

2023

Annual Comprehensive Financial Report



City of Champlin, Minnesota
For the Year Ended
December 31, 2023

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

CITY OF CHAMPLIN, MINNESOTA

PREPARED BY: FINANCE DEPARTMENT

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CITY OF CHAMPLIN, MINNESOTA
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I. INTRODUCTORY SECTION

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11955 CHAMPLIN DRIVE, CHAMPLIN, MN 55316-2399 • 763.421.8100 • ci.Champlin.mn.us

May 20, 2024

To the Citizens of the City of Champlin,
Honorable Mayor and Council Members

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Champlin for the fiscal year ended December 31, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Champlin's financial statements have been audited by Redpath and Company, a firm of licensed certified public accountants. The auditor has issued an unmodified ("clean") opinion of the City of Champlin's financial statements for the year ended December 31, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City of Champlin is located in the northern part of Hennepin County and is approximately nine square miles in size. Champlin has an estimated 2023 population of 24,115 and is considered a third ring metropolitan suburb, about 20 miles from the Minneapolis Central Business District. Champlin is bordered to the north by Anoka, to the west by Dayton, to the south by Maple Grove and Brooklyn Park and to the east by Coon Rapids. The City is located entirely within the Metropolitan Urban Services Area (MUSA).

Champlin is a community dominated by detached single family residential neighborhoods. Champlin is known as a suburban “bedroom community” as many residents find employment outside of the community. Champlin’s residents appreciate the benefits of suburban living with a “small-town” atmosphere, as well as the convenience of its proximity to the more urbanized regions of the metropolitan area. Champlin is bounded by the Elm Creek Park Reserve and the Mississippi River, which provide important ecological and recreational benefits for the community and the region.

The City of Champlin has been a municipal corporation since 1947 and operates as a statutory city. The Champlin City Council is charged with exercising legislative power and determining local policy. The Council is comprised of the Mayor, who serves a four-year term of office, and four council members who serve staggered four-year terms. The four council members are elected by ward and the mayor is elected at large.

The City operates under a Council/Administrator form of government where the City Administrator is the chief administrative officer directly accountable to the Council for all matters of municipal operation.

This report includes all funds of the City. The City provides a full range of services to its citizens. These services include, but are not limited to, police and fire protection; the construction and maintenance of highways, streets, and infrastructure; culture and recreational activities; and general administrative services. This report also includes the Economic Development Authority (EDA), which although considered a legally separate entity, functions in essence, as a department of the City of Champlin and therefore has been included as an integral part of the City of Champlin’s financial statements. Additional information on this legally separate entity can be found in Note 1A in the notes to the financial statements.

The annual budget serves as the foundation for the City of Champlin’s financial planning and control. All departments of the City of Champlin are required to submit requests for appropriation to the Finance Director in early July each year. All information is compiled and submitted to the Administrator, who uses these requests as the starting point for developing a proposed budget. The proposed budget is presented to the Council for review prior to adoption of the preliminary budget and levy which takes place prior to September 15. The Council is then required to hold public hearings on the proposed budget and to adopt a final budget and levy no later than December 31, the close of the City of Champlin’s fiscal year. The appropriated budget is prepared by fund and department. The Administrator may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 39 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 98.

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 Champlin operates.

Local Economy

The City of Champlin has been affected by the national economic environment. Local indicators continue to do better than the national average. When compared to the rest of the twin cities metropolitan area, Champlin has a moderate growth rate for both residential and commercial tax bases. Growth in both these areas declined substantially between 2009 and 2014 but began to recover in 2015 and that trend is continuing for 2023. The City is 97% developed and is predicted to be fully developed by 2030.

Hennepin County, in which the City of Champlin is located, has a labor force of approximately 703,809 and an unemployment rate of 2.2% (data source: U.S. Bureau of Labor Statistics Dec. 2023). This unemployment rate is comparable to the state average and more favorable than the national averages of 2.8% and 3.7% respectively. Due to the fact that the City is a suburb of the Twin Cities metropolitan area, Hennepin County demographic statistics are considered a good indicator of economic trends in the area.

Future Mandates

The City continues to face budget challenges due to actions by the state legislature. The City does not receive a Local Government Aid (LGA) allocation and receives a fiscal disparities distribution of approximately \$1.6 million. A discussion point for future budget processes will be to continue developing a long-range plan for the elimination of the City's dependence on fiscal disparities.

Long-Term Financial Planning

The City Council places a high priority on long-term financial planning for the City. The City maintains a Financial Management Plan that contains financial policies and long-term projections of capital equipment, facility and infrastructure needs and a mechanism for funding replacement with minimal commitment of debt. A comprehensive update to that plan was completed in 2021 with adjustments to account for changes in the economic outlook. This plan document is scheduled for another comprehensive update in 2026.

Each year the City develops a ten-year capital improvement plan to forecast capital needs into the future. This tool helps assure resources are available to support initiatives and is instrumental in the budget process.

As the City matures and becomes fully developed, it's important to protect property values and maintain a strong tax base. To help accomplish this, the City continues to focus on quality of life improvements in the community. These initiatives include revitalized parks, expanding the City's trail system, and the continual rehabilitation of the City's aging infrastructure. In addition, the Council has directed staff to increase communication between City representatives and the public. This is done through an increased number of public events designed to engage the community and continually improve current City services.

Major Initiatives

Each year the City schedules rehabilitation of several miles of street and utility infrastructure. In 2024, nearly \$7.25 million in projects are planned that includes improvements to 3.3 miles of roadway, reconditioning of a water tower, and completing a large section of sanitary sewer lining. There is also nearly \$1 million in vehicles and street equipment scheduled for replacement. The financing of these projects will be a combination of an annual levy, special assessments, the issuance of G.O. backed debt, interest earnings from the Permanent Improvement Fund and utility user fees.

The City of Champlin's development efforts are largely focused in the area identified as Mississippi Crossings, encompassing 120 acres adjacent to Trunk Highway 169 and abutting the Mississippi River. In Mississippi Crossings, construction was completed in late 2022 on a 214-unit market rate rental housing community and a city-owned riverfront event center and outdoor performing facility. Construction began on a 3,500 square foot baker/deli located just off the river. And most recently, plans were approved to move forward with a 9,500 square foot riverfront restaurant with a large outdoor dining patio and roof-top dining area. Both uses add value to the area to serve local demands as well as supplementing this regional destination.

While the City anticipates being fully developed by 2030, there remains several "shovel-ready" commercially zoned vacant sites along the Highway 169 corridor and approximately 30 acres of undeveloped property zoned single-family residential in the City's northwest area. Recently, development in the northwest area is highlighted by a 100-lot subdivision that is nearly built out with move-up single-family housing.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Champlin for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2022. In order to be granted a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report conforms to the Certificate of Achievement Program requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. Specific recognition for the preparation of this report needs to go to Reidun Zollicoffer and Lindsay Jacobs.

The Finance Department wishes to express our appreciation to the City Administrator and the members of the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Champlin's finances.

Respectfully submitted,



Bret Heitkamp
City Administrator



Shelly Peterson
Finance Director

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Government Finance Officers Association

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

Presented to

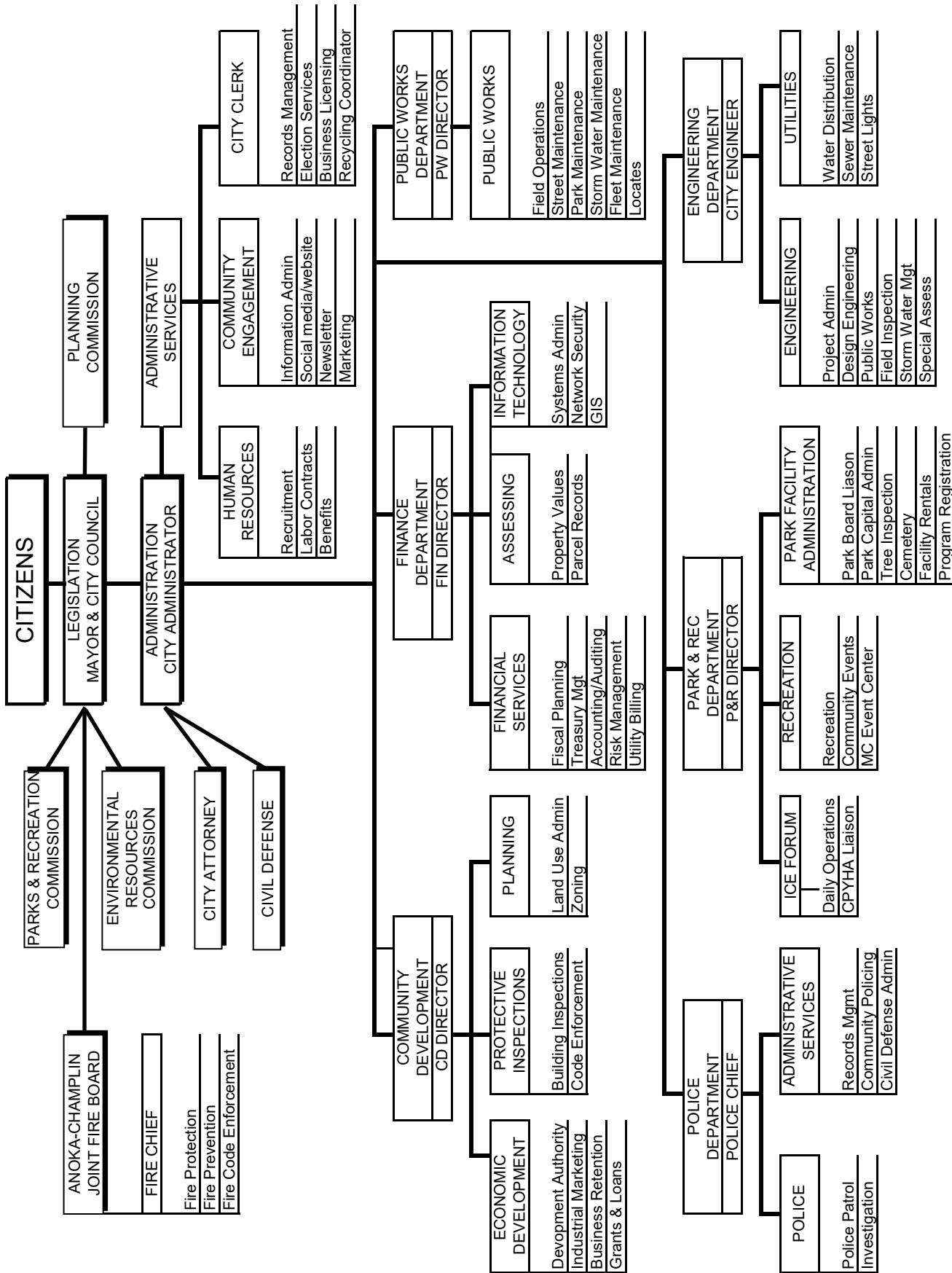
**City of Champlin
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Monell

Executive Director/CEO



CITY OF CHAMPLIN, MINNESOTA
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2023

Name	Official Title
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Mayor and Council:	
Ryan Sabas	Mayor (term expires 12/31/2026)
Jessica Tesdall	Councilmember, Ward 1 (term expires 12/31/2026)
Tom Moe	Councilmember, Ward 2 (term expires 12/31/2026)
Nate Truesdell	Councilmember, Ward 3 (term expires 12/31/2024)
Tim LaCroix	Councilmember, Ward 4 (term expires 12/31/2024)
Administration:	
Bret Heitkamp	City Administrator
Scott Lepak	City Attorney
Julie Tembreull	City Clerk
Shelly Peterson	Finance Director
Glen Schneider	Police Chief
Heather Nelson	City Engineer
Scott Schulte	Community Development Director
Chris Rachner	Parks and Public Works Director
Ted Massicotte	Fire Chief

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II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Champlin, 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 Champlin, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Champlin, Minnesota'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 Champlin, Minnesota, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Champlin, Minnesota 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 Champlin, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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 Champlin, Minnesota'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 Champlin, Minnesota'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, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Champlin, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024 on our consideration of the City of Champlin, Minnesota'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 Champlin, Minnesota'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 Champlin, Minnesota's internal control over financial reporting and compliance.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

May 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Champlin, we offer readers of the City of Champlin's financial statements this narrative overview and analysis of the financial activities of the City of Champlin 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 3-7 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Champlin exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$226 million (net position). Of this amount, \$65 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9.4 million primarily due to capital contributions from grants and development.
- As of the close of the current fiscal year, the City of Champlin's governmental funds reported combining ending fund balances of \$46.9 million, an increase of \$7.2 million when compared to the prior year. Approximately 90% of this total amount, \$42.5 million, is available for spending at the City's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6.2 million, approximately 53% of total General Fund expenditures.
- The City of Champlin's total debt decreased by \$950,000 during the current fiscal year due to payment on bond issues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Champlin's basic financial statements. The City of Champlin's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 Champlin's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Champlin's assets and liabilities, 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 Champlin is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Champlin that are principally supported by tax revenues (governmental activities) from other functions that intend 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 Champlin include general government, public safety, public works, community development, and parks and recreation. The business-type activities of the City of Champlin include water and sewer utilities, refuse, recycling and storm water.

The government-wide financial statements include not only the City of Champlin itself (known as the primary government), but also a legally separate Economic Development Authority (EDA) for which the City of Champlin is financially accountable. The EDA, although legally separate, functions for all practical purposes as a department of the City of Champlin, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 31 - 33 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Champlin, 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 Champlin 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 City's near-term financing decisions. Both the governmental fund balance sheet and governmental statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Champlin maintains fifteen 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, general obligation bonds, tax increment projects, permanent improvement, and park reserve funds, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Champlin adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 34 - 39 of this report.

Proprietary funds. The City of Champlin maintains five different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Champlin uses enterprise funds to account for its sewer and water utilities, refuse and recycling collection, and storm water activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Champlin's various functions. The City of Champlin uses internal service funds to account for its property, liability, and workers' compensation insurance activities, geographical information services (GIS), employee benefits, and compensated absences. Because these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, refuse collection, storm water, and recycling, all of which are considered to be major funds of the City of Champlin.

The basic proprietary fund statements can be found on pages 40 - 42 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 43 - 78 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information. Combining and individual fund statements and schedules can be found on pages 80 - 103 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Champlin, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$226 million at the close of the most recent fiscal year.

A large portion of the City of Champlin's net position (68%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Champlin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Champlin'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 cannot themselves be used to liquidate these liabilities.

CITY OF CHAMPLIN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$60,573,520	\$53,056,499	\$28,170,686	\$27,946,067	\$88,744,206	\$81,002,566
Capital assets	124,973,844	118,567,062	44,341,225	43,610,426	169,315,069	162,177,488
Total assets	<u>\$185,547,364</u>	<u>\$171,623,561</u>	<u>\$72,511,911</u>	<u>\$71,556,493</u>	<u>\$258,059,275</u>	<u>\$243,180,054</u>
Total deferred outflows of resources	\$6,733,199	\$9,171,820	\$24,952	\$29,940	\$6,758,151	\$9,201,760
Long-term liabilities outstanding	21,369,501	25,223,765	2,259,012	2,562,553	23,628,513	27,786,318
Other liabilities	4,760,762	4,075,079	552,197	477,145	5,312,959	4,552,224
Total liabilities	<u>\$26,130,263</u>	<u>\$29,298,844</u>	<u>\$2,811,209</u>	<u>\$3,039,698</u>	<u>\$28,941,472</u>	<u>\$32,338,542</u>
Total deferred inflows of resources	\$10,223,938	\$3,816,711	\$22,340	\$10,584	\$10,246,278	\$3,827,295
Net Position:						
Net investment in capital assets	110,935,660	109,360,068	42,094,251	41,204,736	153,029,911	150,564,804
Restricted	7,699,058	5,030,325	-	-	7,699,058	5,030,325
Unrestricted	37,291,644	33,289,433	27,609,063	27,331,415	64,900,707	60,620,848
Total net position	<u>\$155,926,362</u>	<u>\$147,679,826</u>	<u>\$69,703,314</u>	<u>\$68,536,151</u>	<u>\$225,629,676</u>	<u>\$216,215,977</u>

An additional portion of the City of Champlin's net position (3.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$64.9 million) may be used to meet the City's ongoing obligations to citizens and creditors.

The City adopted accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 in 2016. Essentially, the standard required the unfunded portion of defined benefit pension plans to be reported by all participating employers. Recording the net pension liability and the pension related deferred outflows and inflows of resources do not change the City's future funding requirements or obligations under the plans, which are determined by Minnesota statutes. Net position was negatively impacted by \$7.1 million at December 31, 2023 due to the assumption changes and investment earnings projections from the Public Employees Retirement Association's (PERA) own actuarial study.

Pension-related amounts included in the above schedule related to the standard are as follows:

Deferred outflows of resources	\$6,266,087
Deferred inflows of resources	(6,515,501)
Pension liability	(6,856,236)
Total	<u>(7,105,650)</u>

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

CITY OF CHAMPLIN CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$3,997,829	\$4,741,723	\$9,467,252	\$8,719,448	\$13,465,081	\$13,461,171
Operating grants and contributions	1,779,226	786,821	305,058	1,083,844	2,084,284	1,870,665
Capital grants and contributions	3,767,761	8,518,830	385,193	4,615,491	4,152,954	13,134,321
General revenues:						
Property taxes	13,983,054	13,013,613	-	-	13,983,054	13,013,613
Tax increments	1,029,105	557,722	-	-	1,029,105	557,722
Other taxes	1,080,634	1,068,236	-	-	1,080,634	1,068,236
Unrestricted investment earnings	2,086,315	(1,547,449)	1,131,652	(907,363)	3,217,967	(2,454,812)
Grants and contributions not restricted to specific program	-	2,360,370	-	-	-	2,360,370
Gain on sale of capital asset	27,251	22,735	-	-	27,251	22,735
Miscellaneous	-	-	91,396	123,398	91,396	123,398
Total revenues	27,751,175	29,522,601	11,380,551	13,634,818	39,131,726	43,157,419
Expenses:						
General government	3,740,063	3,008,150	-	-	3,740,063	3,008,150
Public safety	6,870,951	6,815,052	-	-	6,870,951	6,815,052
Public works	6,332,338	5,221,662	-	-	6,332,338	5,221,662
Parks and recreation	2,638,610	2,243,468	-	-	2,638,610	2,243,468
Interest on long-term debt	349,277	177,860	-	-	349,277	177,860
Water	-	-	3,313,282	2,759,525	3,313,282	2,759,525
Sewer	-	-	3,342,310	2,968,911	3,342,310	2,968,911
Refuse	-	-	1,419,043	1,348,667	1,419,043	1,348,667
Recycling	-	-	526,165	496,358	526,165	496,358
Storm Water	-	-	1,185,988	2,193,245	1,185,988	2,193,245
Total expenses	19,931,239	17,466,192	9,786,788	9,766,706	29,718,027	27,232,898
Change in net position before transfers	7,819,936	12,056,409	1,593,763	3,868,112	9,413,699	15,924,521
Transfers	426,600	(283,452)	(426,600)	283,452	-	-
Change in net position	8,246,536	11,772,957	1,167,163	4,151,564	9,413,699	15,924,521
Net position - January 1	147,679,826	135,906,869	68,536,151	64,384,587	216,215,977	200,291,456
Net position - December 31	\$155,926,362	\$147,679,826	\$69,703,314	\$68,536,151	\$225,629,676	\$216,215,977

Governmental activities. Governmental activities increased the City's net position by \$8.2 million, thereby accounting for 88% of the total increase in the net position of the City of Champlin. Key elements of this increase are as follows:

- Capital grants and contributions decreased \$4.7 million primarily related to MSA construction grants and state bonding funds received in 2022.
- Property taxes increased \$969,441 (7.4%) during the year as compared to an increase of \$807,997 (6.5%) for the prior year.
- Grants and contributions not restricted to specific programs decreased \$2.7 million primarily with ARPA federal funding received in 2022.
- Unrestricted investment earnings increased by \$3.6 million with an increase in the fair market value of investments in 2023.
- Public Works expenditures increased by \$1.1 million primarily related to the size and scope of the 2023 street improvement project.

