



Minnetonka, Minnesota Annual Comprehensive Financial Report

For the year ended Dec. 31, 2023





CITY OF
MINNETONKA

Annual Comprehensive Financial Report

**Of the City of
Minnetonka, Minnesota**

For the Year Ended December 31, 2023

Mike S. Funk – City Manager

Darin R. Nelson – Finance Director/Treasurer

Joel W. Merry – Assistant Finance Director

Zach J. Hecksel – Senior Accountant

Prepared by: Department of Finance

**Members of Government Finance Officers Association
of the United States and Canada**



CITY OF
MINNETONKA

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Hennepin County, Minnesota
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City of Minnetonka
 Hennepin County, Minnesota
 Elected Officials and Administration
 As of December 31, 2023

Elected Officials	Position	Term Office Expires
Brad Wiersum	Mayor	December 31, 2025
Deb Calvert	Council Member at Large	December 31, 2025
Kimberly Wilburn	Council Member at Large	December 31, 2025
Brian Kirk	Council Member - Ward 1	December 31, 2023
Rebecca Schack	Council Member - Ward 2	December 31, 2023
Bradley Schaeppi	Council Member - Ward 3	December 31, 2023
Kissy Coakley	Council Member - Ward 4	December 31, 2023

Administration	Position
Michael S. Funk	City Manager
Moranda J. Dammann	Assistant City Manager
Darin R. Nelson	Finance Director/Treasurer
Joel W. Merry	Assistant Finance Director



MINNETONKA
COMMUNITY

MINNETONKA CITY COUNCIL
(Economic Development Authority)

Mayor Brad Wiersum

Council Members at Large: Ward Representation
 Seat A: Deb Calvert Ward 1: Patsy Foster-Bolton
 Seat B: Dr. Kimberly Wilburn Ward 2: Rebecca Schack
 Ward 3: Paula Ramaley
 Ward 4: Kissy Coakley

City Attorney
Corrine Heine

CITY MANAGER
Mike Funk

BOARDS & COMMISSIONS
 Charter Commission
 Planning Commission
 Economic Development Advisory Committee
 Park Board
 Senior Citizen Advisory Board
 Sustainability Commission
 Diversity, Equity and Inclusion Commission

PUBLIC SAFETY

PUBLIC WORKS

RECREATION

DEVELOPMENT SERVICES

ADMINISTRATION

POLICE
Chief Scott Boerboom

Patrol
Investigation
Support Services

PUBLIC WORKS
Will Manchester

Streets
Water & Sewer
Engineering
Parks, Buildings &
Grounds
Natural Resources
Recycling

RECREATION SERVICES
Kelly O'Dea

Recreation programs
Ice Arena
Williston Center
Gray's Bay Marina
Senior Services

COMMUNITY DEVELOPMENT
Julie Wischnack

Inspections
Environmental Health
Licensing
Planning & Zoning

ADMINISTRATIVE SERVICES
Moranda Dammann

City Clerk & Elections
Human Resources
Payroll
Information Technology
Communications
Risk Management

FIRE
Chief Kevin Fox

Emergency Management
Inspection
Prevention
Response

FINANCE
Darin Nelson

Accounting
Budget
Utility Billing
Assessing
Special Assessments

LEGAL
Corrine Heine

Prosecution
Legal advice to the city



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June 14, 2024

Honorable Mayor, Members of the City Council and Minnetonka Community Members:

The Annual Comprehensive Financial Report of the City of Minnetonka, Minnesota (the city) for the fiscal year ended December 31, 2023 is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and meets the requirements of the State Auditor's Office.

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

The city's financial statements have been audited by BerganKDV, Ltd. The goal of the independent audit was to provide reasonable assurance that the financial statements of the city for the year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was reasonable basis for rendering an unmodified opinion that the city's financial statements, for the year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

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

City Profile

Minnetonka is a suburban community located eight miles west of Minneapolis in Hennepin County. The city has a land area of 28 square miles, and its 2023 population estimate of 54,474 makes it the eighteenth largest city in Minnesota. Minnetonka enjoys an excellent location, with convenient access to the Minneapolis-Saint Paul metropolitan area via interstate highways I-494 and I-394. Interstate 394 runs from Minnetonka east to Minneapolis, and is a primary, 15-minute commuter route to downtown Minneapolis. The city is also just 15 minutes from the Minneapolis-Saint Paul International Airport.

Incorporated in 1956, and later transformed from a village to a city in 1968, the city operates under the council-manager form of government. Policymaking and legislative authorities are vested in the governing council, which consists of a mayor and a six-member council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the government's manager. The council is elected on a nonpartisan basis. The mayor and council members are elected to four-year staggered terms. The city manager is responsible for carrying out the policies and ordinances of the governing council, overseeing the day-to-day operations of the government, and assigning appropriate responsibility and authority to city staff for the efficient and effective delivery of city services.

With a staff of around 280 regular, full-time equivalent employees, the city provides its residents and businesses with a full range of municipal services consisting of public safety (police, fire, and environmental health), public works, parks and recreation, development, engineering, and general administrative services. It also operates five enterprises: a public water and sewer utility, a storm water utility, fitness center, a marina, and an environmental recycling program.

The city is also financially accountable for the Economic Development Authority (EDA), which is included in the city’s financial statements as a blended component unit. Additional information on the EDA is located in Note 1 in the notes to the financial statements.

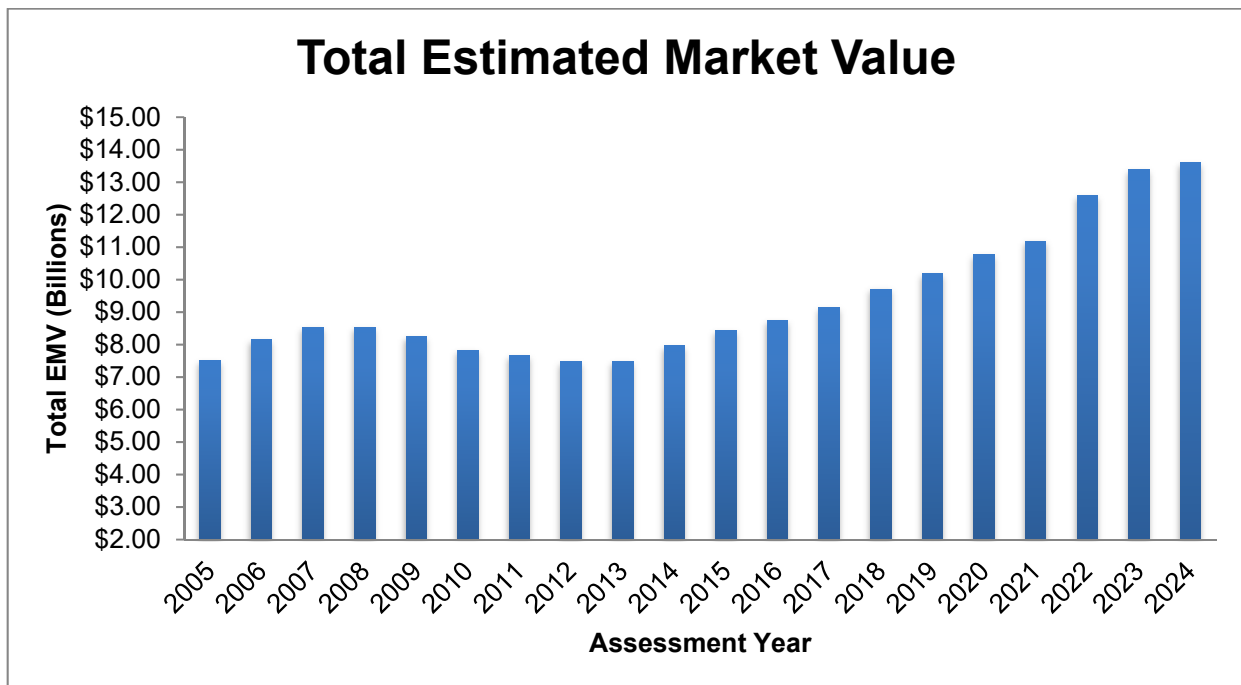
The annual budget serves as the foundation for the city’s financial planning and control. Departments submit budget requests in July to the finance department and the city manager presents the proposed budget to the City Council for review prior to September 30 of each year. Budget workshops are held in May, June and August with the council. The council holds a public meeting on the proposed budget and adopts the final budget in December each year.

Budgetary monitoring, by departments or divisions and by category, is required by the City Charter. Management may alter the budget within a fund but cannot exceed the total budgeted expenditures for the fund that was approved by the City Council.

Economic Conditions and Outlook

The last update of the city’s 2040 Comprehensive Guide Plan estimates the city’s population will reach 61,500 by 2040, with nearly 28,300 households. The anticipated increase of nearly 7,400 new residents comprised of 4,698 new households over the next two decades will create the demand for a diverse range of housing options.

The following chart summarizes the city’s annual market value since 2005.



The city’s estimated market value increased from \$13.4 billion to \$13.6 billion from assessment years 2023 and 2024, respectively, an increase of 1.5 percent.

Minnetonka serves as the corporate headquarters location for many national and international businesses, including United Health Group, Cargill, Carlson Companies, Opus Group, Medica and others. The city has three premier business parks - Carlson Center, Opus Business Park, and Minnetonka Corporate Center. These offer excellent locations for business that continue to experience new development and major expansion of existing businesses. As a result, Minnetonka also enjoys a large and relatively stable employment base. There are 45,981 jobs in Minnetonka, with most jobs in the professional, managerial, and retail sectors.

Since 2002, the city has been working with the Hennepin County Regional Rail Authority and the Metropolitan Council on the Southwest Light Rail Transit (LRT) project. The Southwest LRT (Green Line Extension) will connect the southwestern suburbs with Minneapolis and St. Paul. Specifically, it will enter the eastern portion of Minnetonka near the Shady Oak Road/Excelsior Boulevard area and travel south through the Opus Area, before continuing into Eden Prairie, the suburb on the southern border of the city. Full engineering design plans were completed in 2016, construction began in 2019, and the route is expected to be operational in 2027.

In anticipation of LRT, the city has seen significant investment in the Opus Area, an area of over 640 acres. Investments since 2016, additional developments have been constructed including redevelopment of a former office site into a 330-unit multi-family apartment project; a 482-unit senior and general occupancy affordable apartment complex; a 350 unit market rate apartment, a 250 unit apartment and a 275 unit apartment just south of the LRT station platform. A total of 1,921 units have been built in this area, and additional development is currently under review by the city. The city's multi-year capital budget includes nearly \$25 million in additional funding for other key roadway and infrastructure improvements in the Opus Area that will be needed for the LRT and the anticipated redevelopment of the area.

Minnetonka is also a key location for retailing. The city is home to Ridgedale, a 1.4-million-square-foot regional shopping center. Its anchor stores include Macy's, JC Penney, Nordstrom, and Dick's House of Sport, the latter of which opened in 2022.

A number of other retail centers are clustered near Ridgedale, including Ridgehaven Mall (which is anchored by a Target store and Lunds & Byerlys grocery store), Ridge Square North, Ridge Square South, Ridgedale Festival, and West Marine Plaza. The Ridgedale area is also home to a Hennepin County Service Center, District Court, a Regional Library, and the Ridgedale YMCA. According to a current study conducted by the city, the area has, on average, 1.3 million visitors per month.

In 2013, the city completed a master planning study of the Ridgedale area, and in 2017, the city developed the award winning Public Realm Guidelines for the area. These documents include both retail and residential plans encompassing land use, design, transportation, and pedestrian connections as part of a complete vision for the area. In 2016, the Highland Bank site was fully redeveloped into 134 units of apartments with ground floor retail, and in 2018, the TCF Bank site was reconstructed and redeveloped to add retail shops to its parcel. Two more sites within and adjacent to the mall are complete, adding higher density residential to the area, a 77-unit luxury apartment building and a 168-unit active adult apartment building. The city has now completed reconstruction of the road around the mall to include three traffic circles, a landscaped boulevard, and extensive pedestrian and biking pathways along both sides that connects a new 2-acre public park and additional park amenities at an adjacent public lake.

Interest in economic development continues along the I-394 corridor in Minnetonka. Since the Crest Ridge redevelopment project completed its first phase of construction in 2008, a second phase with 150 units of multi-family senior apartments was completed in early 2019. An additional project along 394, with 174 market rate units was completed in 2020. Amira, a new 55 plus community completed its construction in 2022 with 167 units. Another 197 apartment units are also under construction along I-394.

Minnetonka has worked hard to provide more affordable housing in the community and has added nearly 1200 affordable units since 2016. In many new developments underway since 2016, the city has been successful in incorporating affordable housing within market rate multi-unit projects. These include the Overlook Apartments, At Home Apartments, Cherrywood Pointe, The Pointe, Legends at Shady Oak, Shady Oak Crossing, The Birke and the RiZe, Applewood Pointe, Station Apartments, Amira, Shady Oak Apartments, Marsh Run, Amira, Greystar, and Opus Station. The city has approved over 3,700 units of housing in the last ten years.

Since 2001, the city has financially assisted Homes within Reach – also known as West Hennepin Affordable Housing Land Trust (WHAHLT) in preserving 62 scattered-site affordable, owner occupied homes in Minnetonka through a land trust model.

Minnetonka has a history of strong construction activity, including large new buildings and the expansion of existing buildings, and this continues today. In 2022, the city issued permits valued at \$374 million of construction. While 2023 brought in \$184 million of construction, commercial tenant remodeling is strong. Residential additions, new construction and remodeling also continues to be a significant part of Minnetonka's construction activity at approximately \$75 million; the largest in the city's history.

Important Plans, Current Projects and Future Prospects

In 2016, the city completed a process of community engagement to update its Strategic Profile. This strategic plan articulates the city's mission, goals and strategies and thereby guides the government's organizational management, use of resources, development and capital investments. Progress in achieving the stated goals and strategies is jointly reviewed and updated annually by the city council and staff. The Strategic Profile was revamped in 2020 to incorporate the city's vision, amend its mission statement and incorporate guiding principles. The Strategic Profile strengthens the city's focus and attention on inclusion and sustainability.

In lockstep with the Strategic Profile process in 2018, the city completed an update to its 20-year Comprehensive Plan, which specifically guides the city's development and land use through the year 2040. The last version of the plan, which was completed in 2008, provides detailed analysis on thirteen "village" and "regional" centers, where there are development and redevelopment opportunities to encourage vitality, promote identity and improve livability.

These plans affect a full array of city facilities, and Minnetonka has a record of adding and/or refurbishing such public facilities as they enhance the quality of life in the community. In addition to 11 athletic fields, 16 ice rinks including an ice arena with two sheets, and a boat marina, major city facilities include:

Williston Center – The city acquired its fitness center in 1995, and expansion and renovation projects were completed in 1998 as well as in 2011. Since the latest remodeling, the center has experienced unprecedented growth in its use, quadrupling membership from around 2,100 in 2009 to approximately 9,500 members as of 2019.

The COVID-19 pandemic mandated closing the facility for a numbers of months in 2020 resulting in an operating loss of over \$750,000. Visits to the facility increased in 2021, but not to levels experienced prior to the pandemic. The facility again experienced an operating loss in 2021 of \$387,000 and a subsequent loss of \$617,000 in 2022. 2023 membership visits were back to pre-pandemic levels and the facility experienced a net income for the first time since 2019. Membership levels in 2024 have now surpassed 10,000.

Shady Oak Beach – The beach has been operated jointly by the cities of Minnetonka and Hopkins for many decades and includes shower room facilities, concession stand, a children's play area, diving platform and picnicking facilities. In 2010, the city renovated the facility's play area and related equipment in order to meet new state standards and update some of the amenities.

Neighborhood and community parks – In 2012, Minnetonka completed a significant renewal of 42 neighborhood and community parks, which was begun a decade earlier. The parks renewal program, and related open space acquisitions, were funded through a \$15 million referendum passed in 2001. Since the program's completion, the city has incorporated into its capital program a long term, annually funded, capital maintenance plan for all of its 50 parks, to avoid the need for future such referendums. Additionally, an \$8.51 million investment in the new Ridgedale Commons park adjacent to the Ridgedale mall opened June 1, 2023. This park is a public-private partnership in which a majority of the park development is funded by private development fees and donation of the park land.

Public trails, sidewalks and pedestrian features – The city currently maintains over 105 miles of trails and sidewalks throughout its boundaries and in 2016 completed an update to its long-range plan for completing and improving the system to enhance safety and sustainable transportation. In 2018, the city council authorized expansion of a current utility franchise agreement and the addition of another franchise agreement, which garners fee revenue to support the build-out of the plan over time. The city's 2023-2027 capital improvement program incorporates that ongoing funding mechanism to pay for the construction of four more trail miles by the end of 2027.

Public Safety Facility renovation and expansion – The city's central fire station was built over 45 years ago and the adjoining police station over 30 years ago. During this time service call volumes have increased exponentially, requiring an increase in both fire and police staff. The City Council approved in September 2019 the construction of a new fire station on the city campus and repurposing the existing police and fire facility into a remodeled police station. The city issued \$25 million of capital improvement bonds in January 2020 for the construction of this \$30 million project that was completed in the fall of 2021.

The Marsh Wellness Center – A wellness center adjacent to the city hall campus, owned by the YMCA at the Marsh, LLC, was put on the market in October 2022. Given the site location and the programming needs the additional space would provide, the City Council submitted an offer and closed on the purchase in March 2023, with a purchase price of \$4.275 million. The city reopened the facility in May 2023 and have since undertaken a public engagement study over the past year to determine the long-range vision and needs of the community as it relates to this facility and other city recreational facilities. The city council is in the discussion stage of determining next steps for The Marsh and other recreational facilities.

The city conducts an annual community-wide survey to gauge its citizens' satisfaction of city services as well as help the organization direct its planning and services towards the goals supported by its constituency. Results of the statistically significant survey consistently indicate substantial support for prioritizing preservation of natural resources and open space. As a result, the Strategic Profile, comprehensive plan and other actions by the city emphasize its commitment to the areas of parks, the environment and open space.

The city preserves around 1,000 natural acres of public parkland and devotes substantial resources to the environmental stewardship as well as educating and assisting its citizens with natural resource conservation issues. With 45 to 55 percent of the city covered by a tree canopy, natural resources staff manages a vigorous program that includes diseased tree eradication and reforestation, ecosystem restoration, enforcement of natural resource ordinances, and wetland and water body evaluation and monitoring. In addition to its ongoing efforts related to elm and oak tree diseases, in 2014 the city began a multi-year plan to prepare the community for the complete loss of all ash trees in the area due to the emerald ash borer, which was discovered to be present in the city in 2019 and as of 2023 the city is considered fully infested.

The municipal and sanitary sewer systems are also covered by the comprehensive plan to ensure that its capacity and funding meet future requirements over the next 20 years. In 2015, staff began implementing a newly developed long-term capital plan along with an associated financial bonding and rate plan to maintain and strategically replace the systems' valuable infrastructure, which was originally built in the mid-1970s. The fourth bonding issue in this improvement plan was issued in 2021.

Other Financial Information

Relevant Financial Policies

In 2011, the city updated its policy regarding general fund balances to meet the Government Accounting Standard Board's (GASB's) new rules and to continue to maintain a prudent level of financial resources to protect itself against temporary revenue shortfalls or unpredicted one-time expenses or mandates. The revised policy provides that balances are committed to reserve funding for liabilities associated with compensated absences of employees and may be assigned for special purposes. Additionally, the policy requires a balance to serve as a budget stabilization reserve, which is equal to 30 to 50 percent of the following year's operating budget. Balances otherwise available above that reserve and above 40 percent of the following year's operating budget may be appropriated by the City Council only for one-time costs that have no ongoing financial commitments.

Similarly, the City Council established policy goals for cash fund balances in the city's water and sanitary sewer enterprise fund in 2012. The goals encompass both operating and capital reserves and will continue to serve as significant benchmarks for ongoing implementation of the aforementioned infrastructure and financial plan.

The City Council also has established a written capital improvement policy that prioritizes funding and requires fund balance guidelines for each capital fund. Projects are ranked: first, those that are related to public health and safety and legal mandates; second, those that help maintain or make existing systems more efficient; and third, those that expand existing systems, provide new services, or are for general community betterment. The policy further provides that fund balance guidelines be established to reflect subsequent-year budget needs, annual cash flow requirements, replacement reserves and potential contingencies. The guidelines are to be used to responsibly manage balances over the future five-year planning horizon.

The city maintains an adopted investment policy that is designed to preserve capital while attaining a market-average rate yield consistent with cash flow needs. The policy prioritizes safety, liquidity and yield in that order. The policy is consistent with Minnesota Statutes §118A which governs the investment of all public funds in the state, and the city's policy further delineates the specific instruments in which it may invest and the maximum percentage of holdings for each. Speculative investments are strictly prohibited, and the maximum average life of the portfolio, excluding investable assets of the city's capital endowment fund, is capped at five years.

Long-term Financial Planning

The city annually prepares an updated five-year Capital Improvement Program (CIP) that supports achievement of the city's long-term strategic priority of financial strength and operational excellence by providing and maintaining public facilities and infrastructure for its citizens and businesses, balanced against the constraint of available resources. The City Charter provides that amendments to the plan, including funding changes, require a higher threshold of approval through a five-vote majority rather than a simple four-vote majority.

The city also prepares an annually updated five- and ten-year Economic Improvement Program (EIP). This comprehensive strategy articulates the city's economic development priorities and allocates funding for the city's economic development programs (housing, business, transit, and redevelopment) over a multi-year planning horizon. The EIP informs the annual budget, and its development facilitates periodic review of program performance, funding gaps and any necessary policy realignment.

As part of the city's annual process in developing both its capital and operating budgets, management forecasts costs and revenues over the same five-year planning horizon as the CIP, setting initial internal goals and thresholds for budget and levy changes. This analysis aids in providing a basis for strategic actions and planning. This continued effort of forecasting capital and operating budgets has positioned the city to better handle the immediate and potential long-term economic impacts related to the COVID-19 pandemic.

The city's healthy economic base and growth, strong investment and its sound financial condition have helped maintain its "Aaa" bond rating from Moody's Investors Services. This top rating from Moody's is shared by only six percent of local governments in the U.S., including school districts.

Accounting System and Reporting

During the year, the city's accounting system is maintained primarily on a modified cash basis with certain accruals to provide financial controls. Appropriations are encumbered for major purchase amounts prior to the release of any funding to vendors. This system provides budgetary control on all operating funds at a minimum cost. At year-end, journal entries are prepared by the city's finance department staff as a preparatory step for completion of the annual financial report. The auditor's report on these financial statements accompanies the report following this letter. It should be noted that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards and an unmodified opinion was issued.

The maintenance and development of the city's accounting system requires that consideration be given to the adequacy of internal accounting controls. These controls are designed to safeguard assets against loss or unauthorized use and produce fair, reliable, and accurate financial data. The internal control structure is designed to provide reasonable but not absolute assurances. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and the estimation of costs and benefits requires estimates and judgments by management. We believe that the city's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Minnetonka for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the 40th consecutive year that the city has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report that complies with rigorous standards regularly reviewed and updated by the GFOA. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

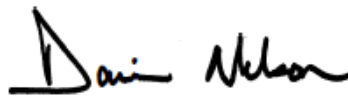
Acknowledgements

We wish to express our appreciation to the Mayor and City Council for their continued interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner. We also want to express our appreciation to Joel Merry, Assistant Finance Director, Zach Hecksel, Senior Accountant and the finance department staff for their work in preparing this report.

Respectfully submitted,



Mike S. Funk
City Manager



Darin Nelson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Minnetonka
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Minnetonka
Minnetonka, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Minnetonka's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minnetonka, Minnesota, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 of Minnetonka 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.

Emphasis of Matter - Implementation of GASB 96

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of Minnetonka's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 City of Minnetonka'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 GAAS 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 GAAS 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 of Minnetonka'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 of Minnetonka'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB, 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 of Minnetonka's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements 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 included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements 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 June 14, 2024, on our consideration of the City of Minnetonka'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Minnetonka's internal control over financial reporting and compliance.

Bergan KDV, Ltd.

Minneapolis, Minnesota
June 14, 2024

SECTION II
FINANCIAL SECTION

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2023

This section of the City of Minnetonka's (the City) annual comprehensive financial report presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements following this section.

Financial Highlights

- The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the City by \$386,140,038. Of this amount, \$93,327,375 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's net position increased by \$10,759,616 from 2023 operations. This increase was due to the City's planned operations and sound fiscal control.
- The City's governmental funds reported combined ending fund balances of \$104,724,845.

Using the Financial Section of this Annual Comprehensive Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented after the Statement of Activities. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Statement of Net Position and Statement of Activities

Our analysis of the City begins with the Statement of Net Position and the Statement of Activities. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These Statements include *all* assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two Statements report the City's *net position* and changes in them. You can think of the City's net position, the difference between assets and deferred outflows and liabilities and deferred inflows, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the *overall health* of the City.

Fund Financial Statements

Our analysis of the City's major funds begins with the funds financial statements and provides detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like grants received). The City's three kinds of funds – *governmental, proprietary and fiduciary* – use different accounting approaches.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a separate reconciliation included after the fund financial statements.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2023

Fund Financial Statements (Continued)

Proprietary funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's Enterprise Funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds – The City is the trustee, or *fiduciary*, for resources collected from homeowners associations to support ecological stewardship programs. Deposits are also held in trust to guarantee the installation and maintenance of erosion and sediment control measures, along with deposits for privately sponsored traffic studies. The resources held in a fiduciary capacity are reported in the Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Statement of Net Position

The City's *combined* net position increased from a year ago and the City's overall financial position has remained stable and healthy. By far, the largest portion of the City of Minnetonka's net position, \$268,161,802 or approximately 69.4%, reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure such as streets and the water and sewer systems). 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 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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$24,650,861 or approximately 6.4%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$93,327,375 or 24.2%, may be used to meet the City's ongoing obligations to residents and creditors. At the end of the current fiscal year, the City is able to report positive balances in both of the categories of net position reported for the government as a whole.

Governmental Activities

Current and other assets decreased by \$3,741,754. This fluctuation was mostly due to a decrease of \$3,706,429 in the net pension asset, primarily due changes in plan provisions and actuarial assumptions, as noted in the Notes to Required Supplementary Information section.

Capital assets increased by \$15,045,678. This change is primarily due to the addition of work in progress or capitalization of the purchase of The Marsh for \$4.3 million, street improvements of \$8.9 million, park improvements of \$6.8 million, machinery & auto of \$1.2 million, and offset by \$6,433,175 in depreciation in 2023.

Current and other liabilities increased by \$2,748,914 primarily due to an increase in accounts payable, and unearned revenue in comparison to the prior year.

Long-term liabilities decreased by approximately \$23,146,503, primarily due to the MNPERA-Net Pension Liability decrease of \$22,225,511 from the previous year.

Business-type Activities

Current and other assets of the City's business-type activities decreased by \$3,898,612 compared to the prior year. This was primarily due to a decrease in cash and investments of \$4,104,945, due to the acquisition of capital assets and payments to suppliers for the year.

Capital assets increased by \$3,538,255 over the past year. This increase is due primarily to additions to the utility system for the new capital improvements in the Utility Fund of approximately \$8.2 million and approximately \$1.4 million in the Storm Water fund offset by \$6,106,124 in depreciation.

Long-term liabilities decreased by \$3,092,303 due primarily to a decrease in the MNPERA-Net Pension Liability of approximately \$1.1 million, and regularly scheduled debt payments of approximately \$1.9 million.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2023

Statement of Net Position (Continued)

Business-type Activities (Continued)

Our analysis below focuses on the net position of the City's governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 131,894,267	\$ 135,636,021	\$ 29,848,406	\$ 33,747,018	\$ 161,742,673	\$ 169,383,039
Capital Assets	204,612,509	189,566,831	126,606,099	123,067,844	331,218,608	312,634,675
Total Assets	<u>336,506,776</u>	<u>325,202,852</u>	<u>156,454,505</u>	<u>156,814,862</u>	<u>492,961,281</u>	<u>482,017,714</u>
Deferred Outflows of Resources	<u>27,700,678</u>	<u>31,100,922</u>	<u>902,647</u>	<u>1,485,003</u>	<u>28,603,325</u>	<u>32,585,925</u>
Long-Term Liabilities Outstanding	55,424,298	78,570,801	33,968,121	37,060,424	89,392,419	115,631,225
Current and Other Liabilities	12,225,107	9,476,193	3,831,405	3,829,627	16,056,512	13,305,820
Total Liabilities	<u>67,649,405</u>	<u>88,046,994</u>	<u>37,799,526</u>	<u>40,890,051</u>	<u>105,448,931</u>	<u>128,937,045</u>
Deferred Inflows of Resources	<u>29,011,520</u>	<u>9,981,046</u>	<u>964,117</u>	<u>305,126</u>	<u>29,975,637</u>	<u>10,286,172</u>
Net Position:						
Net Investment in Capital Assets	172,731,521	159,198,487	95,430,281	90,839,291	268,161,802	250,037,778
Restricted	24,650,861	23,672,558	-	-	24,650,861	23,672,558
Unrestricted	70,164,147	75,404,689	23,163,228	26,265,397	93,327,375	101,670,086
Total Net Position	<u>\$ 267,546,529</u>	<u>\$ 258,275,734</u>	<u>\$ 118,593,509</u>	<u>\$ 117,104,688</u>	<u>\$ 386,140,038</u>	<u>\$ 375,380,422</u>

Statement of Activities

Governmental Activities

The net position of the City's governmental activities increased by \$9,270,795, or 3.6%. This increase is due to a variety of factors including, an increase in property taxes by \$2,386,671 due to the increased tax levy from the prior year and the related additional collections along with a one-time public safety aid contribution of \$2,393,864 from the State of Minnesota.

Charges for services decreased by \$1,778,697. This decrease can be attributed to decreased building permit fees in comparison to 2022. Investment earnings increased from the prior year by \$9,127,396 and came in over budget by \$2,015,387. Investment earnings increased due in part to higher interest rates compared to the prior year along with reversing a portion of the large negative yearend fair value adjustment from the prior year. Operating grants and contributions increased by \$651,857. Capital grants and contributions increased by \$2,564,450 due primarily to timing of municipal state construction aid in comparison to the prior year. In addition, the City continued the enhanced road revitalization program started in 2006, which includes overlay or reconstruction of every local street adding approximately \$8.8 million in infrastructure assets offset by annual depreciation expense.

Business-Type Activities

Business-Type Activities net position increased \$1,488,821, or 1.3%. The majority of this increase was due to operating revenues exceeding operating expenditures by \$7,968,119, offset by depreciation expense of \$6,106,124 and transfers out of \$1,248,600.

