

# **CITY OF STILLWATER, MINNESOTA**

REPORT PREPARED BY

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&  
THE FINANCE DEPARTMENT



**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2023**

MEMBER OF GOVERNMENT FINANCE OFFICERS ASSOCIATION  
OF THE UNITED STATES AND CANADA



CITY OF STILLWATER, MINNESOTA

Annual Comprehensive Financial Report  
For the Fiscal Year Ended December 31, 2023  
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# **INTRODUCTORY SECTION**



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June 24, 2024

Honorable Mayor  
Members of the City Council  
Citizens of the City of Stillwater, Minnesota

Minnesota state law requires that cities with over 2,500 population publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and submit them to the state auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Stillwater, Minnesota for the fiscal year ended December 31, 2023.

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

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

U.S. GAAP require 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 MD&A and should be read in conjunction with it. The City of Stillwater's MD&A can be found immediately following the report of the independent auditors on page 13.

### **Profile of the Government**

The City of Stillwater, founded in 1843 and incorporated in 1894, is a growing community located in central Washington County on the St. Croix River, approximately 20 miles east of the Minneapolis/St. Paul metropolitan area. Stillwater encompasses an area of approximately 5,814 acres and serves a population of 19,425.

The City of Stillwater operates under the "Home Rule Charter" form of government under the provisions of state of Minnesota law. The Mayor is president of the Council and together with the four-member City Council comprises the governing body of the City. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring a city administrator. The city administrator has the responsibility of carrying out the policies and ordinances of the city council, for overseeing the day-to-day operation of the City. The mayor is elected at-large and the Council members are elected by Wards to serve four-year overlapping terms of office.

The City provides a full range of municipal services. These services include: general government, public safety (police & fire), public works (streets & fleet), parks and recreation, public improvements, and providing and maintaining sanitary sewer, storm sewer, signs & lighting, water, and parking infrastructure.

The annual budget is the foundation for the City of Stillwater's financial planning and control. All divisions are required to submit appropriations requests to the city administrator for review and consolidation into a proposed budget. The city administrator is responsible for submitting the proposed annual budget to the City Council in August of each year. The city council is required to hold a public hearing on the proposed budget and to adopt by resolution a final budget and certify it no later than December 30. The budget amounts cannot increase beyond the estimated receipts except to the extent that actual receipts exceed the estimate. Department directors may make transfers of appropriations within a department but transfers of appropriations between departments require council approval. Budget-to-actual comparisons for the General Fund, Special Events, St. Croix Valley Recreation Center, Library, Parks, Downtown Beautification and Washington County Recycling which are the only funds for which an annual budget has been adopted, are provided in this report on pages 89 through 91 and 105 through 108.

### **Factors Affecting Financial Condition**

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

**Local economy.** In the early 1970s, the City's residents and business owners began to encourage the historic preservation of commercial and residential buildings in the community. This movement has gathered momentum, acceptance and regulatory authority since its beginning and has been at least partially responsible for recapturing the historical rivertown character of the downtown business district. It has also encouraged the maintenance and restoration of historic homes in the City's historic residential neighborhoods. Many residences, businesses and shops are housed in buildings more than 125 years old. Approximately eight square blocks of downtown Stillwater and 13 independent structures and sites throughout the City, including seven residential structures, are listed on the National Register of Historic Places. A number of the City's older homes have been restored to their historical character. In addition, a substantial downtown infrastructure improvement project was completed in 1991 and 1992, which included the separation and replacement of the 100-year-old storm sewer and sanitary sewer systems, new streets and sidewalks, and new street lighting. This restoration and preservation movement has generated a significant tourist trade that is important to the City's economy.

The 2040 Comprehensive Plan calls for continued growth and development of the City. The 2040 Comprehensive Plan estimates the City has 480 net developable acres. While most of these lands are in the western portion of the community and along the State Highway 36 corridor, approximately 160 acres are allocated for new residential development with a projection of 1,300 new housing units in the next ten years. There were 17 new homes permitted across 7 new developments. In addition there was also one apartment building with 53 units added.

The City has recently completed development/redevelopment activities in the downtown area: 1) the opening of two new hotels and a hotel addition to a third hotel in downtown Stillwater; 2) MnDOT rehabilitation of the historic Lift Bridge completing a pedestrian/bike recreation Loop Trail from downtown Stillwater into Wisconsin South to the new St. Croix Crossing bridge and trail back to downtown completed in 2020; 3) sidewalk improvement projects in downtown area; 4) riverbank improvement and elevated walkway project along the St. Croix River from downtown South to City limits was completed in 2022; and 5) Chestnut Street Pedestrian Plaza project from Main Street to the historic Lift Bridge was completed in 2023. Additionally, the City has recently seen the completion of one City block to accommodate 61 market-rate rental apartments in the downtown core.

**Long-term financial planning.** The City completed a Long-Range Financial Plan in 2022/2023. First, the City Council and staff recently updated the 10-year Capital Improvement Plan (CIP) for General Fund related Capital Expenditures. This identifies major projects for capital equipment purchases for 2023-2032. Many of these projects have been pending for years awaiting various forms of approval and funding sources. Total projects preliminary identified in the amount of \$42,414,879. Funding has been aligned with the anticipated capital expenditures. These capital purchases will be reviewed annually during the budget process and approval considered in accordance with the City's purchasing policy. The CIP is easily upgradeable from year to year to assure that it remains dynamic and continually reflects Council's vision and goals.



In addition to planning out the General Fund related Capital Purchasing from 2023-2032, the City forecasted out future staffing needs and ongoing, predictable operational cost factors related to existing personnel. These future potential operational cost increases were calculated in conjunction with the Capital Improvement Plan to provide a long-term financial guideline for the City to follow and measure the impact on property taxes and gauge the impact and preservation of the Fund Balance.

The City has completed upgrades and analysis to Capital Planning for the Recreation Center.

### **Major Initiatives**

The City received a \$6 Million grant from the State of Minnesota from a Bonding Bill. The grant is for the Riverfront Parks development which include Lumberjack Landing, Bridgeview Park and the Lowell Park Gazebo. The total estimated cost of all the park improvements is \$15.5 Million. The \$6 Million will be utilized to make major improvements to these park areas. The City also received a \$1 million donation for the project and will consider a local option sales tax for the remainder of the riverfront park improvement costs.

The City has identified a full upgrade and replacement of the Downtown Street Lights. The agreement with Xcel Energy expired and the City is anticipating the replacement of all downtown street lights in the Fall of 2024. This project is estimated at \$3.8 Million. The upgrades to the street lights will include attachments for banners, flags, security cameras and flowers.

The City conducted a facility study and identified projects to review and examine going forward. The selected projects include the Public Works roof, Recreation Center roof and Library terrace/inverted roof. These roof replacements are anticipated to be completed in 2024 and early 2025 if needed.

The City will be studying the reconstruction of Myrtle Street and Washington Avenue in 2024 with a possible reconstruction for Myrtle Street in 2026 pending the study results and State bonding Bill request.

Importantly, the City took on a major reorganization of downtown parking by expanding the pay zones, altering time limitations and upgrading the infrastructure. This major overhaul will allow the City to keep up with financial costs in relation to parking infrastructure and also project a better user experience.

The City partnered with the Downtown building owners to create a Special Service District in 2024. The partnership will help maintain positive working relationships between downtown and the City. In addition, it will help elevate the service level downtown while offsetting some of the additional costs to the City.

In the Fall of 2023, Lakeview Hospital announced its planned construction of a new Hospital located on a 67-acre parcel just off of Highway 36. This is an estimated \$400 million facility and will bring significant growth and development to the City of Stillwater in the form of development, jobs, services, and economic development.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for excellence in financial reporting to cities that meet certain criteria. A governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program requirements. The City of Stillwater received this award for the year ended December 31, 2022. The City of Stillwater anticipates receiving this award for 2023. This marks the 33<sup>rd</sup> consecutive year that the City has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. The City is submitting the 2023 report to GFOA for consideration of the Certificate of Achievement for Excellence in Financial Reporting. We believe our current report continues to conform to the high standards of the Certificate program.

The timely preparation of this report could not have been accomplished without the dedicated services of the Finance Department, auditors, and other city staff.

We also want to express our appreciation to the Mayor and City Council for their support for maintaining the highest standard of professionalism in the management of the financial operation of the City.

Respectfully submitted,



Joseph Kohlmann  
City Administrator



Sharon Provos  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Stillwater  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

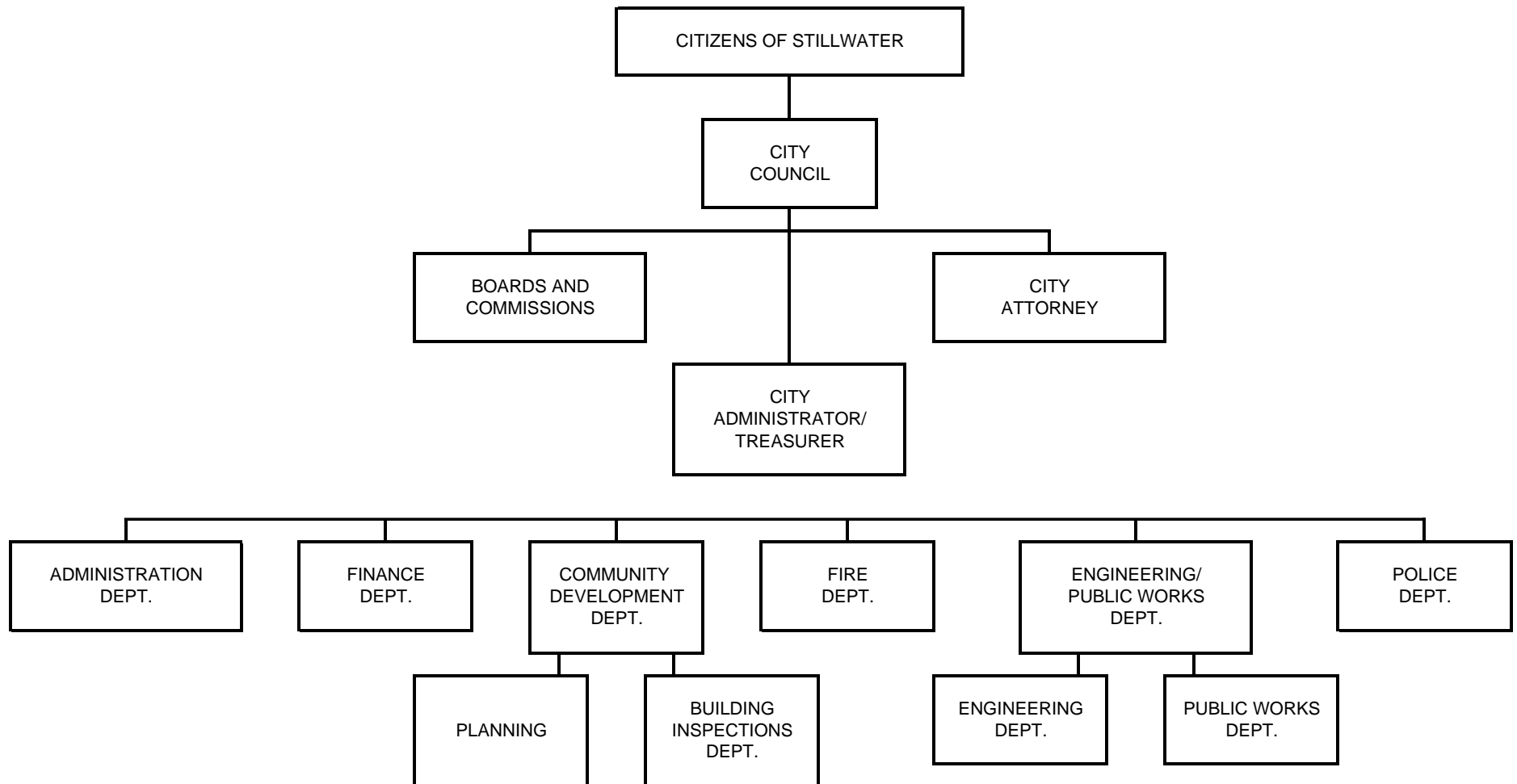
*Christopher P. Morill*

Executive Director/CEO



# CITY OF STILLWATER, MINNESOTA

## Organizational Chart December 31, 2023





## CITY OF STILLWATER, MINNESOTA

### LIST OF PRINCIPAL OFFICERS December 31, 2023

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#### ELECTED OFFICIALS

##### **Mayor**

Ted Kozlowski

Term Expires: January 2027

##### **Councilmembers**

###### Ward 1

Ryan Collins

Term Expires: January 2027

###### Ward 2

David Junker

Term Expires: January 2025

###### Ward 3

Larry Odebrecht

Term Expires: January 2025

###### Ward 4

Mike Polehna

Term Expires: January 2027

#### APPOINTED OFFICIALS

Joe Kohlmann, *City Administrator/Treasurer*

Kori Land, *City Attorney*

Sharon Provos, *Finance Director*

Tim Gladhill, *Community Development Director*

Stuart Glaser, *Fire Chief*

Shawn Sanders, *Public Works Director/City Engineer*

Brian Mueller, *Police Chief*

Mark Troendle, *Library Director*

# **FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stillwater as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Stillwater and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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 the City of Stillwater'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.



### ***Auditors' 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 auditors' 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 Stillwater'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 Stillwater'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, schedules of the City's proportionate share of net pension liabilities and assets, schedules of pension contributions, the schedule of changes in the total OPEB liability and related ratios be presented to supplement the basic financial statements, and the budgetary comparisons schedules. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stillwater'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 GAAS. In our opinion, the combining and individual fund financial statements and schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

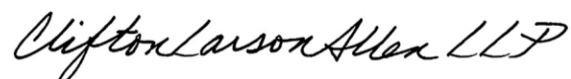
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 24, 2024 **June 25, 2024**, on our consideration of the City of Stillwater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Stillwater's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Stillwater's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
June 24, 2024

CITY OF STILLWATER, MINNESOTA

Management’s Discussion and Analysis (Continued)  
December 31, 2023

As management of the City of Stillwater, Minnesota, we offer readers of the City of Stillwater’s financial statements this narrative overview and analysis of the financial activities of the City of Stillwater for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 6 of this report.

**FINANCIAL HIGHLIGHTS:**

The assets and deferred outflows of resources of the City of Stillwater exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$129,154,612 (*net position*). Of this amount, the City has a deficit of \$11,135,832 in unrestricted net position. This consists of a deficit of \$15,381,053 in governmental activities and \$4,245,221 in business-type activities.

- The City’s total net position increased by \$8,097,487. This was due primarily to an increase in property tax levy and investment returns for the City’s governmental activities. It was also a result the overall net profit of the City’s business-type activities (increase in operating revenues and a decrease in related expenses).
- As of the close of the current fiscal year, the City of Stillwater’s governmental funds reported combined ending fund balance of \$38,311,346, an increase of \$2,315,924 in comparison with the prior year. Approximately 13.8% of this total amount or \$5,286,597 is *available for use* within the City’s policies (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,449,323 or 37% of total general fund expenditures.
- The City of Stillwater’s total bonded debt decreased by \$680,000 (2.2%) during the current fiscal period. This was the result of the City making regularly scheduled payments on outstanding debt, while also issuing bonds during 2023.

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

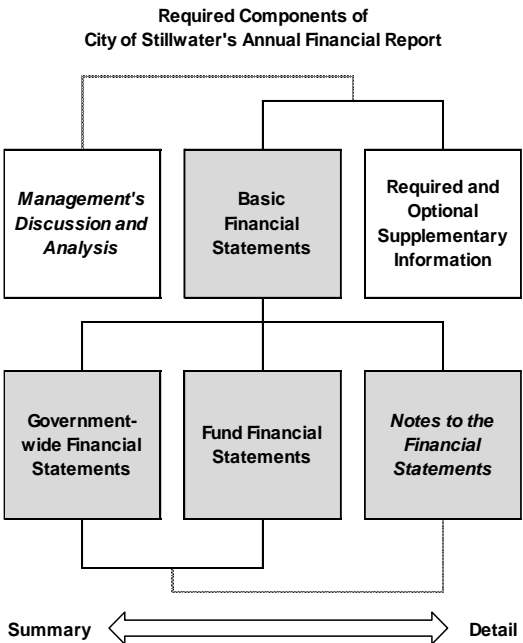
This discussion and analysis are intended to serve as an introduction to the City of Stillwater’s basic financial statements. The City of Stillwater’s basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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



## CITY OF STILLWATER, MINNESOTA

### Management's Discussion and Analysis (Continued) December 31, 2023

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

Both of the government-wide financial statements distinguish functions of the City of Stillwater that are principally supported by taxes, and charges for services (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Stillwater include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City of Stillwater include a sanitary and storm sewer utility, lighting, water and parking program.

The government-wide financial statements can be found on pages 25 through 27 of this report.

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

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

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

The City of Stillwater maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, St. Croix Valley Recreation Center fund, Library fund, Pandemic Relief fund, Debt Service fund, Capital Projects fund, and TIF Districts fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Stillwater adopts an annual appropriated budget for its general fund and certain special revenue funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28 through 33 of this report.

## CITY OF STILLWATER, MINNESOTA

### Management's Discussion and Analysis (Continued) December 31, 2023

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**Proprietary funds.** The City of Stillwater maintains six proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Stillwater uses enterprise funds to account for its sanitary and storm sewer utilities, lighting, water, general parking and parking ramp.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary and storm sewer funds, the lighting fund, the water fund, general parking and the parking ramp fund, which are considered to be major funds of the City of Stillwater.

The basic proprietary fund financial statements can be found on pages 34 through 36 of this report.

**Custodial fund.** The City of Stillwater maintains one custodial fund. The City of Stillwater uses the custodial fund to report fiduciary activities related to police evidence that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds. The basic custodial financial statements can be found on page 37 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 through 83 of this report.

**Supplementary information.** The combining nonmajor governmental fund statements referred to earlier can be found on pages 101 through 104 of this report. Other informational schedules and statements can be found on pages 105 through 121.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS:**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Stillwater, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$129,154,612 at the close of the most recent fiscal year.

By far the largest portion of the City of Stillwater's net position, \$109,574,821, or 84.9%, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Stillwater uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Stillwater's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF STILLWATER, MINNESOTA**

**Management's Discussion and Analysis (Continued)**  
**December 31, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED):**

Approximately 23.8% or \$30,715,623 of net position represents net position subject to constraints imposed by external creditors, primarily bond covenants, and external donors.

**CITY OF STILLWATER'S NET POSITION**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 51,301,697	\$ 48,371,470	\$ 7,127,594	\$ 6,794,544	\$ 58,429,291	\$ 55,166,014
Capital assets	111,574,832	108,505,374	23,034,577	22,528,239	134,609,409	131,033,613
Total assets	<u>162,876,529</u>	<u>156,876,844</u>	<u>30,162,171</u>	<u>29,322,783</u>	<u>193,038,700</u>	<u>186,199,627</u>
Deferred outflows of resources	11,858,019	13,238,408	414,996	744,963	12,273,015	13,983,371
Non-current liabilities outstanding	50,992,747	60,269,255	2,649,317	3,855,570	53,642,064	64,124,825
Other liabilities	4,680,177	4,523,400	187,618	266,179	4,867,795	4,789,579
Total liabilities	<u>55,672,924</u>	<u>64,792,655</u>	<u>2,836,935</u>	<u>4,121,749</u>	<u>58,509,859</u>	<u>68,914,404</u>
Deferred inflows of resources	16,538,783	9,006,453	1,108,461	1,205,016	17,647,244	10,211,469
Net position:						
Net investment in capital assets	87,188,271	86,751,341	22,386,550	21,781,668	109,574,821	108,533,009
Restricted	30,715,623	25,753,577	-	-	30,715,623	25,753,577
Unrestricted	(15,381,053)	(16,188,774)	4,245,221	2,959,313	(11,135,832)	(13,229,461)
Total net position	<u>\$102,522,841</u>	<u>\$ 96,316,144</u>	<u>\$ 26,631,771</u>	<u>\$ 24,740,981</u>	<u>\$129,154,612</u>	<u>\$121,057,125</u>

At the end of the current fiscal year, the City of Stillwater is able to report positive balances in two of the three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities with unrestricted net position in the governmental activities and in total being the exception.

**Governmental activities.** Governmental activities increased the City of Stillwater's net position by \$6,206,697. This was due primarily to an increase in property tax levy and increased investment return for the City's governmental activities.

**Business-type activities.** Business-type activities increased the City of Stillwater's net position by \$1,890,790. The most significant change in net position is a result the sanitary sewer and water funds being able to have revenues exceed expenses during 2023 by \$1,219,145 and \$539,030, respectively.

**CITY OF STILLWATER, MINNESOTA**

**Management's Discussion and Analysis (Continued)**  
**December 31, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED):**

The following chart summarizes the changes in net position for the current fiscal year:

CITY OF STILLWATER'S CHANGES IN NET POSITION						
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 4,710,636	\$ 4,919,639	\$ 8,119,809	\$ 7,329,892	\$ 12,830,445	\$ 12,249,531
Operating grants and contributions	1,645,387	1,064,296	-	-	1,645,387	1,064,296
Capital grants and contributions	3,026,427	2,871,236	-	-	3,026,427	2,871,236
General revenues:						
Property taxes	17,457,987	15,589,123	45,275	47,847	17,503,262	15,636,970
Tax increment	2,260,558	2,359,807	-	-	2,260,558	2,359,807
Lodging tax	481,045	453,006	-	-	481,045	453,006
Franchise taxes	495,401	494,088	-	-	495,401	494,088
Grants and contribution not restricted for a specific purpose	1,673,964	827,165	-	-	1,673,964	827,165
Unrestricted investment earnings (loss)	1,466,526	(515,578)	249,634	(63,058)	1,716,160	(578,636)
Total revenues	33,217,931	28,062,782	8,414,718	7,314,681	41,632,649	35,377,463
<b>Expenses:</b>						
General government	6,436,325	8,867,051	-	-	6,436,325	8,867,051
Public safety	8,800,796	7,739,073	-	-	8,800,796	7,739,073
Public works	3,406,171	1,335,470	-	-	3,406,171	1,335,470
Culture and recreation	7,550,482	5,956,931	-	-	7,550,482	5,956,931
Economic development	151,948	844,089	-	-	151,948	844,089
Interest on long-term debt	796,133	858,861	-	-	796,133	858,861
Sanitary sewer	-	-	3,174,098	3,389,979	3,174,098	3,389,979
Storm sewer	-	-	843,254	667,603	843,254	667,603
Lighting	-	-	147,779	447,667	147,779	447,667
Water	-	-	1,711,872	1,343,081	1,711,872	1,343,081
General Parking	-	-	325,406	263,889	325,406	263,889
Parking Ramp	-	-	190,898	194,376	190,898	194,376
Total expenses	27,141,855	25,601,475	6,393,307	6,306,595	33,535,162	31,908,070
Change in net position	6,206,697	2,461,307	1,890,790	1,008,086	8,097,487	3,469,393
Net position - beginning	96,316,144	93,854,837	24,740,981	23,732,895	121,057,125	117,587,732
Net position - ending	\$102,522,841	\$96,316,144	\$26,631,771	\$24,740,981	\$129,154,612	\$121,057,125

Governmental activities total revenues increased \$5,155,149 from 2022 to \$33,217,931. The primary reasons for this consists of an increase in property taxes of \$1,868,864 and an increase of investment earnings by \$1,982,104 due to more favorable market conditions in 2023.

Governmental activities expenses increased \$1,540,380 from 2022 to \$27,141,855. The primary reason for the increase in expenses were related to increased personnel costs (increases in proportionate share of pension liabilities) and increase in OPEB expenses, as well other operating costs for 2023. The increase in expenses were split among all five major functions, with the most significant increases in public works of \$2,096,865 and culture and recreation of \$1,640,522. This was offset by a decrease of \$2,380,934 in general government.

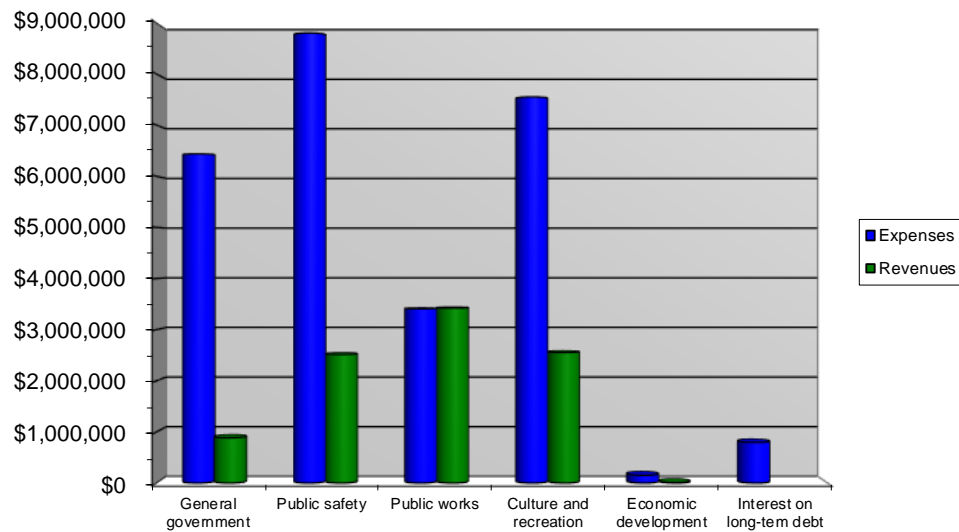
Total business-type revenues increased \$1,100,037 which was a combination of an increase in operating revenues and in interest earnings. Total expenses increased \$86,712, which was primarily all reflected as an increase in the water function of \$368,791 due to additional repairs and maintenance as well as personnel costs shifting to other functions.