Business-type activities. Business-type activities increased the City's net position by \$1.2 million. Key elements of this increase are as follows:

- Capital grants and contributions decreased \$4.2 million due to development related contributed capital in 2022.
- Unrestricted investment earnings increased by \$2 million with an increase in the fair market value of investments in 2023.
- Storm Water expenses decreased by \$1 million with the Elm Creek phase IV restoration project in 2022.

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Champlin'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 Champlin's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a city's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the City of Champlin's governmental funds reported combining ending fund balances of \$46.9 million, an increase of \$7.2 million in comparison with the prior year. Approximately 91% of this total amount (\$42.5 million) constitutes assigned and unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is restricted 1) to pay debt service (\$2.2 million), 2) to generate income to pay for the perpetual care of the municipal cemetery (\$103,716), 3) for public safety grant and forfeiture funds (\$1.1 million), 4) because of its form, land held for resale (\$856,000), or it is considered nonspendable because of its form (i.e. prepayments and inventories) or there is a legal or contractual commitment requiring it to be maintained intact.

The General Fund is the chief operating fund of the City of Champlin. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6.2 million, while the total fund balance reached \$6.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 53% of total general fund expenditures, while total fund balance represents 54% of that same amount.

The fund balance of the City of Champlin's general fund increased by \$633,220 during the current fiscal year. Key factors in this increase are:

- Public Safety expenditures were \$676,857 less than budget due to staffing vacancies.
- License and permit revenue exceeded budget by \$215,132 with higher than anticipated new construction permits.
- Charges for services revenue exceeded budget by \$88,322 with the opening of a new event center and plan reviews related to new construction permitting.

The fund balance in the general obligation bond fund at the end of the fiscal year is \$2,191,381. The fund balance in this fund is maintained by the receipt of property taxes sufficient to pay the debt service. The total fund balance is restricted for debt service.

The tax increment project fund has a fund deficit of (\$477,907). Of this balance, \$346,000 is for land inventory and is considered restricted and the remainder is unrestricted deficit fund balance of \$823,907. This deficit is due to the acquisition of land and an internal loan with the Permanent Improvement Fund.

The Permanent Improvement Fund has a fund balance of \$27 million, an increase of \$3.4 million. The increase is attributable to \$5 million of bond issuance proceeds.

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

Unrestricted net position of the proprietary funds of the City of Champlin and the growth in net position are as follows:

	Beginning Balance	Additions (Deductions)	Ending Balance
Water utility	\$ 31,428,596	\$ 246,622	\$ 31,675,218
Sewer utility	17,452,265	383,287	17,835,552
Refuse	1,624,471	138,920	1,763,391
Recycling	209,545	58,690	268,235
Stom Water	17,821,274	339,644	18,160,918
	<u>\$ 68,536,151</u>	<u>\$ 1,167,163</u>	<u>\$ 69,703,314</u>

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Champlin's business-type activities.

General Fund Budgetary Highlights

During the year, revenues were \$572,114 more than budgetary estimates primarily in the categories of licenses and permits \$215,132 and net increase in the fair value of investments (\$166,617). These revenues were offset by deficits in fines and forfeiture revenue (\$71,082) and tax revenue (\$56,022). Expenditures were less than budgetary estimates by \$849,806 primarily due to staffing vacancies in public safety and budgeted contracted engineering services not utilized in 2023.

Capital Asset and Debt Administration

Capital assets. The City of Champlin's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$169.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, improvements other than buildings, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City of Champlin's investment in capital assets for the current fiscal year was 4.4% (a 5.4% increase for governmental activities and a 1.68% increase for business-type activities).

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

- Street and infrastructure reconstruction
 - E & W of Winnetka Blvd \$2,292,000
- Public Works equipment
 - Brine equipment \$111,000
 - Garbage truck \$128,000
 - Plow truck \$338,200
- Park improvements
 - Mississippi Crossings recreational area improvements \$8,376,684
 - Withern trail connection \$245,200
- Utilities
 - Water treatment plant dehumidification \$964,000
 - Sewer jetter trailer \$107,000

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$43,424,193	\$43,424,193	\$611,532	\$611,532	\$44,035,725	\$44,035,725
Buildings	17,022,676	9,975,815	2,805,070	3,060,896	19,827,746	13,036,711
Improvements other than buildings	53,373,163	52,818,123	38,936,928	38,934,677	92,310,091	91,752,800
Machinery and equipment	4,445,606	3,281,880	1,746,262	738,646	6,191,868	4,020,526
Construction in progress	6,708,206	9,067,051	241,433	264,675	6,949,639	9,331,726
Total	\$124,973,844	\$118,567,062	\$44,341,225	\$43,610,426	\$169,315,069	\$162,177,488

Additional information on the City of Champlin's capital assets can be found in Note 7 on pages 60 - 61 of this report.

Long-term debt. At the end of the current fiscal year, the City of Champlin had total bonded debt outstanding of \$13.4 million. All of the bonded debt is backed by the full faith and credit of the City. The only bonds subject to tax levy are the obligation bonds.

	Governmental activities	
	2023	2022
General obligation bonds	\$13,350,000	\$8,185,000
Net pension liability	6,856,236	14,801,007
Net OPEB liability	1,079,054	1,300,059
Total	\$21,285,290	\$24,286,066

The City's total bonded debt increased by \$5.2 million due to bond issuances.

The City of Champlin bond rating from Standard and Poor's was affirmed in 2023 as "AA+" due to "the city's stable financial operations, very strong reserves and strong financial management assessment (FMA)" and the City continues to maintain that rating.

State statutes limit the amount of net general obligation debt a governmental entity may issue to 3% of the taxable market value. Net debt is the amount remaining after deducting from its gross debt the amount of current revenues which are applicable to the payment of any debt and the aggregate principal of debt that is paid from other proceeds such as tax increments, special assessments, utility revenue, etc. The debt limitation for the City of Champlin is currently \$103 million which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City of Champlin's long-term debt can be found in Note 9 on pages 61 – 63 of this report.

Economic Factors and Next Year's Budgets and Rates

- Champlin is located in Hennepin County which continues to have unemployment levels within state and national averages as shown in the following schedule:

	March, 2024		March, 2023	
	Labor Force	Unemployment	Labor Force	Unemployment
		Rate		Rate
Hennepin County	706,309	2.6%	701,549	2.5%
Minnesota	3,097,700	2.7%	3,082,964	3.1%
United States	167,900,000	3.8%	166,783,000	3.6%

Source: Minnesota Employment and Economic Development Department.

- Inflationary trends in the region compare favorably to national indices.
- In 2023, the State of Minnesota continued with slow economic growth. The City of Champlin receives minimal state aid from the State of Minnesota and does not budget to receive any state aids so there is no impact on the City's operating budget. However, any changes the State may make to the fiscal disparities program could have a significant impact on the City. The City is scheduled to receive \$2.3 million from this program in 2024 which reduces the amount of taxes paid by residents.

During the current fiscal year, unassigned fund balance in the general fund increased by \$644,388 and are within fund balance policy guidelines.

The 2024 general fund budgeted revenues and expenditures are 8% higher than in 2023. With non-tax revenues anticipated to remain flat, the levy increase is anticipated to increase 9.89%. As part of the City Council's 2021-2024 Strategic Plan and the initiatives to ensure a well-prepared public safety service and the aggressive efforts to maintain the city's aging infrastructure, the focus of the 2024 budget was on our Police, Fire and Public Services. The 2024 budget includes a 10% increase in the City's share of our joint fire department allocation, funding to support recruitment and retention efforts in Police, the addition of two public service workers (one to address streets and park maintenance and the other to assist with water and sewer maintenance).

Requests for Information

This financial report is designed to provide a general overview of the City of Champlin's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Champlin, 11955 Champlin Drive, Champlin, MN 55316.

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BASIC FINANCIAL STATEMENTS

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	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Assets:			
Cash and investments	\$50,084,307	\$25,231,099	\$75,315,406
Receivables:			
Accounts	403,231	1,060,176	1,463,407
Special assessments	5,678,492	610,464	6,288,956
Taxes	64,499	-	64,499
Lease	3,374,202	-	3,374,202
Interest	184,700	106,096	290,796
Due from other governmental units	614,300	76,400	690,700
Internal balances	(858,901)	858,901	-
Prepayments	135,217	150,702	285,919
Inventory - at cost	37,473	76,848	114,321
Land held for resale	856,000	-	856,000
Capital assets - net of accumulated depreciation			
Land	43,424,193	611,532	44,035,725
Buildings	17,022,676	2,805,070	19,827,746
Improvements other than buildings	53,373,163	38,936,928	92,310,091
Machinery and equipment	4,445,606	1,746,262	6,191,868
Construction in progress	6,708,206	241,433	6,949,639
Total assets	<u>185,547,364</u>	<u>72,511,911</u>	<u>258,059,275</u>
Deferred outflows of resources			
Deferred outflows of resources - pension related	6,266,087	-	6,266,087
Deferred outflows of resources - other post employment benefits related	467,112	24,952	492,064
Total deferred outflows of resources	<u>6,733,199</u>	<u>24,952</u>	<u>6,758,151</u>
Liabilities:			
Accounts payable	856,478	231,637	1,088,115
Contracts payable - retained percentage	245,235	8,618	253,853
Accrued salaries and withholdings payable	222,713	-	222,713
Due to other governmental units	98,207	132,273	230,480
Unearned revenue	1,847,393	-	1,847,393
Accrued interest payable	186,661	14,883	201,544
Deposits	222,986	10,500	233,486
Noncurrent liabilities:			
Due within one year	1,081,089	154,286	1,235,375
Due in more than one year	21,369,501	2,259,012	23,628,513
Total liabilities	<u>26,130,263</u>	<u>2,811,209</u>	<u>28,941,472</u>
Deferred inflows of resources			
Deferred inflows of resources - related to leases	3,374,202	-	3,374,202
Deferred inflows of resources - pension related	6,515,501	-	6,515,501
Deferred inflows of resources - other post employment benefits related	334,235	22,340	356,575
Total deferred inflows of resources	<u>10,223,938</u>	<u>22,340</u>	<u>10,246,278</u>
Net position:			
Net investment in capital assets	110,935,660	42,094,251	153,029,911
Restricted for:			
Debt service	5,756,613	-	5,756,613
Public safety	1,080,162	-	1,080,162
Scholarships	6,283	-	6,283
Economic development	856,000	-	856,000
Unrestricted	37,291,644	27,609,063	64,900,707
Total net position	<u>\$155,926,362</u>	<u>\$69,703,314</u>	<u>\$225,629,676</u>

CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023

Functions/Programs	<u>Program Revenues</u>	
	Expenses	Charges For Services
Governmental activities:		
General government	\$3,740,063	\$704,428
Public safety	6,870,951	680,478
Public works	6,332,338	957,779
Parks and recreation	2,638,610	1,655,144
Interest on long-term debt	349,277	-
Total governmental activities	<u>19,931,239</u>	<u>3,997,829</u>
Business-type activities:		
Water	3,313,282	2,950,791
Sewer	3,342,310	3,501,117
Refuse collection	1,419,043	1,621,318
Recycling	526,165	487,358
Storm Water	1,185,988	906,668
Total business-type activities	<u>9,786,788</u>	<u>9,467,252</u>
Total government	<u>\$29,718,027</u>	<u>\$13,465,081</u>

The accompanying notes are an integral part of these financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
		Governmental Activities	Business-Type Activities	
\$ -	\$ -	(\$3,035,635)	\$ -	(\$3,035,635)
1,456,798	-	(4,733,675)	-	(4,733,675)
291,898	3,352,010	(1,730,651)	-	(1,730,651)
30,530	415,751	(537,185)	-	(537,185)
-	-	(349,277)	-	(349,277)
<u>1,779,226</u>	<u>3,767,761</u>	<u>(10,386,423)</u>	<u>0</u>	<u>(10,386,423)</u>
-	385,193	-	22,702	22,702
-	-	-	158,807	158,807
-	-	-	202,275	202,275
88,233	-	-	49,426	49,426
216,825	-	-	(62,495)	(62,495)
<u>305,058</u>	<u>385,193</u>	<u>0</u>	<u>370,715</u>	<u>370,715</u>
<u>\$2,084,284</u>	<u>\$4,152,954</u>	<u>(10,386,423)</u>	<u>370,715</u>	<u>(10,015,708)</u>
General revenues:				
Property taxes		13,983,054	-	13,983,054
Tax increments		1,029,105	-	1,029,105
Other taxes		1,080,634	-	1,080,634
Unrestricted investment earnings		2,086,315	1,131,652	3,217,967
Miscellaneous		-	91,396	91,396
Gain on sale of capital asset		27,251	-	27,251
Transfers		426,600	(426,600)	-
Total general revenues and transfers		<u>18,632,959</u>	<u>796,448</u>	<u>19,429,407</u>
Change in net position		8,246,536	1,167,163	9,413,699
Net position - January 1		<u>147,679,826</u>	<u>68,536,151</u>	<u>216,215,977</u>
Net position - December 31		<u>\$155,926,362</u>	<u>\$69,703,314</u>	<u>\$225,629,676</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2023

	General Fund	General Obligation Bonds	Tax Increment Project
Assets			
Cash and investments	\$6,682,853	\$2,186,481	\$1,241,445
Receivables:			
Accounts	32,775	-	-
Special assessments	9,118	3,755,037	-
Taxes	58,021	1,756	2,409
Interest	34,302	-	5,033
Lease	1,044,508	-	-
Due from other funds	-	-	-
Due from other governmental units	21,980	-	-
Prepayments	115,687	-	-
Inventory - at cost	37,473	-	-
Land held for resale	-	-	346,000
Total assets	\$8,036,717	\$5,943,274	\$1,594,887
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$113,734	\$ -	\$210
Contracts payable - retained percentage	-	-	-
Accrued salaries and withholdings payable	222,713	-	-
Due to other funds	-	-	2,072,584
Due to other governmental units	22,182	-	-
Unearned revenue	12,100	-	-
Deposits	204,544	-	-
Total liabilities	575,273	0	2,072,794
Deferred inflows of resources:			
Leases	1,044,508	-	-
Unavailable revenue	30,502	3,751,893	-
Total deferred inflows of resources	1,075,010	3,751,893	0
Fund balances:			
Nonspendable	153,160	-	-
Restricted	-	2,191,381	346,000
Assigned	-	-	-
Unassigned	6,233,274	-	(823,907)
Total fund balances	6,386,434	2,191,381	(477,907)
Total liabilities, deferred inflows of resources and fund balances	\$8,036,717	\$5,943,274	\$1,594,887

Fund balance reported above

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

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

Other long-term assets are not available to pay for current-period expenditures, and therefore, are reported as unavailable revenue in the funds.

 Delinquent taxes and taxes not yet due

 Delinquent special assessments and special assessments not yet due

Deferred outflows of resources related to other post employment benefits are not reported in the statement of net position.

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

 Bonds payable and unamortized bond premium

 Accrued interest payable

 Other post employment benefits

 Deferred inflows of resources related to other post employment benefits

Internal service funds are used by management to charge the cost of insurance and pension benefits to individual funds.

 The assets and liabilities are included in the governmental statement of net position.

Net position of governmental activities

The accompanying notes are an integral part of these financial statements.

Statement 3

Permanent Improvement Fund	Park Reserve	Other Governmental Funds	Intra-Activity Elimination	Total Governmental Funds
\$27,408,073	\$3,427,452	\$8,031,346	\$ -	\$48,977,650
217,163	268	153,025	-	403,231
1,913,741	-	596	-	5,678,492
-	-	2,313	-	64,499
98,802	13,613	29,793	-	181,543
-	2,329,694	-	-	3,374,202
2,072,584	-	-	(2,072,584)	-
150,380	415,700	26,240	-	614,300
3,835	-	6,695	-	126,217
-	-	-	-	37,473
510,000	-	-	-	856,000
\$32,374,578	\$6,186,727	\$8,250,008	(\$2,072,584)	\$60,313,607
\$580,144	\$22,182	\$110,044	\$ -	\$826,314
134,976	108,074	2,185	-	245,235
-	-	-	-	222,713
858,901	-	-	(2,072,584)	858,901
71,000	-	5,025	-	98,207
1,810,293	-	25,000	-	1,847,393
-	12,603	5,839	-	222,986
3,455,314	142,859	148,093	(2,072,584)	4,321,749
-	2,329,694	-	-	3,374,202
1,913,536	-	838	-	5,696,769
1,913,536	2,329,694	838	0	9,070,971
3,835	-	110,411	-	267,406
510,000	-	1,086,445	-	4,133,826
26,491,893	3,714,174	6,909,049	-	37,115,116
-	-	(4,828)	-	5,404,539
27,005,728	3,714,174	8,101,077	0	46,920,887
\$32,374,578	\$6,186,727	\$8,250,008	(\$2,072,584)	\$60,313,607
				\$46,920,887
				124,973,844
				22,222
				5,674,547
				467,112
				(13,792,949)
				(186,661)
				(1,079,054)
				(334,235)
				(6,739,351)
				\$155,926,362

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2023

	<u>General Fund</u>	<u>General Obligation Bonds</u>	<u>Tax Increment Project</u>
Revenues:			
Taxes:			
Property	\$12,551,278	\$618,035	\$ -
Tax increments	-	-	1,029,105
Other	-	-	-
Special assessments	10,600	568,934	-
Licenses and permits	633,932	-	-
Intergovernmental	435,545	-	-
Charges for services	1,378,322	-	-
Fines and forfeitures	133,918	-	-
Investment income	125,669	27,440	23,153
Net increase (decrease) in the fair value of investments	166,617	39,556	30,795
Lease income	173,240	-	-
Other revenues	46,893	-	-
Total revenues	<u>15,656,014</u>	<u>1,253,965</u>	<u>1,083,053</u>
Expenditures:			
Current:			
General government	1,850,617	-	361,211
Public safety	6,036,843	-	-
Public works	2,501,703	-	-
Parks and recreation	1,018,393	-	-
Cemetery	28,300	-	-
Contingencies	353,038	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	805,000	-
Interest and fiscal charges	-	150,149	-
Total expenditures	<u>11,788,894</u>	<u>955,149</u>	<u>361,211</u>
Revenues over (under) expenditures	<u>3,867,120</u>	<u>298,816</u>	<u>721,842</u>
Other financing sources (uses):			
Bonds issued	-	157,507	-
Premium on bonds issued	-	-	-
Transfers in	321,700	-	-
Transfers out	(3,555,600)	-	-
Proceeds from sale of capital asset	-	-	-
Total other financing sources (uses)	<u>(3,233,900)</u>	<u>157,507</u>	<u>0</u>
Net change in fund balance	<u>633,220</u>	<u>456,323</u>	<u>721,842</u>
Fund balance - January 1	<u>5,753,214</u>	<u>1,735,058</u>	<u>(1,199,749)</u>
Fund balance - December 31	<u>\$6,386,434</u>	<u>\$2,191,381</u>	<u>(\$477,907)</u>

The accompanying notes are an integral part of these financial statements.