Investment income increased by \$2,446,147 during 2023 due to an increase in interest earnings from better investment market conditions. Investment Income was over budget by \$712,637.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2023

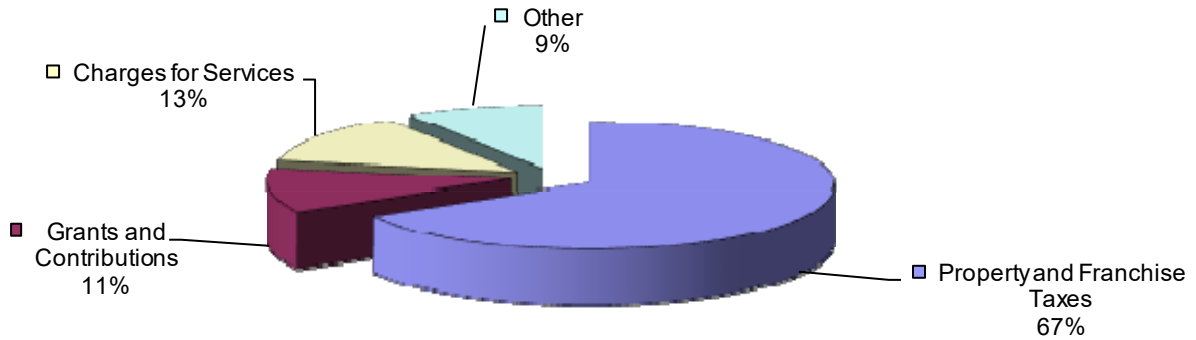
Statement of Activities
December 31, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 10,262,124	\$ 12,040,821	\$ 26,638,998	\$ 25,154,276	\$ 36,901,122	\$ 37,195,097
Operating Grants and Contributions	4,669,705	4,017,848	403,149	211,237	5,072,854	4,229,085
Capital Grants and Contributions	3,635,168	1,070,718	-	-	3,635,168	1,070,718
General Revenues:						
Property Taxes	47,614,272	45,227,601	-	-	47,614,272	45,227,601
Franchise Taxes	4,036,918	3,968,581	-	-	4,036,918	3,968,581
Tax Increments	2,543,633	4,372,109	-	-	2,543,633	4,372,109
Investment Earnings (Loss)	4,622,787	(4,504,609)	1,282,437	(1,163,710)	5,905,224	(5,668,319)
Sale of Capital Assets	136,465	40,234	27,886	-	164,351	40,234
Other General Revenue	37,988	41,171	-	-	37,988	41,171
Total Revenues	77,559,060	66,274,474	28,352,470	24,201,803	105,911,530	90,476,277
Expenses						
General Government	8,817,981	8,213,437	-	-	8,817,981	8,213,437
Public Safety	24,900,532	21,140,215	-	-	24,900,532	21,140,215
Public Works	15,415,231	15,886,568	-	-	15,415,231	15,886,568
Parks and Recreation	12,107,191	9,717,092	-	-	12,107,191	9,717,092
Development Services	7,614,833	8,741,315	-	-	7,614,833	8,741,315
Unallocated Interest on Long-Term Debt	681,097	710,665	-	-	681,097	710,665
Water and Sewer Utilities	-	-	19,526,208	16,076,450	19,526,208	16,076,450
Environmental	-	-	1,342,068	1,389,029	1,342,068	1,389,029
Williston Fitness Center	-	-	2,698,258	3,009,976	2,698,258	3,009,976
Grays Bay Marina	-	-	230,219	214,608	230,219	214,608
Storm Water	-	-	1,818,296	1,904,161	1,818,296	1,904,161
Total Expenses	69,536,865	64,409,292	25,615,049	22,594,224	95,151,914	87,003,516
Change in Net Position						
Before Transfers	8,022,195	1,865,182	2,737,421	1,607,579	10,759,616	3,472,761
Transfers	1,248,600	1,127,200	(1,248,600)	(1,127,200)	-	-
Increase in Net Position	9,270,795	2,992,382	1,488,821	480,379	10,759,616	3,472,761
Net Position - Beginning	258,275,734	255,283,352	117,104,688	116,624,309	375,380,422	371,907,661
Net Position - Ending	\$ 267,546,529	\$ 258,275,734	\$ 118,593,509	\$ 117,104,688	\$ 386,140,038	\$ 375,380,422

City of Minnetonka
 Hennepin County, Minnesota
 Management's Discussion and Analysis (Unaudited)
 December 31, 2023

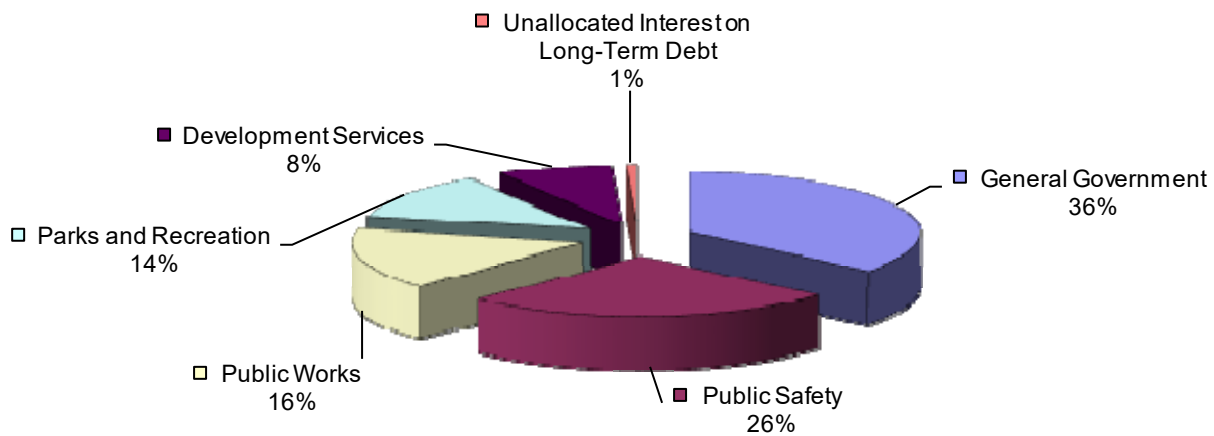
The following chart visually illustrates the City's revenue by source for its governmental activities:

Revenue by Source - Governmental Activities



The following chart visually illustrates the City's expense by function for its governmental activities:

Expense by Function - Governmental Activities



City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2023

Financial Analysis of the City's Major Funds

Governmental Funds

General Fund

In 2023, the City's General Fund fund balance decreased by \$1,693,241. The decreased fund balance is due to total revenues and other financing sources coming in higher than prior year by \$1,759,296 and expenditures and other financing uses coming in higher than prior year by \$5,478,417. These changes from prior year can be most attributed to budgeted changes from prior year.

The General Fund resulted in actual expenditures being \$513,325, or 1.1% under the final budget. The city had budgeted a decrease in fund balance by approximately \$3,001,723 after transfers.

Total actual revenues were \$800,658 more than budgeted mainly due to licenses and permits revenue coming in higher than budget by \$349,968. Other revenues came in higher than budget by \$420,969, primarily due to a conservative budget in investment income for 2023. Property taxes collected were \$329,201 less than budgeted due to a combination of delinquent taxes and property tax refunds for property valuation settlements occurring during the current year. Charges for services were higher than budgeted by an additional \$132,266.

Community Investment Fund

The increase in available fund balance of \$907,392 in the Community Investment fund balance was due primarily to an increase in investment earnings of \$844,392 due to more favorable investment conditions in 2023.

Street Improvement Fund

The City maintained the Street Improvement levy in order to sufficiently fund the multi-year road revitalization and preservation program. Many of the reconstruction projects cost more than the yearly street improvement levy allocation, forcing the City to build up reserves over multiple years to pay for upcoming reconstruction projects. In 2023, the Street Improvement fund balance decreased \$2,519,170, primarily due to capital outlay expenditures of \$11,163,076 for street projects. The fund received property tax revenues of \$6,080,000, intergovernmental revenues of \$899,933 and transfers in of \$1,450,000.

The Marsh Facility Improvement Fund

The City purchased The Marsh in 2023 for approximately \$4.3 million, causing a decrease in the fund balance of \$4,677,705. The total capital outlay expenditures were \$4,547,223 for 2023.

Proprietary Funds

Water and Sewer Utilities

In 2023, the net position of the Water and Sewer Utilities Fund decreased by \$11,135. This decrease was due primarily to an operating income of \$300,667 and investment income of \$1,112,160, offset by transfers out in the amount of \$814,000 and bond interest expense of approximately \$755,000.

Environmental Fund

In 2023, the net position of the Environmental Fund decreased by \$13,844. The decrease was due to operating revenues exceeding operating expenditures by \$105,668, intergovernmental revenue of \$96,841 and an offset of \$220,600 due to transfers out to the General Fund for administrative costs.

Williston Fitness Center

The net position of the Williston Fitness Center Fund increased by \$147,537 primarily due to operating revenues exceeding operating expenditures by \$191,394, offset by transfers out to the General Fund in the amount of \$54,200 for administrative costs.

Gray's Bay Marina

In 2023, the net position of the Gray's Bay Marina Fund increased by \$54,850. This increase was due primarily to an operating income of \$31,459, which includes depreciation expense of \$24,651, and investment income of \$35,991. The fund had transfers out in the amount of \$12,600.

City of Minnetonka
Hennepin County, Minnesota
Management's Discussion and Analysis (Unaudited)
December 31, 2023

Financial Analysis of the City's Major Funds (Continued)

Proprietary Funds (Continued)

Storm Water

The net position of the Storm Water Fund increased by \$1,394,407, or 4.1%, as user charges exceeded operating expenses for the current year. The fund had \$1,032,446 in depreciation expense, an investment income of \$119,696 and transfers out of \$147,200 during 2023.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget once. This revision was performed in the fall, when the City prepared next year's budget. To meet current and future service needs of the Minnetonka community, various long-term strategies were enacted and continued during 2023. These strategies include various new ways of doing business such as: cooperative services agreements with other agencies and productivity investments that help deliver core services more efficiently.

Capital Assets

At the end of 2023, the City had \$331,218,608 invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$18,583,933 from the prior year. Some of the major causes for this increase are due to the Tonka-Woodcroft street and utilities rehab project for approximately \$9 million, the Carlson Parkway, Cheshire Parkway, Cheshire Lane, and Gleason Lake Road project for approximately \$4.2 million, the purchase of The Marsh for approximately \$4.3 million, and the trail improvement plan for Minnetonka Boulevard for approximately \$3.3 million. The total depreciation expense for 2023 was \$12,684,530.

The City's fiscal year 2024 capital budget appropriates another \$21.7 million for capital projects, of which approximately \$10.9 million will be for infrastructure projects. The remainder will be spent on replacement vehicles, building improvements, open space and recreational amenities as well as future investments in technology and equipment.

Please refer to Note 4.C. for a schedule of the City's capital asset activity.

Long-Term Debt

At year-end, the City had \$60,391,538 in bonds outstanding versus \$63,039,287 last year, a decrease of \$2,647,749. This decrease was due to regularly scheduled debt payments.

The City continues to carry an "Aaa" bond rating from Moody's Investors Services.

More detailed information about the City's long-term debt is presented in Note 4.F. to the financial statements.

Economic Factors and Next Year's Budget

The City takes a responsible long-term perspective with financial planning and management. We make decisions with the future in mind to insure our ongoing capacity to provide quality services to our residents and businesses and the 2024 budget continues to reflect this long-term perspective.

The 2024 budget continues to reflect the City's strategic profile and its six strategic priorities. These strategic priorities continue to represent the focus of city programs and projects. For more information on the City's strategic profile, please visit <https://www.minnetonkamatters.com/strategic-profile>.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Minnetonka Finance Department at 14600 Minnetonka Blvd., Minnetonka, Minnesota 55345, (952) 939-8200; or dnelson@minnetonkamn.gov.

**BASIC
FINANCIAL STATEMENTS**

City of Minnetonka
Hennepin County, Minnesota
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Investments (Including Cash Equivalents)	\$ 110,664,156	\$ 25,599,460	\$ 136,263,616
Receivables:			
Accounts Receivable	2,150,626	3,161,375	5,312,001
Loans Receivable	1,163,530	-	1,163,530
Interest Receivable	448,232	84,376	532,608
Taxes Receivable	468,991	-	468,991
Special Assessments Receivable	3,644,691	301,707	3,946,398
Lease Receivable	5,402,325	-	5,402,325
Due from Other Governments	3,759,349	208,451	3,967,800
Internal Balances	(404,177)	404,177	-
Prepaid Items	437,852	-	437,852
Land Held for Resale	666,800	-	666,800
Inventories	385,632	88,860	474,492
Net Pension Asset	3,106,260	-	3,106,260
Capital Assets, Net of Related Depreciation and Amortization at Historical Cost:			
Land - Nondepreciable	22,803,336	1,412,611	24,215,947
Construction in Progress - Nondepreciable	50,322,451	21,629,699	71,952,150
Buildings	41,320,124	7,181,866	48,501,990
Improvements Other than Buildings	1,436,246	1,663,824	3,100,070
Machinery and Equipment	7,104,130	1,927,609	9,031,739
Infrastructure	80,737,231	92,790,490	173,527,721
Right-to-Use Lease Asset	645,624	-	645,624
Right-to-Use Subscription Asset	243,367	-	243,367
Total Assets	336,506,776	156,454,505	492,961,281
Deferred Outflows of Resources:			
Other Postemployment Benefits	2,298,723	286,376	2,585,099
Pensions	25,401,955	616,271	26,018,226
Total Deferred Outflows of Resources	\$ 27,700,678	\$ 902,647	\$ 28,603,325

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Net Position (Continued)
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Salaries and Wages Payable	\$ 1,050,711	\$ 121,542	\$ 1,172,253
Accounts and Contracts Payable	5,488,427	1,221,087	6,709,514
Incurred but Not Reported Claims	232,453	-	232,453
Due to Other Governments	30,087	32,963	63,050
Accrued Interest Payable	303,514	378,257	681,771
Other Liabilities	1,611,312	-	1,611,312
Unearned Revenue	524,034	82,340	606,374
Noncurrent Liabilities:			
Total OPEB Liability			
Due Within One Year	130,501	32,625	163,126
Due in More than One Year	3,075,008	366,718	3,441,726
MNPERA-Net Pension Liability			
Due in More than One Year	22,862,019	2,142,180	25,004,199
Bonds Payable, net:			
Due Within One Year	810,000	1,770,000	2,580,000
Due in More than One Year	26,478,919	31,332,619	57,811,538
Compensated Absences/Severance Payable:			
Due Within One Year	1,863,613	192,591	2,056,204
Due in More than One Year	2,324,200	126,604	2,450,804
Lease Liability:			
Due Within One Year	34,381	-	34,381
Due in More than One Year	629,022	-	629,022
Subscription Liability:			
Due Within One Year	146,074	-	146,074
Due in More than One Year	55,130	-	55,130
Total Liabilities	<u>67,649,405</u>	<u>37,799,526</u>	<u>105,448,931</u>
Deferred Inflows of Resources:			
Other Postemployment Benefits	2,191,348	273,000	2,464,348
Pensions	21,709,767	691,117	22,400,884
Lease Receivable	5,110,405	-	5,110,405
Total Deferred Inflows of Resources	<u>29,011,520</u>	<u>964,117</u>	<u>29,975,637</u>
Net Position:			
Net Investment in Capital Assets	172,731,521	95,430,281	268,161,802
Restricted for:			
Public Safety	2,885,828	-	2,885,828
Debt Service	1,809,077	-	1,809,077
Economic Development	16,247,552	-	16,247,552
Public Works	348,936	-	348,936
Cemetery Operations	145,842	-	145,842
Grants	107,366	-	107,366
Net Pension Asset	3,106,260	-	3,106,260
Unrestricted	<u>70,164,147</u>	<u>23,163,228</u>	<u>93,327,375</u>
Total Net Position	<u>\$ 267,546,529</u>	<u>\$ 118,593,509</u>	<u>\$ 386,140,038</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 8,817,981	\$ 164,918	\$ 7,802	\$ -	\$ (8,645,261)	\$ -	\$ (8,645,261)
Public Safety	24,900,532	1,551,379	3,923,407	187,000	(19,238,746)	-	(19,238,746)
Public Works	15,415,231	177,557	76,740	3,214,240	(11,946,694)	-	(11,946,694)
Parks and Recreation	12,107,191	4,550,692	18,459	-	(7,538,040)	-	(7,538,040)
Development Services	7,614,833	3,817,578	643,297	43,271	(3,110,687)	-	(3,110,687)
Unallocated Interest on Long-Term Debt	681,097	-	-	190,657	(490,440)	-	(490,440)
Total Governmental Activities	69,536,865	10,262,124	4,669,705	3,635,168	(50,969,868)	-	(50,969,868)
Business-Type Activities:							
Water and Sewer Utilities	19,526,208	19,008,772	117,204	-	-	(400,232)	(400,232)
Environmental	1,342,068	1,447,736	96,841	-	-	202,509	202,509
Williston Fitness Center	2,698,258	2,883,980	-	-	-	185,722	185,722
Grays Bay Marina	230,219	259,515	-	-	-	29,296	29,296
Storm Water	1,818,296	3,038,995	189,104	-	-	1,409,803	1,409,803
Total Business-type Activities	25,615,049	26,638,998	403,149	-	-	1,427,098	1,427,098
Total Governmental and Business-Type Activities	\$ 95,151,914	\$ 36,901,122	\$ 5,072,854	\$ 3,635,168	(50,969,868)	1,427,098	(49,542,770)
General Revenues:							
Property Taxes					47,614,272	-	47,614,272
Franchise Taxes					4,036,918	-	4,036,918
Tax Increments					2,543,633	-	2,543,633
Investment Earnings					4,622,787	1,282,437	5,905,224
Other General Revenue					37,988	-	37,988
Gain on Sale of Capital Assets					136,465	27,886	164,351
Transfers					1,248,600	(1,248,600)	-
Total General Revenues and Transfers					60,240,663	61,723	60,302,386
Change in Net Position					9,270,795	1,488,821	10,759,616
Net Position - Beginning					258,275,734	117,104,688	375,380,422
Net Position - Ending					\$ 267,546,529	\$ 118,593,509	\$ 386,140,038

The Notes to the Financial Statements are an integral part of this statement.

MAJOR GOVERNMENTAL FUNDS

General Fund – The general fund accounts for all revenues and expenditures of a governmental unit, which are not accounted for in other funds. It normally receives a greater variety and number of taxes and other general revenues than any other fund. This fund has flowing into it such revenues as general property taxes, licenses and permits, fines and penalties, intergovernmental revenues, charges for current services, and interest earnings. Most of the day-to-day operations of governmental units are financed from this fund.

CAPITAL PROJECTS FUNDS

Community Investment Fund – This fund was established to account for residuals from special assessment funds where the bonds have been retired. Expenditures from this fund are for projects that have a City-wide benefit.

Street Improvement Fund – This fund was established to account for the revenues and expenditures related to the reconstruction and maintenance of the local street system.

The Marsh Facility Improvement Fund – This fund was established to account for the revenues and expenditures related to the purchase, reconstruction and maintenance of The Marsh.

City of Minnetonka
Hennepin County, Minnesota
Balance Sheet - Governmental Funds
December 31, 2023

	Capital Projects					Total Governmental Funds
	General	Community Investment	Street Improvement	The Marsh Facility Improvement	Other Governmental Funds	
Assets:						
Cash and Investments (Including Cash Equivalents)	\$ 30,210,520	\$ 21,744,933	\$ 2,086,780	\$ -	\$ 53,325,955	\$ 107,368,188
Accounts Receivable	146,606	-	1,580	267	2,002,173	2,150,626
Loans Receivable	-	-	-	-	1,163,530	1,163,530
Interest Receivable	162,393	71,811	6,786	-	196,358	437,348
Property Taxes Receivable:						
Unremitted	163,128	-	-	-	77,614	240,742
Delinquent	225,967	-	-	-	2,282	228,249
Special Assessments Receivable:						
Unremitted	-	-	-	-	267	267
Current	-	-	-	-	543,474	543,474
Delinquent	-	-	-	-	9,727	9,727
Noncurrent	-	-	-	-	3,091,223	3,091,223
Lease Receivable	5,402,325	-	-	-	-	5,402,325
Due from Other Governments	456,840	-	1,676,888	-	1,625,516	3,759,244
Due from Other Funds	153,224	-	-	-	-	153,224
Advances to Other Funds	-	-	-	-	6,010,918	6,010,918
Land Held for Resale	-	-	-	-	666,800	666,800
Prepays	289,298	-	-	-	-	289,298
Inventories	277,578	-	-	-	-	277,578
Total Assets	\$ 37,487,879	\$ 21,816,744	\$ 3,772,034	\$ 267	\$ 68,715,837	\$ 131,792,761
Liabilities:						
Salaries and Wages Payable	\$ 992,306	\$ -	\$ -	\$ -	\$ 41,508	\$ 1,033,814
Accounts and Contracts Payable	703,208	-	2,175,811	-	2,505,655	5,384,674
Due to Other Governments	21,024	-	-	-	5,264	26,288
Advanced from Other Funds	-	-	-	4,677,972	1,332,946	6,010,918
Due to Other Funds	-	-	-	-	153,224	153,224
Unearned Revenues	345,419	-	-	-	92,520	437,939
Developer Escrow Deposits Payable	1,611,312	-	-	-	-	1,611,312
Total Liabilities	3,673,269	-	2,175,811	4,677,972	4,131,117	14,658,169
Deferred Inflows of Resources						
Unavailable Revenue - Federal Grants	79,140	-	-	-	-	79,140
Unavailable Revenue - Taxes	271,091	-	-	-	2,282	273,373
Unavailable Revenue - Special Assessments	-	-	-	-	3,644,425	3,644,425
Unavailable Revenue - MSA	-	-	1,676,888	-	1,625,516	3,302,404
Deferred Inflow Related to Lease Receivable	5,110,405	-	-	-	-	5,110,405
Total Deferred Inflows of Resources	5,460,636	-	1,676,888	-	5,272,223	12,409,747
Fund Balances:						
Nonspendable	566,876	-	-	-	-	566,876
Restricted	-	-	-	-	21,204,618	21,204,618
Committed	1,863,613	-	-	-	29,896,472	31,760,085
Assigned	480,900	21,816,744	-	-	9,028,731	31,326,375
Unassigned	25,442,585	-	(80,665)	(4,677,705)	(817,324)	19,866,891
Total Fund Balances	28,353,974	21,816,744	(80,665)	(4,677,705)	59,312,497	104,724,845
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 37,487,879	\$ 21,816,744	\$ 3,772,034	\$ 267	\$ 68,715,837	\$ 131,792,761

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position - Governmental Activities
December 31, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	\$ 104,724,845
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.</p>	
Cost of Capital Assets	321,359,593
Less Accumulated Depreciation and Amortization	(116,747,084)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>	
Bond Principal Payable	(26,360,000)
Unamortized Bond Discount/(Premium)	(928,919)
Compensated Absences and Severance Payable, excluding Internal Service Funds	(4,087,567)
Total OPEB Liability, excluding Internal Service Funds	(3,152,122)
Lease Liability	(663,403)
Subscription Liability	(201,204)
<p>Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
MNPORA Net Pension Liability (from pension schedules)	(22,558,798)
<p>Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the funds.</p>	
Deferred Outflows of Resources related to Pensions	25,314,723
Deferred Inflows of Resources related to Pensions	(21,611,941)
Deferred Outflows of Resources related to OPEB	2,260,438
Deferred Inflows of Resources related to OPEB	(2,154,851)
<p>Governmental funds do not report the net pension asset.</p>	
MFRA Net Pension Asset	3,106,260
<p>Delinquent property taxes, delinquent and noncurrent special assessments receivable and grants are reported as deferred inflows of resources in the fund statements as these amounts are not available in the current year.</p>	
	7,213,247
<p>Governmental funds do not report a liability for accrued interest until due and payable.</p>	
	(303,514)
<p>Internal Service Funds are used by management to charge the costs of providing insurance and fleet maintenance services for the City (See Note 2.A).</p>	
	2,336,826
Total Net Position - Governmental Activities	\$ 267,546,529

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	Capital Projects					Total Governmental Funds
	General	Community Investment	Street Improvement	The Marsh Facility Improvement	Other Governmental Funds	
Revenues:						
Taxes:						
Property	\$ 36,674,799	\$ -	\$ 6,080,000	\$ -	\$ 4,872,717	\$ 47,627,516
Franchise	-	-	-	-	4,036,918	4,036,918
Tax Increments	-	-	-	-	2,543,633	2,543,633
Special Assessments	-	-	-	-	434,700	434,700
Licenses and Permits	3,901,278	-	34,389	-	-	3,935,667
Intergovernmental	1,646,305	-	899,933	-	5,534,716	8,080,954
Charges for Services	2,074,373	-	6,952	-	1,564,135	3,645,460
Fines and Forfeitures	145,851	-	-	-	31,347	177,198
Miscellaneous						
Investment Income (Loss)	1,361,371	844,392	162,219	-	2,129,945	4,497,927
Other	1,203,098	-	10,413	-	1,314,515	2,528,026
Total Revenues	47,007,075	844,392	7,193,906	-	22,462,626	77,507,999
Expenditures:						
Current:						
General Government	6,717,922	-	-	-	786,001	7,503,923
Public Safety	20,783,339	-	-	-	47,515	20,830,854
Public Works	7,499,667	-	-	-	268,032	7,767,699
Park and Recreation	7,862,899	-	-	130,482	2,276,404	10,269,785
Development Services	3,547,188	-	-	-	3,050,276	6,597,464
Debt Service	57,600	-	-	-	1,497,832	1,555,432
Capital Outlay	-	-	11,163,076	4,547,223	11,197,916	26,908,215
Total Expenditures	46,468,615	-	11,163,076	4,677,705	19,123,976	81,433,372
Excess (Deficiency) of Revenues Over (Under) Expenditures	538,460	844,392	(3,969,170)	(4,677,705)	3,338,650	(3,925,373)
Other Financing Sources (Uses):						
Transfers In	1,494,800	63,000	1,450,000	-	2,213,501	5,221,301
Transfers Out	(3,726,501)	-	-	-	(246,200)	(3,972,701)
Proceeds on Disposition of Capital Assets	-	-	-	-	136,465	136,465
Total Other Financing Sources (Uses)	(2,231,701)	63,000	1,450,000	-	2,103,766	1,385,065
Net Change in Fund Balances	(1,693,241)	907,392	(2,519,170)	(4,677,705)	5,442,416	(2,540,308)
Fund Balances:						
Beginning of Year	30,047,215	20,909,352	2,438,505	-	53,870,081	107,265,153
End of Year	\$ 28,353,974	\$ 21,816,744	\$ (80,665)	\$ (4,677,705)	\$ 59,312,497	\$ 104,724,845

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of
Activities - Governmental Activities
For the Year Ended December 31, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds \$ (2,540,308)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	21,314,176
Depreciation Expense	(6,433,175)
Amortization Expense	(145,231)
Gain / (Loss) on Disposed Assets	(37,037)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (210,264)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,012,436

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in Compensated Absences and Severance Payable	(392,206)
Changes in Total OPEB Liability	(247,516)
Changes in Accrued Interest Payable	7,640

Net pension obligation is not recognized in the Governmental Funds but recognized as the expense/revenue is incurred in the Statement of Activities. (148,859)

Some pension expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure. (2,871,617)

Internal Service Funds are used by management to charge the costs of providing insurance for the City (See Note 2.B). (37,244)

Change in Net Position of Governmental Activities \$ 9,270,795

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget to Actual - General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 37,004,000	\$ 37,004,000	\$ 36,674,799	\$ (329,201)
Licenses and Permits	3,215,900	3,551,310	3,901,278	349,968
Intergovernmental Revenues	1,217,700	1,430,500	1,646,305	215,805
Charges for Services	1,652,400	1,942,107	2,074,373	132,266
Fines and Forfeitures	135,000	135,000	145,851	10,851
Other Revenues	1,974,200	2,143,500	2,564,469	420,969
Total Revenues	45,199,200	46,206,417	47,007,075	800,658
Expenditures:				
General Government	7,434,400	7,341,300	6,717,922	623,378
Public Safety	20,066,400	20,255,700	20,783,339	(527,639)
Public Works	7,968,100	7,872,540	7,499,667	372,873
Park and Recreation	7,910,600	7,905,000	7,862,899	42,101
Development Services	3,506,900	3,549,800	3,547,188	2,612
Debt Service	57,600	57,600	57,600	-
Total Expenditures	46,944,000	46,981,940	46,468,615	513,325
Excess of Revenues Over (Under) Expenditures	(1,744,800)	(775,523)	538,460	1,313,983
Other Financing Sources (Uses):				
Transfers In	1,494,800	1,494,800	1,494,800	-
Transfers Out	(2,871,000)	(3,721,000)	(3,726,501)	(5,501)
Total Other Financing Sources (Uses)	(1,376,200)	(2,226,200)	(2,231,701)	(5,501)
Net Change in Fund Balance	(3,121,000)	(3,001,723)	(1,693,241)	1,308,482
Fund Balances:				
Beginning of Year	30,047,215	30,047,215	30,047,215	-
End of Year	\$ 26,926,215	\$ 27,045,492	\$ 28,353,974	\$ 1,308,482

The Notes to the Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

Enterprise Funds – These funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public. Minnetonka’s enterprises include the public utility engaged in the provision of water and sewer services, an environmental fund, a fitness center, a storm water fund, and a marina and public access to Lake Minnetonka.