## CITY OF STILLWATER, MINNESOTA

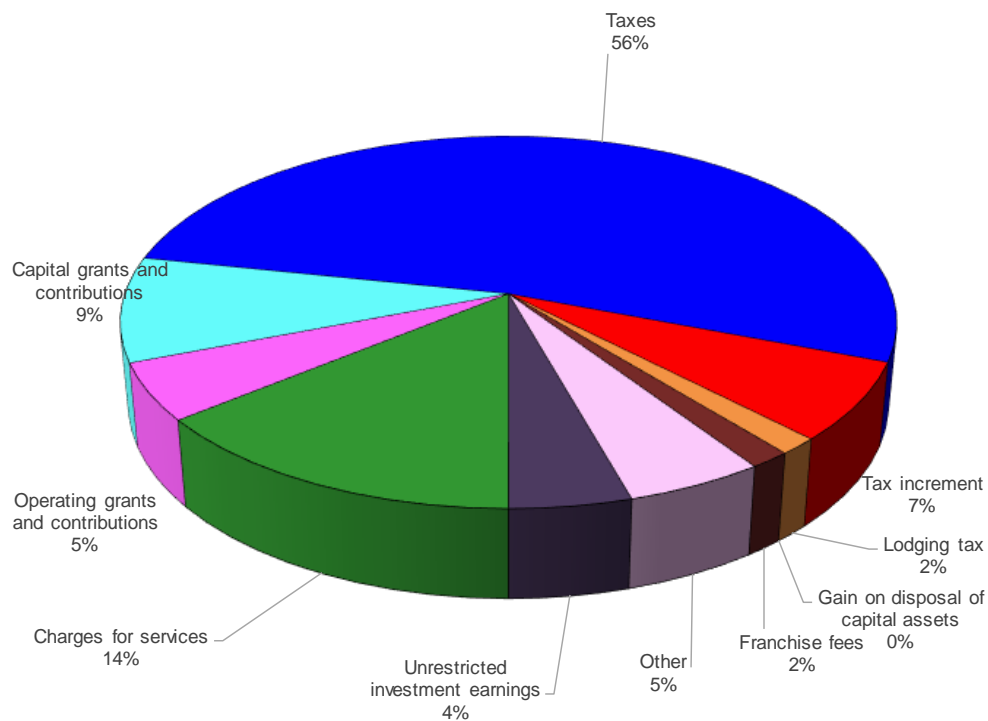
### Management's Discussion and Analysis (Continued) December 31, 2023

Below are specific graphs that provide comparisons of the government activities' direct program revenues with their expenses. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

#### Expenses and Program Revenues – Governmental Activities



#### Revenues by Source – Governmental Activities



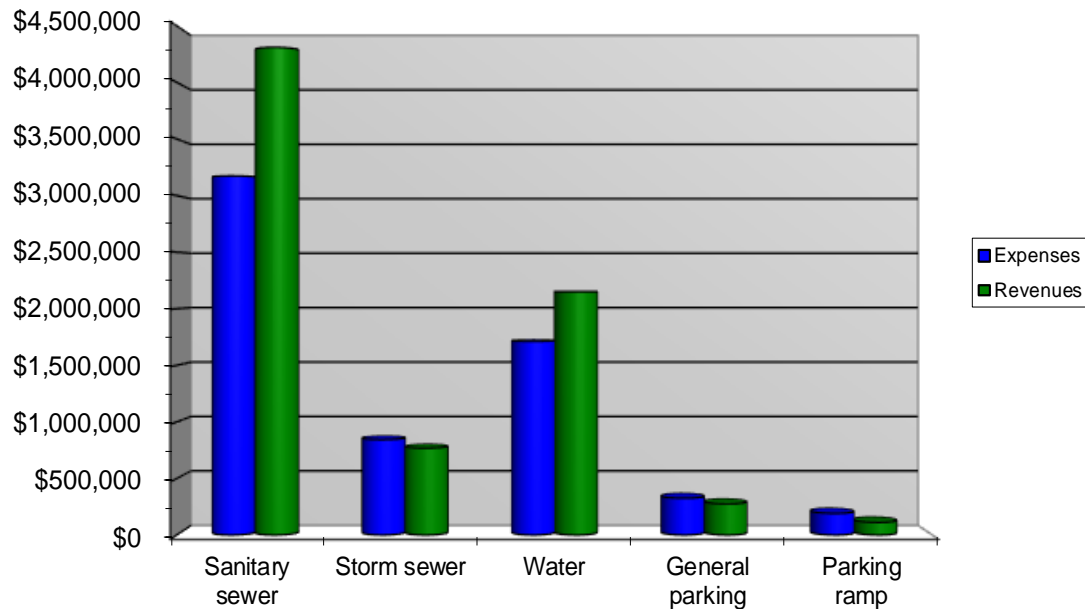


## CITY OF STILLWATER, MINNESOTA

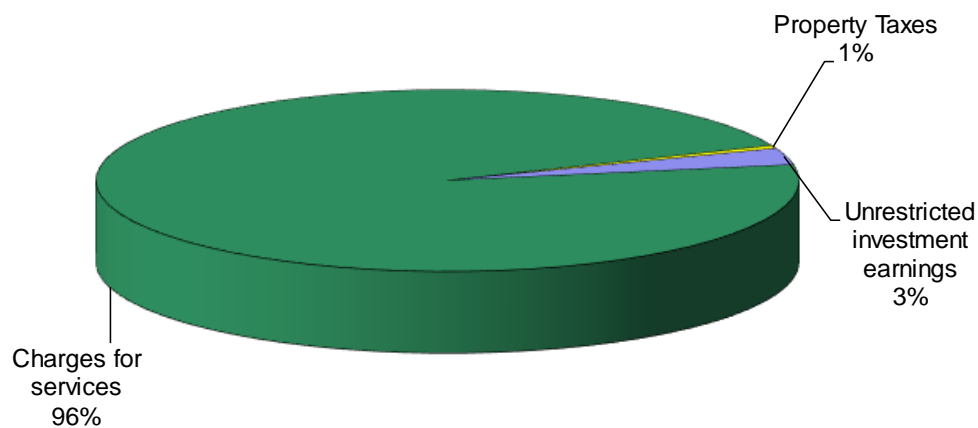
### Management's Discussion and Analysis (Continued) December 31, 2023

Below are specific graphs that provide comparisons of the business-type activities direct program revenues with their expenses. Excess revenues are retained within each fund until such time that capital replacement is needed.

#### Expenses and Program Revenues – Business-type Activities



#### Revenues by Source – Business-type Activities



## CITY OF STILLWATER, MINNESOTA

### Management's Discussion and Analysis (Continued) December 31, 2023

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#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS:**

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

**Governmental Funds.** The focus of the City of Stillwater's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Stillwater's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Stillwater's governmental funds reported combined ending fund balances of \$38,311,346, an increase of \$2,315,924. Of this total, \$25,558,716 is *restricted* due to external limitations on its use, such as debt covenants, legal restrictions, or intention of grantors, donors, or trustees. A total of \$372,938 is considered *nonspendable* because it has been used for prepaid items. A total of \$2,007,199 is *committed* meaning that the City Council established, by resolution, that the fund balance of certain funds will be used for a specific purpose. In addition, a total of \$5,085,896 has been *assigned* meaning that management has delegated this portion to compensated absences and capital construction. Finally, the remaining \$5,286,597 is unassigned and can be used for any lawful purpose.

The general fund is the primary operating fund of the City of Stillwater. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,449,323, while the total fund balance was \$7,384,255. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37% of total general fund expenditures, while total fund balance represents 50% of that same amount.

The fund balance of the City of Stillwater's general fund did increase during the current fiscal year by \$308,691 due primarily to increases in property taxes and ending the year with more revenues than budgeted.

The general fund's revenues were more than its budget by \$689,079. The two largest variances were intergovernmental revenues, which were over budget by \$248,336 and licenses and permits, which were over budget \$303,485, these are both due to the City budgeting conservatively related to licenses and permits as well as grant funding.

In 2023 the General Fund total revenues increased from 2022 by \$1,603,310. While the property tax revenue increased by \$1,145,501 due to an increase in the property tax levy of 10.1%, there was also an increase in intergovernmental revenues by \$125,136 and an increase in investment returns of \$197,189. The General Fund total expenditures increased from 2022 by \$1,171,750. This is mainly due to an increase in the public safety from 2022.

The St. Croix Valley Recreation Center fund has a total fund balance of \$1,810,802. Of this total, \$702 is considered nonspendable and is being used for prepaid items and the remaining \$1,810,100 is committed, by resolution, but available specifically for operations of the St Croix Valley Recreation Center. The fund balance increased by \$139,395 due primarily to the increasing revenues due to rentals and concessions in the center as well as controlling expenditures.

The Library fund has total fund balance of \$180,247. Of this total, \$26,267 is considered nonspendable and is being used for prepaid items and \$153,980 is considered committed, by resolution, and to be used specifically for Library operations. The fund balance decreased by \$50,149 due primarily to expenditures and transfers out exceeding current revenues in 2023.

## CITY OF STILLWATER, MINNESOTA

### Management's Discussion and Analysis (Continued) December 31, 2023

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#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED):**

The Pandemic Relief fund ended the year with a balance of \$0 as the amount received into this fund is considered unearned until utilized on eligible expenditures.

The Debt Service fund has a total fund balance of \$7,865,151, all of which is restricted for the retirement of related debt. The net increase of \$185,667 is due primarily a transfer in of \$1,002,959 from other funds which offsets the deficiency of expenditures over revenues.

The Capital Projects fund has a total fund balance of \$8,627,092 all of which is restricted or assigned for current and future capital projects. The net decrease of \$138,916 is primarily due to the issuance of debt during 2023 to help fund investments in future capital assets.

The TIF District fund has a total fund balance of \$8,281,967, all of which is restricted for TIF (Tax Increment Financing) related expenditures. The fund balance increased by \$895,972 due to tax increments and other revenues in 2023, exceeding expenditures and transfers out related to the TIF eligible projects (hotel, etc.).

***Proprietary funds.*** The City of Stillwater's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sanitary Sewer fund has total net position of \$7,486,634. This includes unrestricted net position in the amount of \$1,493,299. Net position increased by \$1,219,145 due primarily to operating revenues related to fee increases and nonoperating revenues exceeding operating expenses during 2023. Any resources available in this fund will be used for future sewer related capital projects.

The Storm Sewer fund has total net position of \$77,735, of which there is a deficit in unrestricted net position of \$332,140. Net position decreased by \$4,155 due primarily to current expenses exceeding revenues in 2023.

The Lighting fund has a total net position of \$294,182. This includes unrestricted net position in the amount of \$222,108. The net position increased by \$358,993 in 2023 due primarily to current revenues exceeding expenses in 2023.

The Water fund has total net position of \$11,917,521, of which \$2,317,959 is unrestricted. The net position increased by \$539,030 in 2023 due primarily to having more operating revenues due to fee increases and nonoperating revenues than operating expenses during 2023.

The General Parking fund has total net position of \$1,454,599, of which \$514,311 is unrestricted. Net position decreased by \$145,604 in 2023 due to operating revenues not covering operating expenses during the year. Any resources available in this fund will be used for future parking related capital projects.

The Parking Ramp fund has total net position of \$5,401,100, of which \$29,684 is unrestricted. Net position decreased by \$76,619 in 2023 due to operating revenues not covering operating expenses during the year. Any resources available in this fund will be used for future parking related capital projects.

CITY OF STILLWATER, MINNESOTA

Management's Discussion and Analysis (Continued)  
December 31, 2023

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**GENERAL FUND BUDGETARY HIGHLIGHTS:**

**Budget Amendments:** During the year there were no changes in appropriations between the original budget and the final budget.

**Budget to Actual:**

**Revenues:** In 2023, the General Fund exceeded the original budgeted revenue expectations by \$689,079. Some of the variances from the original budget to actual are as follows:

Property Taxes: The City's largest revenue source had a negative budget to actual variance of \$88,968; \$10,390,313 or 99.15% of the budgeted amount was collected.

Intergovernmental Revenue: The City's second largest revenue source had a positive budget to actual variance of \$248,336 which primarily was due to higher than expected state aid.

Charges for services: The City's third largest funding source has a positive budget to actual variance of \$46,181.

Licenses and permits: In 2023, this funding source has a positive budget to actual variance of \$303,485 due to a slightly larger amount of building permits being issued than expected, as this funding source can fluctuate from year to year.

Franchise taxes: This funding source in 2023 has a positive budget to actual variance of \$5,401 due to the timing of receipts.

Net investment income: Interest income when combined with unrealized gains and losses for the general fund resulted in a negative budget to actual variance of \$129,617 in 2023.

**Expenditures:** In 2023, the General Fund's actual expenditures were more than expected by \$378,131. The largest variances were in the Police department which was over budget by \$367,541, and Plant/City Hall which was over budget \$157,406 due to increases in payroll, supply costs, repair costs, maintenance, and natural gas.

# CITY OF STILLWATER, MINNESOTA

## Management's Discussion and Analysis (Continued) December 31, 2023

### **CAPITAL ASSET AND DEBT ADMINISTRATION:**

**Capital assets.** The City of Stillwater's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$134,609,409 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, office equipment and furniture, vehicles, machinery and equipment, other capital assets, and infrastructure. The total increase in the City of Stillwater's investment in capital assets (net of accumulated depreciation and amortization) was 2.4%.

### **CITY OF STILLWATER'S CAPITAL ASSETS** (Net of depreciation and amortization)

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Land	\$ 13,993,770	\$ 13,993,770	\$ 492,620	\$ 492,620	\$ 14,486,390	\$ 14,486,390
Buildings and improvements	29,740,986	31,713,618	5,071,650	5,147,750	34,812,636	36,861,368
Improvements other than buildings	4,305,931	3,823,289	2,410,595	1,958,983	6,716,526	5,782,272
Machinery and equipment	3,877,241	4,055,060	1,247,417	1,202,869	5,124,658	5,257,929
Vehicles	2,079,512	2,063,485	357,686	423,286	2,437,198	2,486,771
Infrastructure	40,095,369	40,093,364	13,192,453	13,149,883	53,287,822	53,243,247
Construction in process	16,779,031	12,607,706	262,156	151,998	17,041,187	12,759,704
Right-to-use assets	702,992	559,513	-	850	702,992	560,363
Total	<u>\$111,574,832</u>	<u>\$108,909,805</u>	<u>\$ 23,034,577</u>	<u>\$ 22,528,239</u>	<u>\$134,609,409</u>	<u>\$131,438,044</u>

Additional information regarding the City's capital assets can be found on pages 54 and 55 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Stillwater had total bonded debt outstanding of \$31,165,000. Of this amount \$25,150,000 comprises tax-supported debt, \$1,645,000 is tax increment debt, and \$4,370,000 is revenue-supported debt. Of the total debt, \$25,150,000 is a direct obligation of the City and backed with a pledge of the full faith, credit, and taxing power of the City. The City also has an outstanding note payable in the amount of \$181,462, leases payable of \$299,828, and subscriptions payable of \$397,370.

### **CITY OF STILLWATER'S OUTSTANDING DEBT** General Obligation Bonds

	<b>Total Outstanding Debt</b>	
	<b>2023</b>	<b>2022</b>
<b>General Obligation Bonds:</b>		
General Government	\$ 25,150,000	\$ 23,730,000
Tax Increment	1,645,000	1,855,000
<b>Revenue Bonds:</b>		
Tax Increment	3,730,000	4,165,000
Water	640,000	735,000
<b>Notes Payable:</b>		
Notes Payable	181,462	186,979
<b>Lease Payable:</b>		
Leases Payable	299,828	157,810
<b>Subscriptions Payable:</b>		
Subscriptions Payable	397,370	404,431
Total	<u>\$ 32,043,660</u>	<u>\$ 31,234,220</u>

The City of Stillwater's total debt increased by \$809,440 (2.6%) during the current fiscal year. Additional information regarding the City's long-term debt can be found beginning on pages 57 through 60 of this report.

Minnesota state statutes limit the amount of general obligation debt to 3% of the total estimated taxable market value. The current legal debt margin for the City of Stillwater is \$73,675,830. Only \$25,150,000 of the City's outstanding debt is subject to the statutory limit. The calculation for the City's legal debt margin can be found on pages 142 and 143 of this report.

## **CITY OF STILLWATER, MINNESOTA**

### **Management's Discussion and Analysis (Continued)** **December 31, 2023**

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The City of Stillwater's bond rating was Aa2 rated by Moody's on November 2, 2023 for the City's general obligation debt.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:**

- The City's residential taxable market value increased 17.5% in 2023.
- The state revenue forecasts appear to be able to allow the distribution of the City's promised aid payments in 2023, therefore, the City included this aid disbursement in its 2023 budget.
- Increased health care costs were capped at 9.5% in 2023.

The City's appointed officials considered many factors when developing the 2023 budget and establishing the 2022 tax levy collectible in 2023 and the appropriate fees that will be charged by business-type activities. With the focus on sustainability and its adopted strategic plan, the 2023 budget was prepared with emphasis on ensuring current operational needs will be met as well as meeting long-term capital requirements. Through constant adherence to its fiscal policies the City is expected to address long-term financial demands without causing significant fluctuation in the City's tax burden. All of these factors were considered when preparing the City of Stillwater's 2023 fiscal year budget.

#### **REQUESTS FOR INFORMATION:**

This financial report is designed to provide a general overview of the City of Stillwater's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Stillwater, 216 4<sup>th</sup> Street North, Stillwater, Minnesota, 55082.

# **Basic Financial Statements**



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**CITY OF STILLWATER, MINNESOTA**

**STATEMENT OF NET POSITION**  
**December 31, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and pooled investments	\$ 40,979,146	\$ 4,782,663	\$ 45,761,809
Cash and pooled investments - held in escrow	322,167	-	322,167
Accrued interest receivable	69,465	12,315	81,780
Receivables (net of allowance for uncollectibles)	7,777,993	2,243,782	10,021,775
Lease receivable	164,175	-	164,175
Internal balances	183,552	(183,552)	-
Due from other governments	3,211	2,559	5,770
Prepaid items	372,938	221,980	594,918
Pledges receivable	220,000	-	220,000
Inventories	-	47,847	47,847
Net pension asset	1,209,050	-	1,209,050
Capital Assets			
Capital assets, nondepreciable	30,772,801	754,776	31,527,577
Capital assets (net of accumulated depreciation)	80,099,039	22,279,801	102,378,840
Capital assets right-to-use assets (net of accumulated amortization)	702,992	-	702,992
Total assets	162,876,529	30,162,171	193,038,700
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding of bonds	59,780	-	59,780
Deferred outflows - pensions	10,469,387	245,530	10,714,917
Deferred outflows - OPEB	1,328,852	169,466	1,498,318
Total deferred outflows of resources	11,858,019	414,996	12,273,015
<b>LIABILITIES</b>			
Accounts payable	726,624	40,422	767,046
Contracts payable	956,506	39,991	996,497
Salaries payable	367,090	49,735	416,825
Due to other governments	334,191	48,272	382,463
Unearned revenue	1,692,022	-	1,692,022
Deposits payable	219,478	500	219,978
Accrued interest payable	384,266	8,698	392,964
Noncurrent liabilities:			
Due within one year	4,104,905	132,452	4,237,357
Total OPEB liability due within one year	539,178	169,466	708,644
Due in more than one year	30,289,435	712,134	31,001,569
Total OPEB liability - due in more than one year	7,074,354	801,479	7,875,833
Net pension liability	8,984,875	833,786	9,818,661
Total liabilities	55,672,924	2,836,935	58,509,859
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - leases	157,395	-	157,395
Deferred inflows - pensions	9,771,087	265,458	10,036,545
Deferred inflows - OPEB	6,610,301	843,003	7,453,304
Total deferred inflows of resources	16,538,783	1,108,461	17,647,244
<b>NET POSITION</b>			
Net investment in capital assets	87,188,271	22,386,550	109,574,821
Restricted for:			
Debt service	7,501,771	-	7,501,771
Capital projects	7,528,708	-	7,528,708
TIF projects	8,316,849	-	8,316,849
General government activities	382,606	-	382,606
Culture and recreation activities	2,668,871	-	2,668,871
Public works activities	260,417	-	260,417
Public safety activities	951,993	-	951,993
Fire relief pension	1,209,050	-	1,209,050
Municipal construction aid - transportation	1,895,358	-	1,895,358
Unrestricted	(15,381,053)	4,245,221	(11,135,832)
Total net position	\$ 102,522,841	\$ 26,631,771	\$ 129,154,612

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

## CITY OF STILLWATER, MINNESOTA

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 6,436,325	\$ 264,975	\$ 619,221	\$ -
Public safety	8,800,796	1,693,312	820,946	-
Public works	3,406,171	406,758	77	3,015,083
Culture and recreation	7,550,482	2,345,591	205,143	2,500
Economic development	151,948	-	-	8,844
Debt service	796,133	-	-	-
Total governmental activities	27,141,855	4,710,636	1,645,387	3,026,427
Business-type Activities:				
Sanitary sewer	3,174,098	4,309,804	-	-
Storm sewer	843,254	768,254	-	-
Lighting	147,779	505,240	-	-
Water	1,711,872	2,149,868	-	-
General parking	325,406	275,091	-	-
Parking ramp	190,898	111,552	-	-
Total business-type activities	6,393,307	8,119,809	-	-
Total primary government	\$ 33,535,162	\$ 12,830,445	\$ 1,645,387	\$ 3,026,427
General revenues:				
Property taxes				
Tax increment				
Lodging tax				
Franchise taxes				
Grants and contributions not restricted for a specific purpose				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, January 1				
Net position - December 31				

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

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<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (5,552,129)	\$ -	\$ (5,552,129)
(6,286,538)	-	(6,286,538)
15,747	-	15,747
(4,997,248)	-	(4,997,248)
(143,104)	-	(143,104)
(796,133)	-	(796,133)
<u>(17,759,405)</u>	<u>-</u>	<u>(17,759,405)</u>
-	1,135,706	1,135,706
-	(75,000)	(75,000)
-	357,461	357,461
-	437,996	437,996
-	(50,315)	(50,315)
-	(79,346)	(79,346)
<u>-</u>	<u>1,726,502</u>	<u>1,726,502</u>
<u>(17,759,405)</u>	<u>1,726,502</u>	<u>(16,032,903)</u>
17,457,987	45,275	17,503,262
2,260,558	-	2,260,558
481,045	-	481,045
495,401	-	495,401
1,673,964	-	1,673,964
1,466,526	249,634	1,716,160
130,621	(130,621)	-
<u>23,966,102</u>	<u>164,288</u>	<u>24,130,390</u>
6,206,697	1,890,790	8,097,487
96,316,144	24,740,981	121,057,125
<u>\$ 102,522,841</u>	<u>\$ 26,631,771</u>	<u>\$ 129,154,612</u>

**CITY OF STILLWATER, MINNESOTA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2023**

		St Croix Valley Recreation Center	Library	Pandemic Relief
ASSETS	General			
Cash and pooled investments	\$ 7,232,754	\$ 1,867,356	\$ 231,150	\$ 1,756,416
Cash and pooled investments - held in escrow	-	-	-	-
Accrued interest receivable	10,482	4,183	745	-
Accounts receivable	409,349	57,980	-	-
Taxes receivable:				
Delinquent	62,707	-	-	-
Due from county	68,702	-	-	-
Special assessments receivable:				
Delinquent	6,274	-	-	-
Noncurrent	143,164	-	-	-
Due from county	540	-	-	-
Due from other governments	3,211	-	-	-
Interfund receivable	379,968	-	-	-
Pledge receivable	-	-	-	-
Prepaid items	327,125	702	26,267	-
Lease receivable	164,175	-	-	-
Total assets	<u>\$ 8,808,451</u>	<u>\$ 1,930,221</u>	<u>\$ 258,162</u>	<u>\$ 1,756,416</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 215,925	\$ 33,933	\$ 26,785	\$ 64,394
Contracts payable	46,356	85,486	1,336	-
Salaries payable	302,380	-	38,594	-
Due to other governments	316,697	-	11,200	-
Unearned revenue	-	-	-	1,692,022
Interfund payable	-	-	-	-
Deposits payable	173,298	-	-	-
Total liabilities	<u>1,054,656</u>	<u>119,419</u>	<u>77,915</u>	<u>1,756,416</u>
Deferred Inflows of Resources:				
Leases	157,395	-	-	-
Unavailable revenue	212,145	-	-	-
	<u>369,540</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	327,125	702	26,267	-
Restricted	-	-	-	-
Committed	-	1,810,100	153,980	-
Assigned	1,607,807	-	-	-
Unassigned	5,449,323	-	-	-
Total fund balances	<u>7,384,255</u>	<u>1,810,802</u>	<u>180,247</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,808,451</u>	<u>\$ 1,930,221</u>	<u>\$ 258,162</u>	<u>\$ 1,756,416</u>

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

<b>Debt Service</b>	<b>Capital Projects</b>	<b>TIF Districts</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 7,513,812	\$ 9,773,415	\$ 8,269,158	\$ 4,335,085	\$ 40,979,146
322,167	-	-	-	322,167
10,494	17,939	17,695	7,927	69,465
-	1,954,016	-	40,977	2,462,322
20,886	19	4,450	-	88,062
21,858	-	11,539	-	102,099
-	2,981	-	-	9,255
-	4,938,850	30,432	-	5,112,446
-	3,272	-	-	3,812
-	-	-	-	3,211
-	-	183,552	-	563,520
-	220,000	-	-	220,000
-	1,292	-	17,552	372,938
-	-	-	-	164,175
<u>\$ 7,889,217</u>	<u>\$ 16,911,784</u>	<u>\$ 8,516,826</u>	<u>\$ 4,401,541</u>	<u>\$ 50,472,618</u>
\$ 3,180	\$ 161,599	\$ 199,977	\$ 20,831	\$ 726,624
-	807,963	-	15,365	956,506
-	-	-	26,116	367,090
-	-	-	6,294	334,191
-	-	-	-	1,692,022
-	218,065	-	161,903	379,968
-	36,980	-	9,200	219,478
<u>3,180</u>	<u>1,224,607</u>	<u>199,977</u>	<u>239,709</u>	<u>4,675,879</u>
-	-	-	-	157,395
20,886	7,060,085	34,882	-	7,327,998
20,886	7,060,085	34,882	-	7,485,393
-	1,292	-	17,552	372,938
7,865,151	5,147,711	8,281,967	4,263,887	25,558,716
-	-	-	43,119	2,007,199
-	3,478,089	-	-	5,085,896
-	-	-	(162,726)	5,286,597
<u>7,865,151</u>	<u>8,627,092</u>	<u>8,281,967</u>	<u>4,161,832</u>	<u>38,311,346</u>
<u>\$ 7,889,217</u>	<u>\$ 16,911,784</u>	<u>\$ 8,516,826</u>	<u>\$ 4,401,541</u>	<u>\$ 50,472,618</u>

**CITY OF STILLWATER, MINNESOTA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
December 31, 2023**

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Total fund balance - total governmental funds (page 29) \$ 38,311,346

Amounts reported for governmental activities in the Statement of Net Position  
(page 25) are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 191,047,282	
Accumulated depreciation	<u>(80,175,442)</u>	110,871,840

Right-to-use assets used in governmental activities are not financial  
resources and, therefore, are not reported in the governmental funds.

Governmental right of use assets and subscriptions	954,275	
Accumulated amortization	<u>(251,283)</u>	702,992

Other long-term assets that are not available to pay for current-period  
expenditures and, therefore, are unavailable resources in the  
governmental funds.

Delinquent property taxes and special assessments	97,317	
Noncurrent special assessments	5,112,446	
Accounts receivable	2,118,235	7,327,998

Long-term liabilities are not due and payable in the current period and,  
therefore, are not reported in the governmental funds.

Bonds payable	(30,525,000)	
Note payable	(181,462)	
Lease payable	(299,828)	
Subscriptions payable	(397,370)	
Compensated absences	(1,607,807)	
Total OPEB liability (including deferred in/outflows)	(12,894,981)	
Net pension liability (including deferred in/outflows)	(8,299,753)	
Net pension asset (including deferred in/outflows)	1,222,225	
Accrued interest payable	(384,266)	
Unamortized premium	(1,382,873)	
Unamortized deferred charge on refunding	<u>59,780</u>	<u>(54,691,335)</u>

Net position of governmental activities (page 25)		<u><u>\$ 102,522,841</u></u>
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*The notes to the financial statements are an integral part of this statement.*



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## CITY OF STILLWATER, MINNESOTA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

	<b>General</b>	<b>St Croix Valley Recreation Center</b>	<b>Library</b>	<b>Pandemic Relief</b>
<b>REVENUES</b>				
Property taxes	\$ 10,390,313	\$ -	\$ 1,435,610	\$ -
Tax increment	-	-	-	-
Lodging tax	-	-	-	-
Franchise taxes	495,401	-	-	-
Licenses and permits	932,435	-	-	-
Special assessments	10,258	-	-	-
Intergovernmental	1,568,550	-	-	449,031
Charges for services	1,386,235	1,827,940	4,620	-
Fines and forfeits	70,637	-	-	-
Investment income	154,617	61,705	10,981	-
Net increase in fair value of investments	50,664	31,604	6,161	-
Donations	-	-	19,036	-
Miscellaneous	76,418	371,356	6,766	-
Total revenues	<u>15,135,528</u>	<u>2,292,605</u>	<u>1,483,174</u>	<u>449,031</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,516,625	-	-	498,515
Public safety	8,331,416	-	-	54,290
Public works	1,869,848	-	-	-
Culture and recreation	-	1,834,093	1,513,120	-
Economic development	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	40,416	5,489	-	50,876
Interest	3,965	507	-	5,424
Bond issuance fees	-	-	-	-
Professional services	-	-	-	-
Total expenditures	<u>14,762,270</u>	<u>1,840,089</u>	<u>1,513,120</u>	<u>609,105</u>
Excess (deficiency) of revenues over expenditures	<u>373,258</u>	<u>452,516</u>	<u>(29,946)</u>	<u>(160,074)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	64,567	-
Transfers out	(64,567)	(313,121)	(84,770)	-
Issuance of debt	-	-	-	-
Lease and SBITA's	-	-	-	160,074
Sale of property	-	-	-	-
Premium on issued debt	-	-	-	-
Total other financing sources (uses)	<u>(64,567)</u>	<u>(313,121)</u>	<u>(20,203)</u>	<u>160,074</u>
Net change in fund balances	308,691	139,395	(50,149)	-
Fund balances - January 1	<u>7,075,564</u>	<u>1,671,407</u>	<u>230,396</u>	<u>-</u>
Fund balances - December 31	<u>\$ 7,384,255</u>	<u>\$ 1,810,802</u>	<u>\$ 180,247</u>	<u>\$ -</u>

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



<b>Debt Service</b>	<b>Capital Projects</b>	<b>TIF Districts</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 4,191,832	\$ -	\$ -	\$ 1,391,096	\$ 17,408,851
-	-	2,260,558	-	2,260,558
-	-	-	481,045	481,045
-	-	-	-	495,401
-	-	-	8,875	941,310
-	1,507,364	8,844	-	1,526,466
-	446,879	-	954,987	3,419,447
-	89,106	-	47,035	3,354,936
-	-	-	386	71,023
168,429	264,594	265,842	116,928	1,043,096
39,949	159,733	93,130	42,189	423,430
-	50,500	-	246,137	315,673
188	24,071	-	36,059	514,858
<u>4,400,398</u>	<u>2,542,247</u>	<u>2,628,374</u>	<u>3,324,737</u>	<u>32,256,094</u>
-	19,057	-	469,112	5,503,309
-	438	-	1,291	8,387,435
-	579,298	-	329,890	2,779,036
-	-	-	1,681,654	5,028,867
-	1,374	417,028	-	418,402
-	8,032,044	-	-	8,032,044
4,180,000	175,255	-	-	4,452,036
1,023,941	32,738	18,125	-	1,084,700
-	102,857	-	-	102,857
13,749	31,501	-	-	45,250
<u>5,217,690</u>	<u>8,974,562</u>	<u>435,153</u>	<u>2,481,947</u>	<u>35,833,936</u>
<u>(817,292)</u>	<u>(6,432,315)</u>	<u>2,193,221</u>	<u>842,790</u>	<u>(3,577,842)</u>
1,002,959	968,160	-	-	2,035,686
-	-	(1,297,249)	(145,358)	(1,905,065)
-	4,955,000	-	-	4,955,000
-	241,402	-	-	401,476
-	148,500	-	-	148,500
-	258,169	-	-	258,169
<u>1,002,959</u>	<u>6,571,231</u>	<u>(1,297,249)</u>	<u>(145,358)</u>	<u>5,893,766</u>
185,667	138,916	895,972	697,432	2,315,924
7,679,484	8,488,176	7,385,995	3,464,400	35,995,422
<u>\$ 7,865,151</u>	<u>\$ 8,627,092</u>	<u>\$ 8,281,967</u>	<u>\$ 4,161,832</u>	<u>\$ 38,311,346</u>

**CITY OF STILLWATER, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023**

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Net change in fund balances - total governmental funds (page 32)	\$ 2,315,924
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Amounts reported for governmental activities in the Statement of Activities (page 26)  
are different because:

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 and amortization expense.

