



For Year Ended December 31, 2021

2021 Annual Comprehensive Financial Report



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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021

CITY OF CHAMPLIN, MINNESOTA

PREPARED BY: FINANCE DEPARTMENT

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CITY OF CHAMPLIN, MINNESOTA
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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

April 26, 2022

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, 2021.

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, 2021. 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 2021 population of 25,080 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 41 as part of the basic financial statements for the governmental funds and the Ice Forum Fund. 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 102.

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 2021. The City is 95% 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 701,452 and an unemployment rate of 2.8% (data source: U.S. Bureau of Labor Statistics Jan. 2022). This unemployment rate is comparable to the state average and more favorable than the national averages of 2.9% and 3.8% 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.

Important Events

The COVID-19 pandemic and state mandated restrictions on activities and safety protocols necessary to protect the public, directly impacted all areas of City business. Recreational and ice arena programming were canceled for much of the year. Fine and Forfeiture revenue also dramatically declined with fewer vehicles on the roads. Unbudgeted expenses were necessary to ensure essential services remained uninterrupted. A one-time pass through grant from the State of Minnesota (CARES funding) provided the City financial support in our pandemic response efforts. This grant funded significant capital and operating expenditures necessary to ensure the health and safety of the public, improved technology to allow for remote operations, as well as grants to assist local businesses directly impacted by mandated restrictions.

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 \$1.55 million. A discussion point for the 2022 budget process 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 formally updates its Financial Management Plan every five years. This plan document 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 ten-year comprehensive update to that plan was completed in 2021 with adjustments to account for changes in the economic outlook.

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 streets and utility infrastructure. In 2022, nearly \$8.5 million (2.12 miles) in projects are planned. The financing of these projects will continue to be a combination of an annual levy, special assessments, municipal state aid, interest earnings from the Permanent Improvement Fund.

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 2020, the City entered into a development agreement with Greco to be "master developer" of 12-acres in the heart of Mississippi Crossings. The City and Greco share a vision for this area that includes a significant residential component as well as an activation of the riverfront in the Mississippi Pointe Park area. In Mississippi Crossings, construction was recently completed on Greco's 214-unit market rate rental housing community and construction is nearing completion on a City-owned riverfront event center and outdoor performing facility. Most recently, plans were approved for a 16,000 square foot riverfront restaurant with a large outdoor dining patio and roof-top dining area. The restaurant is scheduled for completion in early 2023 and will be the cornerstone that fully activates the riverfront in Mississippi Crossings.

While the City anticipates being fully developed by 2030, there remains several commercially zoned vacant sites along the Trunk Highway 169 corridor and approximately 40 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 planned for move-up single family homes.

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, 2020. 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,

A handwritten signature in blue ink, appearing to read "Bret Heitkamp".

Bret Heitkamp
City Administrator

A handwritten signature in blue ink, appearing to read "Shelly Peterson".

Shelly Peterson
Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

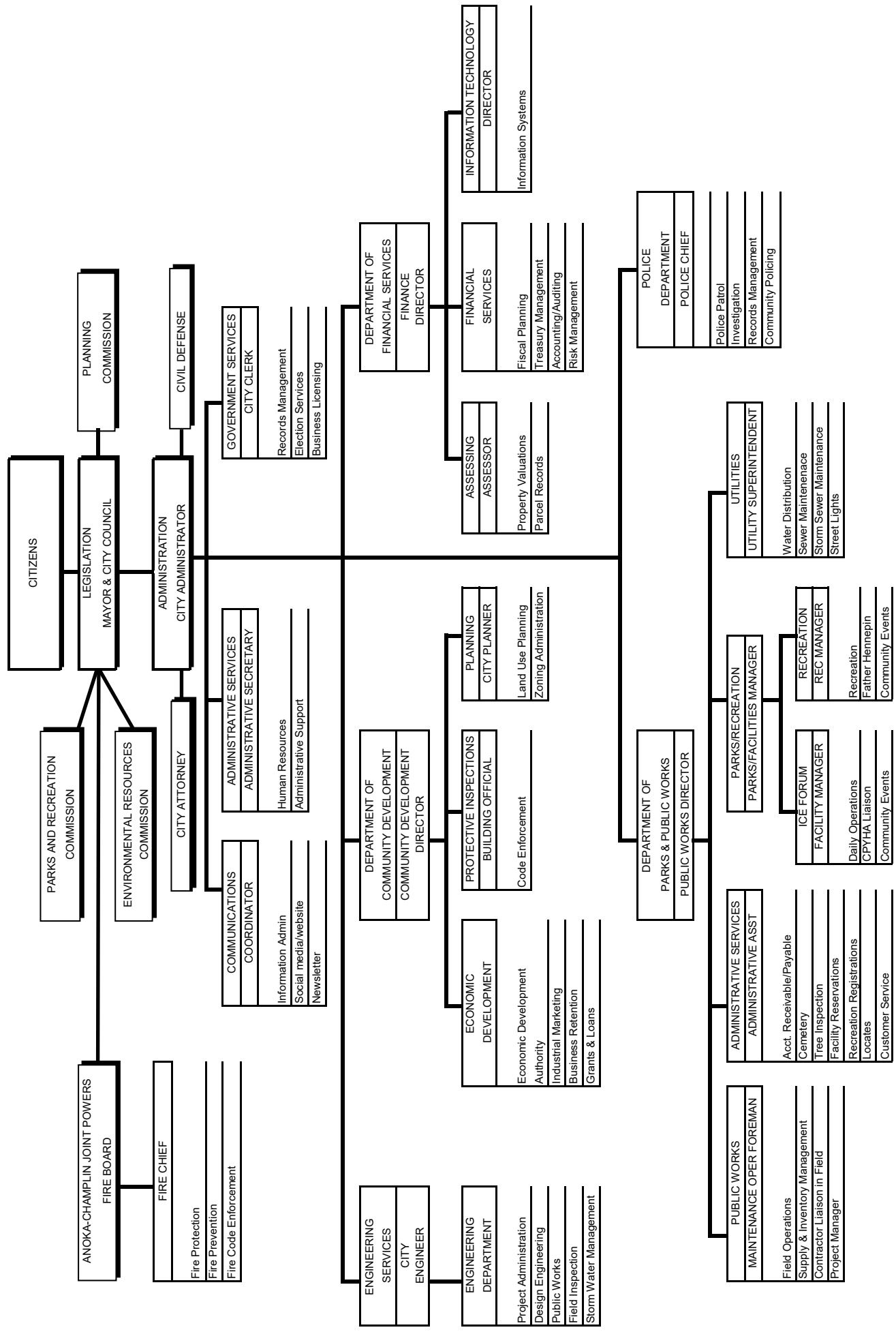
**City of Champlin
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



CITY OF CHAMPLIN, MINNESOTA
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2021

Name	Official Title
Mayor and Council:	
Ryan Karasek	Mayor (term expires 12/31/2022)
Jessica Tesdall	Councilmember, Ward 1 (term expires 12/31/2022)
Tom Moe	Councilmember, Ward 2 (term expires 12/31/2022)
Nate Truesdell	Councilmember, Ward 3 (term expires 12/31/2024)
Ryan Sabas	Councilmember, Ward 4 (term expires 12/31/2024)
Administration:	
Bret Heitkamp	City Administrator
Scott Lepak	City Attorney
Roberta Colotti	City Clerk
Shelly Peterson	Finance Director
Ty Schmidt	Police Chief
Shibani Bisson	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 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, 2021 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 accompanying 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, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

Report on Summarized Comparative Information

We have previously audited the City of Champlin, Minnesota's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated May 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *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 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 April 26, 2022 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, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 26, 2022

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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, 2021. 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 - 6 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 \$199 million (net position). Of this amount, \$64 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 \$9.6 million primarily due to capital contributions from grants and special assessments.
- As of the close of the current fiscal year, the City of Champlin's governmental funds reported combining ending fund balances of \$39.5 million, an increase of \$1.3 million when compared to the prior year. Approximately 92% of this total amount, \$36.5 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 \$5.1 million, approximately 48.5% of total General Fund expenditures.
- The City of Champlin's total debt decreased by \$410,000 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 33 - 35 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, Ice Forum, and park reserve funds, all of which are considered to be major funds. Data from the other nine 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 36 - 42 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 43 - 45 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 - 82 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 98 - 106 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 \$199 million at the close of the most recent fiscal year.

A large portion of the City of Champlin's net position (67%) 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	50,423,122	\$48,371,241	28,594,328	\$28,158,809	\$79,017,450	\$76,530,050
Capital assets	106,539,057	101,534,791	38,349,592	36,138,973	144,888,649	137,673,764
Total assets	<u>\$156,962,179</u>	<u>\$149,906,032</u>	<u>\$66,943,920</u>	<u>\$64,297,782</u>	<u>\$223,906,099</u>	<u>\$214,203,814</u>
Total deferred outflows of resources	\$5,196,125	\$2,005,797	\$6,405	\$7,220	\$5,202,530	\$2,013,017
Long-term liabilities outstanding	15,131,071	17,715,264	2,670,389	2,682,892	17,801,460	20,398,156
Other liabilities	4,798,508	3,722,023	385,044	739,353	5,183,552	4,461,376
Total liabilities	<u>\$19,929,579</u>	<u>\$21,437,287</u>	<u>3,055,433</u>	<u>3,422,245</u>	<u>22,985,012</u>	<u>24,859,532</u>
Total deferred inflows of resources	\$6,857,463	\$2,326,106	\$12,755	\$359	\$6,870,218	\$2,326,465
Net Position:						
Net investment in capital assets	97,091,790	93,262,850	35,823,518	34,571,658	132,915,308	127,834,508
Restricted	2,503,327	2,013,325	-	-	2,503,327	2,013,325
Unrestricted	35,776,145	32,872,261	28,058,619	26,310,740	63,834,764	59,183,001
Total net position	<u>\$135,371,262</u>	<u>\$128,148,436</u>	<u>\$63,882,137</u>	<u>\$60,882,398</u>	<u>\$199,253,399</u>	<u>189,030,834</u>

An additional portion of the City of Champlin's net position (1.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$63.8 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 \$5.8 million at December 31, 2021 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	\$5,053,162
Deferred inflows of resources	(6,642,676)
Pension liability	<u>(4,209,040)</u>
Total	<u><u>(\$5,798,554)</u></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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$4,305,442	\$3,493,207	\$8,634,962	\$7,426,308	\$12,940,404	\$10,919,515
Operating grants and contributions	659,873	2,536,380	385,500	369,615	1,045,373	2,905,995
Capital grants and contributions	5,093,799	4,982,219	512,996	1,446,530	5,606,795	6,428,749
General revenues:						
Property taxes	12,205,616	11,571,475	-	-	12,205,616	11,571,475
Tax increments	509,983	355,194	-	-	509,983	355,194
Other taxes	1,040,590	996,905	-	-	1,040,590	996,905
Unrestricted investment earnings	(204,034)	642,364	(117,254)	582,180	(321,288)	1,224,544
Gain on sale of capital asset	-	1,742,642	-	7,185	-	1,749,827
Miscellaneous	407,926	697,094	120,817	628,342	528,743	1,325,436
Total revenues	24,019,195	27,017,480	9,537,021	10,460,160	33,556,216	37,477,640
Expenses:						
General government	2,723,427	3,541,101	-	-	2,723,427	3,541,101
Public safety	5,540,663	6,275,899	-	-	5,540,663	6,275,899
Public works	5,058,001	4,633,805	-	-	5,058,001	4,633,805
Parks and recreation	2,064,972	1,729,745	-	-	2,064,972	1,729,745
Interest on long-term debt	100,648	236,359	-	-	100,648	236,359
Water	-	-	2,733,287	4,852,267	2,733,287	4,852,267
Sewer	-	-	2,799,448	2,883,320	2,799,448	2,883,320
Refuse	-	-	1,315,827	1,330,505	1,315,827	1,330,505
Recycling	-	-	474,301	456,790	474,301	456,790
Storm Water	-	-	1,153,196	1,140,530	1,153,196	1,140,530
Total expenses	15,487,711	16,416,909	8,476,059	10,663,412	23,963,770	27,080,321
Change in net position before transfers	8,531,484	10,600,571	1,060,962	(203,252)	9,592,446	10,397,319
Transfers	(1,308,658)	2,199,720	1,308,658	(2,199,720)	-	-
Change in net position	7,222,826	12,800,291	2,369,620	(2,402,972)	9,592,446	10,397,319
Net position - January 1	\$128,148,436	115,348,145	61,512,517	63,285,370	\$189,660,953	178,633,515
Net position - December 31	\$135,371,262	\$128,148,436	\$63,882,137	\$60,882,398	\$199,253,399	\$189,030,834

Governmental activities. Governmental activities increased the City's net position by \$7.2 million, thereby accounting for 75% of the total increase in the net position of the City of Champlin. Key elements of this increase are as follows:

- Property taxes increased \$634,141 (5.5%) during the year as compared to an increase of \$794,383 (7.4%) for the prior year.
- Capital grants and contributions increased \$111,580 primarily related to assessment rolls adopted in 2021.
- Gain on sale of assets decreased \$1,742,642 due to the sale of property held by the City in 2020.
- Public Safety expenditures decreased \$735,236 primarily with CARES Act grant related expenses in the prior year.
- Public works expenditures increased by \$424,196 due repair and maintenance of equipment and infrastructure.
- Parks and recreation expenditures increased by \$335,227 due to a transition to pre-pandemic level expenditure activity.

Business-type activities. Business-type activities increased the City's net position by \$2,369,620. Key elements of this increase are as follows:

- Charges for services revenue increased by \$1,208,654 due to increases consumption/usage and rate increases.
- Water related expenses decreased by \$2,118,980 due to water tower maintenance and meter replacement projects in the prior year.

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 \$39.5 million, an increase of \$1.3 million in comparison with the prior year. Approximately 92% of this total amount (\$36.5 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 (\$1,421,496), 2) to generate income to pay for the perpetual care of the municipal cemetery (\$2,900), 3) for public safety and recreation scholarships (\$5,783), 4) because of its form (land held for resale – (\$1,123,600), 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 \$5.1 million, while the total fund balance reached \$5.26 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 48.5% of total general fund expenditures, while total fund balance represents 49.8% of that same amount.

The fund balance of the City of Champlin's general fund increased by \$523,408 during the current fiscal year. Key factors in this increase are:

- Public Safety expenditures were \$173,477 less than budget due to staffing vacancies.
- Charges for services revenue exceeded budget by \$212,126 due to a transition to pre-pandemic level recreational programming.

The fund balance in the general obligation bond fund at the end of the fiscal year is \$1,421,496. 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 (\$1,520,887). Of this balance, \$444,000 is for land inventory and is considered restricted and the remainder is unrestricted deficit fund balance of \$2 million. 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 \$21.9 million, an increase of \$1.2 million. The increase is attributable to \$1.0 million of franchise fees.