Internal Service Funds – The City has two internal service funds, the Self-Insurance Fund and the Fleet Maintenance Fund, that respectively account for the risk management and fleet maintenance services provided to other City departments on a cost-reimbursement basis

City of Minnetonka
Hennepin County, Minnesota
Statement of Fund Net Position - Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water		Total Internal Service Funds
Assets and Deferred Outflows of Resources:							
Current Assets:							
Cash and Investments	\$ 19,814,309	\$ 121,250	\$ 666,783	\$ 973,292	\$ 4,023,826	\$ 25,599,460	\$ 3,295,968
Accounts Receivable	2,625,659	130,260	-	-	405,456	3,161,375	-
Interest Receivable	65,280	395	2,199	3,214	13,288	84,376	10,884
Special Assessments Receivable	301,707	-	-	-	-	301,707	-
Due from Other Governments	185,919	22,532	-	-	-	208,451	105
Prepaid Items	-	-	-	-	-	-	148,554
Inventories	88,860	-	-	-	-	88,860	108,054
Total Current Assets	23,081,734	274,437	668,982	976,506	4,442,570	29,444,229	3,563,565
Noncurrent Assets:							
Capital Assets:							
Land - Nondepreciable	247,650	-	484,381	-	680,580	1,412,611	-
Construction in Progress - Nondepreciable	14,507,610	-	-	-	7,122,089	21,629,699	-
Buildings and Structures	7,386,584	-	8,020,318	-	352,240	15,759,142	-
Water Facilities	5,266,562	-	-	-	-	5,266,562	-
Water Mains and Lines	165,739,035	-	-	-	-	165,739,035	-
Sewer Lift Stations	10,478,544	-	-	-	-	10,478,544	-
Storm Drainage System	-	-	-	-	45,911,369	45,911,369	-
Improvements Other than Buildings	3,207,924	-	224,464	740,000	-	4,172,388	-
Machinery and Equipment	7,328,686	-	316,310	13,334	1,345,027	9,003,357	-
Total Cost	214,162,595	-	9,045,473	753,334	55,411,305	279,372,707	-
Less Accumulated Depreciation	(123,400,846)	-	(4,734,720)	(555,992)	(24,075,050)	(152,766,608)	-
Net Capital Assets	90,761,749	-	4,310,753	197,342	31,336,255	126,606,099	-
Total Noncurrent Assets	90,761,749	-	4,310,753	197,342	31,336,255	126,606,099	-
Total Assets	113,843,483	274,437	4,979,735	1,173,848	35,778,825	156,050,328	3,563,565
Deferred Outflows of Resources:							
OPEB	148,703	6,757	113,238	3,366	14,312	286,376	38,285
MNPERA Pension	334,262	15,143	228,934	4,328	33,604	616,271	87,232
Total Deferred Outflows of Resources	482,965	21,900	342,172	7,694	47,916	902,647	125,517
Total Assets and Deferred Outflows of Resources	\$ 114,326,448	\$ 296,337	\$ 5,321,907	\$ 1,181,542	\$ 35,826,741	\$ 156,952,975	\$ 3,689,082

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Fund Net Position - Proprietary Funds (Continued)
December 31, 2023

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water		Total Internal Service Funds
Liabilities, Deferred Inflows of Resources and Net Position:							
Liabilities:							
Current Liabilities:							
Salaries and Wages Payable	\$ 68,337	\$ 2,268	\$ 43,063	\$ 1,007	\$ 6,867	\$ 121,542	\$ 16,897
Accounts Payable	1,007,389	86,699	30,895	1,007	95,097	1,221,087	103,753
Due to Other Governments	15,176	-	17,787	-	-	32,963	3,799
Incurred but Not Reported Claims	-	-	-	-	-	-	232,453
Accrued Interest Payable	378,257	-	-	-	-	378,257	-
Unearned Revenue	527	-	10,513	71,300	-	82,340	-
Current Portion of							
Compensated Absences	159,260	-	33,331	-	-	192,591	22,917
Total OPEB Liability	16,965	653	13,050	326	1,631	32,625	-
Bonds Payable	1,770,000	-	-	-	-	1,770,000	-
Total Current Liabilities	<u>3,415,911</u>	<u>89,620</u>	<u>148,639</u>	<u>73,640</u>	<u>103,595</u>	<u>3,831,405</u>	<u>379,819</u>
Long-Term Liabilities:							
Compensated Absences	61,948	-	64,656	-	-	126,604	77,329
Total OPEB Liability	190,398	8,769	144,857	4,368	18,326	366,718	53,387
MNPERA-Net Pension Liability	1,161,906	52,638	795,782	15,045	116,809	2,142,180	303,221
Revenue Bonds Payable, Net	31,332,619	-	-	-	-	31,332,619	-
Total Noncurrent Liabilities	<u>32,746,871</u>	<u>61,407</u>	<u>1,005,295</u>	<u>19,413</u>	<u>135,135</u>	<u>33,968,121</u>	<u>433,937</u>
Total Liabilities	<u>36,162,782</u>	<u>151,027</u>	<u>1,153,934</u>	<u>93,053</u>	<u>238,730</u>	<u>37,799,526</u>	<u>813,756</u>
Deferred Inflows of Resources:							
MNPERA Pension	374,858	16,982	256,738	4,854	37,685	691,117	97,826
OPEB	141,757	6,442	107,948	3,210	13,643	273,000	36,497
Total Deferred Inflows of Resources	<u>516,615</u>	<u>23,424</u>	<u>364,686</u>	<u>8,064</u>	<u>51,328</u>	<u>964,117</u>	<u>134,323</u>
Net Position:							
Net Investment in Capital Assets	59,657,321	-	4,310,753	197,342	31,264,865	95,430,281	-
Unrestricted	17,989,730	121,886	(507,466)	883,083	4,271,818	22,759,051	2,741,003
Total Net Position	<u>77,647,051</u>	<u>121,886</u>	<u>3,803,287</u>	<u>1,080,425</u>	<u>35,536,683</u>	<u>118,189,332</u>	<u>2,741,003</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 114,326,448</u>	<u>\$ 296,337</u>	<u>\$ 5,321,907</u>	<u>\$ 1,181,542</u>	<u>\$ 35,826,741</u>		<u>\$ 3,689,082</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds (See Note 2.C)						404,177	
Total Business-Type Activities Net Position						<u>\$ 118,593,509</u>	

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Total Enterprise Funds	Total Internal Service Funds
Operating Revenues:							
Water Sales and Sewer Charges	\$ 18,752,199	\$ -	\$ -	\$ -	\$ -	\$ 18,752,199	\$ -
Storm Water Charges	-	-	-	-	3,021,581	3,021,581	-
Memberships and Fees	-	-	2,795,000	124,700	-	2,919,700	-
Recycling Charges	-	1,424,747	-	-	-	1,424,747	-
Charges to City Departments	-	-	-	-	-	-	2,508,948
Other Revenue	256,573	22,989	88,980	134,815	17,414	520,771	61,043
Total Operating Revenues	19,008,772	1,447,736	2,883,980	259,515	3,038,995	26,638,998	2,569,991
Operating Expenses:							
Personnel Services	2,572,843	109,642	1,696,121	54,917	228,819	4,662,342	620,733
Supplies, Repairs and Maintenance	1,137,093	5,395	189,645	92,947	110,686	1,535,766	1,024,185
Other Services and Charges	10,129,954	1,227,031	626,008	55,541	434,237	12,472,771	1,170,171
Total Operating Expenses	13,839,890	1,342,068	2,511,774	203,405	773,742	18,670,879	2,815,089
Operating Income (Loss)							
before Depreciation	5,168,882	105,668	372,206	56,110	2,265,253	7,968,119	(245,098)
Depreciation Expense	4,868,215	-	180,812	24,651	1,032,446	6,106,124	-
Operating Income (Loss)	300,667	105,668	191,394	31,459	1,232,807	1,861,995	(245,098)
Nonoperating Revenues (Expenses):							
Investment Income (Loss)	1,112,160	4,247	10,343	35,991	119,696	1,282,437	124,860
Intergovernmental	117,204	96,841	-	-	189,104	403,149	-
Interest Expense	(755,052)	-	-	-	-	(755,052)	-
Gain (Loss) on Sales of Capital Assets	27,886	-	-	-	-	27,886	-
Total Nonoperating Revenues (Expenses)	502,198	101,088	10,343	35,991	308,800	958,420	124,860
Income (Loss) before Contributions and Transfers	802,865	206,756	201,737	67,450	1,541,607	2,820,415	(120,238)
Transfers Out	(814,000)	(220,600)	(54,200)	(12,600)	(147,200)	(1,248,600)	-
Changes in Net Position	(11,135)	(13,844)	147,537	54,850	1,394,407	1,571,815	(120,238)
Net Position:							
Net Position - Beginning	77,658,186	135,730	3,655,750	1,025,575	34,142,276		2,861,241
Net Position - Ending	\$ 77,647,051	\$ 121,886	\$ 3,803,287	\$ 1,080,425	\$ 35,536,683		\$ 2,741,003
Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Enterprise Funds (See Note 2.D.)						(82,994)	
Change in Net Position - Business-Type Activities						\$ 1,488,821	

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water	Enterprise Funds	Total Internal Service Funds
Cash Flows from Operating Activities:							
Receipts from Customers and Users	\$ 18,473,175	\$ 1,434,834	\$ 2,802,800	\$ 114,600	\$ 3,004,865	\$ 25,830,274	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	-	2,523,831
Other Revenues	256,573	22,989	88,980	134,815	17,414	520,771	61,043
Payments to Suppliers	(11,246,997)	(1,226,483)	(822,927)	(147,843)	(687,823)	(14,132,073)	(1,360,027)
Payments to Employees	(2,393,860)	(107,941)	(1,743,707)	(51,914)	(231,962)	(4,529,384)	(609,347)
Payments of Benefits on Behalf of Employees	-	-	-	-	-	-	(684,868)
Net Cash Provided (Used) by Operating Activities	<u>5,088,891</u>	<u>123,399</u>	<u>325,146</u>	<u>49,658</u>	<u>2,102,494</u>	<u>7,689,588</u>	<u>(69,368)</u>
Cash Flows from Noncapital Financing Activities:							
Intergovernmental	117,204	96,841	-	-	189,104	403,149	-
Transfers to Other Funds	(814,000)	(220,600)	(54,200)	(12,600)	(147,200)	(1,248,600)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(696,796)</u>	<u>(123,759)</u>	<u>(54,200)</u>	<u>(12,600)</u>	<u>41,904</u>	<u>(845,451)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:							
Acquisition and Construction of Capital Assets	(8,035,390)	-	-	-	(1,442,221)	(9,477,611)	-
Principal Paid on Capital Debt	(1,680,000)	-	-	-	-	(1,680,000)	-
Interest and Fiscal Charges Paid on Capital Debt	(83,808)	-	-	-	-	(83,808)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(9,799,198)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,442,221)</u>	<u>(11,241,419)</u>	<u>-</u>
Cash Flows from Investing Activities:							
Purchase of Investments	31,987,460	198,030	1,086,516	1,606,568	6,626,646	41,505,220	5,370,815
Sale of Investments	(32,211,359)	(195,138)	(1,085,064)	(1,585,989)	(6,556,867)	(41,634,417)	(5,370,815)
Interest and Dividends Received	337,375	1,314	7,854	14,911	60,080	421,534	123,741
Net Cash Provided (Used) by Investing Activities	<u>113,476</u>	<u>4,206</u>	<u>9,306</u>	<u>35,490</u>	<u>129,859</u>	<u>292,337</u>	<u>123,741</u>
Net Change in Cash and Cash Equivalents	(5,293,627)	3,846	280,252	72,548	832,036	(4,104,945)	54,373
Cash and Cash Equivalents, January 1	<u>25,107,936</u>	<u>117,404</u>	<u>386,531</u>	<u>900,744</u>	<u>3,191,790</u>	<u>29,704,405</u>	<u>3,241,595</u>
Cash and Cash Equivalents, December 31	<u>\$ 19,814,309</u>	<u>\$ 121,250</u>	<u>\$ 666,783</u>	<u>\$ 973,292</u>	<u>\$ 4,023,826</u>	<u>\$ 25,599,460</u>	<u>\$ 3,295,968</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Cash Flows - Proprietary Funds (Continued)
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental
	Water and Sewer Utilities	Environmental	Williston Fitness Center	Grays Bay Marina	Storm Water Fund	Total Enterprise Funds	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:							
Operating Income (Loss)	\$ 300,667	\$ 105,668	\$ 191,394	\$ 31,459	\$ 1,232,807	\$ 1,861,995	\$ (245,098)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities							
Depreciation Expense	4,868,215	-	180,812	24,651	1,032,446	6,106,124	-
Accounts Receivable	(131,178)	10,195	-	-	(16,716)	(137,699)	1,505
Prepaid Items	-	-	-	-	-	-	(28,889)
Due from Other Governments	(183,745)	(108)	-	-	-	(183,853)	13,378
Special Assessments Receivable	35,372	-	-	-	-	35,372	-
Inventories	(7,909)	-	-	-	-	(7,909)	(23,776)
OPEB (Deferred Outflow)	18,894	1,175	33,073	461	6,550	60,153	8,369
Pensions (Deferred Outflow)	243,380	13,216	232,129	2,719	30,759	522,203	77,665
Accounts Payable	31,174	5,943	(12,486)	645	(142,900)	(117,624)	202,126
Due to Other Governments	(3,215)	-	5,212	-	-	1,997	-
Salaries and Wages Payable	9,956	337	3,509	375	1,003	15,180	2,100
Compensated Absences Payable	40,062	-	3,172	-	-	43,234	6,248
Total OPEB Liability	(15,770)	(1,137)	(36,887)	(402)	(7,818)	(62,014)	(8,726)
Net Pension	(485,551)	(28,242)	(519,187)	(5,054)	(66,755)	(1,104,789)	(167,070)
OPEB (Deferred Inflow)	15,177	451	(2,555)	319	(2,113)	11,279	1,261
Pensions (Deferred Inflow)	352,835	15,901	239,160	4,585	35,231	647,712	91,539
Unearned Revenue	527	-	7,800	(10,100)	-	(1,773)	-
Total Adjustments	4,788,224	17,731	133,752	18,199	869,687	5,827,593	175,730
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,088,891</u>	<u>\$ 123,399</u>	<u>\$ 325,146</u>	<u>\$ 49,658</u>	<u>\$ 2,102,494</u>	<u>\$ 7,689,588</u>	<u>\$ (69,368)</u>
Noncash Investing, Capital and Financing Activities:							
Increase (Decline) in Fair Value of Investments	\$ 784,799	\$ 2,892	\$ 1,452	\$ 20,579	\$ 55,943	865,665	\$ 80,163
Amortization of Bond Premium	134,272	-	-	-	-	134,272	-
Total Noncash Transactions	<u>\$ 919,071</u>	<u>\$ 2,892</u>	<u>\$ 1,452</u>	<u>\$ 20,579</u>	<u>\$ 55,943</u>	<u>\$ 999,937</u>	<u>\$ 80,163</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Private-Purpose Trust
Assets:	
Cash and Investments	\$ 303,911
Interest Receivable	1,004
Total Assets	304,915
Liabilities:	
Accounts Payable	1,500
Net Position:	
Net Position, Held in Trust for Other Purposes	\$ 303,415

The Notes to the Financial Statements are an integral part of this statement.

City of Minnetonka
Hennepin County, Minnesota
Statement of Changes in Fiduciary Net Position -
Private-Purpose Trust Funds
For the Year Ended December 31, 2023

	Private-Purpose Trust
Additions:	
Contributions from Participants	\$ 14,713
Investment Earnings	
Interest	12,631
Total Additions	27,344
Deductions:	
Benefits	19,822
Change in Net Position	7,522
Net Position - January 1	295,893
Net Position - December 31	\$ 303,415

The Notes to the Financial Statements are an integral part of this statement.

**NOTES TO BASIC
FINANCIAL STATEMENTS**

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City was formed and operates pursuant to applicable Minnesota laws and statutes. The governing body consists of a mayor and a six member City Council with four members elected by wards and two members elected at large by voters of the City to serve four year staggered terms.

In accordance with Governmental Accounting Standards Board (GASB) guidance regarding *The Reporting Entity*, the financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and the City is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined in accordance with GASB guidance and are presented in this report as follows:

- Blended Component Unit – Reported as if they were a part of the City
- Joint Ventures and Jointly Governed Organizations – The relationship of the City with the joint venture is disclosed

For each of the categories above, the specific entities are identified as follows:

Blended Component Unit

Economic Development Authority in and for the City of Minnetonka

The Economic Development Authority (EDA) is a legally separate entity. Its governing board is comprised of the City Council and city management has operational responsibility for day to day activities. The EDA provides services regarding economic development, housing and redevelopment matters in the City. Since the EDA's governing board is substantively the same as the City's governing board, it is reported as if it were part of the City and is shown as a blended component unit. In addition, all debt issued (if any) in connection with the EDA activities requires the prior approval of the City Council, all projects require City Council approval and all debt issued (if any) is solely a general obligation of the City. The EDA has a December 31 year-end and does not issue separate financial statements. This unit is included within the Housing & Redevelopment Authority Special Revenue Fund.

Joint Ventures and Jointly Governed Organizations

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

1. Southwest Suburban Cable Commission (a Jointly Governed Organization)

Five local cities oversee the franchise agreement with Time/Warner Cable, the local cable company. The Southwest Suburban Cable Commission (Commission) is legally separate; the City does not appoint a voting majority of the Board; and the Commission is fiscally independent of the City. During 2023, the City contributed approximately \$46,316 to the Commission, which is included as an expenditure in the Special Revenue – Cable TV Fund, a nonmajor fund included with the City's other nonmajor governmental funds. Financial information can be obtained at 1010 First Street South, Hopkins, Minnesota 55343.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Joint Ventures and Jointly Governed Organizations (Continued)

2. LOGIS (a Jointly Governed Organization)

This consortium of approximately 58 governmental entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of the Board; and the consortium is fiscally independent of the City. During 2023, the City paid \$1,324,289 to this organization for services provided, which is included as expenditures/expenses of the General, Water and Sewer Utility, Capital Replacement and Technology Development Funds. Financial information can be obtained at 5750 Duluth Street, Golden Valley, Minnesota 55422-4036.

3. Independent School District 270 (Hopkins Schools) Joint Venture

The City and Hopkins Schools entered into an agreement to jointly fund the Royals Athletic Center that was completed in 1996 at Hopkins High School. The facility is owned jointly by Hopkins Schools and the City as tenants-in-common, 71% and 29%, respectively. The City is responsible for 29% of the operating costs. The City has included \$1,642,728 in capital assets as its share of the Royals Athletic Center. The City's share of the operating costs of the Royals Athletic Center for 2023 was approximately \$59,462, which is included in parks and recreation expenditures of the General Fund. Financial information can be obtained at 1001 West Highway 7, Hopkins, Minnesota 55305.

4. Independent School District 276 (Minnetonka Schools) Joint Venture

The City and Minnetonka Schools entered into an agreement to jointly fund a cultural arts center in 2000 at Minnetonka High School. At that time, the facility was jointly owned by Minnetonka Schools and the City as tenants-in-common, 55% and 45%, respectively, with the City being responsible for 50% of the annual operating costs. On July 1, 2009 the joint venture agreement was modified to accommodate Minnetonka Schools purchasing the City's share of the facility over the next seven years. In return, the City will not be responsible for any future operating and capital expenditures, and will also maintain a guaranteed number of rehearsal hours through a 20-year operating lease with Minnetonka Schools. The City's operating lease cost for 2023 was \$57,600. Additional information on this lease can be found under Note 4D Leases.

The City accounts for this investment as a joint venture in the government-wide financial statements. The joint venture does not represent current financial resources and is therefore not reported in the governmental funds. In 2015, the final payment was made bringing the balance due in this joint venture to zero. Financial information can be obtained at 5621 County Road 101, Minnetonka, Minnesota 55345.

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' SBITA activities. This statement establishes a single model for SBITA accounting based on the principle that SBITA's are financings of the right to use an underlying asset. Under this Statement, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to Note 4E.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. The Fiduciary Funds are only reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position at the fund financial statement level. 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.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

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. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds 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 fund and fiduciary fund financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Description of Funds:

Major Governmental Funds:

General Fund – This Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Capital Project Funds:

Community Investment Fund – This Fund accounts for the government’s residuals from special assessment funds where the bond has been retired. Expenditures from this Fund are for projects that have a government-wide benefit.

Street Improvement Fund – This Fund accounts for the revenues and expenditures related to the reconstruction and maintenance of the local street system.

The Marsh Facility Improvement Fund – This Fund was established to account for the revenues and expenditures related to the purchase, reconstruction and maintenance of The Marsh.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

Description of Funds (Continued):

Major Proprietary Funds:

Water and Sewer Utilities Fund – This Fund accounts for the operations of the City’s water and sewer services.

Environmental Fund – This Fund accounts for the operations of the City’s recycling services.

Williston Fitness Center Fund – This Fund accounts for the operations of the City’s fitness center.

Grays Bay Marina Fund – This Fund accounts for the operations of the City’s marina.

Storm Water Fund – This Fund accounts for the operations of the City’s storm drainage services.

Additionally, the City reports the following fund types:

Internal Service Funds – These Funds account for the risk management and fleet maintenance provided to other departments of the City on a cost-reimbursement basis.

Private Purpose Trust Funds – These Funds account for resources legally held in trust for others. The City’s three stewardship trust funds are used to account for the collection and remittance of contributions for the maintaining of wetlands in each specific development area.

The City’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government’s public utility fund, internal service funds, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. General revenues include all taxes, franchise fees and investment income.

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

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

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity

1. Deposits and Investments

The government’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.

Minnesota Statutes require all deposits made by cities with financial institutions to be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance, 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% of the deposits not covered by insurance or bonds.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

1. Deposits and Investments (Continued)

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

The City's investment policy has addressed concentration risk as to diversification and is required to limit potential losses to no more than the income generated by the portfolio. The City's policy also addresses interest rate risk by limiting the average maturity life of the portfolio to no greater than five years unless a specific exemption is required to match specific cash flows.

Unless a specific exception is provided, the maximum average life of the portfolio, excluding investable funds from the Community Investment Fund, will be five years or below. The City will also not purchase investments that, at the time of the investment, cannot be held to maturity. In addition, the policy states the City will handle its investment transactions with several legal, competing, reputable investment security dealers. The City's policy addresses credit risk by stating investments in commercial paper must have a security rating of A-1 (Moody's), P-1 (Standard & Poor's) or F-1 (Fitch) among at least two of the three rating agencies. The City's policy also addresses exposure to custodial credit risk; stating collateral shall be government securities in the amount of 110% of the excess over the current FDIC insurance amount of \$250,000.

Investments for the government are reported at fair value. The Minnesota Municipal Investment Pool is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities and is an unrated external investment pool that is valued at amortized cost with maturities of investments of one year or less.

2. 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 advances to/from other funds. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 29 is the last day the City can certify a tax levy to the County Auditor for collection during the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available.

Hennepin County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment is due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

3. Inventory and Other Assets

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

Inventories of the governmental funds are valued at average cost using the weighted average method. Inventories of the proprietary funds are valued at the lower of average cost using the weighted average method or market. Inventories of governmental funds are recorded as expenditures when consumed rather than purchased.

4. Use of Estimates

The preparation of the basic financial statement in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

5. Capital Assets

Capital assets, which include; property, plant, equipment and infrastructure assets (i.e., roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and enterprise funds in the proprietary fund statements. Capital assets are defined as assets with an initial cost of more than \$25,000 or \$100,000 depending on the asset type and an estimated useful life of greater than one year, which was updated in 2021. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

	All
Land	
Building and Structures	\$ 100,000
Improvements other than Buildings	100,000
Machinery and Auto; Furniture and Equipment	25,000
Infrastructure	
Streets	100,000
Parks	100,000
Storm Sewer System	100,000
Water & Sanitary Sewer Systems	100,000
Intangible Assets	100,000

Infrastructure has been capitalized retroactively to 1980. Carrying value of prior infrastructure assets is considered to be insignificant to the overall value of capital assets of the City. Donated capital assets are recorded at acquisition value at the date of donation. It is the City's policy to not capitalize computer software or equipment. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

5. Capital Assets (Continued)

The City's capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and Structures	40
Improvements other than Buildings	10-30
Machinery and Auto; Furniture and Equipment	5-15
Infrastructure	
Streets	35
Parks	20
Storm Sewer System	50
Water & Sanitary Sewer Systems	40

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until a future event occurs.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until a future event occurs.

7. Leases

For lease payables, the City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position. Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

For lease receivables, the City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements. Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses or revenues as incurred, and these leases are not included as lease liabilities and right-to-use lease assets or lease receivables and deferred inflows on the statements of net position.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

8. Subscription-Based Information Technology Arrangements (SBITAs)

The City determines if an arrangement is a SBITA at inception. SBITAs are included in Right-to-Use assets and subscription payable in the statements of net position.

SBITA subscriptions payable represent the City's obligation to make SBITA payments arising from the arrangement. SBITA subscriptions payable are recognized at the commencement date based on present value of expected SBITA subscriptions payments over the SBITA term, less any SBITA vendor incentives. Interest expense is recognized ratably over the contract term.

9. Compensated Absences

Under terms of union contracts and personnel policies, the City's employees are granted vacations in varying amounts depending on length of service and union contract or employee classification. All non-firefighter full-time employees accumulate eight hours of sick leave per month of service and full-time firefighters accumulate up to 12 hours of sick leave per month of service. Upon termination, depending on employee group and years of service, employees are paid for all unused vacation up to a maximum of 385 hours. Severance pay is the greater of 1/3 of unused sick leave or 4 weeks of pay plus 1 week of pay for every year of service over 10 years, up to a maximum of 13 weeks, provided the employee is eligible to receive severance pay per the City's personnel policy.

10. 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize non-current liabilities to the extent they have matured or will be liquidated with expendable, available financial resources. Bond premiums and discounts are recognized 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.

11. 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 the PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity (Continued)

12. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form, such as inventory.

Restricted – consist of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

Committed – consists of internally imposed constraints. These constraints are established by Resolution of the City Council. Only the Council can remove or change the constraints placed on committed fund balances by formal resolution.

Assigned – Consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City’s intended use. The City Council authorized the City Manager and itself to assign fund balance as necessary. These constraints are established by City Council and/or the City Manager.

Unassigned – the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the City’s policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

The City Council has formally adopted a fund balance policy for the General Fund. The City’s policy is that the City Manager will assign in the annual budget a *Budget Stabilization Reserve*, which is an amount equivalent to thirty (30) to fifty (50) percent of the following year’s operating budget. If the level of the *Budget Stabilization Reserve* falls below thirty (30) percent of the following year’s operating budget, the City will develop and implement a plan to replenish the fund. At December 31, 2023, the amount assigned to the budget stabilization reserve was \$20,473,400, or 40.0% of 2024 budgeted expenditures.

Note 2: Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “internal service funds are used by management to charge the costs of providing risk management and fleet maintenance for the City.” The details of this \$2,336,826 difference are as follows:

Net Position of the Internal Service Fund	\$ 2,741,003
Subtract: Net Position Attributed to the Business-Type Activities	(404,177)
Net Adjustment to Increase <i>Fund Balance - Total Governmental Funds</i> to Arrive at <i>Net Position - Governmental Activities</i>	\$ 2,336,826

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

**Note 2: Reconciliation of Government-Wide and Fund Financial Statements
(Continued)**

B. Explanation of Certain Differences between the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,012,436 difference are as follows:

Principal Repayments:	
General Obligation Debt	\$ 785,000
Leased Liability	33,218
Subscription Liability	145,741
Amortization of Bond Discounts and Premiums:	
General Obligation Debt - Net	48,477
Net Adjustment to Increase <i>Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities</i>	\$ 1,012,436

Another element of that reconciliation states that “Internal Service Funds are used by management to charge the costs of providing risk management and fleet maintenance for the City.” The details of this \$37,244 difference are as follows:

Change in Net Position of the Internal Service Fund	\$ (120,238)
Add: Loss from Charges to Business-Type Activities	82,994
Net Adjustment to Decrease <i>Net Change in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities</i>	\$ (37,244)

C. Explanation of Certain Differences between the Proprietary Fund Statements of Net Position and the Government-Wide Statement of Net Position

The proprietary fund statement of net position includes a reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$404,177 adjustment are as follows:

Internal Payable Representing Charges in Excess of Costs to Business-Type Activities - Prior Year	\$ 487,171
Internal Payable Representing Costs in Excess of Charges to Business-Type Activities - Current Year	(82,994)
Net Adjustment to Increase <i>Net Position - Total Enterprise Funds to Arrive at Net Position - Business-Type Activities</i>	\$ 404,177

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

**Note 2: Reconciliation of Government-Wide and Fund Financial Statements
(Continued)**

D. Explanation of Certain Differences between the Proprietary Fund Statements of Revenues, Expenses, and Changes in Fund Net Position and the Government-Wide Statement of Activities

The proprietary fund statement of revenues, expenses, and changes in fund net position includes a reconciliation between change in net position – total enterprise funds and change in net position of business-type activities as reported in the government-wide statement of activities. The description of the sole reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$82,994 adjustment are as follows:

Loss from Charges to Business-Type Activities	\$ (82,994)
Net Adjustment to Decrease <i>Net Change in Net Position - Total Enterprise Funds to Arrive at Changes in Net Position of Business-Type Activities</i>	\$ (82,994)

Note 3: Stewardship, Compliance and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General and Special Revenue Funds.

Budget amounts for the originally adopted budget and the final amended budget are approved by the City Council. Encumbrance accounting is employed in the governmental funds. Encumbrances outstanding at year end are reported as restrictions of fund balance and do not constitute expenditures of liabilities because the commitments will be reappropriated and honored during the subsequent year. Budgeted expenditure appropriations lapse at year-end.

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for all funds of the City. However, the General and Special Revenue Funds are the only funds that are legally adopted through the budgetary process as documented below.
2. Public hearings are conducted to obtain taxpayer comments.
3. The preliminary budget is legally enacted through passage of a City Council resolution by September 15.
4. The final budget is legally enacted through passage of a resolution by December 20.
5. The City Council may authorize transfer of budgeted amounts between funds.
6. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.
7. General and Special Revenue Funds expenditures may not legally exceed budgeted appropriations at the total fund level without City Council approval. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, other services and charges, capital outlay) within each activity. Budgetary monitoring, by departments or divisions and by category, is required by the City Charter. Management may alter the budget within a fund but cannot exceed the total budgeted expenditures for the fund that was approved by the City Council.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures over Appropriations

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

Fund	Final Budget	Actual	Excess of Expenditures Over Appropriations
Primary Government			
Nonmajor Funds			
Police Forfeiture Fund	\$ -	\$ 11,572	\$ 11,572
Shady Oak Lane Cemetery	-	18	18
The Marsh Special Revenue Fund	1,099,900	1,219,246	119,346

These over-expenditures were funded by greater than expected revenues and existing fund balance in each of these funds with the exception of The Marsh Fund which will be covered by future revenues.

C. Deficit Fund Equity

Major Funds	
Street Improvement Fund	\$ 80,665
The Marsh Facility Improvement Fund	4,677,705
Nonmajor Funds	
Ice Arena Fund	225,876
The Marsh Special Revenue Fund	591,448
Fleet Maintenance Fund	80,524

The Street Improvements Fund had a deficit fund balance of \$80,665 as of December 31, 2023. This fund incurred expenditures in excess of revenues and other financing sources due to various open street reconstruction projects. Future years Street Improvements allocations are scheduled to cover the deficit fund balance. In addition, the Ice Arena Fund, The Marsh Special Revenue Fund, The Marsh Facility Improvement Fund, and the Fleet Maintenance Fund had deficit fund balances of \$225,876, \$591,448, \$4,677,705, and \$80,524, respectively. It is anticipated the deficit fund balances will be eliminated in fiscal year 2024.

Note 4: Detailed Notes on All Funds

A. Deposits

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of December 31, 2023, the City's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the government's name.

As of December 31, 2023, the City's carrying amount of deposits was \$265,874 and the bank balance was \$611,801. The entire bank balance was covered by federal depository insurance or covered collateral.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

B. Investments

As of December 31, 2023, the City had the following investments:

Investment Type	Investment Maturities (In Years)			Ratings
	Fair Value	5 Years or Less	Over 5 Years	
FAMC	\$ 1,969,971	\$ 1,969,971	\$ -	AAA
FHLB	13,977,006	13,977,006	-	AAA
FHLMC	19,451,190	15,837,048	3,614,142	AAA
FNMA	3,396,787	1,876,978	1,519,809	AAA
FFCB	7,430,418	7,430,418	-	AAA
Broker CD's	1,230,882	1,230,882	-	Not Rated
Municipal Bonds	17,948,570	17,066,107	882,463	AA/Aa2
4-M	30,456,983	30,456,983	-	Not Rated
Money Market	117,480	117,480	-	Not Rated
U.S. Treasury Obligations	40,318,466	39,454,699	863,767	AA+/Aaa
	<u>\$ 136,297,753</u>	<u>\$ 129,417,572</u>	<u>\$ 6,880,181</u>	

Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maturities of its portfolio. Unless a specific exception is provided, the maximum average life of the portfolio, excluding investable funds from the Community Investment Fund, will be five years or below. For 2023, the average life of the City's portfolio was 3.34 years made up of \$129,417,572 of investments maturing in 5 years or less and \$6,880,181 maturing in excess of five years.

The \$6,880,181 of investments maturing in excess of five years is covered by \$21,744,933 held in the Community Investment Fund and is within the City's investment policy limit. There are eight investments have maturities of more than 10 years.

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 and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The City invests with the 4M fund which is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated external investment pool that is valued at amortized cost and does not restrict or limit withdrawals made by the City. Investments in the 4M Plus fund must be deposited for a minimum of 14 calendar days before withdrawal and investments in the 4M Term Series must have seven days' notice prior to withdrawal to avoid withdrawal fees and penalties. The City also invests in other brokered CD's and money market accounts where investments with maturities of less than one year being valued at amortized cost, and investments with maturities greater than one year being valued based on quoted prices of similar investments. As of December 31, 2023, the City's investments are rated in the above table.

Concentration of Credit Risk: The risk of loss attributed to the magnitude of the City's investments in a single issuer. The City places limits on the amount that may be invested in any one issuer according to Minnesota Statute 118A. As of December 31, 2023, more than 5 percent of the City's investments are held in FHLB, FHLMC and FFCB. These investments are 10%, 14% and 5%, respectively, of the City's total investments and fall within the allowable 70% maximum allowable holdings of these types of investments.

Custodial Credit Risk – Investments: For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investments are insured by SIPC or other supplemental insurance, held in the City's name by the counter party as of December 31, 2023. However, each investment brokerage firm may have a limit to their supplemental insurance and because of the size of the City's portfolio in relation to the brokerage firm's excess SIPC coverage limits, there is a risk the City would not receive its entire portfolio holdings if a brokerage firm should fail.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

B. Investments (Continued)

Summary of cash, deposits and investments as of December 31, 2023:

Petty Cash	\$	3,900
Deposits		265,874
Investments		<u>136,297,753</u>
Total		<u>\$ 136,567,527</u>

Cash, deposits and investments are presented in the December 31, 2023 basic financial statements as follows:

Statement of Net Position:		
Cash and Investments (Including Cash Equivalents)	\$	136,263,616
Statement of Fiduciary Net Position:		
Cash and Investments (Including Cash Equivalents)		
Private-Purpose Trust Funds		<u>303,911</u>
Total Deposits and Investments		<u>\$ 136,567,527</u>

Fair Value measurement: The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and requires expanded disclosures about fair value measurements.

In accordance with this standard, the City has categorized its investments based on the priority of the inputs to the valuation technique into a three level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

B. Investments (Continued)

As of December 31, 2023 the City's investments fall into the following categories of fair value and are reported using market closing prices.