Capital outlays	\$ 9,074,710	
Depreciation expense	(5,809,417)	
Amortization expense	(257,997)	
Loss on disposal of capital assets	<u>(342,269)</u>	
		2,665,027

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the governmental funds.

Unavailable property taxes	2,859	
Unavailable special assessments	570,886	
Unavailable intergovernmental revenues	704,930	
Unavailable pledges	<u>20,000</u>	
		1,298,675

Long-term debt (e.g., bonds, leases) proceeds provide current financial  
resources to governmental funds, while issuing debt increases long-term  
liabilities in the Statement of Net Position. Repayment of principal of long-term  
debt is an expenditure in the governmental funds, while the repayment reduces  
long-term liabilities in the Statement of Net Position. Interest is recognized as  
an expenditure in the governmental funds when it is due, however, in the  
Statement of Activities interest expense is recognized as it accrues regardless  
of when it is due. In addition, governmental funds report the effect of premiums,  
discounts, and similar items when the debt is initially issued, whereas  
these amounts are deferred and amortized in the Statement of Activities. The  
net effect of these differences in the treatment of long-term debt and related  
items is as follows:

Bond issued	(4,955,000)	
Bond premium	(258,169)	
Leases and SBITAs issued	(401,476)	
Principal retirement on bonds and notes	4,185,517	
Principal retirement on leases and SBITAs	266,519	
Change in accrued interest expense	59,983	
Amortization of premium and loss on refunding	<u>269,692</u>	
		(832,934)

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.

Compensated absences	64,357	
OPEB expense	2,168,335	
Pension expense	<u>(1,472,687)</u>	
		<u>760,005</u>

Change in net position of governmental activities (page 27)	<u><u>\$ 6,206,697</u></u>
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*The notes to the financial statements are an integral part of this statement.*

**CITY OF STILLWATER, MINNESOTA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2023**

	Business-type Activities - Enterprise Funds						Totals
	Sanitary Sewer	Storm Sewer	(Non-major) Lighting	Water	General Parking	Parking Ramp	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 848,324	\$ 297,907	\$ 94,731	\$ 2,792,963	\$ 724,150	\$ 24,588	\$ 4,782,663
Accrued interest receivable	3,186	1,463	138	5,711	1,735	82	12,315
Accounts receivable	1,319,258	211,486	167,337	538,755	6,101	830	2,243,767
Due from other governments	2,559	-	-	-	-	-	2,559
Inventory	-	-	-	47,847	15	-	47,862
Prepaid items	199,828	2,982	205	11,030	1,754	6,181	221,980
Total current assets	2,373,155	513,838	262,411	3,396,306	733,755	31,681	7,311,146
<b>CAPITAL ASSETS</b>							
Land	-	-	-	90,000	122,919	279,701	492,620
Building and other improvements	-	-	-	-	39,576	6,024,789	6,064,365
Improvements other than building	2,116,983	-	-	-	1,735,395	-	3,852,378
Machinery and equipment	828,364	538,829	137,796	692,846	158,561	238,485	2,594,881
Vehicles	887,289	159,687	77,376	159,816	38,051	-	1,322,219
Infrastructure	10,460,870	-	-	19,949,481	-	-	30,410,351
Construction in progress	224,797	-	-	37,359	-	-	262,156
Less accumulated depreciation and amortization	(8,524,968)	(288,641)	(143,098)	(10,681,913)	(1,154,214)	(1,171,559)	(21,964,393)
Net capital assets	5,993,335	409,875	72,074	10,247,589	940,288	5,371,416	23,034,577
Total assets	8,366,490	923,713	334,485	13,643,895	1,674,043	5,403,097	30,345,723
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows - pensions	58,176	74,696	3,257	92,708	16,693	-	245,530
Deferred outflows - OPEB	40,152	51,556	2,248	63,988	11,522	-	169,466
Total deferred outflows of resources	98,328	126,252	5,505	156,696	28,215	-	414,996
Total assets and deferred outflows of resources	\$ 8,464,818	\$ 1,049,965	\$ 339,990	\$ 13,800,591	\$ 1,702,258	\$ 5,403,097	\$ 30,760,719
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 9,613	\$ 17,772	\$ (1,256)	\$ 12,107	\$ 664	\$ 1,522	\$ 40,422
Contracts payable	26,886	1,357	-	9,998	1,275	475	39,991
Salaries payable	15,062	14,473	689	16,168	3,343	-	49,735
Deposits payable	-	-	-	500	-	-	500
Interest payable	-	-	-	8,698	-	-	8,698
Interfund payable	183,552	-	-	-	-	-	183,552
Due to other governments	-	15,423	-	32,849	-	-	48,272
Compensated absences payable	9,843	6,783	831	11,777	3,218	-	32,452
Revenue bonds payable due within one year	-	-	-	100,000	-	-	100,000
Total OPEB liability due within one year	40,152	51,556	2,248	63,988	11,522	-	169,466
Total current liabilities	285,108	107,364	2,512	256,085	20,022	1,997	673,088
<b>NONCURRENT LIABILITIES</b>							
Compensated absences	42,976	30,155	6,902	42,976	41,098	-	164,107
Revenue bonds	-	-	-	548,027	-	-	548,027
Total OPEB liability due in more than one year	189,904	243,830	10,631	302,624	54,490	-	801,479
Net pension liability	197,557	253,659	11,060	314,823	56,687	-	833,786
Total noncurrent liabilities	430,437	527,644	28,593	1,208,450	152,275	-	2,347,399
Total liabilities	715,545	635,008	31,105	1,464,535	172,297	1,997	3,020,487
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows - pensions	62,898	80,759	3,521	100,232	18,048	-	265,458
Deferred inflows - OPEB	199,741	256,463	11,182	318,303	57,314	-	843,003
Total deferred inflows of resources	262,639	337,222	14,703	418,535	75,362	-	1,108,461
<b>NET POSITION</b>							
Net investment in capital assets	5,993,335	409,875	72,074	9,599,562	940,288	5,371,416	22,386,550
Unrestricted	1,493,299	(332,140)	222,108	2,317,959	514,311	29,684	4,245,221
Total net position	7,486,634	77,735	294,182	11,917,521	1,454,599	5,401,100	26,631,771
Total liabilities, deferred inflows of resources, and net position	\$ 8,464,818	\$ 1,049,965	\$ 339,990	\$ 13,800,591	\$ 1,702,258	\$ 5,403,097	\$ 30,760,719

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

**CITY OF STILLWATER, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended December 31, 2023**

	Business-type Activities - Enterprise Funds						
	Sanitary Sewer	Storm Sewer	Lighting	Water	General Parking	Parking Ramp	Totals
<b>OPERATING REVENUES</b>							
Charges for services	\$ 3,917,880	\$ 738,072	\$ 496,877	\$ 2,065,254	\$ 272,573	\$ 111,552	\$ 7,602,208
<b>OPERATING EXPENSES</b>							
Personnel services	54,639	433,815	(163,680)	507,144	86,078	-	917,996
Supplies	23,699	60,676	11,991	213,080	31,308	5,314	346,068
Other services and charges	2,749,288	276,978	257,601	481,381	112,490	92,365	3,970,103
Miscellaneous	18,429	20,669	15,059	41,008	1,776	10,925	107,866
Depreciation and amortization	323,196	51,116	26,808	450,825	93,752	82,294	1,027,991
Total operating expenses	3,169,251	843,254	147,779	1,693,438	325,404	190,898	6,370,024
Income (loss) from operations	748,629	(105,182)	349,098	371,816	(52,831)	(79,346)	1,232,184
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Investment income	71,942	21,585	2,036	80,522	25,588	1,216	202,889
Net increase/decrease in fair value of investments	9,557	8,055	(504)	18,382	9,744	1,511	46,745
Interest expense	(4,847)	-	-	(18,434)	(2)	-	(23,283)
Property taxes	1,940	41,205	-	2,130	-	-	45,275
Other income	391,924	30,182	8,363	84,614	2,518	-	517,601
Total nonoperating revenues (expenses)	470,516	101,027	9,895	167,214	37,848	2,727	789,227
Income (loss) before transfers	1,219,145	(4,155)	358,993	539,030	(14,983)	(76,619)	2,021,411
Transfers out	-	-	-	-	(130,621)	-	(130,621)
Change in net position	1,219,145	(4,155)	358,993	539,030	(145,604)	(76,619)	1,890,790
<b>NET POSITION</b>							
Net position - January 1	6,267,489	81,890	(64,811)	11,378,491	1,600,203	5,477,719	24,740,981
Net position - December 31	<u>\$ 7,486,634</u>	<u>\$ 77,735</u>	<u>\$ 294,182</u>	<u>\$ 11,917,521</u>	<u>\$ 1,454,599</u>	<u>\$ 5,401,100</u>	<u>\$ 26,631,771</u>

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

**CITY OF STILLWATER, MINNESOTA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2023**

	Business-type Activities - Enterprise Funds						
	Sanitary Sewer	Storm Sewer	Lighting	Water	General Parking	Parking Ramp	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 3,782,668	\$ 696,509	\$ 440,832	\$ 2,070,985	\$ 269,796	\$ 110,732	\$ 7,371,522
Payments to suppliers	(2,846,283)	(363,904)	(308,726)	(743,847)	(146,464)	(133,588)	(4,542,812)
Payments to employees	(545,076)	(500,905)	(38,372)	(606,287)	(121,526)	-	(1,812,166)
Net cash provided (used) by operating activities	391,309	(168,300)	93,734	720,851	1,806	(22,856)	1,016,544
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
State aid subsidy	24	-	8,363	-	7	-	8,394
Net cash provided by noncapital financing activities	24	30,182	8,363	86,744	7	-	125,320
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(920,418)	(310,073)	(19,841)	(274,153)	(778)	(22,418)	(1,547,681)
Transfer to other funds	-	-	-	-	(130,621)	-	(130,621)
Interest paid	(4,847)	-	-	(22,300)	(3,572)	-	(30,719)
Principal payments on revenue bonds	-	-	-	(95,000)	-	-	(95,000)
Principal payments on leases	-	-	-	-	(865)	-	(865)
Proceeds from taxes, assessments, connections	393,840	41,205	-	-	2,511	-	437,556
Net cash used by capital and related financing activities	(531,425)	(268,868)	(19,841)	(391,453)	(133,325)	(22,418)	(1,367,330)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Investment earnings	80,832	29,573	1,443	97,894	35,264	2,792	247,798
Net cash provided by investing activities	80,832	29,573	1,443	97,894	35,264	2,792	247,798
Net increase (decrease) in cash and cash equivalents	(59,260)	(377,413)	83,699	514,036	(96,248)	(42,482)	22,332
Cash and cash equivalents - January 1	907,584	675,320	11,032	2,278,927	820,398	67,070	4,760,331
Cash and cash equivalents - December 31	\$ 848,324	\$ 297,907	\$ 94,731	\$ 2,792,963	\$ 724,150	\$ 24,588	\$ 4,782,663
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 748,629	\$ (105,182)	\$ 349,098	\$ 371,816	\$ (52,831)	\$ (79,346)	\$ 1,232,184
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization expense	323,196	51,116	26,808	450,825	93,752	82,294	1,027,991
Other income	-	-	-	-	-	-	-
(Increase) decrease in assets and deferred outflows:							
Accounts receivable	(135,212)	(41,563)	(56,045)	5,231	(2,777)	(820)	(231,186)
Due from other governments	126	-	-	2,286	(15)	-	2,397
Prepaid items	(11,648)	1,522	609	(5,597)	(605)	(5,574)	(21,293)
Deferred outflows - pensions	91,381	39,290	27,181	50,258	12,654	-	220,764
Deferred outflows - OPEB	49,227	16,565	15,943	21,452	6,016	-	109,203
Increase (decrease) in liabilities and deferred inflows:							
Accounts and contracts payable	15,455	(21,810)	(24,684)	(11,620)	(270)	(19,310)	(62,239)
Customers deposits	-	-	-	500	-	-	500
Salaries payable	(4,760)	(4,567)	(3,636)	(1,783)	(5,127)	-	(19,873)
Due to other governments	-	14,707	-	6,553	-	(100)	21,160
Due to other funds	(58,800)	-	-	-	-	-	(58,800)
Compensated absences payable	(44,928)	(35,482)	(21,384)	(53,472)	2,469	-	(152,797)
Total OPEB liability	(226,827)	(52,829)	(80,106)	(70,136)	(23,640)	-	(453,538)
Deferred inflows - OPEB	(180,435)	(33,290)	(66,192)	(45,118)	(17,286)	-	(342,321)
Net pension liability	(230,677)	(72,722)	(76,094)	(94,538)	(27,343)	-	(501,374)
Deferred inflows - pensions	56,582	75,945	2,236	94,194	16,809	-	245,766
Total adjustments	(357,320)	(63,118)	(255,364)	349,035	54,637	56,490	(215,640)
Net cash provided (used) by operating activities	\$ 391,309	\$ (168,300)	\$ 93,734	\$ 720,851	\$ 1,806	\$ (22,856)	\$ 1,016,544

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

CITY OF STILLWATER, MINNESOTA

FIDUCIARY FUNDS STATEMENTS  
Year Ended December 31, 2023

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Statement of Fiduciary Net Position  
Fiduciary Funds - Custodial Fund  
December 31, 2023

	<u>Custodial Fund</u>
	<u>Police Evidence</u>
<b>ASSETS</b>	
Cash and investments	<u>\$ 12,213</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 12,213</u>

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds - Custodial Fund  
For the Year Ended December 31, 2023

	<u>Custodial Fund</u>
	<u>Police Evidence</u>
<b>ADDITIONS</b>	
Miscellaneous	<u>\$ -</u>
<b>DEDUCTIONS</b>	
Payments to individuals	<u>-</u>
<b>NET DECREASE IN FIDUCIARY NET POSITION</b>	<u>-</u>
Fiduciary Net Position - Beginning of Year	<u>12,213</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u>\$ 12,213</u>

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

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Stillwater operates under the “Home Rule Charter” form of government under the provisions of the state of Minnesota law. The Mayor is the president of the Council and together with the City Council comprises the governing body of the City, which is responsible for directing the activities of the City. The City provides the following services: police and fire protection, highways and streets, parks, storm sewer, sanitary sewer, planning, zoning, and general administration.

The basic financial statements of the City of Stillwater have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

**A. FINANCIAL REPORTING ENTITY**

COMPONENT UNIT

As required by U.S. GAAP, the financial statements of the reporting entity include those of the City of Stillwater and its component units. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component include whether or not the primary government appoints the voting majority of the potential component unit's board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit. The City has one entity that qualifies as a blended component unit, the Economic Development Authority (EDA) as the EDA is governed by the City Council. The EDA has not had any activity since it was established and therefore is not reported within these financial statements.

OTHER ORGANIZATION

The Stillwater Fire Relief Association is organized as a nonprofit organization, legally separate from the City, by the members to provide pension and other benefits to such members, in accordance with Minnesota statutes and the Association's by-laws. Its board of directors is appointed by the membership of the Association and not by the City Council. The Association issues its own set of financial statements. All funding is conducted in accordance with applicable Minnesota statutes, whereby state aids flow to the Association. The Association pays benefits directly to its members. Because the Association is fiscally independent of the City, the financial statements of the Association have not been included as a component of the City's reporting entity.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIC FINANCIAL STATEMENTS**

**1. Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. 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 City enterprise funds and various other functions of government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 to external parties for support.

In the government-wide statement of net position, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: (a) net investment in capital assets; (b) restricted net position; and (c) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and different business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (a) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**2. Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.



**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIC FINANCIAL STATEMENTS (CONTINUED)**

2. Fund Financial Statements (Continued)

The City reports the following major governmental funds:

General Fund

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

St. Croix Valley Recreation Center Special Revenue Fund

This fund is used to account for the operation of the sports facility in Stillwater. Revenue sources for this fund are provided by the fees generated by the facility and are committed for operations.

Library Special Revenue Fund

This fund is used to account for the operations of the City's library. This fund is primarily funded with committed general property taxes.

Pandemic Relief Special Revenue Fund

This fund is used to account for the federal money received to respond to the COVID-19 pandemic and the related expenditures.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources that are restricted for the payment of, long-term debt principal, interest, and related costs.

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

TIF Districts Fund

This fund is used to account for restricted financial resources to be collected by and used in the City's tax increment financing districts.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIC FINANCIAL STATEMENTS (CONTINUED)**

The City reports the following major proprietary funds:

Sanitary Sewer Fund

The sanitary sewer fund accounts for the provision of sanitary sewer service to the residents and commercial and industrial establishments of the City.

Storm Sewer Fund

The storm sewer fund accounts for the provision of storm sewer service to the residents and commercial and industrial establishments of the City.

Lighting Fund

The lighting fund accounts for the operation and maintenance of the City's lighting system.

Water Fund

The water fund accounts for the provision of water service to the residents and commercial and industrial establishments of the City.

General Parking Fund

The parking fund accounts for the operation of parking facilities located in downtown Stillwater.

Parking Ramp Fund

The parking fund accounts for the operation of parking ramp located in Stillwater.

The City reports the following fiduciary fund:

Police Evidence Custodial Fund

The Custodial Fund is used to report fiduciary activities related to police evidence that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The government-wide, fiduciary activities, and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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. The City considers all revenues to be available if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and financing through leases are reported as other financing sources.

The City reports unavailable revenue on its governmental fund balance sheets. Unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue arises when resources are received prior to the incurrence of the qualifying expenditure. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the amounts are removed from the balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund’s principal ongoing operations. The principal operating revenue of the City’s 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 and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. BUDGETS**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General fund and other major special revenue funds as follows: St. Croix Valley Recreation, and Library Fund The City also adopts a budget for the nonmajor governmental Parks fund. Special Events fund, Community Beautification fund and Washington County Recycling Grant fund which are presented in the combining and individual fund section of the Annual Comprehensive Financial Report. A budget is not legally adopted for Pandemic Relief Special Revenue Fund.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. LEGAL COMPLIANCE - BUDGETS**

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

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally approved by passage of a resolution.
4. The City Council may authorize transfer of budgeted amounts between funds and may approve additional expenditures for departments in excess of the amount budgeted.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and other budgeted funds. Formal budgetary integration is not employed for the debt service and the capital projects funds because effective budgetary control is achieved through general obligation bond indenture provisions and project contracts.

**F. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash balances from all funds are pooled and invested to the extent available in investments authorized by Minnesota statutes. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated for the statement of net position presentation.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools that meet the criteria of GASB Statement No. 79 are valued at amortized costs. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, as amended.

For purposes of the statement of cash flows of the proprietary funds, the cash equivalents are considered to be all highly liquid investments with a maturity of three months or less when purchased. All of the cash and investments allocated to the proprietary funds have original maturities of 90 days or less. Therefore, the entire balances in such funds are considered cash equivalents.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. PREPAID ITEMS**

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 recorded under the consumption method.

**H. INVENTORIES**

The inventories of the water fund are valued at cost (first-in, first-out method) and are recorded as an expense when consumed.

**I. PROPERTY TAX LEVY AND REVENUE RECOGNITION**

On or before July 1 each year, all departments of the City submit budget requests to the City Administrator so that a budget may be prepared and a tax levy adopted for the following fiscal year. The budget is prepared by fund, function, and department and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

Revenue estimates are prepared by the Finance Department, including the estimated tax levy needed to support City expenditures.

The proposed budget and tax levy is presented to the City Council for review by August 31. The City Council reviews and makes changes to the proposed budget and tax levy. By September 30, a "proposed tax levy" is certified to the state of Minnesota and Washington County.

Minnesota statutes require the counties to send out preliminary tax notices to all property owners showing the prior year's tax levy and proposed tax levy, including dollars and percentage increase or decrease between years for all taxing jurisdiction.

After November 25, and before December 25, Minnesota statutes require the City to hold a public meeting and present the budget and proposed tax levy to the citizens. The City Council must adopt the final budget and "final tax levy" after closing the public meeting. The final tax levy must be less than or equal to the proposed tax levy.

The final tax levy must be certified to Washington County by December 31 or the previous year's tax levy will be used by default.

The County is responsible for billing and collecting all property taxes for itself, the City, the local School District, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.    PROPERTY TAX LEVY AND REVENUE RECOGNITION (CONTINUED)**

Within the governmental fund financial statements, the City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and state credits received by the City in July, December, and the following January are recognized as revenue for the current year. Taxes and credits not received at the year-end are classified as delinquent and due from county taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by a deferred inflow for unavailable revenue because it is not available to finance current expenditures. Property tax levies in governmental activities is susceptible to full accrual on the government-wide statements.

**J.    SPECIAL ASSESSMENT REVENUE RECOGNITION**

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Within the fund financial statements, the revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments are collected by the County and remitted by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent and noncurrent assessments receivable in governmental funding are completely offset by unavailable revenues. Special assessment levies in governmental activities is susceptible to full accrual on the government-wide statements.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural, or seasonal recreational land in which event the property is subject to such sale after five years.

**K.    INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Any resulting short-term loan balances are classified as interfund receivables and payables. The noncurrent portion of interfund loans, if any, is reported as "advances to/from other funds." Advances between funds are offset by nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable from available financial resources.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, streetlights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized retroactively to 1980.

Capital assets exceeding the City's capitalization threshold of \$5,000 are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Capital assets are depreciated using the straight-line method over their estimated useful lives. Because surplus assets are sold for an immaterial amount when declared as no longer needed for City purposes, no salvage value is taken into consideration for depreciation. Useful lives vary from 3 to 30 years for buildings, office furniture and equipment, vehicles, machine shop and equipment, and other assets, and 25 to 80 years for infrastructure. Capital assets not being depreciated include land and construction in progress.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**M. COMPENSATED ABSENCES**

Sick leave and vacation benefits accrue to employees based upon their term of employment and in accordance with the individual labor agreements.

Vested or accumulated vacation or sick leave is accrued as incurred in the government-wide and proprietary fund financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. The current portion is calculated based on historical trends. Governmental funds report the use of accrued vacation and sick as a period cost.

**N. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method. Bond issue costs are considered a current year cost of issuing debt and fully expensed in the year incurred.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issue costs are recognized during the current period. The face amount of the debt issue is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issue costs are reported as debt service expenditures.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. FUND BALANCE**

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

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained by external parties (statute, grantors, bond agreements, etc.).

Committed – fund constraints are established and modified by a resolution approved by the City Council.

Assigned – consists of internally imposed constraints. These constraints are established by the City Council and/or management. The City Council by adoption of a formal fund balance policy delegates the authority to assign fund balance to the City Administrator and Finance Director.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the City's policy to use committed first, then assigned, and finally unassigned amounts.

The City formally adopted a fund balance policy for the General Fund. The policy establishes an unassigned fund balance range of 35% – 50% of the total operating expenditures.

**P. INTERFUND TRANSACTIONS**

Interfund service transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

All interfund transactions are eliminated except for activity between governmental activities and business-type activities for presentation in the entity-wide statement of net position and statement of activities.



**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. DEFERRED OUTFLOWS OF RESOURCES**

The City reports deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position or balance sheet, that represents a consumption of net assets that applies to future periods. The City has three types of deferred outflows of resources for the government wide financial statements: (1) deferred charges on refunding of bonds; (2) OPEB related items; and (3) pension related items. The deferred charges will be amortized over the remaining life of the applicable bonds. In addition, the City reports deferred outflows of resources related to pensions and OPEB, see Notes 6 and 7 for additional detail related to deferred outflows of resources related to pensions and OPEB.

**R. DEFERRED INFLOWS OF RESOURCES**

The City's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future. The City will not recognize the related revenue until a future event occurs. The City has one type of item which occurs relating to revenue recognition: The deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the City's year) under the modified accrual basis of accounting. In addition, the City reports deferred inflows of resources related to pensions and OPEB, see Notes 6 and 7 for additional detail related to deferred inflows of resources related to pensions and OPEB.

In addition, the City reports deferred inflows of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates 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 inflow of resources is recognized in a systematic and rational manner over the term of the lease.

**S. PENSIONS**

For purposes of measuring the net pension (asset)/liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the (asset)/liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the City's requirement to contribute to the Stillwater Fire Department Relief Association Plan, information about the Plan's fiduciary net position and additions to/deductions from the Stillwater Fire Department Relief Association Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**T. POSTEMPLOYMENT BENEFITS**

The City of Stillwater provides a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical insurance benefit, the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense were measured actuarially in accordance with GASB Statement No. 75, based on entry age normal cost method.

**U. NEWLY ADOPTED ACCOUNTING STANDARDS**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This standard requires the recognition of certain subscription assets and liabilities for agreements that previously were classified as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for subscription accounting based on the foundational principle that SBITAs are financing of the right-to-use and underlying asset. Under this standard, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The City adopted the requirements of the guidance effective January 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption.

**NOTE 2     DEPOSITS AND INVESTMENTS**

**Deposits**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and the balance sheet as "Cash and pooled investments." In accordance with Minnesota Statutes, the City maintains deposits at financial institutions which are authorized by the City Council.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial risk instead follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledges must equal 110% of the deposits not covered by insurance or corporate surety bonds.

Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of U.S. government agency; general obligations of state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned by the depository.

**NOTE 2     DEPOSITS AND INVESTMENTS (CONTINUED)**

The City's deposits at December 31, 2023 in the amount of \$359,036 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**Investments**

Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- c) General obligations rated "A" or better; revenue obligations rated "AA" or better.
- d) General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- e) Bankers' acceptance of United States banks eligible for purchase by the Federal Reserve System.
- f) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.
- g) Guaranteed investment contracts guaranteed by the United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is the top two rating categories.
- h) Repurchase or reverse repurchase agreements and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- i) Any security which is an obligation of a school district with an original maturity not exceeding 13 months and rated in the highest category by a national bond rating services or enrolled in the credit enhancement program pursuant to section 126C.55.

**Notes to the Financial Statements**  
**December 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

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

**Cash Investments Held by Trustee:**

<u>Type</u>	<u>Value</u>
Money Market Funds - With Trustee	\$ 322,167

The investments held by the trustee invested in a money market mutual fund (which are rated AAA-mf) that invests in U.S. treasury securities. These investments are held by escrow agents in accordance with escrow agreements established with the sale of the *\$6,585,000 Tax Increment Refunding Bonds, Series 2016C*.

