

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 28, 2024

In the opinion of Kennedy & Graven, Chartered, Bond Counsel to the City, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect) and, assuming compliance with certain covenants set forth in the resolution approving the issuance of the Bonds, interest to be paid on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding the other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF WOODBURY, MINNESOTA (Washington County)

\$16,205,000* GENERAL OBLIGATION BONDS, SERIES 2024A

PROPOSAL OPENING: April 10, 2024, 10:00 A.M., C.T. **CONSIDERATION:** April 10, 2024, 7:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$16,205,000* General Obligation Bonds, Series 2024A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, as amended, and Sections 469.1812 through 469.1815, as amended, by the City of Woodbury, Minnesota (the "City"), for the purposes of financing public improvements to the City's Central Park Facility and to reimburse the City for costs of the assessable 2023 street reconstruction projects. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: May 1, 2024

MATURITY: February 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2025 | \$205,000 | 2032 | \$980,000 | 2039 | \$1,215,000 |
| 2026 | 185,000 | 2033 | 1,005,000 | 2040 | 980,000 |
| 2027 | 195,000 | 2034 | 1,035,000 | 2041 | 1,020,000 |
| 2028 | 325,000 | 2035 | 1,070,000 | 2042 | 1,060,000 |
| 2029 | 355,000 | 2036 | 1,100,000 | 2043 | 1,105,000 |
| 2030 | 365,000 | 2037 | 1,135,000 | 2044 | 1,150,000 |
| 2031 | 550,000 | 2038 | 1,170,000 | | |

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: February 1, 2025 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2035 and thereafter are subject to call for prior optional redemption on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: \$16,042,950.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$324,100 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: U.S. Bank Trust Company, National Association.

BOND COUNSEL: Kennedy & Graven, Chartered.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF WOODBURY CITY COUNCIL

| | | <u>Term Expires</u> |
|------------------|----------------|---------------------|
| Anne Burt | Mayor | January 2027 |
| Andrea Date | Council Member | January 2025 |
| Steve Morris | Council Member | January 2027 |
| Jennifer Santini | Council Member | January 2027 |
| Kim Wilson | Council Member | January 2025 |

ADMINISTRATION

Clinton Gridley, City Administrator

Jason Schirmacher, CFO/Controller

PROFESSIONAL SERVICES

Eckberg Lammers, P.C., City Attorney, Stillwater, Minnesota

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Woodbury, Minnesota (the "City") and the issuance of its \$16,205,000* General Obligation Bonds, Series 2024A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on April 10, 2024.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 1, 2024. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2035 shall be subject to optional redemption prior to maturity on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued by the City pursuant to Minnesota Statutes, Chapters 429 and 475, as amended, and Sections 469.1812 through 469.1815, as amended, for the purposes of financing public improvements to the City's Central Park Facility (the "Tax Abatement Portion") and to reimburse itself for costs of the assessable 2023 street reconstruction projects (the "Street Improvement Portion").

For the Tax Abatement Portion of the Bonds, per Minnesota Statutes, Chapter 469, in any year, the total amount of property taxes abated by a political subdivision under this section may not exceed (i) ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (ii) \$200,000, whichever is greater.

ESTIMATED SOURCES AND USES*

| Sources | Tax Abatement Portion | Street Improvement Portion | Total Bond Issue |
|--|--------------------------------------|---|-----------------------------|
| Par Amount of Bonds | \$12,805,000 | \$3,400,000 | \$16,205,000 |
| Partner Contribution to Capital (County, YMCA) | 5,090,000 | - | 5,090,000 |
| TIF Special Legislation | 1,600,000 | - | 1,600,000 |
| Use of Fund Balance - Community Investment Fund | 6,260,000 | - | 6,260,000 |
| Capital Improvement Fund | 4,000,000 | - | 4,000,000 |
| Levy Cash from Former Abatements | 463,500 | - | 463,500 |
| Stormwater Utility Fund | 850,000 | - | 850,000 |
| Parks and Trails Replacement Fund | 1,420,000 | - | 1,420,000 |
| Central District Fund | 300,000 | - | 300,000 |
| RWMWD Fund | 250,000 | - | 250,000 |
| Legislative Sales Tax Exemption Reimbursement | 765,000 | - | 765,000 |
| Grant - Solar Energy Efficiency & Conservation Block | 130,000 | - | 130,000 |
| Grant - State Bonding | 7,500,000 | - | 7,500,000 |
| Grant - Mother's Room | 20,000 | - | 20,000 |
| Dividend - SWCTC for Additional Digital Displays | 150,000 | - | 150,000 |
| Utility Rebates (Xcel Design Assist Program) | 8,000 | - | 8,000 |
| Prepaid Assessments | - | 1,128,878 | 1,128,878 |
| Total Sources | \$41,611,500 | \$4,528,878 | \$46,140,378 |
| Uses | | | |
| Total Underwriter's Discount (1.000%) | \$128,050 | \$34,000 | \$162,050 |
| Costs of Issuance | 99,564 | 26,436 | 126,000 |
| Deposit to Project Fund | <u>41,383,886</u> | <u>4,468,442</u> | <u>45,852,328</u> |
| Total Uses | \$41,611,500 | \$4,528,878 | \$46,140,378 |

*Preliminary, subject to change.

Breakdown of Principal Payments*:

| Payment Date | Tax Abatement Portion | Street Improvement Portion | Total Bond Issue |
|---------------------|------------------------------|-----------------------------------|-------------------------|
| 2/01/2025 | - | \$205,000 | \$205,000 |
| 2/01/2026 | - | 185,000 | 185,000 |
| 2/01/2027 | - | 195,000 | 195,000 |
| 2/01/2028 | \$125,000 | 200,000 | 325,000 |
| 2/01/2029 | 150,000 | 205,000 | 355,000 |
| 2/01/2030 | 155,000 | 210,000 | 365,000 |
| 2/01/2031 | 335,000 | 215,000 | 550,000 |
| 2/01/2032 | 755,000 | 225,000 | 980,000 |
| 2/01/2033 | 775,000 | 230,000 | 1,005,000 |
| 2/01/2034 | 800,000 | 235,000 | 1,035,000 |
| 2/01/2035 | 825,000 | 245,000 | 1,070,000 |
| 2/01/2036 | 850,000 | 250,000 | 1,100,000 |
| 2/01/2037 | 875,000 | 260,000 | 1,135,000 |
| 2/01/2038 | 905,000 | 265,000 | 1,170,000 |
| 2/01/2039 | 940,000 | 275,000 | 1,215,000 |
| 2/01/2040 | 980,000 | - | 980,000 |
| 2/01/2041 | 1,020,000 | - | 1,020,000 |
| 2/01/2042 | 1,060,000 | - | 1,060,000 |
| 2/01/2043 | 1,105,000 | - | 1,105,000 |
| 2/01/2044 | <u>1,150,000</u> | <u>-</u> | <u>1,150,000</u> |
| Total | \$12,805,000 | \$3,400,000 | \$16,205,000 |

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged without limitation as to rate or amount.

The City anticipates that the debt service on the Tax Abatement Portion of the Bonds will be paid from a combination of abatements of the City's portion of taxes from specific parcels up to an amount of the aggregate sum of abatements equal to the principal amount of the Tax Abatement Portion of the Bonds and from ad valorem property taxes. In accordance with Minnesota Statutes, receipt of tax abatement revenues and ad valorem property taxes will be sufficient to provide not less than 105% of principal and interest on the Tax Abatement Portion of the Bonds.

The City anticipates that the debt service on the Street Improvement Portion of the Bonds will be paid from a combination of special assessments levied against properties benefitted by improvements financed by the Street Improvement Portion of the Bonds and from ad valorem property taxes. In accordance with Minnesota Statutes, receipt of special assessments and ad valorem property taxes will be sufficient to provide not less than 105% of principal and interest on the Street Improvement Portion of the Bonds.

Should the tax abatement revenues, special assessments and/or ad valorem property taxes pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AAA" by S&P Global Ratings ("S&P").

The City has requested an underlying rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery of the Bonds, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior disclosure undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

On the date of issuance of the Bonds, Bond Counsel will render an opinion that, at the time of issuance and delivery of the Bonds to the original purchaser, based on present federal and State of Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants set forth in the Award Resolution, interest on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from the taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, interest on the Bonds is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Section 59(k) of the Code defines "applicable corporation" as any corporation (other than an S corporation), a regulated investment company, or a real estate investment trust which meets the average annual adjusted financial statement income test set forth in Section 59(k) of the Code in one or more taxable years. No opinion will be expressed by Bond Counsel regarding other federal or State of Minnesota tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(6)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2022 have been audited by BerganKDV Ltd., Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds will be general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (special assessments and tax abatement revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

| Type of Property | 2021/22 | 2022/23 | 2023/24 |
|--|--|--|--|
| Residential homestead ¹ | First \$500,000 - 1.00% Over \$500,000 - 1.25% | First \$500,000 - 1.00% Over \$500,000 - 1.25% | First \$500,000 - 1.00% Over \$500,000 - 1.25% |
| Agricultural homestead ¹ | First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ² | First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,890,000 - 0.50% ² Over \$1,890,000 - 1.00% ² | First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,150,000 - 0.50% ² Over \$2,150,000 - 1.00% ² |
| Agricultural non-homestead | Land - 1.00% ² | Land - 1.00% ² | Land - 1.00% ² |
| Seasonal recreational residential | First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³ | First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³ | First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³ |
| Residential non-homestead: | 1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$100,000 - .75% Over \$100,000 - .25% | 1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$100,000 - .75% Over \$100,000 - .25% | 1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$100,000 - .75% Over \$100,000 - .25% |
| Industrial/Commercial/Utility ⁵ | First \$150,000 - 1.50% Over \$150,000 - 2.00% | First \$150,000 - 1.50% Over \$150,000 - 2.00% | First \$150,000 - 1.50% Over \$150,000 - 2.00% |

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

| | |
|--|--|
| 2022/23 Economic Market Value¹ | <u><u>\$14,700,626,805²</u></u> |
| 2023/24 Assessor's Estimated Market Value | |
| Real Estate | \$15,115,423,800 |
| Personal Property | 49,288,500 |
| Total Valuation | <u><u>\$15,164,712,300</u></u> |
| 2023/24 Net Tax Capacity | |
| Real Estate | \$173,541,784 |
| Personal Property | 973,428 |
| Net Tax Capacity | <u>\$174,515,212</u> |
| Less: | |
| Captured Tax Increment Tax Capacity ³ | (242,420) |
| Fiscal Disparities Contribution ⁴ | <u>(13,055,160)</u> |
| Taxable Net Tax Capacity | <u>\$161,217,632</u> |
| Plus: Fiscal Disparities Distribution ⁴ | <u>11,371,493</u> |
| Adjusted Taxable Net Tax Capacity | <u><u>\$172,589,125</u></u> |

¹ Most recent value available from the Minnesota Department of Revenue.

² According to the Minnesota Department of Revenue, the 2022/23 Assessor's Estimated Market Value (the "AEMV") for the City was about 92.29% of the actual selling prices of property sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in a 2022/23 Economic Market Value ("EMV") for the City of \$14,700,626,805.

³ The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

⁴ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

LARGEST TAXPAYERS

| Taxpayer | Type of Property | 2023/24 Net Tax Capacity | Percent of City's Total Net Tax Capacity |
|-------------------------------------|-------------------------|---|---|
| Tamarack Village Shopping Center LP | Commercial | \$2,142,642 | 1.23% |
| Ramco-Gershenson Properties LP | Commercial | 1,871,520 | 1.07% |
| Ireit Woodbury CityPlace LLC | Commercial | 1,571,000 | 0.90% |
| City Walk TIC I LLC Et. al. | Rental/Residential | 1,475,841 | 0.85% |
| 10285 Grand Forest Owner LLC | Rental/Residential | 1,261,594 | 0.72% |
| G&I X Valley Creek LLC | Rental/Residential | 1,147,271 | 0.66% |
| Woodbury Village Shopping Center LP | Commercial | 969,513 | 0.56% |
| Invest Woodbury I Spe LLC | Rental/Residential | 968,175 | 0.55% |
| Ryan Woodbury LLC | Commercial | 765,888 | 0.44% |
| Xcel Energy | Utility | <u>761,662</u> | <u>0.44%</u> |
| Total | | \$12,935,106 | 7.41% |

City's Total 2023/24 Net Tax Capacity \$174,515,212

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpayers have been furnished by Washington County.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

| | |
|---|----------------------------|
| Total G.O. debt secured by special assessments and taxes (includes the Street Improvement Portion of the Bonds)* | \$15,840,000 |
| Total G.O. debt secured by tax abatement revenues (includes the Tax Abatement Portion of the Bonds)* | 24,445,000 |
| Total G.O. debt secured by taxes | <u>15,335,000</u> |
| Total General Obligation Debt* | <u><u>\$55,620,000</u></u> |

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has tentative plans to issue approximately \$2,000,000 general obligation improvement bonds and approximately \$38,000,000 general obligation note for a water treatment plant in the next 12 months.

