,516)	107,219
Total community prevention, health and safety	306,429	306,429	443,406	(136,977)	293,409
Police protection					
Personal services	9,119,764	9,119,764	8,178,985	940,779	7,995,503
Supplies	292,225	292,225	263,976	28,249	333,011
Other services and charges	1,785,642	1,785,642	2,000,334	(214,692)	1,920,354
Total police protection	11,197,631	11,197,631	10,443,295	754,336	10,248,868
Fire protection					
Personal services	1,415,037	1,415,037	1,400,808	14,229	1,202,377
Supplies	84,200	84,200	74,727	9,473	106,643
Other services and charges	868,119	868,119	792,827	75,292	784,093
Total fire protection	2,367,356	2,367,356	2,268,362	98,994	2,093,113
Protective inspection					
Personal services	265,927	265,927	270,446	(4,519)	243,212
Supplies	-	-	-	-	125
Other services and charges	14,027	14,027	7,753	6,274	40,065
Total protective inspection	279,954	279,954	278,199	1,755	283,402
Building and community standards					
Personal services	1,108,840	1,108,840	1,102,037	6,803	1,008,988
Supplies	7,775	7,775	11,436	(3,661)	6,002
Other services and charges	147,681	147,681	278,684	(131,003)	234,145
Total building and community standards	1,264,296	1,264,296	1,392,157	(127,861)	1,249,135
Emergency preparedness					
Supplies	19,000	19,000	2,355	16,645	11,420
Other services and charges	10,400	10,400	8,043	2,357	9,958
Total emergency preparedness	29,400	29,400	10,398	19,002	21,378
Total public safety	15,445,066	15,445,066	14,835,817	609,249	14,189,305
Public works					
Engineering department					
Personal services	1,097,345	1,097,345	975,429	121,916	844,988
Supplies	8,622	8,622	6,935	1,687	9,659
Other services and charges	87,607	87,607	123,533	(35,926)	74,572
Total engineering department	1,193,574	1,193,574	1,105,897	87,677	929,219
Street department					
Personal services	868,335	868,335	1,116,047	(247,712)	969,030
Supplies	240,219	240,219	142,538	97,681	162,464
Other services and charges	860,819	860,819	743,127	117,692	852,207
Total street department	1,969,373	1,969,373	2,001,712	(32,339)	1,983,701
Total public works	3,162,947	3,162,947	3,107,609	55,338	2,912,920

City of Brooklyn Center, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024				2023
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (Continued)					
Community services					
Other services and charges	$ 130,000	$ 130,000	$ 131,795	$ (1,795)	$ 180,657
Recreaction programs					
Personal services	1,078,162	1,078,162	1,052,959	25,203	1,017,893
Supplies	39,825	39,825	17,652	22,173	62,242
Other services and charges	154,594	154,594	188,771	(34,177)	210,723
Total recreation programs	1,272,581	1,272,581	1,259,382	13,199	1,290,858
Community center					
Personal services	834,988	834,988	884,906	(49,918)	716,993
Supplies	81,700	81,700	70,583	11,117	75,384
Other services and charges	236,490	236,490	249,890	(13,400)	217,216
Total community center	1,153,178	1,153,178	1,205,379	(52,201)	1,009,593
Park maintenance					
Personal services	1,099,183	1,099,183	1,050,461	48,722	1,063,767
Supplies	90,400	90,400	79,353	11,047	112,776
Other services and charges	625,542	625,542	606,797	18,745	557,190
Total park maintenance	1,815,125	1,815,125	1,736,611	78,514	1,733,733
Total parks and recreation	4,240,884	4,240,884	4,201,372	39,512	4,034,184
Economic development					
Convention bureau					
Other services and charges	430,000	430,000	370,651	59,349	524,997
Community development administration					
Personal services	272,173	272,173	195,654	76,519	145,952
Supplies	4,675	4,675	7,078	(2,403)	1,618
Other services and charges	53,240	53,240	53,880	(640)	36,796
Total community development administration	330,088	330,088	256,612	73,476	184,366
Total economic development	760,088	760,088	627,263	132,825	709,363
Nondepartmental					
Unallocated					
Personal services	(400,000)	(400,000)	-	(400,000)	-
Supplies	8,000	8,000	12,163	(4,163)	14,435
Other services and charges	536,682	536,682	496,371	40,311	545,290
Total nondepartmental	144,682	144,682	508,534	(363,852)	559,725
Total Current	29,885,872	29,885,872	29,068,610	817,262	27,814,150
Capital Outlay					
Public works	-	-	-	-	581
Economic development	5,352	5,352	4,996	356	6,825
Total Capital Outlay	5,352	5,352	4,996	356	7,406
Total Expenditures	29,891,224	29,891,224	29,073,606	817,618	27,821,556
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,884,605)	(1,884,605)	(572,252)	(1,312,353)	(1,034,117)
Other Financing Sources (Uses)					
Transfers in					
Operating	-	-	123,992	(123,992)	-
Administrative services reimbursed	2,051,200	2,051,200	1,765,095	286,105	1,771,717
Transfers out	(166,595)	(166,595)	(166,700)	105	(180,000)
Total Other Financing Sources (Uses)	1,884,605	1,884,605	1,722,387	162,218	1,591,717
Net Change in Fund Balances	-	-	1,150,135	(1,150,135)	557,600
Fund Balances, January 1	13,595,819	13,595,819	13,595,819	-	13,038,219
Fund Balances, December 31	$ 13,595,819	$ 13,595,819	$ 14,745,954	$ (1,150,135)	$ 13,595,819

City of Brooklyn Center, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued on the Following Pages)
December 31, 2024

	316 General Obligation Improvement Bonds 2013B	317 General Obligation Improvement Bonds 2015A	318 General Obligation Improvement Bonds 2016A	319 General Obligation Improvement Bonds 2017A	320 General Obligation Improvement Bonds 2018A	321 General Obligation Improvement Bonds 2019A
Assets						
Cash and investments	$ 116,087	$ 541,452	$ 281,863	$ 690,168	$ 769,928	$ 1,046,967
Receivables						
Special assessments	2,360	79,555	-	183,555	462,983	666,902
Total Assets	$ 118,447	$ 621,007	$ 281,863	$ 873,723	$ 1,232,911	$ 1,713,869
Deferred Inflows of Resources						
Unavailable revenue						
Special assessments	$ 2,137	$ 76,563	$ -	$ 183,369	$ 461,390	$ 665,947
Fund Balances						
Restricted						
Debt service	116,310	544,444	281,863	690,354	771,521	1,047,922
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 118,447	$ 621,007	$ 281,863	$ 873,723	$ 1,232,911	$ 1,713,869

322 General Obligation Improvement Bonds 2020A	323 General Obligation Improvement Bonds 2021A	324 General Obligation Improvement Bonds 2022A	372 Tax Increment Bonds 2016C	373 Tax Increment Bonds 2016B	375 Tax Increment Bonds 2013A	Total
$ 274,332	$ 785,091	$ 500,429	$ 1,293	$ 1,550	$ 800	$ 5,009,960
-	750,225	179,502	-	-	-	2,325,082
$ 274,332	$ 1,535,316	$ 679,931	$ 1,293	$ 1,550	$ 800	$ 7,335,042
$ -	$ 750,225	$ 179,502	$ -	$ -	$ -	$ 2,319,133
274,332	785,091	500,429	1,293	1,550	800	5,015,909
$ 274,332	$ 1,535,316	$ 679,931	$ 1,293	$ 1,550	$ 800	$ 7,335,042

City of Brooklyn Center, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
(Continued on the Following Pages)
For the Year Ended December 31, 2024

	316 General Obligation Improvement Bonds 2013B	**317** General Obligation Improvement Bonds 2015A	**318** General Obligation Improvement Bonds 2016A	**319** General Obligation Improvement Bonds 2017A	**320** General Obligation Improvement Bonds 2018A	**321** General Obligation Improvement Bonds 2019A
Revenues						
Taxes						
Property taxes	$ -	$ 260,397	$ 211,785	$ 285,759	$ 249,971	$ 189,736
Special assessments	1,987	83,142	-	72,811	139,779	211,366
Investment earnings (loss)	15,059	15,327	7,555	21,128	22,139	33,391
Total Revenues	17,046	358,866	219,340	379,698	411,889	434,493
Expenditures						
Debt service						
Principal	-	348,796	190,000	375,000	380,000	345,000
Interest	-	21,771	13,600	47,263	86,350	114,425
Fiscal agent fees	-	1,735	858	1,360	1,583	2,245
Total Expenditures	-	372,302	204,458	423,623	467,933	461,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,046	(13,436)	14,882	(43,925)	(56,044)	(27,177)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Net Change in Fund Balances	17,046	(13,436)	14,882	(43,925)	(56,044)	(27,177)
Fund Balances, January 1	99,264	557,880	266,981	734,279	827,565	1,075,099
Fund Balances, December 31	$ 116,310	$ 544,444	$ 281,863	$ 690,354	$ 771,521	$ 1,047,922

322 General Obligation Improvement Bonds 2020A	323 General Obligation Improvement Bonds 2021A	324 General Obligation Improvement Bonds 2022A	372 Tax Increment Bonds 2016C	373 Tax Increment Bonds 2016B	375 Tax Increment Bonds 2013A	Total
$ 241,080	$ 213,382	$ 166,746	$ -	$ -	$ -	$ 1,818,856
-	171,375	78,889	-	-	-	759,349
16,050	14,854	190	-	-	-	145,693
257,130	399,611	245,825	-	-	-	2,723,898
200,000	280,000	175,000	-	330,000	-	2,623,796
26,600	82,250	95,625	-	43,525	-	531,409
1,438	758	1,160	357	858	-	12,352
228,038	363,008	271,785	357	374,383	-	3,167,557
29,092	36,603	(25,960)	(357)	(374,383)	-	(443,659)
-	-	-	-	374,383	-	374,383
29,092	36,603	(25,960)	(357)	-	-	(69,276)
245,240	748,488	526,389	1,650	1,550	800	5,085,185
$ 274,332	$ 785,091	$ 500,429	$ 1,293	$ 1,550	$ 800	$ 5,015,909

City of Brooklyn Center, Minnesota
Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds				
	609 Municipal Liquor	**408 I 617** Heritage Center of Brooklyn Center	**652** Street Light Utility	**653** Recycling Utility	Total
Assets					
Current Assets					
Cash and investments	$ 1,129,226	$ (684,606)	$ 778,897	$ (5,091)	$ 1,218,426
Receivables					
Accounts, net of allowances	9,467	169,986	109,496	146,562	435,511
Intergovernmental	-	70,225	-	-	70,225
Inventories	932,167	-	-	-	932,167
Prepaid items	8,105	14,921	-	-	23,026
Total Current Assets	2,078,965	(429,474)	888,393	141,471	2,679,355
Noncurrent Assets					
Capital assets					
Land	594,298	1,493,300	-	-	2,087,598
Land improvements	-	570,769	-	-	570,769
Building and improvements	2,952,675	13,057,343	-	-	16,010,018
Machinery and equipment	106,913	779,640	-	-	886,553
Street light systems	-	-	2,980,836	-	2,980,836
Less accumulated depreciation/amortization	(665,928)	(13,259,188)	(1,162,006)	-	(15,087,122)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	2,987,958	2,641,864	1,818,830	-	7,448,652
Total Assets	5,066,923	2,212,390	2,707,223	141,471	10,128,007
Liabilities					
Current Liabilities					
Accounts payable	187,789	24,036	3,981	632	216,438
Contracts payable	-	139,291	-	-	139,291
Accrued salaries and wages payable	7,710	7,661	-	-	15,371
Accrued interest payable	27,156	-	-	-	27,156
Due to other governments	64,093	17,712	-	49,686	131,491
Deposits payable	-	367,157	-	-	367,157
Unearned revenue	89,188	-	-	-	89,188
Bonds payable	155,000	-	-	-	155,000
Total Current Liabilities	530,936	555,857	3,981	50,318	1,141,092
Noncurrent Liabilities					
Bonds payable	1,998,858	-	-	-	1,998,858
Total Liabilities	2,529,794	555,857	3,981	50,318	3,139,950
Net Position					
Net investment in capital assets	834,100	2,502,573	1,818,830	-	5,155,503
Unrestricted	1,703,029	(846,040)	884,412	91,153	1,832,554
Total Net Position	$ 2,537,129	$ 1,656,533	$ 2,703,242	$ 91,153	$ 6,988,057

City of Brooklyn Center, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds				
	609 Municipal Liquor	**408 I 617** Heritage Center of Brooklyn Center	**652** Street Light Utility	**653** Recycling Utility	Total
Operating Revenues					
Sales and user fees	$ 6,765,956	$ 4,243,690	$ -	$ -	$ 11,009,646
Cost of sales	(4,624,356)	(2,213,038)	-	-	(6,837,394)
Gross Profit	2,141,600	2,030,652	-	-	4,172,252
Charges for services	-	-	556,065	555,504	1,111,569
Total Operating Revenues	2,141,600	2,030,652	556,065	555,504	5,283,821
Operating Expenses					
Personal services	1,210,627	1,270,726	-	-	2,481,353
Supplies	42,185	58,465	-	-	100,650
Other services	389,237	897,687	162,251	626,103	2,075,278
Insurance	42,639	51,165	2,564	2,530	98,898
Utilities	78,986	145,972	189,325	-	414,283
Rent	166,845	-	-	-	166,845
Depreciation/amortization	119,845	159,783	190,934	-	470,562
Total Operating Expenses	2,050,364	2,583,798	545,074	628,633	5,807,869
Operating Income (Loss)	91,236	(553,146)	10,991	(73,129)	(524,048)
Nonoperating Revenues (Expenses)					
Interest earnings	37,699	54,021	27,141	1,292	120,153
Other revenue	3,461	34,096	14,750	-	52,307
Interest and other costs	(53,224)	-	-	-	(53,224)
Total Nonoperating Revenues (Expenses)	(12,064)	88,117	41,891	1,292	119,236
Change in Net Position	79,172	(465,029)	52,882	(71,837)	(404,812)
Net Position, January 1	2,457,957	2,121,562	2,650,360	162,990	7,392,869
Net Position, December 31	$ 2,537,129	$ 1,656,533	$ 2,703,242	$ 91,153	$ 6,988,057

City of Brooklyn Center, Minnesota
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities				
	609 Municipal Liquor	**408 I 617** Heritage Center of Brooklyn Center	**652** Street Light Utility	**653** Recycling Utility	Total
Cash Flows from Operating Activities					
Receipts from customers and users	$ 6,766,003	$ 4,133,414	$ 560,076	$ 493,406	$ 11,952,899
Payments to suppliers and vendors	(5,283,340)	(3,383,461)	(358,986)	(578,315)	(9,604,102)
Payments to and on behalf of employees	(1,246,469)	(1,301,191)	-	-	(2,547,660)
Other receipts	3,461	34,096	14,750	-	52,307
Net Cash Provided (Used) by Operating Activities	239,655	(517,142)	215,840	(84,909)	(146,556)
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	-	(38,825)	-	-	(38,825)
Principal paid on long-term debt	(145,000)	-	-	-	(145,000)
Interest paid on long-term debt	(69,471)	-	-	-	(69,471)
Net Cash Used by Capital and Related Financing Activities	(214,471)	(38,825)	-	-	(253,296)
Cash Flows from Investing Activities					
Interest received on cash and investments	37,699	54,021	27,141	1,292	120,153
Net Increase (Decrease) in Cash and Cash Equivalents	62,883	(501,946)	242,981	(83,617)	(279,699)
Cash and Cash Equivalents, January 1	1,066,343	(182,660)	535,916	78,526	1,498,125
Cash and Cash Equivalents, December 31	$ 1,129,226	$ (684,606)	$ 778,897	$ (5,091)	$ 1,218,426
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	$ 91,236	$ (553,146)	$ 10,991	$ (73,129)	(524,048)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation/amortization	119,845	159,783	190,934	-	470,562
Other income (expense) related to operations	3,461	34,096	14,750	-	52,307
(Increase) decrease in assets					
Accounts receivable	-	(33,612)	4,011	(62,098)	(91,699)
Assessment receivable	-	-	-	-	-
Intergovernmental	-	(70,225)	-	-	(70,225)
Prepaid items	9,205	(2,348)	-	-	6,857
Inventories	43,252	37,881	-	-	81,133
Increase (decrease) in liabilities					
Accounts payable	8,097	(5,904)	(4,846)	632	(2,021)
Contract payable	-	(40,934)	-	-	(40,934)
Due to other governments	354	(5,829)	-	49,686	44,211
Accrued salaries and wages	(35,842)	(30,465)	-	-	(66,307)
Deposits payable	-	(6,439)	-	-	(6,439)
Unearned revenue	47	-	-	-	47
Increase (decrease) in deferred inflows of resources					
Deferred pension resources	239,655	(517,142)	215,840	-	-
Net Cash Provided (Used) by Operating Activities	$ 239,655	$ (517,142)	$ 215,840	$ (84,909)	$ (146,556)
Schedule of Noncash Investing Capital and Financing Activities					
Amortization of bond premiums	$ 13,987	$ -	$ -	$ -	$ 13,987

City of Brooklyn Center, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2024

	701 Central Garage	703 EE Retirement Benefit	704 EE Comp Absences	905 Pension - GERP	906 Pension - PEPFP	Total
Assets						
Current Assets						
Cash and investments	$ 4,129,640	$ -	$ 1,428,181	$ -	$ -	$ 5,557,821
Receivables						
Accounts, net of allowances	-	38,542	-	-	-	38,542
Intergovernmental	18,104	-	-	-	-	18,104
Inventories	37,862	-	-	-	-	37,862
Total Current Assets	4,185,606	38,542	1,428,181	-	-	5,652,329
Noncurrent Assets						
Capital assets						
Building and improvements	166,108	-	-	-	-	166,108
Machinery and equipment	14,676,366	-	-	-	-	14,676,366
Construction in progress	110,000	-	-	-	-	110,000
Less accumulated depreciation	(8,637,149)	-	-	-	-	(8,637,149)
Total Capital Assets (Net of Accumulated Depreciation)	6,315,325	-	-	-	-	6,315,325
Total Assets	10,500,931	38,542	1,428,181	-	-	11,967,654
Deferred Outflows of Resources						
Deferred pension resources	-	-	-	958,902	7,761,978	8,720,880
Deferred other postemployment benefit resources	-	2,181,311	-	-	-	2,181,311
Total Deferred Outflows of Resources	-	2,181,311	-	958,902	7,761,978	10,902,191
Liabilities						
Current Liabilities						
Accounts payable	86,514	-	-	-	-	86,514
Accrued salaries and wages payable	3,177	-	-	-	-	3,177
Due to other funds	-	383,008	-	-	-	383,008
Compensated absences payable	-	-	540,158	-	-	540,158
Total Current Liabilities	89,691	383,008	540,158	-	-	1,012,857
Noncurrent Liabilities						
Compensated absences payable	-	-	539,987	-	-	539,987
Total other postemployment benefits liability	-	4,013,370	-	-	-	4,013,370
Net pension liability	-	-	-	4,654,380	4,715,660	9,370,040
Total Noncurrent Liabilities	-	4,013,370	539,987	4,654,380	4,715,660	13,923,397
Total Liabilities	89,691	4,396,378	1,080,145	4,654,380	4,715,660	14,936,254
Deferred Inflows of Resources						
Deferred pension resources	-	-	-	3,071,468	8,792,047	11,863,515
Deferred other postemployment benefit resources	-	766,724	-	-	-	766,724
Total Deferred Inflows of Resources	-	766,724	-	3,071,468	8,792,047	12,630,239
Net Position						
Investment in capital assets	6,315,325	-	-	-	-	6,315,325
Unrestricted	4,095,915	(2,943,249)	348,036	(6,766,946)	(5,745,729)	(11,011,973)
Total Net Position	$ 10,411,240	$ (2,943,249)	$ 348,036	$ (6,766,946)	$ (5,745,729)	$ (4,696,648)

City of Brooklyn Center, Minnesota
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024