	Level 1	Level 2	Level 3	Total
U.S. Agencies and Treasury Notes	\$ -	\$ 86,543,838	\$ -	\$ 86,543,838
Municipal Bonds	-	17,948,570	-	17,948,570
Broker Certificates of Deposit	-	1,230,882	-	1,230,882
	<u>\$ -</u>	<u>\$ 105,723,290</u>	<u>\$ -</u>	<u>105,723,290</u>
Investments measured at amortized cost				<u>30,574,463</u>
Total				<u>\$ 136,297,753</u>

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Balance January 1, 2023	Change in Accounting Principle	Additions	Retirements	Balance December 31, 2023
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 21,173,019	\$ -	\$ 1,630,317	\$ -	\$ 22,803,336
Construction in Progress	38,455,731	-	15,570,715	(3,703,995)	50,322,451
Total Capital Assets, Not Being Depreciated	<u>59,628,750</u>	<u>-</u>	<u>17,201,032</u>	<u>(3,703,995)</u>	<u>73,125,787</u>
Capital Assets, Being Depreciated and Amortized at Historical Cost:					
Buildings and Structures	64,308,156	-	2,902,430	-	67,210,586
Improvements Other Than Buildings	8,199,409	-	-	-	8,199,409
Furniture and Equipment	4,530,463	-	-	(16,902)	4,513,561
Machinery and Auto	16,721,399	-	1,210,713	(584,686)	17,347,426
Infrastructure:					
Streets	121,465,841	-	2,434,727	-	123,900,568
Park Additions	24,675,459	-	1,269,269	-	25,944,728
Right-to-Use Lease Asset	770,583	-	-	-	770,583
Right-to-Use Subscription Asset	-	346,945	-	-	346,945
Total Capital Assets, Being Depreciated and Amortized at Historical Cost	<u>240,671,310</u>	<u>346,945</u>	<u>7,817,139</u>	<u>(601,588)</u>	<u>248,233,806</u>
Less Accumulated Depreciation for					
Buildings and Structures	(24,485,659)	-	(1,404,803)	-	(25,890,462)
Improvements Other Than Buildings	(6,675,556)	-	(87,607)	-	(6,763,163)
Furniture and Equipment	(3,282,015)	-	(212,734)	16,902	(3,477,847)
Machinery and Auto	(10,452,934)	-	(1,373,725)	547,649	(11,279,010)
Infrastructure:					
Streets	(57,685,129)	-	(2,459,851)	-	(60,144,980)
Park Additions	(8,068,630)	-	(894,455)	-	(8,963,085)
Total Accumulated Depreciation	<u>(110,649,923)</u>	<u>-</u>	<u>(6,433,175)</u>	<u>564,551</u>	<u>(116,518,547)</u>
Less Accumulated Amortization for					
Right-to-Use Lease Asset	(83,306)	-	(41,653)	-	(124,959)
Right-to-Use Subscription Asset	-	-	(103,578)	-	(103,578)
Total Accumulated Amortization	<u>(83,306)</u>	<u>-</u>	<u>(145,231)</u>	<u>-</u>	<u>(228,537)</u>
Total Capital Assets, Being Depreciated, Net	<u>129,938,081</u>	<u>346,945</u>	<u>1,238,733</u>	<u>(37,037)</u>	<u>131,486,722</u>
Governmental Activities Capital Assets, Net	<u>\$ 189,566,831</u>	<u>\$ 346,945</u>	<u>\$ 18,439,765</u>	<u>\$ (3,741,032)</u>	<u>\$ 204,612,509</u>

Depreciation expense for governmental activities was charged to functions/programs of the government as follows:

General Government	\$ 229,424
Development Services	19,336
Public Works	3,331,947
Public Safety	1,589,736
Parks and Recreation	1,407,963
Total Depreciation and Amortization Expense	<u>\$ 6,578,406</u>

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

C. Capital Assets (Continued)

	Balance January 1, 2023	Change in Accounting Principle	Additions	Retirements	Balance December 31, 2023
Business-Type Activities:					
Capital Assets,					
Not Being Depreciated:					
Land	\$ 1,412,611	\$ -	\$ -	\$ -	\$ 1,412,611
Construction in Progress	16,798,434	-	9,430,989	(4,599,724)	21,629,699
Total Capital Assets, Not Being Depreciated	<u>18,211,045</u>	<u>-</u>	<u>9,430,989</u>	<u>(4,599,724)</u>	<u>23,042,310</u>
Capital Assets, Being Depreciated:					
Buildings and Structures	15,759,142	-	-	-	15,759,142
Improvements Other Than Buildings	4,172,388	-	-	-	4,172,388
Water Facilities	5,266,562	-	-	-	5,266,562
Machinery and Equipment	8,860,483	-	213,389	(70,515)	9,003,357
Sewer Lift Stations	6,734,598	-	3,743,946	-	10,478,544
Distribution System	164,954,438	-	784,597	-	165,739,035
Storm Sewers	45,840,187	-	71,182	-	45,911,369
Total Capital Assets, Being Depreciated	<u>251,587,798</u>	<u>-</u>	<u>4,813,114</u>	<u>(70,515)</u>	<u>256,330,397</u>
Less Accumulated Depreciation for					
Buildings and Structures	(8,247,752)	-	(329,524)	-	(8,577,276)
Improvements Other Than Buildings	(2,344,943)	-	(163,621)	-	(2,508,564)
Water Facilities	(4,080,640)	-	(83,769)	-	(4,164,409)
Machinery and Equipment	(6,614,441)	-	(531,822)	70,515	(7,075,748)
Sewer Lift Stations	(3,266,287)	-	(221,364)	-	(3,487,651)
Distribution System	(100,130,439)	-	(3,872,515)	-	(104,002,954)
Storm Sewers	(22,046,497)	-	(903,509)	-	(22,950,006)
Total Accumulated Depreciation	<u>(146,730,999)</u>	<u>-</u>	<u>(6,106,124)</u>	<u>70,515</u>	<u>(152,766,608)</u>
Total Capital Assets, Being Depreciated, Net	<u>104,856,799</u>	<u>-</u>	<u>(1,293,010)</u>	<u>-</u>	<u>103,563,789</u>
Business-Type Activities Capital Assets, Net	<u>\$ 123,067,844</u>	<u>\$ -</u>	<u>\$ 8,137,979</u>	<u>\$ (4,599,724)</u>	<u>\$ 126,606,099</u>

Depreciation expense for business-type activities was charged to functions/programs of the government as follows:

Water and Sewer Utilities	\$ 4,868,215
Williston Fitness Center	180,812
Grays Bay Marina	24,651
Storm Water Fund	<u>1,032,446</u>
Total Depreciation Expense	<u>\$ 6,106,124</u>

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

D. Leases

Effective July 1, 2009, the City entered into a 20-year operating lease as a Lessee with Minnetonka School District to provide space within the Arts Center for an operational home for Music Association of Minnetonka (MAM). The lease can be terminated with at least one year's written notice. As of December 31, 2023, an initial lease liability was recorded in the amount of \$770,583. The value of the lease liability is \$663,403. The City is required to make annual fixed payments of \$57,600. The lease has an interest rate of 3.5%. The value of the right to use asset as of December 31, 2023 is \$770,583 with accumulated amortization of \$124,959. The City has 1 extension option for 120 months.

As of December 31, 2023, the City had 12 active leases as a lessor. The leases have receipts that range from \$13,216 to \$77,670 and interest rates that range from 0.2030% to 3.3980%. As of December 31, 2023, the total combined value of the lease receivable is \$5,402,326, and the combined value of the deferred inflow of resources is \$5,110,404. The leases had \$0 of variable receipts and \$0 of other receipts, not included in the lease receivable, within the fiscal year.

Total lease receivable activity for the year ended December 31, 2023, was as follows:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023
Governmental Activities:				
Lease Receivable:				
Hathaway Tower - T-Mobile - 2005-044	\$ 76,215	\$ -	\$ 37,134	\$ 39,081
Hathaway Tower - Verizon - 2013-003	542,020	-	44,945	497,075
Laurel Rd - T-Mobile - 1999-001	13,201	-	13,201	-
Plymouth Tower - AT&T - 2001-049	322,083	-	24,325	297,758
Plymouth Tower - Sprint/Nextel - 2019-040	180,746	-	41,682	139,064
Ridgedale Tower - Verizon - 2011-066	674,799	-	68,224	606,575
Tanglen Tower - Verizon - 2015-053	670,971	-	44,008	626,963
Tonkawood - T-Mobile - 2018-039	1,063,961	-	42,618	1,021,343
Williston Tower - AT&T/Cingular - 2007-016	362,852	-	64,954	297,898
Williston Tower - Dish Network - 2023-0020	-	916,861	28,245	888,616
Williston Tower - T-Mobile - 2010-059	295,591	-	35,366	260,225
Williston Tower - Verizon - 2019-024	746,681	-	18,954	727,727
Total Leases Receivable	\$ 4,949,120	\$ 916,861	\$ 463,656	\$ 5,402,325

Maturities of lease receivables for the next five years and in the aggregate thereafter are as follows:

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 553,705	\$ 40,173	\$ 593,878
2025	513,002	66,789	579,791
2026	543,005	63,040	606,045
2027	412,974	59,022	471,996
2028	352,437	55,279	407,716
2029-2033	1,460,999	220,952	1,681,951
2034-2038	901,509	135,563	1,037,072
2039-2043	642,100	57,072	699,172
2044	22,594	693	23,287
	\$ 5,402,325	\$ 698,583	\$ 6,100,908

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

E. Subscription-Based Information Technology Arrangements

The City has entered into subscription-based information technology arrangements (SBITAs) for various software. The SBITA assets and related accumulated amortization are detailed in Note 4C.

On 09/29/2023, Minnetonka, MN entered into a 36 month subscription for the use of ArcGIS Enterprise. An initial subscription liability was recorded in the amount of \$150,259. As of December 31, 2023, the value of the subscription liability is \$103,718. Minnetonka, MN is required to make annual fixed payments of \$46,541. The subscription has an interest rate of 2.8477%. The value of the right to use asset as of December 31, 2023 of \$150,259 with accumulated amortization of \$12,800 is included with Software on the Subscription Class activities table found below.

On 01/01/2023, Minnetonka, MN entered into a 26 month subscription for the use of OfficeProPlus. An initial subscription liability was recorded in the amount of \$196,686. As of December 31, 2023, the value of the subscription liability is \$97,486. Minnetonka, MN is required to make annual fixed payments of \$100,067. The subscription has an interest rate of 2.6470%. The value of the right to use asset as of December 31, 2023 of \$196,686 with accumulated amortization of \$90,778 is included with Software on the Subscription Class activities table found below. Minnetonka, MN has 1 extension option(s), each for 36 months.

F. Long-Term Debt

1. General Obligation Bonds

The City issues General Obligation (G.O.) Bonds to provide for financing of park improvements, housing improvements, capital improvements and municipal state-aid road improvements. G.O. Bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal debt service payments each year.

2. Revenue Bonds

The City has issued revenue bonds for water improvements. Debt service is covered through the revenue producing activities of the Water and Utilities Fund. The nature of these bonds are General Obligation Bonds.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities

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

	Interest Rates/ Final Maturity Date	Balance at January 1, 2023	Change in Accounting Principle	Issued	Retired	Balance at December 31, 2023	Due Within One Year
Governmental Activities:							
Bonds Payable:							
General Obligation Open Space and Park Improvement Bonds, Series 2016B	2.00% / 02/01/2027	\$ 1,290,000	\$ -	\$ -	\$ 245,000	\$ 1,045,000	\$ 250,000
Taxable General Obligation Housing Improvement Bonds, Series 2019A	1.70 - 3.05% / 04/01/2024	2,425,000	-	-	110,000	2,315,000	110,000
General Obligation Capital Improvement Plan Bonds, Series 2020A	2.00 - 4.00% / 02/01/2048	23,430,000	-	-	430,000	23,000,000	450,000
Unamortized Bond Premium		977,396	-	-	48,477	928,919	-
Total G.O. Bonds, net		28,122,396	-	-	833,477	27,288,919	810,000
Compensated Absences		3,789,359	-	2,262,067	1,863,613	4,187,813	1,863,613
Lease Liability		696,621	-	-	33,218	663,403	34,381
Subscription Liability		-	346,945	-	145,741	201,204	146,074
Governmental Activity Long-Term Liabilities		\$ 32,608,376	\$ -	\$ 2,262,067	\$ 2,876,049	\$ 32,341,339	\$ 2,854,068
Business-Type Activities:							
Bonds Payable:							
General Obligation Utility Revenue Refunding Bonds, Series 2016A	2.00 - 2.35% / 02/01/2036	\$ 7,805,000	\$ -	\$ -	\$ 490,000	\$ 7,315,000	\$ 500,000
General Obligation Utility Improvement Bonds, Series 2016B	2.00 - 2.10% / 02/01/2036	5,890,000	-	-	370,000	5,520,000	375,000
General Obligation Utility Improvement Bonds, Series 2018A	3.00 - 3.38% / 02/01/2040	9,310,000	-	-	370,000	8,940,000	390,000
General Obligation Utility Improvement Bonds, Series 2021A	2.00 - 5.00% / 02/01/2037	9,995,000	-	-	450,000	9,545,000	505,000
Unamortized Bond Premium		1,916,891	-	-	134,272	1,782,619	-
Total Revenue Bonds, net		34,916,891	-	-	1,814,272	33,102,619	1,770,000
Compensated Absences		275,961	-	235,825	192,591	319,195	192,591
Business-Type Activity Long-Term Liabilities		\$ 35,192,852	\$ -	\$ 235,825	\$ 2,006,863	\$ 33,421,814	\$ 1,962,591

For the governmental activities, compensated absences, lease liability, pension and postemployment obligations are generally liquidated by the General Fund.

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, compensated absences, which are reported in the internal service funds, are included in the above amounts.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities (Continued)

Maturities of bonds payable for the next five years and in the aggregate thereafter are as follows:

Years Ending December 31,	Governmental Activities					
	G.O. Bonds		Lease Liability		Subscription Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 810,000	\$ 685,516	\$ 34,381	\$ 23,219	\$ 146,074	\$ 5,534
2025	835,000	659,965	35,584	22,016	55,130	1,570
2026	860,000	633,500	36,830	20,770	-	-
2027	890,000	605,964	38,119	19,481	-	-
2028	915,000	574,604	39,453	18,147	-	-
2029-2033	5,100,000	2,358,535	218,969	69,031	-	-
2034-2038	5,790,000	1,685,663	260,067	27,933	-	-
2039-2043	5,965,000	984,172	-	-	-	-
2044-2048	5,195,000	272,116	-	-	-	-
Total	\$ 26,360,000	\$ 8,460,035	\$ 663,403	\$ 200,597	\$ 201,204	\$ 7,104

Years Ending December 31,	Business-Type Activities	
	Revenue Bonds	
	Principal	Interest
2024	\$ 1,770,000	\$ 876,693
2025	1,835,000	813,118
2026	1,895,000	746,943
2027	1,965,000	682,543
2028	2,020,000	620,193
2029-2033	11,095,000	2,116,051
2034-2038	9,425,000	698,668
2039-2043	1,315,000	44,400
Total	\$ 31,320,000	\$ 6,598,607

The G.O. Utility Revenue Refunding Bonds, Series 2016A were issued in 2016 to refund the G.O. Utility Revenue Note, Series 2015. The defeasance of the 2015 Temporary Note did not result in an economic gain or loss and there was no aggregate difference in debt service between the refunding and the refunded debt.

The G.O. Utility Improvement Bonds, Series 2016B were issued in 2016 to fund certain capital improvement projects to upgrade the City's utility infrastructure system.

The G.O. Utility Revenue Bonds, Series 2018A were issued in September of 2018 to fund certain capital improvement projects to upgrade the City's utility infrastructure system.

The G.O. State-Aid Street Bonds, Series 2008A are general obligation bonds used for the reconstruction of County State-Aid Highway 61 (Shady Oak Road) between Bren Road and Excelsior Boulevard.

The G.O. Open Space and Park Improvement Bonds, Series 2016B were issued in 2016 to reimburse the City for the purchase of property for open space preservation within the City. These bonds are the last in a series authorized by special election on September 11, 2001.

The Taxable G.O. Housing Improvement Bonds, Series 2019A proceeds were used to fund improvements to the Cloud 9 Sky Flats building that will be repaid through annual special assessments to each housing unit per the agreement with the Cloud 9 Sky Flats Association, Inc.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

3. Components of Long-Term Liabilities (Continued)

The G.O. Capital Improvement Plan Bonds, Series 2020A proceeds were used to fund improvements to the Public Safety Facility Expansion that will be repaid through annual property taxes.

The G.O. Utility Revenue Bonds, Series 2021A were issued in December of 2021 to fund certain capital improvement projects to upgrade the City's utility infrastructure system.

There are a number of financial limitations and restrictions contained in the various bond indentures. At December 31, 2023, the City is in compliance with all significant financial limitations and restrictions.

The voters of the City approved, by special election on September 11, 2001, the issuance and sale by the City of G.O. Bonds of the City in an aggregate amount not to exceed \$15,000,000. The purpose of the Bonds, as approved by the voters, is to provide financing for a Parks Renewal and Open Space Preservation Program. As of December 31, 2016 all authorized bonds up to the \$15,000,000 have been issued. As of December 31, 2023, \$1,045,000 of these bonds remain outstanding.

4. Conduit Debt Obligations

From time-to-time, the City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The Bonds are secured by the underlying property enhanced and are payable solely from payments received from the benefited entity. Neither the City, the State of Minnesota, 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 basic financial statements. As of December 31, 2023, there were 10 series of Revenue Bonds outstanding, with an approximate outstanding balance of \$116,442,056.

5. Revenue Pledged

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

Bond Issue	Use of Proceeds	Revenue Pledged				Current Year		
		Type	Percent of Total Debt Service	Debt Service as a % of Net Revenues	Taxes Payable Term of Pledge	Remaining Principal and Interest	Principal and Interest Paid	Pledged Revenue Received
2016A GO Utility Revenue Refunding Bonds	Refund Original Debt used for Water Utility Infrastructure	Utility Revenue	100%	n/a	2017 - 2036	\$8,375,079	\$647,358	\$1,278,648
2016B GO Utility Revenue Bonds	Water Utility Infrastructure	Utility Revenue	100%	n/a	2017 - 2036	\$6,277,040	\$484,810	\$957,587
2018 GO Utility Revenue Bonds	Water Utility Infrastructure	Utility Revenue	100%	n/a	2020 - 2040	\$11,587,288	\$680,700	\$1,344,504
2021 GO Utility Revenue Bonds	Water Utility Infrastructure	Utility Revenue	100%	n/a	2021 - 2037	\$11,679,200	\$804,050	\$1,588,143

G. Commitments

At December 31, 2023, the City had the following contract commitments outstanding:

Fund	Commitment
Street Improvement Fund	\$ 1,025,721
Other Nonmajor Governmental Funds	342,394
Water and Sewer Utilities Fund	1,636,139
Storm Water Fund	28,500
	\$ 3,032,754

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

H. Interfund Transactions

1. Interfund Receivables and Payables

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Other Nonmajor Funds	\$ 153,224	[1]

[1] This interfund receivable and payable eliminated what would have been a negative cash balance. The negative cash of \$153,224 in the Ice Arena Special Revenue Fund is related to cash flow timing due to the reimbursement nature of the fund. The City expects these interfund transactions to be settled in January 2024.

2. Interfund Transfers

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

Fund	Transfer In				Total
	General Fund	Community Investment Fund	Street Improvement Fund	Nonmajor Governmental Funds	
Transfer Out					
General	\$ -	\$ 63,000	\$ 1,450,000	\$ 2,213,501	\$ 3,726,501
Nonmajor governmental	246,200	-	-	-	246,200
Water and Sewer Utilities	814,000	-	-	-	814,000
Environmental	220,600	-	-	-	220,600
Williston Fitness Center	54,200	-	-	-	54,200
Grays Bay Marina	12,600	-	-	-	12,600
Storm Water	147,200	-	-	-	147,200
Total	<u>\$ 1,494,800</u>	<u>\$ 63,000</u>	<u>\$ 1,450,000</u>	<u>\$ 2,213,501</u>	<u>\$ 5,221,301</u>

The City annually budgets transfers for specific purposes for operations and capital improvement plans.

3. Advances To/From Other Funds

The Affordable Housing Trust Fund advanced \$280,000 to the OPUS-Doran TIF District at 4% on November 10, 2021. This advance will be paid back to the Affordable Housing Trust Fund as tax increments are collected. The amount outstanding at December 31, 2023 was \$280,000.

The Affordable Housing Trust Fund advanced \$553,000 to Minnetonka Multifamily 1 LLC at 4% on February 24, 2022. This advance will be paid back to the Affordable Housing Trust Fund as tax increments are collected. The amount outstanding at December 31, 2023 was \$553,000.

On January 9th, 2023, City Council approved an interfund loan for The Marsh up to \$6,275,000 from the Special Assessment Construction Fund. The Special Assessment Construction Fund advanced \$4,677,972 and \$499,946 to the Marsh Facility Improvement Fund and The Marsh Fund, respectively, as of December 31, 2023. This interfund loan will be paid back to the Special Assessment Construction Fund when operations produce a surplus cash flow.

I. Segment Information

The City maintains five Enterprise Funds that account for the water and sewer utility, recycling activities, a fitness center, a recreational marina and the storm water utility. The City considers each of its Enterprise Funds to be a segment. Since the required segment information is already included in the City's proprietary funds' Statement of Fund Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position balance, this information has not been repeated in the notes to the basic financial statements.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

J. Contingencies

There are several lawsuits pending in which the City is involved. The City estimates the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

K. Tax Abatements

The City enters into property tax abatement agreements through the use of tax increment financing districts with businesses under various Minnesota Statutes. Under these statutes the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing. The City uses Minnesota Statutes 469.001 to 469.047 and 469.174 to 469.179 (The Tax Increment Act) to create these districts. In addition, the City also uses Minnesota Statutes 469.1812 to 469.1815 to abate property taxes to be used for development.

For the fiscal year ended December 31, 2023, the City has nine agreements established under Minnesota Statutes 469.174 to 469.179, which resulted in property taxes totaling \$2,543,633 being abated. These agreements include:

Glenhaven TIF District: A revenue pay as you go note to finance the cost of a mixed use redevelopment including an apartment building with retail and a senior housing care facility. The abatement amount was \$714,065.

Tonka on the Creek: A pay go note to finance the cost of a 100 unit rental housing facility, with 20% of the units made affordable to families at or below 50% of the area median income. The abatement amount was \$244,958.

Rowland Road: A pay as you go note to finance the cost of a 106 unit apartment complex, with 20% of the units made affordable to families at or below 50% of the area median income. The abatement amount was \$240,342.

Applewood Pointe: A pay as you go note to finance the cost of an 87 unit senior housing cooperative. The abatement amount was \$233,997.

Marsh Run TIF District: A pay as you go note to finance the cost of 175 market rate apartments, with 20% of the units made affordable to persons at or below 50% of the area median income. The abatement amount was \$569,932.

Minnetonka Dominion Housing TIF District: Two pay as you go notes to finance the cost of 262 senior apartment units and 220 work force apartments. All units will all be affordable to persons at or below 60% of the area median income. The abatement amount was \$397,599.

Shady Oak Crossing TIF District: A pay as you go note to finance the construction of a 75-unit apartment complex, with 30% of the units made affordable to persons at or below 60% AMI. The abatement amount was \$150,874.

Opus Business Park TIF District: This is a renewal and renovation TIF district to facilitate construction of approximately 4,800 residential housing units and finance critical infrastructure improvements identified in the Opus Alternative Urban Areawide Review and Mitigation Plan. Financing will be provided by a combination of available funds within the Affordable Housing Trust Fund, pay go notes and future TIF bonds. There was no tax abatement amount as of December 31, 2023.

For the fiscal year ended December 31, 2023, the City has one agreement established under Minnesota Statutes 469.1812 to 469.1815, which resulted in property taxes totaling \$80,000 being abated. This abatement is for an agreement with General Growth Properties for an expansion to the regional Ridgedale Mall, located within the City. The expansion includes the addition of a new 138,000 square foot Nordstrom store, 84,000 additional square footage for the Macy's store and 48,000 square feet of new restaurants at the mall. Under the agreement, the developer qualifies for a maximum reimbursement of \$1,798,000 plus 5% interest calculated by completed project components.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Detailed Notes on All Funds (Continued)

L. Fund Balance/Net Position

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

	General Fund	Community Investment	Street Improvement	The Marsh Facility Improvement	Other Governmental Funds	Total
Nonspendable:						
Inventory & Prepays	\$ 566,876	\$ -	\$ -	\$ -	\$ -	\$ 566,876
Restricted for:						
Cemetery Operations	-	-	-	-	145,842	145,842
Housing	-	-	-	-	9,371,195	9,371,195
Public Safety	-	-	-	-	2,641,926	2,641,926
Grants	-	-	-	-	107,366	107,366
Police Forfeiture	-	-	-	-	243,902	243,902
Tax Increment	-	-	-	-	4,607,344	4,607,344
Street Improvements	-	-	-	-	1,974,452	1,974,452
Debt Service	-	-	-	-	2,112,591	2,112,591
Total Restricted	-	-	-	-	21,204,618	21,204,618
Committed to:						
Technology Improvements	-	-	-	-	2,245,037	2,245,037
Cable TV Fund	-	-	-	-	1,645,975	1,645,975
Electric Franchise Fund	-	-	-	-	5,878,227	5,878,227
Compensated Absences	1,863,613	-	-	-	-	1,863,613
Capital Replacement	-	-	-	-	4,426,653	4,426,653
Development	-	-	-	-	5,771,442	5,771,442
Park Improvements	-	-	-	-	7,384,346	7,384,346
Trails System Expansion	-	-	-	-	1,752,592	1,752,592
Reforestation	-	-	-	-	792,200	792,200
Total Committed	1,863,613	-	-	-	29,896,472	31,760,085
Assigned to:						
Fire Pensions	465,900	-	-	-	-	465,900
Recreation Scholarships	15,000	-	-	-	-	15,000
Community Investment	-	21,816,744	-	-	9,028,731	30,845,475
Total Assigned	480,900	21,816,744	-	-	9,028,731	31,326,375
Unassigned	25,442,585	-	(80,665)	(4,677,705)	(817,324)	19,866,891
Total	\$ 28,353,974	\$ 21,816,744	\$ (80,665)	\$ (4,677,705)	\$ 59,312,497	\$ 104,724,845

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information

A. Risk Management

The City is exposed to various risks typically associated with municipal operations, including: thefts, destruction of assets, errors and omissions, employee injuries, general liability and natural disasters. Since the early 1980's, the City has been a member of the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool. The LMCIT program best meets municipal needs from the perspective of coverage as well as cost. It is sustained through member premiums and reinsurance for catastrophic events. Coverage limits match statutory caps for claims against Minnesota cities of \$1,000,000 per claim. Insurance settlements have never exceeded coverage during the City's membership in the LMCIT program.

Certain risk management activities of the City (i.e., premiums and deductibles) are accounted for by the Insurance Fund, an internal service fund that charges its costs to user departments. Such reimbursements are recorded as interfund services provided. The liability recorded by the Insurance Fund includes estimated deductibles/premium adjustments not settled as of December 31, 2023, including an estimate for claims incurred but not reported.

Changes in the insurance claims liability during 2023 and 2022, recorded within the City's Internal Service Fund, are as follows:

	2023	2022
Unpaid Claims at Beginning of Year	\$ 60,466	\$ 48,868
Incurred Claims	1,012,024	686,015
Premiums and Settlements	(840,037)	(674,417)
Unpaid Claims at End of Year	\$ 232,453	\$ 60,466

B. Employee Retirement Systems and Pension Plans

Pension Plans – Primary Government

The City participates in various pension plans. Total pension expense for the year ended December 31, 2023 was \$5,844,091. The components of pension expense are noted in the following plan summaries.

1. Defined Benefit Pension Plans – State-wide

a. Plan Description

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

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

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

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

b. Benefits Provided

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

1. General Employee Plan Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

c. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employee Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in calendar year 2023 and the City was required to contribute 7.5% of pay for Coordinated Plan members in calendar year 2023. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were \$1,447,381. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$1,738,442. The City's contributions were equal to the required contributions as set by state statute.

d. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$12,878,118 for its proportionate share of the General Employee 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 to the fund in 2023. 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 \$355,082.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2303% as of June 30, 2023, which was a decrease of 0.0068% from its proportionate share measured as of June 30, 2022.

City's proportionate share of the net pension liability	\$ 12,878,118
State of Minnesota's proportionate share of the net pension liability associated with the City	355,082
	355,082
Total	\$ 13,233,200

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

d. Pension Costs (Continued)

For the year ended December 31, 2023, the City recognized pension expense of \$2,347,875 for its proportionate share of the General Employee Plan's pension expense. In addition, the City also recognized an additional \$1,596 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2023, the City reported its proportionate share of General Employee Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 425,919	\$ 84,284
Changes in Actuarial Assumptions	1,987,289	3,529,783
Net Collective Difference Between Projected and Actual Investment Earnings	-	136,790
Changes in Proportion	563,115	403,923
Contributions Paid to PERA subsequent to the Measurement Date	728,504	-
Total	\$ 3,704,827	\$ 4,154,780

The \$728,504 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2024	\$ 588,120
2025	(1,701,950)
2026	214,743
2027	(279,370)

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

d. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$12,126,081 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. At June 30, 2023, the City’s proportionate share was 0.7022%, which was an increase of 0.0230% from its proportionate share measured as of June 30, 2022.

The State of Minnesota also contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$488,457.

City’s proportionate share of the net pension liability	\$ 12,126,081
State of Minnesota’s proportionate share of the net pension liability associated with the City	488,457
	488,457
Total	\$ 12,614,538

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$3,828,238 for its proportionate share of the Police and Fire Plan’s pension expense. The City recognized \$29,419 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$63,197 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

d. Pension Costs (Continued)

2. Police and Fire Plan Pension Costs (Continued)

At December 31, 2023, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 3,271,756	\$ -
Changes in Actuarial Assumptions	13,400,094	17,041,131
Net Collective Difference Between Projected and Actual Investment Earnings	-	378,738
Changes in Proportion	1,237,519	-
Contributions Paid to PERA Subsequent to the Measurement Date	872,530	-
Total	\$ 18,781,899	\$ 17,419,869

The \$872,530 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2024	\$ 772,133
2025	371,483
2026	2,874,445
2027	(686,802)
2028	(2,841,759)

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

e. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	33.5 %	5.10 %
International Stocks	16.5	5.30
Bonds (Fixed Income)	25.0	0.75
Alternative Assets (Private Markets)	25.0	5.90
Total	100.0 %	

f. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% 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% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3% 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 most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

f. Actuarial Methods and Assumptions (Continued)

The following changes in actuarial assumptions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024 were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7%.
- The single discount rate changed from 5.4% to 7%.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

g. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2023 was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Plan and Police and Fire Plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

1. Defined Benefit Pension Plans – State-wide (Continued)

h. Pension Liability Sensitivity

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

Sensitivity of Net Pension Liability at Current Single Discount Rate				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.00%	\$ 22,782,425	6.00%	\$ 24,059,591
Current Discount Rate	7.00%	\$ 12,878,118	7.00%	\$ 12,126,081
1% Higher	8.00%	\$ 4,731,449	8.00%	\$ 2,315,139

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.

2. Public Employees Defined Contribution Plan (Defined Contribution Plan)

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% 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% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

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

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$4,116	\$4,116	5%	5%	5%

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters' Relief Association

a. Plan Description

Firefighters of the City of Minnetonka are members of the Minnetonka Firefighters Relief Association. The Association is the administrator of the single-employer defined benefit pension plan available to firefighters. The plan is administered pursuant to Minnesota Statutes, Chapter 69, Chapter 424A, and the Association's by-laws. As of December 31, 2022, membership includes 60 active participants, 66 retired and disabled members, 12 beneficiaries and 11 terminated employees entitled to benefit but not yet receiving them. The plan issues a stand-alone financial statement.

b. Benefits Provided

Authority for payment of pension benefits is established in Minnesota Statutes §69.77 and may be amended only by the Minnesota State Legislature. Each member who is at least 50 years of age; has retired from the Minnetonka Fire Department; has served at least 10 years of active service with such department before retirement; and, has been a member of the Association in good standing for at least 10 years prior to such retirement; shall be entitled to receive a service pension based on the vested amount of service time accrued. Full vesting occurs at 10 years of service, with no provision for partial vesting. Upon retirement, an irrevocable election for one of the following two plan options must be made.