DEBT LIMIT

The statutory limit on net debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (is defined under Minnesota Statutes, Section 475.51, subd. 4) to mean the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property (includes the Street Improvement Portion of the Bonds); (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay judgments against the City; and (9) all other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance (includes the Tax Abatement Portion of the Bonds).

| | |
|---|-----------------------------|
| 2023/24 Assessor's Estimated Market Value | \$15,164,712,300 |
| Multiply by 3% | <u>0.03</u> |
| Statutory Debt Limit | \$454,941,369 |
| Less: Long-Term Debt Outstanding Being Paid Solely from Taxes | <u>(15,335,000)</u> |
| Unused Debt Limit | <u><u>\$439,606,369</u></u> |

City of Woodbury, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Special Assessments and Taxes
 (As of 05/01/2024)

| | Improvement & Improvement Ref Bonds 1) Series 2012A | | Improvement Bonds Series 2014A | | Improvement Bonds Series 2015A | | Improvement Bonds 2) Series 2016A | | Improvement Bonds 3) Series 2017A | |
|----------------------|--|----------|--------------------------------|----------|--------------------------------|----------|--------------------------------------|----------|--------------------------------------|----------|
| Dated Amount | 06/19/2012 \$6,110,000 | | 11/04/2014 \$3,070,000 | | 06/03/2015 \$4,800,000 | | 07/06/2016 \$3,595,000 | | 08/17/2017 \$2,345,000 | |
| Maturity | 02/01 | | 02/01 | | 02/01 | | 02/01 | | 02/01 | |
| Calendar Year Ending | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | 0 | 5,496 | 0 | 10,938 | 0 | 30,919 | 0 | 24,041 | 0 | 19,325 |
| 2025 | 115,000 | 9,785 | 120,000 | 20,450 | 325,000 | 58,588 | 240,000 | 44,481 | 150,000 | 37,150 |
| 2026 | 120,000 | 7,168 | 125,000 | 17,463 | 335,000 | 51,904 | 250,000 | 38,381 | 155,000 | 34,100 |
| 2027 | 120,000 | 4,348 | 125,000 | 14,025 | 340,000 | 44,220 | 255,000 | 33,331 | 155,000 | 31,000 |
| 2028 | 125,000 | 1,469 | 130,000 | 10,200 | 350,000 | 35,508 | 260,000 | 28,181 | 160,000 | 27,850 |
| 2029 | | | 135,000 | 6,225 | 355,000 | 26,164 | 265,000 | 22,766 | 165,000 | 23,775 |
| 2030 | | | 140,000 | 2,100 | 365,000 | 16,173 | 270,000 | 16,913 | 170,000 | 18,750 |
| 2031 | | | | | 375,000 | 5,531 | 275,000 | 10,438 | 175,000 | 13,575 |
| 2032 | | | | | | | 280,000 | 3,500 | 180,000 | 8,250 |
| 2033 | | | | | | | | | 185,000 | 2,775 |
| 2034 | | | | | | | | | | |
| 2035 | | | | | | | | | | |
| 2036 | | | | | | | | | | |
| 2037 | | | | | | | | | | |
| 2038 | | | | | | | | | | |
| 2039 | | | | | | | | | | |
| | 480,000 | 28,265 | 775,000 | 81,400 | 2,445,000 | 269,005 | 2,095,000 | 222,031 | 1,495,000 | 216,550 |

- 1) This represents the \$6,110,000 Improvement & Improvement Refunding portions of the \$7,880,000 General Obligation Improvement and Refunding Bonds, Series 2012A.
- 2) This issue will be paid solely from special assessments and no tax levy.
- 3) This issue will be paid solely from special assessments and no tax levy.

--Continued on next page

City of Woodbury, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 05/01/2024)

| Dated Amount | Improvement Bonds 4) Series 2018A | | Improvement Bonds 5) Series 2019A | | Improvement Bonds 6) Series 2020A | | Street Improvement Bonds 7) Series 2024A | | | | | | | |
|-------------------------|--------------------------------------|-------------|--------------------------------------|-------------|--------------------------------------|-------------|---|-----------------------|-----------------|----------------|-------------|--------------------------|---------|----------------------------|
| | Dated | Amount | Dated | Amount | Dated | Amount | Dated | Amount | | | | | | |
| Maturity | 09/13/2018 | \$2,100,000 | 05/30/2019 | \$1,500,000 | 12/30/2020 | \$2,965,000 | 05/01/2024 | \$3,400,000* | | | | | | |
| Maturity | 02/01 | | 02/01 | | 02/01 | | 02/01 | | | | | | | |
| Calendar Year Ending | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Estimated Interest | Total Principal | Total Interest | Total P & I | Principal Outstanding | % Paid | Calendar Year Ending |
| 2024 | 0 | 29,194 | 0 | 17,400 | 0 | 18,353 | 0 | 0 | 0 | 155,664 | 155,664 | 15,840,000 | .00% | 2024 |
| 2025 | 125,000 | 55,263 | 90,000 | 33,450 | 185,000 | 34,855 | 205,000 | 133,014 | 1,555,000 | 427,035 | 1,982,035 | 14,285,000 | 9.82% | 2025 |
| 2026 | 135,000 | 48,763 | 95,000 | 30,675 | 190,000 | 31,105 | 185,000 | 99,208 | 1,590,000 | 358,765 | 1,948,765 | 12,695,000 | 19.85% | 2026 |
| 2027 | 140,000 | 41,888 | 95,000 | 27,825 | 190,000 | 27,305 | 195,000 | 93,274 | 1,615,000 | 317,215 | 1,932,215 | 11,080,000 | 30.05% | 2027 |
| 2028 | 145,000 | 35,488 | 100,000 | 24,900 | 195,000 | 23,455 | 200,000 | 87,350 | 1,665,000 | 274,400 | 1,939,400 | 9,415,000 | 40.56% | 2028 |
| 2029 | 155,000 | 29,488 | 100,000 | 21,900 | 200,000 | 19,505 | 205,000 | 81,428 | 1,580,000 | 231,249 | 1,811,249 | 7,835,000 | 50.54% | 2029 |
| 2030 | 160,000 | 23,988 | 105,000 | 18,825 | 205,000 | 15,455 | 210,000 | 75,410 | 1,625,000 | 187,613 | 1,812,613 | 6,210,000 | 60.80% | 2030 |
| 2031 | 165,000 | 19,113 | 110,000 | 15,600 | 205,000 | 12,380 | 215,000 | 69,248 | 1,520,000 | 145,884 | 1,665,884 | 4,690,000 | 70.39% | 2031 |
| 2032 | 170,000 | 14,088 | 110,000 | 12,300 | 210,000 | 10,305 | 225,000 | 62,811 | 1,175,000 | 111,254 | 1,286,254 | 3,515,000 | 77.81% | 2032 |
| 2033 | 175,000 | 8,694 | 115,000 | 8,925 | 210,000 | 8,205 | 230,000 | 56,100 | 915,000 | 84,699 | 999,699 | 2,600,000 | 83.59% | 2033 |
| 2034 | 180,000 | 2,925 | 120,000 | 5,400 | 215,000 | 6,080 | 235,000 | 49,183 | 750,000 | 63,588 | 813,588 | 1,850,000 | 88.32% | 2034 |
| 2035 | | | 120,000 | 1,800 | 215,000 | 3,823 | 245,000 | 41,860 | 580,000 | 47,483 | 627,483 | 1,270,000 | 91.98% | 2035 |
| 2036 | | | | | 220,000 | 1,320 | 250,000 | 34,125 | 470,000 | 35,445 | 505,445 | 800,000 | 94.95% | 2036 |
| 2037 | | | | | | | 260,000 | 25,963 | 260,000 | 25,963 | 285,963 | 540,000 | 96.59% | 2037 |
| 2038 | | | | | | | 265,000 | 16,438 | 265,000 | 16,438 | 281,438 | 275,000 | 98.26% | 2038 |
| 2039 | | | | | | | 275,000 | 5,569 | 275,000 | 5,569 | 280,569 | 0 | 100.00% | 2039 |
| | 1,550,000 | 308,888 | 1,160,000 | 219,000 | 2,440,000 | 212,145 | 3,400,000 | 930,978 | 15,840,000 | 2,488,261 | 18,328,261 | | | |

* Preliminary, subject to change.

- 4) This represents the \$2,100,000 Improvement portion of the \$14,495,000 General Obligation Bonds, Series 2018A.
- 5) This issue will be paid solely from special assessments and no tax levy.
- 6) This represents the \$2,965,000 Improvement portion of the \$7,015,000 General Obligation Bonds, Series 2020A.
- 7) This represents the \$3,400,000 Street Improvement Portion of the \$16,205,000 General Obligation Bonds, Series 2024A.

City of Woodbury, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 05/01/2024)

| | Tax Abatement Bonds Series 2013A | | Tax Abatement Bonds 1) Series 2024A | | | | | | | |
|----------------------|-------------------------------------|-----------|--|--------------------|-----------------|----------------|-------------|-----------------------|---------|----------------------|
| Dated Amount | 02/14/2013 \$16,015,000 | | 05/01/2024 \$12,805,000* | | | | | | | |
| Maturity | 02/01 | | 02/01 | | | | | | | |
| Calendar Year Ending | Principal | Interest | Principal | Estimated Interest | Total Principal | Total Interest | Total P & I | Principal Outstanding | % Paid | Calendar Year Ending |
| 2024 | 0 | 165,863 | 0 | 0 | 0 | 165,863 | 165,863 | 24,445,000 | .00% | 2024 |
| 2025 | 925,000 | 322,475 | 0 | 584,563 | 925,000 | 907,038 | 1,832,038 | 23,520,000 | 3.78% | 2025 |
| 2026 | 940,000 | 303,238 | 0 | 467,650 | 940,000 | 770,888 | 1,710,888 | 22,580,000 | 7.63% | 2026 |
| 2027 | 960,000 | 278,850 | 0 | 467,650 | 960,000 | 746,500 | 1,706,500 | 21,620,000 | 11.56% | 2027 |
| 2028 | 990,000 | 249,600 | 125,000 | 465,806 | 1,115,000 | 715,406 | 1,830,406 | 20,505,000 | 16.12% | 2028 |
| 2029 | 1,020,000 | 219,450 | 150,000 | 461,788 | 1,170,000 | 681,238 | 1,851,238 | 19,335,000 | 20.90% | 2029 |
| 2030 | 1,050,000 | 188,400 | 155,000 | 457,365 | 1,205,000 | 645,765 | 1,850,765 | 18,130,000 | 25.83% | 2030 |
| 2031 | 1,085,000 | 156,375 | 335,000 | 450,260 | 1,420,000 | 606,635 | 2,026,635 | 16,710,000 | 31.64% | 2031 |
| 2032 | 1,115,000 | 123,375 | 755,000 | 434,266 | 1,870,000 | 557,641 | 2,427,641 | 14,840,000 | 39.29% | 2032 |
| 2033 | 1,150,000 | 89,400 | 775,000 | 411,699 | 1,925,000 | 501,099 | 2,426,099 | 12,915,000 | 47.17% | 2033 |
| 2034 | 1,185,000 | 54,375 | 800,000 | 388,268 | 1,985,000 | 442,643 | 2,427,643 | 10,930,000 | 55.29% | 2034 |
| 2035 | 1,220,000 | 18,300 | 825,000 | 363,480 | 2,045,000 | 381,780 | 2,426,780 | 8,885,000 | 63.65% | 2035 |
| 2036 | | | 850,000 | 337,305 | 850,000 | 337,305 | 1,187,305 | 8,035,000 | 67.13% | 2036 |
| 2037 | | | 875,000 | 309,699 | 875,000 | 309,699 | 1,184,699 | 7,160,000 | 70.71% | 2037 |
| 2038 | | | 905,000 | 277,380 | 905,000 | 277,380 | 1,182,380 | 6,255,000 | 74.41% | 2038 |
| 2039 | | | 940,000 | 240,245 | 940,000 | 240,245 | 1,180,245 | 5,315,000 | 78.26% | 2039 |
| 2040 | | | 980,000 | 201,120 | 980,000 | 201,120 | 1,181,120 | 4,335,000 | 82.27% | 2040 |
| 2041 | | | 1,020,000 | 159,865 | 1,020,000 | 159,865 | 1,179,865 | 3,315,000 | 86.44% | 2041 |
| 2042 | | | 1,060,000 | 116,705 | 1,060,000 | 116,705 | 1,176,705 | 2,255,000 | 90.78% | 2042 |
| 2043 | | | 1,105,000 | 71,505 | 1,105,000 | 71,505 | 1,176,505 | 1,150,000 | 95.30% | 2043 |
| 2044 | | | 1,150,000 | 24,150 | 1,150,000 | 24,150 | 1,174,150 | 0 | 100.00% | 2044 |
| | 11,640,000 | 2,169,700 | 12,805,000 | 6,690,768 | 24,445,000 | 8,860,468 | 33,305,468 | | | |

* Preliminary, subject to change.