Permanent Improvement Fund	Park Reserve	Other Governmental Funds	Intra-Activity Elimination	Total Governmental Funds
\$245,528	\$ -	\$577,610	\$ -	\$13,992,451
-	-	-	-	1,029,105
1,080,634	-	-	-	1,080,634
1,951,760	-	255	-	2,531,549
-	-	-	-	633,932
266,597	420,651	1,046,883	-	2,169,676
-	3,246	1,029,858	-	2,411,426
-	-	-	-	133,918
568,760	78,461	160,089	-	983,572
579,539	80,047	174,423	-	1,070,977
-	89,604	-	-	262,844
290,843	80,134	128,909	-	546,779
<u>4,983,661</u>	<u>752,143</u>	<u>3,118,027</u>	<u>0</u>	<u>26,846,863</u>
11,290	14,631	566,382	-	2,804,131
-	-	125,849	-	6,162,692
268,320	20,611	467,009	-	3,257,643
-	268,455	662,394	-	1,949,242
-	-	-	-	28,300
-	-	-	-	353,038
6,636,447	1,258,719	2,591,765	-	10,486,931
-	-	-	-	805,000
101,096	-	16,457	-	267,702
<u>7,017,153</u>	<u>1,562,416</u>	<u>4,429,856</u>	<u>0</u>	<u>26,114,679</u>
<u>(2,033,492)</u>	<u>(810,273)</u>	<u>(1,311,829)</u>	<u>0</u>	<u>732,184</u>
4,998,744	-	813,749	-	5,970,000
128,323	-	20,890	-	149,213
1,351,890	868,000	2,559,760	(4,674,750)	426,600
(1,069,050)	-	(200,100)	4,674,750	(150,000)
-	-	27,251	-	27,251
<u>5,409,907</u>	<u>868,000</u>	<u>3,221,550</u>	<u>0</u>	<u>6,423,064</u>
3,376,415	57,727	1,909,721	-	7,155,248
<u>23,629,313</u>	<u>3,656,447</u>	<u>6,191,356</u>	<u>-</u>	<u>39,765,639</u>
<u>\$27,005,728</u>	<u>\$3,714,174</u>	<u>\$8,101,077</u>	<u>\$0</u>	<u>\$46,920,887</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023****Statement 5**

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Total net change in fund balance - governmental funds (Statement 4)	\$7,155,248
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense:

Capital outlay	10,486,931
Capital outlay not capitalized	(567,908)
Contributed capital	45,000
Depreciation expense	(3,557,241)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in delinquent taxes	(9,397)
Change in special assessments	809,692

The issuance of long-term debt (e.g. bonds) provides current financial resources for governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amounts of these differences are:

Bonds issued, including bond premium	(6,119,213)
Principal payments on long-term debt	805,000
Amortization of bond premium/discounts	41,898

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. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:

Change in accrued interest payable	(123,473)
Change in other post-employment benefits	(397)

Internal service funds are used by management to charge the cost of certain activities to individual funds.

Net revenues (expenses) of certain activities of internal service funds are reported within the governmental activities statement of activities	<u>(719,604)</u>
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Change in net position of governmental activities (Statement 2)	<u><u>\$8,246,536</u></u>
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CITY OF CHAMPLIN, MINNESOTA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

For The Year Ended December 31, 2023

Statement 6

	Budgets Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$12,607,300	\$12,607,300	\$12,551,278	(\$56,022)
Special assessments	-	-	10,600	10,600
Licenses and permits	378,800	418,800	633,932	215,132
Intergovernmental	349,600	349,600	435,545	85,945
Charges for services	1,280,300	1,290,000	1,378,322	88,322
Fines and forfeiture	205,000	205,000	133,918	(71,082)
Investment income	24,000	24,000	125,669	101,669
Lease income	153,100	153,100	173,240	20,140
Net increase (decrease) in the fair value of investments	-	-	166,617	166,617
Cemetery	10,000	10,000	15,050	5,050
Other revenues	26,100	26,100	31,843	5,743
Total revenues	15,034,200	15,083,900	15,656,014	572,114
Expenditures:				
General government:				
Mayor and council	85,300	85,300	76,514	8,786
Administration	236,400	257,400	272,801	(15,401)
Government services	446,800	446,800	432,039	14,761
Finance	358,200	358,200	357,834	366
Management information services	248,500	248,500	222,411	26,089
Assessing	227,000	227,000	229,000	(2,000)
Legal	43,800	94,800	94,442	358
Community development	159,000	159,000	161,382	(2,382)
Elections	4,500	4,500	4,194	306
Total general government	1,809,500	1,881,500	1,850,617	30,883
Public safety:				
Police	5,330,700	5,314,000	4,634,567	679,433
Fire	753,400	753,400	759,718	(6,318)
Code enforcement	196,900	186,900	177,484	9,416
Protective inspection	362,800	412,800	419,243	(6,443)
Civil defense	46,600	46,600	45,831	769
Total public safety	6,690,400	6,713,700	6,036,843	676,857
Public works:				
Engineering	273,400	273,400	173,695	99,705
Maintenance	2,282,000	2,282,000	2,328,008	(46,008)
Total public works	2,555,400	2,555,400	2,501,703	53,697
Other departments:				
Parks and recreation	1,052,600	1,102,000	1,018,393	83,607
Cemetery	29,300	29,300	28,300	1,000
Contingencies	443,500	356,800	353,038	3,762
Total other departments	1,525,400	1,488,100	1,399,731	88,369
Total expenditures	12,580,700	12,638,700	11,788,894	849,806
Revenues over (under) expenditures	2,453,500	2,445,200	3,867,120	1,421,920
Other financing sources (uses):				
Transfers in	321,700	321,700	321,700	-
Transfers out	(2,775,200)	(2,775,200)	(3,555,600)	(780,400)
Total other financing sources (uses)	(2,453,500)	(2,453,500)	(3,233,900)	(780,400)
Net change in fund balance	\$0	(\$8,300)	633,220	\$641,520
Fund balance - January 1			5,753,214	
Fund balance - December 31			\$6,386,434	

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds						Governmental Activities-Internal Service Funds
	Water	Sewer	Refuse Collection	Recycling	Storm Water	Totals	
Assets							
Current assets:							
Cash and cash equivalents	\$13,359,534	\$7,774,559	\$1,628,218	\$245,412	\$2,223,376	\$25,231,099	\$1,106,657
Receivables:							
Accounts	240,557	412,838	242,042	57,785	106,954	1,060,176	-
Special assessments	525,269	59,749	4,029	868	20,549	610,464	-
Due from other governments	-	-	-	-	76,400	76,400	-
Interest	55,100	32,316	6,487	978	11,215	106,096	3,157
Due from other funds	203,775	-	-	-	-	203,775	-
Prepayments	2,293	148,409	-	-	-	150,702	9,000
Inventory - at cost	76,848	-	-	-	-	76,848	-
Total current assets	14,463,376	8,427,871	1,880,776	305,043	2,438,494	27,515,560	1,118,814
Noncurrent assets:							
Due from other funds	655,126	-	-	-	-	655,126	-
Capital assets:							
Land	208,860	5,000	-	-	397,672	611,532	-
Buildings	9,270,811	-	-	-	-	9,270,811	-
Improvements other than buildings	22,859,713	17,772,355	-	-	23,549,953	64,182,021	-
Machinery and equipment	3,149,544	511,893	-	-	-	3,661,437	-
Construction in process	232,665	8,768	-	-	-	241,433	-
Total	35,721,593	18,298,016	0	0	23,947,625	77,967,234	0
Less: accumulated depreciation	(18,894,583)	(8,794,502)	-	-	(5,936,924)	(33,626,009)	-
Net capital assets	16,827,010	9,503,514	0	0	18,010,701	44,341,225	0
Total noncurrent assets	17,482,136	9,503,514	0	0	18,010,701	44,996,351	0
Total assets	31,945,512	17,931,385	1,880,776	305,043	20,449,195	72,511,911	1,118,814
Deferred outflows of resources							
Deferred outflows of resources - pension related	-	-	-	-	-	-	6,266,087
Deferred outflows of resources - other post employment benefits related	12,476	12,476	-	-	-	24,952	-
Total deferred outflows of resources	12,476	12,476	0	0	0	24,952	6,266,087
Liabilities							
Current liabilities:							
Accounts payable	121,162	3,599	43,648	36,808	26,420	231,637	30,164
Contracts payable - retained percentage	-	-	-	-	8,618	8,618	-
Due to other governmental units	52,467	6,069	73,737	-	-	132,273	-
Deposits	10,500	-	-	-	-	10,500	-
Accrued interest payable	-	-	-	-	14,883	14,883	-
Other post employment benefits liability	4,643	4,643	-	-	-	9,286	-
Compensated absences	-	-	-	-	-	-	171,002
Bonds payable - current portion	-	-	-	-	145,000	145,000	-
Total current liabilities	188,772	14,311	117,385	36,808	194,921	552,197	201,166
Noncurrent liabilities:							
Compensated absences	28,820	28,820	-	-	-	57,640	551,349
Net pension liability	-	-	-	-	-	-	6,856,236
Other post employment benefits liability	54,008	54,008	-	-	-	108,016	-
Bonds payable	-	-	-	-	2,093,356	2,093,356	-
Total noncurrent liabilities	82,828	82,828	0	0	2,093,356	2,259,012	7,407,585
Total liabilities	271,600	97,139	117,385	36,808	2,288,277	2,811,209	7,608,751
Deferred inflows of resources							
Deferred inflows of resources - pension related	-	-	-	-	-	-	6,515,501
Deferred inflows of resources - other post employment benefits related	11,170	11,170	-	-	-	22,340	-
Total deferred inflows of resources	11,170	11,170	0	0	0	22,340	6,515,501
Net position:							
Net investment in capital assets	16,827,010	9,503,514	-	-	15,763,727	42,094,251	-
Unrestricted	14,848,208	8,332,038	1,763,391	268,235	2,397,191	27,609,063	(6,739,351)
Total net position	31,675,218	17,835,552	1,763,391	268,235	18,160,918	69,703,314	(6,739,351)
Total deferred inflows of resources, liabilities and net position	\$31,957,988	\$17,943,861	\$1,880,776	\$305,043	\$20,449,195	\$72,536,863	\$7,384,901

CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2023

Statement 8

	Business-Type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Water	Sewer	Refuse Collection	Recycling	Storm Water	
	Totals					
Operating revenues:						
Charges for services:						
Customer service	\$21,149	\$ -	\$ -	\$ -	\$ -	\$21,149
Penalties	41,758	51,661	25,958	7,320	11,110	137,807
Sewer service charges	-	3,449,456	-	-	-	3,449,456
Refuse collection	-	-	1,595,360	-	-	1,595,360
Recycling collection	-	-	-	480,038	-	480,038
Storm water charges	-	-	-	-	895,558	895,558
Charges for sales:						
Water	2,887,884	-	-	-	-	2,887,884
Total operating revenues	2,950,791	3,501,117	1,621,318	487,358	906,668	9,467,252
Operating expenses:						
Personal services	571,079	525,828	111,184	48,249	298,385	1,554,725
Supplies	409,946	22,636	87	60	702	433,431
Other services and charges	1,532,292	2,400,632	1,307,772	477,856	426,362	6,144,914
Depreciation	799,964	393,214	-	-	460,539	1,653,717
Total operating expenses	3,313,281	3,342,310	1,419,043	526,165	1,185,988	9,786,787
Net income (loss) from operations	(362,490)	158,807	202,275	(38,807)	(279,320)	(319,535)
Nonoperating revenues (expenses):						
Special assessment interest and penalties	40,443	1,934	245	115	3,606	46,343
Intergovernmental	-	-	-	88,233	216,825	305,058
Investment income	286,688	169,054	34,656	4,114	54,558	549,070
Net increase (decrease) in the fair value of investments	297,437	181,997	36,744	5,035	61,369	582,582
Interest expense	-	-	-	-	(26,194)	(26,194)
Miscellaneous revenue (expense)	53,951	17,295	-	-	-	71,246
Total nonoperating revenues (expenses)	678,519	370,280	71,645	97,497	310,164	1,528,105
Income (loss) before contributions and transfers	316,029	529,087	273,920	58,690	30,844	1,208,570
Capital contributions	385,193	-	-	-	-	385,193
Transfers:						
Transfers in	-	-	-	-	308,800	308,800
Transfers out	(454,600)	(145,800)	(135,000)	-	-	(735,400)
Total contributions and transfers	(69,407)	(145,800)	(135,000)	0	308,800	(41,407)
Change in net position	246,622	383,287	138,920	58,690	339,644	1,167,163
Total net position - January 1	31,428,596	17,452,265	1,624,471	209,545	17,821,274	68,536,151
Total net position - December 31	\$31,675,218	\$17,835,552	\$1,763,391	\$268,235	\$18,160,918	\$69,703,314
						(\$6,739,351)

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds						Governmental Activities-Internal Service Funds
	Water	Sewer	Refuse Collection	Recycling	Storm Water	Totals	
Cash flows from operating activities:							
Receipts from customers and users	\$3,518,696	\$3,501,627	\$1,615,089	\$485,358	\$1,298,141	\$10,418,911	-
Receipts from interfund services provided	-	-	-	-	-	-	1,574,048
Payment to suppliers	(1,962,125)	(2,491,870)	(1,302,307)	(471,060)	(461,617)	(6,688,979)	(567,886)
Payment to employees	(560,405)	(515,154)	(111,184)	(48,249)	(298,385)	(1,533,377)	(996,846)
Miscellaneous revenue	94,394	19,229	245	88,348	220,431	422,647	20,444
Net cash flows from operating activities	1,090,560	513,832	201,843	54,397	758,570	2,619,202	29,760
Cash flows from noncapital financing activities:							
Transfers in from other funds	-	-	-	-	308,800	308,800	150,000
Transfers (out) to other funds	(454,600)	(145,800)	(135,000)	-	-	(735,400)	-
Net cash flows from noncapital financing activities	(454,600)	(145,800)	(135,000)	0	308,800	(426,600)	150,000
Cash flows from capital and related financing activities:							
Principal paid on debt	-	-	-	-	(145,000)	(145,000)	-
Interest paid on long-term debt	-	-	-	-	(37,170)	(37,170)	-
Connection fees	340,193	-	-	-	-	340,193	-
Acquisition of capital assets	(1,392,548)	(363,971)	-	-	(583,131)	(2,339,650)	-
Net cash flows from capital and related financing activities	(1,052,355)	(363,971)	0	0	(765,301)	(2,181,627)	0
Cash flows from investing activities:							
Investment income	567,091	339,911	69,109	8,684	112,340	1,097,135	30,985
Net cash flows from investing activities	567,091	339,911	69,109	8,684	112,340	1,097,135	30,985
Net increase (decrease) in cash and cash equivalents	150,696	343,972	135,952	63,081	414,409	1,108,110	210,745
Cash and cash equivalents - January 1	13,208,838	7,430,587	1,492,266	182,331	1,808,967	24,122,989	895,912
Cash and cash equivalents - December 31	\$13,359,534	\$7,774,559	\$1,628,218	\$245,412	\$2,223,376	\$25,231,099	\$1,106,657
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	(\$362,490)	\$158,807	\$202,275	(\$38,807)	(\$279,320)	(\$319,535)	(\$921,814)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation expense	799,964	393,214	-	-	460,539	1,653,717	-
Intergovernmental revenue	-	-	-	88,233	216,825	305,058	-
Miscellaneous revenue	94,394	19,229	245	115	3,606	117,589	20,444
Decrease (increase) in accounts receivable	(10,030)	(19,074)	(7,738)	(2,708)	389,029	349,479	19,019
Decrease (increase) in special assessments receivable	(28,783)	19,584	1,509	708	2,444	(4,538)	-
Decrease (increase) in due from other funds	606,718	-	-	-	-	606,718	-
Decrease (increase) in prepayments and inventory	(18,387)	(15,263)	-	-	-	(33,650)	(9,000)
Increase (decrease) in accounts payable and deposits	(18,384)	(52,958)	1,701	6,856	(34,729)	(97,514)	18,363
Increase (decrease) in accrued salaries and withholdings payable	10,659	10,659	-	-	-	21,318	120,286
Increase (decrease) in contracts payable	(5,033)	-	-	-	176	(4,857)	-
Increase (decrease) in due to other governmental units	21,917	(381)	3,851	-	-	25,387	-
Increase (decrease) in other post employment benefits liability	(8,357)	(8,357)	-	-	-	(16,714)	-
Decrease (Increase) in deferred outflows of resources	2,494	2,494	-	-	-	4,988	2,372,655
Increase (decrease) in pension liability	-	-	-	-	-	-	(7,944,771)
Increase (decrease) in deferred inflows of resources	5,878	5,878	-	-	-	11,756	6,354,578
Total adjustments	1,453,050	355,025	(432)	93,204	1,037,890	2,938,737	951,574
Net cash provided by (used in) operating activities	\$1,090,560	\$513,832	\$201,843	\$54,397	\$758,570	\$2,619,202	\$29,760
Noncash capital and related financing activities:							
Contributions of capital assets from developers	\$45,000	\$0	\$0	\$0	\$0	\$45,000	\$0

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Champlin, Minnesota (the City) was incorporated in 1947 and operates as a statutory city. The governing body consists of an elected mayor and four-member council.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America 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

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of component units have been included in the financial reporting entity omit as blended component units.

The Economic Development Authority (EDA) is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were part of the City's operations because the members of the City Council serve as EDA Board Members and its purpose is to promote development within the City.

Complete financial statements for the EDA may be obtained at City Hall.
Economic Development Authority
11955 Champlin Drive
Champlin, MN 55316

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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The City reports the following major governmental funds:

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

The General Obligation Bond Fund accounts for bonded indebtedness that is repaid from property taxes.

The Tax Increment Project Fund accounts for the development projects in the City that are financed with tax increment revenues.

The Permanent Improvement Fund accounts for the costs of certain public improvements such as residential streets and other improvement projects.

Park Reserve Fund accounts for park dedications received from developers in lieu of parkland donations. Resources of this fund may be used only for parkland purchases or permanent park improvements.

The City reports the following major proprietary funds:

The Water Fund accounts for the financial transactions relating to providing water to the residents of the City.

The Sewer Fund accounts for the financial transactions relating to providing sewer service to the residents of the City.

The Refuse Collection Fund accounts for the financial transactions relating to providing refuse services to the residents of the City.

The Recycling Fund accounts for operations associated with recycling. Resources of this fund may be used only for educating the public on the importance of recycling.

The Storm Water Fund accounts for operations relating to storm sewer services and infrastructure replacement for the residents.

Additionally, the City reports the following fund type:

The City has four internal service funds: one to account for property, liability and workers' compensation insurance premiums and deductibles for all departments of the City, a second to account for Geographical Information System (GIS) services provided to all departments of the City, a third to account for pension benefits, and a fourth to account for compensated absences.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions between the City's enterprise funds and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF CHAMPLIN, MINNESOTA
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Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. BUDGETARY INFORMATION

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

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

The City Council annually adopts budgets prior to January 1 for the general and special revenue funds. Special revenue funds for which budgets are not prepared include The Grant Fund, Police Forfeiture and Scholarship. The budgets are prepared by fund, function and activity. The budgets are adopted on a basis consistent with generally accepted accounting principles and all appropriations lapse at the end of the budget year to the extent that they have not been expended. Total expenditures appropriated in the budget resolution may not legally exceed estimated revenues available from various sources. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.