	701 Central Garage	703 EE Retirement Benefit	704 EE Comp Absences	905 Pension - GERP	906 Pension - PEPFP	Total
Operating Revenues						
Sales and user fees	$ 2,940,979	$ -	$ -	$ -	$ -	$ 2,940,979
Operating Expenses						
Personal services	479,676	383,907	(292,662)	(316,691)	(125,621)	128,609
Supplies	551,513	-	-	-	-	551,513
Other services	368,376	-	-	-	-	368,376
Insurance	77,501	-	-	-	-	77,501
Utilities	1,062	-	-	-	-	1,062
Depreciation	1,081,809	-	-	-	-	1,081,809
Total Operating Expenses	2,559,937	383,907	(292,662)	(316,691)	(125,621)	2,208,870
Operating Income (Loss)	381,042	(383,907)	292,662	316,691	125,621	732,109
Nonoperating Revenues (Expenses)						
Intergovernmental	-	253,023	-	217,372	121,892	592,287
Interest earnings (loss)	147,446	579	55,374	-	-	203,399
Gain (loss) on sale/disposal of capital assets	450,000	-	-	-	-	450,000
Other revenue	461,126	-	-	-	-	461,126
Total Nonoperating Revenues (Expenses)	1,058,572	253,602	55,374	217,372	121,892	1,706,812
Change in Net Position	1,439,614	(130,305)	348,036	534,063	247,513	2,438,921
Net Position, January 1	8,971,626	(2,812,944)	-	(7,301,009)	(5,993,242)	(7,135,569)
Net Position, December 31	$ 10,411,240	$ (2,943,249)	$ 348,036	$ (6,766,946)	$ (5,745,729)	$ (4,696,648)

City of Brooklyn Center, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2024

	701 Central Garage	703 EE Retirement Benefit	704 EE Comp Absences	905 Pension - GERF	906 Pension - PEPFF	Total
Cash Flows from Operating Activities						
Receipts from interfund services provided	$ 2,922,875	$ -	$ -	$ 217,372	$ 121,892	$ 3,262,139
Payments to suppliers and vendors	(906,632)	-	-	-	-	(906,632)
Payments to and on behalf of employees	(491,978)	(222,212)	-	(217,372)	(121,892)	(1,053,454)
Other receipts	461,126	-	-	-	-	461,126
Net Cash Provided (Used) by Operating Activities	1,985,391	(222,212)	-	-	-	1,763,179
Cash Flows from Noncapital Financing Activities						
Intergovernmental grants	-	253,023	-	-	-	253,023
Increase (decrease) in due to other funds	-	(31,390)	-	-	-	(31,390)
Net Cash Provided (Used) by Noncapital Financing Activities	-	221,633	-	-	-	221,633
Cash Flows from Capital and Related Financing Activities						
Acquisition of capital assets	(2,269,933)	-	-	-	-	(2,269,933)
Proceeds from sale of capital assets	450,000	-	-	-	-	450,000
Net Cash Used by Capital and Related Financing Activities	(1,819,933)	-	-	-	-	(1,819,933)
Cash Flows from Investing Activities						
Interest received on cash and investments	147,446	579	55,374	-	-	203,399
Net Increase (Decrease) in Cash and Cash Equivalents	312,904	-	55,374	-	-	368,278
Cash and Cash Equivalents, January 1	3,816,736	-	1,372,807	-	-	5,189,543
Cash and Cash Equivalents, December 31	$ 4,129,640	$ -	$ 1,428,181	$ -	$ -	$ 5,557,821
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	$ 381,042	$ (383,907)	$ 292,662	$ 316,691	$ 125,621	$ 732,109
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Other income related to operations	461,126	-	-	217,372	121,892	800,390
Depreciation	1,081,809	-	-	-	-	1,081,809
(Increase) decrease in assets						
Accounts receivable	-	11,270	-	-	-	11,270
Intergovernmental	(18,104)	-	-	-	-	(18,104)
Prepaid items	4,682	-	-	-	-	4,682
Inventories	2,350	-	-	-	-	2,350
(Increase) decrease in deferred outflows of resources						
Deferred pension resources	-	-	-	796,997	1,858,167	2,655,164
Deferred other postemployment benefit resources	-	(1,076,972)	-	-	-	(1,076,972)
Increase (decrease) in liabilities						
Accounts payable	84,788	-	-	-	-	84,788
Accrued wages payable	(12,302)	-	-	-	-	(12,302)
Net pension liability	-	-	-	(2,229,234)	(1,247,222)	(3,476,456)
Compensated absences payable	-	-	(292,662)	-	-	(292,662)
Other postemployment benefits liability	-	1,344,601	-	-	-	1,344,601
(Increase) decrease in deferred inflows of resources						
Deferred pension resources	-	-	-	898,174	(858,458)	39,716
Deferred other postemployment benefit resources	-	(117,204)	-	-	-	(117,204)
Net Cash Provided (Used) by Operating Activities	$ 1,985,391	$ (222,212)	$ -	$ -	$ -	$ 1,763,179

City of Brooklyn Center, Minnesota
Summary Financial Report
Revenues and Expenditures For General Operations
Governmental Funds
For the Years Ended December 31, 2024 and 2023

	Total 2024	Total 2023	Percent Increase (Decrease)
Revenues			
Taxes	$ 26,746,521	$ 25,242,632	5.96 %
Franchise fees	673,702	561,179	20.05
Special assessments	1,409,974	1,632,828	(13.65)
Licenses and permits	913,266	1,080,983	(15.52)
Intergovernmental	6,747,353	7,616,656	(11.41)
Charges for services	1,680,469	996,512	68.64
Fines and forfeits	361,302	348,045	3.81
Investment earnings (loss)	1,724,564	1,323,823	30.27
Miscellaneous	404,432	410,427	(1.46)
Total Revenues	$ 40,661,583	$ 39,213,085	3.69 %
Per Capita	$ 1,197	$ 1,154	3.69 %
Expenditures			
Current			
General government	$ 6,005,176	$ 7,164,544	(16.18) %
Public safety	15,397,235	14,335,045	7.41
Public works	3,413,611	3,199,285	6.70
Community services	131,795	180,657	(27.05)
Culture and recreation	5,610,160	5,294,298	5.97
Economic development	3,101,579	2,914,683	6.41
Nondepartmental	508,534	559,725	(9.15)
Capital outlay			
Public safety	-	82,425	(100.00)
Public works	6,889,219	2,861,851	140.73
Culture and recreation	-	718,320	(100.00)
Economic development	4,996	6,825	(26.80)
Debt service			
Principal	2,623,796	2,355,537	11.39
Interest and other charges	543,761	589,269	(7.72)
Bond issuance costs	62,175	-	N/A
Total Expenditures	$ 44,292,037	$ 40,262,464	10.01 %
Per Capita	$ 1,303	$ 1,185	10.01 %
Total Long-term Indebtedness	$ 20,169,126	$ 17,530,377	15.05 %
Per Capita	$ 594	$ 516	15.05
General Fund Balance - December 31	$ 14,745,954	$ 13,595,819	8.46 %
Per Capita	$ 434	$ 400	8.46

The purpose of this report is to provide a summary of financial information concerning the City of Brooklyn Center to interested citizens. The complete financial statements may be examined at City Hall, Brooklyn Center, Minnesota. Questions about this report should be directed to the Finance Director at 763-569-3345.

OTHER REQUIRED REPORTS

CITY OF BROOKLYN CENTER
BROOKLYN CENTER, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT ON
MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Brooklyn Center, 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 Brooklyn Center, Minnesota (the City) as of and for the year ended December 31, 2024, 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
Mankato, 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 Brooklyn Center, 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 Brooklyn Center, Minnesota (the City), as of and for the year ended December 31, 2024, 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.

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. We consider the deficiencies described in the accompanying Schedule of Findings, Responses and Questioned Costs as items 2024-001 and 2004-002 to be a significant deficiency.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 However, as described in the accompanying Schedule of Findings, Responses and Questioned Costs, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Responses to Findings

The City's response to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
Mankato, Minnesota
NEED DATE

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 Brooklyn Center, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Brooklyn Center, 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, 2024. 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, 2024.

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.

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
Mankato, Minnesota
NEED DATE

City of Brooklyn Center, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Funding Source	Administering Department/Entity	Program Name	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice	Direct	Edward Byrne Memorial Justice Assistance Grant Program	16.738	None	$ 3,536	$ -
U.S. Department of Treasury	Minnesota Department of Revenue	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027C	G90ARPADIST	861,316	-
	Total Federal Expenditures				$ 864,852	$ -

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Brooklyn Center, Minnesota (the City) for the year ended December 31, 2024. 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

There were no pass through dollars provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended December 31, 2024, the City did not elect to use the 10% de minimis indirect cost rate.

City of Brooklyn Center, Minnesota
Schedule of Findings, Responses and Questioned Costs
For the Year Ended December 31, 2024

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?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
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) of the Uniform Guidance.	No

Identification of Major Programs/Clusters	**ALN No.**
Coronavirus State and Local Fiscal Recovery Funds	21.027C

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

There were two significant deficiencies (2023-001 and 2023-002) but no material weaknesses or instances of noncompliance reported in the 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* .

Section III - Major Federal Award Findings and Questioned Costs

There were no significant deficiencies, material weaknesses or instances of noncompliance including questioned costs that are required to be reported in accordance with the Uniform

Section IV - Corrective Action Plans

A Corrective Action Plan is attached as required to be reported under the Uniform Guidance.

Section V - Schedule of Prior Year Audit Findings

Prior year audit findings are attached.

Finding	Description
2024-001	**Internal Controls over Credit Cards**
Condition:	During our audit, we discovered the City did not follow written procedures under their purchasing policy dated November 24, 2019.
Criteria:	The City's policy requires only purchases that cannot readily be made through the City's normal vendor payment process to be authorized for credit card use. Moreover, a significant number of transactions lack the necessary documentation and support required by the purchasing policy.
Cause:	We noted several transactions purchased on City credit cards outside of the allowed exceptions and not properly documented as described in the purchasing policy.
Effect:	The City did not have proper controls in place to ensure the purchasing policy was being followed.
Recommendation:	The City should continuously review, on a recommended annual basis, their written policies and procedures to adhere to ongoing changes in the current environment.

Management Response:

The City will work to establish changes to ensure future policies and procedures are reviewed on a regular basis.

Finding	Description
2024-001	**Internal Controls over American Rescue Plan Act Obligations**
Condition:	During our audit, we discovered the City did not have all approved contracts as of December 31, 2024 to meet the obligation requirements on file for review.
Criteria:	The American Rescue Plan Act grant deadline for spending and obligating dollars to be spent is December 31, 2024. The grant requires that obligated fund have signed and approved contracts in place by December 31, 2024 and to be spent by December 31, 2026. The City's control should have these contracts on file for review of the obligated funds. These contracts were not readily available for review at the time of the audit.
Cause:	We noted several of the documented obligations that did not have signed and approved obligations as of December 31, 2024 available for review.
Effect:	This could result in loss of funds for this potentially obligated projects and the return of the received federal dollars that are not properly documented.
Recommendation:	The City should have these contacts on file for review to meet the appropriate grant requirements.

Management Response:

The City review these obligations and to ensure these contracts are on file for review and meet grant obligations.

2024-001 Internal Controls over Credit Cards

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Findings:

   There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding:

   The City will work to establish changes to ensure future policies and procedures are reviewed on a regular basis.

3. Official Response of Ensuring CAP:

   Dr. Reginald M. Edwards, City Manager, is the official responsible for ensuring correction of this significant deficiency.

4. Planned Completion Date for CAP:

   December 31, 2025

5. Plan to Monitor Completion of CAP

   The City Council will be monitoring this corrective action plan.

Sincerely,

Dr. Reginald M. Edwards
City Manager

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Lighting the path forward

City of Brooklyn Center

2024 Financial Statement Audit

Introduction

- Audit Results
- General Fund
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators

Audit Results

Auditor's Opinion

Unmodified opinion under GAAP

Minnesota Legal Compliance

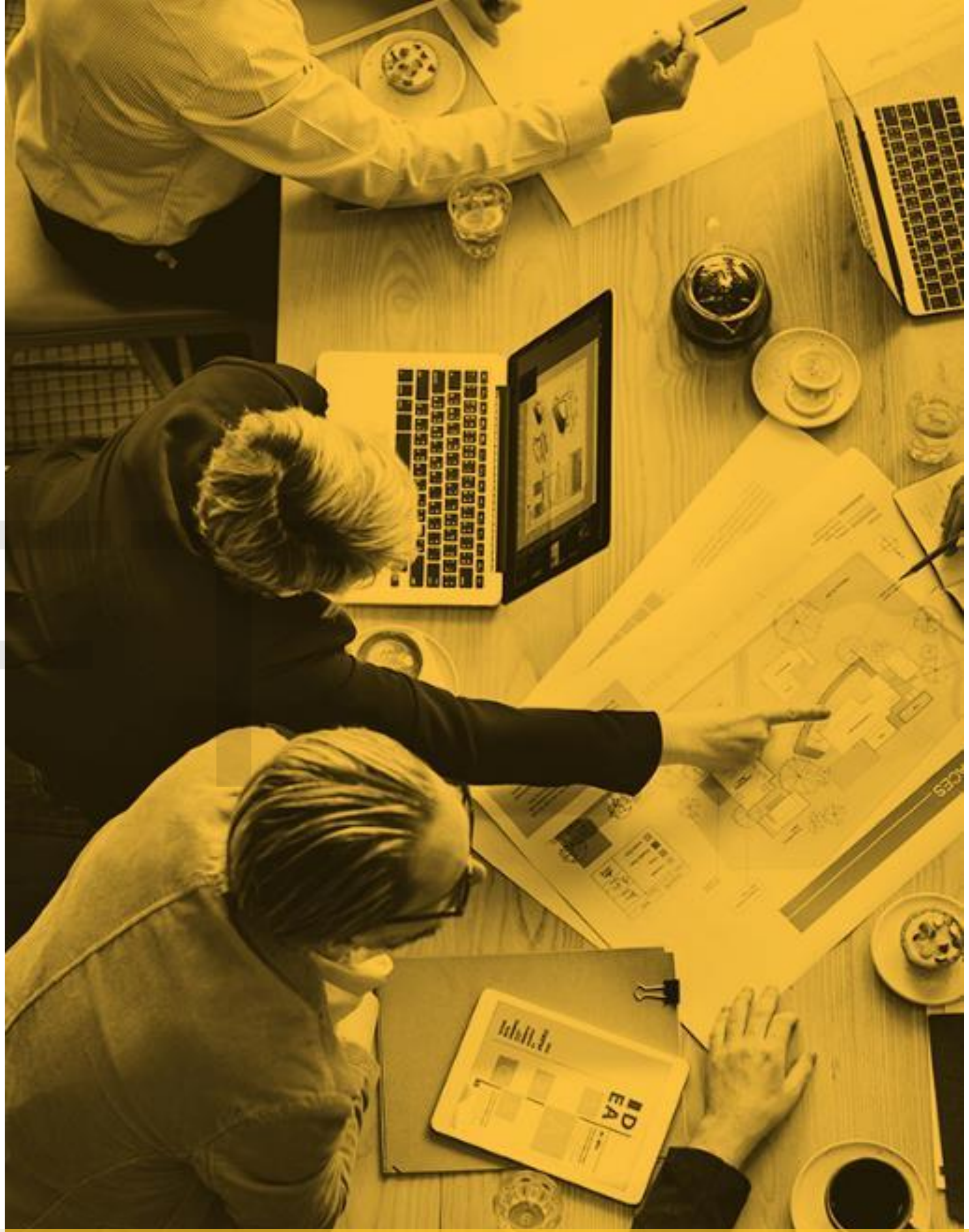
No instances of noncompliance

Single Audit Report

No instance of noncompliance with OMB Compliance Supplement requirements

Audit Results
2024 Audit Findings

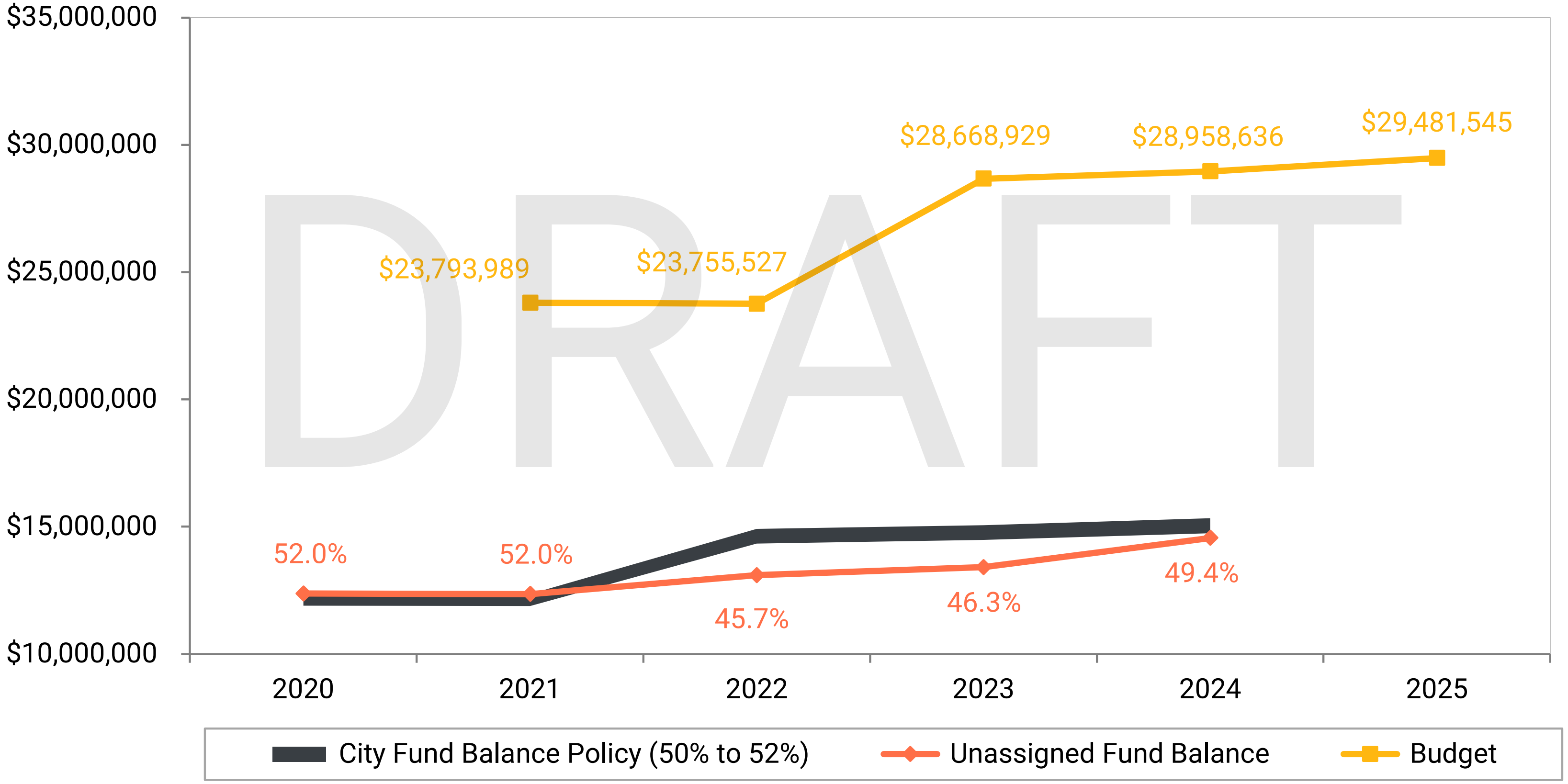
- Internal Controls over Credit Cards
  - Internal Control Finding
- Internal Controls over ARPA Obligations
  - Internal Control Finding



Results from Prior Year 2023 Audit Findings

- Internal Controls over Credit Cards
  - Internal Control Finding
- Monthly Reports and Monitoring
  - Removed for 2024