1) This represents the \$12,805,000 Tax Abatement Portion of the \$16,205,000 General Obligation Bonds, Series 2024A.

City of Woodbury, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/01/2024)

| Dated Amount | Parks & Open Space Refunding Bonds Series 2013B | | Capital Improvement Plan Bonds 1) Series 2018A | | Capital Improvement Plan Refunding Bonds 2) Series 2020A | | | | | | | |
|----------------------|---|----------|--|-----------|--|----------|-----------------|----------------|-------------|-----------------------|---------|----------------------|
| | 02/14/2013 \$6,275,000 | | 09/13/2018 \$12,395,000 | | 12/30/2020 \$4,050,000 | | | | | | | |
| Maturity | 02/01 | | 02/01 | | 02/01 | | | | | | | |
| Calendar Year Ending | Principal | Interest | Principal | Interest | Principal | Interest | Total Principal | Total Interest | Total P & I | Principal Outstanding | % Paid | Calendar Year Ending |
| 2024 | 0 | 26,550 | 0 | 194,028 | 0 | 26,950 | 0 | 247,528 | 247,528 | 15,335,000 | .00% | 2024 |
| 2025 | 570,000 | 44,550 | 490,000 | 375,806 | 395,000 | 49,950 | 1,455,000 | 470,306 | 1,925,306 | 13,880,000 | 9.49% | 2025 |
| 2026 | 590,000 | 27,150 | 515,000 | 350,681 | 400,000 | 42,000 | 1,505,000 | 419,831 | 1,924,831 | 12,375,000 | 19.30% | 2026 |
| 2027 | 610,000 | 9,150 | 540,000 | 324,306 | 405,000 | 33,950 | 1,555,000 | 367,406 | 1,922,406 | 10,820,000 | 29.44% | 2027 |
| 2028 | | | 570,000 | 299,406 | 415,000 | 25,750 | 985,000 | 325,156 | 1,310,156 | 9,835,000 | 35.87% | 2028 |
| 2029 | | | 590,000 | 276,206 | 425,000 | 17,350 | 1,015,000 | 293,556 | 1,308,556 | 8,820,000 | 42.48% | 2029 |
| 2030 | | | 615,000 | 255,181 | 435,000 | 8,750 | 1,050,000 | 263,931 | 1,313,931 | 7,770,000 | 49.33% | 2030 |
| 2031 | | | 635,000 | 236,431 | 440,000 | 2,200 | 1,075,000 | 238,631 | 1,313,631 | 6,695,000 | 56.34% | 2031 |
| 2032 | | | 650,000 | 217,156 | | | 650,000 | 217,156 | 867,156 | 6,045,000 | 60.58% | 2032 |
| 2033 | | | 670,000 | 196,519 | | | 670,000 | 196,519 | 866,519 | 5,375,000 | 64.95% | 2033 |
| 2034 | | | 695,000 | 174,338 | | | 695,000 | 174,338 | 869,338 | 4,680,000 | 69.48% | 2034 |
| 2035 | | | 715,000 | 150,978 | | | 715,000 | 150,978 | 865,978 | 3,965,000 | 74.14% | 2035 |
| 2036 | | | 740,000 | 126,425 | | | 740,000 | 126,425 | 866,425 | 3,225,000 | 78.97% | 2036 |
| 2037 | | | 765,000 | 100,550 | | | 765,000 | 100,550 | 865,550 | 2,460,000 | 83.96% | 2037 |
| 2038 | | | 790,000 | 73,338 | | | 790,000 | 73,338 | 863,338 | 1,670,000 | 89.11% | 2038 |
| 2039 | | | 820,000 | 45,163 | | | 820,000 | 45,163 | 865,163 | 850,000 | 94.46% | 2039 |
| 2040 | | | 850,000 | 15,406 | | | 850,000 | 15,406 | 865,406 | 0 | 100.00% | 2040 |
| | 1,770,000 | 107,400 | 10,650,000 | 3,411,919 | 2,915,000 | 206,900 | 15,335,000 | 3,726,219 | 19,061,219 | | | |

- 1) This represents the \$12,395,000 Capital Improvement Plan portion of the \$14,495,000 General Obligation Bonds, Series 2018A
- 2) This represents the \$4,050,000 Capital Improvement Plan Refunding portion of the \$7,015,000 General Obligation Bonds, Series 2020A

OVERLAPPING DEBT¹

| Taxing District | 2023/24 Adjusted Taxable Net Tax Capacity | % In City | Total G.O. Debt² | City's Proportionate Share |
|---|--|----------------------|--|---|
| Washington County | \$515,896,113 | 33.4542% | \$80,210,000 | \$26,833,614 |
| I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale) ³ | 135,229,084 | 11.8337% | 415,815,000 ⁴ | 49,206,300 |
| I.S.D. No. 833 (South Washington County Schools) | 212,611,706 | 59.2647% | 383,795,000 ³ | 227,454,955 |
| I.S.D. No. 834 (Stillwater Area Public Schools) | 179,620,659 | 15.6345% | 167,695,000 ³ | 26,218,275 |
| Metropolitan Council ³ | 5,878,109,833 | 2.5844% | 191,435,000 ⁵ | 4,947,446 |
| City's Share of Total Overlapping Debt | | | | <u>\$334,660,590</u> |

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does *not* include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ 2022/23 Adjusted Taxable Net Tax Capacity shown in table. 2023/24 values are not yet available.

⁴ Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aids for the purposes of the Bonds.

⁵ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation wastewater revenue, grant anticipation notes and certificates of participation outstanding all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections.

DEBT RATIOS

| | G.O. Debt | Debt/Economic Market Value \$14,700,626,805 | Debt/ Per Capita 77,224 ¹ |
|--|-----------------------------|---|--|
| Direct G.O. Debt Secured By: | | | |
| Special Assessments & Taxes* | \$15,840,000 | | |
| Tax Abatement Revenues* | 24,445,000 | | |
| Taxes | 15,335,000 | | |
| Total General Obligation Debt* | <u>\$55,620,000</u> | 0.38% | \$720.24 |
| City's Share of Total Overlapping Debt | <u>\$334,660,590</u> | <u>2.28%</u> | <u>\$4,333.63</u> |
| Total* | <u><u>\$390,280,590</u></u> | <u><u>2.65%</u></u> | <u><u>\$5,053.88</u></u> |

*Preliminary, subject to change.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

| Tax Year | Net Tax Levy ² | Total Collected Following Year | Collected to Date | % Collected |
|----------|------------------------------|-----------------------------------|----------------------|-------------|
| 2019/20 | \$37,724,626 | \$37,559,378 | \$37,721,427 | 99.99% |
| 2020/21 | 39,416,683 | 39,259,605 | 39,408,635 | 99.98% |
| 2021/22 | 41,647,327 | 41,453,587 | 41,625,871 | 99.95% |
| 2022/23 | 44,356,969 | 44,168,115 | 44,168,115 | 99.57% |
| 2023/24 | 48,369,950 | In process of collection | | |

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.³ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

¹ Estimated 2022 population.

² This reflects the Final Levy Certification of the City after all adjustments have been made.

³ Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---|---------|---------|---------|---------|---------|
| Washington County | 28.944% | 27.435% | 27.532% | 23.625% | 21.991% |
| City of Woodbury | 32.489% | 32.298% | 32.217% | 28.599% | 27.601% |
| I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale) | 32.504% | 31.840% | 32.173% | 29.825% | 29.550% |
| I.S.D. No. 833 (South Washington County Schools) | 33.904% | 34.181% | 33.739% | 31.296% | 32.613% |
| I.S.D. No. 834 (Stillwater Area Public Schools) | 15.321% | 17.278% | 19.502% | 17.143% | 22.033% |
| Metropolitan Council | 0.584% | 0.628% | 0.630% | 0.537% | 0.590% |
| Metro Mosquito | 0.390% | 0.379% | 0.361% | 0.309% | 0.301% |
| Ramsey-Washington Metro Watershed | 3.289% | 3.212% | 2.918% | 2.758% | 2.532% |
| Regional Rail Authority | 0.165% | 0.157% | 0.149% | 0.122% | 0.109% |
| South Washington Watershed | 0.766% | 0.742% | 0.718% | 0.654% | 0.632% |
| Transit District | 1.243% | 1.139% | 1.056% | 0.912% | 0.809% |
| Valley Branch Watershed | 3.425% | 4.074% | 3.747% | 2.977% | 2.575% |
| Washington County CDA | 1.356% | 1.289% | 1.287% | 1.093% | 1.024% |
| Woodbury HRA | 0.218% | 0.207% | 0.195% | 0.162% | N/A |

Referendum Market Value Rates:

| | | | | | |
|---|----------|----------|----------|----------|----------|
| Washington County | 0.00342% | 0.00325% | 0.00308% | 0.00261% | 0.00235% |
| City of Woodbury | 0.00615% | 0.00584% | 0.00551% | 0.00466% | 0.00419% |
| I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale) | 0.18510% | 0.16750% | 0.15595% | 0.15048% | 0.14839% |
| I.S.D. No. 833 (South Washington County Schools) | 0.32620% | 0.31580% | 0.33683% | 0.29002% | 0.28265% |
| I.S.D. No. 834 (Stillwater Area Public Schools) | 0.17595% | 0.16640% | 0.18360% | 0.15164% | 0.14128% |

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Washington County.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1967. The City operates under a statutory form of government consisting of a five-member City Council of which the Mayor is a voting member. The City Administrator implements and administers City policy, the CFO/Controller is responsible for financial matters, and the City Clerk maintains records.

¹ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 275 full-time, two (2) part-time, and 110 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

| Bargaining Unit | Expiration Date of Current Contract |
|---|--|
| Woodbury Police Officers Association | November 30, 2024 |
| International Union of Operating Engineers Local 49 | December 31, 2024 |
| International Association of Firefighters | December 31, 2024 |

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent Annual Comprehensive Financial Report (Audit) shows a total OPEB liability of \$7,538,007 as of December 31, 2022. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent Audit.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, Section 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (as of January 31, 2024)

| Fund | Total Cash and Investments |
|-------------------------------|---------------------------------------|
| General | \$24,737,336 |
| Special Revenue | 17,704,876 |
| Debt Service | 4,464,632 |
| Capital Projects | 132,411,837 |
| Enterprise Funds | 34,011,080 |
| Component Units - EDA and HRA | 1,512,198 |
| Internal Service | <u>1,871,086</u> |
| Total Funds on Hand | <u><u>\$216,713,046</u></u> |

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

| | 2020 Audited | 2021 Audited | 2022 Audited |
|--|---------------------------|---------------------------|---------------------------|
| Water and Sewer | | | |
| Total Operating Revenues | \$13,753,198 | \$16,027,615 | \$17,027,337 |
| Less: Operating Expenses | <u>(13,275,200)</u> | <u>(14,736,869)</u> | <u>(17,335,361)</u> |
| Operating Income | \$477,998 | \$1,290,746 | (\$308,024) |
| Plus: Depreciation | <u>3,669,988</u> | <u>4,351,917</u> | <u>4,430,105</u> |
| Revenues Available for Debt Service | <u><u>\$4,147,986</u></u> | <u><u>\$5,642,663</u></u> | <u><u>\$4,122,081</u></u> |
| Storm Water | | | |
| Total Operating Revenues | \$2,290,361 | \$2,400,878 | \$2,538,881 |
| Less: Operating Expenses | <u>(2,277,236)</u> | <u>(2,094,511)</u> | <u>(2,523,418)</u> |
| Operating Income | \$13,125 | \$306,367 | \$15,463 |
| Plus: Depreciation | <u>1,437,788</u> | <u>1,500,332</u> | <u>1,575,990</u> |
| Revenues Available for Debt Service | <u><u>\$1,450,913</u></u> | <u><u>\$1,806,699</u></u> | <u><u>\$1,591,453</u></u> |
| Eagle Valley Golf Course | | | |
| Total Operating Revenues | \$1,733,326 | \$2,054,615 | \$2,097,871 |
| Less: Operating Expenses | <u>(1,532,651)</u> | <u>(1,663,043)</u> | <u>(1,713,902)</u> |
| Operating Income | \$200,675 | \$391,572 | \$383,969 |
| Plus: Depreciation | <u>261,680</u> | <u>257,268</u> | <u>251,958</u> |
| Revenues Available for Debt Service | <u><u>\$462,355</u></u> | <u><u>\$648,840</u></u> | <u><u>\$635,927</u></u> |
| M Health Fairview Sports Center¹ | | | |
| Total Operating Revenues | \$1,041,944 | \$1,635,156 | \$1,818,883 |
| Less: Operating Expenses | <u>(1,582,462)</u> | <u>(1,842,000)</u> | <u>(2,382,707)</u> |
| Operating Income | (\$540,518) | (\$206,844) | (\$563,824) |
| Plus: Depreciation | <u>763,587</u> | <u>763,192</u> | <u>764,216</u> |
| Revenues Available for Debt Service | <u><u>\$223,069</u></u> | <u><u>\$556,348</u></u> | <u><u>\$200,392</u></u> |
| Street Lighting | | | |
| Total Operating Revenues | \$605,215 | \$614,778 | \$626,726 |
| Less: Operating Expenses | <u>(536,542)</u> | <u>(555,712)</u> | <u>(655,363)</u> |
| Operating Income | \$68,673 | \$59,066 | (\$28,637) |
| Plus: Depreciation | <u>0</u> | <u>0</u> | <u>0</u> |
| Revenues Available for Debt Service | <u><u>\$68,673</u></u> | <u><u>\$59,066</u></u> | <u><u>(\$28,637)</u></u> |

¹ Formerly known as HealthEast Sports Center. The facility was renamed in 2021.