Formal budgetary integration is employed as a management control device during the year. Budget revisions between activities may be made by the City Administrator. Budget revisions at the department and fund levels are authorized by the City Council. The legal level of budgetary control is therefore at the department level.

The City does not use encumbrance accounting.

For the year ended December 31, 2023, expenditures in the Communications Fund exceeded budget by \$4,238.

CITY OF CHAMPLIN, MINNESOTA
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E. CASH AND INVESTMENTS

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

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the statement of cash flows the Enterprise Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the Enterprise Funds have original maturities of 90 days or less. Therefore, the entire balance in the fund is considered cash equivalents.

F. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. 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 7 and December 2 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.

Government-Wide Financial Statements

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

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 January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at 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 deferred inflows of resources because they are not available to finance current expenditures.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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G. 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.

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. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. 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.

Government-Wide Financial Statements

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

Governmental Fund Financial Statements

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 that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

H. RECEIVABLES AND PAYABLES

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

I. INVENTORIES AND PREPAID ITEMS

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are recorded as expenditures when consumed rather than when purchased.

CITY OF CHAMPLIN, MINNESOTA
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J. LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue/the lessee's usage levels.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial recording of the lease receivable and is recognized as revenue over the lease term.

K. LAND HELD FOR RESALE

Land is acquired for subsequent resale for development purposes. Land held for resale is valued at the lower of cost or estimated realizable value. Due to the nature of redevelopment activities, cost is frequently higher than the market value. Market values are determined using appraised values or estimated actual sales price.

L. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Building	40
Building improvements	15
Park buildings	30
Furniture and equipment	5
Light vehicles	5
Machinery and equipment	5-7
Fire trucks	20
Infrastructure	50

CITY OF CHAMPLIN, MINNESOTA
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M. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Non-union and sergeant employees shall receive a percentage of their unused accrued sick time to a maximum of 500 hours paid out upon retirement/separation of employment, provided the employee has three or more years of service and leaves in good standing. Sick severance along with all vacation pay that is attributable to services already rendered, accumulates, and is more than likely than not to be used for time off or otherwise paid, is accrued in the government-wide and proprietary fund financial statements.

N. LONG-TERM OBLIGATIONS

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. FUND BALANCE CLASSIFICATIONS

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

Nonspendable - consists of the amounts that are not in spendable form, such as prepaid items.

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

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the City Council and may only be removed by resolution of the City Council.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by resolution of the City Council and/or management. The City's Administrator and Finance Director are authorized to establish assignments of fund balance.

CITY OF CHAMPLIN, MINNESOTA
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Unassigned - is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

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

	General Fund	General Obligation Bonds	Tax Increment Project	Permanent Improvement Fund	Park Reserve Fund	Other Govt. Funds	Total Gov. Funds
Nonspendable:							
Prepayments	\$115,687	\$ -	\$ -	\$3,835	\$ -	\$6,695	\$126,217
Inventory	37,473	-	-	-	-	-	37,473
Perpetual care	-	-	-	-	-	103,716	103,716
Total	153,160	0	0	3,835	0	110,411	267,406
Restricted for:							
Public safety	-	-	-	-	-	1,080,162	1,080,162
Recreation scholarships	-	-	-	-	-	6,283	6,283
Debt service	-	2,191,381	-	-	-	-	2,191,381
Economic development	-	-	346,000	510,000	-	-	856,000
Total	0	2,191,381	346,000	510,000	0	1,086,445	4,133,826
Assigned to:							
Economic development	-	-	-	-	-	1,002,388	1,002,388
Communications	-	-	-	-	-	110,694	110,694
Ice Forum	-	-	-	-	-	1,069,319	1,069,319
Capital projects	-	-	-	26,491,893	3,714,174	4,726,648	34,932,715
Total	0	0	0	26,491,893	3,714,174	6,909,049	37,115,116
Unassigned	6,233,274	-	(823,907)	-	-	(4,828)	5,404,539
Total	\$6,386,434	\$2,191,381	(\$477,907)	\$27,005,728	\$3,714,174	\$8,101,077	\$46,920,887

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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The City Council has formally adopted a fund balance policy for the General Fund. The policy establishes a year end targeted unassigned fund balance amount for cash-flow timing needs (working capital) in the range of 35-45% of the subsequent year's budgeted expenditures and contingencies (1-2%).

At December 31, 2023, the actual unassigned fund balance for the General Fund was as follows:

Working capital	\$6,097,348	45%
Contingencies	135,926	1%

The specific revenue source of each special revenue fund and the specific purposes for which they are assigned are as follows:

Fund	Specific Revenue Sources	Restricted To:
Grant Fund	Grants	Grant program requirements
Police forfeiture	Sale of confiscated vehicles	Non-budgeted public safety expenditures
Scholarship	Donations	Subsidize park and recreation program fees for low income participants
		Committed to:
Ice forum	Charges for services	Operations of Ice Forum
Communication	QCTV revenues	Communication and Technology purposes
		Assigned to:
Economic Development Authority	Taxes	Redevelopment as specified in grant agreements

P. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Q. DEFINED BENEFIT PENSION PLANS

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and 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.

CITY OF CHAMPLIN, MINNESOTA
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R. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported on the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position. The government also has a type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, due from component units, land held for resale, and notes receivable. The City also reports deferred inflows of resources related to lease receivables.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118.A.03 identifies allowable forms of collateral.

At December 31, 2023 the carrying amount of the City's deposits with financial institutions was \$3,335,603.

Custodial credit risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2023, the bank balance of the City's deposits was \$4,156,420, all of which was either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by perfected pledged collateral held in the City's name.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

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

Investment Type	Rating	Fair Value	Years to Maturity		
			Less than 1	1-5	6-10
U.S. Agency securities	AAA-AA+	29,523,177	\$11,408,069	\$17,615,663	\$499,445
Municipal bonds	AAA-AA-	21,171,209	4,595,689	16,575,520	-
Certificates of deposit	NR	8,208,735	2,441,346	5,767,389	-
Money market mutual funds	NR	5,445,361	5,445,361	-	-
External investment pool- 4M Fund	NR	7,627,565	7,627,565	-	-
Total fair value		<u>\$71,976,047</u>	<u>\$31,518,030</u>	<u>\$39,958,572</u>	<u>\$499,445</u>
NR - Not Rated			Total investments		\$71,976,047
			Deposits		3,335,603
			Petty cash		3,756
			Total cash and investments		<u>\$75,315,406</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted market prices. Level 2 investments are valued using inputs that are based on matrix pricing models. Level 3 investments are valued using inputs that are unobservable.

Notes issued by U.S. government agencies, municipal bonds and negotiable certificates of deposit are valued using Level 2 inputs, significant other observable inputs.

Money market mutual funds are investments not categorized.

The City's investments in external investment pools are comprised of three investment series of the Minnesota Municipal Money Market Fund (4M Fund). The 4M Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities.

4M Liquid Asset Fund: This series of the 4M Fund is an unrated pool. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost. The 4M Liquid Asset Fund has no redemption requirements. The City's account balance is the fair value of the investment.

CITY OF CHAMPLIN, MINNESOTA
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4M PLUS Fund: This series of the 4M Fund is an unrated pool. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost. The 4M PLUS Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn. The City's account balance is the fair value of the investment.

4M Limited Term Duration (LTD) Fund: This series of the 4M Fund is an unrated pool. The LTD Fund is managed to maintain an average maturity of 0-2 years and has a floating net asset value (NAV). Redemptions from the LTD Fund may only be made on the third Wednesday of each month upon at least two (2) weeks advance notice. The LTD Fund measures its investments at fair value and the City's account balance is the fair value of the investment.

C. INVESTMENT RISKS

Interest rate risk. Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by:

- Structuring the investment portfolio so that no more than 50% of the portfolio is placed in long-term investments that have maturities exceeding five years, and no more than 25% of the portfolio is placed in long-term investments that have maturities exceeding seven years.
- At least 5% of the City's portfolio is kept in investments that are available on a daily basis without loss of principal.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. The City limits its investments to only those investment instruments authorized by Minnesota Statutes. In accordance with its formal written investment policy, it is the City's policy to diversify its portfolio by type of investment, issuer and maturity date to protect against changes in the market.

Concentration of credit risk. Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. Not more than \$2,000,000 or 30% of the City's portfolio will be placed in any one institution, other than the United States government or its agencies.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy that all investments shall be kept at the broker/dealers in the City's name. The broker/dealer must provide assets protection of \$500,000 through the Securities Investor Protection Corporation (SIPC) and at least another \$49,500,000 supplemental insurance protection.

CITY OF CHAMPLIN, MINNESOTA
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Note 3 RECEIVABLES

Receivables as of year-end for the City's individual major funds, non-major funds, and internal services in the aggregate including the applicable allowance for uncollectible accounts, are as follows:

General	Accounts \$32,775	Special Assessments \$9,118	Taxes \$58,021	Interest \$34,302	Lease \$1,044,508	Intergovernmental \$21,980	Total Receivables \$1,200,704
General obligation bonds	-	3,755,037	1,756	-	-	-	3,756,793
Tax increment project	-	-	2,409	5,033	-	-	7,442
Permanent improvement	217,163	1,913,741	-	98,802	-	150,380	2,380,086
Park reserve fund	268	-	-	13,613	2,329,694	415,700	2,759,275
Water utility	240,557	525,269	-	55,100	-	-	820,926
Sewer utility	412,838	59,749	-	32,316	-	-	504,903
Refuse	242,042	4,029	-	6,487	-	-	252,558
Recycling	57,785	868	-	978	-	-	59,631
Storm water	106,954	20,549	-	11,215	-	76,400	215,118
Internal service	-	-	-	3,157	-	-	3,157
Nonmajor and other funds	153,025	596	2,313	29,793	-	26,240	211,967
Total	\$1,463,407	\$6,288,956	\$64,499	\$290,796	\$3,374,202	\$690,700	\$12,172,560

The receivables not expected to be collected within one year are \$4,807,082 of special assessment receivables reported in the permanent improvement and general obligation bond funds, \$953,148 of lease receivables in the general fund and \$2,307,293 of lease receivable in the Park reserve fund.

Note 4 LEASE RECEIVABLE

The City reports lease receivables for multiple antenna leases with telecommunications companies. The antenna leases relate to the use of City-owned land and infrastructure to install and operate antennas, with terms as follows:

Lease Name	Annual Payment*	Current End Date of Lease	Extension Terms
AT&T antenna lease	39,668	6/30/2026	1, 5 year extension available
T-Mobile antenna lease	50,145	12/31/2027	1, 5 year extensions available
Verizon antenna lease	38,962	5/31/2024	None remaining

* Future annual increases of 3%-4% will occur in accordance with the lease agreement

The antenna leases are measured at the present value of future minimum lease payments expected to be received during the lease term at discount rates ranging from 4.00% - 6.52% as specified in the applicable agreements.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

The City also reports a lease receivable for the use of City-owned land by a media company for billboard placement. The lease agreement calls for annual payments of \$86,994 - \$143,787 through September 20, 2039, with a 10 year extension option available.

The land lease is measured at the present value of future minimum lease payments expected to be received during the lease term at a discount rate of 3.00% as stated in the lease agreement.

At December 31, 2023, the City recorded \$3,374,202 in leases receivable and deferred inflows of resources for these arrangements. Total revenue recognized in relation to these leases is as follows:

	For the year ended 12/31/2023
Lease receipts and amortization of lease-related deferred inflows:	
Antenna leases	\$83,649
Other leases	19,138
	<hr/>
Total revenue recognized resulting from deferred inflow amortization	102,787
Variable lease revenue	-
Interest revenue	115,591
Other lease revenues	-
	<hr/>
Total revenue recognized in relation to leased assets	\$218,378

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 5 UNAVAILABLE REVENUES/DEFERRED INFLOWS

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2023, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Related to leases	Unavailable	Unearned
Delinquent property taxes receivable:			
General fund	\$ -	\$21,384	\$ -
Nonmajor funds	-	838	-
Special assessments not yet due:			
General fund	-	9,118	-
General obligation bonds	-	3,748,616	-
Permanent improvement fund	-	1,910,219	-
Delinquent special assessments receivable:			
General fund	-	-	-
General obligation bonds	-	3,277	-
Permanent improvement fund	-	3,317	-
License/rent/other revenue/lease receivable:			
General fund	1,044,508	-	12,100
Park reserve	2,329,694	-	-
Permanent improvement fund	-	-	1,810,293
Nonmajor funds	-	-	25,000
 Total deferred inflows of resources/unearned revenue for governmental funds	 <hr/> <u>\$3,374,202</u>	 <hr/> <u>\$5,696,769</u>	 <hr/> <u>\$1,847,393</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Amounts reported as due to/from other funds at December 31, 2023, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Water	Permanent Improvement	\$858,901	Facilities
	Permanent Improvement Tax Increment Project	2,072,584	Purchase of property
Total		\$2,931,485	

The amount not expected to be collected within one year is \$655,126 and \$1,862,584 for the Water Fund receivables and Permanent Improvement Fund receivable, respectively.

Amounts reported as interfund transfers at December 31, 2023 are as follows:

	General fund	Permanent improvement	Park reserve	Nonmajor governmental	Water	Sewer	Storm water	Internal Service	Total transfers out	Purpose
General fund	\$ -	\$840,000	\$868,000	\$1,697,600	\$ -	\$ -	\$ -	\$150,000	\$3,555,600	Budgeted Transfers, Council approved transfers
Permanent improvement	-	376,890	-	692,160	-	-	-	-	1,069,050	Budgeted Transfer and Project Closures
Nonmajor governmental	200,100	-	-	-	-	-	-	-	200,100	Administration, Budgeted Transfers, ARPA eligible projects
Water	60,800	-	-	85,000	-	-	308,800	-	454,600	Budgeted Transfer
Sewer	60,800	-	-	85,000	-	-	-	-	145,800	Budgeted Transfer
Refuse	-	135,000	-	-	-	-	-	-	135,000	Budgeted Transfer
Total transfers in	\$321,700	\$1,351,890	\$868,000	\$2,559,760	\$0	\$0	\$308,800	\$150,000	\$5,560,150	

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

Note 7 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$43,424,193	\$ -	\$ -	\$43,424,193
Construction in progress	9,067,051	6,642,930	9,001,775	6,708,206
Total capital assets, not being depreciated	<u>52,491,244</u>	<u>6,642,930</u>	<u>9,001,775</u>	<u>50,132,399</u>
Capital assets, being depreciated:				
Buildings	18,628,491	7,755,899	-	26,384,390
Improvements other than buildings	88,932,874	3,010,106	-	91,942,980
Machinery and equipment	8,263,355	1,556,863	231,321	9,588,897
Total capital assets, being depreciated	<u>115,824,720</u>	<u>12,322,868</u>	<u>231,321</u>	<u>127,916,267</u>
Less accumulated depreciation for:				
Buildings	8,652,676	709,038	-	9,361,714
Improvement other than buildings	36,114,751	2,455,066	-	38,569,817
Machinery and equipment	4,981,475	393,137	231,321	5,143,291
Total accumulated depreciation	<u>49,748,902</u>	<u>3,557,241</u>	<u>231,321</u>	<u>53,074,822</u>
Total capital assets, being depreciated, net	<u>66,075,818</u>	<u>8,765,627</u>	<u>0</u>	<u>74,841,445</u>
Governmental activities capital assets, net	<u>\$118,567,062</u>	<u>\$15,408,557</u>	<u>\$9,001,775</u>	<u>\$124,973,844</u>
 Business-type activities:				
Capital assets, not being depreciated:				
Land	\$611,532	\$ -	\$ -	\$611,532
Construction in progress	264,675	1,132,552	1,155,794	241,433
Total capital assets, not being depreciated	<u>876,207</u>	<u>1,132,552</u>	<u>1,155,794</u>	<u>852,965</u>
Capital assets, being depreciated:				
Buildings	9,270,811	-	-	9,270,811
Improvements other than buildings	62,856,079	1,325,942	-	64,182,021
Machinery and equipment	2,579,621	1,081,816	-	3,661,437
Total capital assets, being depreciated	<u>74,706,511</u>	<u>2,407,758</u>	<u>0</u>	<u>77,114,269</u>
Less accumulated depreciation for:				
Buildings	6,209,915	255,826	-	6,465,741
Improvements other than buildings	23,921,402	1,323,691	-	25,245,093
Machinery and equipment	1,840,975	74,200	-	1,915,175
Total accumulated depreciation	<u>31,972,292</u>	<u>1,653,717</u>	<u>0</u>	<u>33,626,009</u>
Total capital assets, being depreciated, net	<u>42,734,219</u>	<u>754,041</u>	<u>0</u>	<u>43,488,260</u>
Business-type activities capital assets, net	<u>\$43,610,426</u>	<u>\$1,886,593</u>	<u>\$1,155,794</u>	<u>\$44,341,225</u>

CITY OF CHAMPLIN, MINNESOTA
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December 31, 2023

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

Governmental activities:

General government	\$229,226
Public safety	245,865
Public works	2,247,554
Parks and recreation	834,596
Total depreciation expense - governmental activities	<u><u>\$3,557,241</u></u>

Business-type activities:

Water	\$799,964
Sewer	393,214
Storm water	460,539
Total depreciation expense - business-type activities	<u><u>\$1,653,717</u></u>

Note 8 CONSTRUCTION COMMITMENTS

The City has an active construction project as of December 31, 2023. At year end the City's commitment with the contractor is as follows:

Project	Spent-to-date	Remaining Commitment
Chandler Park Parking Lot	\$343,701	\$265,968
2023 Road Improvement Project	7,099,356	81,544
Three Rivers Park District Trail	165,325	6,988
Elm Creek Stream Restoration Phase IV	853,154	68,260

Note 9 LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds and general obligation capital notes to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds and capital notes have been issued for governmental activities and business-type funds. The original amount of general obligation bonds and capital notes issued in prior years was \$12,925,000.

On May 16, 2023, the City issued \$5,970,000 series 2023A general obligation street improvement bonds. The bonds will mature on February 1, 2039, have an interest rate between 3.625%-4%, and will be repaid with proceeds from ad valorem taxes and special assessments.