- Monthly Service Pension – Each eligible member, hired before January 1, 2006, electing this plan is entitled to receive a monthly service pension calculated by multiplying \$53.15 times each year that member has been an active firefighter in the Fire Department and member in good standing of the Relief Association.
- Lump Sum Service Pension – each eligible member electing this plan is entitled to receive a onetime lump sum service pension equal to \$12,000 times their years of service. Members receiving the lump sum payment will also receive a Supplemental Benefit equal to 10% of the total benefit paid but not more than \$1,000.

Pursuant to Minnesota Statutes §424A.02, Subds. 2 and 4, members who retire with 10 years of service and have reached the age of 50 years are eligible for a retirement benefit. Members who retire before full retirement age and years of service requirements are eligible for a reduced benefit, based on the vesting schedule as set forth in Minnesota Statutes Statutes §424A.02, Subd. 2(c). During the time a member is on early vested pension, they will not be eligible for disability benefits.

Temporary disability provides that, upon disability, a benefit of \$5 per day is payable up to 100 days in any 365 day period. Permanent disability benefits are based on the monthly benefit and lump sum amounts.

On the death of any member, the survivor benefit payable to the spouse equals \$53.15 per month for each year of service up to 30 years if the member was hired before January 1, 2006. If eligible for a lump sum benefit, an additional Supplemental Survivor Benefit in the amount of 20% of the total lump sum benefit, but not more than \$2,000.

Minnesota Statutes Section 424A.10 provides for the payment of a supplemental benefit equal to 10% of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of state income tax exclusion for lump sum distributions and will no longer be available if state tax law is modified to exclude lump sum distributions from state income tax. The Association qualifies for these benefits.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

c. Contributions

Minnesota Statutes Chapter 424A.093 specifies minimum support rates required on an annual basis. The significant actuarial assumptions used to compute the municipal support are the same as those used to compute the accrued pension liability. The association is comprised of volunteers; therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations). The minimum contribution from the City of Minnetonka and state aid is determined as follows:

Normal Cost	
+ Amortization Payment on Unfunded Accrued Liability as reported in the Latest Actuarial Valuation	
+ Administrative Expenses for the Prior Year Multiplied by a Factor of 1.035	
- Anticipated State Aid (not to Exceed the Fire Aid Received in the Prior Year Multiplied by a Factor of 1.035)	
- Anticipated State Aid	
- Projected Investment Earnings	
= Minimum Municipal Obligation	

The Plan is funded in part by fire state aid and, if necessary, City contributions. The State of Minnesota distributed to the City \$485,015 in fire state aid paid by the City to the Relief Association for the year ended December 31, 2022. Required employer contributions are calculated annually based on statutory provisions. There was no statutorily-required contribution to the plan for the year ended December 31, 2022.

d. Pension Costs

At December 31, 2023, the City reported an asset of \$3,106,260 for the Association’s net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

For the year ended December 31, 2023, the City recognized negative pension expense of \$336,138. At December 31, 2023, the City reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 51,108	\$ 472,490
Changes in Actuarial Assumptions	1,051,093	353,745
Net Collective Difference Between Projected and Actual Investment Earnings	1,899,972	-
Contributions to SVF Subsequent to the Measurement Date	529,327	-
Total	\$ 3,531,500	\$ 826,235

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

d. Pension Costs (Continued)

The \$529,327 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2024	\$ 128,420
2025	474,414
2026	717,176
2027	954,281
2028	(98,353)

e. Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2023	\$ 16,405,937	\$ 23,218,626	\$ (6,812,689)
Changes For the Year			
Service Cost	459,580	-	459,580
Interest on Pension Liability (Asset)	861,592	-	861,592
Difference Between Expected and Actual Experience	(314,560)	-	(314,560)
Changes of Assumptions	(421,634)	-	(421,634)
Contributions - State and Local	-	485,015	(485,015)
Net Investment Income	-	(3,571,917)	3,571,917
Other additions	-	99	(99)
Benefit Payments	(908,480)	(908,480)	-
Administrative Expenses	-	(34,648)	34,648
Total Net Changes	(323,502)	(4,029,931)	3,706,429
Ending Balance December 31, 2023	\$ 16,082,435	\$ 19,188,695	\$ (3,106,260)

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

f. Actuarial Assumptions

The actuarial total pension liability was determined as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/22
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	
Normal Cost	30 years
Prior Service Cost	10 years
Asset Valuation Method	Market
Actuarial Assumptions:	
Investment Rate of Return	5.50%
Project Salary Increases	N/A
20-Year Municipal Bond Yield	4.05%
Inflation	2.50%
Cost-of-living Adjustments	None
Age of Service Retirement	50
Mortality	Healthy Pre-retirement: Pub-2010 Public Safety Employee mortality tables with projected mortality improvements based on scale MP-2021. Healthy Post-retirement: Pub-2010 Healthy Retired Public Safety mortality tables with projected mortality improvements based on scale MP-2021. Male rates are adjusted by a factor of 0.98. Disabled: Pub-2010 Public Safety Disabled Retiree mortality tables with projected mortality improvements based on scale MP-2021. Male rates are adjusted by a factor of 1.05.
Disability	0.11% disability assumed at age 20, decreasing each year until 1.3% at age 60.
Withdrawal	6% withdrawal assumed at 0 years of service, decreasing each year until 1% at 20 years of service. We have assumed noone will receive the temporary disability benefit and will instead value them as they occur.
Beneficiaries	100% of members assumed to have beneficiaries who will receive benefits.
Age of Difference	Females are assumed to be 3 years younger than males.
Form of Payment	Members hired after 2006 are assumed to elect a lump sum payment. 75% of members hired before 2006 are assumed to take a 100% Joint and Survivor annuity and 25% are assumed to take a lump sum payment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. All results are then rounded to the nearest quarter percentage point.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

B. Employee Retirement Systems and Pension Plans (Continued)

Pension Plans – Primary Government (Continued)

3. Minnetonka Firefighters’ Relief Association (Continued)

f. Actuarial Assumptions (Continued)

The best-estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best-estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the pension plan’s asset allocation as of the measurement date are summarized in the following table:

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic equity	48.31%	4.10%	6.60%
International equity	11.35%	4.64%	7.14%
Fixed income	33.61%	1.05%	3.55%
Real estate and alternatives	0.07%	3.54%	6.04%
Cash and equivalents	6.66%	-0.45%	2.05%
Total (weighted avg)	<u>100.00%</u>		5.76%
Less Investment Expense			-0.35%
Net assumed investment return (rounded to 1/4%)			<u>5.50%</u>

g. Discount Rate

The discount rate used to measure the total pension liability was 5.5%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments were discounted by year using expected assets return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate of return. The equivalent single rate is the discount rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

e. Pension Asset Sensitivity

The following presents the City of Minnetonka’s proportionate share of the net pension asset of the Association, calculated using the discount rate of 5.5%, as well as what the Association’s net pension asset would be if it were calculated using a discount rate that is one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current rate:

	1% Decrease (4.5%)	Current (5.5%)	1% Increase (6.5%)
Net Pension Liability (Asset)	\$ (1,318,734)	\$ (3,106,260)	\$ (4,591,326)

f. Plan’s Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in a separately issued report. The report may be obtained by writing to Minnetonka’s Fire Relief Association 14550 Minnetonka Blvd., Minnetonka, MN 55345 or by calling (952) 939-8598.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

C. Postemployment Healthcare Plan

Plan Description

The City provides a single-employer defined benefit OPEB healthcare plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by Health Partners. It is the City's policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

Benefits Provided

Retirees

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Former employees who are receiving, or who have met age and service requirements to receive, an annuity from a Minnesota public pension plan and those receiving a disability benefit from such a plan are immediately eligible to participate in this Plan. Retirees may obtain dependent coverage if the employee received dependent coverage immediately before leaving employment.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay the premium as described below:

All regular non-disabled police and fire employees

The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate.

The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, they are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees.

Disabled police and fire employees

The City is required to continue to pay the employer's contribution toward health coverage for police or firefighters disabled in the line of duty per Minnesota Statute 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability.

Contributions

Retirees and their spouses contribute to the healthcare plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2023, the City contributed \$163,126 to the plan. As of January 1, 2023, there were approximately 14 retirees receiving health benefits from the City's health plan.

Members

Membership in the plan consisted of the following as of the latest actuarial valuation:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	14
Inactive Plan Members Entitled to but not yet Receiving Benefit Payments	14
Active Plan Members	221
	<hr/>
Total Plan Members	249
	<hr/> <hr/>

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

C. Postemployment Healthcare Plan (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount Rate	4.05%
Healthcare Cost Trend Rate Increases	6.8% for FY2022, decreasing yearly to a rate of 3.9% in FY2075.
Mortality Assumption	
General Employees	From the July 1, 2022 PERA of Minnesota GERP actuarial valuation, mortality rates were based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.
Police & Fire	From the July 1, 2022 PERA of Minnesota Public Employees' Police & Fire Plan actuarial valuation, mortality rates were based on the Pub-2010 Public Safety mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

The actuarial assumptions used in the December 31, 2022 valuations were based on the results of an actuarial experience study for the period January 1, 2022 to December 31, 2022.

The discount rate used to measure the total OPEB liability was 4.05%.

The following changes in actuarial assumptions occurred since the prior measurement date:

- The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

Total OPEB Liability

The city's total OPEB liability of \$3,604,852 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date. Changes in the total OPEB liability for the year are as follows:

	<u>Total OPEB Liability</u>
Balances at December 31, 2022	<u>\$ 3,952,895</u>
Changes for the Year:	
Service cost	337,629
Interest	77,445
Differences between expected and actual experience	(8,122)
Changes in assumptions	(591,869)
Benefit payments	(163,126)
Net Changes	<u>(348,043)</u>
Balances at December 31, 2023	<u>\$ 3,604,852</u>

The General Fund and Proprietary Funds typically liquidate the Liability related to OPEB.

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information (Continued)

C. Postemployment Healthcare Plan (Continued)

OPEB Liability Sensitivity

The following presents the city's total OPEB liability calculated using the discount rate of 4.05% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% Decrease (3.05%)	Current (4.05%)	1% Increase (5.05%)
Discount Rate	\$ 3,863,585	\$ 3,604,852	\$ 3,362,283

The following presents the total OPEB liability of the City, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

	1% Decrease (5.8% decreasing to 2.9%)	Current Rate (6.8% decreasing to 3.9%)	1% Increase (7.8% decreasing to 4.9%)
Healthcare Cost Trend Rate	\$ 3,212,480	\$ 3,604,852	\$ 4,063,181

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

For the year ended December 31, 2023, the city recognized OPEB expense of \$257,837. At December 31, 2023, the city reported deferred outflows 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 experience	\$ 2,374,169	\$ 444,483
Changes in actuarial assumptions	210,930	2,019,865
Contributions to OPEB subsequent to the measurement date.	-	-
Total	\$ 2,585,099	\$ 2,464,348

The \$0 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2024.

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

Year ended December 31:	OPEB Expense Amount
2024	\$ 5,890
2025	5,890
2026	2,649
2027	3,712
2028	14,469
Thereafter	88,141

City of Minnetonka
Hennepin County, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 6: New Standards Issued But Not Yet Implemented

GASB Statement No. 101, provides better information to users of financial statements by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending previously required disclosures. This statement will be effective for the year ending December 31, 2024.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Minnetonka
Hennepin County, Minnesota
Required Supplementary Information
December 31, 2023

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years**

General Employee Retirement Plan

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
6/30/2023	0.2303 %	\$ 12,878,118	\$ 355,082	\$ 13,233,200	\$ 18,314,470	70.3 %	83.1 %
6/30/2022	0.2371	18,778,398	550,637	19,329,035	17,722,917	106.0	76.7
6/30/2021	0.2188	9,343,740	285,362	9,629,102	15,742,395	61.2	87.0
6/30/2020	0.2073	12,428,582	383,267	12,811,849	14,781,790	84.1	79.1
6/30/2019	0.1986	10,980,149	341,318	11,321,467	14,057,853	78.1	80.2
6/30/2018	0.2079	11,533,440	378,283	11,911,723	13,973,517	82.5	79.5
6/30/2017	0.2054	13,112,599	164,847	13,277,446	13,229,625	99.1	75.9
6/30/2016	0.2060	16,726,178	218,460	16,944,638	12,780,570	130.9	68.9
6/30/2015	0.2127	11,023,218	-	11,023,218	12,504,232	88.2	78.2

Note: This schedule is provided prospectively beginning with the year ended December 31, 2015.

Police and Fire Retirement Plan

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
6/30/2023	0.7022 %	\$ 12,126,081	\$ 488,457	\$ 12,614,538	\$ 9,412,429	128.8 %	86.5 %
6/30/2022	0.6792	29,556,101	1,291,227	30,847,328	8,440,096	350.2	70.5
6/30/2021	0.6483	4,945,843	224,992	5,170,835	7,845,644	63.0	93.7
6/30/2020	0.6460	8,456,832	200,592	8,657,424	7,291,587	116.0	87.2
6/30/2019	0.5920	6,221,467	-	6,221,467	6,246,419	99.6	89.3
6/30/2018	0.5710	6,033,825	-	6,033,825	6,016,971	100.3	88.8
6/30/2017	0.5490	7,412,153	-	7,412,153	5,632,580	131.6	85.4
6/30/2016	0.5560	22,313,247	-	22,313,247	5,355,445	416.6	63.9
6/30/2015	0.5700	6,476,534	-	6,476,534	5,225,743	123.9	89.6

Note: This schedule is provided prospectively beginning with the year ended December 31, 2015.

City of Minnetonka
Hennepin County, Minnesota
Required Supplementary Information
December 31, 2023

**Schedule of the City Pension Contributions
Last Ten Fiscal Years**

General Employee Retirement Plan

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)
12/31/2023	\$ 1,447,381	\$ 1,447,381	\$ -	\$ 19,298,415	7.50 %
12/31/2022	1,305,556	1,305,556	-	17,407,412	7.50
12/31/2021	1,228,199	1,228,199	-	16,375,989	7.50
12/31/2020	1,192,885	1,192,885	-	15,905,129	7.50
12/31/2019	1,068,305	1,068,305	-	14,244,067	7.50
12/31/2018	1,007,608	1,007,608	-	13,434,773	7.50
12/31/2017	1,030,108	1,030,108	-	13,734,712	7.50
12/31/2016	973,347	973,347	-	12,977,907	7.50
12/31/2015	947,280	947,280	-	12,630,348	7.50
12/31/2014	898,056	898,056	-	12,386,837	7.25

Police and Fire Retirement Plan

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)
12/31/2023	\$ 1,738,442	\$ 1,738,442	\$ -	\$ 9,821,706	17.70 %
12/31/2022	1,468,503	1,468,503	-	8,296,627	17.70
12/31/2021	1,381,644	1,381,644	-	7,805,898	17.70
12/31/2020	1,372,492	1,372,492	-	7,754,191	17.70
12/31/2019	1,034,814	1,034,814	-	6,105,097	16.95
12/31/2018	974,750	974,750	-	6,016,975	16.20
12/31/2017	959,280	959,280	-	5,921,484	16.20
12/31/2016	886,231	886,231	-	5,470,556	16.20
12/31/2015	859,126	859,126	-	5,303,246	16.20
12/31/2014	791,919	791,919	-	5,175,950	15.30

City of Minnetonka
Hennepin County, Minnesota
Required Supplementary Information
December 31, 2023

Schedule of Changes in Total OPEB Liability and Related Ratios

	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total OPEB Liability						
Service Cost	\$ 337,629	\$ 211,514	\$ 204,856	\$ 163,896	\$ 204,287	\$ 186,055
Interest	77,445	59,088	69,031	116,484	97,156	96,122
Differences Between Expected and Actual Experience	(8,122)	3,026,097	30,801	(786,873)	-	-
Changes in Assumptions	(591,869)	(1,841,380)	89,783	230,716	(150,919)	75,023
Benefit Payments	(163,126)	(156,117)	(110,597)	(77,060)	(95,771)	(92,283)
Net Change in Total OPEB Liability	(348,043)	1,299,202	283,874	(352,837)	54,753	264,917
Total OPEB Liability - Beginning	3,952,895	2,653,693	2,369,819	2,722,656	2,667,903	2,402,986
Total OPEB Liability - Ending	\$ 3,604,852	\$ 3,952,895	\$ 2,653,693	\$ 2,369,819	\$ 2,722,656	\$ 2,667,903
Covered - Employee Payroll	\$ 28,568,197	\$ 26,660,020	\$ 21,100,000	\$ 20,400,000	\$ 17,800,000	\$ 17,200,000
City's Total OPEB Liability as a Percentage of Covered Employee Payroll	12.62%	14.83%	12.58%	11.62%	15.30%	15.51%

Note: Schedule is provided prospectively beginning with the year December 31, 2018. Additional years will be reported as they become available.

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

**Schedule of the City Pension Contributions
Last Ten Fiscal Years (Continued)**

Fire Relief Association

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/2023	\$ -	\$ -	\$ -
12/31/2022	-	-	-
12/31/2021	-	-	-
12/31/2020	-	-	-
12/31/2019	-	-	-
12/31/2018	-	-	-
12/31/2017	-	-	-
12/31/2016	-	-	-
12/31/2015	-	-	-
12/31/2014	-	166,438	(166,438)

City of Minnetonka
Hennepin County, Minnesota
Required Supplementary Information
December 31, 2023

Minnetonka Volunteer Fire Relief Association
Schedule of Changes in the Net Pension Asset and Related Ratios

	2023 (Fire Relief Report Date 2022)	2022 (Fire Relief Report Date 2021)	2021 (Fire Relief Report Date 2020)	2020 (Fire Relief Report Date 2019)	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability									
Service Cost	\$ 459,580	\$ 253,081	\$ 260,345	\$ 242,383	\$ 202,060	\$ 209,042	\$ 213,879	\$ 198,031	\$ 192,731
Interest on Pension Liability (Asset)	861,592	841,781	853,066	814,110	809,808	790,520	772,342	753,805	733,799
Differences Between Expected and Actual Experience	(314,560)	(193,702)	(188,066)	115,345	54,796	(107,086)	155,621	(137,324)	-
Changes of Assumptions	(421,634)	1,146,459	-	(15,131)	633,940	119,608	295,329	(694,310)	-
Changes in Benefit Terms		1,052,302	362,954	249,155	-	-	-	-	-
Benefit Payments	(908,480)	(941,179)	(859,634)	(741,402)	(683,256)	(755,451)	(753,320)	(645,860)	(602,226)
Net change in Total Pension Liability	(323,502)	2,158,742	428,665	664,460	1,017,348	256,633	683,851	(525,658)	324,304
Total Pension Liability - January 1	16,405,937	14,247,195	13,818,530	13,154,070	12,136,722	11,880,089	11,196,238	11,721,896	11,397,592
Total Pension Liability - December 31 (a)	\$ 16,082,435	\$ 16,405,937	\$ 14,247,195	\$ 13,818,530	\$ 13,154,070	\$ 12,136,722	\$ 11,880,089	\$ 11,196,238	\$ 11,721,896
Plan Fiduciary Net Position									
Nonemployer Contributions	\$ 485,015	\$ 451,729	\$ 428,817	\$ 405,598	\$ 391,293	\$ 382,382	\$ 376,889	\$ 366,746	\$ 511,820
Net Investment Income	(3,571,917)	2,707,676	2,722,541	3,060,448	(697,330)	2,122,490	1,094,716	(69,245)	836,585
Benefit Payments	(908,480)	(941,179)	(859,634)	(741,402)	(683,256)	(755,451)	(753,320)	(645,860)	(602,226)
Administrative Expenses	(34,648)	(34,543)	(33,408)	(32,530)	(34,197)	(30,650)	(32,104)	(34,296)	(33,269)
Other	99	-	-	-	28	14	1,175	-	-
Net Change in Plan Fiduciary Net Position	(4,029,931)	2,183,683	2,258,316	2,692,114	(1,023,462)	1,718,785	687,356	(382,655)	712,910
Plan Fiduciary Net Position - January 1	23,218,626	21,034,943	18,776,627	16,084,513	17,107,975	15,389,190	14,701,834	15,084,489	14,371,579
Plan Fiduciary Net Position - December 31 (b)	\$ 19,188,695	\$ 23,218,626	\$ 21,034,943	\$ 18,776,627	\$ 16,084,513	\$ 17,107,975	\$ 15,389,190	\$ 14,701,834	\$ 15,084,489
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	\$ (3,106,260)	\$ (6,812,689)	\$ (6,787,748)	\$ (4,958,097)	\$ (2,930,443)	\$ (4,971,253)	\$ (3,509,101)	\$ (3,505,596)	\$ (3,362,593)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	119.31%	141.53%	147.64%	135.88%	122.28%	140.96%	129.54%	131.31%	128.69%

Note: Information prior to 2014 is unavailable.

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2023

General Employees Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- 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.

Changes in Plan Provisions

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

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2023

General Employees Fund (Continued)

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2023

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

Changes in Plan Provisions

- 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.

Police and Fire Fund

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2023

Police and Fire Fund (Continued)

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

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

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0% per year through 2064 and 2.5% per year, thereafter, to 1.0% for all years, with no trigger.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- 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% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

2016 Changes

Changes in Actuarial Assumptions

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

2015 Changes

Changes in Plan Provisions

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

Changes in Actuarial Assumptions

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

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2023

Minnetonka Fireman's Relief Association

2022 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate increased from 5.25% to 5.50% to reflect updated capital market assumptions.
- The mortality assumption was updated from the rates used in the July 1, 2021 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2022 Minnesota PERA Police & Fire Plan actuarial valuation.
- The inflation assumption increased from 2.25% to 2.50%.

2021 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 6.00% to 5.25% 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, 2021 Minnesota Police and Fire Plan actuarial valuation.

2020 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 6.25% to 6.00% to reflect updated capital market assumptions.
- The mortality assumptions were updated from the rates used in the July 1, 2019 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2020 Minnesota PERA Police & Fire Plan actuarial valuation.
- The inflation assumption decreased from 2.50% to 2.25%.

2019 Changes

Changes in Actuarial Assumptions

- The mortality assumptions were updated from the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2019 Minnesota PERA Police & Fire Plan actuarial valuation.

2018 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 6.75% to 6.25% to reflect updated capital market assumptions.
- The mortality assumptions were updated from the rates used in the July 1, 2017 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 decreased from 2.75% to 2.50%.

City of Minnetonka
Hennepin County, Minnesota
Notes to Required Supplementary Information
December 31, 2023

Other Postemployment Benefits

2023 Changes

Changes in Actuarial Assumptions

- The discount rate increased from 1.84% to 4.05% based on updated 20-year municipal bond rates.

2022 Changes

Changes in Actuarial Assumptions

- The discount rate decreased from 2.12% to 1.84% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated costs increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated to the 7/1/2022 PERA General Employees Plan and PERA Police and Fire Plan valuations.
- Participation was updated from 65% to 40% of future regular retirees and 100% of future disabled in the line of duty retirees will elect medical coverage at retirement to reflect recent plan experience.
- The percent of future retirees assumed to elect spouse coverage at retirement changed from 40% for Coordinated Plan Participants and 60% for Police and Fire Fund Participants to 20% for all participants to reflect recent plan experience.
- The percent of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings.

2021 Changes

Changes in Actuarial Assumptions

- There were no changes.

2020 Changes

Changes in Actuarial Assumptions

- There were no changes.

2019 Changes

Changes in Actuarial Assumptions

- The discount rate decreased from 4.09% as of December 31, 2018 to 2.12% as of December 31, 2019.

2018 Changes

Changes in Actuarial Assumptions

- The discount rate increased from 3.44% as of December 31, 2017 to 4.09% as of December 31, 2018.

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES

Non-major Governmental Funds

Special Revenue Funds

Cable Television Fund – This fund accounts for cable TV franchise fees as well as related cable TV expenditures. All expenditures by this fund are communications or cable TV related.

Community Development Block Grant Fund – This fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

Electric Franchise Fees – This fund was established to account for electric franchise fee revenues and the corresponding expenditures for the burial of overhead utility lines on major streets.

Grants Fund – This fund receives and expends amount for various grant programs.

Housing & Redevelopment Authority – This fund was established to account for activity of the Economic Development Authority (EDA) regarding economic development, housing and redevelopment matters.

Police Forfeiture and Seizure Fund – This fund was established to account for property and/or cash seized by police personnel. All expenditures by this fund must be public safety related.

Shady Oak Lane Cemetery Fund – This fund accounts for revenues and expenditures related to maintaining the cemetery.

Affordable Housing Trust Fund - Established under Minnesota Statutes, Section 462C.16 to encourage the creation of affordable housing for rental housing and owner-occupied housing, to promote the preservation of existing affordable housing and naturally occurring affordable housing, and to provide rental assistance and homeownership assistance to persons of very low income, low income, and moderate-income.

Ice Arena Fund - This fund accounts for revenues and expenditures related to the ice arena rinks.

The Marsh Fund - This fund accounts for revenues and expenditures related to the The Marsh.

Debt Service Funds

Park & Open Space Bonds – This fund was established to account for the revenues and debt service requirements related to the issuance of General Obligation park renewal and open space bonds.

2020A GO CIP Bonds – This fund was established to account for the revenues and debt service requirements related to the issuance of the 2020A General Obligation Capital Improvement Plan bonds used to fund the Public Facility Expansion project.

2019 Housing Improvement Area Bonds Fund – This fund accounts for the special assessments received for the Cloud 9 Apartments housing improvements.

Capital Projects Funds

Capital Replacement Fund – This fund was established for the purpose of funding replacement or repair of major capital items that are expected to exceed \$5,000.

Public Safety Fund – This fund was established to account for the revenues and expenditures relating to the replacement of fire vehicles and equipment.

Public Safety Facility Expansion Fund – This fund was established to account for an expansion of the City's public safety facilities.

Technology Development Fund – This fund was established to account for the revenues and expenditures for the adequate funding for essential investments in technology.

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES (CONTINUED)

Non-major Governmental Funds (Continued)

Capital Projects Funds (Continued)

State Municipal Aid Street Fund – This fund was established to account for the revenues and expenditures for the construction of county state-aid roads and the municipal state-aid street system.

Livable Communities Housing Fund – This fund was established to account for the revenues and expenditures related to affordable housing programs, and other activities designed to better link jobs, housing, transit and the Metropolitan Livable Communities Act.

Parks and Trails Fund – This fund was established to account for the purchase and development of park land throughout the City.

Trail Expansion Fund – This fund was established to account for the expansion of the city's trail system.

Development Fund – This fund was established to account for the revenues and expenditures related to housing, redevelopment, and economic development project areas.

Tax Increment Financing Fund – This fund accounts for Tax Increment Financing activity in the City for TIF projects that were created on a "pay-as-you-go" basis.

Ridgedale Tax Abatement Fund – This fund accounts for the tax abatement agreement with the City and General Growth Properties for the redevelopment of the Ridgedale Mall area.

Special Assessment Construction Fund - This fund was established to account for the proceeds of bonds for the purpose of water, sewer, and street construction.

Forestry Fund – This fund was established for the capital budget portion of the City's Emerald Ash Borer (EAB) program, which includes tree removal, stump grinding and reforestation.

Internal Service Funds

Self Insurance Fund - This fund accounts for the risk management activities of the City.

Fleet Maintenance Fund – This fund is responsible for the maintenance and repair of the City's motorized fleet and support equipment.