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2022 audited financial statements.

| COMBINED STATEMENT | FISCAL YEAR ENDING DECEMBER 31 | | | | |
|---|--------------------------------|---------------------|---------------------|--|--|
| | 2020 Audited | 2021 Audited | 2022 Audited | 2023 Adopted Budget ¹ | 2024 Amended Budget ² |
| Revenues | | | | | |
| Property taxes | \$26,763,947 | \$28,028,928 | \$30,800,590 | \$33,026,694 | \$36,543,613 |
| Licenses and permits | 4,564,701 | 7,984,579 | 7,922,401 | 4,719,600 | 4,732,600 |
| Intergovernmental | 6,924,751 | 1,774,210 | 1,695,104 | 1,606,000 | 1,891,400 |
| Charges for services | 1,400,743 | 1,968,338 | 2,028,366 | 2,825,660 | 1,699,300 |
| Fines and forfeitures | 183,241 | 172,061 | 169,983 | 188,000 | 202,100 |
| Other interest earnings | 0 | 0 | 210,365 | 0 | 0 |
| Investment income | 847,183 | 14,489 | (2,168,105) | 320,000 | 485,000 |
| Rentals | 199,988 | 287,334 | 338,633 | 305,082 | 236,582 |
| Other revenues | 74,234 | 137,270 | 89,435 | 47,824 | 109,405 |
| Total Revenues | \$40,958,788 | \$40,367,209 | \$41,086,772 | \$43,038,860 | \$45,900,000 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | \$6,302,062 | \$6,725,333 | \$7,659,733 | \$8,692,900 | \$9,798,000 |
| Public safety | 15,349,496 | 14,431,564 | 18,113,144 | 21,170,200 | 22,347,500 |
| Public works | 6,699,945 | 6,790,188 | 7,491,963 | 8,542,400 | 9,505,500 |
| Community development | 2,371,458 | 2,616,517 | 2,647,003 | 3,093,700 | 3,430,800 |
| Park and recreation | 4,270,669 | 5,457,137 | 5,717,985 | 6,432,400 | 6,639,300 |
| Contingency | 0 | 0 | 0 | 141,000 | 0 |
| Debt service | 0 | 0 | 28,154 | 0 | 0 |
| Capital outlay | 553,275 | 125,931 | 13,321 | 0 | 0 |
| Total Expenditures | \$35,546,905 | \$36,146,670 | \$41,671,303 | \$48,072,600 | \$51,721,100 |
| Excess of revenues over (under) expenditures | \$5,411,883 | \$4,220,539 | (\$584,531) | (\$5,033,740) | (\$5,821,100) |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from capital leases | \$0 | \$0 | \$13,321 | \$0 | \$0 |
| Transfers in | 2,588,227 | 2,710,922 | 5,164,435 | 5,451,800 | 5,821,100 |
| Transfers (out) | (7,073,060) | (7,472,655) | (1,750,627) | 0 | (500,000) |
| Total Other Financing Sources (Uses) | (4,484,833) | (4,761,733) | 3,427,129 | 5,451,800 | 5,321,100 |
| Net changes in Fund Balances | \$927,050 | (\$541,194) | \$2,842,598 | \$418,060 | (\$500,000) |
| General Fund Balance January 1 | \$16,636,919 | \$17,563,969 | \$17,022,775 | | |
| Prior Period Adjustment | 0 | 0 | 0 | | |
| Residual Equity Transfer in (out) | 0 | 0 | 0 | | |
| General Fund Balance December 31 | \$17,563,969 | \$17,022,775 | \$19,865,373 | | |
| DETAILS OF DECEMBER 31 FUND BALANCE | | | | | |
| Nonspendable | \$99,648 | \$99,417 | \$140,959 | | |
| Committed | 2,705,303 | 2,742,033 | 2,714,547 | | |
| Assigned | 348,100 | 676,291 | 561,100 | | |
| Unassigned | 14,410,918 | 13,217,700 | 15,855,515 | | |
| Total | \$17,563,969 | \$16,735,441 | \$19,272,121 | | |

¹ The 2023 budget was adopted on December 12, 2022.

² The 2024 budget was adopted on December 13, 2023.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 75,102 and a 2022 population estimate of 77,224, and comprising an area of 36 square miles, is located in Washington County in the Minneapolis-St. Paul metropolitan area, approximately 10 miles southeast of St. Paul, Minnesota.

The City is served by Interstate Highways No. 94 and 494, State Highway No. 12, and a system of county highways. Freight service is provided by all major railroads which converge on the Minneapolis-St. Paul metropolitan area and by local and interstate trucking companies. Bus transportation is furnished by the Metropolitan Transit Commission, which provides scheduled service throughout the Minneapolis-St. Paul metropolitan area.

Commercial air freight and passenger service are available at the Twin Cities International Airport. Light plane facilities are also available at Twin Cities International and several small private airports in the metropolitan area.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

| Firm | Type of Business/Product | Estimated No. of Employees |
|--|--|-----------------------------------|
| Washington County | County government and services | 1,434 |
| M Health Fairview - Woodwinds Campus | Hospital, clinic and outpatient services | 1,013 |
| I.S.D. No. 833 (South Washington County) | Elementary and secondary education | 964 |
| Ecowater Systems LLC | Water softening equipment and services | 493 |
| Woodbury Senior Living | Nursing home | 464 |
| Summit Orthopedics | Physicians and surgeons | 394 |
| City of Woodbury | Municipal government and services | 387 |
| Walmart | Retail store | 335 |
| Illumifin ² | Outsourcing for insurance industry | 317 |
| Target | Department store | 315 |

Source: Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

² Previously known as LTCG (Long Term Care Group Inc.).

BUILDING PERMITS (as of December 31, 2023)

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|---------------|---------------|
| <u>New Single Family Homes</u> | | | | | |
| No. of building permits | 355 | 294 | 502 | 330 | 368 |
| Valuation | \$112,254,000 | \$91,326,000 | \$106,706,000 | \$108,390,000 | \$109,402,000 |
| <u>New Multiple Family Buildings</u> | | | | | |
| No. of building permits | 145 | 94 | 51 | 84 | 95 |
| No. of permits - Units | 340 | 600 | 425 | 415 | 101 |
| Valuation | \$64,747,000 | \$81,154,000 | \$73,410,000 | \$91,263,000 | \$21,229,000 |
| <u>New Commercial/Industrial</u> | | | | | |
| No. of building permits | 7 | 5 | 7 | 10 | 4 |
| Valuation | \$16,369,000 | \$18,032,000 | \$99,040,000 | \$75,532,000 | \$40,166,000 |
| <u>All Building Permits</u> (including additions and remodelings) | | | | | |
| No. of building permits | 5,350 | 5,526 | 7,371 | 10,510 | 9,447 |
| Valuation | \$301,696,090 | \$288,371,600 | \$490,870,589 | \$553,924,824 | \$390,824,175 |

Source: The City.

U.S. CENSUS DATA

Population Trend: The City

| | |
|-------------------------------|--------|
| 2010 U.S. Census population | 61,961 |
| 2020 U.S. Census population | 75,102 |
| Percent of Change 2010 - 2020 | 21.21% |

2022 State Demographer Population Estimate 77,224

Income and Age Statistics

| | The City | Washington County | State of Minnesota | United States |
|--|-----------|-------------------|--------------------|---------------|
| 2022 per capita income | \$58,891 | \$54,418 | \$44,947 | \$41,261 |
| 2022 median household income | \$125,097 | \$110,828 | \$74,313 | \$75,149 |
| 2022 median family income | \$148,164 | \$132,135 | \$107,072 | \$92,646 |
| 2022 median gross rent | \$1,767 | \$1,577 | \$1,178 | \$1,268 |
| 2022 median value owner occupied units | \$409,900 | \$379,300 | \$286,800 | \$281,900 |
| 2022 median age | 38.0 yrs. | 39.8 yrs. | 38.5 yrs. | 38.5 yrs. |

| | State of Minnesota | United States |
|-------------------------------------|--------------------|---------------|
| City % of 2022 per capita income | 131.02% | 142.73% |
| City % of 2022 median family income | 138.38% | 159.92% |

Housing Statistics

| | <u>The City</u> | | Percent of Change |
|-------------------|-----------------|--------|-------------------|
| | 2020 | 2022 | |
| All Housing Units | 27,290 | 28,377 | 3.98% |

Source: 2010 and 2020 Census of Population and Housing, and 2022 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), and Minnesota State Demographer (<https://mn.gov/admin/demography/data-by-topic/population-data/our-estimates/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

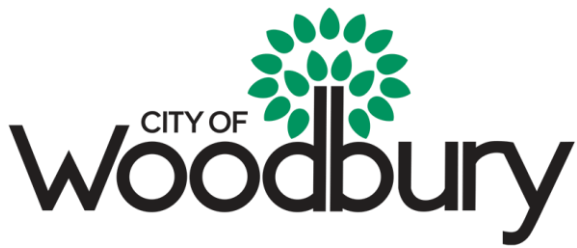
| Year | <u>Average Employment</u> | | <u>Average Unemployment</u> | |
|----------------|---------------------------|-------------------|-----------------------------|--------------------|
| | Washington County | Washington County | Washington County | State of Minnesota |
| 2020 | 138,162 | | 5.7% | 6.3% |
| 2021 | 137,110 | | 3.3% | 3.8% |
| 2022 | 141,362 | | 2.3% | 2.7% |
| 2023 | 142,073 | | 2.6% | 2.8% |
| 2024, February | 141,094 | | 3.0% | 3.6% |

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there has been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



Annual Comprehensive Financial Report

Woodbury, Minnesota
For the year ended Dec. 31, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CITY OF WOODBURY

MINNESOTA

For the Year Ended

December 31, 2022

Prepared by
FINANCE DEPARTMENT

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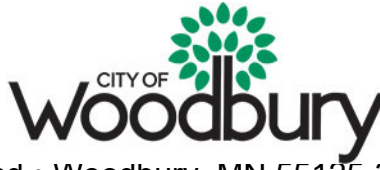
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INTRODUCTORY SECTION

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8301 Valley Creek Road • Woodbury, MN 55125-3330 • woodburymn.gov
651-714-3500 • TDD 651-714-3568 • FAX 651-714-3501

June 8, 2023

To the Honorable Mayor
Members of the Governing Council
and Citizens of
City of Woodbury, Minnesota

Submitted herewith is the Annual Comprehensive Financial Report of the City of Woodbury, Minnesota for the fiscal year ended December 31, 2022.

The State of Minnesota requires the City of Woodbury to prepare a detailed statement of the City's operation in a format prescribed by the State Auditor. The preparation of the Annual Comprehensive Financial Report fulfills that requirement for year ended December 31, 2022. The report can be used by the City Council and citizens of the City of Woodbury to gain a better understanding of the financial condition of their City.

This report was prepared by the Finance Department with the assistance of the City's independent audit firm BerganKDV, Ltd. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it 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.