For the current year, principal and interest paid and total property tax revenues and special assessment were \$955,149, \$618,035, and \$568,934 respectively.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20-year serial bonds with varying amounts of principal due each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Refunding	2.00 - 2.5%	\$1,800,000
Improvement, equipment, and utility	1.00 - 2.00%	7,715,000
Street Improvements	3.62%-4.00%	5,970,000

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

Year Ending December 31, 2023	Principal	Interest
2024	\$965,000	\$430,037
2025	1,615,000	350,784
2026	1,645,000	303,840
2027	1,660,000	255,790
2028	1,210,000	213,178
2029-2033	4,690,000	645,700
2034-2038	3,380,000	225,171
2039	320,000	5,800
Total	\$15,485,000	\$2,430,300

Conduit Debt Obligations

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

As of December 31, 2023, there were four series of Revenue Bonds outstanding with an aggregate principal amount payable of \$58,642,936.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Pledged Revenue

Bond Issue	Use of Proceeds	Revenue Pledged				Remaining Principal	Current Year	
		Type	Percent of total debt service	Debt service as a % of net revenues	Term of Pledge		Principal and Interest paid	Pledged Revenue received
2013A	Refunding	Property Taxes	100%		2013-2027	\$1,800,000	\$471,506	\$500,942
2020 Equipment Certificates	Equipment	Property Taxes	100%		2020-2036	1,310,000	112,795	116,712
2020A Improvement	Infrastructure	Special assessments	100%	100%	2020-2036	4,270,000	364,300	568,934
2020A Utility	Storm water Improvements	Storm Water net revenue	100%	45%	2020-2036	2,135,000	182,170	95,654
2023A Street Improvement	Street Improvements	Property Taxes Special assessments	100%		2023-2039	5,970,000	-	-

Changes in long-term liabilities

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

Governmental activities:	Beginning	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$8,185,000	\$5,970,000	\$805,000	\$13,350,000	\$820,000
Issuance discounts/premiums	335,634	149,213	41,898	442,949	-
Total bonds payable	8,520,634	6,119,213	846,898	13,792,949	820,000
Compensated absences*	602,065	120,286	-	722,351	171,002
Net OPEB liability	1,300,059	-	221,005	1,079,054	90,086
Net pension liability	14,801,007	-	7,944,771	6,856,236	-
Governmental activity long-term liabilities	<u>\$25,223,765</u>	<u>\$6,239,499</u>	<u>\$9,012,674</u>	<u>\$22,450,590</u>	<u>\$1,081,088</u>
Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$2,280,000	\$ -	\$145,000	\$2,135,000	\$145,000
Issuance Discounts/premiums	112,215	-	8,859	103,356	-
Compensated absences*	36,322	21,318	-	57,640	-
Net OPEB liability	134,016	-	16,714	117,302	9,286
Business-type activities long-term liabilities	<u>\$2,562,553</u>	<u>\$21,318</u>	<u>\$170,573</u>	<u>\$2,413,298</u>	<u>\$154,286</u>

* The change in compensated absences is presented as a net change.

Compensated absences for the governmental funds are accounted for as a portion of the unrestricted net position of the Compensated Absences Internal Service Fund. Net pension liability for the governmental funds are accounted for as a portion of the unrestricted net position of the Employee Benefits Internal Service Fund. Net OPEB liabilities for the governmental funds are accounted for as a portion of the unassigned fund balance of the General Fund.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 10 DEFINED BENEFIT PENSION PLANS - PERA

A. PLAN DESCRIPTION

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

1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, 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 PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. BENEFITS PROVIDED

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

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated 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 ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan 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.

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

2. PEPFF Benefits

Benefits for the PEPFF 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 PEPFF 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 PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

C. CONTRIBUTIONS

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

1. GERF Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2023 were \$357,253. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2023 were \$472,476. The City's contributions were equal to the required contributions as set by state statute.

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
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D. PENSION COSTS

1. GERF Pension Costs

At December 31, 2023, the City reported a liability of \$3,271,254 for its proportionate share of GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$90,158.

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 proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 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 0.0585% at the end of the measurement period and 0.0593% for the beginning of the period.

City's proportionate share of the net pension liability	\$3,271,254
State of Minnesota's proportionate share of the net pension liability associated with the City	90,158
Total	<u>\$3,361,412</u>

For the year ended December 31, 2023, the City recognized pension expense of \$547,069 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$405 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$107,429	\$22,381
Changes in actuarial assumptions	526,094	896,624
Difference between projected and actual investment earnings	-	117,581
Changes in proportion	68,181	29,608
Contributions paid to PERA subsequent to the measurement date	176,543	-
Total	<u>\$878,247</u>	<u>\$1,066,194</u>

The \$176,543 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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2024	\$125,555
2025	(485,587)
2026	66,507
2027	(70,965)
2028	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$3,584,982 for its proportionate share of the PEPFF'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 0.2076% at the end of the measurement period and 0.2322% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$144,431.

City's proportionate share of the net pension liability	\$3,584,982
State of Minnesota's proportionate share of the net pension liability associated with the City	144,431
Total	\$3,729,413

The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. PEPFF 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

CITY OF CHAMPLIN, MINNESOTA
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recognized pension expense of \$1,083,806 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional (\$8,699) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the PEPFF.

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 \$18,684 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$982,352	
Changes in actuarial assumptions	4,118,218	5,038,322
Difference between projected and actual investment earnings	-	118,546
Changes in proportion	50,433	292,439
Contributions paid to PERA subsequent to the measurement date	236,834	-
Total	<u>\$5,387,837</u>	<u>\$5,449,307</u>

The \$236,834 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
2024	\$135,160
2025	5,284
2026	805,722
2027	(297,812)
2028	(946,658)
Thereafter	-

The net pension liability will be liquidated by the general, water and sewer funds.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF and 1.00% for the PEPFF.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for GERF were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study for GERF was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was 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 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was 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 3.00% 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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2023 was 7.00%. 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 GERF and PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

G. PENSION LIABILITY AND SENSITIVITY

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the GERF net pension liability	\$5,787,112	\$3,271,254	\$1,201,866
Proportionate share of the PEPFF net pension liability	\$7,113,032	\$3,584,982	\$684,453

H. 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 at www.mnpera.org.

I. PENSION EXPENSE

Pension expense recognized by the City for the fiscal year ended December 31, 2023 is as follows:

GERF	\$547,474
PEPFF	1,075,107
Total	<u>\$1,622,581</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 11 OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

The City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The OPEB plan issues a separate report that includes required supplementary information and trend information. This report can be obtained from the Finance Director at 11955 Champlin Drive, Champlin, MN 55316. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75.

B. BENEFITS PROVIDED

The City provides post-employment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

All health care benefits are provided through the City's contracted health insurance plan. The benefit levels are the same as those provided to active employees. Benefits include general inpatient and outpatient medical services, vision care, dental care and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer, and the retiree is no longer covered under the City's plan.

Funding policy - The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. For law enforcement employees and sergeants, the retirees contribute 50% of the bargaining unit's employer contribution toward single medical premiums until age 65 and the City contributes the remainder. The City provides single coverage to public safety personnel meeting the definition of injured in the line of duty per Minnesota statute 299A.465 until reaching age 65. For all others, the retirees contribute 100% of the medical premiums. For the fiscal year ended December 31, 2023, retirees contributed approximately \$49,620 and the City contributed \$87,300. Active employees do not contribute to the plan until retirement.

C. PARTICIPANTS

As of the January 1, 2023 actuarial valuation date, participants of the plan consisted of:

Retirees and beneficiaries currently receiving benefits	6
Active employees	75
Spouses receiving payments	2
Total	<u>83</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$1,434,076 was measured as of January 1, 2023, and was determined by an actuarial valuation dated January 1, 2023. Changes in the total OPEB liability during 2023 were:

Balances at January 1, 2023	<u>\$1,434,076</u>
Service cost	44,517
Interest cost	28,860
Assumption changes	(109,301)
Differences between expected and actual experience	(130,273)
Benefit payments	(71,523)
Total net changes	<u>(237,720)</u>
 Balances at December 31, 2023	 <u>\$1,196,356</u>

There were no plan changes since the measurement date of January 1, 2023.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

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

Actuarial cost method	Entry age, level percentage of pay
Amortization method	Average of expected remaining service on a closed basis
Inflation rate	2.50%
Projected salary increases	Increase rates vary by service and contract group
Discount rate	4%
20-year municipal bond yield	4%
Healthcare cost trend rate	6.50% grading to 5.00% over 6 years and then to 4.00%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on published rate information for 20-year, tax exempt, municipal bonds as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 generational improvements scale (Blue Collar tables for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2023 valuation are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

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% lower (3.00%) or 1% higher (5.00%) than the current discount rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB liability	\$1,275,305	\$1,196,356	\$1,122,988

G. 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% lower (5.50% decreasing to 4.00%) or 1% higher (7.50% decreasing to 6.00%) than the current healthcare cost trend rates:

	Current Healthcare Cost		
	1% Decrease \$1,105,523	Trend Rates \$1,196,356	1% Increase \$1,300,471
Total OPEB liability			

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2023, the City recognized \$87,724 of OPEB expense. At December 31, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$360,607	\$258,697
Changes in actuarial assumptions	44,156	97,877
Contributions subsequent to the measurement date	87,300	-
Total	\$492,063	\$356,574

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

The \$87,300 reported as deferred outflows of resources related to OPEB resulting from City contributions after the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	OPEB Expense Amount
2024	\$14,347
2025	14,347
2026	14,350
2027	6,822
2028	32,541
Thereafter	(34,218)

Note 12 CONTINGENCIES

A. LITIGATION

Existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City management, remotely recoverable by plaintiffs.

B. FEDERAL AND STATE FUNDS

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

C. TAX INCREMENT DISTRICTS

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

D. CITY OF CHAMPLIN GRANT PROGRAM

In 2020, the City entered into an agreement with the Center for Energy and Environment to administer forgivable loans (grants) to homeowners within the City from April 1, 2020 to December 31, 2028, to be used to finance repairs and/or improvements on their property. The total amount approved by City Council for this grant program was \$432,500 and all grants had been awarded as of December 31, 2022.

Note 13 PAY AS YOU GO TAX INCREMENTS – TAX ABATMENT

The EDA provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The EDA has one tax increment pay-as-you-go agreement. The agreement is not a general obligation of the City or the EDA and is payable solely from available tax increment. Accordingly, this agreement is not reflected in the financial statements of the City or EDA. Details of the pay-as-you-go note is as follows:

TIF District #2405 – Mississippi Crossings:

Issued in 2022 in the principal sum of \$10,500,000 with an interest rate of 4.50%. Principal and interest shall be paid on August 1st 2022 and each February 1st and August 1st thereafter up to and including February 1, 2050. Payments are payable solely from available tax increment derived from developed/redeveloped property and paid to the EDA. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for certain public development costs. The current year abatement (TIF note payments) amounted to \$231,651. At December 31, 2023, the principal amount outstanding on the note was \$10,500,000.

Note 14 JOINT VENTURES

Anoka-Champlin Fire Department

The City participates in a joint venture with the City of Anoka, Minnesota to provide fire protection services to the residents of the respective cities. The Anoka-Champlin Joint Fire Department was created pursuant to an agreement dated March 20, 1985. The terms of the agreement provide for a 49% and 51% undivided equity interest for the City of Champlin and the City of Anoka, respectively.

The City of Anoka is responsible for the administration and daily operations of the fire department. Each City is responsible for their proportionate share of the cost of the fire department's operations. Separate financial statements of the joint venture are available at the City of Anoka, 2015 1st Avenue, Anoka, MN 55398 or 763-576-2771.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Pets Under Police Security

The City is a member of Pets Under Police Security (PUPS), which was established by a joint and cooperative agreement between several area cities. PUPS is governed by its board of directors, which consists of one board member appointed from each participating city.

The board adopts an annual budget prior to July 1 of each year. Charges for capital, administrative and other costs of PUPS are billed to its member cities on a pro-rata basis. In the event of dissolution, and following the payment of all outstanding obligations, the assets of PUPS will be distributed among the then existing member cities in direct proportion to their cumulative annual membership contributions. Separate financial statements of the joint venture are available at the City of Maple Grove, P.O. Box 1180, Maple Grove, MN 55311-6180.

Note 15 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and dental; and natural disasters for which the City carries commercial insurance policies. The City retains risk for the deductible portions of the insurance policies and for any exclusions from the insurance policies.

Past experience indicates that incurred but not reported claims, in aggregate, of the Insurance Management Internal Service Fund do not represent a material amount and, therefore, have not been accrued at year-end. There were no significant reductions in insurance coverage from the previous year. There were no settlements in excess of insurance for any of the prior three years.

The City's worker's compensation and general liability policies are retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and is not recorded until received or paid.

Note 16 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the next implementation date being for fiscal years beginning after June 15, 2023.

Statement No. 100 *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 102 *Certain Risk Disclosures*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2024.

The effect these standards may have on future financial statements is not determinable at this time.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 17 SUBSEQUENT EVENTS

Subsequent events have been evaluated for recognition or disclosure through May 20, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHAMPLIN, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION (LAST 10 YEARS*)****SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

For The Year Ended December 31, 2023

Statement 10

	2018	2019	2020	2021	2022	2023
Total OPEB liability:						
Service cost	\$49,048	\$59,967	\$72,951	\$67,715	\$67,106	\$44,517
Interest	28,239	30,060	39,320	33,741	19,466	28,860
Assumption changes	-	(11,181)	68,145	17,653	-	(109,301)
Differences between expected and actual experience	-	71,360	-	(257,315)	467,387	(130,273)
Benefit payments	(29,535)	(36,577)	(42,224)	(50,631)	(51,945)	(71,523)
Net change in total OPEB liability	47,752	113,629	138,192	(188,837)	502,014	(237,720)
Total OPEB liability - beginning	821,326	869,078	982,707	1,120,899	932,062	1,434,076
Total OPEB liability - ending	<u><u>\$869,078</u></u>	<u><u>\$982,707</u></u>	<u><u>\$1,120,899</u></u>	<u><u>\$932,062</u></u>	<u><u>\$1,434,076</u></u>	<u><u>\$1,196,356</u></u>
Covered-employee payroll	\$5,655,193	\$6,005,486	\$6,185,651	\$6,571,046	\$6,671,926	\$6,720,080
Total OPEB liability as a percentage of covered-employee payroll	15.4%	16.4%	16.4%	14.2%	21.5%	17.8%

* The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST 10 YEARS*)

SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES GENERAL RETIREMENT FUND PENSION PLAN

Statement 11

Fiscal Year Ending (for the Financial Reporting Period)	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	\$258,754	\$258,754	\$ -	\$3,450,045	7.50%
December 31, 2016	262,283	262,283	-	3,497,100	7.50%
December 31, 2017	269,268	269,268	-	3,590,236	7.50%
December 31, 2018	279,664	279,664	-	3,728,864	7.50%
December 31, 2019	291,163	291,163	-	3,882,180	7.50%
December 31, 2020	316,125	316,125	-	4,214,986	7.50%
December 31, 2021	316,477	316,477	-	4,219,689	7.50%
December 31, 2022	333,075	333,075	-	4,440,996	7.50%
December 31, 2023	357,253	357,253	-	4,763,368	7.50%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION (LAST 10 YEARS*)
SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY -
PUBLIC EMPLOYEES GENERAL RETIREMENT FUND PENSION PLAN

Statement 12

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension liability Associated with the City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0582%	\$3,016,226	\$ -	\$3,016,226	\$3,364,840	89.64%	78.19%
2016	2016	0.0556%	4,514,444	17,603	4,532,047	3,452,825	131.26%	68.91%
2017	2017	0.0553%	3,530,316	44,378	3,574,694	3,561,525	100.37%	75.90%
2018	2018	0.0542%	3,006,794	23,009	3,029,803	3,641,446	83.20%	79.50%
2019	2019	0.0542%	2,996,597	92,996	3,089,593	3,833,212	80.60%	80.20%
2020	2020	0.0550%	3,297,501	101,690	3,399,191	3,923,217	86.64%	79.10%
2021	2021	0.0582%	2,485,401	759,228	3,244,629	4,191,376	77.41%	87.00%
2022	2022	0.0593%	4,696,580	137,828	4,834,408	4,442,966	108.81%	76.70%
2023	2023	0.0585%	3,271,254	90,158	3,361,412	4,650,058	72.29%	83.10%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)

SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN

Statement 13

Fiscal Year Ending (for the Financial Reporting Period)	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$361,903	\$361,903	\$ -	\$2,233,972	16.20%
December 31, 2016	378,616	378,616	-	2,337,135	16.20%
December 31, 2017	362,654	362,654	-	2,238,605	16.20%
December 31, 2018	380,281	380,281	-	2,347,409	16.20%
December 31, 2019	410,096	410,096	-	2,419,450	16.95%
December 31, 2020	479,906	479,906	-	2,711,335	17.70%
December 31, 2021	472,012	472,012	-	2,666,731	17.70%
December 31, 2022	489,844	489,844	-	2,767,481	17.70%
December 31, 2023	472,476	472,476	-	2,669,356	17.70%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)
 SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY -
 PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN

Statement 14

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension liability Associated with the City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.2390%	\$2,715,599	\$ -	\$2,715,599	\$2,126,518	127.70%	86.61%
2016	2016	0.2400%	9,631,618	-	9,631,618	2,313,087	416.40%	63.88%
2017	2017	0.2260%	3,051,269	-	3,051,269	2,315,291	131.79%	85.43%
2018	2018	0.2146%	2,287,415	-	2,287,415	2,262,007	101.12%	88.80%
2019	2019	0.2252%	2,397,481	-	2,397,481	2,376,297	100.89%	89.30%
2020	2020	0.2243%	2,956,514	69,655	3,026,169	2,530,487	116.84%	87.20%
2021	2021	0.2233%	1,723,639	77,477	1,801,116	2,638,829	65.32%	93.70%
2022	2022	0.2322%	10,104,427	441,338	10,545,765	2,820,639	358.23%	70.50%
2023	2023	0.2076%	3,584,982	144,431	3,729,413	2,726,481	131.49%	86.47%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2023

OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2023 Changes:

- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

2021 Changes

- The discount rate was changed from 2.90% to 2.00%.
- The retirement and termination rates for non-Police and Fire employees were updated.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The retirement and termination rates for non-Police and Fire employees were updated.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale.
- The inflation rate was changed from 2.50% to 2.00%.

2020 Changes

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

2019 Changes

- Changes since prior 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 RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for Police and Fire Personnel were updated.
- The discount rate was changed from 3.30% to 3.80%.

PENSION INFORMATION

PERA – General Employees Retirement Fund

2023 Changes in Actuarial Assumptions:

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

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2023

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was 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 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions:

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

2021 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.

2020 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 decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The 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.

2020 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 in Actuarial Assumptions:

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

2019 Changes in the 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 in Actuarial Assumptions:

- The mortality 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.

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2023

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions:

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

PERA – Public Employees Police and Fire Fund

2023 Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was 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 3.00% 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 in Actuarial Assumptions:

- The single discount rate changed from 6.50% to 5.4%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 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 tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, slightly more unreduced retirements and fewer assumed early retirements.

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2023

- 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%.

2020 Changes in Actuarial Assumptions:

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

2019 Changes in Actuarial Assumptions:

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

2018 Changes in Actuarial Assumptions:

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

2017 Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- 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 non-vested deferred members. The CSA was changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions:

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Grant Fund – this fund was established to account for grants received by the City.

Police Forfeiture Fund – this fund was established to account for revenues associated with the sale of confiscated vehicles from drug or driving under the influence cases.

Communication Fund – this fund was established to account for revenues from QCTV that are to be used specifically for communication and technology purposes.

Economic Development Authority Fund – this fund was established to account for revenues received in the form of grants and tax increments. Resources of this fund may be used only for redevelopment as specified in grant agreements.

Scholarship Fund – this fund was established to account for donations received to subsidize park and recreation program fees for low income participants.

Ice Forum Fund – this fund was established to account for the financial transactions relating to the operation of a City-owned ice arena.

CAPITAL PROJECTS FUNDS

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

Street Light Fund – this fund was established to account for revenues and expenditures for the provision of street and signal light utility infrastructure for the residents.

Capital Equipment Fund – this fund was established to account for all revenues and expenditures for capital equipment in the governmental funds.

Infrastructure Replacement Fund – this fund was established to account for the receipt of local government aid to be used for infrastructure replacement at the discretion of the City Council.