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	\$ 30,261,775	\$ 498,733	\$ 30,760,508
Sewer utility	15,047,715	551,182	15,598,897
Refuse	1,592,350	6,309	1,598,659
Recycling	184,709	(19,477)	165,232
Stom Water	14,425,968	1,332,873	15,758,841
	<u>\$ 61,512,517</u>	<u>\$ 2,369,620</u>	<u>\$ 63,882,137</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 more than budgetary estimates (\$197,987) primarily in the category of charges for services (\$212,126) licenses and permits (\$117,454). These revenues were offset by a deficit in investment income of \$97,666 with the recording of fair market value. The City holds its investments to maturity and this deficit fair market value will not be actualized. Expenditures were less than budgetary estimates (\$445,421) primarily due to staffing vacancies.

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, 2021, amounts to \$144.9 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 increase in the City of Champlin's investment in capital assets for the current fiscal year was 5.2% (a 4.9% decrease for governmental activities and an 6.1% increase for business-type activities).

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

- Street and infrastructure reconstruction
 - Maryland Ave/Brooklyn Heights \$697,000
 - Dean Avenue \$764,000
- New Public Safety vehicles \$128,300
- Plow & truck \$254,000
- Mississippi Park Pointe improvements \$2.4 million (in progress)
- Ice Forum refrigerant system replacement \$1.7 million (in progress)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$43,414,193	\$43,364,193	\$611,532	\$213,860	\$44,025,725	\$43,578,053
Buildings	8,677,396	8,468,096	3,316,720	3,572,547	11,994,116	12,040,643
Improvements other than buildings	45,821,257	45,760,538	30,729,838	31,158,279	76,551,095	76,918,817
Machinery and equipment	2,914,917	2,612,861	813,956	890,327	3,728,873	3,503,188
Construction in progress	5,711,294	1,329,103	2,877,546	303,960	8,588,840	1,633,063
Total	<u>\$106,539,057</u>	<u>\$101,534,791</u>	<u>\$38,349,592</u>	<u>\$36,138,973</u>	<u>\$144,888,649</u>	<u>\$137,673,764</u>

Additional information on the City of Champlin's capital assets can be found in Note 6 on pages 63 - 64 of this report.

Long-term debt. At the end of the current fiscal year, the City of Champlin had total bonded debt outstanding of \$8,930,000 in governmental funds and a net other postemployment benefit obligation of \$826,607. 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 general obligation bonds.

	Governmental activities	
	2021	2020
General obligation bonds	\$8,930,000	\$9,340,000
Net pension liability	4,209,040	6,254,015
Net OPEB liability	826,607	1,202,899
Total	<u>\$13,965,647</u>	<u>\$16,796,914</u>

The City's total bonded debt decreased by \$410,000 due to payments on previous bonds issued.

The City of Champlin bond rating from Standard and Poor's was affirmed in 2021 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 \$81 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 8 on pages 64 – 67 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, 2022		March, 2021	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
Hennepin County	706,802	2.3%	689,250	4.2%
Minnesota	3,082,725	2.8%	3,003,073	4.5%
United States	164,274,000	3.8%	160,397,000	6.2%

Source: Minnesota Employment and Economic Development Department.

- Inflationary trends in the region compare favorably to national indices.
- In 2019, 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 just under \$1.8 million from this program in 2022 which reduces the amount of taxes paid by residents.

During the current fiscal year, unassigned fund balance in the general fund increased by \$398,743 and are within fund balance policy guidelines.

The 2022 general fund budgeted revenues and expenditures are 4.68% higher than in 2021. Several new initiatives were incorporated into the budget and include the addition of three new positions. With non-tax revenues anticipated to remain flat, the levy increase is anticipated to increase 5.5%.

As part of the City Council's 2021-2024 Strategic Plan and initiative to maximize sustainability of targeted community facilities, in 2022 an in-dept study of the city's ice arena operations will be performed. This study will review the facilities operating model and determine if efficiencies can be gained or opportunities to generate additional revenue exist to stabilize its reliance on the General Fund to support operations.

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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CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2021

Statement 1

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
Assets:			
Cash and investments	\$43,524,543	\$25,049,086	\$68,573,629
Receivables:			
Accounts	358,796	960,000	1,318,796
Special assessments	5,200,466	616,431	5,816,897
Taxes	152,354	-	152,354
Notes	-	-	-
Interest	114,529	61,680	176,209
Due from other governmental units	1,010,057	455,000	1,465,057
Internal balances	(1,246,011)	1,246,011	-
Prepayments	161,745	133,538	295,283
Inventory - at cost	23,043	72,582	95,625
Real estate held for resale	1,123,600	-	1,123,600
Capital assets - net of accumulated depreciation			
Land	43,414,193	611,532	44,025,725
Buildings	8,677,396	3,316,720	11,994,116
Improvements other than buildings	45,821,257	30,729,838	76,551,095
Machinery and equipment	2,914,917	813,956	3,728,873
Construction in progress	5,711,294	2,877,546	8,588,840
Total assets	<u>156,962,179</u>	<u>66,943,920</u>	<u>223,906,099</u>
Deferred outflows of resources			
Deferred outflows of resources - pension related	5,053,162	-	5,053,162
Deferred outflows of resources - other post employment benefits related	142,963	6,405	149,368
Total deferred outflows of resources	<u>5,196,125</u>	<u>6,405</u>	<u>5,202,530</u>
Liabilities:			
Accounts payable	1,149,313	193,895	1,343,208
Contracts payable - retained percentage	242,269	18,550	260,819
Accrued salaries and withholdings payable	153,425	-	153,425
Due to other governmental units	34,848	150,266	185,114
Unearned revenue	2,856,111	-	2,856,111
Accrued interest payable	69,397	17,133	86,530
Deposits	293,145	5,200	298,345
Noncurrent liabilities:			
Due within one year	893,559	125,000	1,018,559
Due in more than one year	14,237,512	2,545,389	16,782,901
Total liabilities	<u>19,929,579</u>	<u>3,055,433</u>	<u>22,985,012</u>
Deferred inflows of resources			
Deferred inflows of resources - pension related	6,642,676	-	6,642,676
Deferred inflows of resources - other post employment benefits related	214,787	12,755	227,542
Total deferred inflows of resources	<u>6,857,463</u>	<u>12,755</u>	<u>6,870,218</u>
Net position:			
Net investment in capital assets	97,091,790	35,823,518	132,915,308
Restricted for:			
Debt service	1,352,099	-	1,352,099
Perpetual care	2,900	-	2,900
Public safety	18,945	-	18,945
Scholarships	5,783	-	5,783
Land held for resale	1,123,600	-	1,123,600
Unrestricted	35,776,145	28,058,619	63,834,764
Total net position	<u>\$135,371,262</u>	<u>\$63,882,137</u>	<u>\$199,253,399</u>

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

CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2021

		<u>Program Revenues</u>
	<u>Expenses</u>	<u>Charges For Services</u>
<u>Functions/Programs</u>		
Governmental activities:		
General government	\$2,723,427	\$741,554
Public safety	5,540,663	701,211
Public works	5,058,001	931,860
Parks and recreation	2,064,972	1,930,817
Interest on long-term debt	100,648	-
Total governmental activities	<u>15,487,711</u>	<u>4,305,442</u>
Business-type activities:		
Water	2,733,287	2,652,212
Sewer	2,799,448	3,271,862
Refuse collection	1,315,827	1,478,928
Recycling	474,301	419,552
Storm Water	1,153,196	812,408
Total business-type activities	<u>8,476,059</u>	<u>8,634,962</u>
Total government	<u>\$23,963,770</u>	<u>\$12,940,404</u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
\$ -	\$ -	(\$1,981,873)	\$ -	(\$1,981,873)
362,988	-	(4,476,464)	-	(4,476,464)
266,691	3,615,250	(244,200)	-	(244,200)
30,194	1,478,549	1,374,588	-	1,374,588
-	-	(100,648)	-	(100,648)
<u>659,873</u>	<u>5,093,799</u>	<u>(5,428,597)</u>	<u>0</u>	<u>(5,428,597)</u>
-	470,292	-	389,217	389,217
-	10,925	-	483,339	483,339
-	722	-	163,823	163,823
35,501	468	-	(18,780)	(18,780)
349,999	30,589	-	39,800	-
<u>385,500</u>	<u>512,996</u>	<u>0</u>	<u>1,057,399</u>	<u>1,017,599</u>
<u>\$1,045,373</u>	<u>\$5,606,795</u>	<u>(5,428,597)</u>	<u>1,057,399</u>	<u>(4,410,998)</u>
General revenues:				
Property taxes		12,205,616	-	12,205,616
Tax increments		509,983	-	509,983
Other taxes		1,040,590	-	1,040,590
Unrestricted investment earnings		(204,034)	(117,254)	(321,288)
Miscellaneous		407,926	120,817	528,743
Gain on sale of capital asset		-	-	-
Transfers		<u>(1,308,658)</u>	<u>1,308,658</u>	<u>-</u>
Total general revenues and transfers		<u>12,651,423</u>	<u>1,312,221</u>	<u>13,963,644</u>
Change in net position		<u>7,222,826</u>	<u>2,369,620</u>	<u>9,592,446</u>
Net position - January 1, as previously reported		128,148,436	60,882,398	189,030,834
Prior period adjustment		-	630,119	630,119
Net position - January 1, as restated		<u>128,148,436</u>	<u>61,512,517</u>	<u>189,660,953</u>
Net position - December 31		<u>\$135,371,262</u>	<u>\$63,882,137</u>	<u>\$199,253,399</u>

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

CITY OF CHAMPLIN, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	General Obligation Bonds	Tax Increment Project	Permanent Improvement Fund
Assets				
Cash and investments	\$5,580,245	\$1,406,860	\$526,754	\$21,673,075
Receivables:				
Accounts	8,117	-	-	229,452
Special assessments	32,145	3,059,685	-	2,107,137
Taxes	140,888	5,728	-	-
Notes	-	-	-	-
Interest	17,671	-	1,010	62,858
Due from other funds	-	-	-	2,492,584
Due from other governmental units	1,112	-	-	52,696
Prepayments	142,320	-	-	3,730
Inventory - at cost	23,043	-	-	-
Real estate held for resale	-	-	444,000	679,600
Total assets	\$5,945,541	\$4,472,273	\$971,764	\$27,301,132
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$111,299	\$ -	\$67	\$146,849
Contracts payable - retained percentage	-	-	-	38,969
Accrued salaries and withholdings payable	153,425	-	-	-
Due to other funds	-	-	2,492,584	1,246,011
Due to other governmental units	29,120	-	-	1,569
Unearned revenue	47,886	-	-	1,810,293
Deposits	269,593	-	-	-
Total liabilities	611,323	0	2,492,651	3,243,691
Deferred inflows of resources:				
Unavailable revenue	67,598	3,050,777	-	2,102,630
Fund balances:				
Nonspendable	165,363	-	-	3,730
Restricted	-	1,421,496	444,000	679,600
Committed	-	-	-	-
Assigned	-	-	-	21,271,481
Unassigned	5,101,257	-	(1,964,887)	-
Total fund balances	5,266,620	1,421,496	(1,520,887)	21,954,811
Total liabilities, deferred inflows of resources and fund balances	\$5,945,541	\$4,472,273	\$971,764	\$27,301,132

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

Long term notes receivable

Deferred outflows of resources related to other post employment benefits

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

Capital lease payable

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

Park Reserve	Ice Forum	Other Governmental Funds	Intra-Activity Elimination	Total Governmental Funds
\$4,313,231	\$1,032,589	\$8,091,798	\$ -	\$42,624,552
294	72,955	47,978	-	358,796
-	-	1,499	-	5,200,466
-	-	5,738	-	152,354
-	-	-	-	-
11,059	2,939	16,825	-	112,362
-	-	-	(2,492,584)	-
928,049	28,200	-	-	1,010,057
-	-	6,695	-	152,745
-	-	-	-	23,043
-	-	-	-	1,123,600
<u>\$5,252,633</u>	<u>\$1,136,683</u>	<u>\$8,170,533</u>	<u>(\$2,492,584)</u>	<u>\$50,757,975</u>
\$640,562	\$206,553	\$35,150	\$ -	\$1,140,480
117,380	83,735	2,185	-	242,269
-	-	-	-	153,425
-	-	-	(2,492,584)	1,246,011
-	-	4,159	-	34,848
-	25,000	972,932	-	2,856,111
9,122	1,172	13,258	-	293,145
<u>767,064</u>	<u>316,460</u>	<u>1,027,684</u>	<u>(2,492,584)</u>	<u>5,966,289</u>
-	-	1,347	-	5,222,352
-	-	105,166	-	274,259
-	-	27,628	-	2,572,724
-	-	161,219	-	161,219
4,485,569	820,223	6,847,489	-	33,424,762
-	-	-	-	3,136,370
<u>4,485,569</u>	<u>820,223</u>	<u>7,141,502</u>	<u>0</u>	<u>39,569,334</u>
<u>\$5,252,633</u>	<u>\$1,136,683</u>	<u>\$8,170,533</u>	<u>(\$2,492,584)</u>	<u>\$50,757,975</u>
				\$39,569,334
				106,539,057
				36,779
				5,185,573
				-
				142,963
				(9,297,584)
				(149,683)
				(69,397)
				(826,607)
				(214,787)
				<u>(5,544,386)</u>
				<u>\$135,371,262</u>

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, 2021

	General Fund	General Obligation Bonds	Tax Increment Project	Permanent Improvement Fund
Revenues:				
Taxes:				
Property	\$10,870,491	\$611,278	\$ -	\$250,264
Tax increments	-	-	509,983	-
Other	-	-	-	1,040,590
Special assessments	4,520	828,575	-	1,242,813
Licenses and permits	572,754	-	-	-
Intergovernmental	381,861	-	-	2,224,831
Charges for services	1,258,126	-	-	13,830
Fines and forfeitures	174,188	-	-	-
Investment income	72,096	-	3,813	230,051
Net increase (decrease) in the fair value of investments	(97,666)	-	(5,579)	(347,387)
Other revenues	324,317	-	-	165,580
Total revenues	<u>13,560,687</u>	<u>1,439,853</u>	<u>508,217</u>	<u>4,820,572</u>
Expenditures:				
Current:				
General government	1,616,815	-	438,943	-
Public safety	5,728,423	-	-	-
Public works	2,264,160	-	-	298,500
Parks and recreation	683,163	-	-	-
Cemetery	27,711	-	-	-
Contingencies	253,407	-	-	-
Capital outlay	-	-	417,000	2,468,536
Debt service:				
Principal	-	410,000	-	-
Interest and fiscal charges	-	166,958	-	-
Total expenditures	<u>10,573,679</u>	<u>576,958</u>	<u>855,943</u>	<u>2,767,036</u>
Revenues over (under) expenditures	<u>2,987,008</u>	<u>862,895</u>	<u>(347,726)</u>	<u>2,053,536</u>
Other financing sources (uses):				
Transfers in	306,400	-	-	850,000
Transfers out	(2,770,000)	-	-	(1,738,655)
Proceeds from sale of land	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Capital lease issued	-	-	-	-
Total other financing sources (uses)	<u>(2,463,600)</u>	<u>0</u>	<u>0</u>	<u>(888,655)</u>
Net change in fund balance	523,408	862,895	(347,726)	1,164,881
Fund balance - January 1	<u>4,743,212</u>	<u>558,601</u>	<u>(1,173,161)</u>	<u>20,789,930</u>
Fund balance - December 31	<u>\$5,266,620</u>	<u>\$1,421,496</u>	<u>(\$1,520,887)</u>	<u>\$21,954,811</u>