The escrow account balances as of December 31, 2023 are as follows:

**Escrow account balance:**

\$6,585,000 Tax Increment Refunding Bonds, Series 2016C	<u>\$ 322,167</u>
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The escrow account for the Series 2016C Bonds will be used to pay interest payments on the current bond issue and refund the (i) the February 1, 2017 through 2026 maturities of the City's Tax Increment Revenue Bonds (*The Lofts of Stillwater Project*), Series 2006 dated July 20, 2006; (ii) the Taxable Increment Revenue Note, Series 2003 (*Terra Springs Project*) and (iii) the Taxable Tax Increment Note, Series 2004 (*Terra Springs Project*). These funds are also recorded in the City's financial statements as a part of the debt service fund.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. As a means of limiting the City's exposure to interest rate risk, the City's investment policy limits 25% of the City's total investment portfolio to maturities not to extend beyond five years and under no circumstance should any investment maturity extend beyond 10 years without prior City Council approval. As of December 31, 2023, the City had the following investments and maturities:

<u>Type</u>	<u>Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>
Money Market Funds	\$ 26,005,318	\$ 26,005,318	\$ -	\$ -
Municipal Bonds	6,354,447	2,247,028	3,656,014	451,405
Money Market Funds - With Trustee	322,167	322,167	-	-
Negotiable CDs	10,361,231	2,501,730	7,859,501	-
U.S. Agencies:				
Federal Home Loan Banks	2,693,990	746,710	1,947,280	-
Total	<u>\$ 45,737,153</u>	<u>\$ 31,822,953</u>	<u>\$ 13,462,795</u>	<u>\$ 451,405</u>

NOTE 2     DEPOSITS AND INVESTMENTS (CONTINUED)

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not further address credit risk beyond what is prescribed in Minnesota Statute §118A. As of December 31, 2023, the investments, as rated by Standard & Poor's, had the following ratings:

Type	Credit Quality Rating	Amount
Money Market Funds	AAA	\$ 26,005,318
Municipal Bonds	AA+	6,354,447
Money Market Funds - With Trustee	Aaa-mf	322,167
Negotiable CDs	Not Rated	10,361,231
U.S. Agencies:		
Federal Home Loan Banks	AA+	2,693,990
Total		<u>\$ 45,737,153</u>

**Concentration of Risk**

The City places no limit on the amount that the City may invest in any one issuer but limits individual investment instrument amounts to \$500,000 or less. As of December 31, 2023, there were no investments which individually comprise more than 5% of the City's total investments.

**Custodial Credit Risk**

Custodial credit risk, is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside part. The City has no investments subject to custodial credit risk.

**Fair Value Measurements**

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.

**Notes to the Financial Statements**  
**December 31, 2023**

**NOTE 2     DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

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 or 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 market participants and would use in pricing the asset.

Assets measured a fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Bonds	\$ -	\$ 6,354,447	\$ -	\$ 6,354,447
Negotiable Certificates of Deposit	-	10,361,231	-	10,361,231
U.S. Agencies	-	-	-	-
Federal Home Loan Banks	-	2,693,990	-	2,693,990
	<u>\$ -</u>	<u>\$ 19,409,668</u>	<u>\$ -</u>	<u>19,409,668</u>
Investments measured at amortized cost				26,327,485
Total Investments				<u>\$ 45,737,153</u>

Investments measured at amortized cost as of December 31, 2023 include money market investments and participating interest-earning investments that have a remaining maturity at the time of purchase of one year or less.

**Components of Cash and Investments**

Total Investments	\$ 45,737,153
Deposits	359,036
Total	<u>\$ 46,096,189</u>
Governmental Activities	\$ 41,301,313
Business-Type Activities	4,782,663
Custodial Fund	12,213
Total	<u>\$ 46,096,189</u>

**CITY OF STILLWATER, MINNESOTA**

**Notes to the Financial Statements**  
**December 31, 2023**

**NOTE 3    CAPITAL ASSETS**

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

	<u>Beginning Balance *</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 13,993,770	\$ -	\$ -	\$ 13,993,770
Construction in Process	12,607,706	6,643,346	2,472,021	16,779,031
Total Capital Assets, Not Being Depreciated	26,601,476	6,643,346	2,472,021	30,772,801
Capital Assets, Being Depreciated:				
Buildings and Other Improvements	55,983,607	-	4,673	55,978,934
Improvements Other Than Buildings	8,692,828	910,381	-	9,603,209
Machinery and Equipment	13,205,002	646,708	1,119,719	12,731,991
Vehicles	5,587,328	443,611	1,191,475	4,839,464
Infrastructure	74,619,674	2,501,209	-	77,120,883
Total Capital Assets, Being Depreciated	158,088,439	4,501,909	2,315,867	160,274,481
Accumulated Depreciation for:				
Buildings and Other Improvements	24,269,989	1,972,632	4,673	26,237,948
Improvements Other Than Buildings	4,869,539	427,739	-	5,297,278
Machinery and Equipment	9,149,942	681,431	976,623	8,854,750
Vehicles	3,523,843	228,411	992,302	2,759,952
Infrastructure	34,526,310	2,499,204	-	37,025,514
Total Accumulated Depreciation	76,339,623	5,809,417	1,973,598	80,175,442
Total Capital Assets, Being Depreciated, Net	81,748,816	(1,307,508)	342,269	80,099,039
Right-to-Use Assets, Being Amortized:				
Leases Machinery and Equipment	252,476	241,402	104,108	389,770
Subscription Based Information Technology Arrangements*	404,431	160,074	-	564,505
Total Right-to-Use Assets, Being Amortized	656,907	401,476	104,108	954,275
Accumulated Amortization for:				
Leases Machinery and Equipment	97,394	103,316	104,108	96,602
Subscription Based Information Technology Arrangements*	-	154,681	-	154,681
Total Accumulated Amortization	97,394	257,997	104,108	251,283
Total Right-to-Use Assets, Being Amortized, Net	559,513	143,479	-	702,992
Governmental Activities Capital Assets, Net	<u>\$ 108,909,805</u>	<u>\$ 5,479,317</u>	<u>\$ 2,814,290</u>	<u>\$ 111,574,832</u>

\* Restated due to the implementation of GASB Statement No. 96, see Note 1.

**CITY OF STILLWATER, MINNESOTA**

**Notes to the Financial Statements**  
**December 31, 2023**

**NOTE 3 CAPITAL ASSETS (CONTINUED)**

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

	<b>Beginning Balance *</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 492,620	\$ -	\$ -	\$ 492,620
Construction in Process	151,998	211,180	101,022	262,156
Total Capital Assets, Not Being Depreciated	644,618	211,180	101,022	754,776
Capital Assets, Being Depreciated:				
Buildings and Other Improvements	6,064,365	-	-	6,064,365
Improvements Other Than Buildings	3,239,851	612,527	-	3,852,378
Machinery and Equipment	2,659,821	227,280	292,220	2,594,881
Vehicles	1,322,219	-	-	1,322,219
Infrastructure	29,760,436	649,915	-	30,410,351
Total Capital Assets, Being Depreciated	43,046,692	1,489,722	292,220	44,244,194
Accumulated Depreciation for:				
Buildings and Other Improvements	916,615	76,100	-	992,715
Improvements Other Than Buildings	1,280,868	160,915	-	1,441,783
Machinery and Equipment	1,456,952	117,181	226,669	1,347,464
Vehicles	898,933	65,600	-	964,533
Infrastructure	16,610,553	607,345	-	17,217,898
Total Accumulated Depreciation	21,163,921	1,027,141	226,669	21,964,393
Total Capital Assets, Being Depreciated, Net	21,882,771	462,581	65,551	22,279,801
Right-to-Use Assets, Being Amortized:				
Buildings and Other Improvements	5,299	-	5,299	-
Accumulated Amortization for:				
Buildings and Other Improvements	4,449	850	5,299	-
Total Right-to-Use Assets, Being Amortized, Net	850	(850)	-	-
Business-Type Capital Assets, Net	\$ 22,528,239	\$ 672,911	\$ 166,573	\$ 23,034,577

\* Restated due to the implementation of GASB Statement No. 96, see Note 1.

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$ 1,147,389
Public safety	598,040
Public works	2,852,524
Culture and recreation	1,469,461
Total depreciation and amortization expense, governmental activities	<u>\$ 6,067,414</u>

Depreciation and amortization expense was charged to business-type functions as follows:

Sanitary sewer	\$ 323,196
Storm sewer	51,116
Lighting	26,808
Water	450,825
General Parking	93,752
Parking Ramp	82,294
Total depreciation and amortization expense, business-type activities	<u>\$ 1,027,991</u>



**Notes to the Financial Statements**  
**December 31, 2023**

**NOTE 4    LEASES**LEASES RECEIVABLE

The City, acting as lessor, leases space for cellular services under a long-term, non-cancelable lease agreement. The lease expires in 2042. During the year ended December 31, 2023, the City recognized \$3,065 and \$8,935 in lease revenue and interest revenue, respectively, pursuant to this contract. The Lease has a discount rate of 5.42%

The lease provides for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Principal and interest requirements to maturity under lease agreements are as follows:

Year Ending December 31,	Principal	Interest
2024	\$ 3,235	\$ 8,764
2025	3,415	8,585
2026	3,605	8,395
2027	4,439	8,186
2028	5,597	7,903
2029-2033	35,223	34,402
2034-2038	54,790	22,335
2039-2043	53,871	5,255
Total	<u>\$ 164,175</u>	<u>\$ 103,825</u>

LEASE LIABILITY

The City acting as lessee, leases a building, vehicles, and equipment under long-term, non-cancelable lease agreements. The leases expire at various times through 2027 and have a discount rate of 6.25%

The right-to-use assets and related accumulated amortization are detailed in Note 3.

Principal and interest requirements to maturity under lease agreements are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2023	\$ 75,144	\$ 14,399
2024	76,526	10,461
2025	72,605	6,409
2026	54,561	2,838
2027	20,992	205
Total	<u>\$ 299,828</u>	<u>\$ 34,312</u>

**CITY OF STILLWATER, MINNESOTA**

**Notes to the Financial Statements  
December 31, 2023**

**NOTE 5 LONG-TERM DEBT**

**GENERAL OBLIGATION BONDS**

The City issues general obligation bonds for general government, improvement, revenue, and tax increment activities. General obligation bonds are direct obligations of the City and pledge the full faith, credit, and taxing power of the City. The general government bonds outstanding are to be repaid from primarily with general tax. The revenue bonds are expected to be paid from revenues generated from the project. The tax increment bonds outstanding are to be paid from the pledged tax increment revenues.

General obligation bonds currently outstanding are as follows:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Payable 12/31/23</u>
<b>PRIMARY GOVERNMENT:</b>					
<b><u>Governmental Activities:</u></b>					
<b>G.O. Capital Outlay Bonds:</b>					
\$9,215,000 Bonds of 2014A	04/08/14	02/01/40	3.24%	\$ 9,215,000	\$ 5,730,000
\$6,400,000 Bonds of 2016A	04/14/16	02/01/24	1.27%	6,505,000	1,550,000
\$3,405,000 Bonds of 2017A	06/29/17	02/01/32	1.40% - 3.00%	3,405,000	1,405,000
\$5,935,000 Bonds of 2018A	08/28/18	02/01/39	3.00% - 4.00%	5,935,000	3,685,000
\$2,770,000 Bonds of 2019A	09/19/19	02/01/29	5.00%	2,770,000	1,540,000
\$2,455,000 Bonds of 2021A	09/27/21	02/01/32	5.00%	2,455,000	2,320,000
\$3,965,000 Bonds of 2022A	05/24/22	02/01/33	4.00%	3,965,000	3,965,000
\$4,955,000 Bonds of 2023A	08/03/23	02/01/34	4.00% - 5.00%	4,955,000	4,955,000
Total G.O. Capital Outlay Bonds				<u>30,285,000</u>	<u>25,150,000</u>
<b>G.O. Tax Increment Bonds:</b>					
\$2,450,000 Refunding Bonds of 2016B	04/14/16	02/01/30	1.79%	2,450,000	1,645,000
<b>Tax Increment Revenue Bonds:</b>					
\$6,585,000 Bonds of 2016C	07/28/16	02/01/30	3.21%	<u>6,585,000</u>	<u>3,730,000</u>
Total bonds, governmental activities				<u>39,320,000</u>	<u>30,525,000</u>
<b><u>Water Fund</u></b>					
2013A G.O. Revenue Bonds	07/01/13	02/01/29	2.00% - 3.50%	<u>1,425,000</u>	<u>640,000</u>
Total reporting entity general obligation bonds				<u>\$ 40,745,000</u>	<u>\$ 31,165,000</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements  
December 31, 2023

NOTE 5 **LONG-TERM DEBT (CONTINUED)**

**GENERAL OBLIGATION BONDS (CONTINUED)**

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

Years Ending December 31,	Governmental Activities			
	G.O. Capital Outlay Bonds		G.O. Tax Increment Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 2,575,000	\$ 884,105	\$ 215,000	\$ 36,644
2025	2,780,000	845,586	220,000	30,119
2026	2,730,000	737,314	230,000	23,369
2027	2,420,000	630,523	240,000	17,519
2028	2,095,000	537,376	240,000	12,719
2029 - 2033	8,705,000	1,467,523	500,000	10,578
2033 - 2037	2,825,000	430,028	-	-
2039 - 2043	1,020,000	35,865	-	-
Total	<u>\$ 25,150,000</u>	<u>\$ 5,568,320</u>	<u>\$ 1,645,000</u>	<u>\$ 130,948</u>

Years Ending December 31,	Governmental Activities			
	Tax Increment Revenue Bonds		Notes Payable - Direct Borrowing	
	Principal	Interest	Principal	Interest
2024	\$ 445,000	\$ 123,825	\$ 5,940	\$ 3,563
2025	460,000	110,250	6,380	3,434
2026	475,000	96,225	6,841	3,305
2027	490,000	81,750	7,321	3,168
2028	500,000	64,400	7,824	3,029
2029 - 2033	1,360,000	60,600	47,451	12,534
2033 - 2037	-	-	63,687	7,147
2039 - 2043	-	-	36,018	968
Total	<u>\$ 3,730,000</u>	<u>\$ 537,050</u>	<u>\$ 181,462</u>	<u>\$ 37,148</u>

Year Ending December 31,	Business-type Activities	
	G.O. Revenue Bonds	
	Principal	Interest
2024	\$ 100,000	\$ 19,375
2025	100,000	16,375
2026	105,000	13,300
2027	110,000	9,800
2028	110,000	5,950
2029 - 2033	115,000	2,013
Total	<u>\$ 640,000</u>	<u>\$ 66,813</u>

**G.O. Capital Outlay Bonds**

Series 2014A, \$9,215,000 Capital Outlay bonds issued April 8, 2014 with a final maturity date of February 2, 2040 at 3.24% interest were used to finance various capital equipment purchases and construct a new fire station.

Series 2016A, \$6,400,000 Capital Outlay bonds issued April 14, 2016 with a final maturity date of February 1, 2024 at 1.27% interest were used to refinance the outstanding portions of the GO Capital Outlay Bonds Series 2005B on February 1, 2017.

Series 2017A, \$3,405,000 Capital Outlay bonds issued June 29, 2017 with a final maturity date of February 1, 2032 with interest rates varying between 1.40% and 3.00% were used provide funding for the renovation and remodeling of the police station, street improvements and public works security improvements.

**NOTE 5    LONG-TERM DEBT (CONTINUED)**

GENERAL OBLIGATION BONDS (CONTINUED)

Series 2018A, \$5,935,000 Capital Outlay bonds issued August 28, 2018 with a final maturity date of February 1, 2039 at varying interest rates between 3.00% and 4.00% were used to provide funding for various street improvement projects and the addition to the St. Croix Valley Recreational Center.

Series 2019A, \$2,770,000 Capital Outlay bonds issued September 19, 2019 with a final maturity date of February 1, 2029 at an interest rate of 5.00% were used to provide funding for 2019 capital outlay needs of various City departments and various street improvement projects.

Series 2021A, \$2,455,000 Capital Outlay bonds issued September 27, 2021 with a final maturity date of February 1, 2032 at 5% interest were used to provide funding for the acquisition of capital equipment for the City and provide for various capital outlay and street improvement projects.

Series 2022A, \$3,965,000 Capital Outlay bonds issued May 24, 2022 with a final maturity date of February 1, 2033 at an interest rate of 4.00% were used to provide funding for various capital improvements and street projects during the year.

Series 2023A, \$4,955,000 Capital Outlay bonds issued November 2, 2023 with a final maturity date of February 1, 2034 at an interest rates between 4.00% and 5.00% were used to provide funding for various capital improvements and street projects during the year.

G.O. Tax Increment Bonds

Series 2016B, \$2,450,000 GO Tax Increment Refunding Bonds issued April 14, 2016 with a final maturity date of February 1, 2030 at an interest rate of 1.79% were used to refinance the outstanding portion of the GO Tax Increment Bonds, Series 2008B on February 1, 2019.

Tax Increment Revenue Bonds

Series 2016C, \$6,585,000 Tax Increment Revenue Bonds issued July 28, 2016 with a final maturity date of February 1, 2030 at 3.21% interest were used to refinance the outstanding portions of the Tax Increment Revenue Bonds Series 2006 and Taxable Tax Increment Revenue Note on February 1, 2017.

Water Fund Bonds

Series 2013A, \$1,425,000 GO Revenue bonds issued July 1, 2013 with a final maturity date of February 1, 2029 at varying interest rates of 2.00% and 3.50% were issued to provide funding for water system improvements and to provide funding for the AMR upgrades.

Notes Payable – Direct Borrowing

The City has a direct borrowing with a local bank which had an original amount of \$219,480 at a fixed interest rate of 1.95% with final maturity of April 1, 2041. In the event of a default the lender has the right to make any remaining unpaid principal due in full and payable immediately.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements  
December 31, 2023

NOTE 5 **LONG-TERM DEBT (CONTINUED)**

**CHANGE IN LONG-TERM LIABILITIES**

The following is a schedule of changes in the City's long-term liabilities for the year ended December 31, 2023:

	Payable 12/31/2022 *	Additions	Retirements	Payable 12/31/2023	Due Within One Year
<b><u>Governmental activities</u></b>					
Bonds payable:					
G.O. Capital Outlay Bonds	\$ 23,730,000	\$ 4,955,000	\$ 3,535,000	\$ 25,150,000	\$ 2,905,000
G.O. Tax Increment Bonds	1,855,000	-	210,000	1,645,000	215,000
Tax Increment Revenue Bonds	4,165,000	-	435,000	3,730,000	445,000
Unamortized premium	1,412,065	258,169	287,361	1,382,873	-
Total bonds payable	31,162,065	5,213,169	4,467,361	31,907,873	3,565,000
Note Payable - Direct Borrowing	186,979	-	5,517	181,462	5,940
Lease liability	157,810	241,402	99,384	299,828	75,144
Subscription liability	404,431 *	160,074	167,135	397,370	171,717
Compensated absences	1,672,164	861,820	926,177	1,607,807	287,104
Governmental activities					
Long-term liabilities	33,583,449	6,476,465	5,665,574	34,394,340	4,104,905
<b><u>Business-type activities</u></b>					
Bonds payable	735,000	-	95,000	640,000	100,000
Unamortized premium	10,706	-	2,679	8,027	-
Lease liability	865	-	865	-	-
Compensated absences	349,356	119,625	272,422	196,559	32,452
Business-type activities					
Long-term liabilities	1,095,927	119,625	370,966	844,586	132,452
Total long-term liabilities	\$ 34,679,376	\$ 6,596,090	\$ 6,036,540	\$ 35,238,926	\$ 4,237,357

\* Restated due to the implementation of GASB Statement No. 96, see Note 1.

For the governmental activities, compensated absences are generally liquidated by the General Fund. The portion of noncurrent liabilities broken out as due within one year on the Statement of Net Position includes the current amount of the total OPEB liability in the amount of \$7,08,644.

**SBITA's**

The City acting as lessee, leases a IT software under long-term, non-cancelable subscription agreement. The leases expire at various times through 2025 and have a discount rate of 6.25%.

The right-to-use assets and related accumulated amortization are detailed in Note 3.

Principal and interest requirements to maturity under subscription agreements are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2023	\$ 171,717	\$ 15,911
2024	138,338	6,022
2025	87,315	745
Total	\$ 397,370	\$ 22,678

**NOTE 6    PENSION PLANS**

**A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

**Plan Description**

The City of Stillwater 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 Retirement Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**2. Public Employees Police and Fire Fund**

The Police and Fire Fund, 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 Fund also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

**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 Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% 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.

**NOTE 6     PENSION PLANS (CONTINUED)**

**A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Benefits Provided (Continued)**

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. 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 Police and Fire Plan 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 Plan 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. 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.

**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 Employees Fund Contributions**

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were \$394,957. The City's contributions were equal to the required contributions as set by state statute.

**2. Police and Fire Contributions**

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the City of Stillwater was required to contribute 17.70% for Police and Fire Plan members. The City of Stillwater's contributions to the Police and Fire fund for the year ended December 31, 2023, were \$753,046. The City of Stillwater's contributions were equal to the required contributions as set by state statute.

**NOTE 6     PENSION PLANS (CONTINUED)**

**A.   DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Pension Costs**

**1.   General Employees Fund Pension Costs**

At December 31, 2023, the City reported a liability of \$4,221,875 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a nonemployer 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 \$116,411.

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 0.0755% at the end of the measurement period and 0.0745% for the beginning of the period.

	<u>City</u>
Proportionate share of the net pension liability	\$    4,221,875
State of Minnesota's proportionate share of the net pension liability associated with the entity	<u>116,411</u>
Total	<u><u>\$    4,338,286</u></u>



**NOTE 6    PENSION PLANS (CONTINUED)****A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)****Pension Costs (Continued)**

For the year ended December 31, 2023, the City of Stillwater recognized pension expense of \$824,320 for its proportionate share of the General Employees Plan's pension expense. In addition, the City of Stillwater recognized an additional \$12,080 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 reported proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 138,648	\$ 29,084
Changes in Actuarial Assumptions	683,463	1,157,180
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	157,884
Differences Between City Contributions and Proportionate Share of Contributions	224,641	-
City Contributions Subsequent to the Measurement Date	196,486	-
Total	<u>\$ 1,243,238</u>	<u>\$ 1,344,148</u>

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Pension Costs (Continued)

\$196,487 reported as deferred outflows of resources related to pensions resulting from City of Stillwater 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:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2024	\$ 281,488
2025	(600,971)
2026	113,673
2027	(91,586)
2028	-
Thereafter	-

2. Police and Fire Pension Costs

At December 31, 2023, the City reported a liability of \$5,596,786 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3241% at the end of the measurement period and 0.3061% for the beginning of the period.

The state of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9.0 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million direct state aid 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 \$9.0 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.

**NOTE 6    PENSION PLANS (CONTINUED)****A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)****Pension Costs (Continued)**

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 \$9.0 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 \$1,824,502 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$29,169 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9.0 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 \$29,169 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
Proportionate share of the net pension liability	\$ 5,596,786
State of Minnesota's proportionate share of the net pension liability associated with the entity	225,442
Total	<u>\$ 5,822,228</u>

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,543,222	\$ -
Changes in Actuarial Assumptions	6,494,617	7,869,147
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	268,673
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	538,653	83,299
City Contributions Subsequent to the Measurement Date	410,731	-
Total	<u>\$ 8,987,223</u>	<u>\$ 8,221,119</u>

NOTE 6 **PENSION PLANS (CONTINUED)**

**A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Pension Costs (Continued)**

The \$410,731 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 Ending December 31,	Pension Expense Amount
2024	\$ 402,142
2025	125,483
2026	1,445,657
2027	(274,075)
2028	(1,343,834)
Thereafter	-

**3. Total PERA Pension Costs**

The City recognized total pension expense of \$2,660,902 for both the General Employees and Police and Fire Fund plans. This includes \$836,400 for the General Employees Fund and \$1,824,502 for the Police and Fire Fund. Including the City's pension costs related to the Fire Relief Association, as disclosed on page 78, the City's cumulative pension costs for all of its pension plans total \$2,835,173.

**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%
Private Markets	25.0%	5.90%
Fixed Income	25.0%	0.75%
Unallocated Cash	0.0%	0.00%
Totals	100.0%	

**NOTE 6    PENSION PLANS (CONTINUED)**

**A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**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 7.0%. 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 on investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% 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, 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0% at age 20 to 3.0% at age 60.

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 and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

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 7.00%

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% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**NOTE 6    PENSION PLANS (CONTINUED)****A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)****Police and Fire Fund**

## Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.00%.
- 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% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% 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.

**Discount Rate**

The discount rate for the General Employees Plan used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

**Primary Government**

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
<u>GERF Discount Rate</u>	6.00%	7.00%	8.00%
City's Proportionate Share of the GERF Net Pension Liability	\$ 7,468,837	\$ 4,221,875	\$ 1,551,126
 <u>PEPFF Discount Rate</u>	 6.00%	 7.00%	 8.00%
City's Proportionate Share of the PEPFF Net Pension Liability	\$ 11,104,690	\$ 5,596,786	\$ 1,068,551

**NOTE 6     PENSION PLANS (CONTINUED)**

**A.    DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**Pension Plan Fiduciary Net Position**

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

**B.    DEFINED CONTRIBUTION PLAN**

Five council members of the City of Stillwater are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code (IRC) 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. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% 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 of Stillwater during fiscal year 2023 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Rate</u>
\$     1,472	\$     1,472	5.0%	5.0%	5.0%

**C.    STILLWATER FIRE RELIEF ASSOCIATION**

**Plan Description**

Firefighters of the City of Stillwater are members of the Stillwater Fire Department 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 35 active participants and 1 terminated employees entitled to benefit but not yet receiving them. The plan issues a stand-alone financial statement.

**NOTE 6     PENSION PLANS (CONTINUED)**

**C.   STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)**

**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 Fire Department, has served at least 20 years of active service with such department before retirement shall be entitled to a lump sum service pension in the amount of \$9,800 for each year of active Fire Department service but not exceeding the maximum amount per year of service allowed by law for the minimum average amount of available financing per firefighter as prescribed by law.

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 §424A.02, Subd. 2(c). During the time a member is on early vested pension, they are not eligible for disability benefits.

Disability and death benefits provisions of the Association's plan are that the member or member's beneficiaries shall be paid an amount equivalent to the accrued retirement liability at the time of disability or death.

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.

**Contributions**

Minnesota Statutes Chapter 69.772 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from state aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a 10-year period. 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 Stillwater and state aid is determined as follows:

	Normal Cost
+	Amortization Payment on Unfunded Accrued Liability Prior to Any Change
+	Amortization Contribution on Unfunded Accrued Liability Attributed to Any Change
+	Administrative Expenses
-	Anticipated State Aid
-	Projected Investment Earnings
<u>=</u>	<u>Total Contribution Required</u>

The Plan is funded in part by fire state aid and, if necessary, City contributions. The state of Minnesota distributed to the City \$249,549 in fire state aid paid by the City to the Relief Association for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contribution to the plan for the year ended December 31, 2023 was \$0.



**NOTE 6    PENSION PLANS (CONTINUED)****C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)****Pension Costs**

At December 31, 2023, the City reported an asset of \$1,209,050 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 liability was determined by an actuarial valuation as of January 1, 2023.

As a result of its requirement to contribute to the Relief Association, the City recognized public safety expense of \$174,271 for the year ended December 31, 2023. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Economic Experience	\$ -	\$ 351,702
Changes in Actuarial Assumptions	484,456	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	119,576
<b>Total</b>	<b>\$ 484,456</b>	<b>\$ 471,278</b>

The City was not statutorily required to make contributions to the Association subsequent to the measurement date, so no related deferred outflows of resources were reported. Other amounts reported as deferred outflows and inflows of resources related to the Association's pension will be recognized in pension expense as follows:

<b>Year Ended December 31,</b>	<b>Pension Expense Amount</b>
2024	\$ (80,171)
2025	17,320
2026	77,382
2027	119,196
2028	(40,182)
Thereafter	(80,367)

**NOTE 6    PENSION PLANS (CONTINUED)****C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)****Actuarial Assumptions**

The actuarial total pension liability was determined as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
	Closed Basis
Actuarial Assumptions:	
Discount Rate	5.75%
Investment Rate of Return	5.75%
20-Year Municipal Bond Yield	N/A (No unfunded liabilities)
Salary Increases	2.50%
Age of Service Retirement	50% at age 50, 20% at ages 51-56, 100%

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 weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation.

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 plans valuation date of January 1, 2023 are summarized as follows:

<u>Asset Class</u>	<u>Allocation at</u>	<u>Expected</u>	<u>Long-Term</u>
	<u>December 31,</u>		<u>Expected Nominal</u>
	<u>2022</u>	<u>Portfolio Weight</u>	<u>Rate of Return</u>
Cash	10.00%	8.00%	2.00%
Equities	52.00%	49.00%	8.10%
Fixed Income	36.00%	43.00%	3.90%
Other	2.00%	0.00%	0.00%
Total Portfolio	<u>100.00%</u>		5.75%

**NOTE 6    PENSION PLANS (CONTINUED)****C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)****Discount Rate**

The discount rate used to measure the total pension liability was 5.75%. 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.