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PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Cemetery Perpetual Care Trust Fund – this fund was established to account for the revenues received for the continuing care of the cemetery. Interest received by this fund may be transferred to the General Fund as needed to cover cemetery maintenance expenditures.

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of services provided by one department to other departments on a cost reimbursement basis.

Insurance Management Fund – was established for the purpose of taking advantage of substantial premium costs savings available through increased levels of self-insurance on the City's property and liability coverage.

Geographical Information Systems (GIS) Fund – was established for the purpose of establishing and maintaining a City-wide geographical information system for use by all departments.

Employee Benefits Fund – used to account for the expenses associated with providing pension benefits.

Compensated Absences Fund – used to account for the expenses associated with providing compensated absences.

CITY OF CHAMPLIN, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Special Revenue				
	Grant Fund	Police Forfeiture	Communications	Economic Development Authority	Ice Forum
Assets					
Cash and investments	\$1,040,883	\$45,104	\$115,506	\$998,061	\$988,640
Receivables:					
Accounts	-	-	-	-	103,812
Special assessments	-	-	-	-	-
Taxes	-	-	-	2,313	-
Interest	-	-	460	3,976	3,936
Due from other governmental units	-	-	-	-	26,240
Prepayments	-	-	6,695	-	-
Total assets	\$1,040,883	\$45,104	\$122,661	\$1,004,350	\$1,122,628
Liabilities					
Accounts payable	\$ -	\$124	\$5,272	\$1,175	\$27,696
Contracts payable - retained percentage	-	-	-	-	-
Due to other governmental units	268	-	-	43	113
Unearned revenue	-	-	-	-	25,000
Deposits	-	5,433	-	(94)	500
Total liabilities	268	5,557	5,272	1,124	53,309
Deferred inflows of resources:					
Unavailable revenue	-	-	-	838	-
Fund balance:					
Nonspendable:					
Prepayments	-	-	6,695	-	-
Perpetual care	-	-	-	-	-
Restricted:					
Public safety	1,040,615	39,547	-	-	-
Recreation scholarships	-	-	-	-	-
Assigned	-	-	110,694	1,002,388	1,069,319
Unassigned	-	-	-	-	-
Total fund balance	1,040,615	39,547	117,389	1,002,388	1,069,319
Total liabilities, deferred inflows of resources and fund balance	\$1,040,883	\$45,104	\$122,661	\$1,004,350	\$1,122,628

Special Revenue		Capital Projects			Permanent Fund Cemetery Perpetual Care		Total Nonmajor Governmental Funds
Scholarship	Total	Street Light	Capital Equipment	Infrastructure Replacement	Total		
\$6,283	\$3,194,477	\$1,943,099	\$2,468,800	\$326,474	\$4,738,373	\$98,496	\$8,031,346
-	103,812	49,213	-	-	49,213	-	153,025
-	-	596	-	-	596	-	596
-	2,313	-	-	-	-	-	2,313
-	8,372	11,251	8,517	1,261	21,029	392	29,793
-	26,240	-	-	-	-	-	26,240
-	6,695	-	-	-	-	-	6,695
\$6,283	\$3,341,909	\$2,004,159	\$2,477,317	\$327,735	\$4,809,211	\$98,888	\$8,250,008
\$ -	\$34,267	\$24,213	\$51,564	\$ -	\$75,777	\$ -	\$110,044
-	-	2,185	-	-	2,185	-	2,185
-	424	4,601	-	-	4,601	-	5,025
-	25,000	-	-	-	-	-	25,000
-	5,839	-	-	-	-	-	5,839
0	65,530	30,999	51,564	0	82,563	0	148,093
-	838	-	-	-	-	-	838
-	6,695	-	-	-	-	-	6,695
-	-	-	-	-	-	103,716	103,716
-	1,080,162	-	-	-	-	-	1,080,162
6,283	6,283	-	-	-	-	-	6,283
-	2,182,401	1,973,160	2,425,753	327,735	4,726,648	-	6,909,049
-	-	-	-	-	-	(4,828)	(4,828)
6,283	3,275,541	1,973,160	2,425,753	327,735	4,726,648	98,888	8,101,077
\$6,283	\$3,341,909	\$2,004,159	\$2,477,317	\$327,735	\$4,809,211	\$98,888	\$8,250,008

CITY OF CHAMPLIN, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2023

			Special Revenue		
	Grant Fund	Police Forfeiture	Communications	Economic Development Authority	Ice Forum
Revenues:					
Taxes:					
Ad valorem	\$ -	\$ -	\$ -	\$524,719	\$52,891
Special assessments	-	-	-	-	-
Intergovernmental	1,040,883	-	-	-	-
Charges for services	-	-	-	-	564,267
Investment income	-	-	3,159	14,518	27,982
Net increase (decrease) in the fair value of investments	-	-	2,901	18,384	31,221
Other revenues:					
Miscellaneous	-	16,411	-	24,675	51,085
Contributions	-	-	20,000	-	-
Total revenues	1,040,883	16,411	26,060	582,296	727,446
Expenditures:					
Current:					
General government	-	-	159,567	350,611	-
Public safety	268	4,725	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	662,394
Capital outlay	-	-	58,071	-	23,446
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	268	4,725	217,638	350,611	685,840
Revenues over (under) expenditures	1,040,615	11,686	(191,578)	231,685	41,606
Other financing sources (uses):					
Transfers in	-	-	130,400	-	261,300
Transfers out	-	-	-	(60,800)	-
Bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-	-
Total other financing sources (uses)	0	0	130,400	(60,800)	261,300
Net increase (decrease) in fund balance	1,040,615	11,686	(61,178)	170,885	302,906
Fund balance (deficit) - January 1	-	27,861	178,567	831,503	766,413
Fund balance (deficit) - December 31	\$1,040,615	\$39,547	\$117,389	\$1,002,388	\$1,069,319

Special Revenue		Capital Projects			Permanent Fund		Total Nonmajor Governmental Funds
Scholarship	Total	Street Light	Capital Equipment	Infrastructure Replacement	Total	Cemetery Perpetual Care	
\$ -	\$577,610	\$ - 255	\$ -	\$ -	\$ - 255	\$ -	\$577,610 255
-	-	-	-	-	-	-	-
-	1,040,883	-	6,000	-	6,000	-	1,046,883
-	564,267	453,296	-	9,940	463,236	2,355	1,029,858
-	45,659	58,437	47,123	6,763	112,323	2,107	160,089
-	52,506	63,054	49,465	7,165	119,684	2,233	174,423
-	92,171	16,738	-	-	16,738	-	108,909
-	20,000	-	-	-	-	-	20,000
0	2,393,096	591,780	102,588	23,868	718,236	6,695	3,118,027
<hr/>							
-	510,178	-	56,204	-	56,204	-	566,382
-	4,993	-	120,856	-	120,856	-	125,849
-	-	448,675	18,334	-	467,009	-	467,009
-	662,394	-	-	-	-	-	662,394
-	81,517	1,572,386	937,862	-	2,510,248	-	2,591,765
-	-	16,457	-	-	16,457	-	16,457
-	1,259,082	2,037,518	1,133,256	-	3,170,774	-	4,429,856
0	1,134,014	(1,445,738)	(1,030,668)	23,868	(2,452,538)	6,695	(1,311,829)
<hr/>							
-	391,700	967,160	1,200,900	-	2,168,060	-	2,559,760
-	(60,800)	-	(135,000)	-	(135,000)	(4,300)	(200,100)
-	-	813,749	-	-	813,749	-	813,749
-	-	20,890	-	-	20,890	-	20,890
-	-	-	27,251	-	27,251	-	27,251
0	330,900	1,801,799	1,093,151	0	2,894,950	(4,300)	3,221,550
<hr/>							
0	1,464,914	356,061	62,483	23,868	442,412	2,395	1,909,721
6,283	1,810,627	1,617,099	2,363,270	303,867	4,284,236	96,493	6,191,356
\$6,283	\$3,275,541	\$1,973,160	\$2,425,753	\$327,735	\$4,726,648	\$98,888	\$8,101,077

CITY OF CHAMPLIN, MINNESOTA**SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT AUTHORITY****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -****BUDGET AND ACTUAL**

For The Year Ended December 31, 2023

Statement 17

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$524,000	\$524,000	\$524,719	\$719
Investment income	4,900	4,900	14,518	9,618
Net increase (decrease) in the fair value of investments	-	-	18,384	18,384
Miscellaneous	24,000	24,000	24,675	675
Total revenues	552,900	552,900	582,296	29,396
Expenditures:				
Current:				
Personal services	281,800	281,800	280,323	1,477
Supplies	-	-	9	(9)
Other services and charges	90,200	90,200	70,279	19,921
Total expenditures	372,000	372,000	350,611	21,389
Revenues over (under) expenditures	180,900	180,900	231,685	50,785
Other financing sources (uses):				
Transfers out	(60,800)	(60,800)	(60,800)	-
Net change in fund balance	\$120,100	\$120,100	170,885	\$50,785
Fund balance - January 1			831,503	
Fund balance - December 31			\$1,002,388	

CITY OF CHAMPLIN, MINNESOTA**SPECIAL REVENUE FUND - COMMUNICATIONS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -****BUDGET AND ACTUAL**

For The Year Ended December 31, 2023

Statement 18

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$500	\$500	\$3,159	\$2,659
Net increase (decrease) in the fair value of investments	-	-	2,901	\$2,901
Other revenues:				
Contributions	20,000	20,000	20,000	-
Total revenues	20,500	20,500	26,060	5,560
Expenditures:				
Current:				
Other services and charges	150,600	153,400	159,567	(6,167)
Capital outlay	60,000	60,000	58,071	1,929
Total expenditures	210,600	213,400	217,638	(4,238)
Revenues over (under) expenditures	(\$190,100)	(\$192,900)	(191,578)	\$9,798
Other financing sources (uses):				
Transfers in	130,400	130,400	130,400	-
Net change in fund balance	(\$59,700)	(\$62,500)	(61,178)	\$9,798
Fund balance - January 1			178,567	
Fund balance - December 31			\$117,389	

CITY OF CHAMPLIN, MINNESOTA
SPECIAL REVENUE FUND - ICE FORUM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For The Year Ended December 31, 2023

Statement 19

	<u>Budgeted Amounts</u>		Variance with Final Budget -	
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Ad valorem taxes	52,800	52,800	\$52,891	\$91
Charges for services	532,000	532,000	564,267	32,267
Investment income	6,500	6,500	27,982	21,482
Net increase (decrease) in the fair value of investments	-	-	31,221	31,221
Other revenues:				
Contributions	50,000	50,000	50,048	48
Miscellaneous	-	-	1,037	1,037
Total revenues	641,300	641,300	727,446	86,146
Expenditures:				
Current:				
Personal services	440,400	440,400	378,958	61,442
Supplies	26,200	26,200	10,716	15,484
Other services and charges	215,100	215,100	272,720	(57,620)
Capital outlay	490,000	524,900	23,446	501,454
Debt service:				
Principal	40,300	40,300	-	40,300
Interest	12,500	12,500	-	12,500
Total expenditures	1,224,500	1,259,400	685,840	573,560
Revenues over (under) expenditures	(583,200)	(618,100)	41,606	659,706
Other financing sources (uses):				
Transfers in - General Fund	261,300	261,300	261,300	-
Total other financing sources (uses)	261,300	261,300	261,300	0
Net change in fund balance	(\$321,900)	(\$356,800)	302,906	\$659,706
Fund balance - January 1			766,413	
Fund balance - December 31				\$1,069,319

CITY OF CHAMPLIN, MINNESOTA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2023

Statement 20

	Insurance	GIS	Employee Benefits	Compensated Absences	Total
Assets					
Cash and cash equivalents	\$342,237	\$52,770	\$ -	\$711,650	\$1,106,657
Receivables:					
Interest	1,363	-	-	1,794	3,157
Prepayments	9,000	-	-	-	9,000
Total assets	<u>352,600</u>	<u>52,770</u>	<u>0</u>	<u>713,444</u>	<u>1,118,814</u>
Deferred outflows of resources - pension related	-	-	6,266,087	-	6,266,087
Liabilities					
Current liabilities:					
Accounts payable	18,487	11,677	-	-	30,164
Compensated absences	-	-	-	171,002	171,002
Noncurrent liabilities:					
Compensated absences	-	-	-	551,349	551,349
Net pension liability	-	-	6,856,236	-	6,856,236
Total liabilities	<u>18,487</u>	<u>11,677</u>	<u>6,856,236</u>	<u>722,351</u>	<u>7,608,751</u>
Deferred inflows of resources - pension related	-	-	6,515,501	-	6,515,501
Net position:					
Unrestricted	334,113	41,093	(7,105,650)	(8,907)	(6,739,351)
Total net position	<u>\$334,113</u>	<u>\$41,093</u>	<u>(\$7,105,650)</u>	<u>(\$8,907)</u>	<u>(\$6,739,351)</u>

CITY OF CHAMPLIN, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

For The Year December 31, 2023

Statement 21

	<u>Insurance</u>	<u>GIS</u>	<u>Employee Benefits</u>	<u>Compensated Absences</u>	<u>Total</u>
Operating revenues:					
Charges for services:					
Customer service	<u>\$613,100</u>	<u>\$112,200</u>	<u>\$829,729</u>	<u>\$ -</u>	<u>\$1,555,029</u>
Operating expenses:					
Personal services	55,165	41,259	1,622,581	180,589	1,899,594
Other services and charges	<u>501,776</u>	<u>75,473</u>	<u>-</u>	<u>-</u>	<u>577,249</u>
Total operating expenses	<u>556,941</u>	<u>116,732</u>	<u>1,622,581</u>	<u>180,589</u>	<u>2,476,843</u>
Net income (loss) from operations	<u>56,159</u>	<u>(4,532)</u>	<u>(792,852)</u>	<u>(180,589)</u>	<u>(921,814)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	-	10,390	-	10,390
Investment income	3,999	-	-	10,853	14,852
Net increase (decrease) in the fair value of investments	6,085	-	-	10,829	16,914
Miscellaneous revenue	<u>10,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,054</u>
Total nonoperating revenues (expenses)	<u>20,138</u>	<u>0</u>	<u>10,390</u>	<u>21,682</u>	<u>52,210</u>
Income (loss) before transfers	<u>76,297</u>	<u>(4,532)</u>	<u>(782,462)</u>	<u>(158,907)</u>	<u>(869,604)</u>
Transfers:					
Transfers in	-	-	-	150,000	150,000
Total transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>
Change in net position	<u>76,297</u>	<u>(4,532)</u>	<u>(782,462)</u>	<u>(8,907)</u>	<u>(719,604)</u>
Total net position - January 1	<u>257,816</u>	<u>45,625</u>	<u>(6,323,188)</u>	<u>-</u>	<u>(6,019,747)</u>
Total net position - December 31	<u>\$334,113</u>	<u>\$41,093</u>	<u>(\$7,105,650)</u>	<u>(\$8,907)</u>	<u>(\$6,739,351)</u>

CITY OF CHAMPLIN, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2023

Statement 22

	<u>Insurance</u>	<u>GIS</u>	<u>Employee Benefits</u>	<u>Compensated Absences</u>	<u>Total</u>
Cash flows from operating activities:					
Receipts from interfund services provided	\$632,119	\$112,200	\$829,729	\$ -	\$1,574,048
Payments to suppliers	(499,563)	(68,323)	-	-	(567,886)
Payments to employees	(55,165)	(41,259)	(840,119)	(60,303)	(996,846)
Miscellaneous revenue	10,054	-	10,390	-	20,444
Net cash flows from operating activities	<u>87,445</u>	<u>2,618</u>	<u>0</u>	<u>(60,303)</u>	<u>29,760</u>
Cash flows from noncapital financing activities:					
Transfer in	-	-	-	150,000	150,000
Cash flows from investing activities:					
Investment income	9,411	-	-	21,574	30,985
Net increase (decrease) in cash and cash equivalents	96,856	2,618	-	111,271	210,745
Cash and cash equivalents - January 1	245,381	50,152	-	600,379	895,912
Cash and cash equivalents - December 31	<u>\$342,237</u>	<u>\$52,770</u>	<u>\$0</u>	<u>\$711,650</u>	<u>\$1,106,657</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	<u>56,159</u>	<u>(4,532)</u>	<u>(792,852)</u>	<u>(180,589)</u>	<u>(921,814)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Miscellaneous revenue	10,054	-	10,390	-	20,444
Decrease (Increase) in accounts receivable	19,019	-	-	-	19,019
Decrease (Increase) in prepayments	(9,000)	-	-	-	(9,000)
Increase (decrease) in accounts payable	11,213	7,150	-	-	18,363
Increase (decrease) in compensated absences payable	-	-	-	120,286	120,286
Decrease (increase) in deferred outflow of resources	-	-	2,372,655	-	2,372,655
Increase (decrease) in pension liability	-	-	(7,944,771)	-	(7,944,771)
Increase (decrease) in deferred inflows of resources	-	-	6,354,578	-	6,354,578
Total adjustments	<u>31,286</u>	<u>7,150</u>	<u>792,852</u>	<u>120,286</u>	<u>951,574</u>
Net cash provided (used) by operating activities	<u>\$87,445</u>	<u>\$2,618</u>	<u>\$0</u>	<u>(\$60,303)</u>	<u>\$29,760</u>

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III. STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION

(Unaudited)

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

Contents	Tables
Financial Trends <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>	1 - 5
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	6 - 9
Debt Capacity <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>	10 - 14
Demographic and Economic Information <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>	15 - 16
Operating Information <i>These schedules present information 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>	17 - 19

CITY OF CHAMPLIN, MINNESOTA

NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$90,563,947	\$92,656,080	\$95,670,891	\$102,197,175
Restricted	889,436	394,355	458,392	1,866,238
Unrestricted	26,111,981	23,272,520	22,237,666	17,747,866
Total governmental activities net position	<u>\$117,565,364</u>	<u>\$116,322,955</u>	<u>\$118,366,949</u>	<u>\$121,811,279</u>
Business-type activities:				
Net investment in capital assets	\$18,686,727	\$18,141,341	\$18,255,056	\$19,260,634
Unrestricted	23,630,143	24,536,642	26,224,739	27,511,331
Total business-type activities net position	<u>\$42,316,870</u>	<u>\$42,677,983</u>	<u>\$44,479,795</u>	<u>\$46,771,965</u>
Primary government:				
Net investment in capital assets	\$109,250,674	\$110,797,421	\$113,925,947	\$121,457,809
Restricted	889,436	394,355	458,392	1,866,238
Unrestricted	49,742,124	47,809,162	48,462,405	45,259,197
Total primary government net position	<u>\$159,882,234</u>	<u>\$159,000,938</u>	<u>\$162,846,744</u>	<u>\$168,583,244</u>

Table 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$101,839,522	\$106,572,591	\$93,262,850	\$97,091,790	\$109,360,068	\$110,935,660
2,219,533	2,064,223	2,013,325	2,503,327	5,030,325	7,699,058
20,399,336	22,328,487	32,872,261	35,776,145	33,289,433	37,291,644
<u>\$124,458,391</u>	<u>\$130,965,301</u>	<u>\$128,148,436</u>	<u>\$135,371,262</u>	<u>\$147,679,826</u>	<u>\$155,926,362</u>
\$19,776,458	\$19,671,420	\$34,571,658	\$35,823,518	\$41,204,736	\$42,094,251
27,497,343	28,136,469	26,310,740	28,058,619	27,331,415	27,609,063
<u>\$47,273,801</u>	<u>\$47,807,889</u>	<u>\$60,882,398</u>	<u>\$63,882,137</u>	<u>\$68,536,151</u>	<u>\$69,703,314</u>
\$121,615,980	\$126,244,011	\$127,834,508	\$132,915,308	\$150,564,804	\$153,029,911
2,219,533	2,064,223	2,013,325	2,503,327	5,030,325	7,699,058
47,896,679	50,464,956	59,183,001	63,834,764	60,620,848	64,900,707
<u>\$171,732,192</u>	<u>\$178,773,190</u>	<u>\$189,030,834</u>	<u>\$199,253,399</u>	<u>\$216,215,977</u>	<u>\$225,629,676</u>