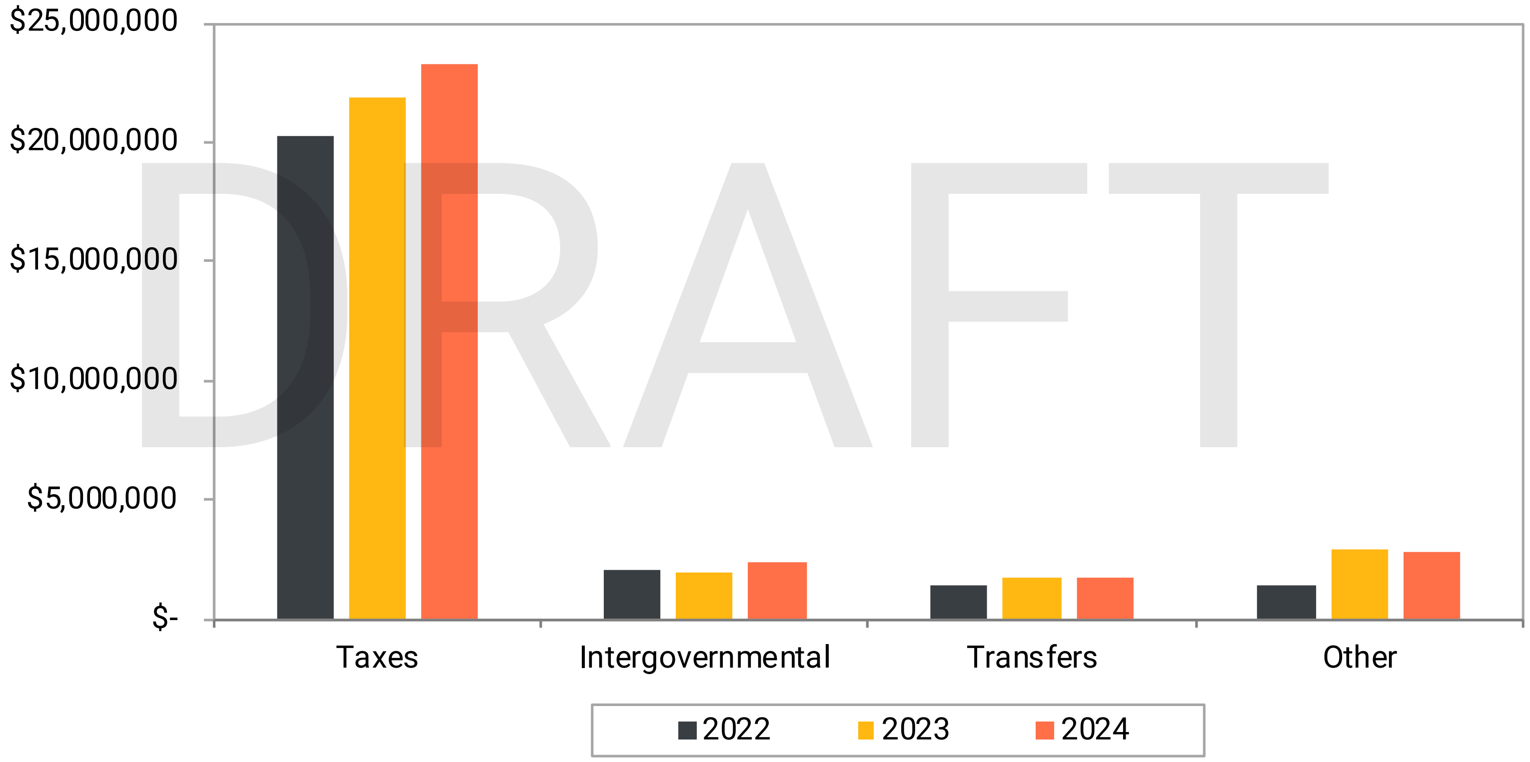
General Fund Fund Balances



General Fund Budget to Actual

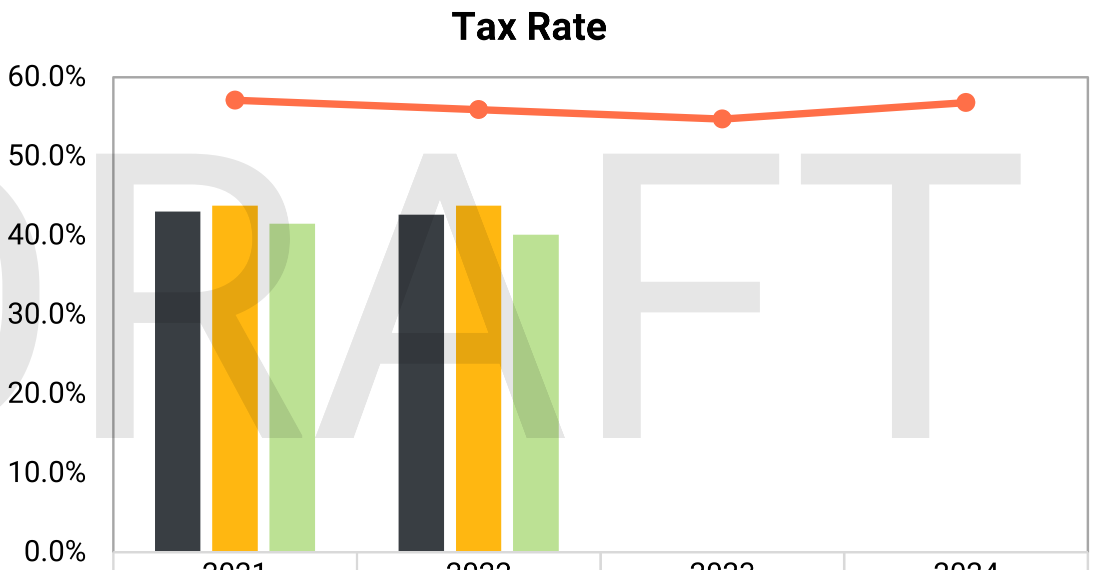
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 28,006,619	$ 28,501,354	$ 494,735
Expenditures	29,891,224	29,073,606	817,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,884,605)	(572,252)	1,312,353
Other Financing Sources (Uses)			
Transfers in	-	123,992	123,992
Administrative services reimbursed	2,051,200	1,765,095	(286,105)
Transfers out	(166,595)	(166,700)	(105)
Total Other Financing Sources (Uses)	1,884,605	1,722,387	(162,218)
Net Change in Fund Balances	-	1,150,135	1,150,135
Fund Balances, January 1	13,595,819	13,595,819	-
Fund Balances, December 31	$ 13,595,819	$ 14,745,954	$ 1,150,135

General Fund Revenues by Type



Taxes

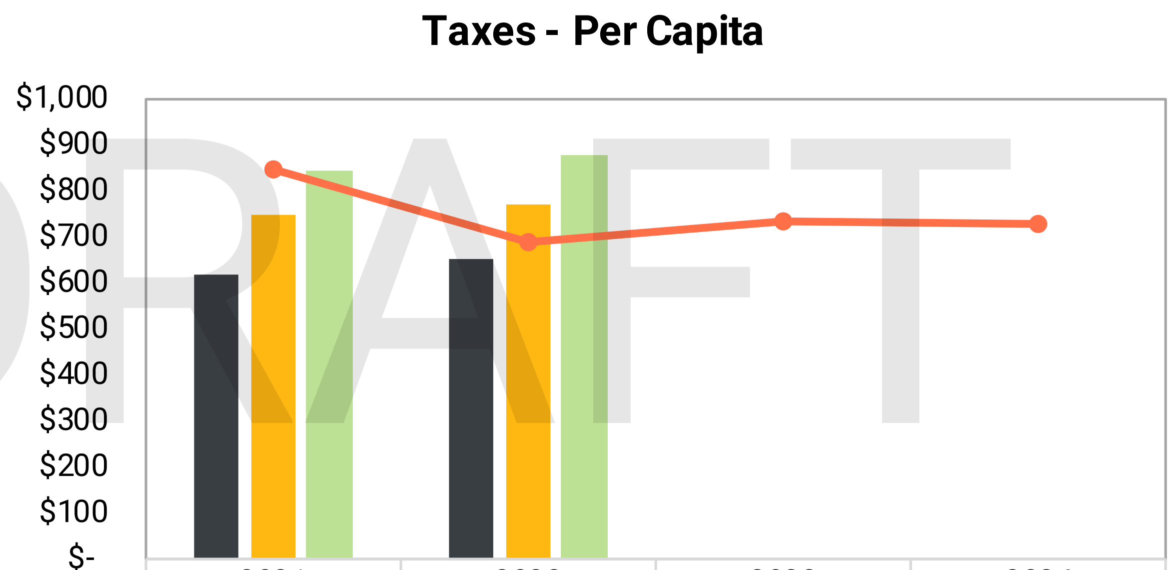
Key Performance Indicators



	2021	2022	2023	2024
Class 2 Cities (20,001 - 100,000)	43.1%	42.7%	N/A	N/A
Comparable City Group	43.8%	43.8%	N/A	N/A
Cities in Hennepin County	41.5%	40.1%	N/A	N/A
City of Brooklyn Center	57.1%	55.9%	54.7%	56.8%

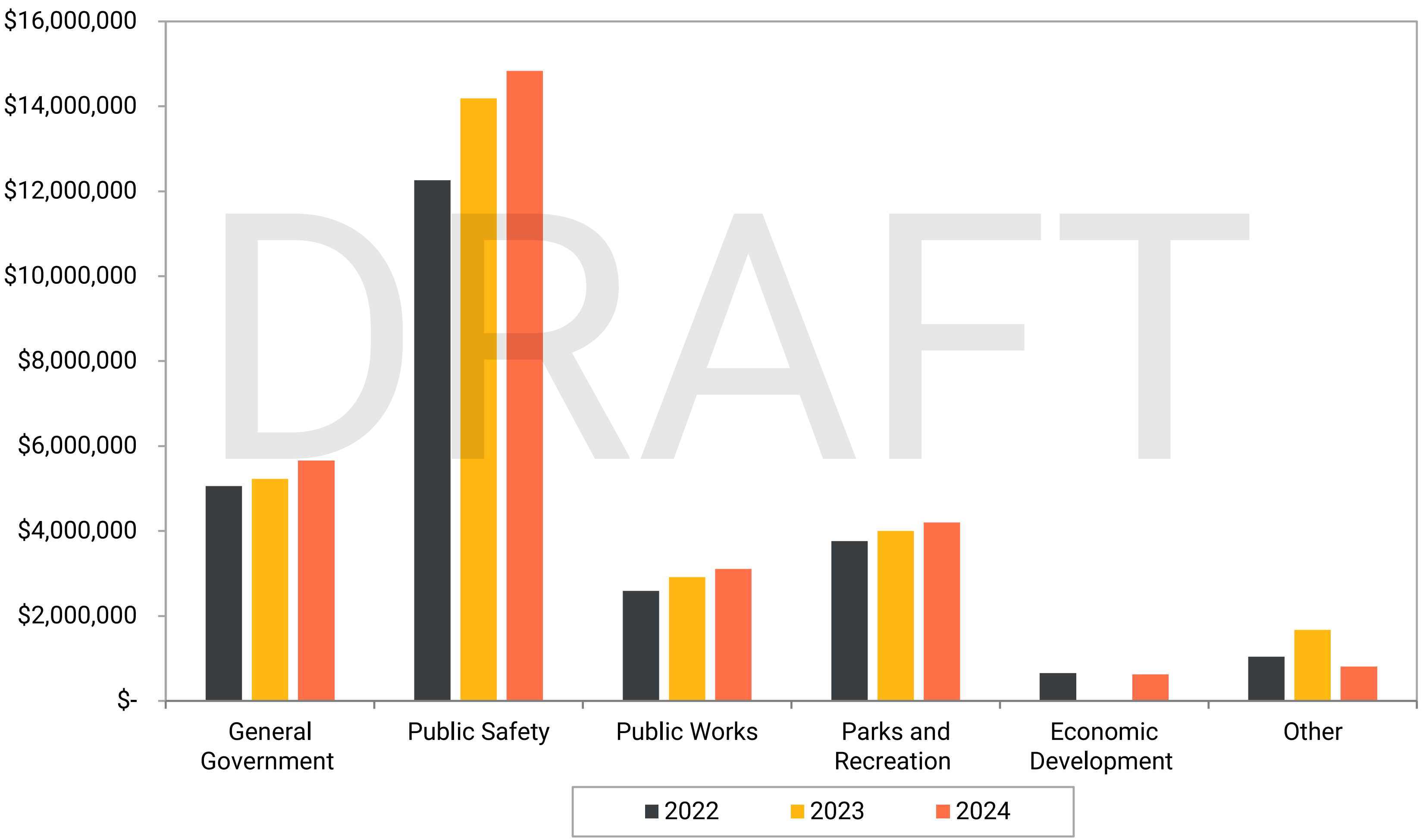
Taxes

Key Performance Indicators



	2021	2022	2023	2024
Class 2 Cities (20,001 - 100,000)	$620	$654	N/A	N/A
Comparable City Group	$751	$771	N/A	N/A
Cities in Hennepin County	$847	$878	N/A	N/A
City of Brooklyn Center	$848	$690	$737	$729

General Fund Expenditures by Type



Special Revenue Fund Balances

Fund	Fund Balances December 31 2024	2023	Increase (Decrease)
Major			
Tax Increment District No. 3	$ 20,961,704	$ 21,605,846	$ (644,142)
Nonmajor			
Housing and Redevelopment Authority	8,113	1,612	6,501
Economic Development Authority	1,640,654	1,534,689	105,965
Community Development Block Grant	72,376	72,376	-
Police Forfeitures	72,619	104,772	(32,153)
Revolving Loan	145,718	142,405	3,313
Local Affordable Housing	191,777	-	191,777
Centerbrook Golf Course	(235,626)	(257,858)	22,232
Tax Increment District No. 2	1,751,043	1,711,863	39,180
Tax Increment District No. 5	667,136	552,893	114,243
Tax Increment District No. 6	43,718	36,237	7,481
Tax Increment District No. 7	562,698	451,317	111,381
Tax Increment District No. 8	172,653	128,534	44,119
Tax Increment District No. 9	22,983	(2,089)	25,072
Tax Increment District No. 10	(3,418)	(2,433)	(985)
City Initiative Grants	1,580,142	2,291,366	(711,224)
Opioid Settlement Funds	118,959	77,689	41,270
American Rescue Plan Act	-	-	-
Total	$ 27,773,249	$ 28,449,219	$ (675,970)

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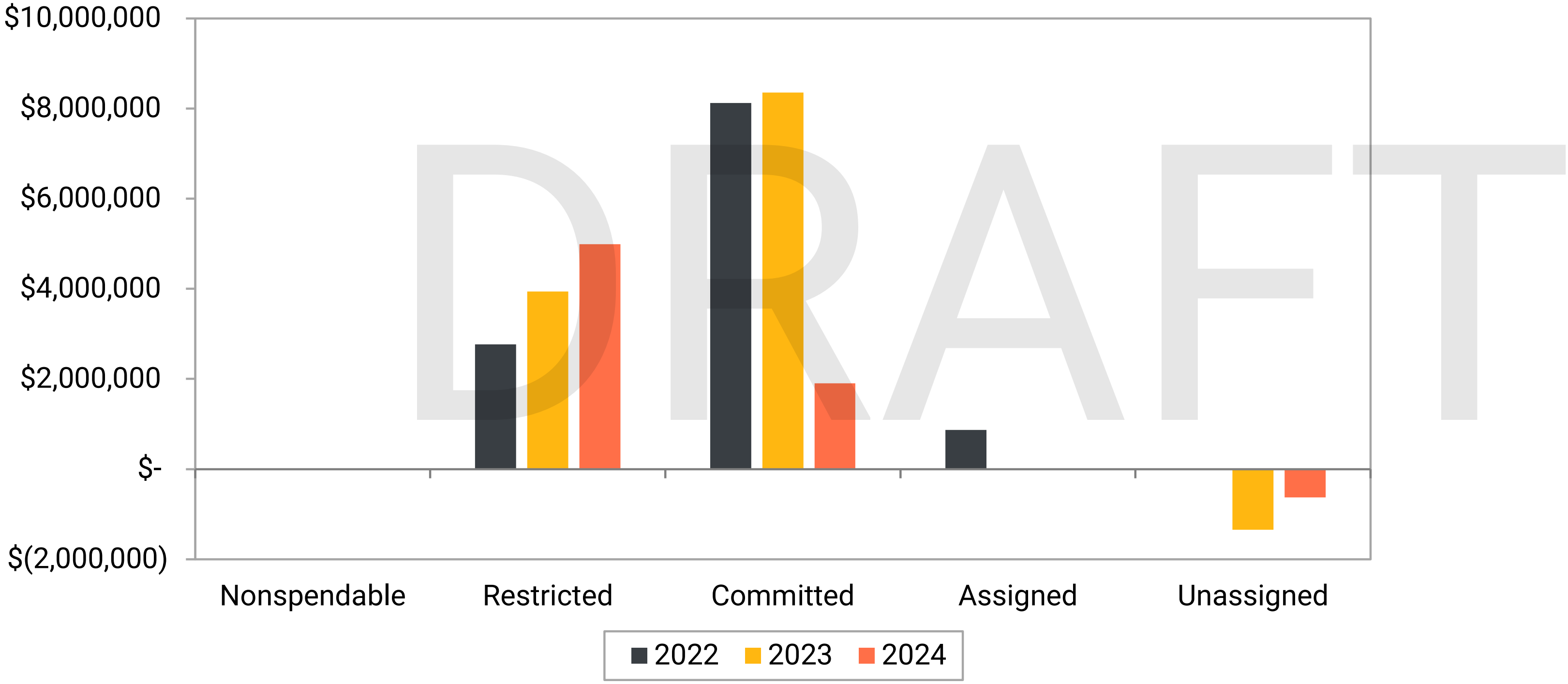
Capital Project Fund Balances

Fund	Fund Balances December 31 2024	Fund Balances December 31 2023	Increase (Decrease)
Major			
Special Assessment Construction	$ 869,801	$ (798,565)	$ 1,668,366
Street Reconstruction	7,343,327	6,282,679	1,060,648
Nonmajor			
Capital Improvements	1,470,287	1,728,419	(258,132)
Municipal State Aid for Construction	4,985,547	3,941,993	1,043,554
Capital Reserve Emergency	(629,187)	(543,963)	(85,224)
Technology	433,121	341,388	91,733
Total	$ 14,472,896	$ 10,951,951	$ 3,520,945

Capital Project Fund Balances

(Continued)



Debt Service

	Description	Total Cash and Investments	Total Assets	Bonds Outstanding	Year of Maturity
316	General Obligation Improvements Bonds 2013B	$ 116,087	$ 118,447	$ -	Matured
317	General Obligation Improvements Bonds 2015A	541,452	621,007	713,892	2026
318	General Obligation Improvements Bonds 2016A	281,863	281,863	585,000	2027
319	General Obligation Improvements Bonds 2017A	690,168	873,723	1,570,000	2028
320	General Obligation Improvements Bonds 2018A	769,928	1,232,911	2,035,000	2029
321	General Obligation Improvements Bonds 2019A	1,046,967	1,713,869	2,275,000	2030
322	General Obligation Improvements Bonds 2020A	274,332	274,332	1,520,000	2031
323	General Obligation Improvements Bonds 2021A	785,091	1,535,316	2,475,000	2032
324	General Obligation Improvements Bonds 2022A	500,429	679,931	1,920,000	2033
325	General Obligation Improvements Bonds 2024A	-	-	5,280,000	2035
372	Tax Increment Bonds 2016C	1,293	1,293	-	Matured
373	Tax Increment Bonds 2016B	1,550	1,550	1,745,000	2029
374	Tax Increment Bonds 2013A	800	800	-	Matured
	Total	$ 5,009,960	$ 7,335,042	$ 20,118,892	

Total Remaining Interest Payments	$ 3,035,328

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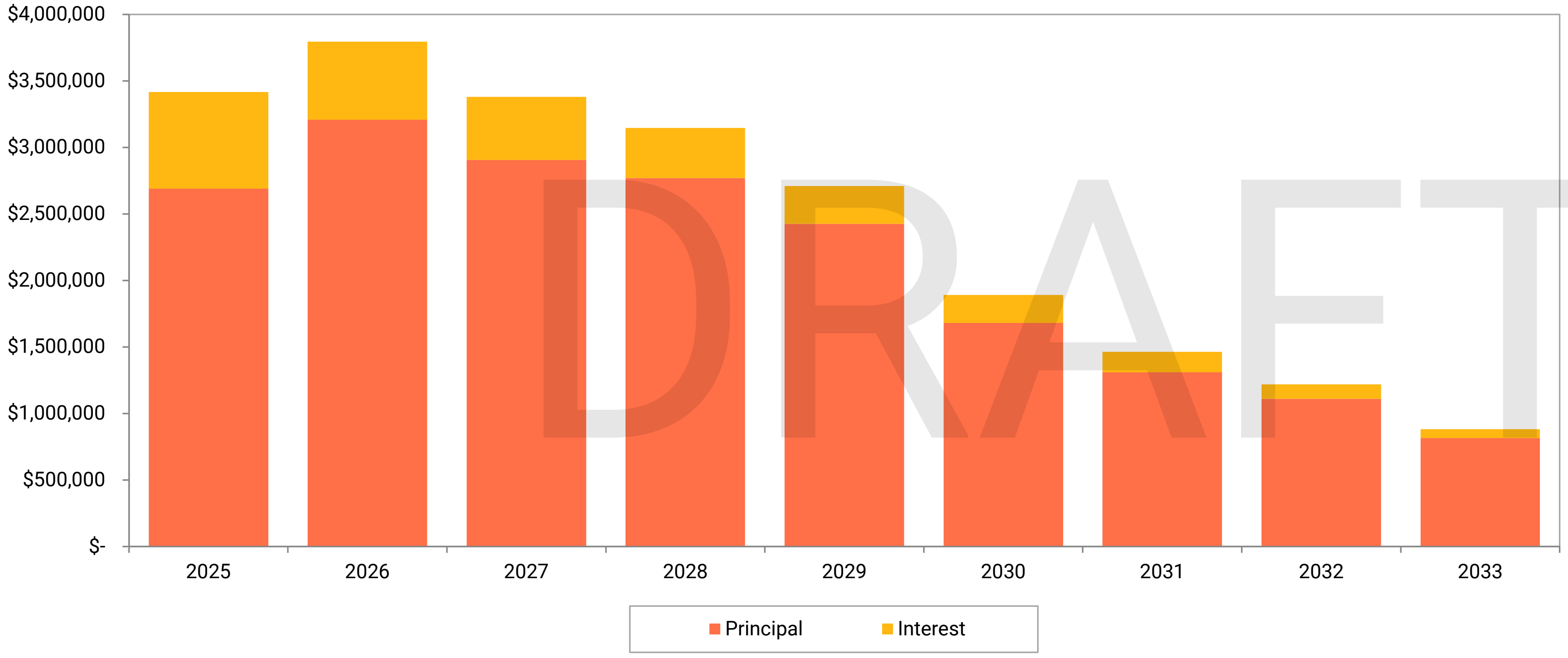