**Pension Liability (Asset) Sensitivity**

The following presents the City of Stillwater's proportionate share of the net pension liability of the Association, calculated using the discount rate of 5.75%, as well as what the Association's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current rate:

	<b><u>1% Decrease</u></b>	<b><u>Selected Discount Rate</u></b>	<b><u>1% Increase</u></b>
Net Pension Liability (Asset)	\$ (1,143,107)	\$ (1,209,050)	\$ (1,272,557)
Discount Rate	4.75%	5.75%	6.75%

**Plan's Fiduciary Net Position****Assets**

Money Market	\$ 258,807
Mutual Funds	2,129,168
Equity Securities	2,215,229
Total Assets	<u>\$ 4,603,204</u>

**Net Position**

Restricted for Pension Benefits	<u>\$ 4,603,204</u>
---------------------------------	---------------------

**Revenues**

Fire State Aid	\$ 205,477
Reimbursement of Overpayment	664
Total Revenues	<u>206,141</u>

**Expenses**

Investment Income (Expense)	757,917
Trustee Fees	1,400
Professional Services	14,850
Total Expenses	<u>774,167</u>

Change in Net Position	(568,026)
Beginning Net Position	<u>5,171,229</u>
Ending Net Position	<u>\$ 4,603,203</u>

**NOTE 6    PENSION PLANS (CONTINUED)****C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)****Plan's Fiduciary Net Position (Continued)**

Information about the changes in the Plan's net pension liability (asset) is as follows:

	<u>2023</u>
Total Pension Asset	
Service Cost	\$ 154,879
Interest	169,280
Gain or Loss	(155,102)
Changes of Assumptions	(30,412)
Plan Changes	186,008
Net Change in Total Pension Liability	<u>324,653</u>
 Total Pension Liability - Beginning	 <u>3,069,500</u>
Total Pension Liability - Ending (a)	<u>3,394,153</u>
 Plan Fiduciary Net Position	
State Contributions	206,141
Net Investment Income	276,474
Administrative Expenses	(16,250)
Gain or Loss	(1,034,392)
Net Change in Fiduciary Net Position	<u>(568,027)</u>
 Fiduciary Net Position - Beginning	 <u>5,171,230</u>
Fiduciary Net Position - Ending (b)	<u>4,603,203</u>
 Association's Net Pension Liability/(Asset) - Ending (a) - (b)	 <u><u>\$ (1,209,050)</u></u>

**NOTE 7    POSTEMPLOYMENT HEALTH CARE BENEFITS****A. PLAN DESCRIPTION**

The City provides benefits for retirees as required by *Minnesota Statute* §471.61 subdivision 2b through single-employer plans. Active employees, who started before January 1, 1989 and retire from the City when eligible for PERA benefits, are eligible for free medical coverage for themselves and their families for life. Active employees, who started after January 1, 1989 and retire the City when eligible for PERA benefits, may continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay the total premium cost. For the governmental activities, postemployment health care benefit liabilities are generally liquidated by the General Fund

Employees covered by benefit terms at December 31, 2023:

	<u>City</u>
Inactive plan members or beneficiaries currently receiving benefit payments	63
Active plan members	95
Total	<u><u>158</u></u>

**NOTE 7    POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**B. CONTRIBUTIONS AND FUNDING POLICY**

The City funds their OPEB obligations on a pay as you go basis. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. For fiscal year 2023, the City contributed \$589,047 to the plan.

**C. TOTAL OPEB LIABILITY**

The City's total OPEB liability was measured as of January 1, 2023 and was determined by an actuarial valuation as of January 1, 2023

*Actuarial Assumptions*

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

<u>Valuation date:</u>	January 1, 2023
<u>Measurement date:</u>	January 1, 2023
<u>Methods and assumptions used:</u>	
Actuarial cost method	Entry age, level percentage of pay
Actuarial assets	None
Amortization of deferred resource flows	Average of expected remaining services on a closed basis for differences between expected and actual experience and assumption changes
Discount rate	4.00%
20-Year Municipal Bond Yield	4.00%
Inflation rate	2.50%
Salary increases	Service Graded Table
	6.25% in 2023, grading to 5% over 6 years and then to 4.00% over the next 48 years. 4.00% used to project Medicare supplement rates.
Medical trend rate	Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2021 Generational Improvement Scale
Mortality	

**D. DISCOUNT RATE**

The City's plan is not funded by a trust and therefore, the City use the 20-year municipal bond index rate to develop its long-term rate of return and discount rate. This rate was 4.00% in the current actuarial valuation, which was updated from the 2.0% used in the prior actuarial valuation.

**NOTE 7    POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)****E. CHANGES IN THE TOTAL OPEB LIABILITY**

The details of the changes in the total OPEB liability were as follows for 2023:

	Increase (decrease) in total OPEB liability
Balance at 12/31/2022	<u>\$ 10,629,192</u>
Changes for the year:	
Service cost	16,973
Interest	207,062
Assumption changes	(1,532,785)
Difference between expected and actual experience	(146,918)
Benefit payments	(589,047)
Net changes	<u>(2,044,715)</u>
Balance at 12/31/2023	<u><u>\$ 8,584,477</u></u>

The following changes in assumptions occurred between the current and prior actuarial valuation:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The Medicare Supplement trend rate increased from 4.00% to 4.50%
- The retirement and withdrawal rates for non-public-safety employees were updated to reflect the latest experience study.
- These changes decreased the liability \$1,532,785

The following changes in plan experience occurred between the current and prior actuarial valuation:

- There was a liability gain of \$230,232 due to updated census data.
- There was a liability loss of \$82,314 gain due to claims and premiums lower than expected.

There were no plan changes that occurred between the current and prior actuarial valuation.

There were no actuarial method changes that occurred between the current and prior actuarial valuation.

NOTE 7 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current discount rate:

	1% Decrease (3.00)%	Discount Rate (4.00)%	1% Increase (5.00)%
Total OPEB liability (asset)	\$ 9,557,092	\$ 8,584,477	\$ 7,765,225

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. 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-percentage-point lower (6.5% decreasing to 5.00%) or 1-percentage-point higher (7.5% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.5% Decreasing to 4.00%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5.00%)	1% Increase (7.5% Decreasing to 6.00%)
Total OPEB liability (asset)	\$ 7,794,045	\$ 8,584,477	\$ 9,503,618

**NOTE 7    POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)****G. 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 (revenue) of (\$2,044,715). At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 6,303,715
Changes in Actuarial Assumptions	860,596	1,149,589
Contributions after the Measurement Date and Before the Reporting Date	637,722	-
Total	<u>\$ 1,498,318</u>	<u>\$ 7,453,304</u>

A total of \$637,722 for the City was reported as a deferred outflow of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to the City's OPEB plan will be recognized in OPEB expense as follows:

Year Ending December 31,	OPEB Expense Amount
2023	\$ (1,854,706)
2024	(2,369,001)
2025	(2,369,001)



CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements  
December 31, 2023

**NOTE 8 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY**

Deficit Net Position and Fund Balance

On December 31, 2023, the following funds had a deficit net position or fund balance:

	<u>Amount</u>
Nonmajor Fund - Emergency Management	\$ (162,726)

Expenditures in Excess of Adopted Budget

On December 31, 2023, the following funds had expenditures in excess of its adopted budget and were funded by greater than anticipated revenues and use of fund balance:

	<u>Amount</u>
General Fund	\$ 380,388
St Croix Valley Recreation Center Fund	191,254

**NOTE 9 FUND BALANCE**

At December 31, 2023, the City had various fund balances through legal restriction and City Council authorization. Major fund balance appropriations at December 31, 2023 are shown on the various balance sheets as segregations of the fund balance. The fund balances are as follows:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
<b>General Fund</b>						
Prepaid items	\$ 327,125	\$ 327,125	\$ -	\$ -	\$ -	\$ -
Compensated absences	1,607,807	-	-	-	1,607,807	-
Ongoing operations	5,449,323	-	-	-	-	5,449,323
Total General Fund	7,384,255	327,125	-	-	1,607,807	5,449,323
<b>St Croix Valley Recreation Center Fund</b>						
Prepaid items	702	702	-	-	-	-
Ongoing operations	1,810,100	-	-	1,810,100	-	-
Total St Croix Valley Rec Fund	1,810,802	702	-	1,810,100	-	-
<b>Library Fund</b>						
Prepaid items	26,267	26,267	-	-	-	-
Ongoing operations	153,980	-	-	153,980	-	-
Total Library Fund	180,247	26,267	-	153,980	-	-
<b>Debt Service Fund</b>						
Debt Service	7,865,151	-	7,865,151	-	-	-
<b>Capital Projects Fund</b>						
Capital asset acquisitions	5,149,003	1,292	5,147,711	-	-	-
Capital construction	3,478,089	-	-	-	3,478,089	-
Total Capital Projects Fund	8,627,092	1,292	5,147,711	-	3,478,089	-
<b>TIF Districts Fund</b>						
Eligible TIF related projects	8,281,967	-	8,281,967	-	-	-

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements  
December 31, 2023

**NOTE 9 FUND BALANCE (CONTINUED)**

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
<b>Other Governmental Funds</b>						
Prepaid Items	\$ 17,552	\$ 17,552	\$ -	\$ -	\$ -	\$ -
General government:						
Tourism promotion	106,336	-	106,336	-	-	-
Miscellaneous	220,230	-	220,230	-	-	-
<b>Culture and recreation:</b>						
Special events	6,723	-	-	6,723	-	-
Library activities	205,261	-	205,261	-	-	-
Trailhead (bicycle)	16,805	-	16,805	-	-	-
Lumberjack Landing	815,131	-	815,131	-	-	-
Parks	138,601	-	138,601	-	-	-
Park equipment	8,062	-	8,062	-	-	-
Wick Estate	11,857	-	11,857	-	-	-
Miscellaneous park activities	1,498,021	-	1,498,021	-	-	-
<b>Public works:</b>						
Community beautification	36,396	-	-	36,396	-	-
Recycling activities	260,417	-	260,417	-	-	-
Emergency Management	(162,726)	-	-	-	-	(162,726)
Miscellaneous	10,950	-	10,950	-	-	-
<b>Public safety</b>	972,216	-	972,216	-	-	-
Total Other Governmental Funds	<u>4,161,832</u>	<u>17,552</u>	<u>4,263,887</u>	<u>43,119</u>	<u>-</u>	<u>(162,726)</u>
Total Fund Balances	<u>\$ 38,311,346</u>	<u>\$ 372,938</u>	<u>\$ 25,558,716</u>	<u>\$ 2,007,199</u>	<u>\$ 5,085,896</u>	<u>\$ 5,286,597</u>

**NOTE 10 INTERFUND RECEIVABLES AND PAYABLES**

Individual fund receivable and payable balances at December 31, 2023 are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 218,065
TIF Districts	Sanitary Sewer	183,552
General Fund	Other Governmental Funds	161,903
Total		<u>\$ 563,520</u>

The internal balances (as shown on the statement of net position), between the TIF Districts fund and Sanitary Sewer fund was for lift station repairs.

**Notes to the Financial Statements**  
**December 31, 2023**

**NOTE 11 INTERFUND TRANSFERS**

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. Transfers were initiated to fund capital projects, debt service, and fund operations. Transfers between individual major funds, and nonmajor governmental funds in the aggregate fund types during the year ended December 31, 2023 were as follows:

Transfers In	Transfers Out	Amount
Library	General Fund	\$ 64,567
Debt Service Fund	St. Croix Valley Recreation Center	165,710
Capital Projects Fund	St. Croix Valley Recreation Center	147,411
Capital Projects Fund	Library Fund	84,770
Debt Service Fund	TIF Fund	837,249
Capital Projects Fund	TIF Fund	460,000
Capital Projects Fund	Nonmajor	145,358
Capital Projects Fund	General Parking Fund	130,621
Total		<u>\$ 2,035,686</u>

**NOTE 12 RISK MANAGEMENT**

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

The City has entered into a joint powers agreement with the League of Minnesota Cities Insurance Trust (LMCIT) to protect the City in the event of loss. The LMCIT is a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities. The agreement for formation of the LMCIT provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. The pool can make additional assessments to make the pool self-sustaining.

The City has determined that it is not possible to estimate the amount of such additional assessments, if any; however, they are not expected to be material to these financial statements. There have been no significant reductions in insurance coverage during 2023 and settlements have not exceeded insurance coverage during the current year and prior three years.

The state of Minnesota mandates and regulated workers' compensation insurance and the City of Stillwater also purchased this required coverage from the LMCIT.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements  
December 31, 2023

**NOTE 13 TAX INCREMENT FINANCING AUTHORITY**

The City is the administering authority for the following tax increment financing districts:

District name	Curve Crest Villa	Scattered Sites	Scattered Sites	North End Hotel	Water Street Inn
Development district #	1	1	1	1	1
City tax increment district #	9	10	11	12	13
County tax increment district #	70	71	85	93	94
District type	Housing	Redevelopment	Redevelopment	Redevelopment	Redevelopment
Statute authorization	Chapter 469	Chapter 469	Chapter 469	Chapter 469	Chapter 469
Year established	2002	2004	2014	2018	2018
District duration	25 years*	25 years*	25 years*	25 years*	25 years*

**Tax Capacity**

Current tax capacity	\$ 98,750	\$ 2,126,112	\$ 151,790	\$ 191,688	\$ 136,440
Original tax capacity	(1,845)	(154,018)	(3,902)	(13,290)	(48,436)
Captured tax capacity	96,905	1,972,094	147,888	178,398	88,004
Fiscal disparity deduction	-	-	-	-	-
Retained by authority	\$ 96,905	\$ 1,972,094	\$ 147,888	\$ 178,398	\$ 88,004
Retained as a % of current net tax capacity	98.1130%	91.7570%	97.4293%	93.0670%	64.5000%

**Taxes**

Total captured tax increment tax	\$ 91,818	\$ 1,799,796	\$ 134,764	\$ 162,566	\$ 80,194
Less tax increment due to increase in tax rate	-	-	-	-	-
Tax increment district gross tax	91,818	1,799,796	134,764	162,566	80,194
Projected state auditor .36% admin fee	(330)	(6,479)	(485)	(585)	(288)
Projected net to district	\$ 91,488	\$ 1,793,317	\$ 134,279	\$ 161,981	\$ 79,906

**PAYGO to Developer**

\$ -	\$ -	\$ 570,601	\$ 584,934	\$ 1,277,991
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**Outstanding Debt**

Total bonds issued and outstanding at 12/31/22	\$ -	\$ 5,375,000	\$ -	\$ -	\$ -
Issuer administrative fee	\$ -	\$ -	\$ -	\$ -	\$ -

**Estimated Market Value\***

Total (aggregate basis):	\$ 13,250,000	\$ 213,793,100	\$ 7,627,000	\$ 9,621,900	\$ 6,859,500
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\* Per parcel basis, copy this link to Washington County: <https://www.co.washington.mn.us/DocumentCenter/View/7859>

District name	Curve Crest Villa	Scattered Sites	Scattered Sites	North End Hotel	Water Street Inn
Development district #	1	1	1	1	1
City tax increment district #	9	10	11	11	13
County tax increment district #	70	71	85	93	94

**Collections**

Amount of tax increment collected in:

2023	\$ 91,488	\$ 1,793,317	\$ 134,279	\$ 161,981	\$ 79,906
2022	100,100	1,706,431	148,239	178,820	87,832
2021	96,787	1,601,332	145,304	174,699	73,506
2020	86,884	1,538,383	146,132	175,695	2,257
2019	72,306	1,397,818	71,433	-	2,057
2018	72,486	1,282,000	1,151	613	-
2017 and prior	1,042,852	12,618,474	1,069	-	-
Total amount collected	\$ 1,562,903	\$ 21,937,755	\$ 647,607	\$ 691,808	\$ 245,558

First tax increment receipt	2004	2004	2015	2018	2018
Date of required decertification	12/31/2029	12/31/2029	12/31/2041	12/31/2043	12/31/2043

\*After the receipt of the first tax increment



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## **Required Supplementary Information**

# CITY OF STILLWATER, MINNESOTA

## PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY December 31, 2023

### GERF Schedule of the City's Proportionate Share of the Net Pension Liability Last Nine Fiscal Years\*

	Measurement Date								
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
City's portion of the net pension liability	0.07550%	0.07450%	0.07330%	0.06370%	0.06290%	0.06140%	0.05980%	0.06020%	0.05920%
City's proportionate share of the net pension liability	\$ 4,221,875	\$ 5,900,425	\$ 3,130,238	\$ 3,819,106	\$ 3,477,600	\$ 3,406,220	\$ 3,817,593	\$ 4,887,941	\$ 3,068,051
State of Minnesota's proportionate share of the net pension liability	\$ 116,411	\$ 173,019	\$ 95,542	\$ 117,832	\$ 108,162	\$ 111,705	\$ 48,015	\$ 63,853	\$ -
Total proportionate share of the net pension liability	\$ 4,338,286	\$ 6,073,444	\$ 3,225,780	\$ 3,936,938	\$ 3,585,762	\$ 3,517,925	\$ 3,865,608	\$ 4,951,794	\$ 3,068,051
City's covered payroll	\$ 5,846,576	\$ 5,553,889	\$ 5,276,865	\$ 4,731,854	\$ 4,426,728	\$ 4,122,786	\$ 3,853,463	\$ 3,741,046	\$ 3,312,815
City's proportionate share of the net pension liability as a percentage of its covered payroll	72.21%	106.24%	59.32%	80.71%	78.56%	82.62%	99.07%	130.66%	92.61%
Plan fiduciary net position as a percentage of the total pension liability	83.10%	76.67%	87.00%	79.10%	80.23%	79.50%	75.90%	68.91%	78.20%

### PEPPF Schedule of the City's Proportionate Share of the Net Pension Liability Last Nine Fiscal Years\*

	Measurement Date								
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
City's portion of the net pension liability	0.32410%	0.30610%	0.28230%	0.28730%	0.29460%	0.26220%	0.25500%	0.27600%	0.26900%
City's proportionate share of the net pension liability	\$ 5,596,786	\$ 13,320,263	\$ 2,179,057	\$ 3,786,921	\$ 3,136,315	\$ 2,794,782	\$ 3,442,803	\$ 11,076,360	\$ 3,056,469
State of Minnesota's proportionate share of the net pension liability	\$ 225,473	\$ 581,954	\$ 97,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total proportionate share of the net pension liability	\$ 5,822,259	\$ 13,902,217	\$ 2,277,024	\$ 3,786,921	\$ 3,136,315	\$ 2,794,782	\$ 3,442,803	\$ 11,076,360	\$ 3,056,469
City's covered payroll	\$ 4,024,375	\$ 3,718,434	\$ 3,439,680	\$ 3,278,626	\$ 3,107,310	\$ 2,771,643	\$ 2,617,129	\$ 2,657,140	\$ 3,002,740
City's proportionate share of the net pension liability as a percentage of its covered payroll	139.07%	358.22%	63.35%	115.50%	100.93%	100.83%	131.55%	416.85%	101.79%
Plan fiduciary net position as a percentage of the total pension liability	86.47%	70.53%	93.66%	87.20%	89.26%	88.80%	85.43%	63.88%	86.61%

\*This schedule is intended to go out 10 years and more information will be added as it becomes available.

\*Information prior to the 6/30/2015 measurement date is not available at this time.

# CITY OF STILLWATER, MINNESOTA

## PERA SCHEDULE OF CITY CONTRIBUTIONS December 31, 2023

### GERF Schedules of City Contributions Last Nine Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 394,957	\$ 429,638	\$ 407,366	\$ 354,560	\$ 348,806	\$ 309,564	\$ 292,176	\$ 287,143	\$ 270,121
Contributions to the statutorily required contribution	394,957	429,638	407,366	354,560	348,806	309,564	292,176	287,143	270,121
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 5,266,093	\$ 5,728,507	\$ 5,431,547	\$ 4,727,467	\$ 4,650,747	\$ 4,127,520	\$ 3,895,680	\$ 3,828,573	\$ 3,601,613
Contributions as a percentage of covered payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

### PEPPF Schedule of City Contributions Last Nine Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 753,046	\$ 697,687	\$ 620,444	\$ 580,317	\$ 569,293	\$ 447,588	\$ 429,138	\$ 433,918	\$ 412,840
Contributions to the statutorily required contribution	753,046	697,687	620,444	580,317	569,293	447,588	429,138	433,918	412,840
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 4,254,497	\$ 3,941,734	\$ 3,505,333	\$ 3,278,627	\$ 3,358,661	\$ 2,762,889	\$ 2,649,000	\$ 2,678,506	\$ 2,548,395
Contributions as a percentage of covered payroll	17.70%	17.70%	17.70%	17.70%	16.95%	16.20%	16.20%	16.20%	16.20%

\*This schedule is intended to go out 10 years and more information will be added as it becomes available.  
The Amounts Presented for Each Fiscal Year were Determined as of 12/31.



# CITY OF STILLWATER, MINNESOTA

## SCHEDULE OF CHANGES IN THE STILLWATER FIRE RELIEF ASSOCIATION'S NET PENSION LIABILITY (ASSET) Last Nine Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Asset</b>									
Service Cost	\$ 154,879	\$ 134,312	\$ 131,014	\$ 115,836	\$ 110,172	\$ 96,366	\$ 80,881	\$ 83,445	\$ 81,410
Interest	169,280	149,793	168,448	147,597	162,777	145,369	142,145	130,624	127,896
Differences Between Expected and Actual Experience	(155,102)	-	(169,937)	-	(218,323)	-	(130,192)	-	-
Changes of Assumptions	155,596	412,831	-	292,433	(209,180)	-	15,158	-	-
Changes of Benefit Terms	-	-	-	-	-	327,188	399,663	-	-
Benefit Payments, Including Member Contribution Refunds	-	(692,667)	(283,613)	(64,180)	(216,259)	(286,103)	(166,458)	(22,730)	(40,200)
<b>Net Change in Total Pension Liability</b>	<b>324,653</b>	<b>4,269</b>	<b>(154,088)</b>	<b>491,686</b>	<b>(370,813)</b>	<b>282,820</b>	<b>341,197</b>	<b>191,339</b>	<b>169,106</b>
<b>Total Pension Liability - Beginning</b>	<b>3,069,500</b>	<b>3,065,231</b>	<b>3,219,319</b>	<b>2,727,633</b>	<b>3,098,446</b>	<b>2,815,626</b>	<b>2,474,429</b>	<b>2,283,090</b>	<b>2,113,984</b>
<b>Total Pension Liability - Ending (a)</b>	<b>3,394,153</b>	<b>3,069,500</b>	<b>3,065,231</b>	<b>3,219,319</b>	<b>2,727,633</b>	<b>3,098,446</b>	<b>2,815,626</b>	<b>2,474,429</b>	<b>2,283,090</b>
<b>Plan Fiduciary Net Position</b>									
Municipal Contributions	-	-	-	-	-	-	-	-	-
State Contributions	206,141	195,069	193,187	174,895	170,795	165,974	164,455	162,031	153,440
Net Investment Income	(757,918)	469,231	547,608	697,998	(164,615)	478,512	221,612	(18,271)	191,334
Benefit Payments	-	(692,667)	(283,613)	(64,180)	(216,259)	(286,103)	(166,458)	(22,730)	(40,200)
Administrative Expenses	(16,250)	(9,210)	(8,045)	(8,070)	(7,820)	(8,145)	(7,745)	(7,590)	(7,620)
<b>Net Change in Fiduciary Net Position</b>	<b>(568,027)</b>	<b>(37,577)</b>	<b>449,137</b>	<b>800,643</b>	<b>(217,899)</b>	<b>350,238</b>	<b>211,864</b>	<b>113,440</b>	<b>296,954</b>
<b>Fiduciary Net Position - Beginning</b>	<b>5,171,230</b>	<b>5,208,807</b>	<b>4,759,670</b>	<b>3,959,027</b>	<b>4,176,926</b>	<b>3,826,688</b>	<b>3,614,824</b>	<b>3,501,384</b>	<b>3,204,430</b>
<b>Fiduciary Net Position - Ending (b)</b>	<b>4,603,203</b>	<b>5,171,230</b>	<b>5,208,807</b>	<b>4,759,670</b>	<b>3,959,027</b>	<b>4,176,926</b>	<b>3,826,688</b>	<b>3,614,824</b>	<b>3,501,384</b>
<b>Association's Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b><u>\$ (1,209,050)</u></b>	<b><u>\$ (2,101,730)</u></b>	<b><u>\$ (2,143,576)</u></b>	<b><u>\$ (1,540,351)</u></b>	<b><u>\$ (1,231,394)</u></b>	<b><u>\$ (1,078,480)</u></b>	<b><u>\$ (1,011,062)</u></b>	<b><u>\$ (1,140,395)</u></b>	<b><u>\$ (1,218,294)</u></b>
<b>Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	135.62%	168.47%	169.93%	147.85%	145.15%	134.81%	135.91%	146.09%	153.36%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*This schedule is intended to go out 10 years and more information will be added as it becomes available.  
Information prior to 2014 is not available at this time.

**CITY OF STILLWATER, MINNESOTA**

**SCHEDULE OF CITY CONTRIBUTIONS TO STILLWATER FIRE RELIEF ASSOCIATION  
Last Ten Years**

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarial Determined Contribution (a)	\$ 249,549	\$ 205,477	\$ 195,069	\$ 188,187	\$ 174,895	\$ 170,795	\$ 164,974	\$ 162,730	\$ 162,031	\$ 148,440
Actual Contributions paid (b)	(249,549)	(205,477)	(195,069)	(188,187)	(174,895)	(170,795)	(164,974)	(162,730)	(162,031)	(148,440)
Contribution Deficiency (Excess) (a-b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF STILLWATER, MINNESOTA**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
AND RELATED RATIOS**

	City 2023	City 2022	City 2021	City 2020	City 2019	City 2018
Total OPEB liability						
Service cost	\$ 16,973	\$ 23,392	\$ 22,711	\$ 35,354	\$ 27,609	\$ 58,658
Interest	207,062	215,762	656,042	767,321	767,904	771,549
Difference between expected and actual experience	(146,918)	-	(12,387,054)	-	(1,598,415)	-
Changes of assumptions	(1,532,785)	-	692,602	2,571,475	(1,334,560)	-
Benefit payments	(589,047)	(745,644)	(889,711)	(971,655)	(924,783)	(894,727)
Net changes in total OPEB liability	(2,044,715)	(506,490)	(11,905,410)	2,402,495	(3,062,245)	(64,520)
Total OPEB liability - beginning	10,629,192	11,135,682	23,041,092	20,638,597	23,700,842	23,765,362
Total OPEB liability - ending	<u>\$ 8,584,477</u>	<u>\$ 10,629,192</u>	<u>\$ 11,135,682</u>	<u>\$ 23,041,092</u>	<u>\$ 20,638,597</u>	<u>\$ 23,700,842</u>
Covered employee payroll	\$ 8,170,302	\$ 7,413,903	\$ 7,197,964	\$ 6,103,698	\$ 5,925,920	\$ 6,410,754
Total OPEB liability as a percentage of the covered employee payroll	105.1%	143.4%	154.7%	377.5%	348.3%	369.7%

\*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.

\*This schedule is intended to go out 10 years and more information will be added as it becomes available.

**CITY OF STILLWATER, MINNESOTA**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL**

**Year Ended December 31, 2023**

	<b>Budgeted Amounts Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 10,479,281	\$ 10,390,313	\$ (88,968)
Franchise taxes	490,000	495,401	5,401
Licenses and permits	628,950	932,435	303,485
Special assessments	3,000	10,258	7,258
Intergovernmental	1,320,214	1,568,550	248,336
Charges for services	1,340,054	1,386,235	46,181
Fines and forfeits	54,000	70,637	16,637
Investment income	25,000	154,617	129,617
Net decrease in fair value of investments	-	50,664	50,664
Miscellaneous	105,950	76,418	(29,532)
Total revenues	<u>14,446,449</u>	<u>15,135,528</u>	<u>689,079</u>
<b>EXPENDITURES</b>			
General government:			
Mayor and council	202,074	188,347	13,727
Elections	22,510	13,749	8,761
MIS support services	633,153	508,634	124,519
Finance	563,185	579,934	(16,749)
Human resources	326,629	315,705	10,924
Administration	710,834	721,301	(10,467)
Legal/City attorney	202,890	209,421	(6,531)
Plant/City hall	367,724	525,130	(157,406)
Community development	635,182	528,029	107,153
Unallocated	961,896	926,375	35,521
Public safety:			
Police	4,929,223	5,299,021	(369,798)
Fire	2,483,998	2,451,562	32,436
Inspections	522,813	568,054	(45,241)
Civil defense	19,460	12,779	6,681
Public works:			
Engineering	415,973	430,766	(14,793)
Streets	1,384,338	1,439,082	(54,744)
Debt service:			
Principal	-	40,416	(40,416)
Interest	-	3,965	(3,965)
Total expenditures	<u>14,381,882</u>	<u>14,762,270</u>	<u>(380,388)</u>
Excess of revenues over expenditures	<u>64,567</u>	<u>373,258</u>	<u>308,691</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(64,567)</u>	<u>(64,567)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>308,691</u>	<u>\$ 308,691</u>
Fund balance - January 1		<u>7,075,564</u>	
Fund balance - December 31		<u>\$ 7,384,255</u>	

See accompanying notes to the Required Supplementary Information.