CITY OF CHAMPLIN, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$2,595,198	\$2,917,903	\$2,511,888	\$5,069,725
Public safety	4,990,578	5,156,564	6,769,313	5,174,933
Public works	5,431,758	6,487,068	6,610,898	8,919,506
Parks and recreation	1,785,290	2,260,221	1,839,951	1,806,974
Interest on long-term debt	418,508	400,805	289,922	118,899
Total governmental activities expenses	<u>15,221,332</u>	<u>17,222,561</u>	<u>18,021,972</u>	<u>21,090,037</u>
Business-type activities:				
Water	2,008,753	2,032,333	1,872,649	1,950,458
Sewer	2,207,092	2,244,719	2,334,758	2,300,505
Refuse	1,297,049	1,316,819	1,154,620	1,144,636
Recycling	411,268	409,145	405,101	415,155
Storm water	-	-	-	-
Total business-type activities expenses	<u>5,924,162</u>	<u>6,003,016</u>	<u>5,767,128</u>	<u>5,810,754</u>
Total primary government expenses	<u><u>\$21,145,494</u></u>	<u><u>\$23,225,577</u></u>	<u><u>\$23,789,100</u></u>	<u><u>\$26,900,791</u></u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$1,621,903	\$1,062,899	\$883,305	\$1,722,051
Public safety	673,739	868,543	975,132	999,078
Public works	786,449	2,717,076	3,565,846	3,836,434
Parks and recreation	764,529	1,423,969	1,717,560	1,341,800
Operating grants and contributions	558,334	690,058	669,021	682,199
Capital grants and contributions	1,136,845	2,139,176	1,153,130	3,359,202
Total governmental activities program revenues	<u>5,541,799</u>	<u>8,901,721</u>	<u>8,963,994</u>	<u>11,940,764</u>
Business-type activities:				
Water	1,911,066	2,227,928	3,205,934	2,531,693
Sewer	2,572,434	2,604,958	2,808,093	2,790,645
Refuse	1,374,443	1,364,430	1,275,663	1,281,529
Recycling	350,968	352,420	353,287	356,473
Storm water	-	-	-	-
Operating grants and contributions	54,820	65,240	61,112	55,931
Capital grants and contributions	-	-	-	1,429,517
Total business-type activities program revenues	<u>6,263,731</u>	<u>6,614,976</u>	<u>7,704,089</u>	<u>8,445,788</u>
Total primary government program revenues	<u><u>\$11,805,530</u></u>	<u><u>\$15,516,697</u></u>	<u><u>\$16,668,083</u></u>	<u><u>\$20,386,552</u></u>
Net (expense) revenue				
Governmental activities	(\$9,679,533)	(\$8,320,840)	(\$9,057,978)	(\$9,149,273)
Business-type activities	339,569	611,960	1,936,961	2,635,034
Total primary government net revenue (expense)	<u><u>(\$9,339,964)</u></u>	<u><u>(\$7,708,880)</u></u>	<u><u>(\$7,121,017)</u></u>	<u><u>(\$6,514,239)</u></u>

Table 2
Page 1 of 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$5,149,232	\$3,748,911	\$3,541,101	\$2,723,427	\$3,008,150	\$3,740,063
5,523,728	4,909,665	6,275,899	5,540,663	6,815,052	6,870,951
10,600,434	7,090,174	4,633,805	5,058,001	5,221,662	6,332,338
1,859,900	2,823,112	1,729,745	2,064,972	2,243,468	2,638,610
78,615	77,010	236,359	100,648	177,860	349,277
<u>23,211,909</u>	<u>18,648,872</u>	<u>16,416,909</u>	<u>15,487,711</u>	<u>17,466,192</u>	<u>19,931,239</u>
2,009,199	2,106,801	4,852,267	2,733,287	2,759,525	3,313,282
2,487,739	2,646,048	2,883,320	2,799,448	2,968,911	3,342,310
1,222,351	1,215,414	1,330,505	1,315,827	1,348,667	1,419,043
424,193	426,096	456,790	474,301	496,358	526,165
-	-	1,140,530	1,153,196	2,193,245	1,185,988
<u>6,143,482</u>	<u>6,394,359</u>	<u>10,663,412</u>	<u>8,476,059</u>	<u>9,766,706</u>	<u>9,786,788</u>
<u>\$29,355,391</u>	<u>\$25,043,231</u>	<u>\$27,080,321</u>	<u>\$23,963,770</u>	<u>\$27,232,898</u>	<u>\$29,718,027</u>
\$1,619,714	\$1,561,484	\$416,400	\$741,554	\$700,534	\$704,428
761,641	609,652	854,627	701,211	671,333	680,478
2,295,852	1,530,621	1,034,332	931,860	1,025,784	957,779
818,241	1,110,869	1,187,848	1,930,817	2,344,072	1,655,144
4,239,627	2,275,278	2,536,380	659,873	786,821	1,779,226
1,338,789	3,370,002	4,982,219	5,093,799	8,518,830	3,767,761
<u>11,073,864</u>	<u>10,457,906</u>	<u>11,011,806</u>	<u>10,059,114</u>	<u>14,047,374</u>	<u>9,544,816</u>
2,552,519	2,247,183	2,262,429	2,652,212	2,584,756	2,950,791
2,814,478	2,870,465	2,699,054	3,271,862	3,323,914	3,501,117
1,377,964	1,409,677	1,377,025	1,478,928	1,563,262	1,621,318
339,185	370,171	379,561	419,552	459,641	487,358
-	-	708,239	812,408	787,875	906,668
47,816	40,927	369,615	385,500	1,083,844	305,058
<u>1,041,251</u>	<u>-</u>	<u>1,446,530</u>	<u>512,996</u>	<u>4,615,491</u>	<u>385,193</u>
<u>8,173,213</u>	<u>6,938,423</u>	<u>9,242,453</u>	<u>9,533,458</u>	<u>14,418,783</u>	<u>10,157,503</u>
<u>\$19,247,077</u>	<u>\$17,396,329</u>	<u>\$20,254,259</u>	<u>\$19,592,572</u>	<u>\$28,466,157</u>	<u>\$19,702,319</u>
(\$12,138,045)	(\$8,190,966)	(5,405,103)	(5,428,597)	(3,418,818)	(10,386,423)
2,029,731	544,064	(1,420,959)	1,057,399	4,652,077	370,715
<u>(\$10,108,314)</u>	<u>(\$7,646,902)</u>	<u>(\$6,826,062)</u>	<u>(\$4,371,198)</u>	<u>\$1,233,259</u>	<u>(\$10,015,708)</u>

CITY OF CHAMPLIN, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$8,782,135	\$8,808,587	\$9,042,111	\$9,617,649
Tax increments	170,241	166,053	179,938	209,762
Other taxes	655,089	659,617	848,293	924,529
Unrestricted grants and contributions	237,632	230,332	233,819	-
Gain (loss) on sale of capital asset	5,140	1,659,982	9,100	-
Investment earnings	1,094,079	392,463	204,875	383,329
Insurance reimbursements	-	-	-	240,766
Miscellaneous	-	-	-	479,767
Transfers	(586,776)	494,881	583,836	737,801
Total governmental activities	<u>10,357,540</u>	<u>12,411,915</u>	<u>11,101,972</u>	<u>12,593,603</u>
Business-type activities:				
Investment earnings	1,059,893	244,034	448,687	317,619
Miscellaneous	-	-	-	77,318
Gain (loss) on sale of capital asset	-	-	-	-
Transfers	-	(494,881)	(583,836)	(737,801)
Total business-type activities	<u>1,059,893</u>	<u>(250,847)</u>	<u>(135,149)</u>	<u>(342,864)</u>
Total primary government	<u>\$11,417,433</u>	<u>\$12,161,068</u>	<u>\$10,966,823</u>	<u>\$12,250,739</u>
Change in Net Position				
Governmental activities	\$678,007	\$4,091,075	\$2,043,994	\$3,444,330
Business-type activities	1,399,462	361,113	1,801,812	2,292,170
Total primary government	<u>\$2,077,469</u>	<u>\$4,452,188</u>	<u>\$3,845,806</u>	<u>\$5,736,500</u>

Table 2
Page 2 of 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$10,201,173	\$10,777,092	\$11,571,475	\$12,205,616	\$13,013,613	\$13,983,054
201,239	202,508	355,194	509,983	557,722	1,029,105
956,540	973,447	996,905	1,040,590	1,068,236	1,080,634
-	-	-	-	2,360,370	-
2,140	-	1,742,642	-	22,735	27,251
338,645	830,093	642,364	(204,034)	(1,547,449)	2,086,315
-	-	-	-	-	-
1,106,930	1,026,916	697,094	407,926	-	-
1,978,490	887,820	2,199,720	(1,308,658)	(283,452)	426,600
<u>14,785,157</u>	<u>14,697,876</u>	<u>18,205,394</u>	<u>12,651,423</u>	<u>15,191,775</u>	<u>18,632,959</u>
373,168	793,586	582,180	(117,254)	(907,363)	1,131,652
77,427	84,258	628,342	120,817	123,398	91,396
-	-	7,185	-	-	-
<u>(1,978,490)</u>	<u>(887,820)</u>	<u>(2,199,720)</u>	<u>1,308,658</u>	<u>283,452</u>	<u>(426,600)</u>
<u>(1,527,895)</u>	<u>(9,976)</u>	<u>(982,013)</u>	<u>1,312,221</u>	<u>(500,513)</u>	<u>796,448</u>
<u>\$13,257,262</u>	<u>\$14,687,900</u>	<u>\$17,223,381</u>	<u>\$13,963,644</u>	<u>\$14,691,262</u>	<u>\$19,429,407</u>
\$2,647,112	\$6,506,910	\$12,800,291	\$7,222,826	\$11,772,957	\$8,246,536
501,836	534,088	(2,402,972)	2,369,620	4,151,564	1,167,163
<u>\$3,148,948</u>	<u>\$7,040,998</u>	<u>\$10,397,319</u>	<u>\$9,592,446</u>	<u>\$15,924,521</u>	<u>\$9,413,699</u>

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CITY OF CHAMPLIN, MINNESOTA**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**

Last Ten Fiscal Years

(accrual basis of accounting)

Table 3

Fiscal Year	Property Tax	Tax Increments	Other Taxes	Total
2014	8,782,135	170,241	655,089	9,607,465
2015	8,808,587	166,053	659,617	9,634,257
2016	9,042,111	179,938	848,293	10,070,342
2017	9,617,649	209,762	924,529	10,751,940
2018	10,193,503	201,239	956,540	11,351,282
2019	10,777,092	202,508	973,447	11,953,047
2020	11,571,475	355,194	996,905	12,923,574
2021	12,205,616	509,983	1,040,590	13,756,189
2022	13,013,613	557,722	1,068,236	14,639,571
2023	13,992,451	1,029,105	1,080,634	16,102,190

CITY OF CHAMPLIN, MINNESOTA
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General fund:				
Nonspendable	\$156,873	\$135,172	\$125,719	\$700,311
Unassigned	<u>4,065,191</u>	<u>4,136,926</u>	<u>4,220,179</u>	<u>4,628,787</u>
Total general fund:	<u><u>\$4,222,064</u></u>	<u><u>\$4,272,098</u></u>	<u><u>\$4,345,898</u></u>	<u><u>\$5,329,098</u></u>
All other governmental funds:				
Nonspendable	\$4,653,662	\$4,627,663	\$4,623,865	\$2,221,379
Restricted	5,199,626	4,696,257	4,755,621	1,991,738
Committed	823,363	813,607	945,270	734,293
Assigned	17,677,528	20,483,857	20,593,745	20,272,261
Unassigned	<u>(2,617,609)</u>	<u>(2,591,384)</u>	<u>(2,533,440)</u>	<u>(2,099,911)</u>
Total all other governmental funds	<u><u>\$25,736,570</u></u>	<u><u>\$28,030,000</u></u>	<u><u>\$28,385,061</u></u>	<u><u>\$23,119,760</u></u>

Table 4

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$104,767	\$72,985	\$40,698	\$165,363	\$164,328	\$153,160
4,262,733	4,966,713	4,702,514	5,101,257	5,588,886	6,233,274
\$4,367,500	\$5,039,698	\$4,743,212	\$5,266,620	\$5,753,214	\$6,386,434
\$83,984	\$95,534	\$102,481	\$108,896	\$128,624	\$114,246
2,332,967	2,101,901	2,050,703	2,572,724	2,605,202	4,133,826
1,009,151	1,152,654	2,249,505	161,219	-	-
23,569,682	22,915,477	31,180,926	33,424,762	32,829,216	37,115,116
(4,496,209)	(4,005,180)	(2,034,160)	(1,964,887)	(1,550,617)	(828,735)
\$22,499,575	\$22,260,386	\$33,549,455	\$34,302,714	\$34,012,425	\$40,534,453

CITY OF CHAMPLIN, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes:				
Property	\$8,685,801	\$8,922,554	\$9,083,806	\$9,604,479
Tax increments	170,241	166,053	179,938	209,762
Other	655,089	659,617	848,293	924,529
Special assessments	345,288	785,477	1,323,479	785,077
Licenses and permits	377,851	533,640	609,397	786,337
Intergovernmental	1,842,293	3,022,374	1,940,365	2,292,673
Charges for services	2,785,259	4,284,831	4,421,736	4,812,517
Fines and forfeits	259,552	258,895	257,335	202,470
Investment income	1,070,880	389,088	202,657	380,216
Lease income	-	-	-	-
Other revenues	317,902	256,277	240,214	458,643
Total revenues	16,510,156	19,278,806	19,107,220	20,456,703
Expenditures				
General government	2,091,492	2,211,220	1,937,179	4,302,798
Public safety	4,683,585	4,745,456	5,105,555	4,924,630
Public works	3,833,066	3,739,007	5,074,348	6,059,675
Parks and recreation	1,321,056	1,364,246	1,265,947	1,304,042
Cemetery	18,177	18,626	18,750	12,307
Other	160,894	176,135	169,582	196,593
Capital outlay	2,107,668	5,051,274	4,943,681	3,617,639
Debt service				
Principal	625,000	2,780,000	460,000	4,850,000
Interest and fiscal charges	436,762	447,374	297,276	226,258
Bond issuance costs	-	-	-	-
Total expenditures	15,277,700	20,533,338	19,272,318	25,493,942
Excess of revenues over (under) expenditures	1,232,456	(1,254,532)	(165,098)	(5,037,239)
Other financing sources (uses)				
Transfers in	3,996,249	8,192,429	3,677,140	737,801
Transfers out	(2,914,409)	(7,697,548)	(3,093,304)	-
Proceeds from sale of land	-	-	-	-
Bond proceeds	-	-	-	-
Premium on bonds issued	-	-	-	-
Bond issuance costs	-	-	-	-
Capital lease issued	-	-	-	-
Proceeds from sale of capital assets	5,140	3,103,115	9,100	-
Total other financing sources (uses)	1,086,980	3,597,996	592,936	737,801
Net change in fund balances	\$2,319,436	\$2,343,464	\$427,838	(\$4,299,438)

Table 5

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$10,193,503	\$10,776,859	\$11,603,353	\$12,202,793	\$13,018,773	\$13,992,451
201,239	202,508	355,194	509,983	557,722	1,029,105
956,540	973,447	996,905	1,040,590	1,068,236	1,080,634
963,270	1,215,695	2,192,389	2,076,566	1,843,542	2,531,549
588,212	475,166	705,535	572,754	582,715	633,932
5,549,908	3,277,897	2,859,649	4,504,488	8,180,317	2,169,676
2,734,236	2,988,954	4,128,340	2,780,470	2,592,370	2,411,426
230,330	200,479	152,722	174,188	155,225	133,918
336,091	807,863	626,996	(200,010)	(1,516,993)	2,054,549
-	-	-	-	250,194	262,844
1,074,749	873,279	696,927	752,259	1,151,546	546,779
<u>22,828,078</u>	<u>21,792,147</u>	<u>24,318,010</u>	<u>24,414,081</u>	<u>27,883,647</u>	<u>26,846,863</u>
3,804,931	1,853,187	2,290,750	2,423,468	2,443,797	2,804,131
5,059,913	5,199,861	6,164,157	5,791,166	6,183,439	6,162,692
7,379,041	3,685,200	2,694,617	2,934,245	3,445,041	3,257,643
1,313,755	1,364,469	1,202,945	1,421,669	1,540,304	1,949,242
14,433	19,245	17,402	27,711	28,126	28,300
210,726	172,872	188,315	253,407	255,805	353,038
7,582,411	9,474,244	8,641,448	8,456,869	12,629,032	10,486,931
385,000	395,000	415,837	433,264	745,000	805,000
90,681	82,880	171,943	177,527	167,327	267,702
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>25,840,891</u>	<u>22,246,958</u>	<u>21,787,414</u>	<u>21,919,326</u>	<u>27,437,871</u>	<u>26,114,679</u>
(3,012,813)	(454,811)	2,530,596	2,494,755	445,776	732,184
1,978,490	887,820	7,065,516	3,817,647	6,098,636	376,890
(549,600)	-	(6,948,315)	(5,126,305)	(6,382,088)	(100,290)
-	-	1,720,000	-	-	-
-	-	6,285,000	-	-	5,970,000
-	-	346,367	-	-	149,213
-	-	-	-	-	-
-	-	110,452	73,845	-	-
2,140	-	22,642	16,725	33,981	27,251
<u>1,431,030</u>	<u>887,820</u>	<u>8,601,662</u>	<u>(1,218,088)</u>	<u>(249,471)</u>	<u>6,423,064</u>
<u>(\$1,581,783)</u>	<u>\$433,009</u>	<u>\$11,132,258</u>	<u>\$1,276,667</u>	<u>\$196,305</u>	<u>\$7,155,248</u>

CITY OF CHAMPLIN, MINNESOTA
TAX CAPACITY AND ESTIMATED ACTUAL VALUE
OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property (b)		Total		Total Direct Tax Rate	Percent of Total Tax Capacity Value to Total Estimated Actual Value
	Tax Capacity Value	Estimated Actual Value (a)	Tax Capacity Value	Estimated Actual Value	Tax Capacity Value	Estimated Actual Value		
2014	16,537,344	1,645,302,200	227,898	11,700,400	16,765,242	1,657,002,600	0.44803	1.01%
2015	18,063,772	1,786,805,900	231,102	11,857,600	18,294,874	1,798,663,500	0.41240	1.02%
2016	18,694,964	1,838,839,000	241,173	12,450,400	18,936,137	1,851,289,400	0.42749	1.02%
2017	20,216,498	1,971,618,100	252,540	13,020,000	20,469,038	1,984,638,100	0.43002	1.03%
2018	22,302,070	2,159,639,900	281,873	14,484,900	22,583,943	2,174,124,800	0.41185	1.04%
2019	24,588,720	2,373,210,400	300,813	15,358,400	24,889,533	2,388,568,800	0.39611	1.04%
2020	26,731,015	2,557,752,400	288,727	14,754,600	27,019,742	2,572,507,000	0.39560	1.05%
2021	28,019,319	2,676,838,500	343,976	17,592,800	28,363,295	2,694,431,300	0.40776	1.05%
2022	29,602,839	2,822,436,900	197,894	10,251,700	29,800,733	2,832,688,600	0.40628	1.05%
2023	36,420,388	3,432,729,100	210,347	10,875,100	36,630,735	3,443,604,200	0.36656	1.06%

(a) Estimated Market Values are established by the City Assessor on January 2 of each year using the mass appraisal method. Tax Capacity Value is calculated using a formula specified by legislative action.