State law also requires an independent audit of all accounts, financial records, and transactions of all funds of the City by an independent certified public accountant selected by the City Council. This requirement has been complied with and the auditor's opinion has been included with 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 complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Woodbury, Minnesota was incorporated as a village in 1967 and became a statutory city in 1974. Woodbury is an eastern suburb of the City of Saint Paul and is part of the seven-county Minneapolis/Saint Paul Metropolitan Area. The City's area of 36 square miles is situated entirely within Washington County. According to the 2020 U.S. Census the City population was 77,619, a 25.3% increase over the 2010 U. S. Census figure of 61,961. The 2022 population as estimated by City staff is 78,920. The level of residential growth that Woodbury is experiencing is consistent with the city's long-term planning goals and strategies.

Profile of the Government (Continued)

The City of Woodbury, Minnesota is a Statutory A city under Minnesota law. The governing body consists of a mayor and four council members. They are elected at large on a nonpartisan basis. Terms are four years, elections occur in even years, with two council member terms expiring each election year.

The Mayor and Council appoint a full-time City Administrator, who is responsible for overall supervision of City operations. The City is broken down into seven major areas of operation, with a full time department head over each. Major areas of operation include Administration & Finance, Information & Communication Technology, Public Safety, Public Works, Engineering, Community Development, and Parks & Recreation.

The City of Woodbury, Minnesota provides various services to the residents and businesses of the community. Those services include:

| General Government | Community Development | Public Works | Public Safety | Parks & Recreation |
|---------------------------|------------------------------|---------------------------|----------------------------|---------------------------------|
| Administration | Planning & Zoning | Engineering | Police Protection | Recreation Programs |
| Communications | Economic Development | Street Maintenance | Fire Protection | Parks & Trails Development |
| Finance | Building Inspections | Water & Sewer Maintenance | Emergency Medical Services | Parks & Trails Maintenance |
| Information Technology | Code Enforcement | Storm Water Maintenance | Emergency Preparedness | M Health Fairview Sports Center |
| Building Maintenance | Environmental Review | Street Lighting | | Eagle Valley Golf Course |

The funds and entities related to the City of Woodbury, Minnesota included in this Annual Comprehensive Financial Report, are controlled by or are dependent on the City.

The Woodbury Housing and Redevelopment Authority (HRA) and the Woodbury Economic Development Authority (EDA) are both blended component units of the City. The City is financially accountable for both the HRA and the EDA although they are legally separate entities. The HRA and the EDA are reported as if they were part of the primary government because the City Council serves as the board for both entities and there is a financial benefit and burden relationship between the City and the HRA and EDA.

The City Council is required to adopt a final budget by no later than the close of the fiscal year. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, certain capital project funds and enterprise funds. The general fund, special revenue funds and nine capital project funds are the only funds with legally adopted annual budgets. The City Administrator is authorized to transfer appropriations between divisions and object code classifications. Transfers between funds or increases or decreases in the fund total appropriations require City Council approval.

Local Economy

The City of Woodbury, Minnesota’s location at the juncture of the east/west interstate through the metropolitan area and the north/south interstate loops around the metropolitan area has contributed significantly to the community’s growth. Woodbury’s proximity to major employment centers, easy access to the metropolitan freeway system and large tracts of developable land has made the City an ideal location for quality residential development.

Residential land uses constitute the largest share of properties in Woodbury. In addition to providing homes for the labor shed that serves Woodbury businesses, residential uses are a significant portion of the city’s tax base. As such the health of the City’s housing economy is critical to the overall economic development of the community. The following table presents new residential housing permits and units for the past ten years.

| Residential | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Permits | 445 | 553 | 385 | 504 | 419 | 345 | 330 | 258 | 304 | 387 |
| Units | 745* | 927* | 891* | 695* | 675* | 646* | 393 | 417* | 380 | 387 |

**Includes a significant number of apartment units.*

The City opened the Phase II Municipal Urban Service Area (MUSA) for additional residential development at the end of 2012 and the construction of residential units has remained strong since. The level of residential and commercial growth that Woodbury is experiencing is consistent with the 2040 Comprehensive Plan which identifies the guiding principle of delivering planned and orderly growth within the community.

Commercial construction is better measured by the permit value and the resulting square footage as presented in the table below. Woodbury continues to experience strong demand for new commercial construction. The square footage of 1,109,000 represents seven new commercial buildings in 2022. More than ninety-six percent of the new commercial space constructed in 2022 is non-retail, consistent with the City’s goal of creating more employment opportunities in Woodbury.

| Commercial | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Permit Value | 115.0 million | 99.0 million | 18.0 million | 10.3 million | 26.2 million | 56.0 million | 51.0 million |
| Square Footage | 1,109,000 | 579,474 | 172,865 | 106,000 | 164,000 | 540,079 | 262,000 |

Local Economy (Continued)

The same factors that attract new development, also strengthen the existing commercial inventory, promoting continued growth and investment. Commercial property owners pulled 122 permits with a value of \$74 million. The continued reinvestment activity is viewed as a positive sign and a strong local economy.

Another benefit of the planned and orderly growth that Woodbury has seen over the past decades is the steady growth in the City’s tax base. Since 2013, Woodbury’s taxable value has increased from approximately \$5.9 billion to \$11.1 billion. While some of this increased tax value is due to the general rise in property values, much of it is due to the new commercial and residential growth that has occurred in the City. Considering that the full property value of a project isn’t fully realized until completion of construction, the positive impact of the development from 2021 and 2022 is still forthcoming.

The labor markets reflect the impact of the global pandemic in our local and regional unemployment rates as shown by the following statistics:

| | 2022 | | 2021 | |
|----------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | Civilian Labor Force | Unemployment Rate | Civilian Labor Force | Unemployment Rate |
| Woodbury | 41,366 | 2.0% | 40,4360 | 2.7% |
| Washington County | 144,655 | 2.3% | 141,738 | 3.3% |
| Minneapolis/St. Paul | 2,009,049 | 2.6% | 1,976,196 | 3.8% |
| State of Minnesota | 3,077,500 | 2.7% | 3,039,322 | 3.8% |

Source: Minnesota Department of Employment & Economic Development. Figures represent annual averages.

Woodbury’s unemployment rate continues to trend below our geographical region, which contributes to our overall economic strength.

Long-Term Financial Planning

The City prepares a 5-year capital improvement plan (CIP). The CIP provides a framework of financing for major capital improvements and acquisitions. The CIP presents capital improvements and acquisitions that are financed by a single source as well as projects that present a combination of funding sources. The CIP is an important financial planning tool to manage the demands of the growth of the City. One of the main focuses of the current CIP is the future growth and the installation of the associated infrastructure to allow for the next phase of development within the City.

The current area of development is referred to as the Phase II area. The main components consist of new roadways, \$13.5 million, water and sanitary sewer trunk mains for the area in the amount of \$4.2 million and \$2.7 million for storm water improvements. The costs of the development of the new phase II areas will be funded by the collection of area charges and connection fees from the developing properties, special assessments from benefitting properties and existing fund balance.

Local Economy (Continued)

The CIP also outlines the construction of new parks and trails and Open Space improvements in the amount of approximately \$2.0 million. This does not include all parks and trails for that area as these are in the planning stages. Park dedication fees are collected from developing properties and are used to fund these projects. Existing Park improvements and replacements of various amenities are approximately \$5.1 million. Existing roadways have also been identified to receive upgrades of approximately \$78.9 million over the next five years; funding is a combination Property Tax Levies, Municipal State Aid funds, tax abatement funds, utility funds and special assessments to benefitting property owners. The annual street reconstruction and maintenance projects represent \$58.6 million of this figure. The significant expenditures of street reconstruction and maintenance projects follow an action plan that was formulated by a Street Rehabilitation Task Force to correct premature deteriorating residential streets. The City Council adopted this action plan to provide expectations for pavement standards and future funding for these projects.

The City Council implemented a plan to fund the ongoing replacement of the parks and trails infrastructure; the CIP included \$13.1 million for these projects funded from the Parks and Trails Replacement Fund. A property tax levy and franchise fees are the main funding sources for these projects. The capital improvements listed here represent only some of the major projects identified within 2023-2027 Capital Improvement Plan.

Relevant Financial Policies

The City has a fund balance policy that establishes guidelines for the General fund. The policy addresses the following areas: 1) cash flow requirements, 2) emergencies and contingency needs, and 3) compensated absences. The most significant of these classifications is for cash flow. Since property taxes are basically paid in two installments in July and December, the City needs significant cash reserves in order to avoid short-term borrowing to finance operations. The City's policy calls for cash flow reserves to be set at 30% of the ensuing year's budget. At year-end 2022, 30% of the ensuing year's budget was reserved for cash flow amounting to \$14,271,780.

The fund balance policy also establishes guidelines for the Risk Management fund. The Risk Management fund is an internal service fund that accounts for the City's workers' compensation, general liability and property casualty insurance programs and the City's self-insured dental plan. The policy directs that the City shall maintain a minimum fund balance of 25% of the following year's Risk Management fund expense budget. If reserves reach \$2 million per the audited financial statements, 50% of the dividends, workers compensation retrospective adjustments and investment earnings will be redirected to the General fund. If losses or expenses in excess of budget reduce the reserves below the minimum requirement, the 50% redirection requirement will be rescinded until the reserve amount again reaches \$2.0 million.

Major Initiatives

Parks and Trails Replacement Plan

Woodbury's parks and trails are essential assets that enhance the quality of life in the community. The City maintains approximately 3,457 acres of park and recreation land, 76 sport courts, 154 miles of paved trails, 55 named parks, 19 irrigation systems, 123 athletic fields, 31 park buildings, and 46 play structures. Unfettered access to quality parks and trails support health and well-being, equity, economic development, and preservation and protection of the natural environment.

Modest operating funds have been utilized to support the still current system that has developed. This system, however, is now reaching toward maturity.

Major Initiatives (Continued)

The age of individual assets and continued growth of the system necessitates a robust plan for maintenance and eventual replacement. The plan that has been developed recommends the replacement of specific park and trail amenities based on professional and safety replacement standards and standard life expectancy. As of 2022, there was approximately \$79.2 million in parks and physical recreation assets in our system; this breaks down to an approximate annual average need of \$2.9 million to support the prescribed replacement of these amenities. Included are park buildings and structures, courts, fields, playgrounds, irrigation systems, parking lots, trails, and other miscellaneous items.

City Council approved the creation of a capital project fund to support the replacement of park and trail amenities as part of the 2020 budget to begin to address the initiative and seeded the fund with \$500,000 through a property tax levy; the levy increased to \$686,000 in 2021 and \$700,000 in 2022. City Council also recommended the evaluation of a sustainable funding source to support the fund, one of the tools which is the use of franchise fees.

The City Council asked two of its standing advisory bodies, the Parks and Natural Resources Commission and the Audit and Investment Commission to provide a funding recommendation to sustain a currently underfunded Parks and Trails Replacement Fund. A final recommendation was provided in early 2021 which included a continued tax levy contribution along with the establishment of franchise fees. In August 2021, the City Council approved the necessary ordinances to begin collecting a franchise fee on gas and electric bills effective in January 2022. As of year-end 2022, \$2.2 million of gas and electric franchise fees were received by the city to help support the Parks and Trail Replacement Plan.

Water Treatment

Temporary Water Treatment Plant

Woodbury is making way for a new permanent Woodbury Water Treatment Plant and associated infrastructure to serve the growing community. In the meantime, an expedited plan and construction of a temporary Water Treatment Plant was completed in 2020 and expanded in 2022 to serve the community with drinking water that meets all current state standards.

The plant, located near the intersection of Valley Creek Road and Tower Drive, is treating water from six of the city's 20 wells to meet water quality standards and guidelines for per- and polyfluoroalkyl substances (PFAS) using granular activated carbon (GAC). The temporary Water Treatment Plant is expected to be in operation until a long-term water treatment solution can be implemented.

In addition, to ensure the best solutions for technology and operation of the permanent Woodbury Water Treatment Plant, a pilot study of GAC and Ion Exchange technologies (both proven to successfully treat for PFAS) is located inside the temporary water treatment plant and will inform decisions for the permanent water treatment plant.

Long-term Solution: Woodbury Water Treatment Plant

As an advocate for the residents of Woodbury, the city is working on developing a solution that will serve the community today and long into the future, but it may take time. This is the largest project the city of Woodbury has undertaken, and it stretches across the whole community. Careful and thoughtful design work will take place over the next several years.