## CITY OF STILLWATER, MINNESOTA

**ST CROIX VALLEY RECREATION CENTER FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**

	<b>Budgeted Amounts Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Charges for services	\$ 1,578,435	\$ 1,827,940	\$ 249,505
Investment income	-	61,705	61,705
Net decrease in fair value of investments	-	31,604	31,604
Miscellaneous	256,500	371,356	114,856
Total revenues	<u>1,834,935</u>	<u>2,292,605</u>	<u>457,670</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation			
Recreation center ice arena	1,035,041	1,235,374	(200,333)
Recreation center fieldhouse	293,456	253,717	39,739
Lily Lake ice arena	320,338	345,002	(24,664)
Debt Service:			
Principal	-	5,489	(5,489)
Interest	-	507	(507)
Total expenditures	<u>1,648,835</u>	<u>1,840,089</u>	<u>(185,258)</u>
Excess (deficiency) of revenues over expenditures	186,100	452,516	266,416
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(360,710)</u>	<u>(313,121)</u>	<u>47,589</u>
Net change in fund balance	<u>\$ (174,610)</u>	139,395	<u>\$ 314,005</u>
Fund balance - January 1		1,671,407	
Fund balance - December 31		<u>\$ 1,810,802</u>	

See accompanying notes to the Required Supplementary Information.

## CITY OF STILLWATER, MINNESOTA

## LIBRARY FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

## BUDGET AND ACTUAL

Year Ended December 31, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 1,435,610	\$ 1,435,610	\$ -
Charges for services	2,620	4,620	2,000
Investment income	1,000	10,981	9,981
Net decrease in fair value of investments	-	6,161	6,161
Donations	18,667	19,036	369
Miscellaneous	6,200	6,766	566
Total revenues	<u>1,464,097</u>	<u>1,483,174</u>	<u>19,077</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation			
Operations	1,271,374	1,236,792	34,582
Plant	297,292	276,328	20,964
Total expenditures	<u>1,568,666</u>	<u>1,513,120</u>	<u>55,546</u>
Excess (deficiency) of revenues over expenditures	<u>(104,569)</u>	<u>(29,946)</u>	<u>74,623</u>
<b>OTHER FINANCING USES</b>			
Transfers in	64,567	64,567	-
Transfers out	<u>(40,000)</u>	<u>(84,770)</u>	<u>(44,770)</u>
Total other financing uses	<u>24,567</u>	<u>(20,203)</u>	<u>(44,770)</u>
Net change in fund balance	<u>\$ (40,002)</u>	<u>(50,149)</u>	<u>\$ 74,623</u>
Fund balance - January 1		230,396	
Fund balance - December 31		<u>\$ 180,247</u>	

See accompanying notes to the Required Supplementary Information.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

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**General Employees Fund – Pension Plan**

*2023 Changes*

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5% 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% 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 improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

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

*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 have been no changes since the prior 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.

## CITY OF STILLWATER, MINNESOTA

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2023

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#### 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.

#### 2019 Changes

##### Changes in Actuarial Assumptions:

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

##### Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

#### 2018 Changes

##### Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% 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 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, 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 Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

##### Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018 and \$6.0 million 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.



## CITY OF STILLWATER, MINNESOTA

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2023

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#### *2016 Changes*

##### Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

#### *2015 Changes*

##### Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% 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; the State's contribution of \$6 million, which meets the special funding situation definition, is due September 2015.

### **Police and Fire Fund – Pension Plan**

#### *2023 Changes*

##### Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.00%.
- 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% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% 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 6.50% to 5.40%.

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

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*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 inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- 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 MP-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 a 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% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

*2020 Changes*

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

*2019 Changes*

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

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*2018 Changes*

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Postretirement benefit increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019 and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

*2017 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 Combined Service Annuity (CSA) load was 30% for vested and nonvested deferred members. The CSA has been changed to 33% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% 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 postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The Single Discount Rate was changed from 5.60% per annum to 7.50% per annum.

## **CITY OF STILLWATER, MINNESOTA**

### **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2023**

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#### *2016 Changes*

##### Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.60%.
- 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 Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

##### Changes in Plan Provisions:

- The postretirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.50%, to a fixed rate of 2.50%.

#### **City OPEB Plan**

#### *2023 Changes*

##### Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The Medicare Supplement trend rate increased from 4.00% to 4.50%.
- The retirement and withdrawal rates for non-public-safety employees were updated to reflect the latest experience study.

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

#### *2022 Changes*

##### Changes in Actuarial Assumptions:

- There have been no changes since the prior valuation.

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

## CITY OF STILLWATER, MINNESOTA

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2023

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#### *2021 Changes*

##### Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2020 Generational Improvement Scale.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.90% to 2.00%.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service.
- The retirement and withdrawal rates for non-public-safety employees were updated to reflect the latest experience study.

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

#### *2020 Changes*

##### Changes in Actuarial Assumptions:

- The discount rate was changed from 3.80% to 2.90%.

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

#### *2019 Changes*

##### Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 Headcount Weighted Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2016 Generational Improvement Scale to the RP-2014 Headcount Weighted Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale.
- The retirement and withdrawal tables for public safety employees were updated.
- The discount rate was changed from 3.30% to 3.80%.

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

#### *2018 Changes*

##### Changes in Actuarial Assumptions:

- The discount rate used was the 20-year municipal bond index as the plan is not funding. This assumed rate decreased from 3.50% to 3.30%.

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

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**BUDGETS**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General fund and other major special revenue funds as follows: St. Croix Valley Recreation, and Library Fund The City also adopts a budget for the nonmajor governmental Parks fund. Special Events fund, Community Beautification fund and Washington County Recycling Grant fund which are presented in the combining and individual fund section of the Annual Comprehensive Financial Report. A budget is not legally adopted for Pandemic Relief Special Revenue Fund.

**LEGAL COMPLIANCE - BUDGETS**

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

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally approved by passage of a resolution.
4. The City Council may authorize transfer of budgeted amounts between funds and may approve additional expenditures for departments in excess of the amount budgeted.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and other budgeted funds. Formal budgetary integration is not employed for the debt service and the capital projects funds because effective budgetary control is achieved through general obligation bond indenture provisions and project contracts.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2023

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**NOTE 1    BUDGETARY INFORMATION**

- A. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. The budget is legally approved by passage of a resolution.
- D. The City Council may authorize transfer of budgeted amounts between funds and may approve additional expenditures for departments in excess of the amount budgeted.
- E. Formal budgetary integration is employed as a management control device during the year for the general fund and other budgeted funds. Formal budgetary integration is not employed for the debt service and the capital projects funds because effective budgetary control is achieved through general obligation bond indenture provisions and project contracts.

**NOTE 2    EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had expenditures in excess of budget at the fund level for the year ended December 31, 2023:

	<u>Amount</u>
General Fund	\$ 380,388
St Croix Valley Recreation Center Fund	191,254

The additional expenditures were offset by the use of existing fund balance and greater than expected revenues.

## **SUPPLEMENTARY INFORMATION**



# **Combining and Individual Fund Financial Statements and Schedules**

# Nonmajor Governmental Funds

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditures for a particular purpose.

**Special Events Fund** – to account for special events held within the City and sponsored by City civic organizations. Financing is primarily from the General fund and service charges.

**Library Donations Fund** – to account for funds received specifically used for library functions that are not part of the library operating budget.

**Wick Estate Fund** – to account for funds received specifically for uses described in the agreement between the City and the Wick Estate.

**Parks Special Revenue Fund** – to The parks fund is used to account for the operations of the City's parks. This fund is primarily funded with committed general property taxes.

**Lumberjack Landing Fund** – to account for funds received specifically for uses surrounding a park improvement within the City titled Lumberjack Landing.

**Park/Trail Dedication Fund** – to account for fees paid by developers and legally restricted to capital outlay for City parks.

**Park Maintenance Fund** – to account for fees paid by developers for the maintenance of parks within the development area.

**Community Beautification Fund** – to account for funds associated with community-wide beautification.

**Washington County Recycling Grant Fund** – to account for funds received from Washington County to fund the recycling fund within the City.

**Public Safety Programs Fund** – to account for funds received for the City's public safety programs.

**Lodging Tax** – to account for funds received for lodging tax and disbursed to the *Greater Stillwater Area Convention and Visitor's Bureau* for the purpose of attracting tourism and convention business to the City.

**Miscellaneous Grants Fund** – to account for grant funds received and used to fund various projects/services within the City.

## Capital Projects Funds

Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Emergency Management Fund** – to account for grant funds received and used for emergency management activities, including flood mitigation.

## CITY OF STILLWATER, MINNESOTA

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2023**

	Special Revenue						
	200	220-229, 232-235	236	240	244	245	247
	Special Events	Library Donations	Wick Estate	Parks	Lumberjack Landing	Park/Trail Dedication	Park Maintenance
ASSETS							
Cash and pooled investments	\$ 6,692	\$ 210,208	\$ 11,828	\$ 649,353	\$ 813,421	\$ 889,313	\$ 138,310
Accrued interest receivable	31	455	29	1,732	1,710	1,869	291
Accounts receivable	-	6,982	-	1,200	-	-	-
Prepaid items	-	2,371	-	15,045	-	-	-
Total assets	<u>\$ 6,723</u>	<u>\$ 220,016</u>	<u>\$ 11,857</u>	<u>\$ 667,330</u>	<u>\$ 815,131</u>	<u>\$ 891,182</u>	<u>\$ 138,601</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 5,030	\$ -	\$ 11,560	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-
Salaries payable	-	1,060	-	24,686	-	-	-
Due to other governments	-	6,294	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	-
Deposits payable	-	-	-	9,200	-	-	-
Total liabilities	<u>-</u>	<u>12,384</u>	<u>-</u>	<u>45,446</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	2,371	-	15,045	-	-	-
Restricted	-	205,261	11,857	606,839	815,131	891,182	138,601
Committed	6,723	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>6,723</u>	<u>207,632</u>	<u>11,857</u>	<u>621,884</u>	<u>815,131</u>	<u>891,182</u>	<u>138,601</u>
Total liabilities and fund balances	<u>\$ 6,723</u>	<u>\$ 220,016</u>	<u>\$ 11,857</u>	<u>\$ 667,330</u>	<u>\$ 815,131</u>	<u>\$ 891,182</u>	<u>\$ 138,601</u>

Special Revenue					Capital Projects	Total
251	255	260-270	285	290	110	
Community Beautification	Washington County Recycling Grant	Public Safety Programs	Lodging Tax	Miscellaneous Grants	Emergency Management	Nonmajor Governmental Funds
\$ 39,059	\$ 260,530	\$ 951,662	\$ 106,438	\$ 258,271	\$ -	\$ 4,335,085
82	547	344	268	569	-	7,927
-	-	-	-	32,795	-	40,977
-	-	-	136	-	-	17,552
<u>\$ 39,141</u>	<u>\$ 261,077</u>	<u>\$ 952,006</u>	<u>\$ 106,842</u>	<u>\$ 291,635</u>	<u>\$ -</u>	<u>\$ 4,401,541</u>
\$ 2,745	\$ 660	\$ 13	\$ -	\$ -	\$ 823	\$ 20,831
-	-	-	-	15,365	-	15,365
-	-	-	370	-	-	26,116
-	-	-	-	-	-	6,294
-	-	-	-	-	161,903	161,903
-	-	-	-	-	-	9,200
<u>2,745</u>	<u>660</u>	<u>13</u>	<u>370</u>	<u>15,365</u>	<u>162,726</u>	<u>239,709</u>
-	-	-	136	-	-	17,552
-	260,417	951,993	106,336	276,270	-	4,263,887
36,396	-	-	-	-	-	43,119
-	-	-	-	-	(162,726)	(162,726)
<u>36,396</u>	<u>260,417</u>	<u>951,993</u>	<u>106,472</u>	<u>276,270</u>	<u>(162,726)</u>	<u>4,161,832</u>
<u>\$ 39,141</u>	<u>\$ 261,077</u>	<u>\$ 952,006</u>	<u>\$ 106,842</u>	<u>\$ 276,270</u>	<u>\$ -</u>	<u>\$ 4,401,541</u>

CITY OF STILLWATER, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended December 31, 2023**

	Special Revenue						
	200	220-229, 232-235	236	240	244	245	247
	Special Events	Library Donations	Wick Estate	Parks	Lumberjack Landing	Park/Trail Dedication	Park Maintenance
<b>REVENUES</b>							
Property taxes	\$ 48,000	\$ -	\$ -	\$1,274,096	\$ -	\$ -	\$ -
Lodging tax	-	-	-	-	-	-	-
Licenses and permits	-	-	-	8,875	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	42,796	-	2,500	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	455	6,719	423	25,543	25,225	27,561	4,291
Net increase/decrease in fair value of investments	388	2,267	312	10,799	9,867	5,238	1,659
Donations	7,000	205,005	-	28,293	-	-	-
Miscellaneous	-	-	-	28,909	-	-	-
Total revenues	<u>55,843</u>	<u>213,991</u>	<u>735</u>	<u>1,419,311</u>	<u>35,092</u>	<u>35,299</u>	<u>5,950</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	58,575	204,497	2,418	1,302,926	24	-	-
Total expenditures	<u>58,575</u>	<u>204,497</u>	<u>2,418</u>	<u>1,302,926</u>	<u>24</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,732)</u>	<u>9,494</u>	<u>(1,683)</u>	<u>116,385</u>	<u>35,068</u>	<u>35,299</u>	<u>5,950</u>
<b>OTHER FINANCING USES</b>							
Transfers in	-	34,321	-	-	-	-	-
Transfers out	-	(41,033)	-	(138,646)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(6,712)</u>	<u>-</u>	<u>(138,646)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,732)	2,782	(1,683)	(22,261)	35,068	35,299	5,950
Fund balance - January 1	9,455	204,850	13,540	644,145	780,063	855,883	132,651
Fund balance - December 31	<u>\$ 6,723</u>	<u>\$ 207,632</u>	<u>\$ 11,857</u>	<u>\$ 621,884</u>	<u>\$ 815,131</u>	<u>\$ 891,182</u>	<u>\$ 138,601</u>

Special Revenue					Capital Projects	Total
251	255	260-270	285	290	110	
Community Beautification	Washington County Recycling Grant	Public Safety Programs	Lodging Tax	Miscellaneous Grants	Emergency Management	Nonmajor Governmental Funds
\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,391,096
-	-	-	481,045	-	-	481,045
-	-	-	-	-	-	8,875
-	35,536	851,750	-	67,701	-	954,987
-	-	1,739	-	-	-	47,035
-	-	386	-	-	-	386
1,206	8,074	5,087	3,946	8,398	-	116,928
(158)	3,306	8	1,103	2,845	4,555	42,189
-	-	1,614	-	4,225	-	246,137
-	-	-	-	7,150	-	36,059
<u>70,048</u>	<u>46,916</u>	<u>860,584</u>	<u>486,094</u>	<u>90,319</u>	<u>4,555</u>	<u>3,324,737</u>
-	-	-	469,112	-	-	469,112
-	-	1,291	-	-	-	1,291
-	22,706	-	-	-	307,184	329,890
45,513	-	-	-	67,701	-	1,681,654
<u>45,513</u>	<u>22,706</u>	<u>1,291</u>	<u>469,112</u>	<u>67,701</u>	<u>307,184</u>	<u>2,481,947</u>
<u>24,535</u>	<u>24,210</u>	<u>859,293</u>	<u>16,982</u>	<u>22,618</u>	<u>(302,629)</u>	<u>842,790</u>
-	-	-	-	-	-	34,321
-	-	-	-	-	-	(179,679)
-	-	-	-	-	-	(145,358)
<u>24,535</u>	<u>24,210</u>	<u>859,293</u>	<u>16,982</u>	<u>22,618</u>	<u>(302,629)</u>	<u>697,432</u>
11,861	236,207	92,700	89,490	253,652	139,903	3,464,400
<u>\$ 36,396</u>	<u>\$ 260,417</u>	<u>\$ 951,993</u>	<u>\$ 106,472</u>	<u>\$ 276,270</u>	<u>\$ (162,726)</u>	<u>\$ 4,161,832</u>

## CITY OF STILLWATER, MINNESOTA

**PARKS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**

	<b>Budgeted Amounts Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 1,274,096	\$ 1,274,096	\$ -
Licenses and permits	-	8,875	8,875
Charges for services	28,900	42,796	13,896
Investment income	4,000	25,543	21,543
Net decrease in fair value of investments	-	10,799	10,799
Donations	15,000	28,293	13,293
Miscellaneous	-	28,909	28,909
Total revenues	<u>1,321,996</u>	<u>1,419,311</u>	<u>97,315</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	<u>1,362,266</u>	<u>1,302,926</u>	<u>59,340</u>
Excess (deficiency) of revenues over expenditures	<u>(40,270)</u>	116,385	<u>156,655</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(250,000)</u>	<u>(138,646)</u>	<u>111,354</u>
Total other financing uses	<u>(250,000)</u>	<u>(138,646)</u>	<u>111,354</u>
Net change in fund balance	<u>\$ (290,270)</u>	<u>(22,261)</u>	<u>\$ 268,009</u>
Fund balance - January 1		644,145	
Fund balance - December 31		<u>\$ 621,884</u>	

**CITY OF STILLWATER, MINNESOTA**

**SPECIAL EVENTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023**

	<b>Budgeted Amounts Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 48,000	\$ 48,000	\$ -
Investment income	-	455	455
Net decrease in fair value of investments	-	388	388
Donations	12,000	7,000	(5,000)
Total revenues	<u>60,000</u>	<u>55,843</u>	<u>(4,157)</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	<u>60,000</u>	<u>58,575</u>	<u>1,425</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,732)</u>	<u>\$ (2,732)</u>
Fund balance - January 1		9,455	
Fund balance - December 31		<u>\$ 6,723</u>	



CITY OF STILLWATER, MINNESOTA

COMMUNITY BEAUTIFICATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023

	<b>Budgeted Amounts Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 69,000	\$ 69,000	\$ -
Investment Income	-	1,206	1,206
Net decrease in fair value of investments	-	(158)	(158)
Total revenues	<u>69,000</u>	<u>70,048</u>	<u>1,048</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	<u>69,000</u>	<u>45,513</u>	<u>23,487</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>24,535</u>	<u>(22,439)</u>
Net change in fund balance	<u>\$ -</u>	<u>24,535</u>	<u>\$ 24,535</u>
Fund balance - January 1		<u>11,861</u>	
Fund balance - December 31		<u>\$ 36,396</u>	

CITY OF STILLWATER, MINNESOTA

WASHINGTON COUNTY RECYCLING GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 Year Ended December 31, 2023

	<b>Budgeted Amounts Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 35,500	\$ 35,536	\$ 36
Investment Income	-	8,074	8,074
Net decrease in fair value of investments	-	3,306	3,306
Total revenues	<u>35,500</u>	<u>46,916</u>	<u>11,416</u>
<b>EXPENDITURES</b>			
Current:			
Public works	<u>29,000</u>	<u>22,706</u>	<u>6,294</u>
Net change in fund balances	<u>\$ 6,500</u>	<u>24,210</u>	<u>\$ 17,710</u>
Fund balance - January 1		236,207	
Fund balance - December 31		<u>\$ 260,417</u>	



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## CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF SPECIAL REVENUE FUND – LIBRARY DONATIONS FUND**  
**BALANCE SHEET**  
**December 31, 2023**

	220	221	222	223	224	226
	Minerva	Mcluer-Webster	Hollis R. Murdock	Personnel Grant	Helen Lawson	Doctor H. Van Meier
<b>ASSETS</b>						
Cash and pooled investments	\$ 25,838	\$ 10,254	\$ 1,833	\$ (1,802)	\$ 70,981	\$ 1,382
Accrued interest receivable	55	23	4	-	154	3
Accounts receivable	-	-	-	-	-	-
Prepaid items	-	-	-	192	-	-
Total assets	<u>\$ 25,893</u>	<u>\$ 10,277</u>	<u>\$ 1,837</u>	<u>\$ (1,610)</u>	<u>\$ 71,135</u>	<u>\$ 1,385</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 654	\$ -
Due to other governments	-	-	-	-	-	-
Accrued salaries	-	-	-	1,060	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,060</u>	<u>654</u>	<u>-</u>
Fund balance:						
Nonspendable	-	-	-	192	-	-
Restricted	25,893	10,277	1,837	-	70,481	1,385
Unassigned	-	-	-	(2,862)	-	-
Total fund balance	<u>25,893</u>	<u>10,277</u>	<u>1,837</u>	<u>(2,670)</u>	<u>70,481</u>	<u>1,385</u>
Total liabilities and fund balance	<u>\$ 25,893</u>	<u>\$ 10,277</u>	<u>\$ 1,837</u>	<u>\$ (1,610)</u>	<u>\$ 71,135</u>	<u>\$ 1,385</u>

227	228	229	232	233	234	235	Total
Gifts	Friends of the Library	Friends of Stillwater Library	Stillwater Library Foundation	Kilty	The Whitson Fund	Miscellaneous Donations	Library Donations
\$ 27,813	\$ (4)	\$ 4,682	\$ 13,919	\$ 37,290	\$ 15	\$ 18,007	\$ 210,208
57	-	26	-	92	-	41	455
-	-	-	3,306	-	-	3,676	6,982
-	-	-	2,179	-	-	-	2,371
<u>\$ 27,870</u>	<u>\$ (4)</u>	<u>\$ 4,708</u>	<u>\$ 19,404</u>	<u>\$ 37,382</u>	<u>\$ 15</u>	<u>\$ 21,724</u>	<u>\$ 220,016</u>
\$ 450	\$ -	\$ 1,237	\$ 2,271	\$ -	\$ -	\$ 418	\$ 5,030
-	-	-	6,294	-	-	-	6,294
-	-	-	-	-	-	-	1,060
<u>450</u>	<u>-</u>	<u>1,237</u>	<u>8,565</u>	<u>-</u>	<u>-</u>	<u>418</u>	<u>12,384</u>
-	-	-	2,179	-	-	-	2,371
27,420	-	3,471	8,660	37,382	-	21,306	208,112
-	(4)	-	-	-	15	-	(2,851)
<u>27,420</u>	<u>(4)</u>	<u>3,471</u>	<u>10,839</u>	<u>37,382</u>	<u>15</u>	<u>21,306</u>	<u>207,632</u>
<u>\$ 27,870</u>	<u>\$ (4)</u>	<u>\$ 4,708</u>	<u>\$ 19,404</u>	<u>\$ 37,382</u>	<u>\$ 15</u>	<u>\$ 21,724</u>	<u>\$ 220,016</u>

## CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF SPECIAL REVENUE FUND – LIBRARY DONATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Year Ended December 31, 2023**

	220	221	222	223	224	226
	Minerva	Mcluer-Webster	Hollis R. Murdock	Personnel Grant	Helen Lawson	Doctor H. Van Meier
<b>REVENUES</b>						
Investment income	\$ 814	\$ 343	\$ 59	\$ -	\$ 2,273	\$ 42
Net decrease in fair value of investments	317	136	25	-	713	17
Donations	-	-	-	768	10,208	-
Total revenues	<u>1,131</u>	<u>479</u>	<u>84</u>	<u>768</u>	<u>13,194</u>	<u>59</u>
<b>EXPENDITURES</b>						
Personnel services	-	-	-	36,249	-	-
Supplies	-	-	-	-	-	-
Miscellaneous	496	931	160	-	11,486	-
Total expenditures	<u>496</u>	<u>931</u>	<u>160</u>	<u>36,249</u>	<u>11,486</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	635	(452)	(76)	(35,481)	1,708	59
<b>OTHER FINANCING USES</b>						
Transfer in	-	-	-	34,321	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,321</u>	<u>-</u>	<u>-</u>
Net change in fund balances	635	(452)	(76)	(1,160)	1,708	59
Fund balances - January 1	<u>25,258</u>	<u>10,729</u>	<u>1,913</u>	<u>(1,510)</u>	<u>68,773</u>	<u>1,326</u>
Fund balances - December 31	<u>\$ 25,893</u>	<u>\$ 10,277</u>	<u>\$ 1,837</u>	<u>\$ (2,670)</u>	<u>\$ 70,481</u>	<u>\$ 1,385</u>

227	228	229	232	233	234	235	Total
Gifts	Friends of the Library	Friends of Stillwater Library	Stillwater Library Foundation	Kilty	The Whitson Fund	Miscellaneous Donations	Library Donations
\$ 835	\$ -	\$ 388	\$ -	\$ 1,362	\$ -	\$ 603	\$ 6,719
179	-	64	-	527	27	262	2,267
5,000	-	15,533	162,921	-	-	10,575	205,005
6,014	-	15,985	162,921	1,889	27	11,440	213,991
-	-	-	-	-	-	-	36,249
-	-	-	18,383	-	-	4,039	22,422
1,167	-	18,082	110,819	-	-	2,685	145,826
1,167	-	18,082	129,202	-	-	6,724	204,497
4,847	-	(2,097)	33,719	1,889	27	4,716	9,494
-	-	-	-	-	-	-	34,321
-	-	-	(34,380)	(6,653)	-	-	(41,033)
-	-	-	(34,380)	(6,653)	-	-	(6,712)
4,847	-	(2,097)	(661)	(4,764)	27	4,716	2,782
22,573	(4)	5,568	11,500	42,146	(12)	16,590	204,850
\$ 27,420	\$ (4)	\$ 3,471	\$ 10,839	\$ 37,382	\$ 15	\$ 21,306	\$ 207,632

**CITY OF STILLWATER, MINNESOTA**

**SCHEDULE OF DEBT SERVICE FUND  
BALANCE SHEET  
December 31, 2023**

	<b>312</b> \$6,355,000 C.O. Bonds of 2012A	<b>314</b> \$9,215,000 C.O. Bonds of 2014A	<b>318</b> \$5,935,000 C.O. Bonds of 2018	<b>319</b> \$1,005,000 C.O. Bonds of 2009B	<b>321</b> \$2,455,000 C.O. Bonds of 2021A
<b>ASSETS</b>					
Cash and pooled investments	\$ 308,989	\$ 674,157	\$ 684,779	\$ 106,864	\$ 708,432
Funds held in escrow	-	-	-	-	-
Accrued interest receivable	1,832	938	606	-	1,010
Taxes receivable:					
Delinquent	2,155	2,954	2,276	-	2,265
Due from county	1,933	2,478	2,442	-	2,097
Total assets	<u>\$ 314,909</u>	<u>\$ 680,527</u>	<u>\$ 690,103</u>	<u>\$ 106,864</u>	<u>\$ 713,804</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ -</u>	<u>\$ 318</u>
Deferred inflows of resources:					
Unavailable revenue	<u>2,155</u>	<u>2,954</u>	<u>2,276</u>	<u>-</u>	<u>2,265</u>
Fund balances:					
Restricted	<u>312,436</u>	<u>677,255</u>	<u>687,509</u>	<u>106,864</u>	<u>711,221</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 314,909</u>	<u>\$ 680,527</u>	<u>\$ 690,103</u>	<u>\$ 106,864</u>	<u>\$ 713,804</u>



<b>322</b> \$3,965,000 CO Bonds of 2022A	<b>323</b> \$4,955,000 CO Bonds of 2023A	<b>324</b> C.O. Amory Land	<b>326</b> \$6,505,000 C.O. Bonds of 2016A	<b>327</b> \$3,405,000 C.O. Bonds of 2017A	<b>339</b> \$2,770,000 G.O. Bonds of 2019A	<b>329</b> \$4,095,000 C.O. Bonds of 2009D
\$ 958,859	\$ 516,844	\$ 86,369	\$ 1,141,224	\$ 490,371	\$ 451,360	\$ 762,451
-	-	-	-	-	-	-
1,278	343	181	1,714	539	450	1,603
2,215	2,168	159	2,750	2,070	1,779	95
3,068	2,705	-	2,868	2,079	2,188	-
<u>\$ 965,420</u>	<u>\$ 522,060</u>	<u>\$ 86,709</u>	<u>\$ 1,148,556</u>	<u>\$ 495,059</u>	<u>\$ 455,777</u>	<u>\$ 764,149</u>
<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ -</u>	<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ -</u>
<u>2,215</u>	<u>2,168</u>	<u>159</u>	<u>2,750</u>	<u>2,070</u>	<u>1,779</u>	<u>95</u>
<u>962,887</u>	<u>519,574</u>	<u>86,550</u>	<u>1,145,488</u>	<u>492,671</u>	<u>453,680</u>	<u>764,054</u>
<u>\$ 965,420</u>	<u>\$ 522,060</u>	<u>\$ 86,709</u>	<u>\$ 1,148,556</u>	<u>\$ 495,059</u>	<u>\$ 455,777</u>	<u>\$ 764,149</u>

## CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF DEBT SERVICE FUND  
BALANCE SHEET (CONTINUED)  
December 31, 2023**

	360 \$2,450,000 TIF Bonds of 2016B	376 \$6,585,000 TIF Bonds 2016C	576 Escrow Bonds 2016C	385 \$2,695,000 G.O. Sports Ctr Bonds of 2005C	389 \$1,420,000 Revenue Bonds of 2009C	Total Debt Service Fund
<b>ASSETS</b>						
Cash and pooled investments	\$ 41,905	\$ 19,181	\$ -	\$ 171,466	\$ 390,561	\$ 7,513,812
Funds held in escrow	-	-	322,167	-	-	322,167
Accrued interest receivable	-	-	-	-	-	10,494
Taxes receivable:						
Delinquent	-	-	-	-	-	20,886
Due from county	-	-	-	-	-	21,858
Total assets	<u>\$ 41,905</u>	<u>\$ 19,181</u>	<u>\$ 322,167</u>	<u>\$ 171,466</u>	<u>\$ 390,561</u>	<u>\$ 7,889,217</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 318	\$ -	\$ -	\$ -	\$ -	\$ 3,180
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	20,886
Fund balances:						
Restricted	41,587	19,181	322,167	171,466	390,561	7,865,151
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,905</u>	<u>\$ 19,181</u>	<u>\$ 322,167</u>	<u>\$ 171,466</u>	<u>\$ 390,561</u>	<u>\$ 7,889,217</u>



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**CITY OF STILLWATER, MINNESOTA**

**SCHEDULE OF DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
Year Ended December 31, 2023**

	<b>312</b> \$6,355,000 C.O. Bonds of 2012A	<b>314</b> \$9,215,000 C.O. Bonds of 2014A	<b>318</b> \$5,935,000 C.O. Bonds of 2018	<b>319</b> \$1,005,000 C.O. Bonds of 2009B	<b>321</b> \$2,455,000 C.O. Bonds of 2021A
<b>REVENUES</b>					
Property taxes	\$ 370,639	\$ 475,074	\$ 468,128	\$ 40	\$ 402,243
Investment income:					
Interest	27,028	13,835	8,937	-	14,900
Net decrease in fair value of investments	17,055	6,046	2,253	-	3,188
Miscellaneous	17	21	21	-	18
Total revenues	<u>414,739</u>	<u>494,976</u>	<u>479,339</u>	<u>40</u>	<u>420,349</u>
<b>EXPENDITURES</b>					
Current:					
Debt service:					
Principal	1,330,000	460,000	490,000	-	135,000
Interest	35,973	203,091	128,610	-	119,375
Paying agent fees	550	550	550	-	500
Miscellaneous	1,068	318	318	42	318
Total expenditures	<u>1,367,591</u>	<u>663,959</u>	<u>619,478</u>	<u>42</u>	<u>255,193</u>
Excess (deficiency) of revenues over expenditures	<u>(952,852)</u>	<u>(168,983)</u>	<u>(140,139)</u>	<u>(2)</u>	<u>165,156</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	165,710	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>165,710</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(952,852)	(168,983)	25,571	(2)	165,156
Fund Balances - January 1	<u>1,265,288</u>	<u>846,238</u>	<u>661,938</u>	<u>106,866</u>	<u>546,065</u>
Fund Balances - December 31	<u>\$ 312,436</u>	<u>\$ 677,255</u>	<u>\$ 687,509</u>	<u>\$ 106,864</u>	<u>\$ 711,221</u>

<b>322</b>	<b>323</b>	<b>324</b>	<b>326</b>	<b>327</b>	<b>339</b>	<b>329</b>	<b>360</b>
C.O.	\$7,840,000		\$6,505,000	\$3,405,000	\$2,770,000	\$4,095,000	\$2,450,000
Bonds of	C.O.	C.O.	C.O.	C.O.	G.O.	C.O.	TIF
2022A	Bonds of	Amory	Bonds of	Bonds of	Bonds of	Bonds of	Bonds of
	2002-A	Land	2016A	2017A	2019A	2009D	2016B
\$ 588,388	\$ 518,795	\$ 399	\$ 550,259	\$ 398,479	\$ 419,473	\$ (111)	\$ -
18,846	5,060	2,671	25,288	7,945	6,634	23,648	-
(6,847)	(3,137)	(879)	8,495	2,222	1,611	9,942	-
26	23	-	25	18	19	-	-
600,413	520,741	2,191	584,067	408,664	427,737	33,479	-
-	-	-	470,000	335,000	315,000	-	210,000
178,425	-	-	52,100	41,448	84,875	-	43,019
500	850	-	500	500	550	-	500
318	317	-	318	318	318	-	318
179,243	1,167	-	522,918	377,266	400,743	-	253,837
421,170	519,574	2,191	61,149	31,398	26,994	33,479	(253,837)
-	-	-	-	-	-	-	256,699
-	-	-	-	-	-	-	256,699
421,170	519,574	2,191	61,149	31,398	26,994	33,479	2,862
541,717	-	84,359	1,084,339	461,273	426,686	730,575	38,725
\$ 962,887	\$ 519,574	\$ 86,550	\$ 1,145,488	\$ 492,671	\$ 453,680	\$ 764,054	\$ 41,587

**CITY OF STILLWATER, MINNESOTA**

**SCHEDULE OF DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (CONTINUED)  
Year Ended December 31, 2023**

	<b>376</b> \$6,585,000 TIF Bonds 2016C	<b>576</b> Escrow Bonds 2016C	<b>385</b> \$2,695,000 Sports Ctr Bonds of 2005C	<b>389</b> \$1,420,000 Sports Ctr Bonds of 2009C	Total Debt Service Fund
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 12	\$ 14	\$ 4,191,832
Investment income:					
Interest	-	13,637	-	-	168,429
Net decrease in fair value of investments	-	-	-	-	39,949
Miscellaneous	-	-	-	-	188
Total revenues	-	13,637	12	14	4,400,398
<b>EXPENDITURES</b>					
Current:					
Debt service:					
Principal	435,000	-	-	-	4,180,000
Interest	137,025	-	-	-	1,023,941
Paying agent fees	2,200	-	-	-	7,750
Miscellaneous	-	-	14	2,014	5,999
Total expenditures	574,225	-	14	2,014	5,217,690
Excess (deficiency) of revenues over expenditures	(574,225)	13,637	(2)	(2,000)	(817,292)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	580,550	-	-	-	1,002,959
Total other financing sources	580,550	-	-	-	1,002,959
Net change in fund balance	6,325	13,637	(2)	(2,000)	185,667
Fund balance - January 1	12,856	308,530	171,468	392,561	7,679,484
Fund balance - December 31	\$ 19,181	\$ 322,167	\$ 171,466	\$ 390,561	\$ 7,865,151



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**CITY OF STILLWATER, MINNESOTA**

**SCHEDULE OF TIF DISTRICTS FUND  
BALANCE SHEET  
December 31, 2023**

	<b>461 TIF District #1 (Decertified)</b>	<b>464 TIF District #4 (Decertified)</b>	<b>468 TIF District #8</b>	<b>469 TIF District #9</b>	<b>470 TIF District #10</b>
<b>ASSETS</b>					
Cash and pooled investments	\$ 38,405	\$ 2,754,338	\$ 277,410	\$ 210,891	\$ 5,183,207
Accrued interest receivable	70	6,628	586	361	10,050
Taxes receivable:					
Delinquent	-	-	-	-	4,450
Due from county	-	-	-	-	11,539
Special assessments receivable:					
Noncurrent	30,432	-	-	-	-
Interfund loan receivable	-	183,552	-	-	-
Total assets	<u>\$ 68,907</u>	<u>\$ 2,944,518</u>	<u>\$ 277,996</u>	<u>\$ 211,252</u>	<u>\$ 5,209,246</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 878	\$ 878	\$ 878	\$ 34,628	\$ 878
Total liabilities	<u>878</u>	<u>878</u>	<u>878</u>	<u>34,628</u>	<u>878</u>
Deferred inflows of resources:					
Unavailable revenue	<u>30,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,450</u>
Fund balances:					
Restricted	<u>37,597</u>	<u>2,943,640</u>	<u>277,118</u>	<u>176,624</u>	<u>5,203,918</u>
Total Fund Balances	<u>37,597</u>	<u>2,943,640</u>	<u>277,118</u>	<u>176,624</u>	<u>5,203,918</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 68,907</u>	<u>\$ 2,944,518</u>	<u>\$ 277,996</u>	<u>\$ 211,252</u>	<u>\$ 5,209,246</u>



**CITY OF STILLWATER, MINNESOTA**

**SCHEDULE OF TIF DISTRICTS FUND  
BALANCE SHEET  
December 31, 2023**

<b>471 TIF District #11</b>	<b>472 TIF District #12</b>	<b>473 TIF District #13</b>	<b>474 TIF District #14</b>	<b>Total TIF Districts</b>
<u>\$ (265,066)</u>	<u>\$ 57,921</u>	<u>\$ 17,492</u>	<u>\$ (5,440)</u>	<u>\$ 8,269,158</u>
-	-	-	-	17,695
-	-	-	-	4,450
-	-	-	-	11,539
-	-	-	-	30,432
-	-	-	-	183,552
<u><u>\$ (265,066)</u></u>	<u><u>\$ 57,921</u></u>	<u><u>\$ 17,492</u></u>	<u><u>\$ (5,440)</u></u>	<u><u>\$ 8,516,826</u></u>
<u>\$ 51,232</u>	<u>\$ 73,769</u>	<u>\$ 36,836</u>	<u>\$ -</u>	<u>\$ 199,977</u>
51,232	73,769	36,836	-	199,977
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,882</u>
<u>(316,298)</u>	<u>(15,848)</u>	<u>(19,344)</u>	<u>(5,440)</u>	<u>8,281,967</u>
(316,298)	(15,848)	(19,344)	(5,440)	8,281,967
<u>\$ (265,066)</u>	<u>\$ 57,921</u>	<u>\$ 17,492</u>	<u>\$ (5,440)</u>	<u>\$ 8,516,826</u>

## CITY OF STILLWATER, MINNESOTA

## SCHEDULE OF TIF DISTRICTS FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year Ended December 31, 2023

	461 TIF District #1 (Decertified)	464 TIF District #4 (Decertified)	468 TIF District #8	469 TIF District #9	470 TIF District #10
<b>REVENUES</b>					
Tax increment	\$ -	\$ -	\$ -	\$ 91,488	\$ 1,792,905
Special assessments	8,844	-	-	-	-
Investment income	1,032	102,610	8,642	5,319	148,239
Net decrease in fair value of investments	16,289	35,958	11,420	1,748	27,715
Total revenues	<u>26,165</u>	<u>138,568</u>	<u>20,062</u>	<u>98,555</u>	<u>1,968,859</u>
<b>EXPENDITURES</b>					
Current:					
Economic development	2,391	2,823	6,328	54,103	19,073
Debt service:					
Interest	-	-	-	18,125	-
Total expenditures	<u>2,391</u>	<u>2,823</u>	<u>6,328</u>	<u>72,228</u>	<u>19,073</u>
Excess (deficiency) of revenues over expenditures	<u>23,774</u>	<u>135,745</u>	<u>13,734</u>	<u>26,327</u>	<u>1,949,786</u>
<b>OTHER FINANCING USES</b>					
Transfers out	-	(460,000)	-	-	(837,249)
Net change in fund balance	23,774	(324,255)	13,734	26,327	1,112,537
Fund balance - January 1	13,823	3,267,895	263,384	150,297	4,091,381
Residual equity transfer	-	-	-	-	-
Fund balance - December 31	<u>\$ 37,597</u>	<u>\$ 2,943,640</u>	<u>\$ 277,118</u>	<u>\$ 176,624</u>	<u>\$ 5,203,918</u>

CITY OF STILLWATER, MINNESOTA

SCHEDULE OF PROPRIETARY FUND – PARKING FUND  
 SCHEDULE OF CASH FLOWS  
 Year Ended December 31, 2023

471 TIF District #11	472 TIF District #12	473 TIF District #13	474 TIF District #14	Total TIF Districts
\$ 134,279	\$ 161,980	\$ 79,906	\$ -	\$ 2,260,558
-	-	-	-	8,844
-	-	-	-	265,842
-	-	-	-	93,130
<u>134,279</u>	<u>161,980</u>	<u>79,906</u>	<u>-</u>	<u>2,628,374</u>
104,906	151,160	75,724	520	417,028
-	-	-	-	18,125
<u>104,906</u>	<u>151,160</u>	<u>75,724</u>	<u>520</u>	<u>435,153</u>
<u>29,373</u>	<u>10,820</u>	<u>4,182</u>	<u>(520)</u>	<u>2,193,221</u>
-	-	-	-	(1,297,249)
29,373	10,820	4,182	(520)	895,972
(345,671)	(26,668)	(23,526)	(4,920)	7,385,995
-	-	-	-	-
<u>\$ (316,298)</u>	<u>\$ (15,848)</u>	<u>\$ (19,344)</u>	<u>\$ (5,440)</u>	<u>\$ 8,281,967</u>

# STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u>	
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	123
<u>Revenue Capacity</u>	
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	131
<u>Debt Capacity</u>	
<i>These schedules present information to 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.</i>	138
<u>Demographic and Economic Information</u>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	144
<u>Operating Information</u>	
<i>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.</i>	147

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

**CITY OF STILLWATER, MINNESOTA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year			
	2014	2015	2016	2017
<b>Governmental activities</b>				
Net investment in capital assets	\$ 71,030,940	\$ 69,919,712	\$ 71,049,412	\$ 74,085,103
Restricted	23,628,141	19,805,481	25,170,874	29,073,515
Unrestricted	(2,624,152)	(2,162,160)	(13,610,309)	(13,746,861)
Total governmental activities net position	<u>\$ 92,034,929</u>	<u>\$ 87,563,033</u>	<u>\$ 82,609,977</u>	<u>\$ 89,411,757</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 12,662,766	\$ 13,307,269	\$ 13,195,217	\$ 13,395,604
Unrestricted	1,482,615	1,492,698	1,347,815	768,657
Total business-type activities net position	<u>\$ 14,145,381</u>	<u>\$ 14,799,967</u>	<u>\$ 14,543,032</u>	<u>\$ 14,164,261</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 83,693,706	\$ 83,226,981	\$ 84,244,629	\$ 87,480,707
Restricted	23,628,141	19,805,481	25,170,874	29,073,515
Unrestricted	(1,141,537)	(669,462)	(12,262,494)	(12,978,204)
Total primary government net position	<u>\$ 106,180,310</u>	<u>\$ 102,363,000</u>	<u>\$ 97,153,009</u>	<u>\$ 103,576,018</u>

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Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 74,547,220	\$ 80,248,654	\$ 81,501,522	\$ 85,573,640	\$ 86,751,341	\$ 87,188,271
30,897,232	27,196,289	24,295,944	28,720,342	25,753,577	30,715,623
(29,102,791)	(25,348,798)	(21,916,890)	(20,439,145)	(16,188,774)	(15,381,053)
<u>\$ 76,341,661</u>	<u>\$ 82,096,145</u>	<u>\$ 83,880,576</u>	<u>\$ 93,854,837</u>	<u>\$ 96,316,144</u>	<u>\$ 102,522,841</u>
\$ 13,286,058	\$ 12,854,158	\$ 12,466,088	\$ 22,244,374	\$ 21,781,668	\$ 22,386,550
(1,058,464)	(1,244,820)	(1,310,632)	(55,218)	2,959,313	4,245,221
<u>\$ 12,227,594</u>	<u>\$ 11,609,338</u>	<u>\$ 11,155,456</u>	<u>\$ 22,189,156</u>	<u>\$ 24,740,981</u>	<u>\$ 26,631,771</u>
\$ 87,833,278	\$ 93,102,812	\$ 93,967,610	\$ 107,818,014	\$ 108,533,009	\$ 109,574,821
30,897,232	27,196,289	24,295,944	28,720,342	25,753,577	30,715,623
(30,161,255)	(26,593,618)	(23,227,522)	(20,494,363)	(13,229,461)	(11,135,832)
<u>\$ 88,569,255</u>	<u>\$ 93,705,483</u>	<u>\$ 95,036,032</u>	<u>\$ 116,043,993</u>	<u>\$ 121,057,125</u>	<u>\$ 129,154,612</u>

**CITY OF STILLWATER, MINNESOTA**

**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 3,541,235	\$ 3,780,858	\$ 4,366,424	\$ 4,456,152
Public Safety	5,114,113	5,414,392	7,059,377	6,692,653
Public Works	3,416,259	3,256,154	3,385,412	3,340,782
Culture and recreation	4,580,839	4,561,236	4,768,962	4,861,962
Economic development	1,130,931	991,412	7,010,850	291,330
Interest on long-term debt	1,019,547	828,193	1,295,302	1,072,597
Total governmental activities expenses	18,802,924	18,832,245	27,886,327	20,715,476
Business-type activities:				
Sanitary Sewer	2,513,434	2,315,948	2,848,988	2,990,283
Storm Sewer	520,839	498,336	526,292	577,812
Signs & Lighting	352,981	354,193	366,118	312,631
Water	-	-	-	-
Parking	363,001	363,914	447,272	448,160
Total business-type activities expenses	3,750,255	3,532,391	4,188,670	4,328,886
Total primary government expenses	\$ 22,553,179	\$ 22,364,636	\$ 32,074,997	\$ 25,044,362
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 447,287	\$ 608,313	\$ 473,930	\$ 403,129
Public Safety	1,027,391	1,038,999	1,015,496	1,357,058
Public Works	57,718	99,199	414,733	397,170
Culture and recreation	1,807,857	1,704,324	1,855,984	1,916,982
Economic development	38,215	1,112	-	-
Operating grants and contributions	548,579	697,228	652,863	868,811
Capital grants and contributions	1,281,756	746,429	3,558,295	6,630,514
Total governmental activities program revenues	5,208,803	4,895,604	7,971,301	11,573,664
Business-type activities:				
Charges for services:				
Sanitary Sewer	2,344,479	2,351,072	2,486,019	2,584,047
Storm Sewer	554,528	624,198	638,621	642,510
Signs & Lighting	382,758	386,406	387,937	389,296
Water	-	-	-	-
Parking	334,720	408,045	404,171	396,975
Total business-type activities program revenues	3,616,485	3,769,721	3,916,748	4,012,828
Total primary government program revenues	\$ 8,825,288	\$ 8,665,325	\$ 11,888,049	\$ 15,586,492
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (13,594,121)	\$ (13,936,641)	\$ (19,915,026)	\$ (9,141,812)
Business-type activities	(133,770)	237,330	(271,922)	(316,058)
Total primary government net expense	\$ (13,727,891)	\$ (13,699,311)	\$ (20,186,948)	\$ (9,457,870)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 4,564,749	\$ 4,504,125	\$ 4,369,616	\$ 7,008,458	\$ 8,867,051	\$ 6,436,325
6,390,804	6,085,166	6,933,758	4,700,357	7,739,073	8,800,796
4,442,535	7,334,627	5,033,803	704,135	1,335,470	3,406,171
3,683,368	1,402,190	4,284,050	5,324,879	5,956,931	7,550,482
277,549	189,143	1,322,749	448,230	844,089	151,948
1,221,607	1,105,102	1,038,338	369,844	858,861	796,133
20,580,612	20,620,353	22,982,314	18,555,903	25,601,475	27,141,855
3,590,043	3,256,871	3,441,371	3,442,657	3,389,979	3,174,098
579,610	829,124	782,405	684,436	667,603	843,254
395,821	369,417	390,018	410,752	447,667	147,779
-	-	-	1,787,001	1,343,081	1,711,872
459,150	459,393	434,159	431,890	458,265	516,304
5,024,624	4,914,805	5,047,953	6,756,736	6,306,595	6,393,307
\$ 25,605,236	\$ 25,535,158	\$ 28,030,267	\$ 25,312,639	\$ 31,908,070	\$ 33,535,162
\$ 348,883	\$ 421,830	\$ 449,776	\$ 205,881	\$ 217,286	\$ 264,975
1,591,519	1,190,235	1,282,406	1,323,970	1,519,719	1,693,312
1,031,032	679,853	574,188	1,835,902	924,978	406,758
2,070,711	2,370,259	1,536,388	1,918,277	2,257,656	2,345,591
-	-	-	-	-	-
1,000,747	1,672,557	2,580,748	926,109	1,064,296	1,645,387
2,533,262	2,236,362	2,141,694	3,832,703	2,871,236	3,026,427
8,576,154	8,571,096	8,565,200	10,042,842	8,855,171	9,382,450
3,160,024	2,779,111	3,276,665	4,025,213	4,043,214	4,309,804
603,410	607,418	625,089	637,100	634,158	768,254
390,720	393,476	396,212	398,504	410,081	505,240
-	-	-	1,759,682	1,887,743	2,149,868
464,423	435,611	200,705	380,067	354,696	386,643
4,618,577	4,215,616	4,498,671	7,200,566	7,329,892	8,119,809
\$ 13,194,731	\$ 12,786,712	\$ 13,063,871	\$ 17,243,408	\$ 16,185,063	\$ 17,502,259
\$ (12,004,458)	\$ (12,049,257)	\$ (14,417,114)	\$ (8,513,061)	\$ (16,746,304)	\$ (17,759,405)
(406,047)	(699,189)	(549,282)	443,830	1,023,297	1,726,502
\$ (12,410,505)	\$ (12,748,446)	\$ (14,966,396)	\$ (8,069,231)	\$ (15,723,007)	\$ (16,032,903)



**CITY OF STILLWATER, MINNESOTA**

**FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*

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	<b>Fiscal Year</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>General Fund</b>				
Nonspendable	\$ 148,651	\$ 148,686	\$ 81,749	\$ 157,495
Assigned	1,106,624	1,243,101	1,243,101	1,315,041
Unassigned	3,008,334	3,033,213	3,127,595	3,479,741
Total general fund	<u>\$ 4,263,609</u>	<u>\$ 4,425,000</u>	<u>\$ 4,452,445</u>	<u>\$ 4,952,277</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 15,814	\$ 17,320	\$ 25,912	\$ 15,005
Restricted	26,638,434	18,838,078	27,996,173	25,138,964
Committed	2,548,082	3,042,469	3,438,415	4,074,625
Assigned	2,101,718	2,404,725	2,942,937	3,334,837
Unassigned	(4,228)	-	-	-
Total all other governmental funds	<u>\$ 31,299,820</u>	<u>\$ 24,302,592</u>	<u>\$ 34,403,437</u>	<u>\$ 32,563,431</u>

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Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 186,539	\$ 148,629	\$ 141,950	\$ 131,747	\$ 147,556	\$ 327,125
1,477,834	1,433,503	1,435,504	1,494,061	1,672,164	1,607,807
3,670,736	4,063,892	5,094,506	5,505,246	5,255,844	5,449,323
<u>\$ 5,335,109</u>	<u>\$ 5,646,024</u>	<u>\$ 6,671,960</u>	<u>\$ 7,131,054</u>	<u>\$ 7,075,564</u>	<u>\$ 7,384,255</u>
\$ 64,425	\$ 27,032	\$ 20,618	\$ 23,318	\$ 105,606	\$ 45,813
27,040,698	22,169,462	19,343,328	21,856,097	21,691,133	25,558,716
4,574,745	3,066,640	3,575,480	3,144,396	2,728,724	2,007,199
3,459,251	3,745,844	4,431,065	4,510,543	4,465,419	3,478,089
-	-	-	-	(71,024)	(162,726)
<u>\$ 35,139,119</u>	<u>\$ 29,008,978</u>	<u>\$ 27,370,491</u>	<u>\$ 29,534,354</u>	<u>\$ 28,919,858</u>	<u>\$ 30,927,091</u>

**CITY OF STILLWATER, MINNESOTA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 10,710,930	\$ 11,367,534	\$ 12,100,943	\$ 12,654,828
Tax increment	1,328,951	1,370,469	1,372,407	1,424,791
Lodging tax	182,266	198,544	211,723	218,820
Franchise taxes	444,672	449,333	462,988	467,214
Licenses and permits	476,572	574,860	502,476	819,172
Special assessments	895,715	924,432	1,274,144	1,082,560
Intergovernmental	1,701,663	1,410,519	2,038,847	1,467,311
Charges for services	2,440,925	2,283,432	3,555,525	3,435,785
Fines and forfeits	119,114	118,113	70,256	84,369
Interest	794,042	212,404	(116,034)	162,819
Donations	92,739	96,269	129,479	232,988
Miscellaneous	514,189	500,443	1,396,557	690,403
Total revenues	<u>19,701,778</u>	<u>19,506,352</u>	<u>22,999,311</u>	<u>22,741,060</u>
<b>Expenditures</b>				
General government	3,238,842	3,458,847	3,829,183	4,008,578
Public safety	4,628,286	4,762,211	5,092,685	5,230,427
Public works	1,378,122	1,252,685	1,330,771	1,331,395
Culture and recreation	3,216,992	3,173,176	3,381,088	3,537,419
Economic development	1,149,256	997,280	7,045,568	303,818
Capital outlay	6,086,226	6,125,577	3,350,489	7,745,376
Debt service:				
Principal	2,595,773	2,470,000	2,815,000	4,525,000
Interest	726,634	949,558	775,294	1,065,123
Other	160,234	7,855	410,664	75,444
Total expenditures	<u>23,180,365</u>	<u>23,197,189</u>	<u>28,030,742</u>	<u>27,822,580</u>
Excess (deficiency) of revenues over expenditures	<u>(3,478,587)</u>	<u>(3,690,837)</u>	<u>(5,031,431)</u>	<u>(5,081,520)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing, net	9,434,686	-	16,362,531	3,527,632
Transfers in	1,843,344	2,467,988	2,966,121	3,565,058
Transfer (out)	(1,721,720)	(2,367,988)	(2,958,931)	(3,463,266)
Capital lease	-	-	-	-
Sale of property	24,156	-	-	111,922
Payment on refunded debt	-	(3,245,000)	(1,210,000)	-
Insurance settlement	-	-	-	-
Total other financing sources (uses)	<u>9,580,466</u>	<u>(3,145,000)</u>	<u>15,159,721</u>	<u>3,741,346</u>
Net change in fund balances	<u>\$ 6,101,879</u>	<u>\$ (6,835,837)</u>	<u>\$ 10,128,290</u>	<u>\$ (1,340,174)</u>
Debt service as a percentage of noncapital expenditures	20.4%	20.1%	14.5%	27.9%

**CITY OF STILLWATER, MINNESOTA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 12,818,222	\$ 13,643,617	\$ 14,485,774	\$ 14,990,505	\$ 15,687,665	\$ 17,408,851
1,512,869	1,698,539	2,116,712	2,222,757	2,359,807	2,260,558
237,665	304,367	244,202	373,565	453,006	481,045
351,721	600,965	488,199	490,260	494,088	495,401
981,289	653,202	672,357	704,452	814,675	941,310
1,219,697	1,304,358	1,391,545	1,595,539	1,671,980	1,526,466
2,412,168	2,263,692	4,393,551	1,931,314	2,410,363	3,419,447
3,318,855	2,845,300	2,469,154	3,245,106	3,529,047	3,354,936
233,394	226,692	199,397	55,838	55,732	71,023
496,595	755,040	590,907	(86,488)	(515,578)	1,466,526
148,456	236,232	113,577	1,040,044	208,384	315,673
663,207	1,446,364	526,058	1,717,350	891,818	514,858
24,394,138	25,978,368	27,691,433	28,280,242	28,060,987	32,256,094
4,300,275	4,421,763	4,341,618	4,891,396	5,168,094	5,503,309
5,682,655	6,047,254	7,036,364	6,624,453	7,320,254	8,387,435
1,478,505	4,236,957	1,894,843	1,869,282	1,896,517	2,779,036
3,641,969	3,858,355	3,430,726	4,159,642	4,789,445	5,028,867
322,146	189,143	409,817	464,335	867,651	418,402
7,851,141	8,341,407	6,354,883	6,436,487	8,571,834	8,032,044
3,110,000	3,455,000	3,775,000	3,422,667	3,309,500	4,452,036
1,104,530	1,086,440	1,067,283	946,485	946,934	1,084,700
89,751	60,368	6,850	75,340	130,505	148,107
27,580,972	31,696,687	28,317,384	28,890,087	33,000,734	35,833,936
(3,186,834)	(5,718,319)	(625,951)	(609,845)	(4,939,747)	(3,577,842)
6,120,974	3,203,034	-	3,248,017	4,213,164	5,213,169
2,437,492	7,666,535	2,544,570	3,480,358	1,921,715	2,035,686
(2,437,492)	(7,656,387)	(2,544,570)	(3,497,632)	(1,921,715)	(1,905,065)
-	-	-	-	56,042	401,476
24,380	145,711	13,400	2,064	555	148,500
-	(3,460,000)	-	-	-	-
-	-	-	-	-	-
6,145,354	(101,107)	13,400	3,232,807	4,269,761	5,893,766
\$ 2,958,520	\$ (5,819,426)	\$ (612,551)	\$ 2,622,962	\$ (669,986)	\$ 2,315,924
21.3%	21.4%	21.5%	19.9%	12.9%	20.7%

**CITY OF STILLWATER, MINNESOTA**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY  
LAST TEN FISCAL YEARS**

<b>Payable Year</b>	<b>Real Property</b>		<b>Personal Property</b>	
	<b>Estimated Actual Taxable Market Value</b>	<b>Net Tax Capacity (1)</b>	<b>Estimated Actual Taxable Market Value</b>	<b>Net Tax Capacity</b>
2014	\$ 1,657,537,400	\$ 19,181,004	\$ 12,725,100	\$ 251,952
2015	1,898,305,000	21,556,350	12,880,700	255,814
2016	1,992,003,200	22,491,740	13,493,000	268,060
2017	2,036,773,900	23,097,759	14,165,600	281,512
2018	2,208,179,800	25,003,238	14,998,700	298,174
2019	2,358,449,700	26,673,589	14,343,100	285,005
2020	2,645,959,000	29,103,385	14,734,000	292,823
2021	2,742,731,000	30,387,291	16,300,500	324,153
2022	2,920,228,300	32,652,605	8,229,200	162,727
2023	3,436,861,000	38,237,378	8,634,600	170,835

**Source:** Washington County, Minnesota Assessors' Office

**Notes:**

- (1) The tax capacity (assessed taxable value) of the property is calculated by applying a statutory formula to the estimated market value of the property.