Debt Service

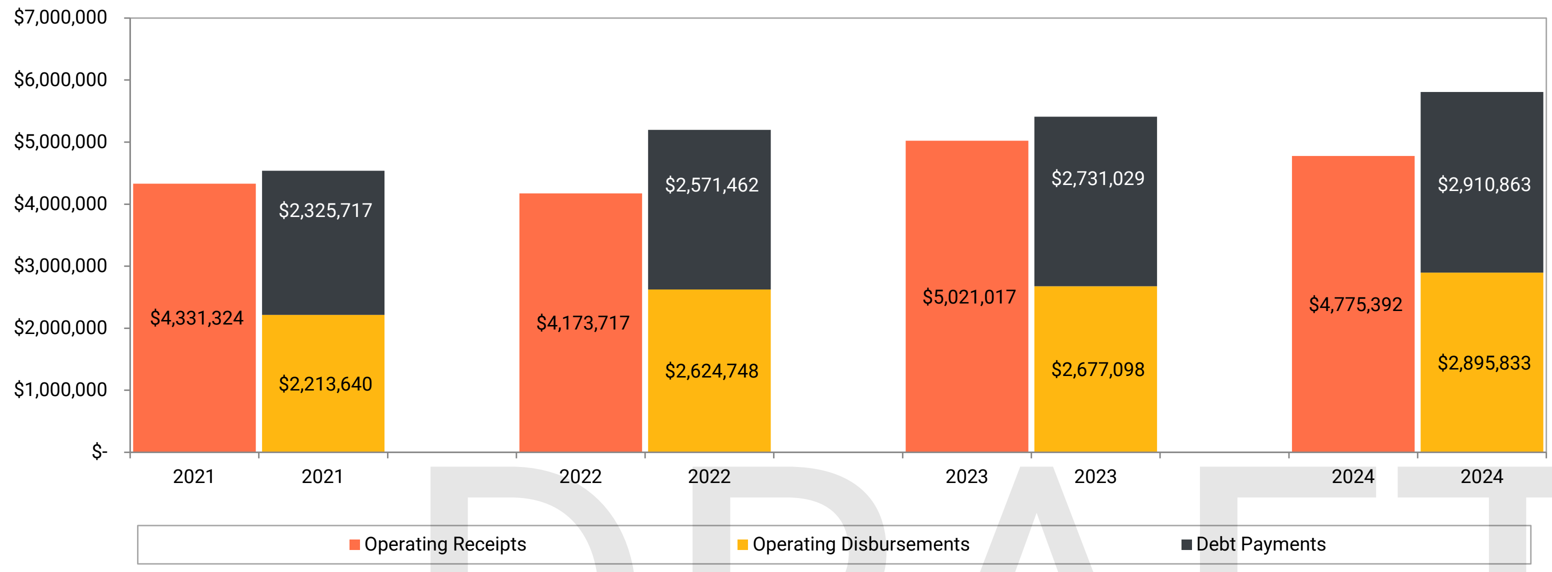
(Continued)

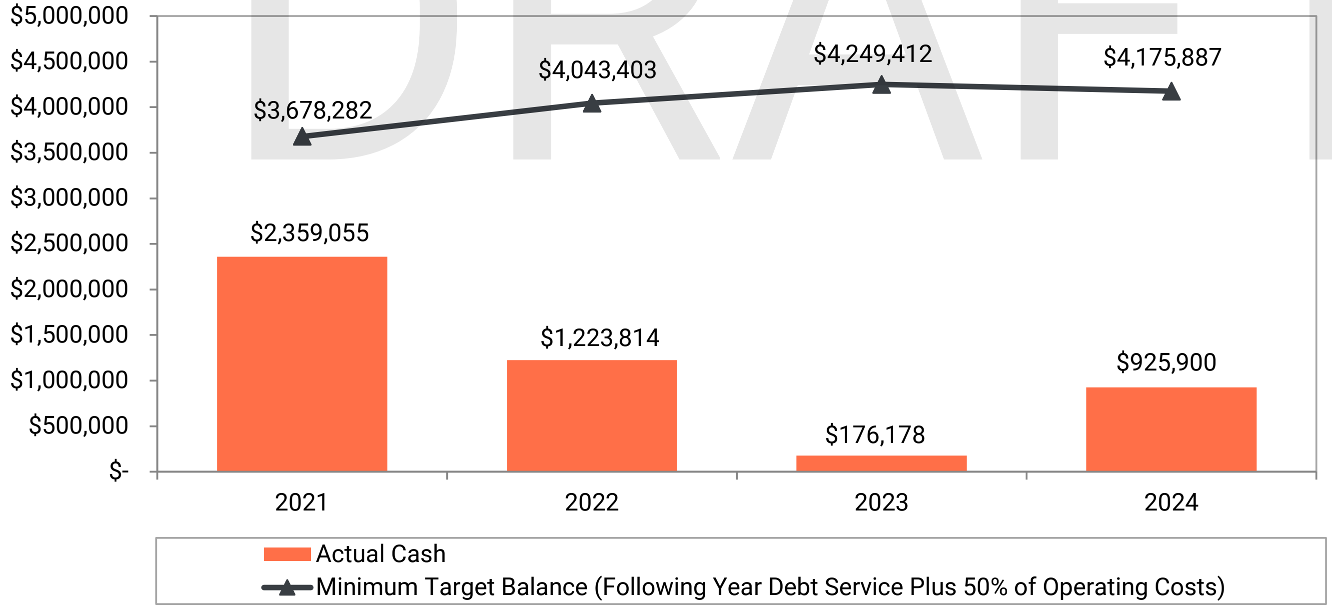
Internal Service Balances

Fund	Fund Balances December 31 2024	2023	Increase (Decrease)	Cash Balance
Central Garage	$ 10,411,240	$ 8,971,626	$ 1,439,614	$ 4,129,640
EE Retirement Benefit	(2,943,249)	(2,812,944)	(130,305)	-
EE Comp Absences	348,036	-	348,036	1,428,181
Pension - GERP	(6,766,946)	(7,301,009)	534,063	-
Pension - PEPFP	(5,745,729)	(5,993,242)	247,513	-
Total	$ (4,696,648)	$ (7,135,569)	$ 2,438,921	$ 5,557,821

Water Utility Fund

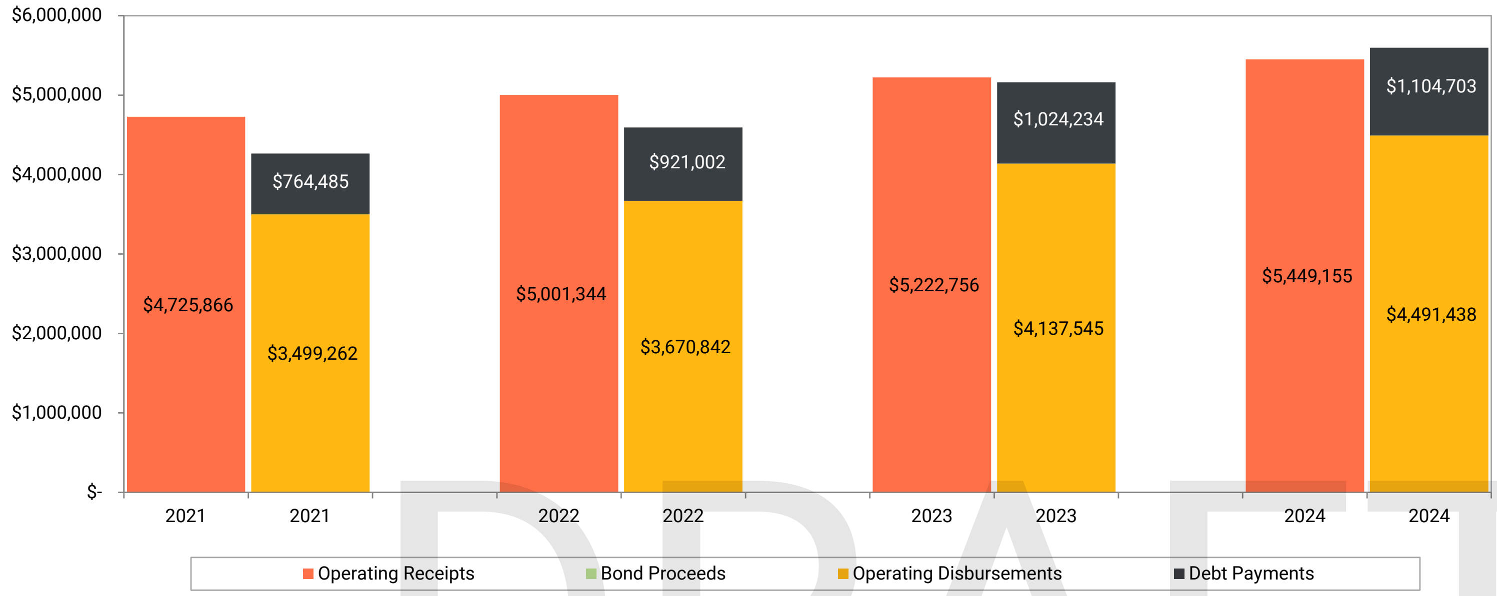
Cash Flows from Operations and Cash Balances

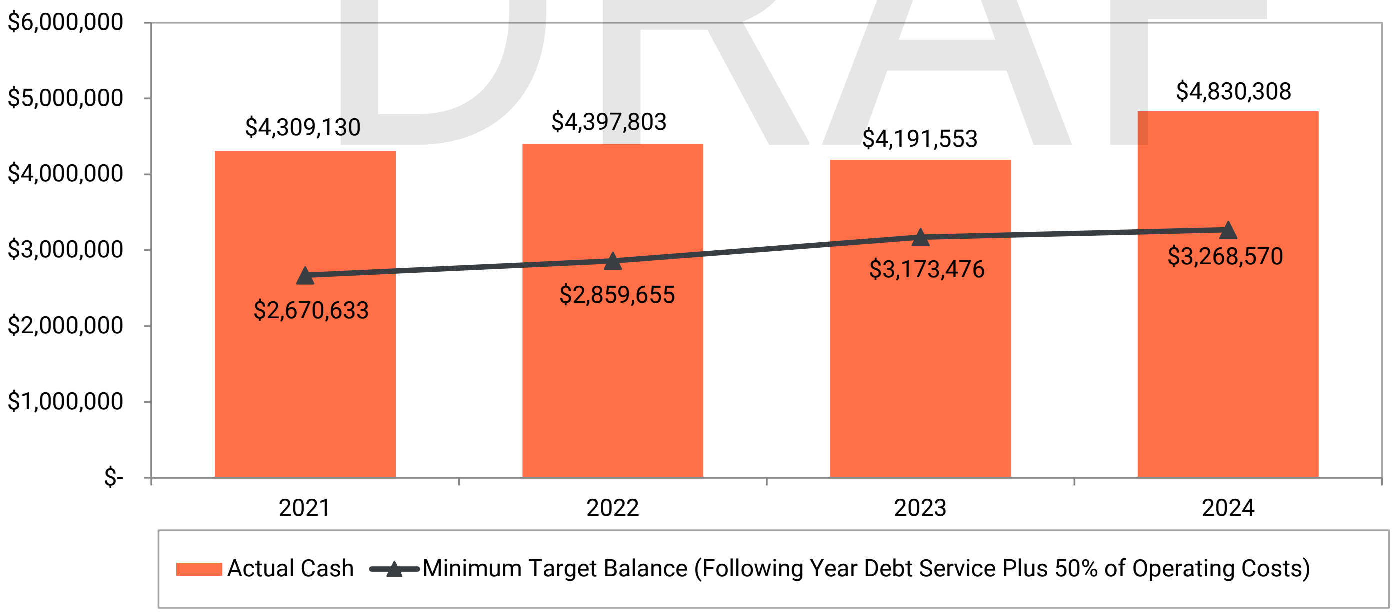




Sanitary Sewer Utility Fund

Cash Flows from Operations and Cash Balances





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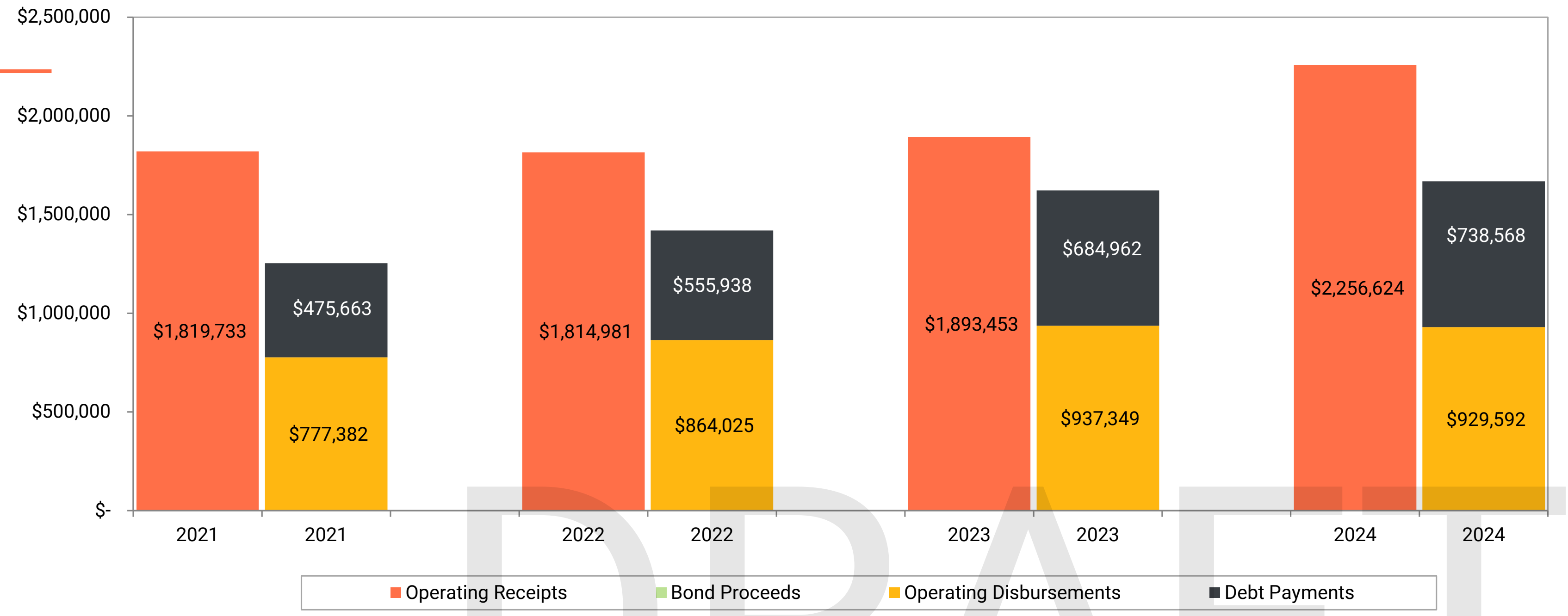
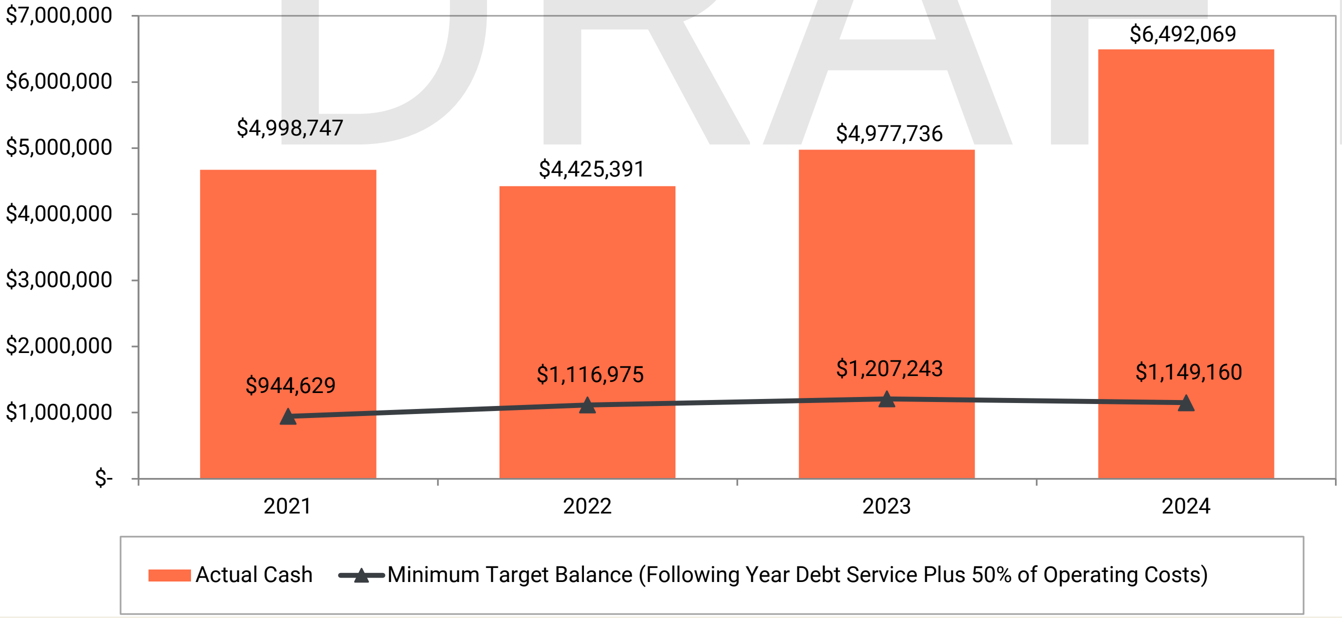
Storm Drainage Utility Fund