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

Statement 4

Park Reserve	Ice Forum	Other Governmental Funds	Intra-Activity Elimination	Total Governmental Funds
\$ -	\$ -	\$470,760	\$ -	\$12,202,793
-	-	-	-	509,983
-	-	-	-	1,040,590
-	-	658	-	2,076,566
-	-	-	-	572,754
1,002,549	487,500	407,747	-	4,504,488
627,095	444,170	437,249	-	2,780,470
-	-	-	-	174,188
42,157	7,998	64,849	-	420,964
(61,118)	(16,242)	(92,982)	-	(620,974)
152,263	56,904	53,195	-	752,259
1,762,946	980,330	1,341,476	0	24,414,081
-	-	367,710	-	2,423,468
-	-	62,743	-	5,791,166
5,882	-	365,703	-	2,934,245
139,302	599,204	-	-	1,421,669
-	-	-	-	27,711
-	-	-	-	253,407
2,849,464	1,900,700	821,169	-	8,456,869
-	-	23,264	-	433,264
-	-	10,569	-	177,527
2,994,648	2,499,904	1,651,158	0	21,919,326
(1,231,702)	(1,519,574)	(309,682)	0	2,494,755
564,910	250,000	1,846,337	(3,817,647)	-
-	-	(617,650)	3,817,647	(1,308,658)
-	-	-	-	-
-	3,000	13,725	-	16,725
-	-	73,845	-	73,845
564,910	253,000	1,316,257	0	(1,218,088)
(666,792)	(1,266,574)	1,006,575	0	1,276,667
5,152,361	2,086,797	6,134,927	-	38,292,667
\$4,485,569	\$820,223	\$7,141,502	\$0	\$39,569,334

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, 2021

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)	\$1,276,667
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	8,456,869
Capital outlay not capitalized	(300,530)
Contributed capital	-
Depreciation expense	(3,088,029)
The net effect of various transactions involving capital asset (i.e., sales, trade-ins, and donations) is to increase (decrease) net position	(64,044)
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	2,823
Change in special assessment	(393,685)
Change in other miscellaneous unavailable revenues	-
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:	
Principal payments on long-term debt	433,264
Amortization of bond premium/discounts	33,090
Issuance of debt	(73,845)
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	43,789
Change in other post-employment benefits	(42,198)
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	938,655
Change in net position of governmental activities (Statement 2)	<u><u>\$7,222,826</u></u>

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

CITY OF CHAMPLIN, MINNESOTA

GENERAL FUND

Statement 6

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

For The Year Ended December 31, 2021

	Budgets Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$10,996,000	\$10,996,000	\$10,870,491	(\$125,509)
Special assessments	-	-	4,520	4,520
Licenses and permits	418,300	455,300	572,754	117,454
Intergovernmental	336,900	336,900	381,861	44,961
Charges for services	1,046,000	1,046,000	1,258,126	212,126
Fines and forfeiture	215,000	215,000	174,188	(40,812)
Investment income	59,000	59,000	72,096	13,096
Net increase (decrease) in the fair value of investments	-	-	(97,666)	(97,666)
Cemetery	17,000	17,000	37,640	20,640
Other revenues	237,500	237,500	286,677	49,177
Total revenues	13,325,700	13,362,700	13,560,687	197,987
Expenditures:				
General government:				
Mayor and council	84,800	84,800	79,396	5,404
Administration	223,500	255,500	254,136	1,364
Government services	375,900	375,900	373,187	2,713
Finance	321,600	321,600	321,810	(210)
Management information services	194,100	194,100	196,227	(2,127)
Assessing	215,500	215,500	210,000	5,500
Legal	42,400	42,400	44,195	(1,795)
Community development	136,000	136,000	132,716	3,284
Elections	3,500	3,500	5,148	(1,648)
Total general government	1,597,300	1,629,300	1,616,815	12,485
Public safety:				
Police	4,616,700	4,616,700	4,446,726	169,974
Fire	685,800	685,800	690,500	(4,700)
Code enforcement	182,200	182,200	164,406	17,794
Protective inspection	337,400	374,400	372,159	2,241
Civil defense	42,800	42,800	54,632	(11,832)
Total public safety	5,864,900	5,901,900	5,728,423	173,477
Public works:				
Engineering	243,400	243,400	220,377	23,023
Maintenance	2,134,800	2,134,800	2,043,783	91,017
Total public works	2,378,200	2,378,200	2,264,160	114,040
Other departments:				
Parks and recreation	805,400	805,400	683,163	122,237
Cemetery	17,800	17,800	27,711	(9,911)
Contingencies	318,500	286,500	253,407	33,093
Total other departments	1,141,700	1,109,700	964,281	145,419
Total expenditures	10,982,100	11,019,100	10,573,679	445,421
Revenues over (under) expenditures	2,343,600	2,343,600	2,987,008	643,408
Other financing sources (uses):				
Transfers in	306,400	306,400	306,400	-
Transfers out	(2,650,000)	(2,770,000)	(2,770,000)	-
Total other financing sources (uses)	(2,343,600)	(2,463,600)	(2,463,600)	0
Net change in fund balance	\$0	(\$120,000)	523,408	\$643,408
Fund balance - January 1			4,743,212	
Fund balance - December 31			\$5,266,620	

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

CITY OF CHAMPLIN, MINNESOTA

ICE FORUM

Statement 7

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

For The Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$487,500	\$487,500
Charges for services	340,600	340,600	444,170	103,570
Investment income	7,700	7,700	7,998	298
Net increase (decrease) in the fair value of investments	-	-	(16,242)	(16,242)
Other revenues:				
Miscellaneous	50,000	50,000	56,904	6,904
Total revenues	398,300	398,300	980,330	582,030
Expenditures:				
Current:				
Personal services	415,300	415,300	382,490	32,810
Supplies	27,100	27,100	20,603	6,497
Other services and charges	190,000	190,000	196,111	(6,111)
Capital outlay	2,546,000	2,535,000	1,900,700	634,300
Total expenditures	3,178,400	3,167,400	2,499,904	667,496
Revenues over (under) expenditures	(2,780,100)	(2,769,100)	(1,519,574)	1,249,526
Other financing sources (uses):				
Transfers in - General Fund	250,000	250,000	250,000	-
Proceeds from sale of capital asset	-	-	3,000	3,000
Bonds issued	1,000,000	1,000,000	-	(1,000,000)
Total other financing sources (uses)	1,250,000	1,250,000	253,000	(997,000)
Net change in fund balance	(\$1,530,100)	(\$1,519,100)	(1,266,574)	\$252,526
Fund balance - January 1			2,086,797	
Fund balance - December 31			\$820,223	

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	\$13,501,427	\$7,424,966	\$1,515,247	\$140,373	\$2,467,073	\$25,049,086	\$899,991
Receivables:							
Accounts	222,473	386,021	222,692	51,591	77,223	960,000	-
Special assessments	469,959	107,673	9,956	2,752	26,091	616,431	-
Due from other governments	-	-	-	-	455,000	455,000	-
Interest	33,186	18,455	3,885	360	5,794	61,680	2,167
Due from other funds	190,226	-	-	-	-	190,226	-
Prepayments	1,281	132,257	-	-	-	133,538	9,000
Inventory - at cost	72,582	-	-	-	-	72,582	-
Total current assets	14,491,134	8,069,372	1,751,780	195,076	3,031,181	27,538,543	911,158
Noncurrent assets:							
Due from other funds	1,055,785	-	-	-	-	1,055,785	-
Capital assets:							
Land	208,860	5,000	-	-	397,672	611,532	-
Buildings	9,270,811	-	-	-	-	9,270,811	-
Improvements other than buildings	18,290,528	15,128,362	-	-	19,962,450	53,381,340	-
Machinery and equipment	2,207,339	404,892	-	-	-	2,612,231	-
Construction in process	2,764,566	112,980	-	-	-	2,877,546	-
Total	32,742,104	15,651,234	0	0	20,360,122	68,753,460	0
Less: accumulated depreciation	(17,344,276)	(8,025,013)	-	-	(5,034,579)	(30,403,868)	-
Net capital assets	15,397,828	7,626,221	0	0	15,325,543	38,349,592	0
Total assets	30,944,747	15,695,593	1,751,780	195,076	18,356,724	66,943,920	911,158
Deferred outflows of resources							
Deferred outflows of resources - pension related	-	-	-	-	-	-	5,053,162
Deferred outflows of resources - other post employment benefits related	3,770	2,635	-	-	-	6,405	-
Total deferred outflows of resources	3,770	2,635	0	0	0	6,405	5,053,162
Liabilities							
Current liabilities:							
Accounts payable	78,684	3,185	40,293	27,283	44,450	193,895	8,833
Contracts payable - retained percentage	4,162	4,162	-	-	10,226	18,550	-
Due to other governmental units	36,840	8,746	104,680	-	-	150,266	-
Deposits	5,200	-	-	-	-	5,200	-
Accrued interest payable	-	-	-	-	17,133	17,133	-
Compensated absences	-	-	-	-	-	-	120,394
Bonds payable - current portion	-	-	-	-	125,000	125,000	-
Total current liabilities	124,886	16,093	144,973	27,283	196,809	510,044	129,227
Noncurrent liabilities:							
Compensated absences	9,260	29,600	-	-	-	38,860	527,763
Net pension liability	-	-	-	-	-	-	4,209,040
Other post employment benefits liability	50,859	43,887	8,148	2,561	-	105,455	-
Bonds payable	-	-	-	-	2,401,074	2,401,074	-
Total noncurrent liabilities	60,119	73,487	8,148	2,561	2,401,074	2,545,389	4,736,803
Total liabilities	185,005	89,580	153,121	29,844	2,597,883	3,055,433	4,866,030
Deferred inflows of resources							
Deferred inflows of resources - pension related	-	-	-	-	-	-	6,642,676
Deferred inflows of resources - other post employment benefits related	3,004	9,751	-	-	-	12,755	-
Total deferred inflows of resources	3,004	9,751	0	0	0	12,755	6,642,676
Net position:							
Net investment in capital assets	15,397,828	7,626,221	-	-	12,924,469	35,948,518	-
Unrestricted	15,362,680	7,972,676	1,598,659	165,232	2,834,372	27,933,619	(5,544,386)
Total net position	30,760,508	15,598,897	1,598,659	165,232	15,758,841	63,882,137	(5,544,386)
Total deferred inflows of resources, liabilities and net position	\$30,948,517	\$15,698,228	\$1,751,780	\$195,076	\$18,356,724	\$66,950,325	\$5,964,320

CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2021

Statement 9

	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	\$27,796	\$ -	\$ -	\$ -	\$38,782	\$66,578
Penalties	38,856	50,906	24,284	6,513	8,432	128,991
Sewer service charges	-	3,220,956	-	-	-	3,220,956
Refuse collection	-	-	1,454,644	-	-	1,454,644
Recycling collection	-	-	-	413,039	-	413,039
Storm water charges	-	-	-	-	765,194	765,194
Charges for sales:						
Water	2,585,560	-	-	-	-	2,585,560
Total operating revenues	<u>2,652,212</u>	<u>3,271,862</u>	<u>1,478,928</u>	<u>419,552</u>	<u>812,408</u>	<u>8,634,962</u>
Operating expenses:						
Personal services	479,082	471,310	124,309	64,226	264,749	1,403,676
Supplies	299,483	14,704	1,515	-	521	316,223
Other services and charges	1,266,612	1,987,234	1,190,003	410,075	451,484	5,305,408
Depreciation	688,110	326,200	-	-	393,295	1,407,605
Total operating expenses	<u>2,733,287</u>	<u>2,799,448</u>	<u>1,315,827</u>	<u>474,301</u>	<u>1,110,049</u>	<u>8,432,912</u>
Net income (loss) from operations	<u>(81,075)</u>	<u>472,414</u>	<u>163,101</u>	<u>(54,749)</u>	<u>(297,641)</u>	<u>202,050</u>
Nonoperating revenues (expenses):						
Special assessment interest and penalties	38,382	10,925	722	468	4,655	55,152
Intergovernmental	-	-	-	35,501	349,999	385,500
Investment income	119,927	67,349	13,957	1,292	21,104	223,629
Net increase (decrease) in the fair value of investments	(183,407)	(101,995)	(21,471)	(1,989)	(32,021)	(340,883)
Interest expense	-	-	-	-	(43,147)	(43,147)
Miscellaneous revenue (expense)	69,870	15,547	-	-	35,400	120,817
Gain (loss) on sale of capital assets	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>44,772</u>	<u>(8,174)</u>	<u>(6,792)</u>	<u>35,272</u>	<u>335,990</u>	<u>401,068</u>
Income (loss) before contributions and transfers	<u>(36,303)</u>	<u>464,240</u>	<u>156,309</u>	<u>(19,477)</u>	<u>38,349</u>	<u>603,118</u>
Capital contributions	431,910	-	-	-	25,934	457,844
Transfers:						
Transfers in	552,626	227,642	-	-	1,268,590	2,048,858
Transfers out	(449,500)	(140,700)	(150,000)	-	-	(740,200)
Total contributions and transfers	<u>535,036</u>	<u>86,942</u>	<u>(150,000)</u>	<u>0</u>	<u>1,294,524</u>	<u>1,766,502</u>
Change in net position	<u>498,733</u>	<u>551,182</u>	<u>6,309</u>	<u>(19,477)</u>	<u>1,332,873</u>	<u>938,655</u>
Total net position - January 1 as previously reported	29,631,656	15,047,715	1,592,350	184,709	14,425,968	60,882,398
Prior period adjustment	630,119	-	-	-	-	630,119
Total net position - January 1 as restated	<u>30,261,775</u>	<u>15,047,715</u>	<u>1,592,350</u>	<u>184,709</u>	<u>14,425,968</u>	<u>61,512,517</u>
Total net position - December 31	<u>\$30,760,508</u>	<u>\$15,598,897</u>	<u>\$1,598,659</u>	<u>\$165,232</u>	<u>\$15,758,841</u>	<u>\$63,882,137</u>