Major Initiatives (Continued)

Long-term Solution: Woodbury Water Treatment Plant (Continued)

The ultimate goal for the permanent Woodbury Water Treatment Plant is to provide water that meets current and future standards, for a long time, without doubt. Woodbury is working with national engineering firms to develop the best possible treatment technologies and system improvements to treat not just PFAS but other emerging contaminants for the foreseeable future.

After development of a Preliminary Engineering Report, the city approved a plan to treat all groundwater wells through a 32 MGD million gallons per day (MGD) water treatment plant, addition of two new wells, and more than 14 miles of distribution pipelines. With this plan, any future PFAS regulatory action, after the new long-term water treatment plant is built, would not affect the city's ability to successfully meet current and projected drinking water standards.

Public Safety – Full Utilization of the HERO Center

In 2022 the City began the full utilization of the HERO Center regional training facility and executing our business plan. The focus is providing comprehensive public safety training in de-escalation, use of force, crisis intervention, and equitable policing practices. The importance of state-of-the-art law enforcement education has never been greater, and the HERO Center is help ensuring our officers have the best possible and most realistic experiences.

City Council Strategic Initiatives

Ensure Long-Term Drinking Water Sustainability

As of August 2022, the Minnesota Department of Health has issued health advisories on nine of the city's 19 groundwater wells as a direct result of per- and polyfluoroalkyl substances (PFAS). A temporary treatment facility is currently treating water from six of the affected wells and the city removed the remaining three wells from service. While our drinking water continues to meet state standards and guidelines for PFAS, the well production loss due to PFAS will continue to strain the city's water supply system, particularly during summertime peak demand, until the permanent treatment plant is operational. Proceeding with this issue as a City Strategic Initiative will assist in providing the necessary research, detail, and information to ensure the City Council can make informed, long-term, and strategic decisions regarding the future of the City of Woodbury's water quality, treatment, and its financial sustainability into the future.

Improve Environmental Outcomes Through Responsible Environmental Stewardship

Staff began having conversations with community members and the Parks and Natural Resources Commission and found there to be significant community enthusiasm for developing an action plan for environmental stewardship. As a result, the City Council directed staff to explore this topic more as a strategic priority. A few items that could be part of an action plan include:

- Actions the city and community can take to sustain and improve the natural environment.
- Specific goals and strategies that support sustainability and resilience into the future.
- A prioritization guide that weighs potential to advance mitigation, adaptation, and community equity, including related risks and rewards.
- Another benefit to having a plan for environmental stewardship is that it would likely better position us as a contender for resources such as grants and awards.

City Council Strategic Initiatives (Continued)

Adapt and Enhance Public Safety Effectiveness

The City of Woodbury is diversifying and aging, affecting service demands and how services are provided. The public safety environment is also changing and will continue to change due to local demographics, service demands, labor negotiations, City growth and development, how services are funded, City staffing and succession, state and national political influence and more. Proceeding with public safety as a City Strategic Initiative will provide the necessary research, detail and focus on these services to ensure the City Council can make informed, long-term and strategic decisions regarding not only the City Public Safety Department, but the public safety of the community.

Critical Success Factors

The City Council has identified six components that are essential to the success of the community. These critical success factors are the guiding principles that govern the council's strategic planning for Woodbury's future. The six components, together with the result the City wishes to achieve, are:

1. **Safety** - Woodbury is a welcoming community where all people feel safe. The City provides professional, effective and compassionate protective services to ensure Public Safety builds a sense of community and supports a high quality of life.
2. **Quality of Life** - Woodbury maintains a high-quality living environment characterized by attractive neighborhoods that offer a variety of housing options for people in all stages of life and that are linked through the City's park and trail system. The City provides open spaces that allow active and passive uses by the public. Residents have convenient access to essential private sector goods and services such as health care, as well as to high quality year-round leisure and recreational services. The City directly implements those aspects of the physical and service environment for which it is responsible and promotes the provision of desired services by private and other governmental agencies in areas outside its own responsibility.
3. **Business Climate** - Recognizing that economic vitality is the foundation of community progress and livability, the City of Woodbury will continue to capitalize on its unique strengths and distinct character: a strategic location, strong demographics, and abundant opportunities for economic growth. Through its strategic planning efforts, the City will continually seek to strengthen business relationships and promote continued business investment and job growth. Woodbury's business friendly environment, responsive service and development standards that demand high quality, contribute to our strong business climate, help make Woodbury a premier location for business, and position the city for sustained success.
4. **Youth Development and Education** - The City will seek to build partnerships with other agencies and community groups to offer programs and resources that address the needs of residents under the age of 18 to ensure that all young people thrive in our community.
5. **City Services** - Continuing our tradition of providing excellent customer service, the City is committed to exceeding expectations through professionalism, responsiveness and leadership. Customer service comes in many forms, and the City will seek to be innovative and reflective of the service levels desired by residents and other stakeholders provided at an excellent value.

City Council Strategic Initiatives (Continued)

Adapt and Enhance Public Safety Effectiveness (Continued)

6. **Environmental Stewardship** - Understanding that environmental health, economics, and human well-being are interconnected and interdependent, Woodbury is committed to the responsible use and protection of all resources. To preserve our environment for future generations, the City will foster environmental stewardship through focused conservation, social responsibility and best management practices.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of

Woodbury for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The City's organizational values are **Exceeding Expectations – Professional – Responsive – Leaders**. These values are emphasized with the City's sound financial management practices. Effective financial management, foresight and professionalism are demonstrated within this document through the receipt of the GFOA Certificate of Achievement for Excellence in Financial Reporting. This document is an effective forum to communicate the City's financial position. For the City to look ahead and be responsive with its financial planning, it is necessary to have an accurate picture of where the City is currently. This financial report provides that starting point.

The 2022 Annual Comprehensive Financial Report of the City of Woodbury meets the highest professional standards and was prepared in a timely and cost-effective manner. This would never have been accomplished without the dedicated efforts of Finance Division staff members, Lynn Haseleu, Valerie Ripley, Brian Clark, Deborah Score, Kevin Knutson, Erika Lieder, Laurie Taylor, Michelle Kemper, Marilyn Thuringer, and Beth Johnston.

We also express appreciation to the Mayor, City Council, and City Administrator for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully Submitted,



Jason Schirmacher
Chief Financial Officer

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City of Woodbury
Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

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

Presented to

**City of Woodbury
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

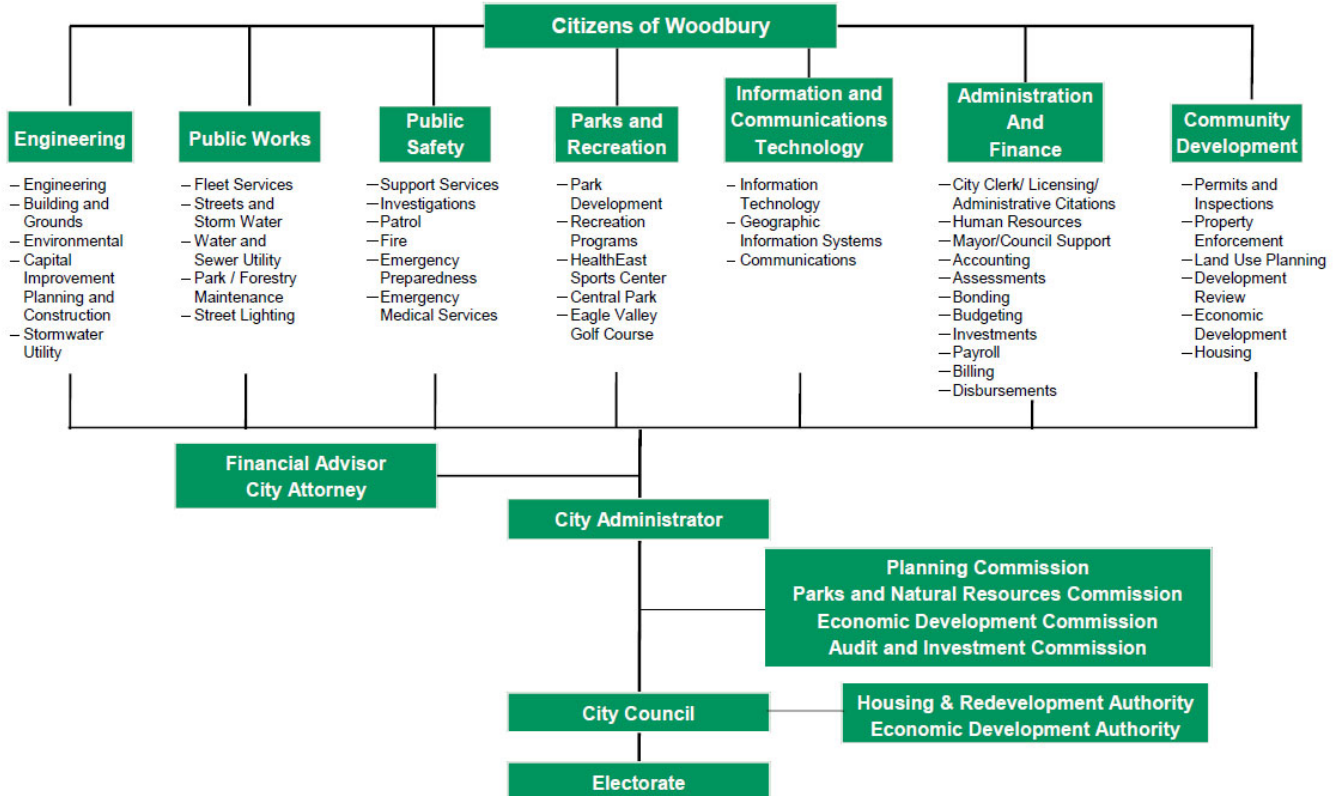
Christopher P. Morill

Executive Director/CEO

**City of Woodbury
Elected Officials and Administration
December 31, 2022**

| <u>Elected Officials</u> | <u>Position</u> | <u>Term Expires</u> |
|--------------------------|--------------------|---------------------|
| Anne Burt | Mayor | December 31, 2022 |
| Steve Morris | Council Member | December 31, 2022 |
| Jennifer Santini | Council Member | December 31, 2022 |
| Andrea Date | Council Member | December 31, 2024 |
| Kim Wilson | Council Member | December 31, 2024 |
| <u>Administration</u> | | |
| Clinton Gridley | City Administrator | Appointed |

City of Woodbury Organization Chart



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FINANCIAL SECTION

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Woodbury
Woodbury, 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 Woodbury, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodbury as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Woodbury and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Implementation of GASB 87

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of Woodbury's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (Continued)

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 Woodbury's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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, which raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Woodbury's basic financial statements. The combining and individual nonmajor fund financial statements and 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

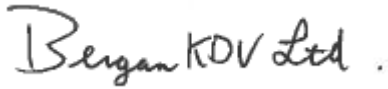
Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bergan KDV Ltd." followed by a period.

Minneapolis, Minnesota
June 8, 2023

City of Woodbury Management's Discussion and Analysis

As management of the City of Woodbury, Minnesota we offer readers of the City of Woodbury, Minnesota's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 11 of this report.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City of Woodbury exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$837,156,856 (net position). Of this amount, \$167,226,063 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

The City's total net position increased by \$35,121,975.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$167,458,319. Of this amount, \$146,274,519 is available for spending at the City's discretion (committed, assigned, and unassigned fund balance).

At the end of the current fiscal year the general fund balance of \$19,272,121 included \$15,855,515 of unassigned fund balance available for cash flow purposes in the ensuing year.

The City's total debt decreased by \$4,169,142 during the current fiscal year, from \$54,503,927 to \$50,070,262. In 2022, the City did not issue any debt and had principal payments of \$4,220,000. Compensated Absences payable decreased by \$259,430 in 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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 is improving or deteriorating.

City of Woodbury Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements (Continued)

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 Woodbury that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, and parks and recreation. The business-type activities of the City include the M Health Fairview Sports Center, Street Lighting, Water and Sewer Utility, Storm Water Utility, and Eagle Valley Golf Course.

The government-wide financial statements can be found on pages 43 through 45 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resource, 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 financial 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 financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Woodbury maintains four individual major 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, Capital Improvement Fund, and the Development Construction Fund, which are considered to be major funds.

City of Woodbury Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds (Continued)

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual appropriated budget for its general fund, special revenue funds and nine capital project funds.

A budgetary comparison statement has been provided for those funds to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 46 through 53 of this report.

Proprietary Funds

The City of Woodbury, Minnesota maintains two different types of proprietary funds, enterprise funds and an internal service fund. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Woodbury uses enterprise funds to account for the M Health Fairview Sports Center, Street Lighting Operations, Water and Sewer Utility, Storm Water Utility, and Eagle Valley Golf Course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for Risk Management activities; this includes the City's worker's compensation, general liability, property casualty insurance programs, and the self-insured dental program for employees. Because this service predominantly benefits governmental rather than business-type functions, it has 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 M Health Fairview Sports Center, Street Lighting Operations, Water and Sewer Utility, Storm Water Utility, and Eagle Valley Golf Course.