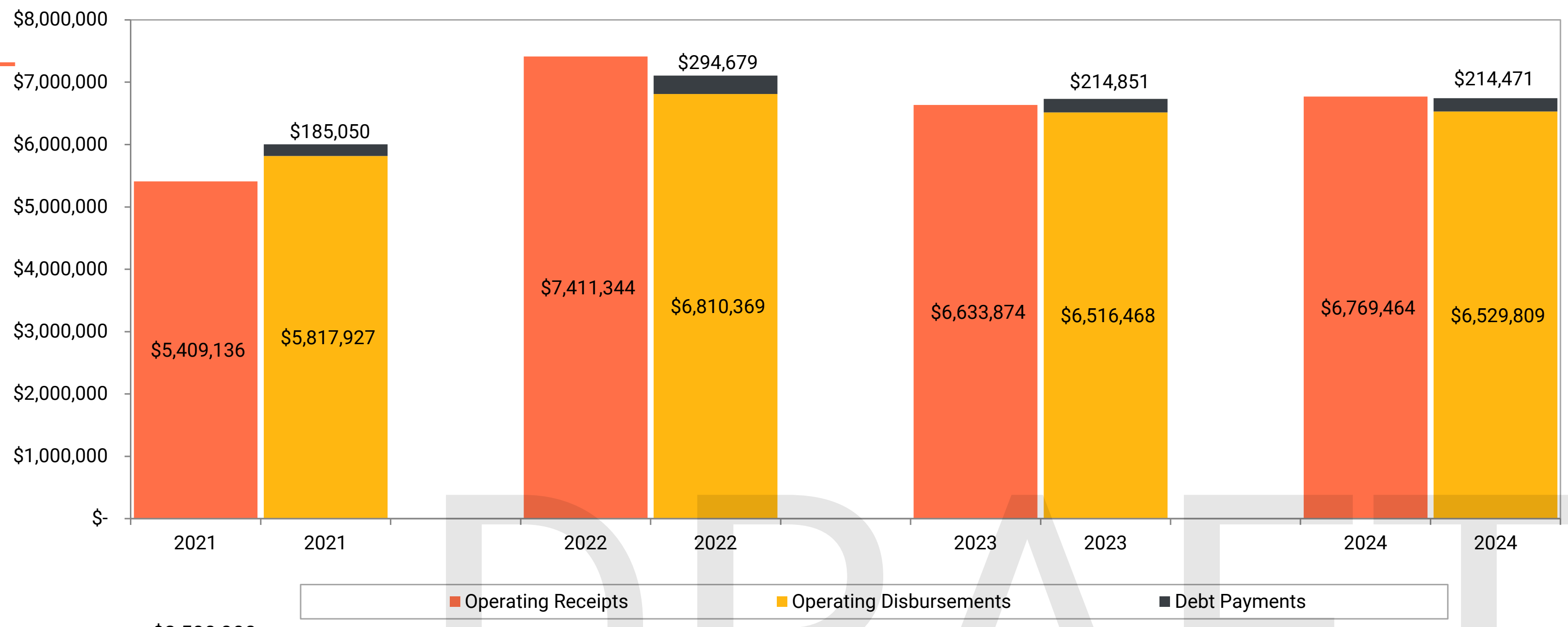


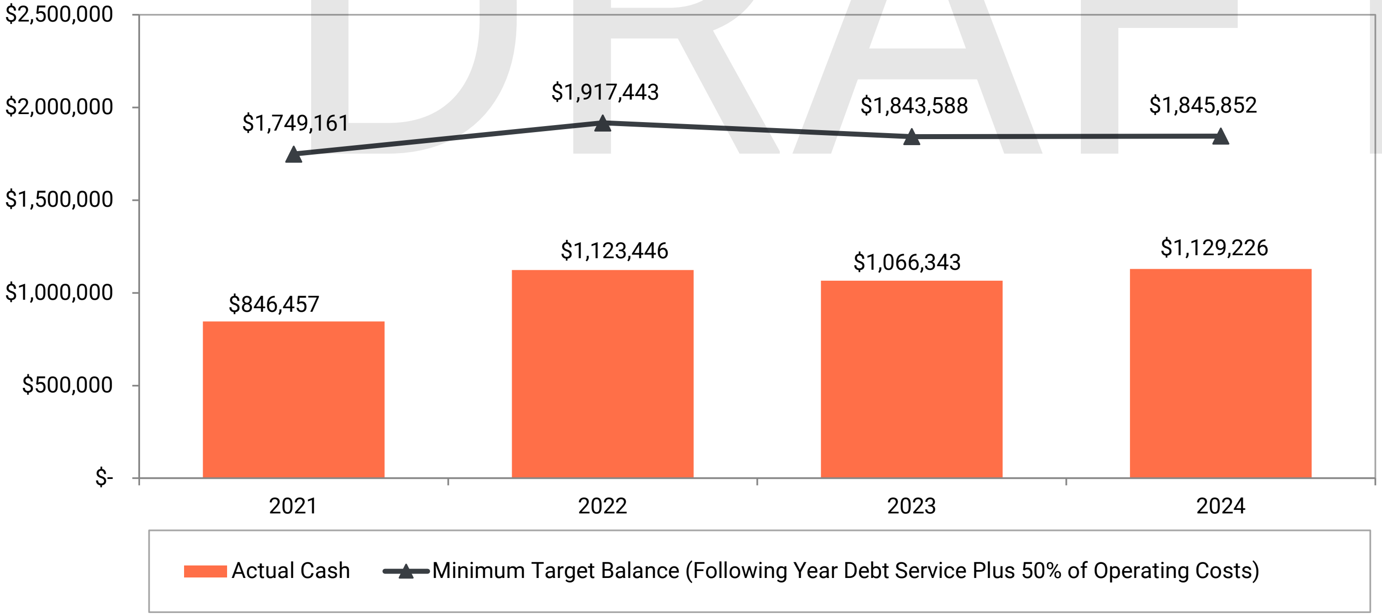


Cash Flows from Operations and Cash Balances

Municipal Liquor Fund

Cash Flows from Operations and Cash Balances





Abdo

Liquor Store – Statewide Averages vs. Brooklyn Center Liquor Store

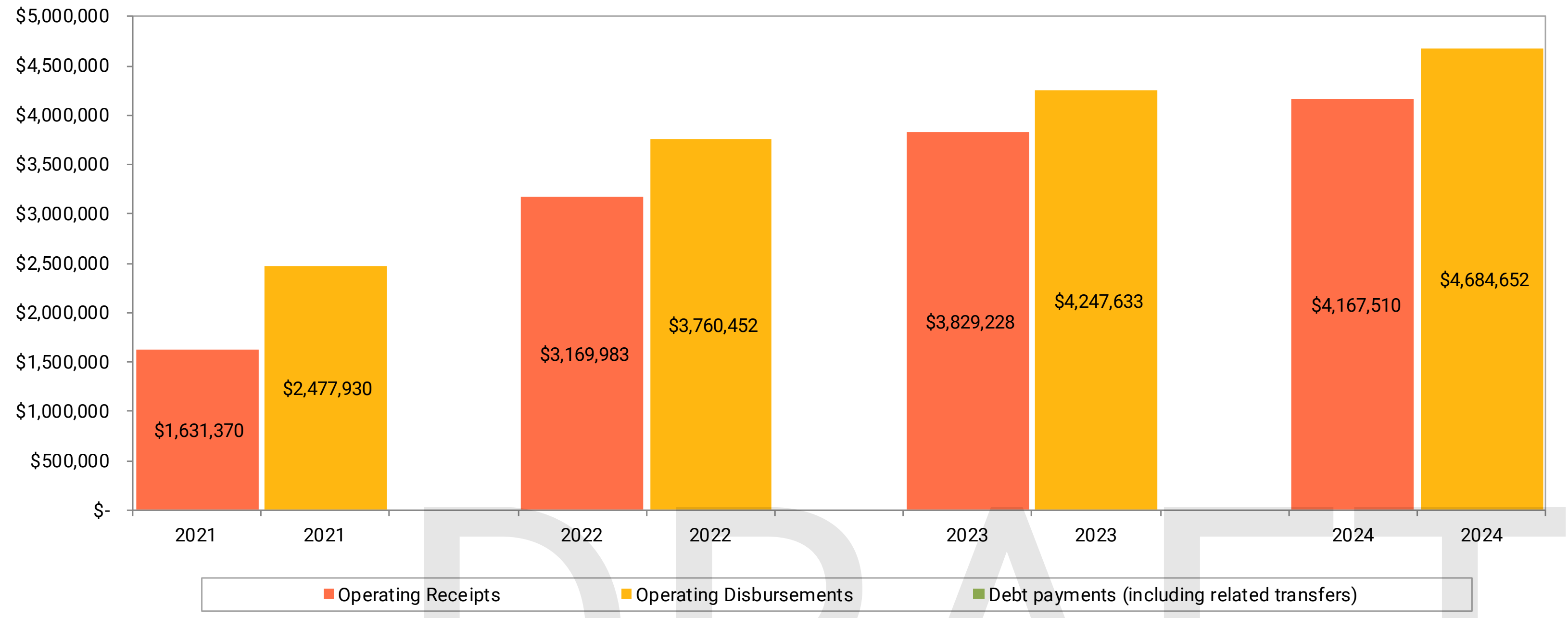
	2022		2023		2024	
	Total	Percent	Total	Percent	Total	Percent
Sales	$ 6,909,980	100.0 %	$ 6,565,245	100.0 %	$ 6,765,956	100.0 %
Cost of Sales	(5,108,499)	(73.9)	(4,619,717)	(70.4)	(4,624,356)	(68.3)
Gross profit	1,801,481	26.1	1,945,528	29.6	2,141,600	31.7
Operating Expenses	(1,790,242)	(25.9)	(1,973,321)	(30.1)	(2,050,364)	(30.3)
Operating Income (Loss)	11,239	0.2	(27,793)	(0.5)	91,236	1.4
Nonoperating Income (Expenses)	(70,475)	(1.0)	(14,878)	(0.2)	(12,064)	(0.2)
Change in Net Position	$ (59,236)	(0.8)	$ (42,671)	(0.7)	$ 79,172	1.2
Cash and Temporary Investments	$ 1,123,446		$ 1,066,343		$ 1,129,226	

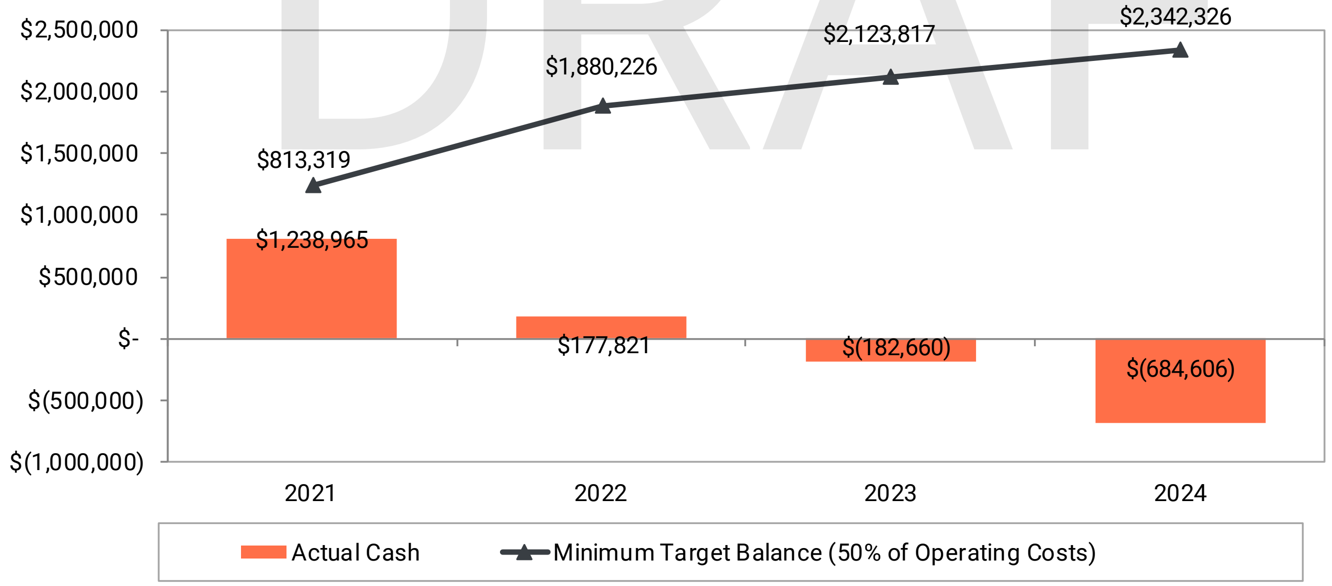
	Off-Sale Only		
	2021	2022	2023
	Percent of Sales	Percent of Sales	Percent of Sales
Sales	100.0 %	100.0 %	100.0 %
Cost of Sales	73.7	73.7	73.7
Gross Profit	26.3	26.3	26.3
Operating Expenses	16.0	16.0	16.0
Operating Income	10.3	10.3	10.3
Nonoperating Revenues (Expenses)	0.3	0.3	0.3
Income Before Transfers	10.6 %	10.6 %	10.6 %

Source: Analysis of Municipal Liquor Store Operations, for the year ended December 31, 2021.
Published by the Minnesota Office of the State Auditor.

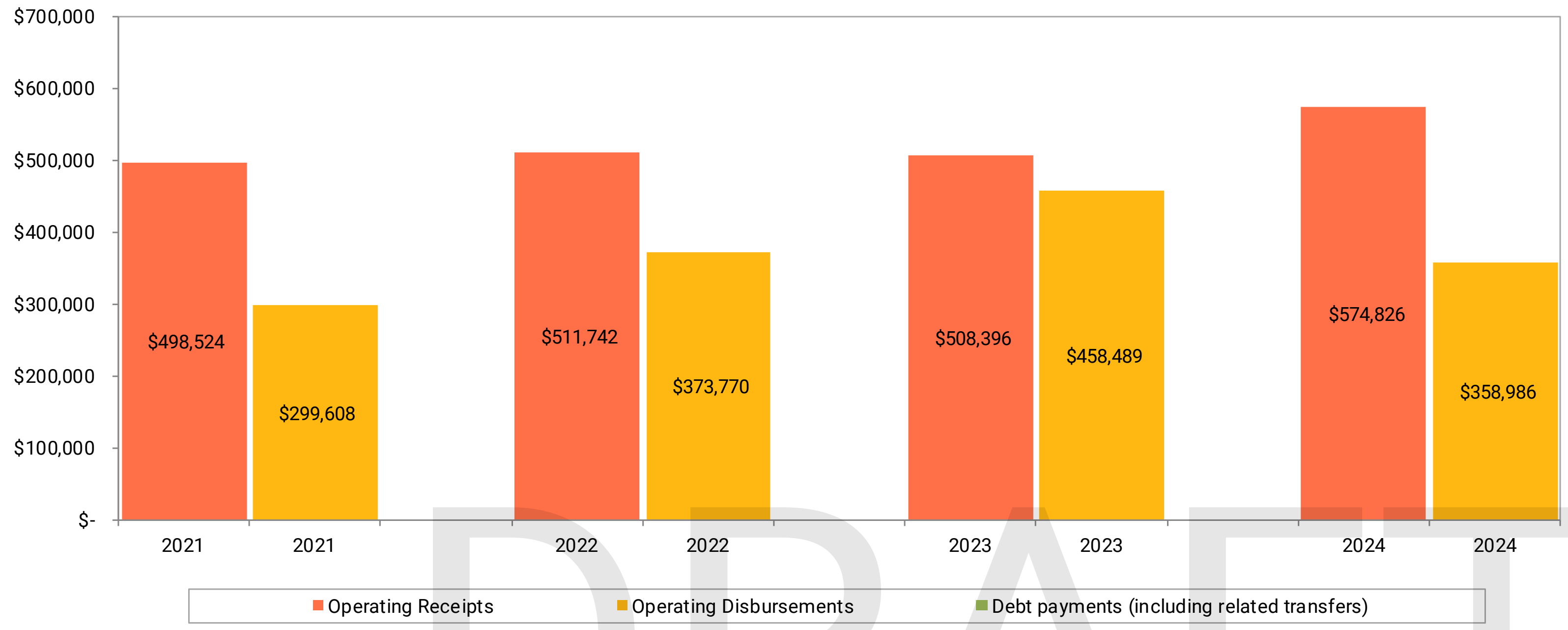
Heritage Center of Brooklyn Center Fund

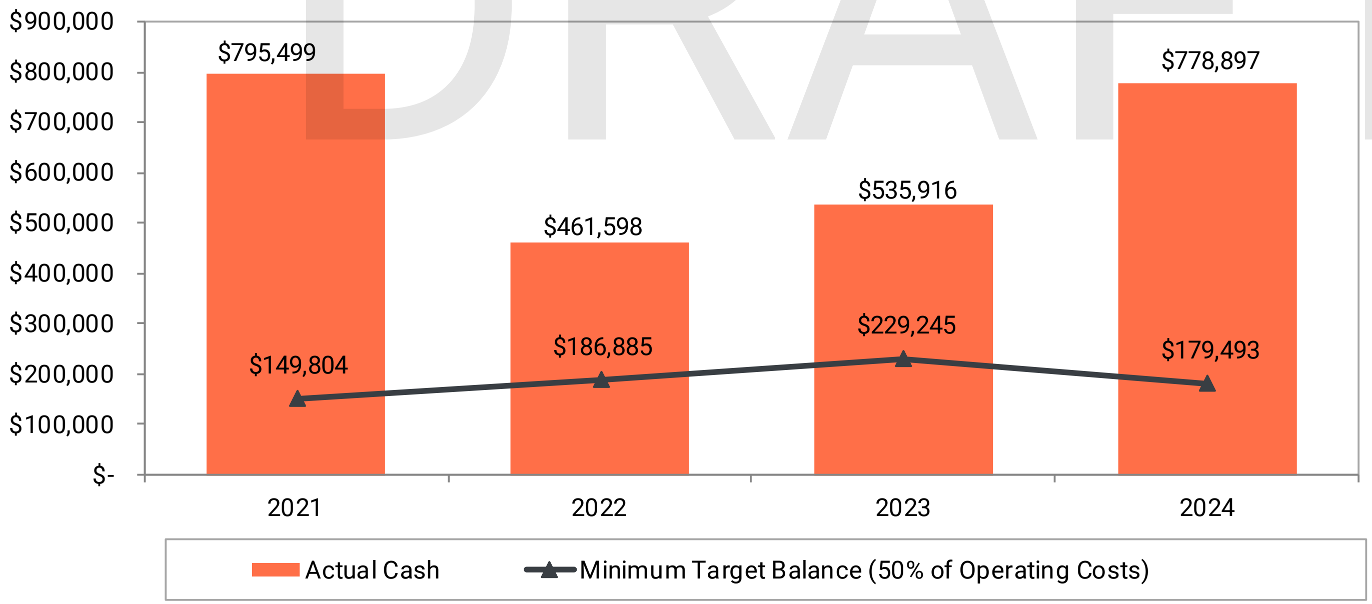
Cash Flows from Operations and Cash Balances