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	\$2,846,701	\$3,246,031	\$1,476,507	\$413,248	\$747,696	\$8,730,183	-
Receipts from interfund services provided	-	-	-	-	-	-	1,309,385
Payment to suppliers	(1,703,571)	(2,122,500)	(1,149,677)	(409,207)	(470,510)	(5,855,465)	(500,910)
Payment to employees	(489,770)	(448,102)	(124,309)	(64,226)	(264,749)	(1,391,156)	(852,837)
Miscellaneous revenue	108,252	26,472	722	35,969	390,054	561,469	98,870
Net cash flows from operating activities	761,612	701,901	203,243	(24,216)	402,491	2,045,031	54,508
Cash flows from noncapital financing activities:							
Transfers in from other funds	552,626	227,642	-	-	1,268,590	2,048,858	-
Transfers (out) to other funds	(449,500)	(140,700)	(150,000)	-	-	(740,200)	-
Net cash flows from noncapital financing activities	103,126	86,942	(150,000)	-	1,268,590	1,308,658	-
Cash flows from capital and related financing activities:							
Proceeds from issuance of bonds, net of issuance costs	-	-	-	-	-	-	-
Interest paid on long-term debt	-	-	-	-	(37,826)	-	-
Connection fees	431,910	-	-	-	25,934	457,844	-
Acquisition of capital assets	(2,044,565)	(172,688)	-	-	(770,852)	(2,988,105)	-
Net cash flows from capital and related financing activities	(1,612,655)	(172,688)	-	-	(782,744)	(2,530,261)	-
Cash flows from investing activities:							
Investment income	(36,781)	(21,724)	(5,788)	(426)	(5,363)	(70,082)	(3,326)
Net increase (decrease) in cash and cash equivalents	(784,698)	594,431	47,455	(24,642)	882,974	715,520	51,182
Cash and cash equivalents - January 1	14,286,125	6,830,535	1,467,792	165,015	1,584,099	24,333,566	848,809
Cash and cash equivalents - December 31	\$13,501,427	\$7,424,966	\$1,515,247	\$140,373	\$2,467,073	\$25,049,086	\$899,991
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	(\$81,075)	\$472,414	\$163,101	(\$54,749)	(\$297,641)	\$202,050	\$843,809
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation expense	688,110	326,200	-	-	393,295	1,407,605	-
Miscellaneous revenue	108,252	26,472	722	35,969	390,054	561,469	98,870
Decrease (increase) in accounts receivable	(25,285)	(52,507)	(7,128)	(3,653)	(65,850)	(154,423)	-
Decrease (increase) in special assessments receivable	35,981	26,676	4,707	(2,651)	1,138	65,851	-
Decrease (increase) in due from other funds	183,793	-	-	-	-	183,793	-
Decrease (increase) in prepayments and inventory	145,370	(7,762)	-	-	-	137,608	-
Increase (decrease) in accounts payable and deposits	(209,331)	(117,384)	1,185	868	(28,731)	(353,393)	4,682
Increase (decrease) in accrued salaries and withholdings payable	(11,290)	21,281	-	-	-	9,991	31,447
Increase (decrease) in contracts payable	(66,702)	4,162	-	-	10,226	(52,314)	-
Increase (decrease) in due to other governmental units	(6,813)	422	40,656	-	-	34,265	-
Increase (decrease) in other post employment benefits liability	(2,546)	(8,136)	-	-	-	(10,682)	-
Decrease (Increase) in deferred outflows of resources	194	621	-	-	-	815	(3,203,922)
Increase (decrease) in pension liability	-	-	-	-	-	-	(2,044,975)
Increase (decrease) in deferred inflows of resources	2,954	9,442	-	-	-	12,396	4,324,597
Total adjustments	842,687	229,487	40,142	30,533	700,132	1,842,981	(789,301)
Net cash provided by (used in) operating activities	\$761,612	\$701,901	\$203,243	(\$24,216)	\$402,491	\$2,045,031	\$54,508
Noncash capital and related financing activities:							
Contributions of capital assets from developers	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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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.

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
December 31, 2021

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.

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

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. 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 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.

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.

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.

J. 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.

K. 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 and structures	20-50
Furniture and equipment	3-15
Vehicles	5
Machinery and equipment	10
Other improvements	40
Infrastructure	50

L. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees hired prior to January 1, 1991 are entitled to one-third of the balance of their accumulated sick leave at the time of separation of employment, to a maximum of 320 hours, provided the employee has three or more years of service with the City; and further provided that the amount will not exceed the employees calculated severance as of January 1, 1991. Employees hired after January 1, 1991 are not paid any accumulated sick leave when the employee separates from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

M. 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.

N. 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.

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2021, 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	Ice Forum	Other Govt. Funds	Total Govt. Funds
Nonspendable:								
Prepayments	\$142,320	\$ -	\$ -	\$3,730	\$ -	\$ -	\$6,695	\$152,745
Inventory	23,043	-	-	-	-	-	-	23,043
Perpetual care	-	-	-	-	-	-	98,471	98,471
Total	165,363	0	0	3,730	0	0	105,166	274,259
Restricted for:								
Perpetual care	-	-	-	-	-	-	2,900	2,900
Public safety	-	-	-	-	-	-	18,945	18,945
Recreation scholarships	-	-	-	-	-	-	5,783	5,783
Debt service	-	1,421,496	-	-	-	-	-	1,421,496
Real estate	-	-	444,000	679,600	-	-	-	1,123,600
Total	0	1,421,496	444,000	679,600	0	0	27,628	2,572,724
Committed to:								
Technology	-	-	-	-	-	-	161,219	161,219
Ice forum	-	-	-	-	-	-	-	-
Total	0	0	0	0	0	0	161,219	161,219
Assigned to:								
Economic development	-	-	-	-	-	-	763,080	763,080
Capital projects	-	-	-	21,271,481	4,485,569	820,223	6,084,409	32,661,682
Total	0	0	0	21,271,481	4,485,569	820,223	6,847,489	33,424,762
Unassigned	5,101,257	-	(1,964,887)	-	-	-	-	3,136,370
Total	\$5,266,620	\$1,421,496	(\$1,520,887)	\$21,954,811	\$4,485,569	\$820,223	\$7,141,502	\$39,569,334

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%).

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

At December 31, 2021, the targeted unassigned fund balance for the General Fund was as follows:

Working capital	\$4,985,907
Contingencies	115,350

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

O. 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.

P. 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.

Q. 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 position 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 position 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.

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, 2021 the carrying amount of the City's deposits with financial institutions was \$4,397,190

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, 2021, the bank balance of the City's deposits was \$5,152,741, 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, 2021

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, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

As of December 31, 2021, 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+	\$23,867,577	\$2,783,976	\$20,788,269	\$295,332
Municipal bonds	AAA-AA-	21,600,760	2,666,313	16,357,147	2,577,300
Certificates of deposit	NR	12,721,604	5,988,545	6,733,059	-
Money market mutual funds	NR	676,433	676,433	-	-
External investment pool- 4M Fund	NR	5,309,915	5,309,915	-	-
Total fair value		<u>\$64,176,289</u>	<u>\$17,425,182</u>	<u>\$43,878,475</u>	<u>\$2,872,632</u>
NR - Not Rated			Total investments		\$64,176,289
			Deposits		4,397,190
			Petty cash		150
			Total cash and investments		<u>\$68,573,629</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 funds 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.

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 4-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
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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:

	Accounts	Special Assessments	Taxes	Interest	Intergovernmental	Total Receivables
General	\$8,117	\$32,145	\$140,888	\$17,671	\$1,112	\$199,933
General obligation bonds	-	3,059,685	5,728	-	-	3,065,413
Tax increment project	-	-	-	1,010	-	1,010
Permanent improvement	229,452	2,107,137	-	62,858	52,696	2,452,143
Park reserve fund	294	-	-	11,059	928,049	939,402
Ice Forum	72,955	-	-	2,939	28,200	104,094
Water utility	222,473	469,959	-	33,186	-	725,618
Sewer utility	386,021	107,673	-	18,455	-	512,149
Refuse	222,692	9,956	-	3,885	-	236,533
Recycling	51,591	2,752	-	360	-	54,703
Storm water	77,223	26,091	-	5,794	455,000	564,108
Internal service	-	-	-	2,167	-	2,167
Nonmajor and other funds	47,978	1,499	5,738	16,825	-	72,040
Total	<u>\$1,318,796</u>	<u>\$5,816,897</u>	<u>\$152,354</u>	<u>\$176,209</u>	<u>\$1,465,057</u>	<u>\$8,929,313</u>

The receivables not expected to be collected within one year are \$1,112,350 of special assessment receivables reported in the permanent improvement fund.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 4 UNAVAILABLE REVENUES

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, 2021, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable:		
General fund	\$35,432	\$ -
Nonmajor funds	1,347	-
Special assessments not yet due:		
General fund	31,069	-
General obligation bonds	3,048,666	-
Permanent improvement fund	2,097,988	-
Delinquent special assessments receivable:		
General fund	1,097	-
General obligation bonds	2,111	-
Permanent improvement fund	4,642	-
License/rent/other revenue/note receivable:		
General fund	-	47,886
Permanent improvement fund	-	1,810,293
Ice Forum	-	25,000
Nonmajor funds	-	972,932
	<u>-</u>	<u>972,932</u>
Total deferred inflows of resources/unearned revenue for governmental funds	<u>\$5,222,352</u>	<u>\$2,856,111</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Amounts reported as due to/from other funds at December 31, 2021, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Water	Permanent Improvement	\$1,246,011	Facilities
Permanent Improvement	Tax Increment Project	2,492,584	Purchase of property
Total		<u>\$3,738,595</u>	

The amount not expected to be collected within one year is \$1,055,784 and \$2,292,584 for the Water Fund receivables and Permanent Improvement Fund receivable, respectively.

Amounts reported as interfund transfers at December 31, 2021 are as follows:

	General fund	Permanent improvement	Park reserve	Ice Forum	Nonmajor governmental	Water	Sewer	Storm water	Total transfers out	Purpose
General fund	\$ -	\$700,000	\$550,000	\$250,000	\$1,270,000	\$ -	\$ -	\$ -	\$2,770,000	Budgeted Transfers, Council approved transfers
Permanent improvement	-	-	-	-	406,337	552,626	227,642	552,050	1,738,655	Administration/capital projects
Nonmajor governmental	195,000	-	14,910	-	-	-	-	407,740	617,650	Administration/ARPA eligible projects
Water	55,700	-	-	-	85,000	-	-	308,800	449,500	Budgeted transfers, Administration, capital projects
Sewer	55,700	-	-	-	85,000	-	-	-	140,700	Budgeted transfers, capital projects
Refuse	-	150,000	-	-	-	-	-	-	150,000	Budgeted Transfer
Total transfers in	<u>\$306,400</u>	<u>\$850,000</u>	<u>\$564,910</u>	<u>\$250,000</u>	<u>\$1,846,337</u>	<u>\$552,626</u>	<u>\$227,642</u>	<u>\$1,268,590</u>	<u>\$5,866,505</u>	

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$43,364,193	\$50,000	\$ -	\$43,414,193
Construction in progress	1,329,103	6,628,659	2,246,468	5,711,294
Total capital assets, not being depreciated	44,693,296	6,678,659	2,246,468	49,125,487
Capital assets, being depreciated:				
Buildings	16,168,705	792,023	228,725.00	16,732,003
Improvements other than buildings	77,476,885	2,187,770	-	79,664,655
Machinery and equipment	7,634,383	744,355	346,004	8,032,734
Total capital assets, being depreciated	101,279,973	3,724,148	574,729	104,429,392
Less accumulated depreciation for:				
Buildings	7,700,609	548,687	194,689.00	8,054,607
Improvement other than buildings	31,716,347	2,127,051	-	33,843,398
Machinery and equipment	5,021,522	412,291	315,996	5,117,817
Total accumulated depreciation	44,438,478	3,088,029	510,685	47,015,822
Total capital assets, being depreciated, net	56,841,495	636,119	64,044	57,413,570
Governmental activities capital assets, net	\$101,534,791	\$7,314,778	\$2,310,512	\$106,539,057
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$213,860	\$397,672	\$ -	\$611,532
Construction in progress	303,960	2,833,021	259,435	2,877,546
Total capital assets, not being depreciated	517,820	3,230,693	259,435	3,489,078
Capital assets, being depreciated:				
Buildings	9,270,810	-	-	9,270,810
Improvements other than buildings	52,734,374	646,968	-	53,381,342
Machinery and equipment	2,612,231	-	-	2,612,231
Total capital assets, being depreciated	64,617,416	646,968	0	65,264,383
Less accumulated depreciation for:				
Buildings	5,698,264	255,826	-	5,954,090
Improvements other than buildings	21,576,096	1,075,408	-	22,651,504
Machinery and equipment	1,721,904	76,371	-	1,798,275
Total accumulated depreciation	28,996,263	1,407,605	0	30,403,869
Total capital assets, being depreciated, net	35,621,153	(760,637)	0	34,860,514
Business-type activities capital assets, net	\$36,138,973	\$2,470,056	\$259,435	\$38,349,592

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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

Governmental activities:	
General government	\$231,901
Public safety	320,456
Public works	1,906,216
Parks and recreation	629,456
Total depreciation expense - governmental activities	<u>\$3,088,029</u>
Business-type activities:	
Water	\$688,110
Sewer	326,200
Storm water	393,295
Total depreciation expense - business-type activities	<u>\$1,407,605</u>

Note 7 CONSTRUCTION COMMITMENTS

The City has an active construction project as of December 31, 2021. At year end the City's commitment with the contractor is as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Dean Ave Improvement	\$733,823	\$16,665
Maryland Ave/Brooklyn Heights	871,742	35,998
Hidden Oaks/Woods Tri	205,633	812,457
Miss Pt Park-Pavilion/Amphitheatre	2,209,640	4,484,731
Fiber Communication Extension	158,148	21,412
Area 5T Storm Sewer Improvements	205,633	1,450

Note 8 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.

For the current year, principal and interest paid and total property tax revenues were \$576,958 and \$611,278 respectively.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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%	\$2,645,000
Improvement, equipment, and utility	1.00 - 2.00%	8,690,000

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

Year Ending 31-Dec	Principal	Interest
2022	\$870,000	\$198,971
2023	950,000	180,771
2024	965,000	161,349
2025	985,000	141,021
2026	1,010,000	119,378
2027-2036	6,555,000	447,420
Total	<u>\$11,335,000</u>	<u>\$1,248,911</u>

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, 2021, there were four series of Revenue Bonds outstanding with an aggregate principal amount payable of \$60,417,093.