The basic proprietary fund financial statements can be found on pages 54 through 63 of this report.

Notes to 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 financial statements can be found on pages 65 through 107 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 132 through 185 of this report.

City of Woodbury Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City of Woodbury, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$837,156,856 at the close of the most recent fiscal year.

City of Woodbury's Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current and other assets | \$ 236,600,728 | \$ 215,864,389 | \$ 42,225,031 | \$ 35,125,359 | \$ 278,825,759 | \$ 250,989,748 |
| Capital assets | 439,678,706 | 434,131,078 | 239,420,949 | 229,897,580 | 679,099,655 | 664,028,658 |
| Total assets | <u>676,279,434</u> | <u>649,995,467</u> | <u>281,645,980</u> | <u>265,022,939</u> | <u>957,925,414</u> | <u>915,018,406</u> |
| Deferred outflow of resources | 31,689,788 | 17,693,230 | 1,166,287 | 1,027,759 | 32,856,075 | 18,720,989 |
| Total assets and deferred outflows of resources | <u>\$ 707,969,222</u> | <u>\$ 667,688,697</u> | <u>\$ 282,812,267</u> | <u>\$ 266,050,698</u> | <u>\$ 990,781,489</u> | <u>\$ 933,739,395</u> |
| Long-term liabilities outstanding | \$ 98,328,454 | \$ 67,305,696 | \$ 3,148,672 | \$ 5,199,184 | \$ 101,477,126 | \$ 72,504,880 |
| Other liabilities | 28,252,822 | 27,789,494 | 8,576,688 | 1,805,214 | 36,829,510 | 29,594,708 |
| Total liabilities | <u>126,581,276</u> | <u>95,095,190</u> | <u>11,725,360</u> | <u>7,004,398</u> | <u>138,306,636</u> | <u>102,099,588</u> |
| Deferred inflow of resources | 13,511,951 | 28,431,797 | 1,806,046 | 1,173,129 | 15,317,997 | 29,604,926 |
| Net position | | | | | | |
| Net investment in capital assets | 417,857,610 | 397,105,148 | 238,732,825 | 229,831,384 | 640,151,605 | 609,268,846 |
| Restricted | 29,779,188 | 32,217,860 | - | - | 29,779,188 | 32,217,860 |
| Unrestricted | 120,239,197 | 114,838,702 | 30,548,036 | 28,041,787 | 167,226,063 | 160,548,175 |
| Total net position | <u>567,875,995</u> | <u>544,161,710</u> | <u>269,280,861</u> | <u>257,873,171</u> | <u>837,156,856</u> | <u>802,034,881</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 707,969,222</u> | <u>\$ 667,688,697</u> | <u>\$ 282,812,267</u> | <u>\$ 266,050,698</u> | <u>\$ 990,781,489</u> | <u>\$ 933,739,395</u> |

The largest portion of the City's net position (\$640,151,605 or 76.5%) 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 Woodbury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Woodbury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$29,779,188 or 3.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$167,226,063) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the 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 Woodbury
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Deferred outflows of resources increased significantly in 2022 as a result of changes in actuarial assumptions and differences between expected and actual economic experience and actual investment earnings relating to the pension plans. Deferred inflows of resources decreased as in 2022 due to a significant decrease of resources related to pensions.

The City's net position increased by \$35,121,975 in 2022; governmental activities accounts for 67.5% of the increase in net position or \$23,714,285 while business-type activities contributed \$11,407,690 or 32.5% to the increase. Charges for services related to development activity and capital contributions related to parks and recreation are largely attributable to the increase in net position for the governmental activities. The business-type activities reflected an increase to net position due to capital contributions from governmental activities along with increased charges for services primarily from the water and sewer operations.

City of Woodbury's Change in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 16,281,163 | \$ 15,498,996 | \$ 24,581,322 | \$ 23,160,546 | \$ 40,862,485 | \$ 38,659,542 |
| Operating grants and contributions | 3,632,979 | 4,210,414 | 2,111,593 | 344,193 | 5,744,572 | 4,554,607 |
| Capital grants and contributions | 38,833,668 | 25,490,712 | 9,469,416 | 6,046,681 | 48,303,084 | 31,537,393 |
| General revenues | | | | | | |
| Property taxes | 41,993,124 | 39,521,520 | - | - | 41,993,124 | 39,521,520 |
| Other taxes | 168,552 | 157,437 | - | - | 168,552 | 157,437 |
| Unrestricted state aid | 49,140 | 51,643 | 10,180 | 3,011 | 59,320 | 54,654 |
| Unrestricted investment earnings | (10,014,042) | (354,449) | (1,805,483) | 257,446 | (11,819,525) | (97,003) |
| Gain on sale of assets | - | - | - | 34,725 | - | 34,725 |
| Total revenues | <u>90,944,584</u> | <u>84,576,273</u> | <u>34,367,028</u> | <u>29,846,602</u> | <u>125,311,612</u> | <u>114,422,875</u> |
| Expenses | | | | | | |
| General government | 10,303,825 | 9,941,615 | - | - | 10,303,825 | 9,941,615 |
| Public safety | 19,801,350 | 15,898,196 | - | - | 19,801,350 | 15,898,196 |
| Public works | 21,384,554 | 21,020,072 | - | - | 21,384,554 | 21,020,072 |
| Community development | 2,999,050 | 3,631,214 | - | - | 2,999,050 | 3,631,214 |
| Parks and recreation | 9,249,626 | 6,835,444 | - | - | 9,249,626 | 6,835,444 |
| Interest on long-term debt | 1,373,648 | 1,517,490 | - | - | 1,373,648 | 1,517,490 |
| M Health Fairview sports center | - | - | 2,749,540 | 1,935,459 | 2,749,540 | 1,935,459 |
| Street lighting | - | - | 655,363 | 555,712 | 655,363 | 555,712 |
| Water | - | - | 9,233,590 | 7,366,730 | 9,233,590 | 7,366,730 |
| Sewer | - | - | 8,201,771 | 7,370,139 | 8,201,771 | 7,370,139 |
| Storm sewer | - | - | 2,523,418 | 2,094,511 | 2,523,418 | 2,094,511 |
| Golf course | - | - | 1,713,902 | 1,663,043 | 1,713,902 | 1,663,043 |
| Total expenses | <u>65,112,053</u> | <u>58,844,031</u> | <u>25,077,584</u> | <u>20,985,594</u> | <u>90,189,637</u> | <u>79,829,625</u> |
| Increase (decrease) in net position | | | | | | |
| Before transfers | 25,832,531 | 25,732,242 | 9,289,444 | 8,861,008 | 35,121,975 | 34,593,250 |
| Transfers | (2,118,246) | (1,423,541) | 2,118,246 | 1,423,541 | - | - |
| Increase in net position | 23,714,285 | 24,308,701 | 11,407,690 | 10,284,549 | 35,121,975 | 34,593,250 |
| Net position - January 1 | <u>544,161,710</u> | <u>519,853,009</u> | <u>257,873,171</u> | <u>247,588,622</u> | <u>802,034,881</u> | <u>767,441,631</u> |
| Net position - December 31 | <u>\$ 567,875,995</u> | <u>\$ 544,161,710</u> | <u>\$ 269,280,861</u> | <u>\$ 257,873,171</u> | <u>\$ 837,156,856</u> | <u>\$ 802,034,881</u> |

**City of Woodbury
Management's Discussion and Analysis**

GOVERNMENTAL ACTIVITIES

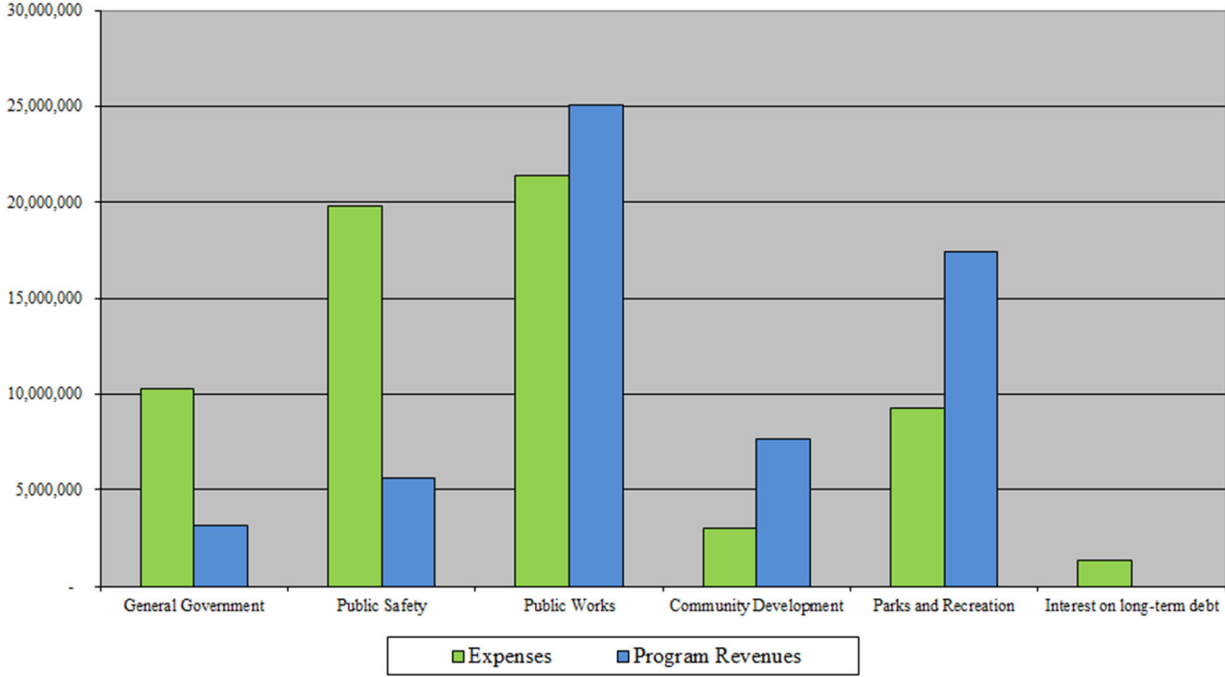
Governmental activities increased the City's net position by \$23,714,285, accounting for 67.5% of the total growth in net position; key elements of this increase as well as other highlights of the governmental activities are as follows:

- Charges for services increased by \$782,167 over 2021. Community Development continued to stay strong at \$7.3 million due to continued permits issued at higher average valuations. Overall, most revenue streams stayed consistent when compared to 2021 revenues. Except administrative service fees which is an administration fee charged to public improvement projects that experienced a \$810,868 increase compared to 2021. The increase is due to various development projects in the city.
- Capital grants and contributions specifically for the Public Works function continue to show strong performance because of the continued build out of the Phase 2 Metropolitan Urban Service Area (MUSA); this residential development activity continues to produce increased revenues. The result of this development activity is sizable collection of special assessment revenues associated with the developing properties. In addition, the City collected \$2.8 million in Municipal State Aid in 2021 for roadway projects. Overall, the Public Works function realized \$18.7 million of capital grants and contribution revenues in 2021.
- Capital grants and contributions for the Parks and Recreation function had significant capital contributions as well with \$15,838,827 in revenues, a \$9.4 million increase over 2021. A majority of these contributions are development related and represent the donation of outlots and right of way in the developing areas for future park and trail development and park dedication fees paid by the developer.
- Property tax revenues had an increase over the prior year amounting to \$2,471,604. The City had a tax levy increase of 5.5% over 2021 which accounts for the increase. The City's collection rate in 2021 was 99.5% for the collection of current and delinquent taxes.
- There was a \$6,268,022 increase of governmental activities expenses in 2022. There is no specific cause for the increase except the city's functions returning to a more consistent level of services that existed prior to the pandemic.
- Investment earnings were a negative \$10,014,042 in 2022. With interest rates rising in the fixed income securities market, the value of the City's portfolio declined. Because the City's investments are held to maturity, the City will recoup these temporary write-downs in fair value.
- The net transfers for the governmental activities resulted in \$2,118,246 being transferred out of the governmental activities to the business type activities. In comparison, the governmental activities had net transfers in of \$1,423,541 in 2021.