Street Light Utility Fund

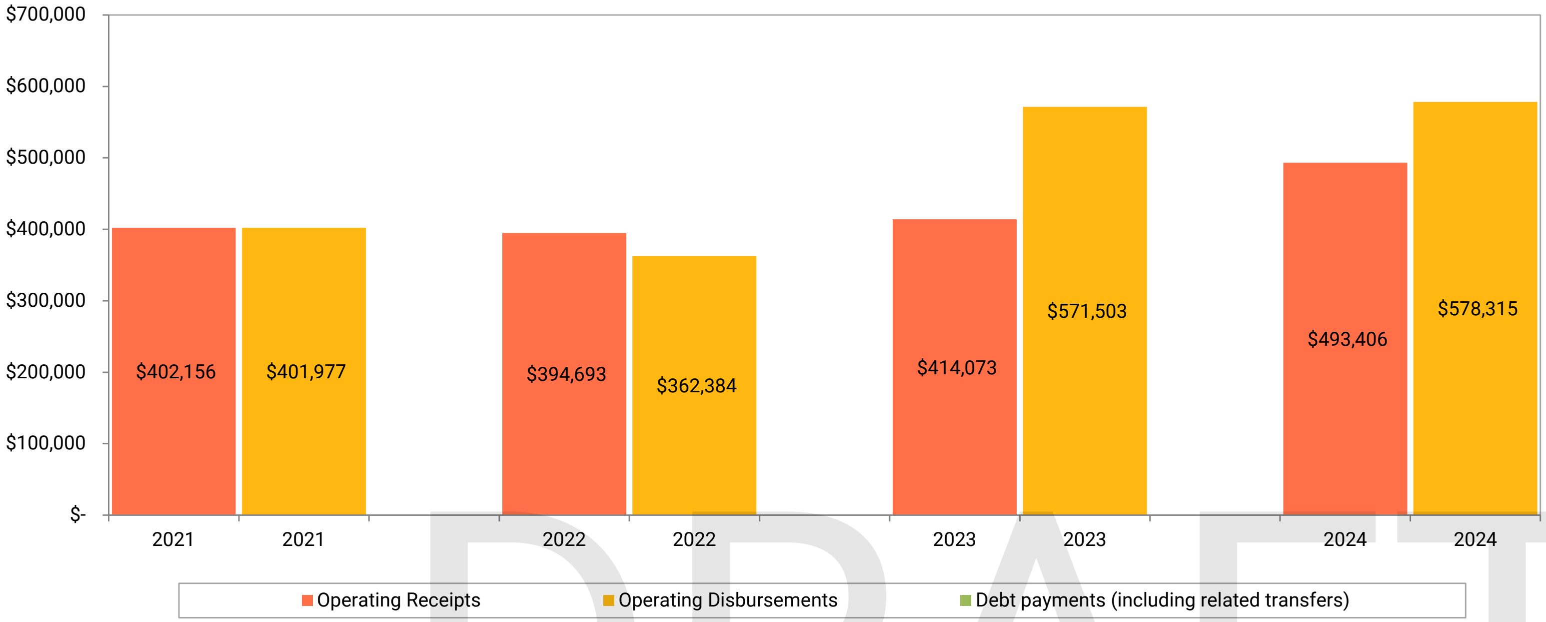


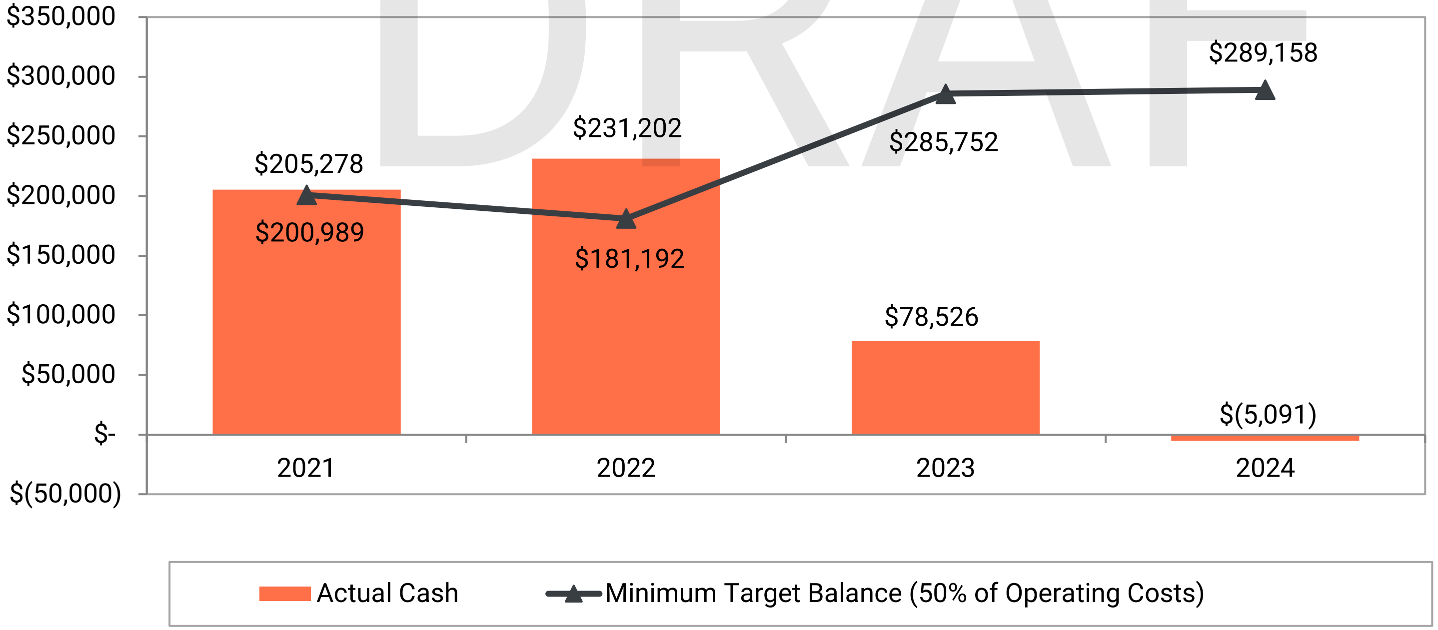


Cash Flows from Operations and Cash Balances

Recycling Utility Fund

Cash Flows from Operations and Cash Balances





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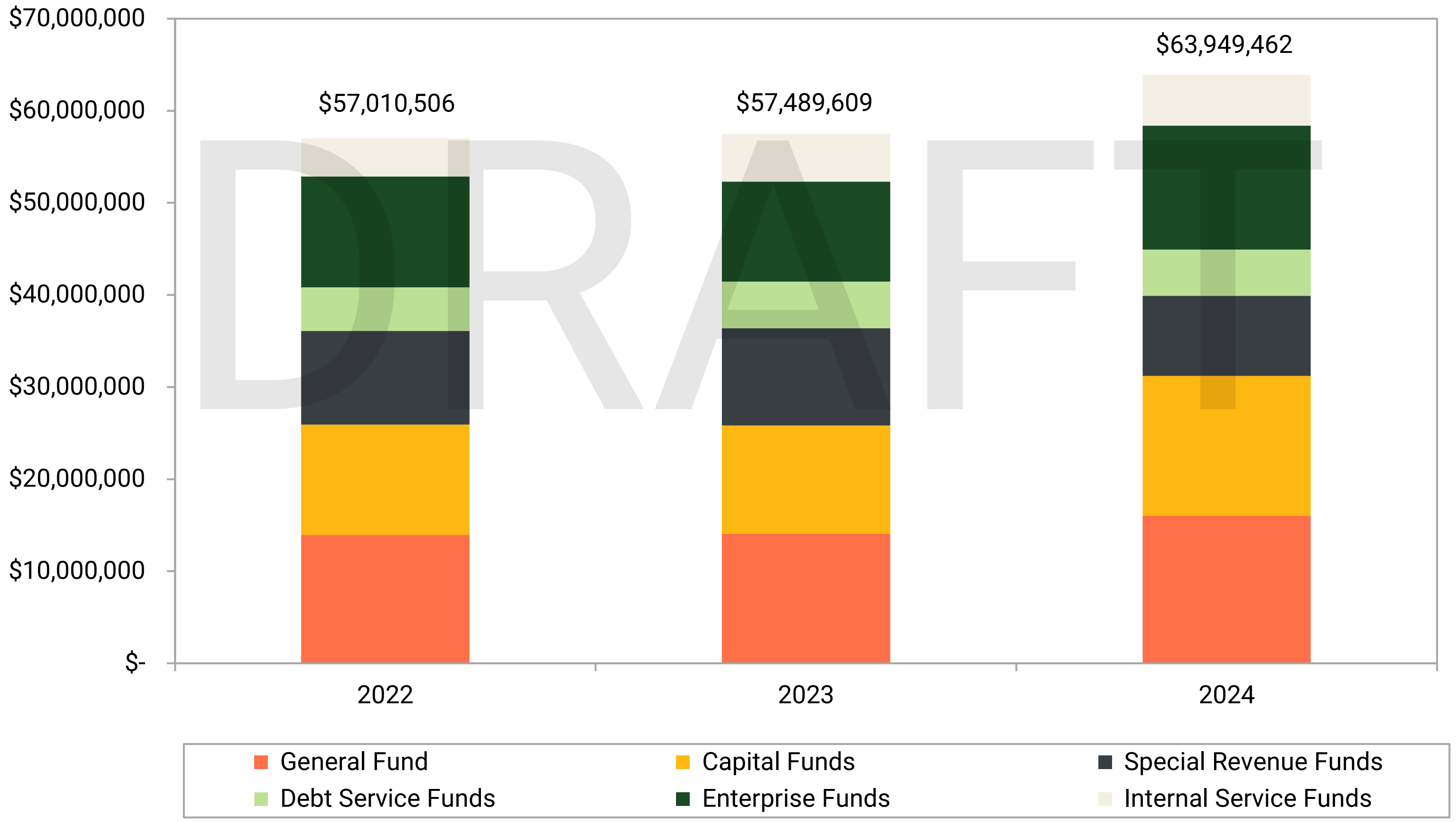
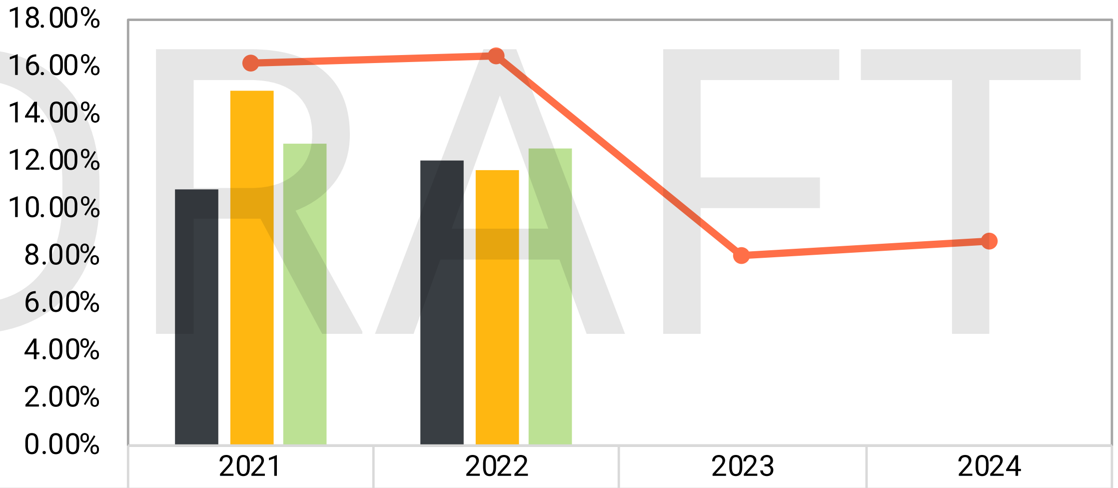
Cash and Investments Balances by Fund Type



Debt

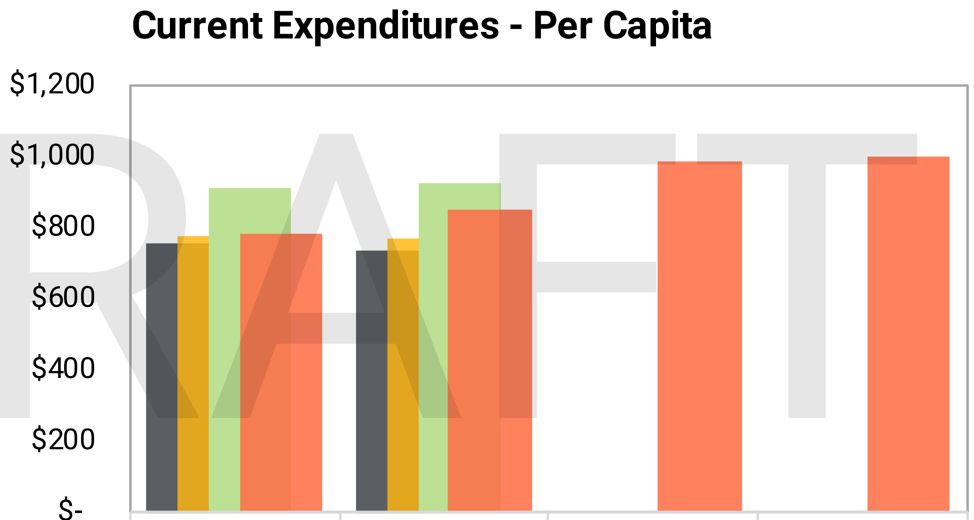
Key Performance Indicators

Debt Service Expenditures as a Percent of Current Expenditures



	2021	2022	2023	2024
Class 2 Cities (20,001 - 100,000)	10.85%	12.08%	N/A	N/A
Comparable City Group	15.01%	11.63%	N/A	N/A
Cities in Hennepin County	12.80%	12.62%	N/A	N/A
City of Brooklyn Center	16.21%	16.50%	8.05%	8.64%

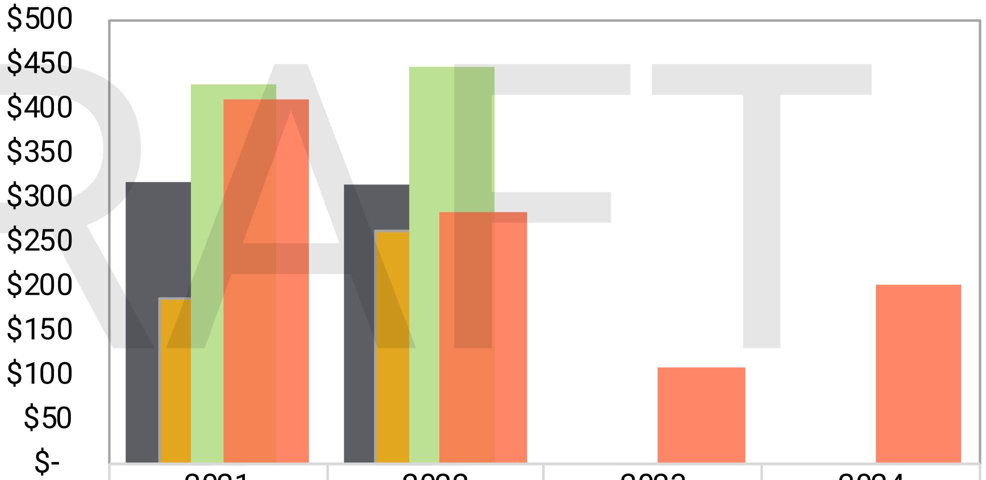
Expenditures
Key Performance Indicators



	2021	2022	2023	2024
Class 2 Cities (20,001 - 100,000)	$755	$739	N/A	N/A
Comparable City Group	$778	$773	N/A	N/A
Cities in Hennepin County	$913	$929	N/A	N/A
City of Brooklyn Center	$784	$850	$990	$1,005

Expenditures
Key Performance Indicators

Capital Expenditures - Per Capita



	2021	2022	2023	2024
Class 2 Cities (20,001 - 100,000)	$319	$315	N/A	N/A
Comparable City Group	$187	$262	N/A	N/A
Cities in Hennepin County	$430	$447	N/A	N/A
City of Brooklyn Center	$413	$284	$108	$203

Your Abdo Team

Tom Olinger, CPA

Partner

Kelsey Groskreutz

Senior Associate

Dave Abriol

Associate

Phien Doan

Associate

Kayley Eigenberg

Associate

Jacob Spindler

Associate

Council/Financial Commission Meeting

DATE: 7/21/2025
TO: City Council and Finance Commissioners
FROM: Angela Holm, Finance Director
THROUGH: Dr. Reggie Edwards, City Manager
BY: Angela Holm, Finance Director
SUBJECT: Presentation of 2026 – 2035 Capital Improvement Plan

Requested Council Action:

Background:
Each year, City staff prepare a Capital Improvement Plan for the Council's consideration. This plan generally encompasses ten years of activity with a focus on the first two or three years. Projects are often re-aligned each year within the plan to accommodate funding needs or opportunities as well as continued evaluations of infrastructure needs.

The Capital Improvement Plan outlines larger projects that are not considered operational in nature. The projects often involve construction of roads, trails, and park rehabilitation projects, as well as utility infrastructure improvement projects such as water mains, wells, and lift stations. Due to the diverse nature of the projects, activity is accounted for and reported in multiple funds in the City's financial statements.

The Public Works Department manages and administers the overall plan. Collaboration with the Finance Department is needed to ensure there is sufficient oversight of cash flows related to each project as well as manage financing needs.

Budget Issues:
The Capital Improvement Plan is a significant component of the City's overall budget. Action on most projects requires extensive planning work so these projects and related funding needs to be appropriated each year.

Inclusive Community Engagement:

Antiracist/Equity Policy Effect:

Strategic Priorities and Values:

ATTACHMENTS:

1. 2026 – 2035 Capital Improvement Plan Detail Worksheet
2. PowerPoint Presentation

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2026											
John Martin Drive Improvements	$310,000		$490,000	$50,000	$10,000	$160,000					$1,020,000
Humboldt Avenue (CR 57) Reconstruction (53rd to 57th)	$310,000	$425,000		$276,500	$238,000	$311,500	$7,000		$2,912,000	(A)	$4,480,000
Traffic Sig Sys Rehab. (Shingle Creek Pkwy/John Martin) - (Include strategic improvements such as transition from loops, EVP, and modern cabinet)		$172,000	$517,000								$689,000
Stormwater Structure Sediment Managment Project				$150,000							$150,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
61st & Perry Avenues Storm Sewer Improvement				$314,000							$314,000
2026 Storm Water Ponds Rehab				$207,000							$207,000
Lift Station Nos. 3 Rehabilitation and Parking Lot Mill and Overlay					$384,000						$384,000
Well No. 5 (Including VFD and Door) and Water Treatment Plant HSP No. 3 Rehab						$139,000					$139,000
Heritage Center/Opportunity Area Street Light Replacement							$391,000				$391,000
Well Parking Lot Mill and Overlay Project (3,4,5,6,10,8, and 9)						$73,000					$73,000
Park Lighting Project							$50,000				$50,000
Parks Improvement Program								$200,000			$200,000
Generator Upgrade at Public Works Garage								$160,000			$160,000
Facility Capital Improvement Program					$170,000			$770,109			$940,109
2026 Subtotal	$620,000	$597,000	$1,007,000	$997,500	$802,000	$683,500	$448,000	$1,280,109	$2,912,000		$9,347,109

NOTES: (A) Hennepin County funding estimated at 75% for street and storm costs and 25% City funding - Humboldt is a county road (CR 57)

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2027											
Orchard Lane North Area Improvements	$800,000	$1,690,000		$850,000	$130,000	$500,000					$3,970,000
53rd and Xerxes Avenue Improvements	$80,000	$230,000		$90,000	$30,000	$20,000			$400,000		$850,000
Humboldt Avenue and 65th Avenue Area Improvements	$210,000	$310,000	$4,800,000	$200,000	$300,000	$1,820,000	$10,000		$2,000,000	(A)	$9,650,000
Traffic Sig Sys Rehab.(66th Ave/Camden Ave) - (Include strategic improvements such as transition from loops, EVP, and modern cabinet)		$355,000	$355,000								$710,000
Traffic Calming Program		$100,000									$100,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
69th Avenue Trail Reconstruction		$227,000									$227,000
East and West Palmer Park Flood Mitigation				$200,000							$200,000
Evergreen, Firehouse & Northport Park Security Improvements								$269,000			$269,000
Lift Station Nos. 7 and 10 Rehabilitation, and Nos. 7 Concrete Pad Replacement					$1,257,000						$1,257,000
Well No. 10 (Include light poles, unit heater, and exhaust fan) and Water Treatment Plant HSP No. 1 Rehab						$150,000					$150,000
Lift Station and Well Façade Replacement. Wells 6,10,3,4,9,8, and Lift Station 1						$92,000					$92,000
Water Treatment Plant Redundant Water Main Connection						$1,497,000					$1,497,000
Park Lighting Project							$50,000				$50,000
Parks Improvement Program								$200,000			$200,000
City Public Art								$50,000			$50,000
Portable Generator Connections at East and West Fire Stations								$100,000			$100,000
Facility Capital Improvement Program								$325,310			$325,310
2027 Subtotal	$1,090,000	$2,912,000	$5,155,000	$1,340,000	$1,717,000	$4,079,000	$60,000	$1,094,310	$2,400,000		$19,847,310

NOTES: (A) This project, originally programmed for 2028, was combined and advanced to 2027 after the City successfully secured a pedestrian safety grant.