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	\$2,645,000	\$473,256	\$497,619
2020 Equipment Certificates	Equipment	Property Taxes	100%		2020-2036	1,475,000	23,095	115,321
2020A Improvement	Infrastructure	Special assessments	100%		2020-2036	4,810,000	75,350	828,575
2020A Utility	Storm water Improvements	Storm Water net revenue	100%	45%	2020-2036	2,405,000	37,694	95,654

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$9,340,000	\$ -	\$410,000	\$8,930,000	\$745,000
Issuance discounts/premiums	399,534	-	31,950	367,584	-
Total bonds payable	9,739,534	0	441,950	9,297,584	745,000
Compensated absences	616,709	1,854,938	1,823,490	648,157	120,394
Net OPEB liability	1,004,763	-	178,156	826,607	-
Capital leases	99,102	73,845	23,264	149,683	28,165
Net pension liability	6,254,015	-	2,044,975	4,209,040	-
Governmental activity long-term liabilities	<u>\$17,714,123</u>	<u>\$1,928,783</u>	<u>\$4,511,835</u>	<u>\$15,131,071</u>	<u>\$893,559</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$2,405,000	\$0	\$0	\$2,405,000	\$125,000
Issuance Discounts/premiums	129,933	-	8,859	121,074	-
Compensated absences	28,869	44,252	34,261	38,860	-
Net OPEB liability	116,137	-	10,682	105,455	-
Business-type activities long-term liabilities	<u>\$2,682,892</u>	<u>\$44,252</u>	<u>\$53,802</u>	<u>\$2,670,389</u>	<u>\$125,000</u>

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.

In 2020, the City entered into lease agreements for four vehicles. The agreement calls for total monthly payments of \$1,892 with each maturing in 60 months, with average interest rate of 1.3%. Depreciation in the amount of \$17,337 has been recorded as depreciation expense during 2021.

In 2021, the City entered into lease agreements for four vehicles. The agreements call for monthly payments of \$1,252 with each maturing in 60 months, with an average interest rate of 6.44%. Depreciation in the amount of \$45,891 has been recorded as depreciation expense during 2021.

The net book value of assets under the capital lease at December 31, 2021 is as follows:

Equipment	\$246,020
Accumulated depreciation	<u>(58,343)</u>
Net book value	<u>\$187,677</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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The following is a schedule of the future minimum lease payments under the capital lease:

<u>Year Ending</u> <u>December 31</u>	<u>Payment</u>
2022	\$37,726
2023	37,726
2024	37,726
2025	49,001
2026	12,253
Total minimum lease payments	174,432
Less: amount representing interest & fees	<u>(24,749)</u>
Present value of minimum lease payments	<u>149,683</u>

Note 9 **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. GERS 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% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

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. GERP Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2021 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERP for the year ended December 31, 2021 were \$316,477. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70%. The City's contributions to the PEPFF for the year ended December 31, 2021 were \$472,012. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

1. GERP Pension Costs

At December 31, 2021, the City reported a liability of \$2,485,401 for its proportionate share of GERP'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 \$75,928. The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0582% at the end of the measurement period and 0.0550% for the beginning of the period.

City's proportionate share of the net pension liability	\$2,485,401
State of Minnesota's proportionate share of the net pension liability associated with the City	75,928
Total	<u><u>\$2,561,329</u></u>

For the year ended December 31, 2021, the City recognized pension expense of \$60,405 for its proportionate share of the GERP's pension expense. In addition, the City recognized an additional \$6,126 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP.

CITY OF CHAMPLIN, MINNESOTA
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At December 31, 2021, the City reported its proportionate share of the GERS'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	\$15,689	\$76,060
Changes in actuarial assumptions	1,517,534	55,459
Net collective between projected and actual investment earnings	-	2,156,286
Changes in proportion	166,544	-
Contributions paid to PERA subsequent to the measurement date	168,192	-
Total	<u>\$1,867,959</u>	<u>\$2,287,805</u>

The \$168,192 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2022	(\$43,678)
2023	17,806
2024	24,923
2025	(587,089)
2026	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2021, the City reported a liability of \$1,723,639 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2021 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2233% at the end of the measurement period and 0.2243% for the beginning of the period.

CITY OF CHAMPLIN, MINNESOTA
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The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2021. 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 direct state aid was paid on October 1, 2020. 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. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

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, 2021, the City recognized pension expense of \$(176.119) for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$14,110 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 also recognized \$20,097 for the year ended December 31, 2021 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, 2021, 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	\$330,996	\$0
Changes in actuarial assumptions	2,533,298	948,990
Difference between projected and actual investment earnings	-	3,292,864
Changes in proportion	64,552	113,017
Contributions paid to PERA subsequent to the measurement date	256,354	-
Total	<u>\$3,185,200</u>	<u>\$4,354,871</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

The \$256,354 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2022	(\$1,207,299)
2023	(230,492)
2024	(197,025)
2025	(343,988)
2026	552,779
Thereafter	-

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

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2021 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	6.50%

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 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Salary growth assumptions in the GERS range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. 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 GERS 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. Cost of living benefit increases after retirement are assumed to be 1.25% per year for GERS and 1.0% per year for PEPFF.

Actuarial assumptions for GERS are reviewed every four years. The most recent four-year experience study for GERS was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 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.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

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.

Police and Fire Fund

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.
- 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%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2021 was 6.5%. 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 the PEPFF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City's Proportionate share of the GERF net pension liability	\$5,068,949	\$2,485,401	\$365,442
City's Proportionate share of the PEPFF net pension liability	\$5,472,263	\$1,723,639	(\$1,349,304)

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, 2021 is as follows:

GERF	\$66,531
PEPFF	(162,009)
Total	<u><u>(\$95,478)</u></u>

Note 10 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, 2021, retirees contributed approximately \$26,573 and the City contributed \$13,434. Active employees do not contribute to the plan until retirement.

C. PARTICIPANTS

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	3
Active employees	78
Spouses receiving payments	1
Total	<u>82</u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$932,062 was measured as of January 1, 2021, and was determined by an actuarial valuation dated January 1, 2021. Changes in the total OPEB liability during 2021 were:

Balances at January 1, 2021	<u>\$1,120,899</u>
Service cost	67,715
Interest cost	33,741
Assumption changes	17,653
Differences between expected and actual experience	(257,315)
Benefit payments	<u>(50,631)</u>
Total net changes	<u>(188,837)</u>
Balances at December 31, 2021	<u><u>\$932,062</u></u>

There were no plan changes since the measurement date of January 1, 2021.

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 day
Amortization method	Average of expected remaining service on a closed basis
Inflation rate	2.00%
Projected salary increases	Increase rates vary by service and contract group
Discount rate	2.00%
20-year municipal bond yield	2.00%

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, 2021 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.

Changes in assumptions and other inputs since the prior measurements date reflect a change in the discount rate from 2.90% to 2.00%.

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 (1.00%) or 1% higher (3.00%) than the current discount rate:

	1% Decrease (1.0%)	Discount Rate (2.0%)	1% Increase (3.0%)
Total OPEB liability	\$1,005,555	\$932,062	\$862,713

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:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$825,350	\$932,062	\$1,058,561

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

For the year ended December 31, 2021, the City recognized \$83,259 of OPEB expense. At December 31, 2021, 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	\$44,600	\$220,555
Changes in actuarial assumptions	66,239	6,987
Contributions subsequent to the measurement date	38,529	-
Total	<u>\$149,368</u>	<u>\$227,542</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

\$38,529 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, 2021. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense Amount
2022	(\$18,197)
2023	(18,197)
2024	(18,197)
2025	(18,197)
2026	(18,197)
Thereafter	(25,718)

Note 11 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.

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 have been awarded as of December 31, 2021.

Note 12 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.

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 13 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.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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 14 FUND RECLASSIFICATION

Effective January 1, 2020 the City reclassified the Storm Water Fund from a Capital Project fund to an Enterprise fund. As a result of this reclassification, beginning net position / fund balance of the governmental funds, Governmental Activities and Business-type Activities has been adjusted as follows:

	Fund Financial Statements	Government-Wide Financial Statements	
		Governmental Activities	Business-type Activities
Net position / fund balance - December 31, 2019	\$27,300,084	\$130,965,301	\$47,807,889
Cumulative effect to convert from the modified accrual basis of accounting to the full accrual basis of accounting	(139,675)	-	-
Reclassification from governmental activities to business-	-	(15,477,481)	15,477,481
Net position / fund balance - January 1, 2020	<u>\$27,160,409</u>	<u>\$115,487,820</u>	<u>\$63,285,370</u>

Note 15 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. 87 *Leases*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 92 *Omnibus 2020*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 93 *Replacement of Interbank Offered Rates*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2020.

Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 *Subscription – Based Information Technology Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 16 SUBSEQUENT EVENTS

Subsequent events have been evaluated for recognition or disclosure through April 26, 2022 the date the financial statements were available to be issued.

Note 17 PRIOR PERIOD ADJUSTMENTS

During 2021, adjustments to prior year financial statements were made for capital asset adjustments to previously expensed costs related to water meters. A summary of these adjustments are as follows:

	Water Fund	Business-type Activities
Net position - December 31, 2020 as previously reported	\$29,631,656	\$60,882,398
Capital asset adjustments	630,119	630,119
Net position - January 1, 2021 as restated	<u>\$30,261,775</u>	<u>\$61,512,517</u>

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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, 2021

Statement 11

	2018	2019	2020	2021
Total OPEB liability:				
Service cost	\$49,048	\$59,967	\$72,951	\$67,715
Interest	28,239	30,060	39,320	33,741
Assumption changes	-	(11,181)	68,145	17,653
Differences between expected and actual experience	-	71,360	-	(257,315)
Benefit payments	(29,535)	(36,577)	(42,224)	(50,631)
Net change in total OPEB liability	47,752	113,629	138,192	(188,837)
Total OPEB liability - beginning	821,326	869,078	982,707	1,120,899
Total OPEB liability - ending	\$869,078	\$982,707	\$1,120,899	\$932,062
Covered-employee payroll	\$5,655,193	\$6,005,486	\$6,185,651	\$6,571,046
Total OPEB liability as a percentage of covered-employee payroll	15.4%	16.4%	16.4%	14.2%

* 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.

See accompanying notes to the required supplementary information.

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST 10 YEARS*)

Statement 12**SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES GENERAL RETIREMENT FUND PENSION PLAN**

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%

*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.

See accompanying notes to the required supplementary information.

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 13

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Position Liability	City's Proportionate Share (Amount) of the Net Pension Liability (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%

*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.

See accompanying notes to the required supplementary information.

CITY OF CHAMPLIN, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)****Statement 14****SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN**

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%

*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.

See accompanying notes to the required supplementary information.

CITY OF CHAMPLIN, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)****Statement 15****SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY -****PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN**

Measurement Date	Fiscal Year Ending	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	City's Covered Payroll (b)	City's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Pension Liability
June 30, 2015	December 31, 2015	0.2390%	\$2,715,599	\$2,126,518	127.70%	86.61%
June 30, 2016	December 31, 2016	0.2400%	9,631,618	2,313,087	416.40%	63.88%
June 30, 2017	December 31, 2017	0.2260%	3,051,269	2,315,291	131.79%	85.43%
June 30, 2018	December 31, 2018	0.2146%	2,287,415	2,262,007	101.12%	88.80%
June 30, 2019	December 31, 2019	0.2252%	2,397,481	2,376,297	100.89%	89.30%
June 30, 2020	December 31, 2020	0.2243%	2,956,514	2,530,487	116.84%	87.20%
June 30, 2021	December 31, 2021	0.2233%	1,723,639	2,638,829	65.32%	93.70%

*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.

See accompanying notes to the required supplementary information.

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.

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

2021 Changes

Changes in Actuarial Assumptions

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

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were 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.

Changes in Plan Provisions:

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

2019 Changes

Changes in Actuarial Assumptions

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

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

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.

2017 Changes

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and 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

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

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality 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.
- 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

Changes in Actuarial Assumptions:

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in the Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

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

2017 Changes

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 has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.

- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes

Changes in Actuarial Assumptions:

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

**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.

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, 2021

	Special Revenue			
	Grant Fund	Police Forfeiture	Communications	Economic Development Authority
Assets				
Cash and investments	\$972,932	\$24,803	\$161,148	\$767,191
Receivables:				
Accounts	-	-	-	-
Special assessments	-	-	-	-
Taxes	-	-	-	5,738
Interest	-	-	413	1,968
Due from other governmental units	-	-	-	-
Prepayments	-	-	6,695	-
Real estate held for resale	-	-	-	-
Total assets	\$972,932	\$24,803	\$168,256	\$774,897
Liabilities				
Accounts payable	\$ -	\$425	\$342	\$2,605
Accrued salaries and withholdings payable	-	-	-	-
Due to other funds	-	-	-	-
Contracts payable - retained percentage	-	-	-	-
Due to other governmental units	-	-	-	40
Unearned revenue	972,932	-	-	-
Deposits	-	5,433	-	7,825
Total liabilities	972,932	5,858	342	10,470
Deferred inflows of resources:				
Unavailable revenue	-	-	-	1,347
Fund balance:				
Nonspendable:				
Prepayments	-	-	6,695	-
Perpetual care	-	-	-	-
Restricted:				
Perpetual care	-	-	-	-
Public safety	-	18,945	-	-
Recreation scholarships	-	-	-	-
Real estate held for resale	-	-	-	-
Committed:				
Technology	-	-	161,219	-
Ice forum	-	-	-	-
Assigned	-	-	-	763,080
Total fund balance	0	18,945	167,914	763,080
Total liabilities, deferred inflows of resources and fund balance	\$972,932	\$24,803	\$168,256	\$774,897