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2023

Special Revenue

	Cable Television	Community Development Block Grant	Electric Franchise Fees	Grants
Assets:				
Cash and Investments	\$ 1,437,242	\$ 96,560	\$ 5,560,295	\$ 10,452
Accounts Receivable	237,853	-	299,570	-
Loans Receivable	-	-	-	-
Interest Receivable	4,746	319	18,362	35
Property Taxes Receivable				
Unremitted	-	-	-	-
Delinquent	-	-	-	-
Special Assessments Receivable				
Unremitted	-	-	-	-
Current	-	-	-	-
Delinquent	-	-	-	-
Noncurrent	-	-	-	-
Due from Other Governments	-	-	-	-
Advances to Other Funds	-	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	\$ 1,679,841	\$ 96,879	\$ 5,878,227	\$ 10,487
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Salaries and Wages Payable	\$ 658	\$ -	\$ -	\$ -
Accounts and Contracts Payable	33,143	-	-	-
Due to Other Governments	65	-	-	-
Advanced from Other Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	33,866	-	-	-
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-
Unavailable Revenue - MSA	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	-	96,879	-	10,487
Committed	1,645,975	-	5,878,227	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,645,975	96,879	5,878,227	10,487
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,679,841	\$ 96,879	\$ 5,878,227	\$ 10,487

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2023

Special Revenue (Continued)

	Housing & Redevelopment Authority	Police Forfeiture and Seizure	Shady Oak Lane Cemetery	Affordable Housing Trust Fund
Assets:				
Cash and Investments	\$ 1,488,504	\$ 243,099	\$ 145,362	\$ 5,067,757
Accounts Receivable	543	-	-	-
Loans Receivable	163,530	-	-	1,000,000
Interest Receivable	4,916	803	480	36,736
Property Taxes Receivable				
Unremitted	999	-	-	-
Delinquent	2,282	-	-	-
Special Assessments Receivable				
Unremitted	-	-	-	-
Current	-	-	-	-
Delinquent	-	-	-	-
Noncurrent	-	-	-	-
Due from Other Governments	-	-	-	-
Advances to Other Funds	-	-	-	833,000
Land Held for Resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,660,774</u>	<u>\$ 243,902</u>	<u>\$ 145,842</u>	<u>\$ 6,937,493</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	25,000	-	-	-
Due to Other Governments	-	-	-	-
Advanced from Other Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	2,282	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-
Unavailable Revenue - MSA	-	-	-	-
Total Deferred Inflows of Resources	<u>2,282</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	1,633,492	243,902	145,842	6,937,493
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>1,633,492</u>	<u>243,902</u>	<u>145,842</u>	<u>6,937,493</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,660,774</u>	<u>\$ 243,902</u>	<u>\$ 145,842</u>	<u>\$ 6,937,493</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2023

	Special Revenue (Continued)		
	Ice Arena Fund	The Marsh Fund	Total Special Revenue Funds
Assets:			
Cash and Investments	\$ -	\$ 500	\$ 14,049,771
Accounts Receivable	86,196	-	624,162
Loans Receivable	-	-	1,163,530
Interest Receivable	-	-	66,397
Property Taxes Receivable			
Unremitted	-	-	999
Delinquent	-	-	2,282
Special Assessments Receivable			
Unremitted	-	-	-
Current	-	-	-
Delinquent	-	-	-
Noncurrent	-	-	-
Due from Other Governments	-	-	-
Advances to Other Funds	-	-	833,000
Land Held for Resale	-	-	-
	<u>\$ 86,196</u>	<u>\$ 500</u>	<u>\$ 16,740,141</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Salaries and Wages Payable	\$ 16,953	\$ 22,463	\$ 40,074
Accounts and Contracts Payable	47,815	65,900	171,858
Due to Other Governments	1,560	3,639	5,264
Advanced from Other Funds	-	499,946	499,946
Due to Other Funds	153,224	-	153,224
Unearned Revenues	92,520	-	92,520
Total Liabilities	<u>312,072</u>	<u>591,948</u>	<u>962,886</u>
Deferred Inflows of Resources:			
Unavailable Revenue - Taxes	-	-	2,282
Unavailable Revenue - Special Assessments	-	-	-
Unavailable Revenue - MSA	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,282</u>
Fund Balances:			
Restricted	-	-	9,068,095
Committed	-	-	7,524,202
Assigned	-	-	-
Unassigned	(225,876)	(591,448)	(817,324)
Total Fund Balances	<u>(225,876)</u>	<u>(591,448)</u>	<u>15,774,973</u>
	<u>\$ 86,196</u>	<u>\$ 500</u>	<u>\$ 16,740,141</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2023

	Debt Service			
	Park and Open Space Bonds	2020A GO CIP Bonds	2019 Housing Improvement Area Bonds	Total Debt Service Funds
Assets:				
Cash and Investments	\$ 959,639	\$ 966,533	\$ 178,777	\$ 2,104,949
Accounts Receivable	-	-	-	-
Loans Receivable	-	-	-	-
Interest Receivable	3,170	3,192	590	6,952
Property Taxes Receivable				-
Unremitted	-	-	1,848	1,848
Delinquent	-	-	-	-
Special Assessments Receivable				-
Unremitted	-	-	-	-
Current	-	-	109,381	109,381
Delinquent	-	-	70	70
Noncurrent	-	-	2,157,279	2,157,279
Due from Other Governments	-	-	-	-
Advances to Other Funds	-	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	\$ 962,809	\$ 969,725	\$ 2,447,945	\$ 4,380,479
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	231	463	463	1,157
Due to Other Governments	-	-	-	-
Advanced from Other Funds	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	231	463	463	1,157
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	2,266,731	2,266,731
Unavailable Revenue - MSA	-	-	-	-
Total Deferred Inflows of Resources	-	-	2,266,731	2,266,731
Fund Balances:				
Restricted	962,578	969,262	180,751	2,112,591
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	962,578	969,262	180,751	2,112,591
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 962,809	\$ 969,725	\$ 2,447,945	\$ 4,380,479

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2023

Capital Projects

	Capital Replacement	Public Safety	Public Safety Facility Expansion	Technology Development	State Municipal Aid Street
Assets:					
Cash and Investments	\$ 4,533,130	\$ 2,566,641	\$ 106,009	\$ 2,247,466	\$ 1,967,890
Accounts Receivable	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Interest Receivable	14,970	8,476	350	7,422	6,604
Property Taxes Receivable					
Unremitted	-	-	-	-	-
Delinquent	-	-	-	-	-
Special Assessments Receivable					
Unremitted	-	-	-	-	-
Current	-	-	-	-	-
Delinquent	-	-	-	-	-
Noncurrent	-	-	-	-	-
Due from Other Governments	-	-	-	-	1,625,516
Advances to Other Funds	-	-	-	-	-
Land Held for Resale	-	-	-	-	-
Total Assets	\$ 4,548,100	\$ 2,575,117	\$ 106,359	\$ 2,254,888	\$ 3,600,010
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ 1,434	\$ -
Accounts and Contracts Payable	121,447	39,550	-	8,417	42
Due to Other Governments	-	-	-	-	-
Advanced from Other Funds	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	121,447	39,550	-	9,851	42
Deferred Inflows of Resources:					
Unavailable Revenue - Taxes	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-
Unavailable Revenue - MSA	-	-	-	-	1,625,516
Total Deferred Inflows of Resources	-	-	-	-	1,625,516
Fund Balances:					
Restricted	-	2,535,567	106,359	-	1,974,452
Committed	4,426,653	-	-	2,245,037	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	4,426,653	2,535,567	106,359	2,245,037	1,974,452
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,548,100	\$ 2,575,117	\$ 106,359	\$ 2,254,888	\$ 3,600,010

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2023

Capital Projects (Continued)

	Livable Communities Housing Fund	Parks and Trails	Trail System Expansion Fund	Development Fund	Tax Increment Financing
Assets:					
Cash and Investments	\$ 136,866	\$ 7,554,454	\$ 2,732,509	\$ 4,591,377	\$ 5,820,982
Accounts Receivable	662,892	-	497,852	216,847	-
Loans Receivable	-	-	-	-	-
Interest Receivable	452	24,974	9,024	15,163	19,225
Property Taxes Receivable					
Unremitted	-	-	-	-	74,767
Delinquent	-	-	-	-	-
Special Assessments Receivable					
Unremitted	-	-	-	44	-
Current	-	-	-	35,669	-
Delinquent	-	-	-	2,324	-
Noncurrent	-	-	-	107,009	-
Due from Other Governments	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Land Held for Resale	-	-	-	666,800	-
Total Assets	\$ 800,210	\$ 7,579,428	\$ 3,239,385	\$ 5,635,233	\$ 5,914,974
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and Contracts Payable	-	195,082	1,486,793	3,709	474,630
Due to Other Governments	-	-	-	-	-
Advanced from Other Funds	-	-	-	-	833,000
Due to Other Funds	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Total Liabilities	-	195,082	1,486,793	3,709	1,307,630
Deferred Inflows of Resources:					
Unavailable Revenue - Taxes	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	145,002	-
Unavailable Revenue - MSA	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	145,002	-
Fund Balances:					
Restricted	800,210	-	-	-	4,607,344
Committed	-	7,384,346	1,752,592	5,486,522	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	800,210	7,384,346	1,752,592	5,486,522	4,607,344
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 800,210	\$ 7,579,428	\$ 3,239,385	\$ 5,635,233	\$ 5,914,974

City of Minnetonka
Hennepin County, Minnesota
Combining Balance Sheet -
Nonmajor Governmental Funds (Continued)
December 31, 2023

	Capital Projects (Continued)				
	Ridgedale Tax Abatement	Special Assessment Construction	Forestry Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:					
Cash and Investments	\$ 283,564	\$ 3,840,722	\$ 789,625	\$ 37,171,235	\$ 53,325,955
Accounts Receivable	420	-	-	1,378,011	2,002,173
Loans Receivable	-	-	-	-	1,163,530
Interest Receivable	936	12,838	2,575	123,009	196,358
Property Taxes Receivable					
Unremitted	-	-	-	74,767	77,614
Delinquent	-	-	-	-	2,282
Special Assessments Receivable					
Unremitted	-	223	-	267	267
Current	-	398,424	-	434,093	543,474
Delinquent	-	7,333	-	9,657	9,727
Noncurrent	-	826,935	-	933,944	3,091,223
Due from Other Governments	-	-	-	1,625,516	1,625,516
Advances to Other Funds	-	5,177,918	-	5,177,918	6,010,918
Land Held for Resale	-	-	-	666,800	666,800
Total Assets	\$ 284,920	\$ 10,264,393	\$ 792,200	\$ 47,595,217	\$ 68,715,837
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Salaries and Wages Payable	\$ -	\$ -	\$ -	\$ 1,434	\$ 41,508
Accounts and Contracts Payable	-	2,970	-	2,332,640	2,505,655
Due to Other Governments	-	-	-	-	5,264
Advanced from Other Funds	-	-	-	833,000	1,332,946
Due to Other Funds	-	-	-	-	153,224
Unearned Revenues	-	-	-	-	92,520
Total Liabilities	-	2,970	-	3,167,074	4,131,117
Deferred Inflows of Resources:					
Unavailable Revenue - Taxes	-	-	-	-	2,282
Unavailable Revenue - Special Assessments	-	1,232,692	-	1,377,694	3,644,425
Unavailable Revenue - MSA	-	-	-	1,625,516	1,625,516
Total Deferred Inflows of Resources	-	1,232,692	-	3,003,210	5,272,223
Fund Balances:					
Restricted	-	-	-	10,023,932	21,204,618
Committed	284,920	-	792,200	22,372,270	29,896,472
Assigned	-	9,028,731	-	9,028,731	9,028,731
Unassigned	-	-	-	-	(817,324)
Total Fund Balances	284,920	9,028,731	792,200	41,424,933	59,312,497
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 284,920	\$ 10,264,393	\$ 792,200	\$ 47,595,217	\$ 68,715,837

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue			
	Cable Television	Community Development Block Grant	Electric Franchise Fees	Grants
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Franchise	870,376	-	1,192,614	-
Tax Increments	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental:				
Federal Grants	-	-	-	180,000
State Grants	-	-	-	7,000
Local Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous:				
Investment Income (Loss)	53,927	3,225	194,137	4,371
Other	37,988	43,314	-	21,201
Total Revenues	<u>962,291</u>	<u>46,539</u>	<u>1,386,751</u>	<u>212,572</u>
Expenditures:				
Current:				
General Government	732,806	-	-	-
Public Safety	-	-	-	35,943
Public Works	-	-	-	-
Park and Recreation	-	-	-	-
Development Services	-	34,149	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	140,453	-	754,364	250,678
Total Expenditures	<u>873,259</u>	<u>34,149</u>	<u>754,364</u>	<u>286,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,032	12,390	632,387	(74,049)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(36,100)	-	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>(36,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	52,932	12,390	632,387	(74,049)
Fund Balances:				
Beginning of Year	<u>1,593,043</u>	<u>84,489</u>	<u>5,245,840</u>	<u>84,536</u>
End of Year	<u>\$ 1,645,975</u>	<u>\$ 96,879</u>	<u>\$ 5,878,227</u>	<u>\$ 10,487</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2023

	Special Revenue (Continued)			
	Housing & Redevelopment Authority	Police Forfeiture and Seizure	Shady Oak Lane Cemetery	Affordable Housing Trust Fund
Revenues:				
Taxes:				
Property	\$ 297,343	\$ -	\$ -	\$ -
Franchise	-	-	-	-
Tax Increments	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental:				
Federal Grants	-	-	-	-
State Grants	-	-	-	153,617
Local Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	31,347	-	-
Miscellaneous:				
Investment Income (Loss)	41,247	8,668	5,666	257,812
Other	1,192	-	-	-
Total Revenues	<u>339,782</u>	<u>40,015</u>	<u>5,666</u>	<u>411,429</u>
Expenditures:				
Current:				
General Government	-	-	18	-
Public Safety	-	11,572	-	-
Public Works	-	-	-	-
Park and Recreation	-	-	-	-
Development Services	43,762	-	-	153,617
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>43,762</u>	<u>11,572</u>	<u>18</u>	<u>153,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	296,020	28,443	5,648	257,812
Other Financing Sources (Uses):				
Transfers In	-	-	-	300,000
Transfers Out	-	-	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Net Change in Fund Balances	296,020	28,443	5,648	557,812
Fund Balances:				
Beginning of Year	<u>1,337,472</u>	<u>215,459</u>	<u>140,194</u>	<u>6,379,681</u>
End of Year	<u>\$ 1,633,492</u>	<u>\$ 243,902</u>	<u>\$ 145,842</u>	<u>\$ 6,937,493</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2023

	Special Revenue (Continued)		
	Ice Arena Fund	The Marsh Fund	Total Special Revenue Funds
Revenues:			
Taxes:			
Property	\$ -	\$ -	\$ 297,343
Franchise	-	-	2,062,990
Tax Increments	-	-	-
Special Assessments	-	-	-
Intergovernmental:			
Federal Grants	-	-	180,000
State Grants	-	-	160,617
Local Grants	-	-	-
Charges for Services	1,036,054	528,081	1,564,135
Fines and Forfeitures	-	-	31,347
Miscellaneous:			
Investment Income (Loss)	(5,472)	-	563,581
Other	17,394	99,717	220,806
Total Revenues	1,047,976	627,798	5,080,819
Expenditures:			
Current:			
General Government	-	-	732,824
Public Safety	-	-	47,515
Public Works	-	-	-
Park and Recreation	1,140,808	1,135,596	2,276,404
Development Services	-	-	231,528
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	83,650	1,229,145
Total Expenditures	1,140,808	1,219,246	4,517,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	(92,832)	(591,448)	563,403
Other Financing Sources (Uses):			
Transfers In	50,000	-	350,000
Transfers Out	(36,100)	-	(72,200)
Proceeds on Disposition of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	13,900	-	277,800
Net Change in Fund Balances	(78,932)	(591,448)	841,203
Fund Balances:			
Beginning of Year	(146,944)	-	14,933,770
End of Year	\$ (225,876)	\$ (591,448)	\$ 15,774,973

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2023

	Debt Service			Total Debt Service Funds
	Park and Open Space Bonds	2020A GO CIP Bonds	2019 Housing Improvement Area Bonds	
Revenues:				
Taxes:				
Property	\$ 284,445	\$ 1,117,929	\$ -	\$ 1,402,374
Franchise	-	-	-	-
Tax Increments	-	-	-	-
Special Assessments	-	-	190,657	190,657
Intergovernmental:				
Federal Grants	-	-	-	-
State Grants	-	-	-	-
Local Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous:				
Investment Income (Loss)	34,180	26,444	467	61,091
Other	-	-	-	-
Total Revenues	<u>318,625</u>	<u>1,144,373</u>	<u>191,124</u>	<u>1,654,122</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Park and Recreation	-	-	-	-
Development Services	-	-	-	-
Debt Service:				
Principal	245,000	430,000	110,000	785,000
Interest and Fiscal Charges	23,819	624,232	64,781	712,832
Capital Outlay	-	-	-	-
Total Expenditures	<u>268,819</u>	<u>1,054,232</u>	<u>174,781</u>	<u>1,497,832</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,806	90,141	16,343	156,290
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds on Disposition of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	49,806	90,141	16,343	156,290
Fund Balances:				
Beginning of Year	<u>912,772</u>	<u>879,121</u>	<u>164,408</u>	<u>1,956,301</u>
End of Year	<u>\$ 962,578</u>	<u>\$ 969,262</u>	<u>\$ 180,751</u>	<u>\$ 2,112,591</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2023

	Capital Projects				
	Capital Replacement	Public Safety	Public Safety Facility Expansion	Technology Development	State Municipal Aid Street
Revenues:					
Taxes:					
Property	\$ 1,385,000	\$ 550,000	\$ -	\$ 650,000	\$ -
Franchise	-	-	-	-	-
Tax Increments	-	-	-	-	-
Special Assessments	-	-	-	-	-
Intergovernmental:					
Federal Grants	-	-	-	-	-
State Grants	-	2,393,864	-	-	2,110,555
Local Grants	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous:					
Investment Income (Loss)	131,308	(79,358)	17,647	44,277	(36,738)
Other	-	-	-	-	-
Total Revenues	<u>1,516,308</u>	<u>2,864,506</u>	<u>17,647</u>	<u>694,277</u>	<u>2,073,817</u>
Expenditures:					
Current:					
General Government	-	-	-	53,177	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Park and Recreation	-	-	-	-	-
Development Services	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	1,183,249	195,719	235,590	786,411	5,977
Total Expenditures	<u>1,183,249</u>	<u>195,719</u>	<u>235,590</u>	<u>839,588</u>	<u>5,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	333,059	2,668,787	(217,943)	(145,311)	2,067,840
Other Financing Sources (Uses):					
Transfers In	350,000	200,000	-	1,200,000	-
Transfers Out	-	-	-	-	-
Proceeds on Disposition of Capital Assets	136,465	-	-	-	-
Total Other Financing Sources (Uses)	<u>486,465</u>	<u>200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>
Net Change in Fund Balances	819,524	2,868,787	(217,943)	1,054,689	2,067,840
Fund Balances:					
Beginning of Year	<u>3,607,129</u>	<u>(333,220)</u>	<u>324,302</u>	<u>1,190,348</u>	<u>(93,388)</u>
End of Year	<u>\$ 4,426,653</u>	<u>\$ 2,535,567</u>	<u>\$ 106,359</u>	<u>\$ 2,245,037</u>	<u>\$ 1,974,452</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2023

Capital Projects (Continued)

	Livable Communities Housing Fund	Parks and Trails	Trail System Expansion Fund	Development Fund	Tax Increment Financing
Revenues:					
Taxes:					
Property	\$ -	\$ 425,000	\$ -	\$ -	\$ -
Franchise	-	-	1,973,928	-	-
Tax Increments	-	-	-	-	2,543,633
Special Assessments	-	-	-	43,271	-
Intergovernmental:					
Federal Grants	-	-	-	-	-
State Grants	-	-	-	407,951	-
Local Grants	81,729	-	200,000	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous:					
Investment Income (Loss)	(2,877)	334,278	190,394	224,751	214,029
Other	-	1,055,623	-	38,086	-
Total Revenues	<u>78,852</u>	<u>1,814,901</u>	<u>2,364,322</u>	<u>714,059</u>	<u>2,757,662</u>
Expenditures:					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Park and Recreation	-	-	-	-	-
Development Services	81,729	-	-	605,874	2,126,146
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	1,956,854	4,875,485	63,200	666,286
Total Expenditures	<u>81,729</u>	<u>1,956,854</u>	<u>4,875,485</u>	<u>669,074</u>	<u>2,792,432</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,877)	(141,953)	(2,511,163)	44,985	(34,770)
Other Financing Sources (Uses):					
Transfers In	-	13,501	-	100,000	-
Transfers Out	-	-	-	(70,100)	-
Proceeds on Disposition of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,501</u>	<u>-</u>	<u>29,900</u>	<u>-</u>
Net Change in Fund Balances	(2,877)	(128,452)	(2,511,163)	74,885	(34,770)
Fund Balances:					
Beginning of Year	<u>803,087</u>	<u>7,512,798</u>	<u>4,263,755</u>	<u>5,411,637</u>	<u>4,642,114</u>
End of Year	<u>\$ 800,210</u>	<u>\$ 7,384,346</u>	<u>\$ 1,752,592</u>	<u>\$ 5,486,522</u>	<u>\$ 4,607,344</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2023

	Capital Projects (Continued)			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Ridgedale Tax Abatement	Special Assessment Construction	Forestry Fund		
Revenues:					
Taxes:					
Property	\$ 80,000	\$ -	\$ 83,000	\$ 3,173,000	\$ 4,872,717
Franchise	-	-	-	1,973,928	4,036,918
Tax Increments	-	-	-	2,543,633	2,543,633
Special Assessments	-	200,772	-	244,043	434,700
Intergovernmental:					
Federal Grants	-	-	-	-	180,000
State Grants	-	-	-	4,912,370	5,072,987
Local Grants	-	-	-	281,729	281,729
Charges for Services	-	-	-	-	1,564,135
Fines and Forfeitures	-	-	-	-	31,347
Miscellaneous:					
Investment Income (Loss)	6,446	417,156	43,960	1,505,273	2,129,945
Other	-	-	-	1,093,709	1,314,515
Total Revenues	<u>86,446</u>	<u>617,928</u>	<u>126,960</u>	<u>15,727,685</u>	<u>22,462,626</u>
Expenditures:					
Current:					
General Government	-	-	-	53,177	786,001
Public Safety	-	-	-	-	47,515
Public Works	-	-	268,032	268,032	268,032
Park and Recreation	-	-	-	-	2,276,404
Development Services	480	4,519	-	2,818,748	3,050,276
Debt Service:					
Principal	-	-	-	-	785,000
Interest and Fiscal Charges	-	-	-	-	712,832
Capital Outlay	-	-	-	9,968,771	11,197,916
Total Expenditures	<u>480</u>	<u>4,519</u>	<u>268,032</u>	<u>13,108,728</u>	<u>19,123,976</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,966	613,409	(141,072)	2,618,957	3,338,650
Other Financing Sources (Uses):					
Transfers In	-	-	-	1,863,501	2,213,501
Transfers Out	-	(43,900)	(60,000)	(174,000)	(246,200)
Proceeds on Disposition of Capital Assets	-	-	-	136,465	136,465
Total Other Financing Sources (Uses)	<u>-</u>	<u>(43,900)</u>	<u>(60,000)</u>	<u>1,825,966</u>	<u>2,103,766</u>
Net Change in Fund Balances	85,966	569,509	(201,072)	4,444,923	5,442,416
Fund Balances:					
Beginning of Year	<u>198,954</u>	<u>8,459,222</u>	<u>993,272</u>	<u>36,980,010</u>	<u>53,870,081</u>
End of Year	<u>\$ 284,920</u>	<u>\$ 9,028,731</u>	<u>\$ 792,200</u>	<u>\$ 41,424,933</u>	<u>\$ 59,312,497</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Cable Television
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Franchise Taxes	\$ 871,500	\$ 834,700	\$ 870,376	\$ 35,676	\$ 853,526
Intergovernmental:					
Federal Grants	-	-	-	-	19,490
Miscellaneous:					
Investment Income	48,500	29,700	53,927	24,227	(51,900)
Other Income	56,000	33,300	37,988	4,688	21,323
Total Revenues	<u>976,000</u>	<u>897,700</u>	<u>962,291</u>	<u>64,591</u>	<u>842,439</u>
Expenditures:					
General Government					
Personnel Services	171,000	171,000	179,785	(8,785)	163,959
Materials and Supplies	500	500	332	168	718
Other Services and Charges	513,600	523,300	552,689	(29,389)	589,101
Total General Government	<u>685,100</u>	<u>694,800</u>	<u>732,806</u>	<u>(38,006)</u>	<u>753,778</u>
Capital Outlay - General Government	<u>295,500</u>	<u>295,500</u>	<u>140,453</u>	<u>155,047</u>	<u>203,649</u>
Total Expenditures	<u>980,600</u>	<u>990,300</u>	<u>873,259</u>	<u>117,041</u>	<u>957,427</u>
Excess of Revenues Over (Under) Expenditures	(4,600)	(92,600)	89,032	181,632	(114,988)
Other Financing Sources (Uses):					
Transfers to Other Funds	<u>(36,100)</u>	<u>(36,100)</u>	<u>(36,100)</u>	-	<u>(35,500)</u>
Change in Fund Balance	<u>\$ (40,700)</u>	<u>\$ (128,700)</u>	52,932	<u>\$ 181,632</u>	(150,488)
Fund Balance:					
Beginning of Year			<u>1,593,043</u>		<u>1,743,531</u>
End of Year			<u>\$ 1,645,975</u>		<u>\$ 1,593,043</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Community Development Block Grant
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Miscellaneous:					
Investment Income (Loss)	\$ -	\$ 1,800	\$ 3,225	\$ 1,425	\$ (3,358)
Other Income	10,000	75,000	43,314	(31,686)	61,948
Total Revenues	<u>10,000</u>	<u>76,800</u>	<u>46,539</u>	<u>(30,261)</u>	<u>58,590</u>
Expenditures:					
Development Services:					
Other Services and Charges	125,000	140,000	34,149	105,851	61,948
Change in Fund Balance	<u>\$ (115,000)</u>	<u>\$ (63,200)</u>	12,390	<u>\$ 75,590</u>	(3,358)
Fund Balance:					
Beginning of Year			<u>84,489</u>		<u>87,847</u>
End of Year			<u>\$ 96,879</u>		<u>\$ 84,489</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Electric Franchise Fees
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Franchise Taxes	\$ 1,157,300	\$ 1,157,300	\$ 1,192,614	\$ 35,314	\$ 1,159,714
Miscellaneous:					
Investment Income	145,400	110,200	194,137	83,937	(201,540)
Total Revenues	<u>1,302,700</u>	<u>1,267,500</u>	<u>1,386,751</u>	<u>119,251</u>	<u>958,174</u>
Expenditures:					
Capital Outlay:					
Other Services and Charges	<u>810,000</u>	<u>810,000</u>	<u>754,364</u>	<u>55,636</u>	<u>534,896</u>
Change in Fund Balance	<u>\$ 492,700</u>	<u>\$ 457,500</u>	632,387	<u>\$ 174,887</u>	423,278
Fund Balance:					
Beginning of Year			<u>5,245,840</u>		<u>4,822,562</u>
End of Year			<u>\$ 5,878,227</u>		<u>\$ 5,245,840</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Grants
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Intergovernmental:					
Federal Grants	\$ -	\$ 180,000	\$ 180,000	\$ -	\$ 47,211
State Grants	-	-	7,000	7,000	61,046
Miscellaneous:					
Investment Income	-	100	4,371	4,271	(5,467)
Other Income	26,000	17,800	21,201	3,401	85,420
Total Revenues	<u>26,000</u>	<u>197,900</u>	<u>212,572</u>	<u>14,672</u>	<u>188,210</u>
Expenditures:					
Public Safety:					
Police:					
Personnel Services	-	-	-	-	43,128
Materials and Supplies	-	18,100	20,572	(2,472)	26,983
Other Services and Charges	26,000	25,000	15,371	9,629	-
Total Public Safety	<u>26,000</u>	<u>43,100</u>	<u>35,943</u>	<u>7,157</u>	<u>70,111</u>
Capital Outlay - Police:	-	250,700	250,678	22	-
Total Expenditures	<u>26,000</u>	<u>293,800</u>	<u>286,621</u>	<u>7,179</u>	<u>70,111</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ (95,900)	(74,049)	\$ 21,851	118,099
Other Financing Sources (Uses):					
Transfers from Other Funds	-	-	-	-	97,500
Change in Fund Balance	<u>\$ -</u>	<u>\$ (95,900)</u>	(74,049)	<u>\$ 21,851</u>	215,599
Fund Balance:					
Beginning of Year			84,536		(131,063)
End of Year			<u>\$ 10,487</u>		<u>\$ 84,536</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Housing & Redevelopment Authority
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
General Property Taxes	\$ 300,000	\$ 300,000	\$ 297,343	\$ (2,657)	\$ 322,157
Miscellaneous:					
Investment Income	29,100	26,500	41,247	14,747	(48,407)
Other Income	-	-	1,192	1,192	1,572
Total Revenues	<u>329,100</u>	<u>326,500</u>	<u>339,782</u>	<u>13,282</u>	<u>275,322</u>
Expenditures:					
Development Services:					
Other Services and Charges	<u>228,800</u>	<u>127,000</u>	<u>43,762</u>	<u>83,238</u>	<u>39,799</u>
Change in Fund Balance	<u>\$ 100,300</u>	<u>\$ 199,500</u>	296,020	<u>\$ 96,520</u>	235,523
Fund Balance:					
Beginning of Year			<u>1,337,472</u>		<u>1,101,949</u>
End of Year			<u>\$ 1,633,492</u>		<u>\$ 1,337,472</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Police Forfeiture/Seizure Fund
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Fines and Forfeitures	\$ -	\$ -	\$ 31,347	\$ 31,347	\$ 13,333
Miscellaneous:					
Investment Income	-	-	8,668	8,668	(8,746)
Total Revenues	<u>-</u>	<u>-</u>	<u>40,015</u>	<u>40,015</u>	<u>4,587</u>
Expenditures:					
Public Safety:					
Materials and Supplies	-	-	6,463	(6,463)	25,136
Other Services and Charges	-	-	5,109	(5,109)	-
Total Public Safety	<u>-</u>	<u>-</u>	<u>11,572</u>	<u>(11,572)</u>	<u>25,136</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	28,443	<u>\$ 28,443</u>	(20,549)
Fund Balance:					
Beginning of Year			<u>215,459</u>		<u>236,008</u>
End of Year			<u>\$ 243,902</u>		<u>\$ 215,459</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Shady Oak Lane Cemetery
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Miscellaneous:					
Investment Income	\$ -	\$ -	\$ 5,666	\$ 5,666	\$ (5,607)
Other Revenue	-	-	-	-	30
Total Revenues	-	-	5,666	5,666	(5,577)
Expenditures:					
General Government:					
Other Services and Charges	-	-	18	(18)	-
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,648	<u>\$ 5,648</u>	(5,577)
Fund Balance:					
Beginning of Year			140,194		145,771
End of Year			<u>\$ 145,842</u>		<u>\$ 140,194</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Affordable Housing Trust Fund
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Intergovernmental:					
State Grants	\$ -	\$ 153,600	\$ 153,617	\$ 17	\$ -
Miscellaneous:					
Investment Income	48,500	117,200	257,812	140,612	(231,361)
Total Revenues	<u>48,500</u>	<u>270,800</u>	<u>411,429</u>	<u>140,629</u>	<u>(231,361)</u>
Expenditures:					
Development Services:					
Other Services and Charges	<u>3,350,000</u>	<u>1,203,600</u>	<u>153,617</u>	<u>1,049,983</u>	<u>1,253,000</u>
Excess of Revenues Over (Under) Expenditures	(3,301,500)	(932,800)	257,812	(674,988)	(1,484,361)
Other Financing Sources (Uses):					
Transfers from Other Funds	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>2,903,000</u>
Change in Fund Balance	<u><u>\$(3,001,500)</u></u>	<u><u>\$ (632,800)</u></u>	557,812	<u><u>\$ (674,988)</u></u>	1,418,639
Fund Balance:					
Beginning of Year			<u>6,379,681</u>		<u>4,961,042</u>
End of Year			<u><u>\$ 6,937,493</u></u>		<u><u>\$ 6,379,681</u></u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - Ice Arena Fund
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Charges for Services	\$ 902,500	\$ 1,039,500	\$ 1,036,054	\$ (3,446)	\$ 996,690
Miscellaneous:					
Investment Income	-	-	(5,472)	(5,472)	6,071
Other Revenue	14,800	23,800	17,394	(6,406)	23,899
Total Revenues	<u>917,300</u>	<u>1,063,300</u>	<u>1,047,976</u>	<u>(15,324)</u>	<u>1,026,660</u>
Expenditures:					
Park and Recreation:					
Personnel Services	\$ 636,400	\$ 636,400	\$ 647,663	\$ (11,263)	\$ 592,615
Materials and Supplies	56,300	55,300	54,922	378	147,205
Other Services and Charges	416,800	451,180	438,223	12,957	483,294
Total Parks and Recreation	<u>1,109,500</u>	<u>1,142,880</u>	<u>1,140,808</u>	<u>2,072</u>	<u>1,223,114</u>
Excess of Revenues Over (Under) Expenditures	<u>(192,200)</u>	<u>(79,580)</u>	<u>(92,832)</u>	<u>(172,412)</u>	<u>(196,454)</u>
Other Financing Sources (Uses):					
Transfers from Other Funds	50,000	50,000	50,000	-	350,000
Transfers to Other Funds	<u>(36,100)</u>	<u>(36,100)</u>	<u>(36,100)</u>	-	<u>(35,500)</u>
Total Other Financing Sources (Uses)	<u>13,900</u>	<u>13,900</u>	<u>13,900</u>	<u>-</u>	<u>314,500</u>
Change in Fund Balance	<u>\$ (178,300)</u>	<u>\$ (65,680)</u>	(78,932)	<u>\$ (172,412)</u>	118,046
Fund Balance:					
Beginning of Year			(146,944)		(264,990)
End of Year			<u>\$ (225,876)</u>		<u>\$ (146,944)</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues, Expenditures and Change in
Fund Balance - Budget to Actual -
Special Revenue Fund - The Marsh Fund
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
Charges for Services	\$ 319,000	\$ 448,500	\$ 528,081	\$ 79,581	\$ -
Miscellaneous:					
Other Revenue	91,000	67,000	99,717	32,717	-
Total Revenues	<u>410,000</u>	<u>515,500</u>	<u>627,798</u>	<u>112,298</u>	<u>-</u>
Expenditures:					
Park and Recreation:					
Personnel Services	\$ 660,000	\$ 600,000	\$ 586,985	\$ 13,015	\$ -
Materials and Supplies	110,000	91,000	100,907	(9,907)	-
Other Services and Charges	460,000	397,900	447,704	(49,804)	-
Total Parks and Recreation	<u>1,230,000</u>	<u>1,088,900</u>	<u>1,135,596</u>	<u>(46,696)</u>	<u>-</u>
Capital Outlay - Parks and Recreation:	-	11,000	83,650	(72,650)	-
Total Expenditures	<u>1,230,000</u>	<u>1,099,900</u>	<u>1,219,246</u>	<u>(119,346)</u>	<u>-</u>
Change in Fund Balance	<u>\$ (820,000)</u>	<u>\$ (584,400)</u>	(591,448)	<u>\$ 231,644</u>	-
Fund Balance:					
Beginning of Year			-		-
End of Year			<u>\$ (591,448)</u>		<u>\$ -</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Net Position - Internal Service Funds
December 31, 2023

	<u>Self Insurance</u>	<u>Fleet Maintenance</u>	<u>Total</u>
Assets and Deferred Outflows of Resources:			
Current Assets:			
Cash and Investments	\$ 2,929,449	\$ 366,519	\$ 3,295,968
Interest Receivable	9,674	1,210	10,884
Due From Other Governments	-	105	105
Prepaid Items	148,554	-	148,554
Inventories	-	108,054	108,054
Total Assets	<u>3,087,677</u>	<u>475,888</u>	<u>3,563,565</u>
Deferred Outflows of Resources:			
Other Postemployment Benefits	-	38,285	38,285
MNPERA Pension	-	87,232	87,232
Total Deferred Outflows of Resources	<u>-</u>	<u>125,517</u>	<u>125,517</u>
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Current Liabilities:			
Salaries and Wages Payable	-	16,897	16,897
Accounts Payable	33,697	70,056	103,753
Incurred but Not Reported Claims	232,453	-	232,453
Due to Other Governments	-	3,799	3,799
Current Portion of Compensated Absences	-	22,917	22,917
Total Current Liabilities	<u>266,150</u>	<u>113,669</u>	<u>379,819</u>
Long-Term Liabilities:			
Compensated Absences	-	77,329	77,329
Total OPEB Liability	-	53,387	53,387
MNPERA-Net Pension Liability	-	303,221	303,221
Total Noncurrent Liabilities	<u>-</u>	<u>433,937</u>	<u>433,937</u>
Total Liabilities	<u>266,150</u>	<u>547,606</u>	<u>813,756</u>
Deferred Inflows of Resources:			
Other Postemployment Benefits	-	36,497	36,497
MNPERA Pension	-	97,826	97,826
Total Deferred Inflows of Resources	<u>-</u>	<u>134,323</u>	<u>134,323</u>
Net Position:			
Unrestricted	<u>2,821,527</u>	<u>(80,524)</u>	<u>2,741,003</u>
Total Net Position	<u>\$ 2,821,527</u>	<u>\$ (80,524)</u>	<u>\$ 2,741,003</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position -
Internal Service Funds
For the Year Ended December 31, 2023