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<b>Total</b>			
<b>Estimated Actual Taxable Market Value</b>	<b>Net Tax Capacity</b>	<b>Total Direct Tax Rate</b>	<b>Net Tax Capacity as a Percentage of Estimated Actual Market Value</b>
\$ 1,670,262,500	\$ 19,432,956	58.359	1.16
2,002,273,500	21,812,164	54.916	1.09
2,005,496,200	22,759,800	57.016	1.13
2,050,939,500	23,379,271	56.927	1.14
2,223,178,500	25,301,412	53.420	1.14
2,372,792,800	26,958,594	54.288	1.14
2,660,693,000	29,396,208	53.474	1.10
2,759,031,500	30,711,444	52.486	1.11
2,928,457,500	32,815,332	52.152	1.12
3,445,495,600	38,408,213	49.146	1.11

**CITY OF STILLWATER, MINNESOTA**

**PROPERTY TAX RATES – PER \$1,000 OF ASSESSED TAX CAPACITY VALUE (1)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Payable Year	City Direct Rates			Overlapping Rates		
				County		
	Operating Tax Capacity Rate	Debt Service Tax Capacity Rate	Total Tax Capacity Rate	Operating Tax Capacity Rate	Debt Service Tax Capacity Rate	Total Tax Capacity Rate
2014	41.777	16.582	58.359	25.780	4.319	30.099
2015	37.737	17.179	54.916	23.626	3.821	27.447
2016	39.646	17.370	57.016	23.832	3.979	27.811
2017	40.235	16.691	56.927	23.777	4.015	27.792
2018	39.093	14.327	53.420	23.395	3.895	27.290
2019	39.321	14.967	54.288	23.251	3.745	26.996
2020	38.752	14.722	53.474	22.878	3.419	26.297
2021	39.570	12.916	52.486	21.510	3.413	24.923
2022	39.409	12.743	52.152	22.481	2.671	25.152
2023	37.283	11.863	49.146	19.164	2.455	21.619

**Source:** Washington County, Minnesota Auditor's Office.

**Notes:**

- (1) Property tax rates (tax capacity rates) are determined by dividing the total tax levy by the tax capacity (assessed value). The tax capacity is calculated by applying a statutory formula to the estimated market value of the property.

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Overlapping Rates				
School			Other	
	Debt			
Operating Tax Capacity Rate	Service Tax Capacity Rate	Total Tax Capacity Rate	Total Tax Capacity Rate	Total Tax Capacity Rate
12.661	10.489	23.150	4.641	116.249
11.183	9.941	21.124	4.183	107.670
15.051	4.798	19.849	4.568	109.244
15.381	5.009	20.390	4.345	109.454
14.317	5.032	19.349	4.175	104.234
9.267	9.174	18.441	3.994	103.719
6.690	8.631	15.321	3.593	98.684
9.769	7.509	17.278	3.593	98.279
12.079	7.423	19.502	3.429	100.235
11.009	6.134	17.143	2.974	90.882



**CITY OF STILLWATER, MINNESOTA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>			<b>Collected within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>
	<b>Operating Tax Levy</b>	<b>Debt Tax Levy</b>	<b>Total Tax Levy</b>	<b>Current Tax Collection</b>	<b>Percentage of Levy</b>	
2014	\$ 7,606,066	\$ 3,018,920	\$ 10,624,986	\$ 10,498,732	98.8 %	\$ 93,790
2015	7,825,610	3,545,643	11,371,253	11,260,937	99.0	94,630
2016	8,365,422	3,706,945	12,072,367	11,973,407	99.2	77,232
2017	8,857,823	3,716,516	12,574,339	12,512,313	99.5	-
2018	9,379,459	3,480,056	12,859,515	12,793,360	99.5	-
2019	9,914,425	3,815,301	13,729,726	13,622,034	99.2	-
2020	10,587,577	4,066,526	14,654,103	14,516,018	99.1	-
2021	11,270,799	3,723,155	14,993,954	14,776,386	98.5	111,553
2022	12,032,975	3,934,822	15,967,797	15,855,531	99.3	(137,335)
2023	13,265,987	4,261,760	17,527,747	17,428,836	99.4	(19,817)

**Notes:**

(1) Beginning with payable 2012, the MVHC program was discontinued.

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<b>Total Collections to Date</b>		<b>Abatements to Total Tax Levy</b>	<b>MVHC Collection Unallotment (1)</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percentage of Levy Outstanding</b>
<b>Total Tax Collection</b>	<b>Percentage of Levy</b>				
\$ 10,592,522	99.7 %	\$ 27,844	N/A	\$ 4,620	0.0 %
11,355,567	99.9	8,817	N/A	6,869	0.1
12,050,639	99.8	4,567	N/A	17,161	0.1
12,512,313	99.5	3,057	N/A	58,969	0.5
12,793,360	99.5	762	N/A	65,393	0.5
13,622,034	99.2	762	N/A	106,930	0.8
14,516,018	99.1	18,359	N/A	119,726	0.8
14,887,939	99.3	7,233	N/A	98,782	0.7
15,718,195	98.4	52,329	N/A	59,937	0.4
17,409,018	99.3	31,976	N/A	66,936	0.4

**CITY OF STILLWATER, MINNESOTA**

**PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2023			2014		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Stillwater Health System	\$ 480,546	1	1.25% %	\$ 275,068	1	1.420 %
Lodge at Stillwater, LLC	390,599	2	1.02%			
Stillwater MP 2021 LLC	309,044	3	0.80%			
Lakeview Memorial Hospital Assoc. LLC	224,704	4	0.59%			
Midnight Real Estate II, LLC	200,890	5	0.52%			
Dayton Hudson Corporation	193,494	6	0.50%	170,192	3	0.880
Valley Ridge Holding LLC	191,462	7	0.50%			
Diasorin	182,480	8	0.48%	114,602	6	0.590
Cub Stores	171,154	9	0.45%			
Xcel Energy	165,262	10	0.43%	243,102	2	1.250
Supervalu Holdings				143,554	4	0.740
Mikden of Stillwater LLC			0.00%	116,488	5	0.600
Southmetro Centers			0.00%	108,492	7	0.560
Stillwater MP I LLC				102,810	8	0.530
Gartner Properties, LLC			0.00%	100,456	9	0.520
Gen3 LLC			0.00%	92,594	10	0.480
Total	<u>\$ 2,509,635</u>		<u>6.53% %</u>	<u>\$ 1,467,358</u>		<u>7.570 %</u>

**Source:** Washington County, Minnesota Auditor's Office



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# CITY OF STILLWATER, MINNESOTA

## RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities								Total Governmental Activities
	GO General Government Bonds (1) (2)	GO Improvement Bonds (1) (3)	GO Revenue Bonds (1) (4)	GO Tax Increment Bonds (1) (5)	Tax Increment Revenue Bonds (5)	Capital Lease	Other Long-Term Debt	Bond Premium	
2014	\$ 23,835,000	\$ -	\$ 1,755,000	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 492,104	\$ 30,582,104
2015	18,630,000	-	1,420,000	4,325,000	-	-	-	445,032	24,820,032
2016	21,655,000	-	1,065,000	6,585,000	6,585,000	-	-	1,185,624	37,075,624
2017	21,755,000	-	465,000	6,375,000	6,175,000	-	-	1,208,622	35,978,622
2018	25,425,000	-	315,000	6,150,000	5,790,000	-	-	1,289,697	38,969,697
2019	25,615,000	-	160,000	2,450,000	4,395,000	-	-	1,607,364	34,227,364
2020	22,680,000	-	-	2,260,000	4,995,000	-	-	1,481,653	31,416,653
2021	22,350,000	-	-	2,060,000	4,585,000	-	191,813	1,433,541	30,620,354
2022	23,730,000	-	-	1,855,000	4,165,000	-	344,789	1,412,065	31,506,854
2023	25,150,000	-	-	1,645,000	3,730,000	-	878,660	1,382,873	32,786,533

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

- (1) General obligation debt which is backed by the full faith, credit, and taxing power of the City.
- (2) General government bonds are to be repaid from general tax levies.
- (3) Improvement bonds are expected to be repaid primarily from the special assessments to benefitted properties.
- (4) Revenue bonds are expected to be paid from revenues generated from the project.
- (5) Tax increment bonds are to be paid from the pledged tax increment revenues.
- (6) Information not available is labeled N/A.
- (7) See the *Demographic and Economic Statistics* schedule on page 144 for personal income and population data.
- (8) Information not available is labeled N/A.

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Enterprise Funds					
Water Revenue Bonds	Water Bond Premium	Total Business-Type Funds	Total Primary Government	Percentage of Personal Income (6) (7) (8)	Per Capita (7) (8)
\$ 1,425,000	\$ 41,905	\$ 1,466,905	\$ 32,049,009	33.26	\$ 1,612
1,345,000	37,270	1,382,270	26,202,302	46.29	1,314
1,265,000	32,828	1,297,828	38,373,452	27.65	1,877
1,180,000	28,584	1,208,584	37,187,206	34.95	1,822
1,095,000	24,544	1,119,544	40,089,241	N/A	1,957
1,010,000	20,708	1,030,708	35,258,072	37.24	1,710
920,000	17,083	937,083	32,353,736	24.96	1,589
830,000	13,728	843,728	31,464,082	40.33	1,579
735,000	10,706	745,706	32,252,560	47.40	1,619
640,000	8,027	648,027	33,434,560	47.29	1,688

CITY OF STILLWATER, MINNESOTA

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE  
AND NET GENERAL OBLIGATION DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

Fiscal Year	Net General Bonded Debt Outstanding			Percentage of Estimated Market Value (3)	Per Capita (4)
	Gross Bonded Debt (1)	Less Debt Service Fund (2)	Net Bonded Debt		
2014	\$ 24,327,104	\$ 4,437,291	\$ 19,889,813	1.2	\$ 1,053
2015	19,075,032	5,938,539	13,136,493	0.7	665.00
2016	22,840,624	10,197,146	12,643,478	0.6	642.03
2017	22,963,622	8,969,528	13,994,094	0.7	708.63
2018	26,714,697	9,492,662	17,222,035	0.8	864.78
2019	27,222,364	6,700,225	20,522,139	0.9	996.22
2020	24,161,653	6,796,178	17,365,475	0.7	878.51
2021	23,783,541	6,796,178	16,987,363	0.6	875.91
2022	25,142,065	6,796,178	18,345,887	0.6	942.55
2023	26,532,873	6,796,178	19,736,695	0.6	1,016.05

**Notes:**

- (1) Amount does not include debt to be paid from special assessments, tax increments or other revenues.
- (2) Amount available for repayment of general obligation bonds, as determined in Note (1) above.
- (3) See *Assessed and Estimated Actual Value of Property* schedule on page 131 for property value data.
- (4) See the *Demographic and Economic Statistics* schedule on page 144 for population data.

**CITY OF STILLWATER, MINNESOTA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of December 31, 2023**

	<u>Debt Outstanding</u>	<u>Percentage Applicable to City (2)</u>	<u>Net Amount Applicable to City</u>
<b>Direct:</b>			
City of Stillwater	\$ 32,786,533	100%	\$ 32,786,533
<b>Overlapping:</b>			
Washington County	98,060,000 (1)	7.2%	7,060,320
School Districts:			
#834-Stillwater	74,620,000 (1)	23.6%	17,610,320
Washington County HRA	33,280,140 (1)	7.2%	2,396,170
Metropolitan Council/Regional Transit	1,694,829,000 (1)	9.0%	152,534,610
Total Overlapping			<u>179,601,420</u>
Total Direct and Overlapping Bonded Debt:			<u><u>\$ 212,387,953</u></u>

**Notes:**

- (1) Information obtained from Washington County, Minnesota Auditor's office.
- (2) The percentage of overlapping debt applicable is estimated using tax capacity values. Applicable percentages were estimated by determining the portion of each entity's tax capacity that is within the City's boundaries and dividing it by that entity's total tax capacity.



**CITY OF STILLWATER, MINNESOTA**

**COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2014	2015	2016	2017
Estimated Market Value (1)	\$ 1,774,367,400	\$ 2,002,273,500	\$ 2,093,975,600	\$ 2,137,240,800
Debt limitation (2)	53,231,022	60,068,205	62,819,268	64,117,224
Debt applicable to limit:				
Total bonded debt	30,090,000	24,375,000	35,890,000	34,770,000
Less: GO Revenue bonds	(1,755,000)	(1,420,000)	(1,065,000)	(465,000)
Less: GO TIF bonds	(4,500,000)	(4,325,000)	(6,585,000)	(6,375,000)
Less: TIF Revenue bonds	-	-	(6,585,000)	(6,175,000)
Total debt applicable to limitation	23,835,000	18,630,000	21,655,000	21,755,000
Legal debt margin	\$ 29,396,022	\$ 41,438,205	\$ 41,164,268	\$ 42,362,224
Total debt applicable to the limit as a percentage of debt limit	44.78%	31.01%	34.47%	33.93%

**Note:**

- (1) Information obtained from Washington County, Minnesota Assessor's Office
- (2) Under *Minnesota State Statutes*, the City of Stillwater's net debt cannot exceed 2% of the estimated market value. Beginning in 2008, the percentage that the debt limit can not exceed the estimated market value changed from 2% to 3%.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,305,780,800	\$ 2,447,760,700	\$ 2,660,693,000	\$ 2,759,031,500	\$ 2,920,228,300	\$ 3,436,861,000
69,173,424	73,432,821	79,820,790	82,770,945	87,606,849	103,105,830
37,680,000	32,620,000	29,935,000	29,825,000	30,485,000	31,165,000
(315,000)	(160,000)	(160,000)	-	-	-
(6,150,000)	(2,450,000)	(2,260,000)	(5,415,000)	(4,900,000)	(3,090,000)
(5,790,000)	(4,395,000)	(4,995,000)	(2,060,000)	(1,855,000)	(1,645,000)
25,425,000	25,615,000	22,520,000	22,350,000	23,730,000	26,430,000
<u>\$ 43,748,424</u>	<u>\$ 47,817,821</u>	<u>\$ 57,300,790</u>	<u>\$ 60,420,945</u>	<u>\$ 63,876,849</u>	<u>\$ 76,675,830</u>
36.76%	34.88%	28.21%	27.00%	27.09%	25.63%

**CITY OF STILLWATER, MINNESOTA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year	City of Stillwater		Washington County		
	Population (1)	Personal Income (2) (6)	Personal Income (2) (3) (5)	Per Capita Income (3) (5)	Unemployment Percentage (4)
2014	18,892	\$ 1,017,013	\$ 13,419,583	\$ 53,833	3.6
2015	19,754	1,148,952	14,633,536	58,163	3.7
2016	19,693	1,025,218	13,177,844	52,060	3.6
2017	19,748	1,257,572	16,324,416	63,681	2.8
2018	19,915	N/A	N/A	N/A	3.4
2019	20,600	1,311,829	16,653,346	63,681	2.5
2020	19,767	1,258,782	16,732,055	63,681	2.9
2021	19,394	1,235,029	17,038,998	63,681	2.9
2022	19,464	1,493,531	20,891,020	76,733	2.9
2023	19,425	1,550,387	22,021,692	79,814	1.7

**Notes:**

- (1) Estimates from Metropolitan Council
- (2) Thousand of dollars.
- (3) Information from State Demographers Office (Bureau of Economic Analysis Report).
- (4) Information from Jobs Training Research Statistics Department.
- (5) Information not available is labeled N/A.
- (6) The estimated personal income for the City of Stillwater and County is calculated by taking the per capita income of Washington County and multiplying it by the City's and County's population. The per capita income used is for that of Washington County, in which the City resides, the smallest region applicable to the City that this information is available for.

**CITY OF STILLWATER, MINNESOTA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>2023</b>			<b>2014</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
County of Washington	1,400	1	32.4%	1,128	1	25.3%
Stillwater Public Schools	1,000	2	23.1%	1,029	2	23.1%
Lakeview Memorial Hospital	500	3	11.6%	753	3	16.9%
DiaSorin, Inc	350	4	8.1%	340	5	7.6%
Stillwater Medical Clinic	220	5	5.1%	349	4	7.8%
Cub Foods, Inc	216	6	5.0%	153	9	3.4%
Target Corporation	200	7	4.6%	200	6	4.5%
City of Stillwater	161	8	3.7%	153	8	3.4%
Minnesota Correctional Facility	145	9	3.4%	-		0.0%
Monderninstic	135	10	3.1%	-		0.0%
St. Croix Boat & Packet				150	10	3.4%
Associated Eye			0.0%	200	7	4.5%
Total	<u>4,327</u>		<u>100%</u>	<u>4455</u>		<u>99.8%</u>

**Source:** Bond Document Official Statement pg A7

**CITY OF STILLWATER, MINNESOTA**

**FULL TIME EQUIVALENT EMPLOYEES  
CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>FUNCTION/PROGRAM</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Government</b>										
MIS	1.80	2.80	2.80	2.80	2.80	2.80	2.70	2.70	2.70	2.70
Finance	3.50	3.70	3.70	3.55	4.50	3.65	4.25	4.25	3.70	3.70
Human Resources	0.00	0.00	0.00	1.15	1.30	2.15	2.15	2.15	2.15	2.15
Administration	3.40	3.70	3.70	3.70	4.60	3.60	3.75	3.75	3.75	3.75
Legal/City Attorney	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant/City Hall	0.00	0.00	0.00	0.00	1.50	1.00	1.00	1.00	1.00	1.00
Community Development	2.50	2.50	2.50	3.75	3.00	3.75	4.00	4.00	4.00	5.00
<b>Public Safety</b>										
Police	24.75	24.75	25.00	26.00	25.00	26.00	27.00	27.00	28.00	30.00
Fire	11.25	11.25	11.50	11.50	11.75	12.75	12.75	12.88	14.00	14.00
Inspections	3.00	3.00	3.00	3.50	4.00	4.00	4.00	4.00	4.00	4.00
<b>Public Works</b>										
Engineering	2.75	2.75	2.75	2.75	2.75	3.25	3.25	3.25	2.95	2.95
Streets	6.50	6.75	6.75	5.75	6.75	6.75	6.75	6.75	7.60	7.10
<b>Culture &amp; Recreation</b>										
Library	11.70	12.35	13.23	10.95	11.70	11.70	11.80	14.43	15.10	15.60
Parks	6.25	6.25	6.25	6.25	6.25	7.25	8.25	7.25	7.25	8.00
<b>Sanitary Sewer</b>	3.20	3.95	3.95	3.95	3.95	3.95	4.70	3.95	4.70	4.70
<b>Storm Sewer</b>	2.85	2.85	2.85	2.85	2.85	3.35	4.35	4.35	4.20	4.20
<b>Signs &amp; Lighting</b>	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.90	0.65
<b>Water</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.30	5.70	5.70
<b>Parking</b>	1.10	1.10	1.10	1.10	1.10	2.10	2.10	2.10	2.10	1.10
<b>Total</b>	<b>86.00</b>	<b>86.50</b>	<b>89.65</b>	<b>91.50</b>	<b>94.75</b>	<b>99.00</b>	<b>103.75</b>	<b>107.06</b>	<b>113.80</b>	<b>116.30</b>

**Source:** City Finance Department

# CITY OF STILLWATER, MINNESOTA

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	13	13	13	13	13	13	13	13	13	14
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Trucks	13	13	13	12	12	13	12	12	12	12
Fire Boat	1	1	1	1	1	1	1	1	1	1
Rescue Boat	0	0	0	0	0	0	1	1	1	1
Rescue Dispatch	1	1	1	1	1	1	1	1	1	1
Special Ops Trailer	1	1	1	1	2	2	1	1	1	1
<b>Public Works</b>										
Lights	1,330	1,332	1,337	1,643	1,643	1,630	1,630	1630	1630	1656
Vehicles	32	30	28	32	32	32	32	32	32	34
Streets (miles)	90.24	91.28	91.28	99.98	100.64	92.85	92.85	97.81	97.81	97.81
Sidewalks (miles)	N/A	N/A	N/A	61.35	61.35	57.99	57.99	57.99	57.99	57.99
<b>Culture &amp; Recreation</b>										
St Croix Valley Recreation Center										
Sheets of Ice	3	3	3	3	3	3	3	3	3	3
Field House	1	3	3	1	1	1	1	1	1	1
Library										
Building	1	1	1	1	1	1	1	1	1	1
Parks										
Parks	34	36	36	40	40	40	40	40	40	40
Internal Trails	19.2	19.81	19.81	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paved Trails	N/A	N/A	N/A	15.97	16.00	16.00	16	17	23.35	24.35
Natural Trails	N/A	N/A	N/A	6.17	6	6	6.2	6.2	6.2	6.2
Park Acres	576	583	583	614	614	614	614	614	614	614
Park Shelters	30	28	28	28	28	28	28	28	28	28
Basketball Courts	3	5	5	5	5	5	5	5	5	5
Boat Launches	2	2	2	2	2	2	2	2	2	2
Fishing Pier	1	1	1	2	2	2	2	2	2	2
Horseshoe Courts	11	11	11	11	11	11	11	10	10	10
Skating Rinks	11	7	7	7	7	7	7	5	4	3
Soccer Fields	7	13	13	6	6	6	6	6	6	6
Softball Fields	12	6	6	13	13	13	13	11	11	11
Swimming Beach	1	0	0	0	0	0	-	0	0	0
Tennis Courts	11	11	11	11	11	11	11	7	4	4
Volleyball Courts	4	4	4	4	4	4	4	3	3	2
Bathroom Facilities	6	7	7	7	6	6	6	6	6	6
Pickle Ball Courts	0	0	0	0	0	0	0	8	16	16
<b>Sanitary Sewer</b>										
Collection System (miles)	89.13	89.13	89.13	90.99	92.29	92.99	92.99	93.17	93.17	93.17
Sewer Connections	6,466	6,495	6,495	6,554	6,573	6,691	6,691	6,734	6,795	6,813
Lift Stations	13	13	13	13	13	13	13	13	13	13
<b>Storm Sewer</b>										
Pipe (miles)	79.61	79.61	79.61	81.03	81.96	70.17	82	82.37	82.80	82.80
<b>Water</b>										
Water Line (Miles)	0	0	0	0	0	0	0	105.51	105.51	105.51
Water Storage Tanks	0	0	0	0	0	0	0	4	4	4
Wells	0	0	0	0	0	0	0	8	8	8
Pump Houses	0	0	0	0	0	0	0	10	10	10
<b>Parking</b>										
Paylots/Permit Parking	9	9	9	9	11	11	11	11	11	11
Parking Ramp	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

**CITY OF STILLWATER, MINNESOTA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year			
	2014	2015	2016	2017
<b>General Government</b>				
Elections	2	-	2	-
Registered voters	12,284	-	13,829	-
Number of votes cast	8,107	-	11,814	-
Voter participation (registered)	61.1%	0.0%	84.6%	0.0%
<b>Public Safety</b>				
Police				
Part I Offenses	492	533	460	458
Part II Offenses	785	1,106	1,054	1,260
Part III, IV & V Offenses	8,503	8,656	9,255	9,115
Traffic Violations	2,908	2,294	2,022	1,995
Fire				
Medical	1,138	1,266	1,354	1,383
Fire	45	82	45	63
False Alarm	151	133	155	149
Inspections	509	149	295	272
Other Services	209	170	128	151
Miscellaneous	272	187	144	167
Inspections				
Building Permits	1,230	1,504	1,233	2,193
Inspections	3,060	3,075	2,921	4,123
Value of Building Permits	\$37,808,545	\$42,679,109	\$33,610,517	\$61,434,729
<b>Public Works</b>				
General Maintenance (hours)	12,571	16,450	14,318	14,580
Trash Pickup (hours)	1,525	1,795	2,260	2,076
Snow Removal (hours)	4,568	2,154	2,704	2,409
New Construction (hours)	661	474	252	92
<b>Culture and Recreation</b>				
St Croix Valley Recreation Center				
Recreation Center - (hours)	3,487	3,197	4,788	5,292
Fieldhouse - (hours)	1,438	1,434	982	1,095
Lily Lake - (hours)	926	915	1,239	1,054
Recreation Maintenance (hours)	6,619	6,168	6,019	6,340
Library				
Collection Size	101,882	102,089	91,140	93,720
Circulation (checked out)	325,920	320,921	324,370	337,627
Internet Sessions	20,391	25,064	24,364	14,300
Program Attendance	7,441	8,737	9,029	9,369
Parks				
Park Reservations	235	215	240	208
Park Maintenance (hours)	5,586	9,078	8,765	8,131
<b>Sanitary Sewer</b>				
Sewer Work (hours)	1,268	2,723	2,624	2,807
<b>Parking</b>				
Monthly Parking Permits	3,984	6,150	5,783	5,807

**Source:** Various City Departments

**Notes:**

Information not available is labeled N/A.

Monthly Parking Permits dropped in 2020 & 2021 because fees were waived for a time

Fiscal Year					
2018	2019	2020	2021	2022	2023
2	-	3	1	2	1
13,454	-	7,554	13,936	14,044	N/A
10,697	-	6,818	N/A	10,631	N/A
79.5%	0.0%	90.25%	N/A	383	N/A
622	288	291	231	189	341
1,042	572	501	321	343	244
8,689	8,900	8,207	8,670	8,332	7153
2,326	729	887	1,085	498	395
1,175	1,304	1203	1441	1,501	1566
65	69	183	217	233	484
127	163	131	141	131	138
700	637	655	646	469	200
244	208	279	352	442	359
189	297	142	128	84	51
2,236	1,496	1,532	1,509	1,743	1,802
6,038	4,339	4,484	4,128	3,922	4,150
\$89,160,498	\$48,416,094	\$ 57,821,811	\$ 50,473,333	\$ 66,325,204	83,945,309
1,771	15,116	15,000	15,453	12,755	13,563
1,927	2,087	2,000	2,380	1,927	1,921
4,860	4,479	4,500	4,500	4,513	4,541
853	442	440	535	284	131
5,054	7,477	3,126	3,816	2,728	7,363
1,475	2,477	677	1,091	890	2,681
1,843	1,762	1,075	1,126	760	2,337
7,581	10,425	630	5,724	6,567	18,572
90,343	90,763	89,917	95,215	96,350	93,348
323,876	372,483	247,164	345,359	409,282	432,845
13,602	12,615	3,248	4,207	6,232	194,229
11,960	12,921	10,353	10,624	16,965	18,861
244	236	0	244	236	273
11,343	10,046	10,000	11,500	9,613	11,690
4,174	3,025	5,302	5,125	10,719	10,997
9,365	6,681	264	188	84	295