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2028											
Orchard Lane South Area Improvements	$1,370,000	$4,250,000		$1,900,000	$340,000	$860,000					$8,720,000
Humboldt Avenue Improvements (69th to 73rd)	$140,000	$590,000		$330,000	$500,000	$260,000					$1,820,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Water Treatment Plant HSP No. 2 Rehab						$50,000					$50,000
Parks Improvement Program								$200,000			$200,000
Emergency Responder Radio Replacement (Police/Fire)								$500,000			$500,000
Facility Capital Improvement Program								$159,200			$159,200
2028 Subtotal	$1,510,000	$4,840,000		$2,230,000	$840,000	$1,170,000		$1,009,200			$11,599,200
NOTES:											
2029											
Highway 252/I-94 MnDOT Project	$100,000	$780,000	$310,000	$140,000	$20,000	$170,000	$20,000		$29,500,000	(A)	$31,040,000
Meadowlark Gardens Area Improvements	$590,000	$1,630,000		$710,000	$140,000	$480,000	$30,000				$3,580,000
68th Avenue and Lee Avenue Improvements	$330,000	$150,000		$140,000	$210,000	$170,000	$10,000				$1,010,000
Traffic Calming Program		$100,000									$100,000
Retaining Wall Replacement (miscellaneous locations)								$132,000			$132,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
2029 Storm Water Ponds Rehab				$125,000							$125,000
Well Nos. 4 (VFD) and 9 (Including RTU, Switchgear, and Unit Heater) and Water Treatment Plant HSP No. 4 Rehab						$417,000					$417,000
Freeway and Highway Utility Crossing Replacement					$633,000	$602,000					$1,235,000
Traffic Sig Sys Rehab (Shingle Creek Pkwy/Summit) - (Include strategic improvements such as transition from loops, EVP, and modern cabinet)		$188,000	$565,000								$753,000
Traffic Sig Sys Rehab. (Shingle Crk Pkwy/Brookdale Sq) - (Include strategic improvements such as transition from loops, EVP, and modern cabinet)		$249,000	$505,000								$754,000
Responder Radio Replacement (Public Works)								$100,000			$100,000
Parks Improvement Program								$200,000			$200,000
Facility Capital Improvement Program								$512,453			$512,453
2029 Subtotal	$1,020,000	$3,097,000	$1,380,000	$1,115,000	$1,003,000	$1,839,000	$60,000	$1,094,453	$29,500,000		$40,108,453
NOTES: (A) Provisional project. Funding estimated outside source ($29,500,000) and City Capital Improvements Fund ($5,500,000)											
2030											
St. Alphonsus Area Improvements	$290,000	$1,070,000		$380,000	$50,000	$440,000					$2,230,000
Garden City North Area Mill and Overlay	$540,000	$3,130,000		$3,060,000	$900,000	$740,000					$8,370,000
Garden City Central Area Mill and Overlay	$460,000	$3,050,000		$1,520,000	$440,000	$120,000					$5,590,000
West Fire Station Parking Lot Mill and Overlay *(With Garden City Project)*		$127,409									$127,409
Hazardous Tree Management and Reforestation								$150,000			$150,000
Sanitary Sewer Lining (Miss. River Trunk N. of I-694 to 70th/Willow)					$1,725,000						$1,725,000
Well Nos. 6 (Including Enclosure, HVAC, and Plumbing) and 8 (Including Switchgear and VFD) ; Water Treatment Plant HSP No. 2 Rehab						$387,000					$387,000
Public Works Grarage Reconstruction Project								$10,000,000	$35,000,000		$45,000,000
Golf Course Bridge Repairs (North, Middle, and South)								$200,000			$200,000
Parks Improvement Program								$200,000			$200,000
City Public Art								$50,000			$50,000
Facility Capital Improvement Program								$711,375			$711,375
2030 Subtotal	$1,290,000	$7,377,409		$4,960,000	$3,115,000	$1,687,000		$11,311,375	$35,000,000		$64,740,784
NOTES:											

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2031											
Garden City South Mill and Overlay	$80,000	$2,550,000		$1,470,000	$530,000	$1,460,000					$6,090,000
73rd Ave N Improvements (Humboldt to TH252)	$120,000	$860,000		$190,000	$190,000	$20,000			$290,000	(A)	$1,670,000
73rd Ave N Improvements (Penn to Humboldt)	$100,000	$700,000		$230,000	$70,000	$420,000				(B)	$1,520,000
69th Ave and Shingle Creek Pkwy Improvements	$1,500,000		$4,680,000	$350,000	$110,000		$10,000				$6,650,000
69th Avenue Landscape Rehabilitation		$90,656									$90,656
Traffic Calming Program		$100,000									$100,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Storm Water Pond 57-004, 57-005 & 70-002 Rehab				$77,000							$77,000
Lift Station No. 1 Generator Replacement					$236,000						$236,000
Well No. 3 (Including VFD) and Water Treatment Plant HSP BW Rehab						$270,000					$270,000
Parks Improvement Program								$225,000			$225,000
Facility Capital Improvement Program								$625,000			$625,000
2031 Subtotal	$1,800,000	$4,300,656	$4,680,000	$2,317,000	$1,136,000	$2,170,000	$10,000	$1,000,000	$290,000		$17,703,656

NOTES: (A) 50% Cost sharing of street & storm with City of Brooklyn Park ($295k) per 1999 agreement
(B) 50% Cost sharing of street & storm with City of Brooklyn Park ($285k) per 2004 agreement

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds		Total Project Cost
2032											
Earle Brown Drive Area Improvements	$800,000	$1,810,000		$210,000	$20,000	$320,000			$1,410,000		$4,570,000
Shingle Creek Pkwy and Xerxes Ave Mill and Overlay	$810,000	$1,330,000		$440,000	$40,000	$580,000	$100,000		$1,290,000		$4,590,000
Xerxes Mill and Overlay (Northway to 694)	$80,000	$510,000	$900,000	$140,000	$40,000	$870,000					$2,540,000
Hazardous Tree Management and Reforestation								$150,000			$150,000
Brooklyn Blvd Street Light Replacement (65th to BP Border)							$1,019,000				$1,019,000
Storm Water Pond 12-002, 12-003, 12-004, 12-005 & 18-001 Rehab				$730,000							$730,000
Well No. 5 and 11 and Water Treatment Plant HSP No. 1 Rehab						$260,000					$260,000
Parks Improvement Program								$300,000			$300,000
Facility Capital Improvement Program								$570,019			$570,019
2032 Subtotal	$1,690,000	$3,650,000	$900,000	$1,520,000	$100,000	$2,030,000	$1,119,000	$1,020,019	$2,700,000		$14,729,019

NOTES:

Project	Special Assessments	Street Reconst. Fund	MSA Fund	Storm Drainage Utility	Sanitary Sewer Utility	Water Utility	Street Light Utility	Capital Projects Funds	Outside Funds	Total Project Cost
2033										
Southwest Area Mill and Overlay	$620,000	$1,670,000	$1,530,000	$1,500,000	$590,000	$2,890,000	$10,000			$8,810,000
Happy Hollow Mill and Overlay	$330,000	$1,410,000	$390,000	$1,120,000	$230,000	$460,000				$3,940,000
Stormwater Structure Sediment Managment Project				$200,000						$200,000
Traffic Calming Program		$100,000								$100,000
Hazardous Tree Management and Reforestation								$150,000		$150,000
Well No. 10 (Including VFD) and Water Treatment Plant HSP No. 2 Rehab						$155,000				$155,000
Parks Improvement Program								$200,000		$200,000
City Public Art								$50,000		$50,000
Self Contained Breathing Apparatus (SCBA) Replacement (Fire)								$500,000		$500,000
Facilty Capital Improvement Program								$195,906		$195,906
2033 Subtotal	$950,000	$3,180,000	$1,920,000	$2,820,000	$820,000	$3,505,000	$10,000	$1,095,906		$14,300,906
NOTES:										
2034										
Southeast Alleys Improvements		$1,520,000		$120,000			$10,000			$1,650,000
Centerbrook Area Mill and Overlay	$300,000	$1,500,000		$810,000	$90,000	$60,000	$70,000			$2,830,000
Water Treatment Plant HSP No. 4						$142,000				$142,000
Hazardous Tree Management and Reforestation								$150,000		$150,000
Parks Improvement Program								$200,000		$200,000
Facility Capital Improvement Program								$661,089		$661,089
2034 Subtotal	$300,000	$3,020,000		$930,000	$90,000	$202,000	$80,000	$1,011,089		$5,633,089
NOTES:										
2035										
Northport Area Improvements	$390,000	$2,460,000	$1,410,000	$900,000	$140,000	$80,000				$5,380,000
69th Ave (CSAH 130) Reconstruction (Unity to Brooklyn Blvd)	$40,000		$6,550,000	$730,000	$950,000	$1,160,000	$10,000		$5,465,000	$14,905,000
Lions Park South Mill and Overlay	$420,000	$1,910,000		$1,100,000	$130,000	$3,570,000	$80,000			$7,210,000
Traffic Calming Program		$100,000								$100,000
Traffic Sig Sys Rehab.(Freeway Blvd and 65th) - (Include strategic improvements such as transition from loops, EVP, and modern cabinet)		$800,000								$800,000
City Public Art								$50,000		$50,000
Hazardous Tree Management and Reforestation								$150,000		$150,000
Parks Improvement Program								$200,000		$200,000
Facility Capital Improvement Program								$599,837		$599,837
Emergency Outdoor Warning Sirens (2040)								$160,000		$160,000
2035 Subtotal	$850,000	$5,270,000	$7,960,000	$2,730,000	$1,220,000	$4,810,000	$90,000	$1,159,837	$5,465,000	$29,554,837
NOTES:										
TOTALS	$11,120,000	$38,244,065	$23,002,000	$20,959,500	$10,843,000	$22,175,500	$1,877,000	$21,076,298	$78,267,000	$227,564,363

Capital Improvement Plan 2026 – 2035

City Council/Financial Commission Joint Work Session, July 21, 2025

Angela Holm, Finance Director, Elizabeth Heyman, Public Works Director, Kory Andersen Wagner, Public Works Planner

What is the CIP?

- Capital Improvement Plan (CIP)
  - **Plan for major capital investments over the next 10 years**
  - Developed by prioritizing a list of capital projects based on need, funding opportunities, and operations capacity
    - Change is expected
  - Focus on the first 2-3 years
    - 2026 projects will be appropriated in the 2026 budget

Everything needs maintenance!

What is the CIP?

- Types of Projects
  - Street Improvements
  - Public Utilities – water, sewer, etc.
  - Park & Trail Improvements
  - Facilities Improvements
  - Flooding mitigation
- Various Funding Sources
  - Utility fees, special assessments, franchise fees, State Aid, a portion of Local Government Aid, grants

CIP Themes

- Tackling much needed building maintenance
- Strategic investments in our parks
- Critical investments in our water, storm, and sanitary systems
- Setting up for future grant opportunities
- Continuing our ongoing investments in street and utility infrastructure

CIP Grant Strategy

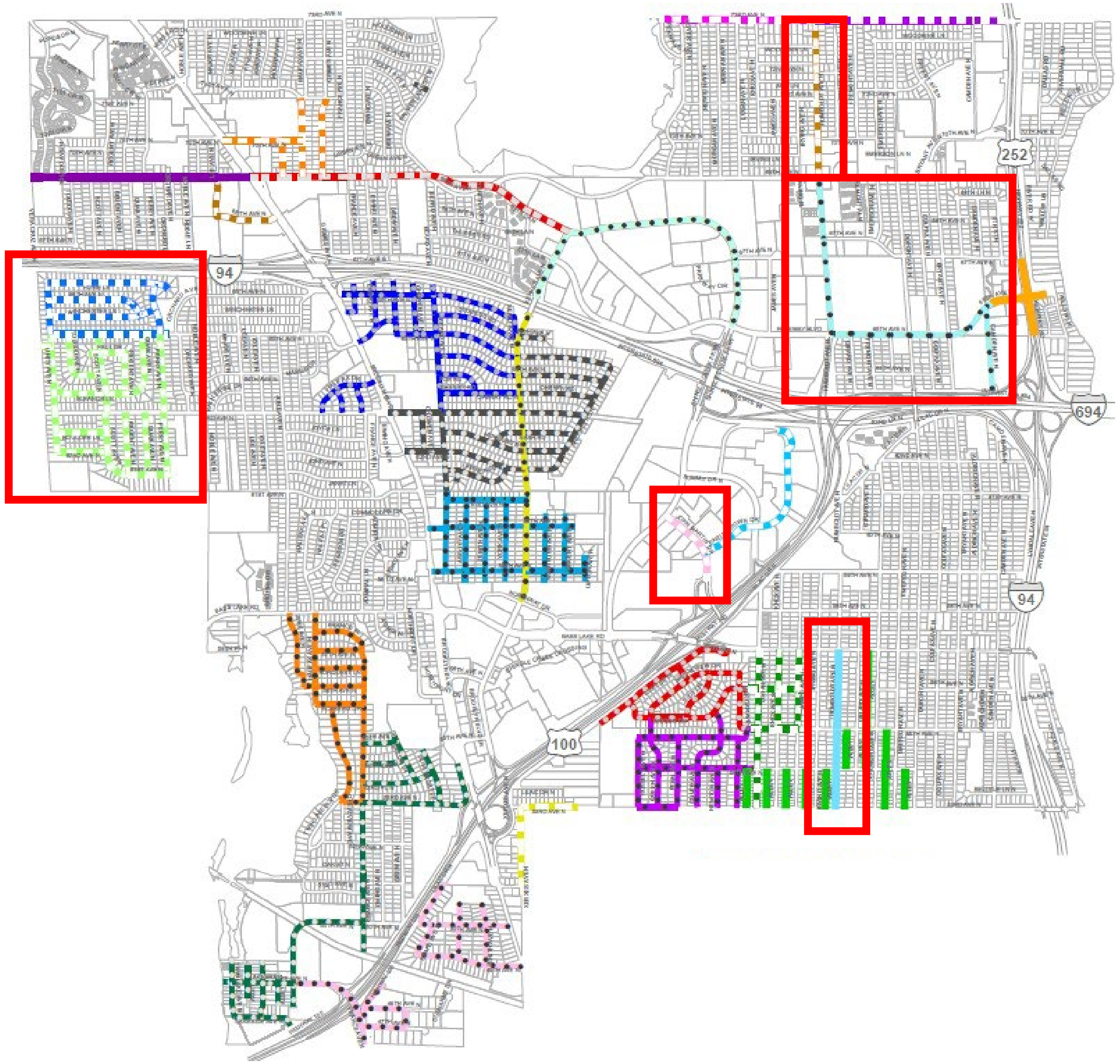
- Leverage capital funding as grant matching dollars
- Multiple successes with this strategy
  - Humboldt and 65th Ave Area Improvements Project: $2,000,000
  - Pour in Place Playground Surface: $100,000
- Important to use placeholder projects in out years
  - Upcoming
    - East and West Palmer Park Flood Mitigation

Street Project Prioritization

- Right fix at the right time
  - Driven by pavement ratings
  - Age of utilities
- Another layer
  - Documenting speeds and traffic volume before projects

Street Projects

- Investments in street and utility infrastructure
- Large street projects
  - 2026: Humboldt Ave (53rd to 57th) - County
  - 2026: John Martin Drive
  - 2027: Humboldt & 65th Area
  - 2027/2028: Orchard N/S
  - 2028: Humboldt Ave (69th to 73rd)



Hennepin County Street Project

2026: Humboldt Avenue (CR 57) Reconstruction

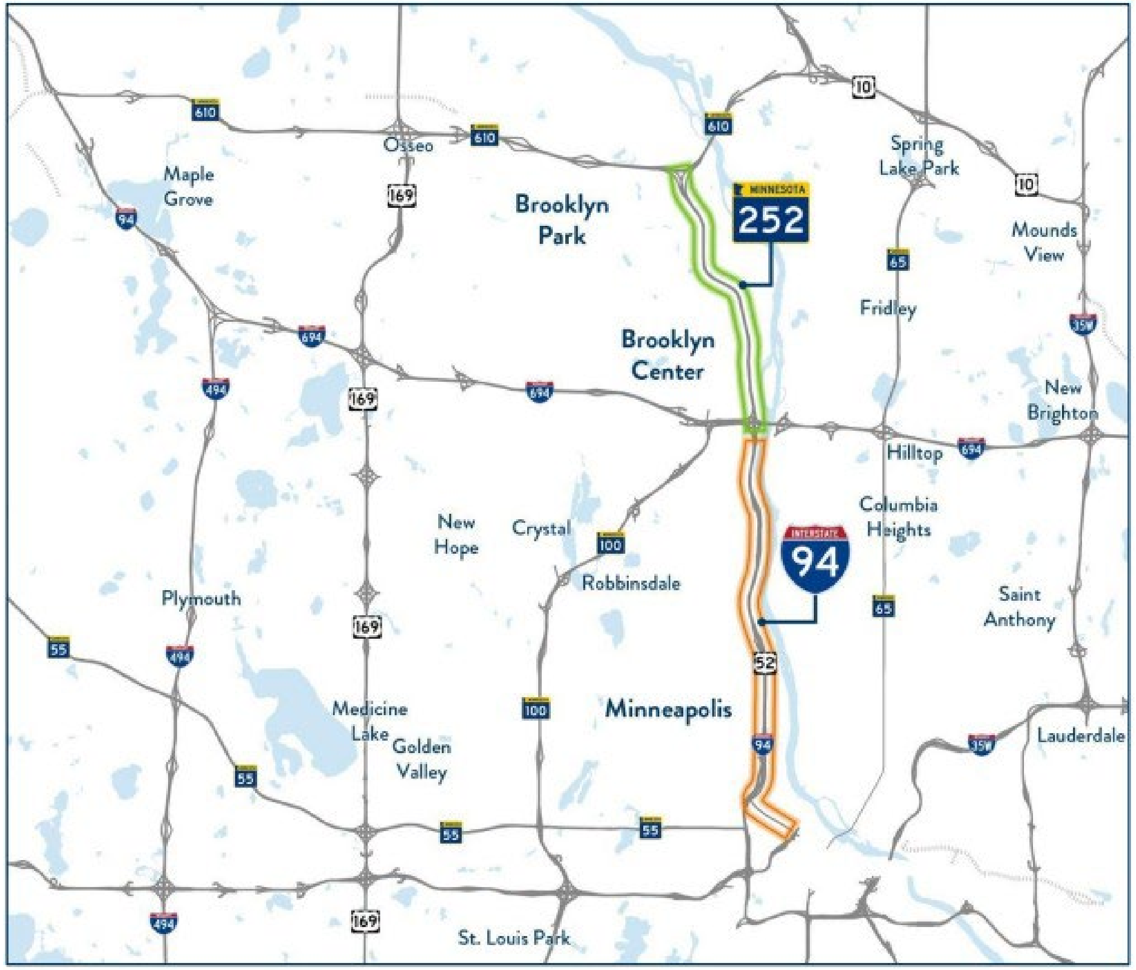
- Last reconstructed in 1930
  - One of the few remaining rural county roadways in the metro
- Based on county cost share policy, we are contributing approx. $1.5 M
- The maintenance agreement will be negotiated

Humboldt and 65th Area

- 2027 Construction
- $2M MetCouncil Regional Soliciation Grant
- BCCS partnership
- Goal(s): improve roadway safety, calm traffic, make it easier for students to walk and bike to school, and reduce future city maintenance costs
  - BC's first roundabouts!

Cost Share Challenges

- Hennepin County and MnDOT cost share expectations for upcoming roadway projects with <u>uncertain timelines</u>
  - 69th Avenue (Brooklyn Blvd to Brooklyn Park border)
  - MN 252
- May force us to move projects
- Cost share reform in progress at the local and state level



Community Center and Public Works Garage

- Community Center Upgrades
  - $3.5 - $4M in deferred maintenance
  - $5.1M in state funding
- Public Works Garage Placeholder: 2030
  - $3.5M in deferred maintenance
  - $1.5M funded to start design and engineering
  - Exploring funding options

Major Utility Projects: Next 2 Years

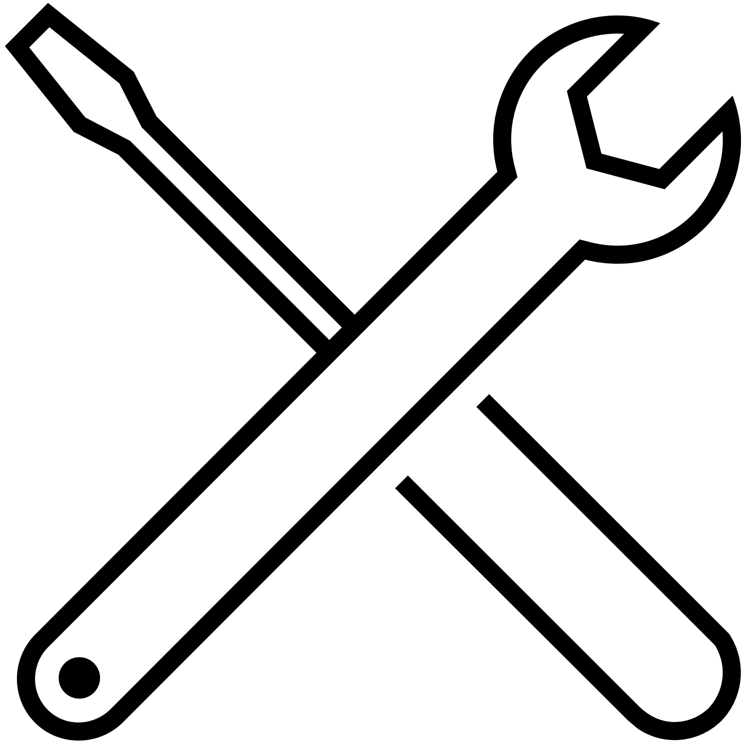
Project	Year	Project Estimate
Well No. 11: Well and Pumphouse	2024/2025	$3.0M - Entirely water utility
Humboldt Avenue (CR 57) Reconstruction (53rd to 57th)	2026	$4.4M ($0.8M in storm, sanitary, and water)
Humboldt Avenue and 65th Avenue Area Improvements	2027	$9.6M ($2.3M in storm, sanitary, and water)
Orchard Lane North Area Improvements	2027	$3.9M ($1.5M in storm, sanitary, and water)
Water Treatment Plant Redundant Water Main Connection	2027	$1.5M - Entirely water utility

Traffic Calming

- $100,000 every other year starting in 2025 for permanent projects
- Allows the city to make improvements faster
- Newton Ave
  - Four permanent speed tables
- Grandview Neighborhood
  - Upcoming pilot Summer 2025