	Self Insurance	Fleet Maintenance	Total
Operating Revenues:			
Charges to City Departments	\$ 710,600	\$ 1,798,348	\$ 2,508,948
Other Revenue	20,594	40,449	61,043
Total Operating Revenues	<u>731,194</u>	<u>1,838,797</u>	<u>2,569,991</u>
Operating Expenses:			
Personnel Services	-	620,733	620,733
Supplies, Repairs and Maintenance	-	1,024,185	1,024,185
Other Services and Charges	840,037	330,134	1,170,171
Total Operating Expenses	<u>840,037</u>	<u>1,975,052</u>	<u>2,815,089</u>
Operating Income (Loss)	(108,843)	(136,255)	(245,098)
Nonoperating Revenues (Expenses):			
Investment Income	<u>106,980</u>	<u>17,880</u>	<u>124,860</u>
Change in Net Position	(1,863)	(118,375)	(120,238)
Net Position:			
Net Position - Beginning	<u>2,823,390</u>	<u>37,851</u>	<u>2,861,241</u>
Net Position - Ending	<u>\$ 2,821,527</u>	<u>\$ (80,524)</u>	<u>\$ 2,741,003</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended December 31, 2023

	Self Insurance	Fleet Maintenance	Total
Cash Flows from Operating Activities:			
Receipts from Interfund Services Provided	\$ 710,600	\$ 1,813,231	\$ 2,523,831
Other Revenue	20,594	40,449	61,043
Payments to Suppliers	-	(1,360,027)	(1,360,027)
Payments to Employees	-	(609,347)	(609,347)
Payments of Benefits on Behalf of Employees	(684,868)	-	(684,868)
Net Cash Provided (Used) by Operating Activities	<u>46,326</u>	<u>(115,694)</u>	<u>(69,368)</u>
Cash Flows from Investing Activities:			
Purchase of Investments	4,773,569	597,246	5,370,815
Sale of Investments	(4,773,569)	(597,246)	(5,370,815)
Interest and Dividends Received	105,673	18,068	123,741
Net Cash Provided (Used) by Investing Activities	<u>105,673</u>	<u>18,068</u>	<u>123,741</u>
Net Change in Cash and Cash Equivalents	151,999	(97,626)	54,373
Cash and Cash Equivalents, January 1	<u>2,777,450</u>	<u>464,145</u>	<u>3,241,595</u>
Cash and Cash Equivalents, December 31	<u>\$ 2,929,449</u>	<u>\$ 366,519</u>	<u>\$ 3,295,968</u>
Reconciliation of operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (108,843)	\$ (136,255)	\$ (245,098)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities			
Due from Other Governments	-	13,378	13,378
Accounts Receivable	-	1,505	1,505
Prepaid Items	(28,889)	-	(28,889)
Inventories	-	(23,776)	(23,776)
OPEB (Deferred Outflow)	-	8,369	8,369
Pensions (Deferred Outflow)	-	77,665	77,665
Salaries and Wages Payable	-	2,100	2,100
Accounts Payable	184,058	18,068	202,126
Compensated Absences Payable	-	6,248	6,248
Net Pension	-	(167,070)	(167,070)
Pensions (Deferred Inflow)	-	91,539	91,539
OPEB (Deferred Inflow)	-	1,261	1,261
Total OPEB Liability	-	(8,726)	(8,726)
Total Adjustments	<u>155,169</u>	<u>20,561</u>	<u>175,730</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 46,326</u>	<u>\$ (115,694)</u>	<u>\$ (69,368)</u>
Noncash Investing, Capital and Financing Activities:			
Increase (Decline) in Fair Value of Investments	<u>\$ 65,572</u>	<u>\$ 14,591</u>	<u>\$ 80,163</u>



CITY OF
MINNETONKA

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
December 31, 2023

	<u>Clarion Hills Stewardship</u>	<u>Meadow Woods Stewardship</u>	<u>Stone Trace Stewardship</u>	<u>Total</u>
Assets:				
Cash and Investments	\$ 177,498	\$ 100,722	\$ 25,691	\$ 303,911
Interest Receivable	586	333	85	1,004
Total Assets	<u>178,084</u>	<u>101,055</u>	<u>25,776</u>	<u>304,915</u>
Liabilities:				
Accounts Payable	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
Net Position:				
Net Position, Held in Trust	<u>\$ 176,584</u>	<u>\$ 101,055</u>	<u>\$ 25,776</u>	<u>\$ 303,415</u>

City of Minnetonka
Hennepin County, Minnesota
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended December 31, 2023

	<u>Clarion Hills Stewardship</u>	<u>Meadow Woods Stewardship</u>	<u>Stone Trace Stewardship</u>	<u>Total</u>
Additions:				
Contributions from Participants	\$ 8,713	\$ 6,000	\$ -	\$ 14,713
Investment Earnings Interest	7,474	4,052	1,105	12,631
Total Additions	<u>16,187</u>	<u>10,052</u>	<u>1,105</u>	<u>27,344</u>
Deductions:				
Benefits	<u>10,814</u>	<u>7,213</u>	<u>1,795</u>	<u>19,822</u>
Change in Net Position	5,373	2,839	(690)	7,522
Net Position:				
Net Position - January 1	<u>171,211</u>	<u>98,216</u>	<u>26,466</u>	<u>295,893</u>
Net Position - December 31	<u>\$ 176,584</u>	<u>\$ 101,055</u>	<u>\$ 25,776</u>	<u>\$ 303,415</u>



CITY OF
MINNETONKA

OTHER SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues and Other Financial Sources and Schedule of Expenditures and Other Financing Uses – Budget to Actual

City of Minnetonka
Hennepin County, Minnesota
Schedule of Revenues and Other Financing Sources -
Budget to Actual - General Fund
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Revenues:					
General Property Taxes	\$ 37,004,000	\$ 37,004,000	\$ 36,674,799	\$ (329,201)	\$ 33,808,854
Licenses and Permits:					
Licenses:					
Liquor Licenses	195,000	242,000	243,660	1,660	224,688
Food Handlers Licenses	210,000	210,000	220,855	10,855	212,655
Building Permits	1,700,000	1,900,000	1,964,578	64,578	3,348,460
Plumbing Permits	240,000	270,000	294,174	24,174	539,191
Electrical Permits	370,000	390,000	438,915	48,915	640,190
HVAC Permits	360,000	380,000	566,748	186,748	719,536
Other Licenses and Permits	140,900	159,310	172,348	13,038	213,196
Total Licenses and Permits	<u>3,215,900</u>	<u>3,551,310</u>	<u>3,901,278</u>	<u>349,968</u>	<u>5,897,916</u>
Intergovernmental Revenues:					
Homestead / Market Value Credit	-	-	176	176	171
Public Safety State Aid	1,029,900	1,075,200	1,088,225	13,025	1,029,911
Federal Grants	40,000	40,000	124,331	84,331	2,399,425
State Grants	122,800	240,300	395,068	154,768	152,946
Other	25,000	75,000	38,505	(36,495)	14,795
Total Intergovernmental Revenues	<u>1,217,700</u>	<u>1,430,500</u>	<u>1,646,305</u>	<u>215,805</u>	<u>3,597,248</u>
Charges for Services:					
Recreation Fees	1,304,900	1,395,607	1,506,849	111,242	1,265,733
Other	347,500	546,500	567,524	21,024	524,862
Total Charges for Services	<u>1,652,400</u>	<u>1,942,107</u>	<u>2,074,373</u>	<u>132,266</u>	<u>1,790,595</u>
Fines and Forfeitures	<u>135,000</u>	<u>135,000</u>	<u>145,851</u>	<u>10,851</u>	<u>129,829</u>
Other Revenues:					
Investment Income (Loss)	1,105,900	1,105,900	1,361,371	255,471	(1,306,029)
Building and Equipment Rent	624,700	751,500	889,573	138,073	1,009,849
Other	243,600	286,100	313,525	27,425	345,117
Total Other Revenues	<u>1,974,200</u>	<u>2,143,500</u>	<u>2,564,469</u>	<u>420,969</u>	<u>48,937</u>
Total Revenues before Other Financing Sources	45,199,200	46,206,417	47,007,075	800,658	45,273,379
Other Financing Sources:					
Transfers from Other Funds	<u>1,494,800</u>	<u>1,494,800</u>	<u>1,494,800</u>	<u>-</u>	<u>1,469,200</u>
Total Revenues and Other Financing Sources	<u>\$ 46,694,000</u>	<u>\$ 47,701,217</u>	<u>\$ 48,501,875</u>	<u>\$ 800,658</u>	<u>\$ 46,742,579</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures:					
General Government:					
Mayor and Council:					
Personnel Services	\$ 86,500	\$ 86,500	\$ 87,896	\$ (1,396)	\$ 87,265
Supplies, Repairs and Maintenance	300	200	157	43	172
Other Services and Charges	258,200	218,300	209,660	8,640	188,938
Total Mayor and Council	345,000	305,000	297,713	7,287	276,375
General Administration:					
Personnel Services	2,770,400	2,770,400	2,321,808	448,592	2,139,720
Supplies, Repairs and Maintenance	55,200	57,260	49,209	8,051	46,732
Other Services and Charges	713,700	710,940	631,594	79,346	516,696
Total General Administration	3,539,300	3,538,600	3,002,611	535,989	2,703,148
Information Technology:					
Personnel Services	925,900	925,900	868,190	57,710	667,588
Supplies, Repairs and Maintenance	3,200	3,900	1,963	1,937	4,908
Other Services and Charges	533,600	531,700	590,996	(59,296)	498,824
Total Information Technology	1,462,700	1,461,500	1,461,149	351	1,171,320
Finance:					
Personnel Services	854,100	854,100	855,024	(924)	908,753
Supplies, Repairs and Maintenance	4,300	4,700	4,108	592	3,317
Other Services and Charges	224,100	223,400	215,699	7,701	217,183
Total Finance	1,082,500	1,082,200	1,074,831	7,369	1,129,253
Assessing:					
Personnel Services	784,300	784,300	732,069	52,231	734,632
Supplies, Repairs and Maintenance	4,000	3,100	2,795	305	4,417
Other Services and Charges	166,600	166,600	146,754	19,846	146,571
Total Assessing	954,900	954,000	881,618	72,382	885,620
Contingency:					
Other Services and Charges	50,000	-	-	-	-
Total General Government	7,434,400	7,341,300	6,717,922	623,378	6,165,716
Public Safety:					
Police:					
Personnel Services	11,101,200	11,250,500	11,627,210	(376,710)	10,339,358
Supplies, Repairs and Maintenance	423,000	389,700	516,057	(126,357)	441,545
Other Services and Charges	1,257,100	1,248,900	1,216,588	32,312	1,209,799
Total Police	12,781,300	12,889,100	13,359,855	(470,755)	11,990,702

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund (Continued)
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures: (Continued)					
Public Safety: (Continued)					
Fire:					
Personnel Services	\$ 4,540,300	\$ 4,540,300	\$ 4,554,757	\$ (14,457)	\$ 3,404,364
Supplies, Repairs and Maintenance	287,100	344,600	313,710	30,890	324,092
Other Services and Charges	964,800	1,008,600	1,146,069	(137,469)	1,084,884
Total Fire	<u>5,792,200</u>	<u>5,893,500</u>	<u>6,014,536</u>	<u>(121,036)</u>	<u>4,813,340</u>
Legal:					
Personnel Services	999,000	999,000	963,821	35,179	891,776
Supplies, Repairs and Maintenance	7,100	6,500	4,216	2,284	5,348
Other Services and Charges	84,500	67,700	59,603	8,097	55,249
Total Legal	<u>1,090,600</u>	<u>1,073,200</u>	<u>1,027,640</u>	<u>45,560</u>	<u>952,373</u>
Environmental Health:					
Personnel Services	382,100	382,100	372,721	9,379	342,903
Supplies, Repairs and Maintenance	6,300	3,800	2,081	1,719	2,808
Other Services and Charges	13,900	14,000	6,506	7,494	4,811
Total Environmental Health	<u>402,300</u>	<u>399,900</u>	<u>381,308</u>	<u>18,592</u>	<u>350,522</u>
Total Public Safety	<u>20,066,400</u>	<u>20,255,700</u>	<u>20,783,339</u>	<u>(527,639)</u>	<u>18,106,937</u>
Public Works:					
Street:					
Personnel Services	2,526,800	2,526,800	2,441,257	85,543	2,338,916
Supplies, Repairs and Maintenance	570,500	474,500	567,440	(92,940)	248,748
Other Services and Charges	1,311,500	1,303,540	1,038,038	265,502	964,262
Total Street	<u>4,408,800</u>	<u>4,304,840</u>	<u>4,046,735</u>	<u>258,105</u>	<u>3,551,926</u>
Building:					
Personnel Services	1,099,900	1,099,900	1,011,448	88,452	947,250
Supplies, Repairs and Maintenance	159,700	158,000	148,859	9,141	152,390
Other Services and Charges	724,300	737,700	723,158	14,542	579,095
Total Building	<u>1,983,900</u>	<u>1,995,600</u>	<u>1,883,465</u>	<u>112,135</u>	<u>1,678,735</u>
Engineering:					
Personnel Services	1,443,900	1,443,900	1,491,549	(47,649)	1,377,228
Supplies, Repairs and Maintenance	18,300	15,000	10,265	4,735	10,692
Other Services and Charges	113,200	113,200	67,653	45,547	55,116
Total Engineering	<u>1,575,400</u>	<u>1,572,100</u>	<u>1,569,467</u>	<u>2,633</u>	<u>1,443,036</u>
Total Public Works	<u>7,968,100</u>	<u>7,872,540</u>	<u>7,499,667</u>	<u>372,873</u>	<u>6,673,697</u>
Park and Recreation:					
Joint Recreation:					
Personnel Services	1,461,800	1,551,300	1,621,850	(70,550)	1,366,176
Supplies, Repairs and Maintenance	90,000	81,000	75,990	5,010	73,213
Other Services and Charges	401,200	396,300	415,470	(19,170)	363,392
Total Joint Recreation	<u>1,953,000</u>	<u>2,028,600</u>	<u>2,113,310</u>	<u>(84,710)</u>	<u>1,802,781</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund (Continued)
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures: (Continued)					
Park and Recreation: (Continued)					
Minnetonka Recreation:					
Personnel Services	\$ 340,300	\$ 340,300	\$ 274,085	\$ 66,215	\$ 280,766
Supplies, Repairs and Maintenance	3,600	1,700	1,602	98	1,642
Other Services and Charges	245,000	163,200	196,043	(32,843)	212,778
Total Minnetonka Recreation	<u>588,900</u>	<u>505,200</u>	<u>471,730</u>	<u>33,470</u>	<u>495,186</u>
Parks and Trails:					
Personnel Services	1,599,500	1,599,500	1,539,919	59,581	1,446,718
Supplies, Repairs and Maintenance	239,300	221,500	261,042	(39,542)	218,358
Other Services and Charges	534,700	533,700	580,147	(46,447)	461,178
Total Parks and Trails	<u>2,373,500</u>	<u>2,354,700</u>	<u>2,381,108</u>	<u>(26,408)</u>	<u>2,126,254</u>
Natural Resources:					
Personnel Services	1,278,000	1,278,000	1,289,757	(11,757)	1,144,915
Supplies, Repairs and Maintenance	19,200	18,700	22,421	(3,721)	12,826
Other Services and Charges	649,400	648,500	628,527	19,973	740,384
Total Natural Resources	<u>1,946,600</u>	<u>1,945,200</u>	<u>1,940,705</u>	<u>4,495</u>	<u>1,898,125</u>
Community Facility:					
Personnel Services	503,800	503,800	414,031	89,769	398,809
Supplies, Repairs and Maintenance	41,800	39,300	26,349	12,951	5,314
Other Services and Charges	116,800	107,900	82,952	24,948	75,342
Total Community Facility	<u>662,400</u>	<u>651,000</u>	<u>523,332</u>	<u>127,668</u>	<u>479,465</u>
Senior Services:					
Personnel Services	249,400	249,400	245,992	3,408	241,299
Supplies, Repairs and Maintenance	72,800	100,000	105,223	(5,223)	51,316
Other Services and Charges	64,000	70,900	81,499	(10,599)	58,865
Total Senior Services	<u>386,200</u>	<u>420,300</u>	<u>432,714</u>	<u>(12,414)</u>	<u>351,480</u>
Total Park and Recreation	<u>7,910,600</u>	<u>7,905,000</u>	<u>7,862,899</u>	<u>42,101</u>	<u>7,153,291</u>
Development Services:					
Planning:					
Personnel Services	776,100	776,100	757,066	19,034	742,904
Supplies, Repairs and Maintenance	8,300	5,100	3,719	1,381	5,761
Other Services and Charges	78,200	124,800	147,317	(22,517)	39,083
Total Planning	<u>862,600</u>	<u>906,000</u>	<u>908,102</u>	<u>(2,102)</u>	<u>787,748</u>

City of Minnetonka
Hennepin County, Minnesota
Schedule of Expenditures and Other Financing Uses
Budget to Actual - General Fund (Continued)
For the Year Ended December 31, 2023
With Summarized Financial Information for Year Ended December 31, 2022

	2023			Variance - Positive (Negative)	2022
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
Expenditures: (Continued)					
Development Services: (Continued)					
Community Development:					
Personnel Services	\$ 2,308,900	\$ 2,308,900	\$ 2,312,787	\$ (3,887)	\$ 2,093,562
Supplies, Repairs and Maintenance	30,100	19,100	14,780	4,320	23,201
Other Services and Charges	305,300	315,800	311,519	4,281	307,586
Total Community Development	<u>2,644,300</u>	<u>2,643,800</u>	<u>2,639,086</u>	<u>4,714</u>	<u>2,424,349</u>
Total Development Services	<u>3,506,900</u>	<u>3,549,800</u>	<u>3,547,188</u>	<u>2,612</u>	<u>3,212,097</u>
Debt Service:					
Principal	\$ 57,600	\$ 57,600	\$ 33,218	\$ 24,382	\$ 32,095
Interest and Fiscal Charges	-	-	24,382	(24,382)	25,505
Total Debt Service	<u>57,600</u>	<u>57,600</u>	<u>57,600</u>	<u>-</u>	<u>57,600</u>
Total Expenditures before Other Financing Uses	46,944,000	46,981,940	46,468,615	513,325	41,369,338
Other Financing Uses:					
Transfers to Other Funds	<u>2,871,000</u>	<u>3,721,000</u>	<u>3,726,501</u>	<u>(5,501)</u>	<u>3,347,361</u>
Total Expenditures and Other Financing Uses	<u>\$ 49,815,000</u>	<u>\$ 50,702,940</u>	<u>\$ 50,195,116</u>	<u>\$ 507,824</u>	<u>\$ 44,716,699</u>

SECTION III

STATISTICAL SECTION

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about overall financial health. The following are the categories of the various schedules that are included in this section.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source.

Debt Capacity

These schedules help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

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



CITY OF
MINNETONKA

City of Minnetonka
Hennepin County, Minnesota
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 95,221,323	\$ 100,390,155	\$ 100,378,219	\$ 102,223,500	\$ 112,360,020	\$ 118,124,855	\$ 122,472,427	\$ 145,267,595	\$ 159,198,487	\$ 172,731,521
Restricted	5,859,715	6,535,559	13,027,268	14,936,260	16,314,540	19,870,424	19,800,439	21,551,178	23,672,558	24,650,861
Unrestricted	60,037,739	50,537,717	51,254,752	57,192,458	65,666,057	72,292,832	82,027,457	88,464,579	75,404,689	70,164,147
Total Governmental Activities - Net Position	<u>\$ 161,118,777</u>	<u>\$ 157,463,431</u>	<u>\$ 164,660,239</u>	<u>\$ 174,352,218</u>	<u>\$ 194,340,617</u>	<u>\$ 210,288,111</u>	<u>\$ 224,300,323</u>	<u>\$ 255,283,352</u>	<u>\$ 258,275,734</u>	<u>\$ 267,546,529</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 92,146,383	\$ 91,801,549	\$ 89,143,255	\$ 85,755,233	\$ 83,286,653	\$ 81,884,166	\$ 87,148,536	\$ 86,569,946	\$ 90,839,291	\$ 95,430,281
Unrestricted	13,147,896	12,411,335	16,783,215	23,797,419	29,396,304	31,713,015	27,919,814	30,054,363	26,265,397	23,163,228
Total Business-Type Activities - Net Position	<u>\$ 105,294,279</u>	<u>\$ 104,212,884</u>	<u>\$ 105,926,470</u>	<u>\$ 109,552,652</u>	<u>\$ 112,682,957</u>	<u>\$ 113,597,181</u>	<u>\$ 115,068,350</u>	<u>\$ 116,624,309</u>	<u>\$ 117,104,688</u>	<u>\$ 118,593,509</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 187,367,706	\$ 192,191,704	\$ 189,521,474	\$ 187,978,733	\$ 195,646,673	\$ 200,009,021	\$ 209,620,963	\$ 231,837,541	\$ 250,037,778	\$ 268,161,802
Restricted	5,859,715	6,535,559	13,027,268	14,936,260	16,314,540	19,870,424	19,800,439	21,551,178	23,672,558	24,650,861
Unrestricted	73,185,635	62,949,052	68,037,967	80,989,877	95,062,361	104,005,847	109,947,271	118,518,942	101,670,086	93,327,375
Total Primary Government - Net Position	<u>\$ 266,413,056</u>	<u>\$ 261,676,315</u>	<u>\$ 270,586,709</u>	<u>\$ 283,904,870</u>	<u>\$ 307,023,574</u>	<u>\$ 323,885,292</u>	<u>\$ 339,368,673</u>	<u>\$ 371,907,661</u>	<u>\$ 375,380,422</u>	<u>\$ 386,140,038</u>

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Changes in Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
General Services	\$ 4,587,302	\$ 4,422,066	\$ 4,955,580	\$ 5,300,173	\$ 5,961,700	\$ 5,631,300	\$ 7,466,285	\$ 7,167,673	\$ 8,213,437	\$ 8,817,981
Development Services	4,777,436	5,249,666	5,651,848	6,545,139	6,954,084	10,395,543	8,085,763	8,655,564	8,741,315	7,614,833
Public Works	18,494,554	15,940,119	11,333,229	12,558,277	13,069,127	13,929,489	14,873,268	15,575,105	15,886,568	15,415,231
Public Safety	13,332,150	13,289,535	16,931,334	15,681,354	13,019,341	15,255,279	16,987,512	15,066,437	21,140,215	24,900,532
Parks and Recreation	6,310,604	6,491,390	6,237,685	6,328,354	7,120,532	7,137,969	7,078,990	8,840,640	9,717,092	12,107,191
Interest on Long-Term Debt	181,439	155,506	154,234	135,221	131,457	140,277	1,086,110	719,977	710,665	681,097
Total Governmental Activities Expenses	47,683,485	45,548,282	45,263,910	46,548,518	46,256,241	52,489,857	55,577,928	56,025,396	64,409,292	69,536,865
Business-Type Activities:										
Water and Sewer Utility	13,478,374	14,326,946	12,831,213	13,987,474	14,452,285	16,551,464	15,328,705	14,827,882	16,076,450	19,526,208
Ice Arena	1,240,234	1,187,034	990,691	1,062,568	1,028,139	1,042,307	1,066,743	483,653	-	-
Environmental Operations	711,218	785,276	746,933	753,796	822,133	951,454	1,109,276	1,276,425	1,389,029	1,342,068
Williston Fitness Center	2,167,490	2,271,217	2,424,475	2,383,059	2,557,583	2,813,818	2,145,693	2,326,574	3,009,976	2,698,258
Grays Bay Marina	183,593	208,108	194,021	192,206	218,969	247,968	205,055	228,706	214,608	230,219
Storm Water Fund	1,412,203	1,297,113	1,375,187	1,622,227	1,835,461	2,093,482	1,490,260	1,932,400	1,904,161	1,818,296
Total Business-Type Activities	19,193,112	20,075,694	18,562,520	20,001,330	20,914,570	23,700,493	21,345,732	21,075,640	22,594,224	25,615,049
Total Primary Government Expenses	\$ 66,876,597	\$ 65,623,976	\$ 63,826,430	\$ 66,549,848	\$ 67,170,811	\$ 76,190,350	\$ 76,923,660	\$ 77,101,036	\$ 87,003,516	\$ 95,151,914
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Services	\$ 40,402	\$ 2,297	\$ 4,282	\$ 11,372	\$ 639	\$ 490	\$ 92,569	\$ 118,027	\$ 118,756	\$ 164,918
Public Safety	1,643,036	1,753,883	1,709,195	1,652,345	1,674,249	1,544,792	4,350,818	1,338,761	1,815,831	1,551,379
Public Works	966,685	76,776	68,764	57,260	87,461	56,811	78,843	99,359	69,944	177,557
Parks and Recreation	1,271,707	2,094,611	2,188,774	3,407,341	4,664,796	2,352,949	1,199,486	5,241,022	3,842,281	4,550,692
Development Services	4,294,909	5,409,680	3,752,033	4,256,705	5,863,722	5,964,010	1,172,139	6,660,938	6,194,009	3,817,578
Operating Grants and Contributions	1,354,435	1,414,207	1,416,925	1,580,451	1,361,406	1,514,469	5,431,939	6,465,475	4,017,848	4,669,705
Capital Grants and Contributions	7,188,926	3,631,773	3,499,503	3,314,001	7,580,798	6,005,984	4,469,958	12,706,369	1,070,718	3,635,168
Total Governmental Activities Program Revenues	16,760,100	14,383,227	12,639,476	14,279,475	21,233,071	17,439,505	16,795,752	32,629,951	17,129,387	18,566,997
Program Revenues (Continued):										
Business-Type Activities:										
Charges for Services:										
Water and Sewer Utility	11,477,857	14,394,358	14,137,665	17,165,306	17,196,532	17,023,789	16,105,103	19,096,446	18,209,775	19,008,772
Ice Arena	923,141	845,207	871,738	893,463	866,916	864,263	562,485	929,176	-	-
Environmental Operations	745,203	758,753	815,365	840,643	829,332	883,498	967,386	1,349,490	1,350,187	1,447,736
Williston Fitness Center	2,492,730	2,395,503	2,525,460	2,728,004	2,739,842	2,774,387	1,392,339	1,953,683	2,396,835	2,883,980
Grays Bay Marina	217,819	243,303	237,720	253,784	279,947	266,327	265,459	262,648	251,205	259,515
Storm Water Fund	2,297,298	2,370,289	2,440,690	2,518,112	2,599,644	2,678,482	2,852,912	2,845,185	2,946,274	3,038,995
Operating Grants and Contributions	235,986	157,548	261,693	162,055	139,002	152,798	108,348	111,464	211,237	403,149
Capital Grants and Contributions	-	-	-	25,000	-	-	367,999	-	-	-
Total Business-Type Activities Program Revenues	18,390,034	21,164,961	21,290,331	24,586,367	24,651,215	24,643,544	22,622,031	26,548,092	25,365,513	27,042,147
Total Primary Government Program Revenues	\$ 35,150,134	\$ 35,548,188	\$ 33,929,807	\$ 38,865,842	\$ 45,884,286	\$ 42,083,049	\$ 39,417,783	\$ 59,178,043	\$ 42,494,900	\$ 45,609,144
Net Expense (Revenue):										
Governmental Activities	\$ (30,923,385)	\$ (31,165,055)	\$ (32,624,434)	\$ (32,269,043)	\$ (25,023,170)	\$ (35,050,352)	\$ (38,782,176)	\$ (23,395,445)	\$ (47,279,905)	\$ (50,969,868)
Business-Type Activities	(803,078)	1,089,267	2,727,811	4,585,037	3,736,645	943,051	1,276,299	5,472,452	2,771,289	1,427,098
Total Primary Government Net Expense	\$ (31,726,463)	\$ (30,075,788)	\$ (29,896,623)	\$ (27,684,006)	\$ (21,286,525)	\$ (34,107,301)	\$ (37,505,877)	\$ (17,922,993)	\$ (44,508,616)	\$ (49,542,770)

City of Minnetonka
Hennepin County, Minnesota
Changes in Net Position
Last Ten Fiscal Years (Continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other										
Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 31,260,616	\$ 32,681,646	\$ 34,022,340	\$ 35,543,357	\$ 37,542,646	\$ 39,135,526	\$ 41,689,806	\$ 42,903,418	\$ 45,227,601	\$ 47,614,272
Franchise Taxes	1,715,787	1,728,394	1,772,851	1,811,774	1,752,185	3,874,060	3,928,819	3,976,986	3,968,581	4,036,918
Tax Increment	2,362,579	2,405,931	2,486,080	2,689,708	3,426,105	3,508,134	3,529,698	3,840,427	4,372,109	2,543,633
Investment Earnings (Loss)	761,387	509,257	352,475	652,196	1,552,896	3,116,764	2,970,807	(464,575)	(4,504,609)	4,622,787
Sale of Capital Assets (Loss)	54,031	21,055	28,302	-	-	-	-	233,791	40,234	136,465
Other General Revenue	51,063	55,717	60,050	138,918	167,948	211,651	230,033	54,586	41,171	37,988
Transfers	1,405,203	133,190	1,099,144	1,125,069	1,033,156	1,151,711	1,238,852	1,102,150	1,127,200	1,248,600
Contributed Capital	-	-	-	-	-	-	(793,627)	2,731,691	-	-
Total Governmental Activities	<u>37,610,666</u>	<u>37,535,190</u>	<u>39,821,242</u>	<u>41,961,022</u>	<u>45,474,936</u>	<u>50,997,846</u>	<u>52,794,388</u>	<u>54,378,474</u>	<u>50,272,287</u>	<u>60,240,663</u>
Business-Type Activities:										
Investment Earnings (Loss)	164,893	82,813	84,919	166,214	504,694	1,122,884	640,095	(118,955)	(1,163,710)	1,282,437
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	36,303	-	27,886
Transfers	(1,405,203)	(133,190)	(1,099,144)	(1,125,069)	(1,033,156)	(1,151,711)	(1,238,852)	(1,102,150)	(1,127,200)	(1,248,600)
Contributed Capital	-	-	-	-	-	-	793,627	(2,731,691)	-	-
Total Business-Type Activities	<u>(1,240,310)</u>	<u>(50,377)</u>	<u>(1,014,225)</u>	<u>(958,855)</u>	<u>(528,462)</u>	<u>(28,827)</u>	<u>194,870</u>	<u>(3,916,493)</u>	<u>(2,290,910)</u>	<u>61,723</u>
Total Primary Government	<u>\$ 36,370,356</u>	<u>\$ 37,484,813</u>	<u>\$ 38,807,017</u>	<u>\$ 41,002,167</u>	<u>\$ 44,946,474</u>	<u>\$ 50,969,019</u>	<u>\$ 52,989,258</u>	<u>\$ 50,461,981</u>	<u>\$ 47,981,377</u>	<u>\$ 60,302,386</u>
Change in Net Position:										
Governmental Activities	\$ 6,687,281	\$ 6,370,135	\$ 7,196,808	\$ 9,691,979	\$ 20,451,766	\$ 15,947,494	\$ 14,012,212	\$ 30,983,029	\$ 2,992,382	\$ 9,270,795
Business-Type Activities	(2,043,388)	1,038,890	1,713,586	3,626,182	3,208,183	914,224	1,471,169	1,555,959	480,379	1,488,821
Total Primary Government	<u>\$ 4,643,893</u>	<u>\$ 7,409,025</u>	<u>\$ 8,910,394</u>	<u>\$ 13,318,161</u>	<u>\$ 23,659,949</u>	<u>\$ 16,861,718</u>	<u>\$ 15,483,381</u>	<u>\$ 32,538,988</u>	<u>\$ 3,472,761</u>	<u>\$ 10,759,616</u>