Special Revenue		Capital Projects				Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Scholarship	Total	Street Light	Capital Equipment	Infrastructure Replacement	Total		
\$5,783	\$1,931,857	\$1,934,905	\$2,964,422	\$1,159,502	\$6,058,829	\$101,112	\$8,091,798
-	-	47,978	-	-	47,978	-	47,978
-	-	1,499	-	-	1,499	-	1,499
-	5,738	-	-	-	-	-	5,738
-	2,381	3,919	7,293	2,973	14,185	259	16,825
-	-	-	-	-	-	-	-
-	6,695	-	-	-	-	-	6,695
-	-	-	-	-	-	-	-
<u>\$5,783</u>	<u>\$1,946,671</u>	<u>\$1,988,301</u>	<u>\$2,971,715</u>	<u>\$1,162,475</u>	<u>\$6,122,491</u>	<u>\$101,371</u>	<u>\$8,170,533</u>
\$ -	\$3,372	\$12,671	\$19,107	\$ -	\$31,778	\$ -	\$35,150
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,185	-	-	2,185	-	2,185
-	40	4,119	-	-	4,119	-	4,159
-	972,932	-	-	-	-	-	972,932
-	13,258	-	-	-	-	-	13,258
<u>0</u>	<u>989,602</u>	<u>18,975</u>	<u>19,107</u>	<u>0</u>	<u>38,082</u>	<u>0</u>	<u>1,027,684</u>
-	1,347	-	-	-	-	-	1,347
-	6,695	-	-	-	-	-	6,695
-	-	-	-	-	-	98,471	98,471
-	-	-	-	-	-	2,900	2,900
-	18,945	-	-	-	-	-	18,945
5,783	5,783	-	-	-	-	-	5,783
-	-	-	-	-	-	-	-
-	161,219	-	-	-	-	-	161,219
-	-	-	-	-	-	-	-
-	763,080	1,969,326	2,952,608	1,162,475	6,084,409	-	6,847,489
<u>5,783</u>	<u>955,722</u>	<u>1,969,326</u>	<u>2,952,608</u>	<u>1,162,475</u>	<u>6,084,409</u>	<u>101,371</u>	<u>7,141,502</u>
<u>\$5,783</u>	<u>\$1,946,671</u>	<u>\$1,988,301</u>	<u>\$2,971,715</u>	<u>\$1,162,475</u>	<u>\$6,122,491</u>	<u>\$101,371</u>	<u>\$8,170,533</u>

CITY OF CHAMPLIN, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2021

	Special Revenue			
	Grant Fund	Police Forfeiture	Communications	Economic Development Authority
Revenues:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$470,760
Special assessments	-	-	-	-
Intergovernmental	407,740	-	-	7
Charges for services	-	-	-	-
Investment income	-	-	1,519	10,011
Net increase (decrease) in the fair value of investments	-	-	(2,283)	(10,871)
Other revenues:				
Miscellaneous	-	5,607	-	24,626
Contributions	-	-	20,000	-
Total revenues	<u>407,740</u>	<u>5,607</u>	<u>19,236</u>	<u>494,533</u>
Expenditures:				
Current:				
General government	-	-	20,725	305,844
Public safety	-	18,690	-	-
Public works	-	-	-	-
Park and recreation	-	-	-	-
Capital outlay	-	-	-	50,000
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>0</u>	<u>18,690</u>	<u>20,725</u>	<u>355,844</u>
Revenues over (under) expenditures	<u>407,740</u>	<u>(13,083)</u>	<u>(1,489)</u>	<u>138,689</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(407,740)	-	-	(55,700)
Proceeds from sale of capital asset	-	-	-	-
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Capital lease issued	-	-	-	-
Total other financing sources (uses)	<u>(407,740)</u>	<u>0</u>	<u>0</u>	<u>(55,700)</u>
Net increase (decrease) in fund balance	0	(13,083)	(1,489)	82,989
Fund balance (deficit) - January 1	-	32,028	169,403	680,091
Fund balance (deficit) - December 31	<u>\$0</u>	<u>\$18,945</u>	<u>\$167,914</u>	<u>\$763,080</u>

Special Revenue		Capital Projects				Permanent Fund	Total
Scholarship	Total	Street Light	Capital Equipment	Infrastructure Replacement	Total	Cemetery Perpetual Care	Nonmajor Governmental Funds
\$ -	\$470,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$470,760
-	-	658	-	-	658	-	658
-	407,747	-	-	-	-	-	407,747
-	-	430,959	-	-	430,959	6,290	437,249
-	11,530	14,915	26,712	10,751	52,378	941	64,849
-	(13,154)	(21,660)	(40,305)	(16,430)	(78,395)	(1,433)	(92,982)
-	30,233	2,962	-	-	2,962	-	33,195
-	20,000	-	-	-	-	-	20,000
0	927,116	427,834	(13,593)	(5,679)	408,562	5,798	1,341,476
-	326,569	-	41,141	-	41,141	-	367,710
-	18,690	-	44,053	-	44,053	-	62,743
-	-	341,199	24,504	-	365,703	-	365,703
-	-	-	-	-	-	-	-
-	50,000	432,378	338,791	-	771,169	-	821,169
-	-	-	23,264	-	23,264	-	23,264
-	-	-	10,569	-	10,569	-	10,569
0	395,259	773,577	482,322	0	1,255,899	0	1,651,158
0	531,857	(345,743)	(495,915)	(5,679)	(847,337)	5,798	(309,682)
-	-	716,337	1,130,000	-	1,846,337	-	1,846,337
-	(463,440)	-	(135,000)	(14,910)	(149,910)	(4,300)	(617,650)
-	-	-	13,725	-	13,725	-	13,725
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
0	(463,440)	716,337	1,082,570	(14,910)	1,783,997	(4,300)	1,316,257
0	68,417	370,594	586,655	(20,589)	936,660	1,498	1,006,575
5,783	887,305	1,598,732	2,365,953	1,183,064	5,147,749	99,873	6,134,927
\$5,783	955,722	\$1,969,326	\$2,952,608	\$1,162,475	\$6,084,409	\$101,371	\$7,141,502

CITY OF CHAMPLIN, MINNESOTA**SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT AUTHORITY****Statement 18****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -****BUDGET AND ACTUAL**

For The Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$475,900	\$475,900	\$470,760	(\$5,140)
Intergovernmental	-	-	7	7
Fees/program revenues	-	-	-	-
Investment income	5,200	5,200	10,011	4,811
Net increase (decrease) in the fair value of investments	-	-	(10,871)	(10,871)
Miscellaneous	24,000	24,000	24,626	626
Total revenues	<u>505,100</u>	<u>505,100</u>	<u>494,533</u>	<u>(10,567)</u>
Expenditures:				
Current:				
Personal services	247,400	247,400	236,156	11,244
Supplies	1,000	1,000	433	567
Other services and charges	75,900	75,900	69,255	6,645
Capital outlay	60,000	60,000	50,000	10,000
Total expenditures	<u>384,300</u>	<u>384,300</u>	<u>355,844</u>	<u>28,456</u>
Revenues over (under) expenditures	120,800	120,800	138,689	17,889
Other financing sources (uses):				
Transfers out	<u>(55,700)</u>	<u>(55,700)</u>	<u>(55,700)</u>	<u>-</u>
Net change in fund balance	<u>\$65,100</u>	<u>\$65,100</u>	82,989	<u>\$17,889</u>
Fund balance - January 1			<u>680,091</u>	
Fund balance - December 31			<u>\$763,080</u>	

CITY OF CHAMPLIN, MINNESOTA**SPECIAL REVENUE FUND - COMMUNICATIONS****Statement 19****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -****BUDGET AND ACTUAL**

For The Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$1,000	\$1,000	\$1,519	\$519
Net increase (decrease) in the fair value of investments	-	-	(2,283)	-
Other revenues:				
Contributions	20,000	20,000	20,000	-
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>19,236</u>	<u>519</u>
Expenditures:				
Current:				
Other services and charges	<u>73,100</u>	<u>73,100</u>	<u>20,725</u>	<u>52,375</u>
Total expenditures	<u>73,100</u>	<u>73,100</u>	<u>20,725</u>	<u>52,375</u>
Revenues over (under) expenditures	<u>(\$52,100)</u>	<u>(\$52,100)</u>	<u>(1,489)</u>	<u>(\$51,856)</u>
Fund balance - January 1			<u>169,403</u>	
Fund balance - December 31			<u>\$167,914</u>	

CITY OF CHAMPLIN, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021

Statement 20

	Insurance	GIS	Employee Benefits	Compensated Absences	Total
Assets					
Cash and cash equivalents	\$224,216	\$29,210	\$ -	\$646,565	\$899,991
Receivables:					
Accounts	-	-	-	-	-
Interest	575	-	-	1,592	2,167
Prepayments	9,000	-	-	-	9,000
Total assets	<u>233,791</u>	<u>29,210</u>	<u>0</u>	<u>648,157</u>	<u>911,158</u>
Deferred outflows of resources - pension related	<u>-</u>	<u>-</u>	<u>5,053,162</u>	<u>-</u>	<u>5,053,162</u>
Liabilities					
Current liabilities:					
Accounts payable	1,372	7,461	-	-	8,833
Accrued salaries and withholdings payable	-	-	-	-	-
Compensated absences	-	-	-	120,394	120,394
Noncurrent liabilities:					
Compensated absences	-	-	-	527,763	527,763
Net pension liability	-	-	4,209,040	-	4,209,040
Total liabilities	<u>1,372</u>	<u>7,461</u>	<u>4,209,040</u>	<u>648,157</u>	<u>4,866,030</u>
Deferred inflows of resources - pension related	<u>-</u>	<u>-</u>	<u>6,642,676</u>	<u>-</u>	<u>6,642,676</u>
Net position:					
Unrestricted	232,419	21,749	(5,798,554)	0	(5,544,386)
Total net position	<u>\$232,419</u>	<u>\$21,749</u>	<u>(\$5,798,554)</u>	<u>\$0</u>	<u>(\$5,544,386)</u>

CITY OF CHAMPLIN, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

For The Year December 31, 2021

Statement 21

	Insurance	GIS	Employee Benefits	Compensated Absences	Total
Operating revenues:					
Charges for services:					
Customer service	\$417,900	\$102,996	\$788,489	\$ -	\$1,309,385
Operating expenses:					
Personal services	14,284	35,486	(95,478)	5,692	(40,016)
Other services and charges	441,116	64,476	-	-	505,592
Total operating expenses	455,400	99,962	(95,478)	5,692	465,576
Net income (loss) from operations	(37,500)	3,034	883,967	(5,692)	843,809
Nonoperating revenues (expenses):					
Intergovernmental	-	-	40,333	-	40,333
Investment income	2,190	-	-	5,760	7,950
Net increase (decrease) in the fair value of investments	(3,177)	-	-	(8,797)	(11,974)
Miscellaneous revenue	58,537	-	-	-	58,537
Total nonoperating revenues (expenses)	57,550	0	40,333	(3,037)	94,846
Net income before transfers	20,050	3,034	924,300	(8,729)	938,655
Transfers					
Transfers in:					
General fund	-	-	-	-	-
Total transfers in	0	0	0	0	0
Change in net position	20,050	3,034	924,300	(8,729)	938,655
Total net position - January 1	212,369	18,715	(6,722,854)	8,729	(6,483,041)
Total net position - December 31	\$232,419	\$21,749	(\$5,798,554)	\$0	(\$5,544,386)

CITY OF CHAMPLIN, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2021

Statement 22

	Insurance	GIS	Employee Benefits	Compensated Absences	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$417,900	\$102,996	\$788,489	\$ -	\$1,309,385
Payments to suppliers	(439,744)	(61,166)	-	-	(500,910)
Payments to employees	(14,284)	(35,486)	(828,822)	25,755	(852,837)
Miscellaneous revenue	58,537	-	40,333	-	98,870
Net cash flows from operating activities	22,409	6,344	0	25,755	54,508
Cash flows from investing activities:					
Investment income	(787)	-	-	(2,539)	(3,326)
Net increase (decrease) in cash and cash equivalents	21,622	6,344	-	23,216	51,182
Cash and cash equivalents - January 1	202,594	22,866	-	623,349	848,809
Cash and cash equivalents - December 31	\$224,216	\$29,210	\$0	\$646,565	\$899,991
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	(37,500)	3,034	883,967	(5,692)	843,809
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Miscellaneous revenue	58,537	-	40,333	-	98,870
Decrease (Increase) in accounts receivable	0	-	-	-	-
Decrease (Increase) in prepayments	0	-	-	-	-
Increase (decrease) in accounts payable	1,372	3,310	-	-	4,682
Increase (decrease) in accrued salaries and withholdings payable	-	-	-	-	-
Increase (decrease) in compensated absences payable	-	-	-	31,447	31,447
Decrease (increase) in deferred outflow of resources	-	-	(3,203,922)	-	(3,203,922)
Increase (decrease) in pension liability	-	-	(2,044,975)	-	(2,044,975)
Increase (decrease) in deferred inflows of resources	-	-	4,324,597	-	4,324,597
Total adjustments	59,909	3,310	(883,967)	31,447	(789,301)
Net cash provided (used) by operating activities	\$22,409	\$6,344	\$0	\$25,755	\$54,508

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	Page
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>	110
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	122
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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>	136
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>	138

CITY OF CHAMPLIN, MINNESOTA**NET POSITION**

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$90,045,106	\$90,403,890	\$90,563,947	\$92,656,080
Restricted	1,076,260	858,462	889,436	394,355
Unrestricted	25,211,745	24,543,165	26,111,981	23,272,520
Total governmental activities net position	<u>\$116,333,111</u>	<u>\$115,805,517</u>	<u>\$117,565,364</u>	<u>\$116,322,955</u>
Business-type activities:				
Net investment in capital assets	\$18,920,896	\$18,227,264	\$18,686,727	\$18,141,341
Unrestricted	23,473,439	23,771,984	23,630,143	24,536,642
Total business-type activities net position	<u>\$42,394,335</u>	<u>\$41,999,248</u>	<u>\$42,316,870</u>	<u>\$42,677,983</u>
Primary government:				
Net investment in capital assets	\$108,966,002	\$108,631,154	\$109,250,674	\$110,797,421
Restricted	1,076,260	858,462	889,436	394,355
Unrestricted	48,685,184	48,315,149	49,742,124	47,809,162
Total primary government net position	<u>\$158,727,446</u>	<u>\$157,804,765</u>	<u>\$159,882,234</u>	<u>\$159,000,938</u>

Table 1

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$95,670,891	\$102,197,175	\$101,839,522	\$106,572,591	\$93,262,850	\$97,091,790
458,392	1,866,238	2,219,533	2,064,223	2,013,325	2,503,327
22,237,666	17,747,866	20,399,336	22,328,487	32,872,261	35,776,145
<u>\$118,366,949</u>	<u>\$121,811,279</u>	<u>\$124,458,391</u>	<u>\$130,965,301</u>	<u>\$128,148,436</u>	<u>\$135,371,262</u>
\$18,255,056	\$19,260,634	\$19,776,458	\$19,671,420	\$34,571,658	\$35,823,518
26,224,739	27,511,331	27,497,343	28,136,469	26,310,740	28,058,619
<u>\$44,479,795</u>	<u>\$46,771,965</u>	<u>\$47,273,801</u>	<u>\$47,807,889</u>	<u>\$60,882,398</u>	<u>\$63,882,137</u>
\$113,925,947	\$121,457,809	\$121,615,980	\$126,244,011	\$127,834,508	\$132,915,308
458,392	1,866,238	2,219,533	2,064,223	2,013,325	2,503,327
48,462,405	45,259,197	47,896,679	50,464,956	59,183,001	63,834,764
<u>\$162,846,744</u>	<u>\$168,583,244</u>	<u>\$171,732,192</u>	<u>\$178,773,190</u>	<u>\$189,030,834</u>	<u>\$199,253,399</u>