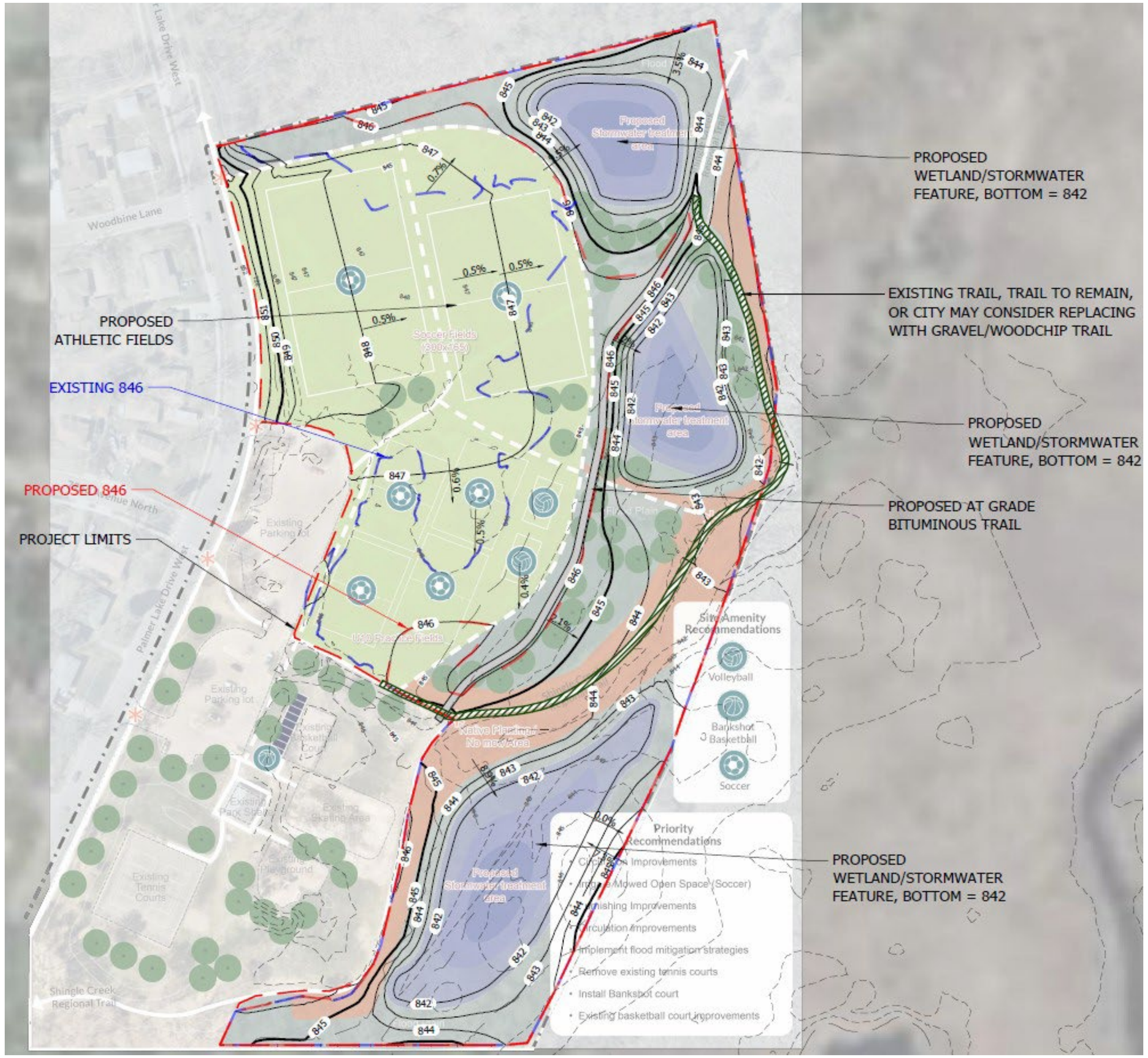
Facility Capital Improvement Program

- 2023 Facilities Assessment
- Recent fixes: Police HVAC / plumbing; new City Hall elevator
- In progress: West Fire roof, Police generator, building concrete repair
- Next step:
  - Implement asset-management software to prioritize preventive work and stretch asset life



Park Capital Plan

- Park Capital Investment Plan Completed Spring 2025
- 2025 Projects
  - Pour in Place at six parks (HC grant)
  - Evergreen Park Building Repairs
  - Amphitheater Repair
  - Firehouse Softball Field Irrigation
- $200,000 in 2026
  - Scoping projects
  - Identifying CIP projects that can be leveraged with grants
- Longer Term
  - Beginning work on Centennial Park Pond restoration and surrounding areas and opportunity for a splash pad
  - East and West Palmer Park Flood mitigation



Financial Highlights of Proposed CIP

- No bonding is anticipated for 2026 Capital Improvement Projects
- Capital Funds maintain positive cash flow and sufficient ending balances
- Capital Funds “self-finance” some components of the proposed projects
- External funding sources are noted as applicable
- Funding model is appropriation based – meaning the appropriation is based on the project, not the specific funding year

Capital Projects Fund

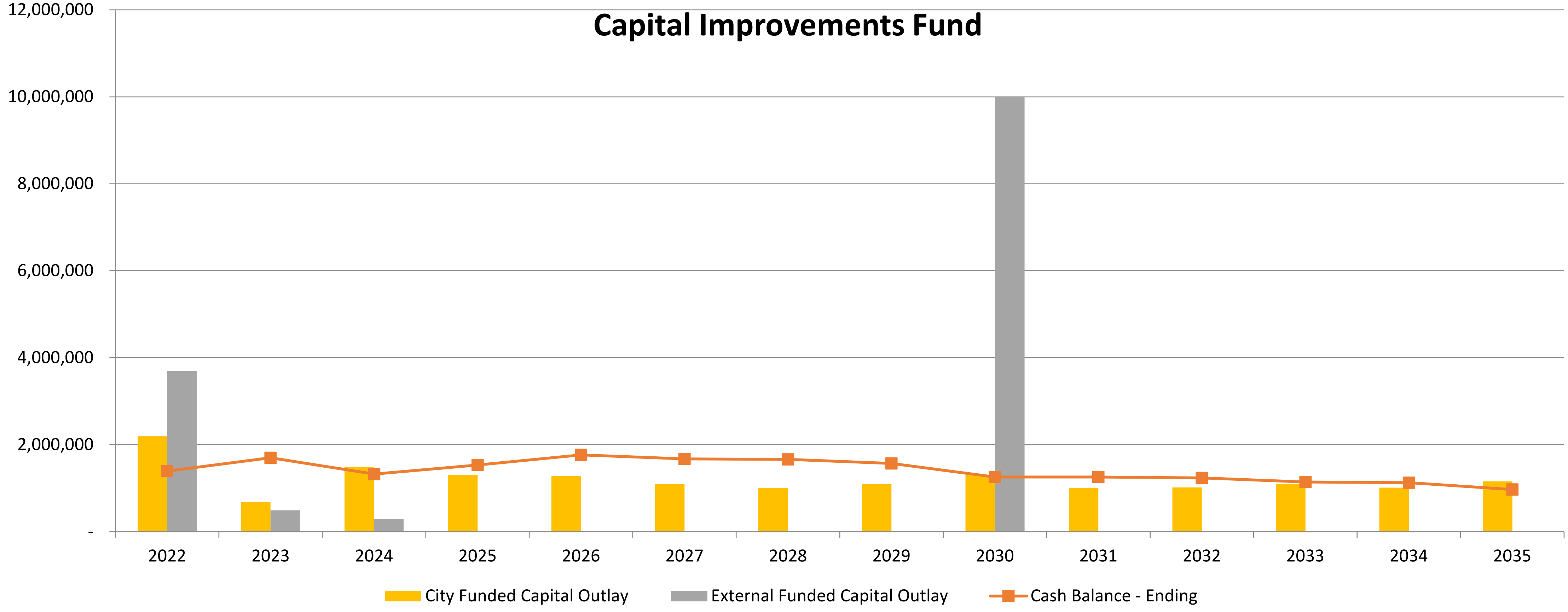
- The Capital Projects Fund can be referred to as the "Everything Else Capital Fund"

- Primary funding source is 50% of the Local Government Aid appropriated by the State Legislature each year

- Is also used as a "pass-through" fund for capital improvement grants

- Fund does not have operating expenses

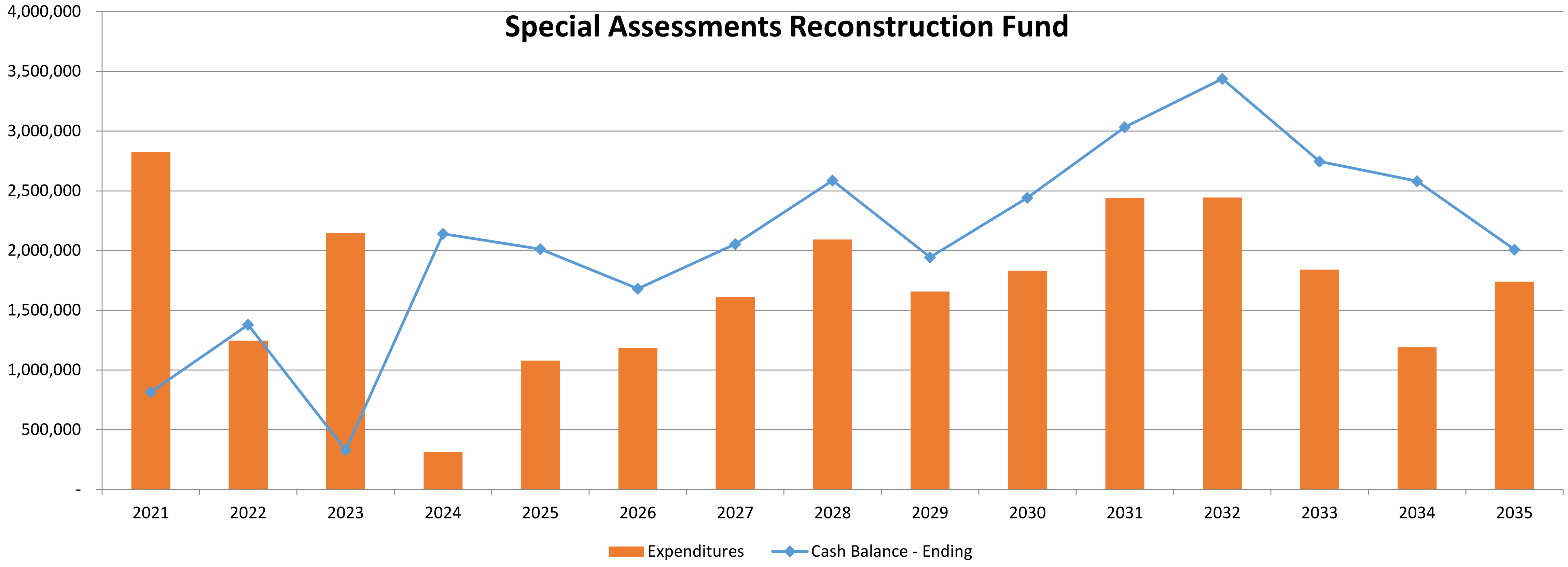
Capital Projects Fund Cash Flow



Special Assessments Fund

- The Special Assessments Fund accounts for resources and expenditures that are financed wholly or in part by special assessments levied against benefitted properties
- Special Assessment revenue is often collected over a ten-year period
- Assessment revenues are projected in this fund with the assumption that 25% of a new assessment will be collected in the first year
- Expenditures that will be funded by bonds are placeholders in this fund until the bond is issued
- Other capital activities that do not require bonding are exclusive to this fund

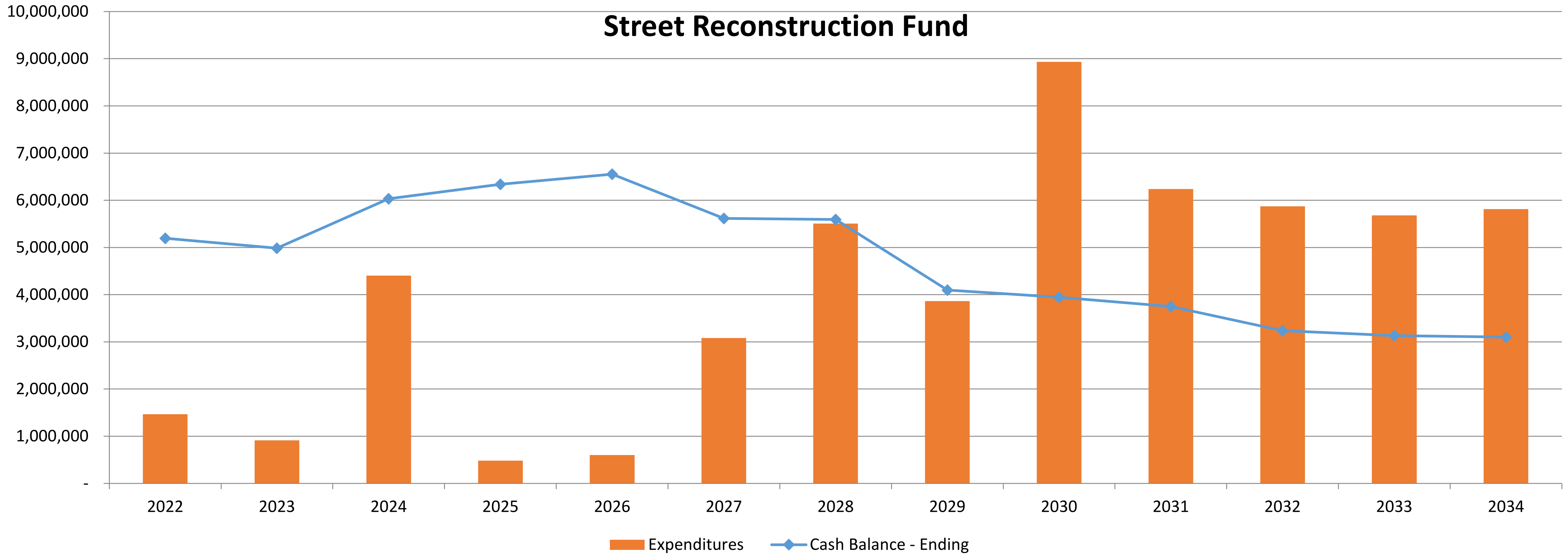
Special Assessments Fund Cash Flow



Street Reconstruction Fund

- The Street Reconstruction Fund accounts for resources and expenditures for major street infrastructure improvements
- Ongoing maintenance activities are not included in this fund
- Primary sources of funding are franchise fees collected from CenterPoint and Xcel Energy
- Purpose of this fund is to accumulate resources to reduce need for debt issuance
- Improvements funded by issuance of bonds require debt service property tax levies

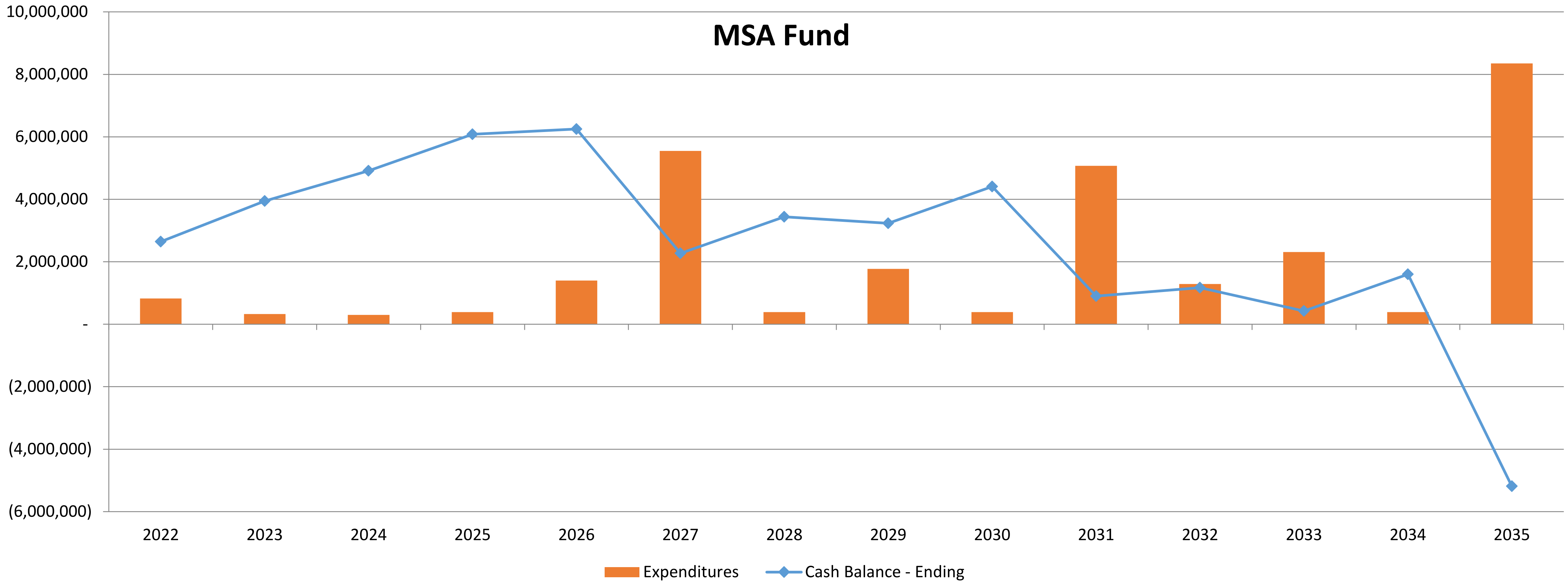
Street Reconstruction Fund Cash Flow



Municipal State Aid Fund

- Authorized by the Minnesota Legislature in 1957
- Provides annual maintenance allocation and annual construction allocation
- Construction funds are tied to specific projects that must be approved by MNDOT
- Projects reimbursed over time via an annual allocation
- Construction funding can lag years behind completion of projects in some cases (advances may be allowed)

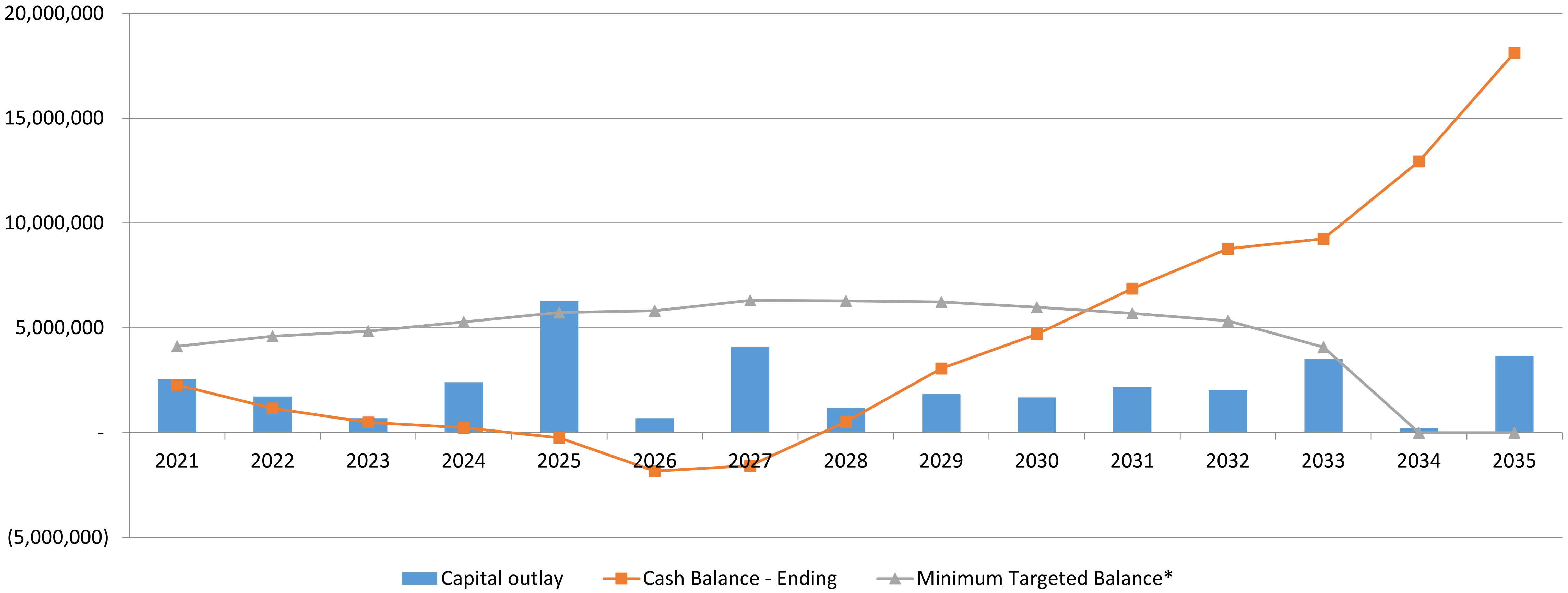
MSA Fund Cash Flow



Utility Funds Capital Improvements

- Many large street projects have utility components that need to be funded by the respective utility fund
- Utility infrastructure ages and needs to be rehabilitated/replaced
- Large utility projects require sufficient funding to fully fund the project, or continued revenues to support debt service payments
- As Enterprise funds, the primary revenue source is fees for service
- Utility Fund budgets and proposed rates will be presented in greater detail at the Council/Commission meeting on October 20, 2025

Water Fund Cash Flow



Questions?