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 104,766	\$ 263,171	\$ 333,243	\$ 417,090	\$ 414,126	\$ 588,242	\$ 371,290	\$ 334,436	\$ 573,981	\$ 566,876
Committed	1,050,000	1,000,000	1,020,000	1,000,000	1,000,000	1,070,000	1,070,000	1,642,473	1,798,425	1,863,613
Assigned	12,594,400	12,973,500	13,532,940	13,972,800	14,688,800	280,900	330,900	380,900	430,900	480,900
Unassigned	3,742,975	5,419,224	6,332,482	6,729,435	7,790,783	21,796,781	24,600,235	25,663,526	27,243,909	25,442,585
Total General Fund	<u>17,492,141</u>	<u>19,655,895</u>	<u>21,218,665</u>	<u>22,119,325</u>	<u>23,893,709</u>	<u>23,735,923</u>	<u>26,372,425</u>	<u>28,021,335</u>	<u>30,047,215</u>	<u>28,353,974</u>
All Other Governmental Funds:										
Nonspendable	125,164	195,638	-	-	-	-	-	-	-	-
Restricted	5,937,290	6,603,366	7,531,670	8,001,534	10,076,003	11,821,249	16,979,799	13,523,945	15,643,333	21,204,618
Committed	11,960,779	13,049,962	14,552,450	20,618,774	24,464,977	28,245,772	33,456,739	36,039,121	30,341,078	29,896,472
Assigned	31,554,273	31,244,273	32,473,867	33,758,362	36,150,258	38,457,843	40,921,911	37,810,433	31,807,079	30,845,475
Unassigned	(2,551,669)	(6,944,033)	(786,168)	(2,029,545)	(2,215,407)	(503,049)	(2,900,499)	(2,190,976)	(573,552)	(5,575,694)
Total All Other Governmental Funds	<u>47,025,837</u>	<u>44,149,206</u>	<u>53,771,819</u>	<u>60,349,125</u>	<u>68,475,831</u>	<u>78,021,815</u>	<u>88,457,950</u>	<u>85,182,523</u>	<u>77,217,938</u>	<u>76,370,871</u>
Total Governmental Funds	<u>\$ 64,517,978</u>	<u>\$ 63,805,101</u>	<u>\$ 74,990,484</u>	<u>\$ 82,468,450</u>	<u>\$ 92,369,540</u>	<u>\$ 101,757,738</u>	<u>\$ 114,830,375</u>	<u>\$ 113,203,858</u>	<u>\$ 107,265,153</u>	<u>\$ 104,724,845</u>

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property Taxes	\$ 31,305,971	\$ 32,673,521	\$ 34,012,530	\$ 35,568,635	\$ 37,269,654	\$ 38,927,215	\$ 41,672,854	\$ 43,136,003	\$ 45,285,440	\$ 47,627,516
Franchise Taxes	1,715,787	1,728,394	1,772,851	1,811,774	1,752,185	3,874,061	3,928,819	3,976,986	3,968,581	4,036,918
Tax Increments	2,362,579	2,405,931	2,486,080	2,689,708	3,426,105	3,508,134	3,529,698	3,840,427	4,372,109	2,543,633
Special Assessments	525,284	429,966	327,995	336,674	290,588	281,045	458,275	492,686	464,775	434,700
Licenses and Permits	3,541,462	4,796,150	3,582,252	4,082,475	4,810,556	5,209,653	4,295,648	4,613,480	5,915,341	3,935,667
Intergovernmental	8,364,633	2,730,231	5,908,576	2,536,945	9,787,815	7,175,649	9,653,238	11,729,368	7,412,444	8,080,954
Charges for Services	1,637,836	1,606,563	1,690,330	1,538,168	1,790,771	1,461,411	927,657	1,514,914	2,787,285	3,645,460
Fines and Forfeitures	616,154	598,478	516,087	500,868	448,926	355,657	219,097	232,545	147,162	177,198
Miscellaneous	3,273,800	2,926,666	2,379,478	4,041,452	6,826,303	6,168,849	4,585,610	6,707,904	(1,126,141)	7,025,953
Total Revenues	53,343,506	49,895,900	52,676,179	53,106,699	66,402,903	66,961,674	69,270,896	76,244,313	69,226,996	77,507,999
Expenditures:										
General Government	4,108,370	4,191,085	4,537,134	4,904,464	5,400,246	5,491,764	6,213,267	6,758,867	6,919,494	7,503,923
Public Safety	12,891,804	12,843,759	13,380,168	14,298,493	14,004,058	15,021,606	8,057,391	17,059,208	18,202,184	20,830,854
Public Works	5,460,831	4,333,820	4,318,199	4,649,107	4,711,164	5,165,235	4,731,888	6,625,896	6,831,998	7,767,699
Park and Recreation	5,305,820	5,316,080	5,208,278	5,409,205	5,957,326	6,229,278	16,280,535	6,804,495	8,376,405	10,269,785
Development Services	4,735,215	5,148,457	5,421,767	6,400,314	6,775,083	10,326,062	5,976,782	8,724,881	8,437,222	6,597,464
Debt Service:										
Principal	970,000	980,000	1,005,000	1,030,000	1,260,000	1,375,000	1,395,000	1,530,000	792,095	818,218
Interest and other expenditures	219,107	193,643	200,052	196,318	167,513	186,048	854,420	788,135	762,049	737,214
Capital Outlay	17,024,591	18,764,534	11,146,965	9,913,232	19,477,245	17,723,048	40,071,578	30,915,289	26,011,688	26,908,215
Total Expenditures	50,715,738	51,771,378	45,217,563	46,801,133	57,752,635	61,518,041	83,580,861	79,206,771	76,333,135	81,433,372
Excess of Revenues										
Over (Under) Expenditures	2,627,768	(1,875,478)	7,458,616	6,305,566	8,650,268	5,443,633	(14,309,965)	(2,962,458)	(7,106,139)	(3,925,373)
Other Financing Sources (Uses):										
Bond Proceeds	-	-	2,440,000	-	-	2,630,000	24,390,000	-	-	-
Premium on Bonds Issued	-	-	115,967	-	-	-	1,044,301	-	-	-
Transfers In	4,728,828	4,424,887	2,423,025	5,087,747	3,514,277	7,150,482	10,498,365	11,641,471	7,369,561	5,221,301
Transfers Out	(3,661,625)	(3,262,286)	(1,252,225)	(3,915,347)	(2,263,455)	(5,835,917)	(9,281,513)	(10,539,321)	(6,242,361)	(3,972,701)
Proceeds on Disposition of Capital Assets	-	-	-	-	-	-	731,449	233,791	40,234	136,465
Total Other Financing Sources (Uses)	1,067,203	1,162,601	3,726,767	1,172,400	1,250,822	3,944,565	27,382,602	1,335,941	1,167,434	1,385,065
Net Change in Fund Balances	\$ 3,694,971	\$ (712,877)	\$ 11,185,383	\$ 7,477,966	\$ 9,901,090	\$ 9,388,198	\$ 13,072,637	\$ (1,626,517)	\$ (5,938,705)	\$ (2,540,308)
Debt Service as a Percentage										
of Noncapital Expenditures	2.7%	2.7%	3.2%	2.9%	3.3%	3.2%	4.2%	4.4%	2.8%	2.6%

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Tax Capacity and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Industrial Property</u>	<u>Other Property</u>	<u>Less: Tax Increment Property</u>	<u>Less: Net Fiscal Disparities</u>	<u>Net Taxable Tax Capacity</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Taxable Market Value</u>	<u>Taxable Tax Capacity as a Percentage of Estimated Market Value</u>
2014	58,877,909	32,469,923	775,348	1,895,625	9,146,127	81,081,428	37.651%	7,539,383,700	1.08%
2015	62,778,666	34,813,987	811,925	2,026,014	9,717,859	86,660,705	36.565%	7,796,498,758	1.11%
2016	66,167,466	37,366,035	837,902	2,156,775	9,744,736	92,469,892	35.674%	8,271,102,488	1.12%
2017	69,542,646	37,054,544	901,339	2,407,233	10,748,890	94,342,406	36.378%	8,549,418,319	1.10%
2018	75,536,028	35,729,606	970,845	3,006,273	9,800,882	99,429,324	35.710%	8,965,391,893	1.11%
2019	80,365,410	37,995,645	1,007,217	3,179,163	9,809,213	106,379,896	34.676%	9,601,668,583	1.11%
2020	85,428,426	38,641,499	975,477	3,209,805	10,319,945	111,515,652	36.574%	10,089,008,623	1.11%
2021	91,026,121	40,388,922	1,044,129	3,827,960	10,293,157	118,338,055	35.556%	10,701,114,926	1.11%
2022	95,527,900	39,792,866	444,971	4,014,356	10,507,095	121,244,286	36.763%	11,058,722,406	1.10%
2023	111,664,912	39,740,843	528,942	2,551,314	9,782,976	139,600,407	33.922%	12,483,658,717	1.12%

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Property Tax Rates Per \$10,000 of Tax Capacity -
All Direct and Overlapping Governmental Units
Years 2014 Through 2023

Year	City Direct Rate			Overlapping					Totals		
	Operating	Debt Service	Total	Hopkins School District No. 270	Minnetonka School District No. 276	Wayzata School District No. 284	Hennepin County	Misc.*	School District No. 270	School District No. 276	School District No. 284
2014	37.637 %	0.014 %	37.651 %	32.358 %	24.374 %	24.571 %	49.959 %	10.797 %	130.765 %	122.781 %	122.978 %
2015	36.552	0.013	36.565	30.340	25.093	26.252	46.398	9.987	123.290	118.043	119.202
2016	35.661	0.013	35.674	28.514	22.887	26.106	45.356	9.719	119.263	113.636	116.855
2017	36.363	0.015	36.378	25.611	22.770	26.290	44.087	10.214	116.290	113.449	116.969
2018	35.695	0.015	35.710	29.035	23.133	25.464	42.808	9.849	117.402	111.500	113.831
2019	34.662	0.014	34.676	27.022	21.209	24.833	41.861	9.422	112.981	107.168	110.792
2020	36.571	0.003	36.574	27.190	21.167	26.681	41.084	9.066	113.914	107.891	113.405
2021	35.553	0.003	35.556	26.478	20.923	26.912	38.210	8.598	108.842	103.287	109.276
2022	36.760	0.003	36.763	26.783	21.002	29.299	38.535	8.742	110.823	105.042	113.339
2023	33.920	0.002	33.922	25.006	17.720	23.848	34.542	7.947	101.417	94.131	100.259

* - Includes Metropolitan Mosquito Control, Metropolitan Council, Metropolitan Transit Debt, Park Museum, Hennepin Parks, Hennepin HRA, Hennepin County Regional Railroad Authority, Watershed Districts, Minnetonka HRA.

Source: Hennepin County Taxpayer Services Department

City of Minnetonka
Hennepin County, Minnesota
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2023		2014			
		Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total Tax Capacity Value
United Health Group	Office Center	\$ 2,574,660	1	1.84%	\$ 2,596,478	1	3.20%
Ridgedale Center, LLC.	Regional Shopping Center	1,724,970	2	1.24%	2,137,500	2	2.64%
Medica Health Plans	Commercial	1,363,350	3	0.98%	1,389,446	3	1.71%
AX 601 Tower, LP.	Office Center	1,251,150	4	0.90%	982,408	4	1.21%
WHQ, LLC.	Office Center	1,241,250	5	0.89%	909,064	5	1.12%
Virtus Rize, LLC.	Apartments	1,150,375	6	0.82%			
CP6 Carlson, LLC.	Apartments	1,090,775	7	0.78%			
Cargill, Inc.	Office Center	894,250	8	0.64%	652,350	10	0.80%
Wells Real Estate Funds	Office Center	886,130	9	0.63%	810,960	6	1.00%
BIGOS Management, Inc.	Apartments	736,000	10	0.53%			
Property Reserve, Inc.	Office Center	826,250	12	0.59%	716,070	8	0.88%
CSM West Ridge, Inc.	Shopping Center	689,050	13	0.49%	768,616	7	0.95%
RREEF America REIT II Corp.	Apartments				678,125	9	0.84%
		<u>\$ 14,428,210</u>		<u>10.34%</u>	<u>\$ 11,641,017</u>		<u>14.35%</u>

Source: City of Minnetonka Assessor's Office

City of Minnetonka
Hennepin County, Minnesota
Property Tax Levies and Collections
Last Ten Fiscal Years

Year Collected	Taxes Levied for the Fiscal Year	Collection within the Fiscal Year of the Levy		Additions/ (Abatements)	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2014	\$32,053,598	\$31,698,445	98.89%	\$ (603,114)	\$ 14,990	\$31,110,321	97.06%
2015	32,987,035	32,644,959	98.96%	(1,001,978)	78,441	31,721,421	96.16%
2016	34,289,440	33,836,412	98.68%	(817,408)	18,272	33,037,276	96.35%
2017	35,832,802	35,425,426	98.86%	(518,922)	97,681	35,004,185	97.69%
2018	37,212,950	36,851,292	99.03%	(184,810)	170,011	36,836,493	98.99%
2019	38,655,431	38,361,341	99.24%	(137,596)	177,470	38,401,215	99.34%
2020	41,227,977	40,983,502	99.41%	(219,696)	58,730	40,822,537	99.02%
2021	42,743,598	42,359,371	99.10%	(412,061)	102,622	42,049,932	98.38%
2022	45,140,229	44,659,101	98.93%	(508,719)	50,673	44,201,055	97.92%
2023	48,135,374	47,745,027	99.19%	(256,847)	-	47,488,180	98.66%

Source: Hennepin County Tax Settlement Reports

City of Minnetonka
Hennepin County, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	General Obligation as a Percentage of Personal Income	Total Debt as a Percentage of Personal Income	General Obligation Debt Per Capita	Total Debt Per Capita
	General Obligation Bonds	* Lease Liability	** Subscription Liability	Water Revenue Bonds						
2014	\$ 7,162,372	\$ -	\$ -	\$ 3,273,923		\$ 10,436,295	0.28%	0.41%	\$ 64	\$ 204
2015	6,154,003	-	-	12,232,568		18,386,571	0.23%	0.69%	237	356
2016	7,669,627	-	-	19,145,229		26,814,856	0.27%	0.94%	363	508
2017	6,597,892	-	-	18,836,958		25,434,850	0.23%	0.89%	353	476
2018	5,307,544	-	-	28,253,673		33,561,217	0.18%	1.14%	526	625
2019	6,533,240	-	-	27,134,988		33,668,228	0.21%	1.08%	501	622
2020	30,513,997	-	-	25,990,914		56,504,911	0.95%	1.76%	483	1,051
2021	28,934,089	-	-	36,246,163		65,180,252	0.86%	1.94%	674	1,212
2022	28,122,396	696,621	-	34,916,891		63,735,908	0.81%	1.83%	641	1,170
2023	27,288,919	663,403	201,204	33,102,619		61,256,145	0.72%	1.61%	604	1,117

Source: City of Minnetonka financial records

* GASB 87 related to leases was implemented in 2022. Data prior to 2022 is unavailable.

** GASB 96 related to subscription-based technology arrangements was implemented in 2023. Data prior to 2023 is unavailable.

City of Minnetonka
Hennepin County, Minnesota
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less Amounts Restricted for Debt Service	Total	General Percentage of Total Estimated Taxable Market Value of Property (1)	Total Debt as a Percentage Per Capita (2)
2014	\$ 7,162,372	\$ 1,130,654	\$ 6,031,718	0.08%	118%
2015	6,154,003	1,214,080	4,939,923	0.06%	96%
2016	7,669,627	1,265,084	6,404,543	0.08%	121%
2017	6,597,892	1,603,508	4,994,384	0.06%	94%
2018	5,307,544	1,773,558	3,533,986	0.04%	66%
2019	6,533,240	1,907,967	4,625,273	0.05%	85%
2020	30,513,997	1,698,061	28,815,936	0.29%	536%
2021	28,934,089	1,640,234	27,293,855	0.26%	508%
2022	28,122,396	1,645,147	26,477,249	0.24%	486%
2023	27,288,919	1,809,077	25,479,842	0.20%	465%

Source: City of Minnetonka financial records

(1) Market Value can be found in the schedule of tax capacity and estimated actual value of taxable property

(2) Population data can be found in the schedule of demographic and economic statistics

City of Minnetonka
Hennepin County, Minnesota
Direct and Overlapping Governmental Activities Debt
December 31, 2023

Governmental Units	Net Debt Outstanding	(1) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
City of Minnetonka	\$ 28,153,526	100.00 %	\$ 28,153,526
Overlapping Debt:			
School Districts			
I.S.D. 270 - Hopkins	139,056,123	45.13	62,756,028
I.S.D. 276 - Minnetonka	117,165,256	27.46	32,173,579
I.S.D. 283 - St. Louis Park	244,574,896	0.02	48,915
I.S.D. 284 - Wayzata	186,968,938	13.42	25,091,231
Hennepin County	1,056,334,526	5.36	56,619,531
Hennepin County Parks	49,655,074	7.39	3,669,510
Hennepin County RR Authority	80,622,443	5.36	4,321,363
Regional:			
Metropolitan Council	89,723,130	2.65	2,377,663
Total Overlapping Debt			<u>187,057,821</u>
Total Direct and Overlapping Debt			<u>\$ 215,211,347</u>

Source: Hennepin County Taxpayer Services Department

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

(1) The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of Hennepin County's tax capacity that is within the City of Minnetonka's boundaries and dividing it by Hennepin County's total tax capacity.

CITY OF MINNETONKA
Hennepin County, Minnesota
Legal Debt Margin Information
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Market Value (Taxable)	\$ 7,311,630,277	\$ 7,796,498,758	\$ 8,271,102,488	\$ 8,549,418,319	\$ 8,965,391,893	\$ 9,601,668,583	\$ 10,089,008,623	\$ 10,701,114,926	\$ 11,058,722,406	\$ 12,483,658,717
* Debt Limit 3% of Market Value (Note A)	219,348,908	233,894,963	248,133,075	256,482,550	268,961,757	288,050,057	302,670,259	321,033,448	331,761,672	374,509,762
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	7,020,000	6,040,000	7,475,000	6,445,000	5,185,000	6,440,000	29,435,000	27,905,000	27,145,000	26,360,000
Available in Debt Service Funds	(1,209,111)	(1,281,887)	(1,345,268)	(1,672,330)	(1,828,672)	(1,946,614)	(2,026,942)	(1,950,865)	(1,956,301)	(2,112,591)
Total Debt Applicable to Debt Limit	5,810,889	4,758,113	6,129,732	4,772,670	3,356,328	4,493,386	27,408,058	25,954,135	25,188,699	24,247,409
Legal Debt Margin	\$ 213,538,019	\$ 229,136,850	\$ 242,003,343	\$ 251,709,880	\$ 265,605,429	\$ 283,556,671	\$ 275,262,201	\$ 295,079,313	\$ 306,572,973	\$ 350,262,353
Total net debt applicable to the limit as a percentage of debt limit	2.65%	2.03%	2.47%	1.86%	1.25%	1.56%	9.06%	8.08%	7.59%	6.47%

Note (A):

M.S.A. Section 475.53 (Limit on Net Debt)

Subdivision 1. Generally, except of otherwise provided in Sections 475.51 to 475.75, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of two percent of the market value of taxable property in the municipality.

Note (B):

M.S.A. Section 475.51 Definitions: Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt the aggregate of the principal of the following:

- (1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments
- (2) Warrants or orders having no definite or fixed maturity
- (3) Obligations payable wholly from the income of revenue-producing conveniences
- (4) Obligations issued to create or maintain a permanent improvement revolving fund
- (5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems and on any combination thereof or for any other public convenience from which a revenue is or may be derived
- (6) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision

M.S.A. Section 469.178, subdivision 1. (tax increment bonds)* ...The bonds are not included for purposes of computing the net debt of any municipality

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2014	\$ 11,477,857	\$ 9,839,913	\$ 1,637,944	\$ 945,000	\$ 64,274	1.62	
2015	14,394,358	10,675,704	3,718,654	1,010,000	28,883	3.58	
2016	14,137,665	9,150,361	4,987,304	11,060,000	164,698	0.44	
2017	17,165,306	10,381,786	6,783,520	275,000	124,348	16.99	
2018	17,196,532	10,036,771	7,159,761	875,000	320,517	5.99	
2019	17,023,789	11,748,589	5,275,200	1,070,000	757,828	2.89	
2020	17,023,789	11,748,589	5,275,200	1,070,000	757,828	2.89	
2021	19,096,446	10,017,600	9,078,846	1,160,000	600,421	5.16	
2022	18,209,775	10,653,585	7,556,190	1,195,000	861,853	3.67	
2023	19,008,772	13,839,890	5,168,882	1,680,000	752,182	2.13	

Note: Operating expenses do not include depreciation.

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	(1) Population	(2) School Enrollment	(3) Annual Average Unemployment Rate	(1) Per Capita Income	Total Personal Income	(1) Total Employment
2014	51,144	28,067	3.6%	\$ 48,738	\$ 2,492,656,272	47,045
2015	51,647	28,184	3.0%	49,320	2,547,230,040	46,280
2016	52,741	28,669	3.1%	52,467	2,767,162,047	45,083
2017	53,394	29,354	2.8%	54,790	2,925,457,260	48,544
2018	53,713	29,646	2.3%	57,607	3,094,244,791	49,380
2019	54,141	29,660	2.6%	59,755	3,235,195,455	50,206
2020	53,781	30,160	5.2%	62,612	3,367,335,972	43,794
2021	54,704	29,820	3.0%	64,063	3,504,502,352	46,003
2022	54,474	30,004	2.1%	69,529	3,787,522,746	47,383
2023	54,850	30,317	2.3%	69,529 *	3,813,665,650	47,383 *

Sources:

(1) All years are best available estimates provided by the Metropolitan Council.

*For 2023, an updated per capita income and employment estimate for 2023 was not available at publication.

(2) School enrollment is the total number of students in schools located in Minnetonka for Independent School District No. 270 (Hopkins), 276 (Minnetonka), and 284 (Wayzata), each of which serves a portion of the City as well as other communities. Enrollment numbers obtained from the Minnesota Department of Education.

(3) Annual average unemployment rates were compiled by the Minnesota Department of Economic Security, Research and Statistics Department, for Hennepin County.

City of Minnetonka
Hennepin County, Minnesota
Principal Employers
Prior Year and Nine Years Ago

Taxpayer	2023			2013*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
United Health Group	4,200	1	8.86%	4,400	1	9.32%
Carlson Holdings, Inc.	3,600	2	7.60%	3,100	3	6.57%
Lake Superior Software, Inc.	3,500	3	7.39%			
Medica Health Plans	2,800	4	5.91%	1,200	6	2.54%
Independent School District (No. 276)	2,000	5	4.22%	1,050	7	2.23%
Multibrand Field Services, Inc.	2,000	6	4.22%			
Continental General Insurance Company	500	7	1.06%			
St. David's School for Child Development & Family Services, Inc.	450	8	0.95%			
Opus National, LLC.	360	9	0.76%			
Veolia WTS Solutions USA, Inc.	300	10	0.63%			
Cargill, Inc.				3,400	2	7.20%
Abbott / St Jude Medical				1,300	4	2.75%
Allina Health System				1,200	5	2.54%
DataCard Corp				1,000	8	2.12%
Digital River				800	9	1.70%
Advantek Inc.				600	10	1.27%
	<u>19,710</u>		<u>41.60%</u>	<u>18,050</u>		<u>38.24%</u>

Source: Employment estimates come from Greater MSP.

Note: Estimates may contain errors. Employment figures are likely to be underestimated and may not include remote or hybrid employees. Estimates are obtained on a best efforts telephone survey of individual employers.

Some employers do not respond to inquiries.

* 2014 numbers were unavailable at the time of the report.

City of Minnetonka
Hennepin County, Minnesota
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
General Administration	9.55	10.45	9.95	10.95	11.75	11.75	13.00	16.50	19.50	19.50
Information Technology	3.75	3.75	3.75	3.75	4.75	4.75	4.75	4.75	6.75	6.75
Finance	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	6.00
Assessing	5.60	5.60	5.60	5.60	5.70	5.70	5.70	5.70	5.70	5.70
Public Safety:										
Police:										
Licensed	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	58.00	59.00
Other	19.45	19.45	20.45	20.45	22.69	22.69	22.69	22.47	11.47	11.97
Fire:										
Full-time	6.50	6.50	8.00	8.00	11.00	11.00	11.75	12.00	21.00	23.50
Paid on call	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
Dispatch	9.00	9.00	9.00	9.00	-	-	-	-	-	-
Environmental Health	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00	3.00
Legal	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50	6.60	7.00
Streets and Buildings:										
Street	21.24	21.10	21.10	21.10	21.10	21.10	21.10	21.15	21.15	21.15
Buildings and Grounds	7.37	8.38	8.38	8.38	8.38	8.38	8.38	8.42	9.42	10.42
Engineering	9.75	9.25	9.25	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Parks and Recreation:										
Joint Recreation	5.84	5.74	6.35	6.85	6.85	6.85	6.85	6.85	6.95	6.75
Community Center	3.37	3.37	3.37	3.37	3.60	3.60	3.60	3.60	3.95	3.95
Parks and Trails	9.97	9.98	10.08	10.08	10.08	10.08	11.08	11.12	11.12	12.12
Senior Services	2.50	2.50	2.50	2.50	2.40	2.40	2.40	2.40	1.85	1.85
Minnetonka Recreation	0.84	0.84	0.75	0.75	2.00	2.00	2.00	2.00	1.00	1.00
Natural Resources	5.57	6.58	6.48	6.48	8.18	8.18	8.18	8.22	9.52	9.52
Development Services:										
Planning	5.50	6.00	6.00	6.00	6.00	5.00	4.50	5.50	5.50	5.50
Community Development	11.00	12.10	13.10	13.10	14.30	15.30	15.80	15.80	16.80	16.80
Cable Television	2.00	2.00	2.50	2.50	2.50	2.50	1.25	1.25	1.25	1.25
Ice Arena	3.62	3.62	3.00	3.50	3.50	3.50	3.50	3.50	3.50	4.00
The Marsh	-	-	-	-	-	-	-	-	-	3.50
Water and Sewer Utility	16.39	18.40	18.40	18.40	18.20	18.40	18.40	18.45	19.45	19.95
Williston Center	7.05	7.15	8.45	7.45	9.45	9.45	9.45	9.45	9.45	7.65
Environmental	0.47	0.48	0.48	0.48	0.48	0.48	0.53	0.57	0.57	0.67
Gray's Bay Marina	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.30	0.30
Storm Water	0.50	0.50	0.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fleet Maintenance Internal Service	4.51	4.38	4.38	4.38	4.38	4.38	4.38	4.42	4.42	4.42
Total	321.04	326.82	331.52	333.77	338.99	339.19	340.99	345.82	363.22	371.22

Source: City of Minnetonka financial records

City of Minnetonka
Hennepin County, Minnesota
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Administrative Services:										
Number of registered voters	35,500	35,234	37,040	36,783	37,571	37,666	39,892	39,613	38,990	39,216
Public Safety:										
Police:										
Calls for service	42,644	43,651	38,321	43,504	41,213	41,946	40,509	38,490	40,863	41,360
Criminal offenses	2,150	2,392	1,946	2,228	1,886	1,697	1,089	1,914	1,913	1,920
Fire:										
Number of calls	750	1,036	1,213	1,343	1,406	1,113	1,075	1,206	1,421	1,425
Legal:										
Cases opened and processed by staff	700	594	768	812	801	655	632	748	624	650
Environmental Health:										
Number of licensed establishments	735	720	750	839	775	775	610	647	598	625
Number of nuisance complaints	500	545	609	637	459	578	522	510	484	510
Public Works:										
Street Maintenance:										
Miles of city maintained	254.9	254.9	254.9	254.9	256.9	256.9	256.9	256.9	257.4	257.5
Street Improvement:										
Miles of street rehabilitated	4.5	4.0	5.2	2.0	4.5	2.0	1.9	3.0	3.0	5.3
Average pavement condition index	82	83	83	83	81	81	81	81	80	80
Engineering:										
Number of construction projects underway	14	9	3	5	7	7	12	11	6	7
Number of construction projects completed	11	5	5	3	9	5	6	8	6	12
Park & Recreation:										
Joint Recreation:										
Number of program participants	39,300	37,100	41,444	43,245	44,748	43,633	10,459	20,523	26,751	26,651
Senior Services:										
Number of program participants	14,500	28,513	16,861	11,230	10,695	11,874	11,954	21,165	23,360	25,000
Parks and Trails:										
Number of parks maintained	48	48	50	50	50	50	50	53.0	54.0	54.0
Park acreage:										
Active	283.9	283.9	283.9	283.9	283.9	313.5	313.5	270.8	272.8	272.8
Passive	983.5	983.5	983.5	983.5	983.5	983.5	983.5	1,025.8	1,025.8	1,025.8
Miles of trail and sidewalk maintained	99	99	100	102	105	106	108	108.7	109.5	110.9
Natural Resources:										
Number of diseased trees removed	900	645	677	678	820	755	831	730	561	650
Number of permits reviewed/inspected for natural resource compliance	650	712	696	795	775	755	705	769	658	775
Development Services:										
Community Development:										
Permits issued	6,800	7,924	7,800	7,200	7,358	8,139	8,024	9,515	8,806	7,150
Planning:										
Number of planning applications received	120	116	133	135	139	136	110	127	103	120
Number of building permits reviewed	1,700	1,007	1,853	1,790	1,914	2,210	618	642	516	425
Water and Sewer Utility:										
Number of utility customer accounts	16,982	16,957	16,970	16,970	17,023	17,023	17,784	17,141	17,335	17,397
Water pumped (million gallons)	2,400	2,200	2,100	2,060	2,040	1,894	2,013	2,241	2,223	2,200
Utility locate requests completed	10,000	13,289	10,087	9,523	9,154	10,380	10,458	9,547	8,167	8,000
Ice Arena:										
Ice rental hours sold	3,200	2,750	3,071	3,221	3,000	2,983	2,022	3,100	3,307	3,150
Environmental:										
Curbside recycling picked up (tons)	5,100	4,975	4,930	4,900	4,840	4,705	4,555	5,130	3,950	4,000
Willston Center:										
Total memberships sold	8,400	8,400	8,356	9,162	9,514	9,637	8,281	7,623	8,373	9,800
Gray's Bay:										
Slip lease rate	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 4,000	\$ 4,000	\$ 4,200
Storm Water:										
Number of storm sewer projects completed	7	7	8	4	5	5	3	4	3	4

Source: Various city departments

City of Minnetonka
Hennepin County, Minnesota
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety:										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Number of police officers	57	57	58	58	58	58	58	58	58	59
Fire Stations	5	5	5	5	5	5	5	5	5	5
Public Works:										
Streets (miles)	255	255	255	255	255	257	254	257	257	258
Streetlights	1,670	1,670	1,670	1,670	1,907	1,907	1,700	1,925	1,950	2,027
Parks and Recreation:										
Parks acreage	1,057	1,057	1,057	1,057	1,267	1,297	1,297	1,291	1,291	1,293
Parks	50	50	50	50	50	50	51	52	52	53
Water and Sewer Utilities:										
Water mains (miles)	308	308	308	308	308	309	309	309	309	309
Fire hydrants	2,577	2,577	2,577	2,577	2,853	2,860	2,877	2,887	3,028	2,900
Water plant daily capacity	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000	18,400,000
Storage capacity (gallons)	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000	12,900,000
Sanitary sewers (miles)	256	256	256	278	279	280	280	280	280	280
Storm Water										
Storm sewers (miles)	88	88	88	88	88	88	88	88	88	88

Source: Various city departments