CITY OF CHAMPLIN, MINNESOTA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$7,952,752	\$2,969,642	\$2,595,198	\$2,917,903
Public safety	4,602,246	4,805,531	4,990,578	5,156,564
Public works	15,526,324	5,086,973	5,431,758	6,487,068
Parks and recreation	1,689,638	1,626,421	1,785,290	2,260,221
Interest on long-term debt	381,271	399,116	418,508	400,805
Total governmental activities expenses	30,152,231	14,887,683	15,221,332	17,222,561
Business-type activities:				
Water	1,722,819	1,912,132	2,008,753	2,032,333
Sewer	2,026,538	2,123,142	2,207,092	2,244,719
Refuse	1,232,726	1,230,068	1,297,049	1,316,819
Recycling	392,048	388,824	411,268	409,145
Storm water	-	-	-	-
Total business-type activities expenses	5,374,131	5,654,166	5,924,162	6,003,016
Total primary government expenses	\$35,526,362	\$20,541,849	\$21,145,494	\$23,225,577
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$1,401,815	\$1,207,167	\$1,621,903	\$1,062,899
Public safety	586,099	641,493	673,739	868,543
Public works	4,009,914	916,890	786,449	2,717,076
Parks and recreation	755,309	732,442	764,529	1,423,969
Operating grants and contributions	591,411	775,137	558,334	690,058
Capital grants and contributions	481,618	720,509	1,136,845	2,139,176
Total governmental activities program revenues	7,826,166	4,993,638	5,541,799	8,901,721
Business-type activities:				
Water	2,381,292	2,208,397	1,911,066	2,227,928
Sewer	2,393,104	2,507,145	2,572,434	2,604,958
Refuse	1,367,484	1,365,882	1,374,443	1,364,430
Recycling	341,736	343,234	350,968	352,420
Storm water	-	-	-	-
Operating grants and contributions	54,621	54,685	54,820	65,240
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	6,538,237	6,479,343	6,263,731	6,614,976
Total primary government program revenues	\$14,364,403	\$11,472,981	\$11,805,530	\$15,516,697
Net (expense) revenue				
Governmental activities	(\$22,326,065)	(\$9,894,045)	(\$9,679,533)	(\$8,320,840)
Business-type activities	1,164,106	825,177	339,569	611,960
Total primary government net revenue (expense)	(\$21,161,959)	(\$9,068,868)	(\$9,339,964)	(\$7,708,880)

Table 2
Page 1 of 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$2,511,888	\$5,069,725	\$5,149,232	\$3,748,911	\$3,541,101	\$2,723,427
6,769,313	5,174,933	5,523,728	4,909,665	6,275,899	5,540,663
6,610,898	8,919,506	10,600,434	7,090,174	4,633,805	5,058,001
1,839,951	1,806,974	1,859,900	2,823,112	1,729,745	2,064,972
289,922	118,899	78,615	77,010	236,359	100,648
18,021,972	21,090,037	23,211,909	18,648,872	16,416,909	15,487,711
1,872,649	1,950,458	2,009,199	2,106,801	4,852,267	2,733,287
2,334,758	2,300,505	2,487,739	2,646,048	2,883,320	2,799,448
1,154,620	1,144,636	1,222,351	1,215,414	1,330,505	1,315,827
405,101	415,155	424,193	426,096	456,790	474,301
-	-	-	-	1,140,530	1,153,196
5,767,128	5,810,754	6,143,482	6,394,359	10,663,412	8,476,059
\$23,789,100	\$26,900,791	\$29,355,391	\$25,043,231	\$27,080,321	\$23,963,770
\$883,305	\$1,722,051	\$1,619,714	\$1,561,484	\$416,400	\$741,554
975,132	999,078	761,641	609,652	854,627	701,211
3,565,846	3,836,434	2,295,852	1,530,621	1,034,332	931,860
1,717,560	1,341,800	818,241	1,110,869	1,187,848	1,930,817
669,021	682,199	4,239,627	2,275,278	2,536,380	659,873
1,153,130	3,359,202	1,338,789	3,370,002	4,982,219	5,093,799
8,963,994	11,940,764	11,073,864	10,457,906	11,011,806	10,059,114
3,205,934	2,531,693	2,552,519	2,247,183	2,262,429	2,652,212
2,808,093	2,790,645	2,814,478	2,870,465	2,699,054	3,271,862
1,275,663	1,281,529	1,377,964	1,409,677	1,377,025	1,478,928
353,287	356,473	339,185	370,171	379,561	419,552
-	-	-	-	708,239	812,408
61,112	55,931	47,816	40,927	369,615	385,500
-	1,429,517	1,041,251	-	1,446,530	512,996
7,704,089	8,445,788	8,173,213	6,938,423	9,242,453	9,533,458
\$16,668,083	\$20,386,552	\$19,247,077	\$17,396,329	\$20,254,259	\$19,592,572
(\$9,057,978)	(\$9,149,273)	(\$12,138,045)	(\$8,190,966)	(5,405,103)	(5,428,597)
1,936,961	2,635,034	2,029,731	544,064	(1,420,959)	1,057,399
(\$7,121,017)	(\$6,514,239)	(\$10,108,314)	(\$7,646,902)	(\$6,826,062)	(\$4,371,198)

CITY OF CHAMPLIN, MINNESOTA**CHANGES IN NET POSITION**

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$7,769,371	\$8,563,970	\$8,782,135	\$8,808,587
Tax increments	2,874,796	154,263	170,241	166,053
Other taxes	650,611	653,246	655,089	659,617
Unrestricted grants and contributions	2,019	204	237,632	230,332
Gain (loss) on sale of capital asset	14,440	132,155	5,140	1,659,982
Investment earnings	296,918	(685,732)	1,094,079	392,463
Insurance reimbursements	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	2,298,518	548,345	(586,776)	494,881
Total governmental activities	<u>13,906,673</u>	<u>9,366,451</u>	<u>10,357,540</u>	<u>12,411,915</u>
Business-type activities:				
Investment earnings	321,139	(676,519)	1,059,893	244,034
Miscellaneous	-	-	-	-
Gain (loss) on sale of capital asset	-	-	-	-
Transfers	(2,298,518)	(548,345)	-	(494,881)
Total business-type activities	<u>(1,977,379)</u>	<u>(1,224,864)</u>	<u>1,059,893</u>	<u>(250,847)</u>
Total primary government	<u>\$11,929,294</u>	<u>\$8,141,587</u>	<u>\$11,417,433</u>	<u>\$12,161,068</u>
Change in Net Position				
Governmental activities	(\$8,419,392)	(\$527,594)	\$678,007	\$4,091,075
Business-type activities	(813,273)	(399,687)	1,399,462	361,113
Total primary government	<u>(\$9,232,665)</u>	<u>(\$927,281)</u>	<u>\$2,077,469</u>	<u>\$4,452,188</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$9,042,111	\$9,617,649	\$10,201,173	\$10,777,092	\$11,571,475	\$12,205,616
179,938	209,762	201,239	202,508	355,194	509,983
848,293	924,529	956,540	973,447	996,905	1,040,590
233,819	-	-	-	-	-
9,100	-	2,140	-	1,742,642	-
204,875	383,329	338,645	830,093	642,364	(204,034)
-	240,766	-	-	-	-
-	479,767	1,106,930	1,026,916	697,094	407,926
583,836	737,801	1,978,490	887,820	2,199,720	(1,308,658)
11,101,972	12,593,603	14,785,157	14,697,876	18,205,394	12,651,423
448,687	317,619	373,168	793,586	582,180	(117,254)
-	77,318	77,427	84,258	628,342	120,817
-	-	-	-	7,185	-
(583,836)	(737,801)	(1,978,490)	(887,820)	(2,199,720)	1,308,658
(135,149)	(342,864)	(1,527,895)	(9,976)	(982,013)	1,312,221
\$10,966,823	\$12,250,739	\$13,257,262	\$14,687,900	\$17,223,381	\$13,963,644
\$2,043,994	\$3,444,330	\$2,647,112	\$6,506,910	\$12,800,291	\$7,222,826
1,801,812	2,292,170	501,836	534,088	(2,402,972)	2,369,620
\$3,845,806	\$5,736,500	\$3,148,948	\$7,040,998	\$10,397,319	\$9,592,446

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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
2012	\$7,769,371	\$2,874,796	\$650,611	\$11,294,778
2013	8,563,970	154,263	653,246	9,371,479
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

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

	Fiscal Year			
	2012	2013	2014	2015
General fund:				
Nonspendable	\$158,976	\$134,297	\$156,873	\$135,172
Unassigned	3,897,786	3,999,398	4,065,191	4,136,926
Total general fund:	<u>\$4,056,762</u>	<u>\$4,133,695</u>	<u>\$4,222,064</u>	<u>\$4,272,098</u>
All other governmental funds:				
Nonspendable	\$4,644,856	\$4,649,908	\$4,653,662	\$4,627,663
Restricted	1,012,089	5,184,843	5,199,626	4,696,257
Committed	721,841	751,394	823,363	813,607
Assigned	15,702,905	15,627,521	17,677,528	20,483,857
Unassigned	(2,257,429)	(2,708,163)	(2,617,609)	(2,591,384)
Total all other governmental funds	<u>\$19,824,262</u>	<u>\$23,505,503</u>	<u>\$25,736,570</u>	<u>\$28,030,000</u>

Table 4

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$125,719	\$700,311	\$104,767	\$72,985	\$40,698	\$165,363
4,220,179	4,628,787	4,262,733	4,966,713	4,702,514	5,101,257
<u>\$4,345,898</u>	<u>\$5,329,098</u>	<u>\$4,367,500</u>	<u>\$5,039,698</u>	<u>\$4,743,212</u>	<u>\$5,266,620</u>
\$4,623,865	\$2,221,379	\$83,984	\$95,534	\$102,481	\$108,896
4,755,621	1,991,738	2,332,967	2,101,901	2,050,703	2,572,724
945,270	734,293	1,009,151	1,152,654	2,249,505	161,219
20,593,745	20,272,261	23,569,682	22,915,477	31,180,926	33,424,762
(2,533,440)	(2,099,911)	(4,496,209)	(4,005,180)	(2,034,160)	(1,964,887)
<u>\$28,385,061</u>	<u>\$23,119,760</u>	<u>\$22,499,575</u>	<u>\$22,260,386</u>	<u>\$33,549,455</u>	<u>\$34,302,714</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes:				
Property	\$7,766,597	\$8,606,844	\$8,685,801	\$8,922,554
Tax increments	2,865,253	175,771	170,241	166,053
Other	650,611	653,246	655,089	659,617
Special assessments	661,720	335,290	345,288	785,477
Licenses and permits	327,249	325,211	377,851	533,640
Intergovernmental	1,035,377	1,322,359	1,842,293	3,022,374
Charges for services	5,112,757	2,395,092	2,785,259	4,284,831
Fines and forfeits	314,380	353,073	259,552	258,895
Investment income	292,406	(671,453)	1,070,880	389,088
Other revenues	292,636	432,862	317,902	256,277
Total revenues	<u>19,318,986</u>	<u>13,928,295</u>	<u>16,510,156</u>	<u>19,278,806</u>
Expenditures				
General government	7,529,562	2,492,523	2,091,492	2,211,220
Public safety	4,293,082	4,504,931	4,683,585	4,745,456
Public works	3,242,112	3,514,463	3,833,066	3,739,007
Parks and recreation	1,273,029	1,217,167	1,321,056	1,364,246
Cemetery	17,697	18,161	18,177	18,626
Other	157,571	145,845	160,894	176,135
Capital outlay	2,353,523	1,966,467	2,107,668	5,051,274
Debt service				
Principal	770,000	905,000	625,000	2,780,000
Interest and fiscal charges	391,491	364,285	436,762	447,374
Bond issuance costs	-	71,931	-	-
Total expenditures	<u>20,028,067</u>	<u>15,200,773</u>	<u>15,277,700</u>	<u>20,533,338</u>
Excess of revenues over (under) expenditures	(709,081)	(1,272,478)	1,232,456	(1,254,532)
Other financing sources (uses)				
Transfers in	5,894,446	3,374,430	3,996,249	8,192,429
Transfers out	(3,595,928)	(2,826,085)	(2,914,409)	(7,697,548)
Proceeds from sale of land	-	-	-	-
Bond proceeds	-	4,350,152	-	-
Premium on bonds issued	-	-	-	-
Bond issuance costs	-	-	-	-
Capital lease issued	-	-	-	-
Proceeds from sale of capital assets	14,440	132,155	5,140	3,103,115
Total other financing sources (uses)	<u>2,312,958</u>	<u>5,030,652</u>	<u>1,086,980</u>	<u>3,597,996</u>
Net change in fund balances	<u>\$1,603,877</u>	<u>\$3,758,174</u>	<u>\$2,319,436</u>	<u>\$2,343,464</u>
Debt service as a percentage of noncapital expenditures	6.57%	9.64%	8.06%	20.85%

Table 5

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$9,083,806	\$9,604,479	\$10,193,503	\$10,776,859	\$11,603,353	\$12,202,793
179,938	209,762	201,239	202,508	355,194	509,983
848,293	924,529	956,540	973,447	996,905	1,040,590
1,323,479	785,077	963,270	1,215,695	2,192,389	2,076,566
609,397	786,337	588,212	475,166	705,535	572,754
1,940,365	2,292,673	5,549,908	3,277,897	2,859,649	4,504,488
4,421,736	4,812,517	2,734,236	2,988,954	4,128,340	2,780,470
257,335	202,470	230,330	200,479	152,722	174,188
202,657	380,216	336,091	807,863	626,996	(200,010)
240,214	458,643	1,074,749	873,279	696,927	752,259
19,107,220	20,456,703	22,828,078	21,792,147	24,318,010	24,414,081
1,937,179	4,302,798	3,804,931	1,853,187	2,290,750	2,423,468
5,105,555	4,924,630	5,059,913	5,199,861	6,164,157	5,791,166
5,074,348	6,059,675	7,379,041	3,685,200	2,694,617	2,934,245
1,265,947	1,304,042	1,313,755	1,364,469	1,202,945	1,421,669
18,750	12,307	14,433	19,245	17,402	27,711
169,582	196,593	210,726	172,872	188,315	253,407
4,943,681	3,617,639	7,582,411	9,474,244	8,641,448	8,456,869
460,000	4,850,000	385,000	395,000	415,837	433,264
297,276	226,258	90,681	82,880	171,943	177,527
-	-	-	-	-	-
19,272,318	25,493,942	25,840,891	22,246,958	21,787,414	21,919,326
(165,098)	(5,037,239)	(3,012,813)	(454,811)	2,530,596	2,494,755
3,677,140	737,801	1,978,490	887,820	7,065,516	3,817,647
(3,093,304)	-	(549,600)	-	(6,948,315)	(5,126,305)
-	-	-	-	1,720,000	-
-	-	-	-	6,285,000	-
-	-	-	-	346,367	-
-	-	-	-	-	-
-	-	-	-	110,452	73,845
9,100	-	2,140	-	22,642	16,725
592,936	737,801	1,431,030	887,820	8,601,662	(1,218,088)
\$427,838	(\$4,299,438)	(\$1,581,783)	\$433,009	\$11,132,258	\$1,276,667
5.29%	21.72%	2.41%	3.20%	4.47%	4.54%

CITY OF CHAMPLIN, MINNESOTA
TAX CAPACITY AND ESTIMATED ACTUAL VALUE
OF ALL TAXABLE PROPERTY
Years 2012 Through 2021

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		
2012	\$18,078,059	\$1,788,582,600	\$208,225	\$10,700,600	\$18,286,284	\$1,799,283,200	0.41195	1.02%
2013	16,786,875	1,666,184,300	230,881	11,866,400	17,017,756	1,678,050,700	0.44772	1.01%
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%

(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		Total
	Operating	Debt	Total	School	County and Special Districts (a)	
2012	0.39535	0.01660	0.41195	0.23325	0.59495	1.24015
2013	0.41998	0.02774	0.44772	0.26801	0.61151	1.32724
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	0.51781	1.11358
2019	0.37767	0.01844	0.39611	0.16330	0.50465	1.06406
2020	0.37844	0.01716	0.39560	0.16893	0.49303	1.05756
2021	0.38734	0.02042	0.40776	0.16087	0.46096	1.02959

(a) Includes Metro Council, Metro Transit District, Mosquito Control and Hennepin County Park Museum.