(b) Tax Capacity Values for Personal Property have been adjusted for tax increment and fiscal disparities. Estimated Market Value for personal property has not been adjusted for these items.

Source: Hennepin County Property Tax Division
Hennepin County Assessor

CITY OF CHAMPLIN, MINNESOTA**PROPERTY TAX RATES****DIRECT AND OVERLAPPING GOVERNMENTS****Last Ten Fiscal Years****Table 7**

Year	City of Champlin			Overlapping Rates		
	Operating	Debt	Total	School	County and Special Districts (a)	Total
2014	0.42033	0.02770	0.44803	0.28265	0.62428	1.35496
2015	0.38728	0.02512	0.41240	0.22482	0.57759	1.21481
2016	0.40243	0.02506	0.42749	0.20885	0.56490	1.20124
2017	0.40695	0.02307	0.43002	0.18590	0.53406	1.14998
2018	0.39172	0.02013	0.41185	0.18392	0.51900	1.11477
2019	0.37767	0.01844	0.39611	0.16330	0.50465	1.06406
2020	0.37844	0.01716	0.39560	0.16893	0.49363	1.05816
2021	0.38734	0.02042	0.40776	0.16087	0.46371	1.03234
2022	0.38692	0.01936	0.40628	0.16341	0.46498	1.03467
2023	0.35041	0.01615	0.36656	0.13671	0.41617	0.91944

(a) Includes Mosquito Control, Met Council, Metro Transit, Park Museum, Regional Railroad Authority (HCCRA), and West Mississippi Watershed.

Source: Hennepin County Property Tax Division

CITY OF CHAMPLIN, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
December 31, 2023

Table 8

Taxpayer	Type of Business	2023			2014		
		Tax Capacity Value	% of Total City Tax Capacity Value	Rank	Tax Capacity Value	% of Total City Tax Capacity Value	Rank
MC Housing LLC	Apartment	588,500	1.61%	1			
B9 Champlin DC LLC	Industrial	363,790	0.99%	2			
Opus Properties LLC	Industrial	325,270	0.89%	3			
Eagle Partners IV LLC	Industrial	279,310	0.76%	4			
Target Corporation	Commercial	232,850	0.64%	5	249,196	1.49%	1
Bre Knight Champion Shores	Apartment	202,625	0.55%	6			
OIRE Minnesota LLC	Industrial	194,500	0.53%	7			
OIRE Minnesota LLC	Industrial	180,900	0.49%	8			
Champlin Leased Hsg Ascts IV	HSG - Low Income	177,225	0.48%	9			
GKI Industrial Mpls LLC	Industrial	171,570	0.47%	10			
Liberty Property Ltd Partnership	Industrial				174,451	1.04%	2
MIAP (MN) LLC	Industrial				145,095	0.87%	3
Opus Real Estate Continental	Industrial				144,993	0.86%	4
Inland Champlin Marketplace	Commerical				123,410	0.74%	5
Wilcox Paper Company	Industrial				107,763	0.64%	6
Engelsma Ltd Partnership	Commerical				105,743	0.63%	7
HCP SH ELP3 Properties LLC	Apartment				101,376	0.60%	8
Lifetime Fitness	Commerical				95,809	0.57%	9
OIRE National Minnesota LLC	Industrial				86,200	0.51%	10
Total Principal Taxpayers		\$2,716,540	7.42%		\$1,334,036	7.96%	

Source: Hennepin County Assessors Office

CITY OF CHAMPLIN, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 9

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	8,836,429	8,556,091	96.8%	280,338	8,836,429	100.00%
2015	9,022,342	8,760,464	97.1%	261,878	9,022,342	100.00%
2016	9,313,686	9,067,876	97.4%	245,810	9,313,686	100.00%
2017	9,864,571	9,815,453	99.5%	49,118	9,864,571	100.00%
2018	10,427,325	10,338,972	99.2%	82,525	10,421,497	99.94%
2019	10,988,592	10,881,762	99.0%	104,835	10,986,597	99.98%
2020	11,865,885	10,936,289	92.2%	927,855	11,864,144	99.99%
2021	12,884,876	12,776,832	99.2%	102,723	12,879,555	99.96%
2022	13,567,745	13,531,495	99.7%	28,915	13,560,410	99.95%
2023	15,077,479	15,009,496	99.5%	-	15,009,496	99.55%

Source: Hennepin County Property Tax Division

CITY OF CHAMPLIN, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Special Assessment Bonds (a)	Tax Increment Bonds	Improvement Bonds	Housing Development Bonds	Capital Leases	Premium/ (Discount)
2014	9,215,000		-	785,000	2,325,000	-	86,786
2015	8,915,000		-	630,000	-	-	119,638
2016	8,605,000		-	480,000	-	-	112,910
2017	4,235,000		-	-	-	-	87,602
2018	3,850,000		-	-	-	-	78,744
2019	3,455,000		-	-	-	-	69,886
2020	4,530,000	4,810,000	-	-	-	99,102	407,395
2021	4,120,000	4,810,000	-	-	-	149,683	375,445
2022	3,625,000	4,560,000	-	-	-	-	343,495
2023	7,084,823	6,265,177	-	-	-	-	450,810

Source: Champlin Finance Department

(a) General Obligation special assessments and road reconstruction bonds which are supported by special assessments.

Table 10

Business-Type Activities		Total Primary Government	Population	Per Capita	As a % of Personal Income
Enterprise Bonds	Premium/ (Discount)				
-	-	12,411,786	22,880	542	1.5%
-	-	9,664,638	22,741	425	1.2%
-	-	9,197,910	23,343	394	1.1%
-	-	4,322,602	23,690	182	0.5%
-	-	3,928,744	23,927	164	0.4%
-	-	3,524,886	24,231	145	0.4%
2,405,000	132,886	12,384,383	23,919	518	1.3%
2,405,000	121,074	11,981,202	23,786	504	1.1%
2,280,000	112,215	10,920,710	24,007	455	0.9%
2,135,000	103,356	16,039,166	24,115	665	1.4%

CITY OF CHAMPLIN, MINNESOTA**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year	Population	Tax Capacity Value	Taxable Market Value	General Obligation Bonds (a)
2014	22,880	16,765,242	1,657,002,600	9,215,000
2015	22,741	18,294,874	1,798,663,500	8,915,000
2016	23,343	18,936,137	1,851,289,400	8,605,000
2017	23,690	20,469,038	1,984,638,100	4,235,000
2018	23,927	22,583,943	2,174,124,800	3,850,000
2019	24,231	24,889,533	2,388,568,800	3,455,000
2020	23,919	27,019,742	2,572,507,000	4,530,000
2021	23,786	28,363,295	2,694,431,300	4,120,000
2022	24,007	29,800,733	2,832,688,600	3,625,000
2023	24,115	36,630,735	3,443,604,200	7,084,823

(a) Excludes general obligation special assessments and road reconstruction bonds which are supported by special assessments.

(b) The years 2013 to 2015 include crossover refunding bonds and the amounts held in escrow to pay the refunded bonds.

Source: Hennepin County Taxpayers Department
Champlin Finance Department

Table 11

Premium/ (Discount)	Less: Amounts Available in Debt Service Fund (b)	Total	As a Percent Of			Per Capita
			Tax Capacity Value	Market Value		
86,786	4,298,965	5,002,821	29.84%	0.30%		219
119,638	4,265,858	4,768,780	26.07%	0.27%		210
112,910	4,721,459	3,996,451	21.10%	0.22%		171
87,602	183,770	4,138,832	20.22%	0.21%		175
78,744	206,046	3,722,698	16.48%	0.17%		156
69,886	194,045	3,330,841	13.38%	0.14%		137
407,395	558,601	4,378,794	16.21%	0.17%		183
375,445	1,352,099	3,143,346	11.08%	0.12%		132
343,495	1,735,058	2,233,437	7.49%	0.08%		93
450,810	2,191,381	5,344,252	14.59%	0.16%		222

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CITY OF CHAMPLIN, MINNESOTA**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2023

Table 12

	Net General Obligation Debt Being Paid from Taxes	Percentage Applicable to City (c)	Amount Applicable to City of Champlin Share of Debt
Direct debt:			
City of Champlin (a)	\$7,084,823	100.00%	\$7,084,823
Overlapping debt:			
Hennepin County	1,056,334,526 a	1.28%	13,550,169
School District #11	238,210,000 b	9.43%	22,452,817
Three Rivers Park District	49,655,074 c	1.28%	636,952
Hennepin Regional Railroad Authority	80,622,443 d	1.36%	1,094,869
Metropolitan Council (b)	89,723,130 e	1.28%	1,151,673
Total overlapping debt	1,514,545,173		38,886,481
Total direct and overlapping debt	\$1,521,629,996		\$45,971,304

- (a) Excludes general obligation special assessments and road reconstruction bonds which are supported by special assessments
- (b) Includes debt for Metropolitan Council Transit Operations.
- (c) The percentage of overlapping debt applicable is estimated by using the portion of taxable tax capacity of the City of Champlin that is within the boundaries of the various local governmental units' boundaries and dividing it by the total taxable tax capacity value of the local governmental unit.

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

Source: Hennepin County Auditor
Anoka County Auditor

CITY OF CHAMPLIN, MINNESOTA**LEGAL DEBT MARGIN INFORMATION****Last Ten Fiscal Years**

	Fiscal Year			
	2014	2015	2016	2017
Debt limit	\$49,710,078	\$54,405,059	\$55,538,682	\$59,539,143
Total net debt applicable to limit	<u>4,916,035</u>	<u>4,649,142</u>	<u>3,883,541</u>	<u>4,051,230</u>
Legal debt margin	<u><u>\$44,794,043</u></u>	<u><u>\$49,755,917</u></u>	<u><u>\$51,655,141</u></u>	<u><u>\$55,487,913</u></u>
Total net debt applicable to the limit as a percentage of debt limit	10.97%	9.34%	7.52%	7.30%

Note: Under state statute, the City's outstanding general obligation debt should not exceed 3% of the total market value of taxable property beginning in 2008. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: Hennepin County Taxpayers Department
City of Champlin Finance Department

Table 13

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$65,223,744	\$71,657,064	\$77,175,210	\$80,832,939	\$84,980,658	\$103,308,126
3,643,954	3,260,955	3,971,399	7,508,504	8,729,942	4,893,442
<u>\$61,579,790</u>	<u>\$68,396,109</u>	<u>\$73,203,811</u>	<u>\$73,324,435</u>	<u>\$76,250,716</u>	<u>\$98,414,684</u>
5.92%	4.77%	5.43%	10.24%	11.45%	4.97%
Legal Debt Margin Calculation for Fiscal Year					
2023					
Market value					\$3,443,604,200
Debt limit (3% of market value)					103,308,126
Debt applicable to limit:					
General Obligation Bonds					7,084,823
Less: Amount set aside for repayment of					
general obligation debt					<u>2,191,381</u>
Total net debt applicable to limit					<u>4,893,442</u>
Legal debt margin					<u>\$98,414,684</u>

CITY OF CHAMPLIN, MINNESOTA

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Utility Fund Operating Revenue (a)	Less: Operating Expenses (b)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	2,552,520	2,002,239	550,281	1,400,000	6,514	0.39
2015	-	-	-	-	-	N/A
2016	-	-	-	-	-	N/A
2017	-	-	-	-	-	N/A
2018	-	-	-	-	-	N/A
2019	-	-	-	-	-	N/A
2020	1,042,649	1,102,644	(59,995)	-	-	N/A
2021	1,162,407	1,110,049	52,358	-	43,147	N/A
2022	1,780,377	2,162,101	(381,724)	125,000	31,144	(2.44)
2023	1,123,493	1,185,988	(62,495)	145,000	26,194	(0.37)

Source: City of Champlin Finance Department

Note: In 2014, debt was backed with pledged revenue from the Water fund and Special Assessments.

In 2020 through 2023, debt was backed with pledged revenue from the Storm Water fund and Special Assessments.

- (a) Debt backed with pledged revenue from business type activities
- (b) Depreciation is included in this amount
- (c) General Obligation special assessments and road reconstruction bonds which are supported by special assessments.

Table 14

Special Assessment Collections (c)	Debt Service		Coverage
	Principal	Interest	
345,288	195,000	32,407	1.52
-	-	-	N/A
-	-	-	N/A
-	-	-	N/A
-	-	-	N/A
-	-	-	N/A
373,114	-	-	N/A
828,575	-	98,445	N/A
668,891	250,000	56,605	2.18
568,934	290,000	74,300	1.56

CITY OF CHAMPLIN, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS³

Last Ten Fiscal Years

Table 15

Fiscal Year	Population ¹	Personal Income	Per Capita Personal Income ¹	Median Age ²	School Enrollment ³	Unemployment Rate ⁵
2014	22,880	820,522,560	35,862	36.0	36,478	3.90%
2015	22,741	786,065,406	34,566	36.0	36,556	3.40%
2016	23,343	813,993,753	34,871	37.0	37,200	3.30%
2017	23,690	864,329,650	36,485	38.4	37,062	3.10%
2018	23,927	916,380,173	38,299	39.4	37,008	2.60%
2019	24,231	984,117,834	40,614	39.6	37,386	2.80%
2020	23,919	983,142,657	41,103	39.3	36,325	6.60%
2021	23,786	1,065,113,294	44,779	38.4	37,719	3.80%
2022	24,007	1,167,724,487	48,641	39.3	38,230	2.40%
2023	24,115	1,172,977,715	48,641	41.3	38,590	2.60%

¹ Source: Metropolitan Council. 2020 population is the United States Census. 2023 estimated.

² Source: United States Census Bureau. 2023 estimated.

³ School enrollment statistics are for Anoka-Hennepin District 11 of which the City of Champlin is a part. Enrollment statistics are as of October 1st of the year listed.

⁴ The City of Champlin is part of the contiguous Twin City metropolitan area. Demographic and economic statistics are used for Hennepin County. Most residents work and shop outside the boundaries of the City and Hennepin County information is more relevant.

⁵ DEED, Labor Market Information Office, Local Area Unemployment Statistics

CITY OF CHAMPLIN, MINNESOTA
PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 16

Employer	2023			2014			Percentage of Total City Employment
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
I.S.D. No. 11 (Anoka-Hennepin)	509	1	26.55%	671	1	34.64%	
Super Target	325	2	16.95%	300	2	15.49%	
Egan Companies	253	3	13.20%				
City of Champlin	187	4	9.75%	97	9	5.01%	
Crown Lift Trucks	150	5	7.82%				
Cardinal Health	120	6	6.26%	85	10	4.39%	
First Student	107	7	5.58%	120	5	6.20%	
Cub Foods	100	8	5.22%	115	6	5.94%	
States Manufacturing	86	9	4.49%				
Life Time Fitness, Inc.	80	10	4.17%	200	3	10.33%	
Rapid Packaging				150	4	7.74%	
Automatic Garage Door and Fireplace, Inc.				100	7	5.16%	
Champlin Shores				99	8	5.11%	
Total Principal Employers	<u>1,917</u>			<u>1,937</u>			

Source: Champlin Community Development Department

CITY OF CHAMPLIN, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Function	Full-time Equivalent			
	2014	2015	2016	2017
General government	12.76	12.76	12.76	12.86
Public safety				
Police				
Officers	26.00	26.00	26.00	26.00
Civilians	5.50	5.50	5.50	5.50
Protective Inspections	3.50	3.50	3.50	3.58
Highways and streets				
Engineering	2.00	2.00	2.00	2.00
Maintenance	17.00	17.00	17.00	17.00
Culture and recreation	5.00	5.00	5.00	5.00
Utilities	4.00	4.00	4.00	4.00
Total	75.76	75.76	75.76	75.94

Source: City of Champlin Finance Department Budget Document

Table 17

Employees as of December 31					
2018	2019	2020	2021	2022	2023
12.86	12.86	14.12	13.80	14.80	14.80
26.00	26.00	26.00	26.00	27.00	30.00
5.50	5.50	5.50	5.50	5.50	5.50
3.58	3.58	3.70	3.70	3.70	3.70
2.00	2.00	2.00	2.00	2.00	2.00
17.00	18.00	18.00	18.00	18.00	18.00
5.00	5.00	5.00	5.00	5.00	6.00
4.00	4.00	4.00	4.00	4.00	4.00
75.94	76.94	78.32	78.00	80.00	84.00

CITY OF CHAMPLIN, MINNESOTA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function ²	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Police				
Citations issued	4,503	4,544	4,620	3,093
Calls for service	8,053	7,875	6,887	7,968
Building				
Number of building permits issued	557	579	632	1,641
Valuation of building permits issued	\$9,776,151	\$27,861,008	\$49,509,292	\$49,566,143
Highways and streets ¹				
Sealcoating (in miles)	8.36	-	-	-
Mill and overlay (in miles)	-	0.43	0.42	1.55
Reclamation	-	-	0.78	1.87
Reconstruction	-	-	-	-
Water				
Total connections	7,462	7,457	7,453	7,662
Gallons pumped (in millions)	624	755	768	846

¹ The engineering department does sealcoating and mill and overlay projects on alternate years.

Mill and overlay projects are completed on an as needed basis.

² Indicators are not available for the general government function

Source: City of Champlin

Table 18

Fiscal Year					
2018	2019	2020	2021	2022	2023
3,987	3,497	2,705	2,390	2,316	2,371
8,081	10,701	13,369	10,160	11,713	10,733
1,255	767	768	766	919	1,275
\$16,980,711	\$14,904,047	\$61,410,945	\$32,893,078	\$26,233,328	\$27,824,593
-	-	-	-	-	-
-	1.70	-	2.78	-	-
1.40	2.50	1.91	0.90	0.51	6.40
-	-	-	0.17	2.65	-
7,702	7,744	7,874	7,918	7,999	8,022
860	757	879	997	997	1,100

CITY OF CHAMPLIN, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function ¹	Fiscal Year			
	2014	2015	2016	2017
Public safety				
Police				
Stations	1	1	1	1
Patrol units	12	12	12	12
Fire stations	1	1	1	1
Highways and streets				
Streets (miles)	96	97	98	98
Street lights	1,053	1,053	1,067	1,103
Culture and recreation				
Parks	26	26	26	30
Ice Forum	1	1	1	1
Community centers	1	1	1	1
Water				
Wells	9	9	9	9
Sewer				
Lift stations	9	9	9	8

¹ No capital asset indicators are available for the general government function

Source: City of Champlin Finance Department

Table 19

Fiscal Year					
2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
12	12	12	12	12	13
1	1	1	1	1	1
98	98	98	98	101	101
1,322	1,437	1,570	1,610	1,621	1,682
30	30	30	30	30	30
1	1	1	1	1	1
1	1	1	1	1	1
9	9	9	9	9	9
8	8	8	8	8	8

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