Source: Hennepin County Property Tax Division

Taxpayer	Type of Business	2021			2012		
		Tax Capacity Value	% of Total City Tax Capacity Value	Rank	Tax Capacity Value	% of Total City Tax Capacity Value	Rank
B9 Champlin DC LLC	Industrial	\$271,250	0.96%	1			
Eagle Partners IV LLC	Industrial	237,730	0.84%	2			
Opus Properties LLC	Industrial	228,950	0.81%	3			
Target Corporation	Commercial	226,050	0.80%	4	\$244,310	1.44%	1
Champlin Leased Hsg Ascts IV	HSG - Low Income	223,525	0.79%	5			
Bre Knight Champion Shores	Apartment	191,213	0.67%	6			
GKI Industrial Mpls LLC	Industrial	149,250	0.53%	7			
OIRE Minnesota L L C	Industrial	146,180	0.52%	8	84,510	0.50%	10
OIRE Minnesota LLC	Industrial	145,240	0.51%	9			
MSP/Champlin LLC	Commercial	130,290	0.46%	10			
Liberty Property Ltd Partnership	Industrial				174,450	1.03%	2
MIAP (MN) LLC	Industrial				142,250	0.84%	3
Opus Real Estate Commercial	Industrial				142,150	0.84%	4
Inland Champlin Marketplace	Commerical				120,990	0.71%	5
Wilcox Paper Company	Industrial				105,650	0.62%	6
Engelsma Limited Partnership	Commerical				103,670	0.61%	7
HCP SH ELP3 Properties LLC	Apartment				99,388	0.58%	8
Lifetime Fitness	Commerical				93,930	0.55%	9
Total Principal Taxpayers		<u>\$1,949,678</u>	<u>4.27%</u>		<u>\$1,311,298</u>	<u>7.72%</u>	

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
2012	\$7,531,050	\$7,452,580	99.0%	\$78,470	\$7,531,050	100.00%
2013	8,839,029	8,513,368	96.3%	325,661	8,839,029	100.00%
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%	47,360	9,862,813	99.98%
2018	10,427,325	10,338,972	99.2%	77,729	10,416,701	99.90%
2019	10,988,592	10,881,762	99.0%	90,907	10,972,669	99.86%
2020	11,865,885	10,936,289	92.2%	899,566	11,835,854	99.75%
2021	12,334,894	12,202,793	98.9%	-	12,776,832	103.6%

Source: Hennepin County Property Tax Division

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

Fiscal Year	Governmental Activities					Capital Leases
	General Obligation Bonds (a)	General Obligation Bonds (b)	Tax Increment Bonds	Improvement Bonds	Housing Development Bonds	
2012	\$5,540,000	-	\$275,000	\$1,200,000	\$2,605,000	\$ -
2013	9,500,000	-	-	970,000	2,470,000	-
2014	9,215,000	-	-	785,000	2,325,000	-
2015	8,915,000	-	-	630,000	-	-
2016	8,605,000	-	-	480,000	-	-
2017	4,235,000	-	-	-	-	-
2018	3,850,000	-	-	-	-	-
2019	3,455,000	-	-	-	-	-
2020	4,530,000	4,810,000	-	-	-	99,102
2021	4,120,000	4,810,000	-	-	-	149,683

Source: Champlin Finance Department
(a) General Obligation
(b) General Obligation backed Special Assessment bonds

Table 10

<hr/>					
Business-Type Activities					
Enterprise Bonds	Premium/ (Discount)	Total Primary Government	Population	Per Capita	As a % of Personal Income
\$1,645,000	\$9,606	11,246,355	23,536	\$485	1.4%
1,400,000	119,399	14,432,595	23,499	613	1.8%
-	86,786	12,411,786	22,880	527	1.5%
-	119,638	9,664,638	22,741	425	1.2%
-	112,910	9,197,910	23,343	394	1.1%
-	87,602	4,322,602	23,690	182	0.5%
-	78,744	3,928,744	23,927	164	0.4%
-	69,886	3,524,886	24,231	145	0.4%
2,405,000	540,281	12,384,383	23,919	518	1.2%
2,405,000	488,658	11,973,341	25,080	477	1.2%

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)
2012	23,536	\$18,286,284	\$1,799,283,200	\$5,540,000
2013	23,499	17,017,756	1,678,050,700	9,500,000
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	9,340,000
2021	25,080	28,363,295	2,694,431,300	8,930,000

(a) Includes all long-term general obligation debt. (Property tax supported only.) Excludes special assessment supported debt, water revenue supported debt, and tax increment supported debt.

(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	
\$9,606	\$33,906	\$5,515,700	30.16%	0.31%	\$234
119,399	4,337,222	5,282,177	31.04%	0.31%	225
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
540,281	558,601	9,321,680	34.50%	0.36%	390
488,658	1,421,496	7,997,162	28.20%	0.30%	319

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

As of December 31, 2021

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)	\$4,269,683	100.00%	\$4,269,683
Overlapping debt:			
Hennepin County	1,037,033,516	1.15%	11,925,885
School District #11	288,591,152	9.28%	26,781,259
Three Rivers Park District	45,542,541	1.15%	523,739
Hennepin Regional Railroad Authority	89,332,530	1.20%	1,071,990
Metropolitan Council (b)	73,049,600	1.15%	840,070
Total overlapping debt	<u>1,533,549,339</u>		<u>41,142,944</u>
Total direct and overlapping debt	<u>\$1,537,819,022</u>		<u>\$45,412,627</u>

(a) Excludes Special Assessment Bonds.

(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

	2012	2013	2014	2015
Debt limit	\$53,978,496	\$50,341,521	\$49,710,078	\$54,405,059
Total net debt applicable to limit	3,231,094	5,162,778	4,916,035	4,649,142
Legal debt margin	<u>\$50,747,402</u>	<u>\$45,178,743</u>	<u>\$44,794,043</u>	<u>\$49,755,917</u>
Total net debt applicable to the limit as a percentage of debt limit	6.37%	11.43%	10.97%	9.34%

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					
2016	2017	2018	2019	2020	2021
\$55,538,682	\$59,539,143	\$65,223,744	\$71,657,064	\$77,175,210	\$80,832,939
3,883,541	4,051,230	3,643,954	3,260,955	3,971,399	7,508,504
\$51,655,141	\$55,487,913	\$61,579,790	\$68,396,109	\$73,203,811	\$73,324,435
7.52%	7.30%	5.92%	4.77%	5.43%	10.24%

Legal Debt Margin Calculation for Fiscal Year 2021

Market value	\$2,694,431,300
Debt limit (3% of market value)	80,832,939
Debt applicable to limit:	
General Obligation Bonds	4,120,000
Capital Leases	149,683
Less: Amount set aside for repayment of general obligation debt	1,421,496
Total net debt applicable to limit	2,848,187
Legal debt margin	\$77,984,752

CITY OF CHAMPLIN, MINNESOTA
PLEDGED REVENUE COVERAGE
 Last Ten Fiscal Years

Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service	
				Principal	Interest
2012	\$2,598,298	\$1,656,310	\$941,988	\$235,000	\$66,509
2013	1,789,293	1,854,991	(65,698)	235,000	57,141
2014	2,552,520	2,002,239	550,281	1,400,000	6,514
2015	2,366,334	2,032,333	334,001	-	-
2016	3,611,218	1,872,649	1,738,569	-	-
2017	2,794,698	1,950,458	844,240	-	-
2018	2,855,693	2,009,199	846,494	-	-
2019	2,825,826	2,106,801	719,025	-	-
2020	2,958,701	4,852,267	(1,893,566)	-	-
2021	2,880,391	2,916,694	(36,303)	-	-

Source: City of Champlin Finance Department

Table 14

Coverage	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
3.12	\$661,720	\$230,000	\$44,783	2.41
(0.22)	335,290	220,000	39,007	1.29
0.39	345,288	195,000	32,407	1.52
N/A	785,477	155,000	28,351	4.36
N/A	1,323,479	150,000	23,358	7.63
N/A	785,077	480,000	2,093	1.63
N/A	963,270	385,000	83,898	2.05
N/A	1,215,695	395,000	76,015	2.58
N/A	2,192,389	400,000	71,515	4.65
N/A	2,076,566	410,000	53,215	4.48

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
2012	23,536	819,382,304	34,814	36.0	36,758	5.00%
2013	23,499	822,511,998	35,002	36.0	36,646	4.30%
2014	22,880	820,522,560	35,862	36.0	36,478	3.60%
2015	22,741	786,065,406	34,566	36.0	36,556	3.00%
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	3.00%
2018	23,927	916,380,173	38,299	39.4	37,008	2.30%
2019	24,231	984,117,834	40,614	39.6	37,386	2.90%
2020	23,919	1,026,234,552	41,103	39.3	36,325	4.40%
2021	25,080	1,030,863,240	41,103	38.4	36,606	2.80%

¹ Source: Metropolitan Council. 2019 & 2020 population is the United States Census. 2021 estimated.

² Source: United States Census Bureau. 2021 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 U.S. Labor of Statistics, for 2021 using January 2022.

CITY OF CHAMPLIN, MINNESOTA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 16

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
I.S.D. No. 11 (Anoka Hennepin)	688	1	35.80%	671	1	34.64%
Super Target	261	2	13.58%	300	2	15.49%
Egan Companies	220	3	11.45%	-	-	-
Life Time Fitness, Inc.	200	4	10.41%	200	3	10.33%
First Student	130	5	6.76%	120	5	6.20%
Cub Foods/County Market	125	6	6.50%	115	6	5.94%
City of Champlin	100	7	5.20%	97	9	5.01%
Champlin Shores	77	8	4.01%	99	8	5.11%
Cardinal Health	72	9	3.75%	85	10	4.39%
Rapid Packaging	49	10	2.55%	150	4	7.74%
McLean Midwest	-	-	-	-	-	-
Automatic Door and Fireplace, Inc.	-	-	-	100	7	5.16%
Total Principal Employers	<u>1,922</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			
	2012	2013	2014	2015
General government	11.60	11.80	11.80	11.80
Public safety				
Police				
Officers	25.00	25.00	25.00	26.00
Civilians	6.00	6.00	6.00	6.00
Building	4.00	4.00	4.00	4.00
Highways and streets				
Engineering	2.60	2.60	2.60	2.60
Maintenance	16.00	16.00	16.00	16.00
Culture and recreation	5.50	5.50	5.50	5.50
Storm sewer	1.00	1.00	1.00	1.00
Water	2.00	2.00	2.00	2.00
Sewer	2.00	2.00	2.00	2.00
Total	75.70	75.90	75.90	76.90

Source: City of Champlin Finance Department

Table 17

Employees as of December 31					
2016	2017	2018	2019	2020	2021
11.80	11.80	11.80	12.80	12.30	12.30
26.00	26.00	26.00	26.00	26.00	26.00
6.00	6.00	6.00	6.00	6.00	6.00
4.00	4.00	4.00	4.00	4.00	4.00
2.60	2.60	2.60	2.60	2.60	1.50
16.00	16.00	16.00	17.00	17.00	16.00
5.50	5.50	5.50	5.50	5.50	5.50
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
76.90	76.90	76.90	78.90	78.40	76.30

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

Function ²	Fiscal Year			
	2012	2013	2014	2015
Public safety				
Police				
Citations issued	5,389	5,980	4,503	4,544
Calls for service	12,338	12,647	8,053	7,875
Building				
Number of building permits issued	606	523	557	579
Valuation of building permits issued	\$3,516,561	\$3,931,412	\$9,776,151	\$27,861,008
Highways and streets ¹				
Sealcoating (in miles)	-	6.17	8.36	-
Mill and overlay (in miles)	0.47	-	-	0.43
Reclamation	0.55	-	-	-
Water				
Total connections	7,461	7,456	7,462	7,457
Gallons pumped (in millions)	998	843	624	755

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					
2016	2017	2018	2019	2020	2021
4,620	3,093	3,987	3,497	2,705	2,390
6,887	7,968	8,081	10,701	13,369	10,160
632	1,641	1,255	767	768	766
\$49,509,292	\$49,566,143	\$16,980,711	\$14,904,047	\$61,410,945	\$32,893,078
-	-	-	-	-	-
0.42	1.55	-	1.70	-	2.78
0.78	1.87	1.40	2.50	1.91	0.90
7,453	7,662	7,702	7,744	7,874	7,918
768	846	860	757	879	997

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

Function ¹	Fiscal Year			
	2012	2013	2014	2015
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	96	96	97
Street lights	1,053	1,053	1,053	1,053
Culture and recreation				
Parks	26	26	26	26
Ice Forum	1	1	1	1
Community centers	1	1	1	1
Water				
Wells	9	9	9	9
Sewer				
Lift stations	9	9	9	9

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

Source: City of Champlin Finance Department

Table 19

Fiscal Year						
2016	2017	2018	2019	2020	2021	
1	1	1	1	1	1	1
12	12	12	12	12	12	12
1	1	1	1	1	1	1
98	98	98	98	98	98	98
1,067	1,103	1,322	1,437	1,570	1,610	1,610
26	30	32	32	32	32	32
1	1	1	1	1	1	1
1	1	1	1	1	1	1
9	9	9	9	9	9	9
9	8	8	8	8	8	8

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