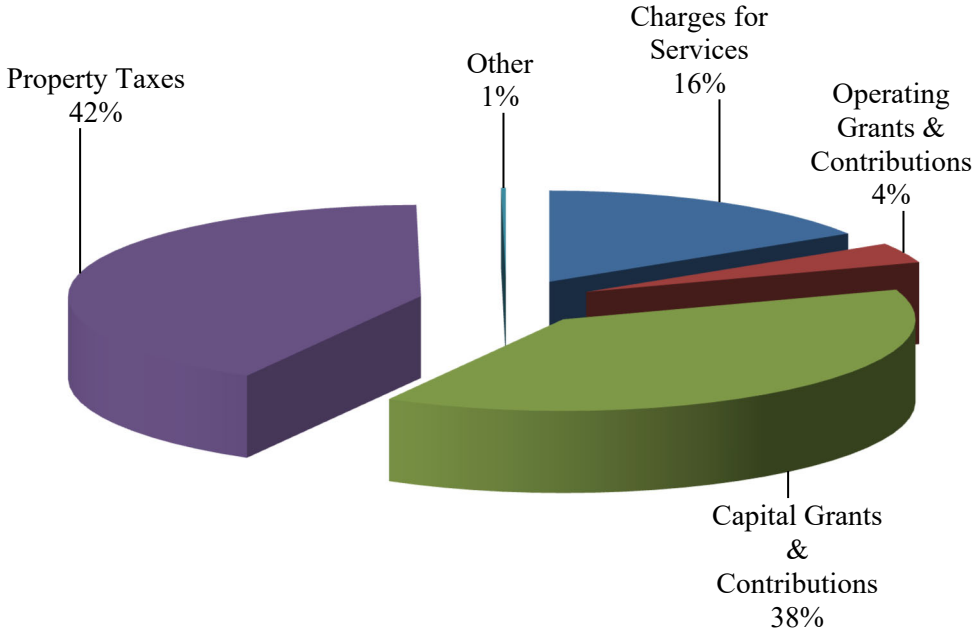
**City of Woodbury
Management's Discussion and Analysis**

GOVERNMENTAL ACTIVITIES (CONTINUED)

Expense and Program Revenues - Governmental Activities



Governmental Activities - Revenues

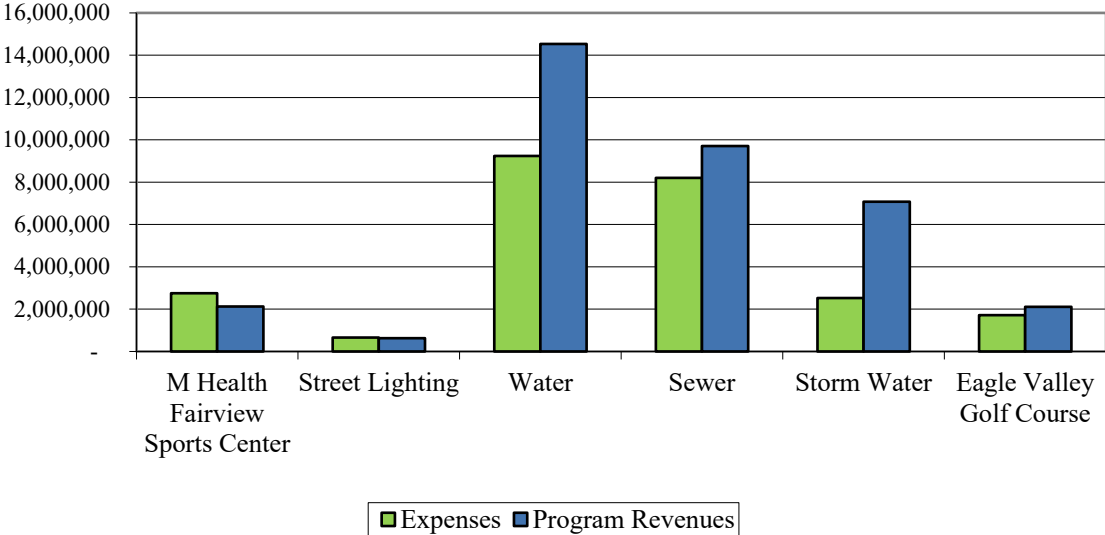


City of Woodbury Management's Discussion and Analysis

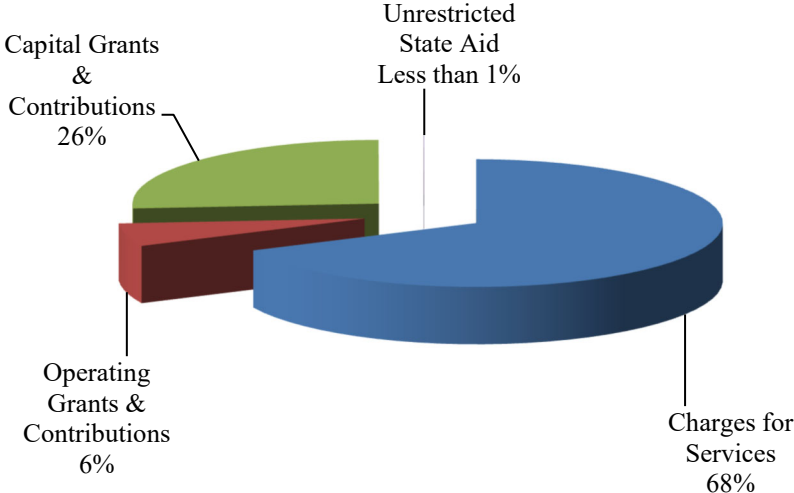
BUSINESS-TYPE ACTIVITIES

Business-type activities increased net position by \$11,407,690 accounting for 32.5% of the City of Woodbury's growth in net position. This increase to net position was primarily due to the \$3,422,735 increase in capital contributions within the Water and Sewer Utility Fund and the Storm Water Utility Fund. In 2022, the city also experienced a \$1,767,400 increase in operating grants and contributions. The main reason for this increase is from state funding from the 3M settlement that is funding the design phase of the City's future water treatment plant for PFAS.

Expense and Program Revenues - Business-type Activities



Business-Type Activities - Revenues



**City of Woodbury
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

At the end of the current fiscal year, the City of Woodbury's governmental funds reported combined ending fund balance of \$167,458,319. Approximately 9.5% percent of this total amount; \$15,855,515, constitutes unassigned fund balance that is available for spending in the coming year. The remainder of fund balance includes \$1,031,754 in nonspendable fund balance, \$20,152,046 in restricted fund balance, \$17,711,292 in committed fund balance and \$112,707,712 of assigned fund balance. See Note 10 to the basic financial statements for additional detail on the fund balance amounts.

Major Governmental Funds

The General Fund expenditures exceeded revenues by \$890,449 and after including the other financing sources and uses, the net change in fund balance was an increase of \$2,536,680. Other financing sources and uses reported \$5,164,435 of budgeted transfers into the General Fund but were offset by the transfers out of \$1,750,627. The General Fund balance at year end was \$19,272,121. Further detail on the 2022 General Fund activity is found later in this analysis.

The Capital Improvement Fund had a fund balance of \$13,545,790 as of December 31, 2022, a decrease of \$1,902,354 from 2021. There was a transfer in of \$1,280,110 in 2022. \$500,000 of this transfer is the result of the General Fund positive budget variances in 2022. The 2022 positive budget variances were mainly the result of vacant staffing positions.

The Development Construction Fund had a net increase in fund balance of \$240,357. This fund accounts for public improvement projects which are currently under construction and where special assessments or developer payments will be the major funding source. In 2022, special assessments collected exceeded expenditures, causing the increase to fund balance. The Development Construction Fund had a fund balance of \$3,675,472 as of December 31, 2022.

Non-Major Governmental Funds

The non-major special revenue funds experienced an increase in fund balance of \$2,004,609 in 2022.

- The Administrative Fee Fund had an increase in fund balance of \$796,989; the fees collected for development activity exceeded the fixed expenditure and transfer out.
- The HRA Fund had an increase in fund balance of \$62,002. In 2022, the HRA property tax levy collected was \$249,951 and interest collected on loans through the HRA loan programs was \$76,646. This was offset by the funding of a portion of the City's Housing & Redevelopment Coordinator's position and the outside professional service costs used to administer the loan programs; with minimal spending in other areas this resulted in the increase of fund balance.

**City of Woodbury
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

Non-Major Governmental Funds (Continued)

- The Sports Center Sponsorship Fund had an increase in fund balance of \$89,843 and is reflective of the funds received for naming and branding rights for the City's sports center to be used to support community wellness projects.
- The Public Safety Training Center Fund had an increase in fund balance of \$231,563. The property tax levy revenues exceeded the planned expenditures in 2022, This fund balance will be used in future years for repair and replacement of capital assets at the training center.
- The Public Safety Activities Fund had a decrease of \$3,952 in fund balance; the spending exceeded the fees and fines collected from the public safety activities. The decrease in fund balance is directly related to the unrealized loss in the funds market value of investments.
- The Emergency Medical Services Fund had an increase in fund balance of \$736,366. Revenues were \$3,105,366 while transfers out were \$2,369,000. A transfer out to the General Fund occurred for the funding of emergency medical staffing which are accounted for in the General Fund. Run revenue increased in 2022 by \$81,372 creating a fund balance of \$5,204,952 as of December 31, 2022.

Total fund balance for all debt service funds was \$8,141,921 at December 31, 2022.

The non-major debt service funds had an overall decrease in fund balance of \$258,783.

- The 2013A GO Tax Abatement Bond Fund increased by \$45,054. The dedicated debt service revenue streams comprised of property tax levy exceeded the debt service obligation.
- The dedicated debt service revenue streams comprised of special assessments and a property tax levy was less than the debt service obligation for both the 2012A GO Improvement Bond, the 2014A GO Improvement, the 2015A Improvement, and the 2016A Improvement Bonds and resulted in decreases in fund balance of \$49,407, \$7,642, \$36,187, and \$16,622 respectively.
- The 2020A GO Improvement Bond Fund had an increase in fund balance of \$100,731. The dedicated debt serviced revenue streams comprised of special assessments and a property tax levy exceeded the debt service obligation.
- All other non-major debt service funds had minimal increases or decreases in fund balance.

**City of Woodbury
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

Non-Major Governmental Funds (Continued)

Total fund balance for all non-major capital project funds was \$105,709,325 on December 31, 2022. The non-major capital project funds had an overall increase to fund balance of \$1,919,469.

- The Park Dedication Fund had an increase in fund balance of \$1,007,109. Park dedication fees collected from developers totaled \$3,120,369 and there was \$2,000,070 spent on current and capital outlay. The most significant spending occurred at Valley Creek Community Park with \$733,895 spent in 2022.
- The Parks and Trails Replacement Fund had an increase in fund balance of \$797,916. There was property tax levy revenue of \$700,000 and capital spending of \$1,122,290 in 2022. The majority of the capital expenditures were for the Lake Road trail replacement and parks improvements.
- The Community Investment Fund had a decrease in fund balance of \$465,714. All the capital expenditures were for preliminary work for the Central Park remodel project.
- The Municipal State Aid Roadway Construction Fund had an increase in fund balance of \$2,129,721. The capital spending of \$4,246,556 is attributed to Lake Rd and Pioneer Dr intersection improvements and Lake Rd, four to three lane conversion projects.
- The Major Roadway Special Assessment Fund had a decrease in fund balance of \$1,331,457. The transfer out of \$976,315 was to the Major Roadway Special Assessment Fund to support various projects.
- The Phase I & II Major Roadway Special Assessment Fund had a decrease in fund balance of \$2,472,399. The revenues of \$1,862,545 were comprised of special assessment and state grant income. There were expenditures of \$1,858,827 for roadway projects accounted for in the fund, a transfer out of \$2,120,464 to fund the Lake Road and Pioneer Dr intersection project, and an offsetting transfer in of \$641,087 from the Trunk Water & Sanitary Sewer Fund to pay for its portion of a roadway improvement.
- The Ramsey Washington Metro Trunk Storm Fund also had a decrease to fund balance of \$119,436. All the capital expenditures of \$483,950 were for the Edgewood Avenue retaining wall project.
- The Central District Trunk Storm Sewer Fund had special assessment collections of \$1,961,505 and expenditures of \$1,287,878. The majority of the expenditures were for trunk credits to residential developers. There was a decrease in fund balance of \$422,315.

**City of Woodbury
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

- The Street Reconstruction/Maintenance Fund had an increase in fund balance of \$2,989,443. The 2022 street reconstruction projects amounted to \$2,028,108 of expenditures while revenues that were \$3,624,573 with most of the funding coming from property taxes. The fund balance as of December 31, 2022, was \$12,623,736 and will be used to fund the remaining work on the prior year projects and future rehabilitation projects.
- All other non-major capital project funds had minimal increases or decreases in fund balance.

Proprietary Funds

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

The unrestricted net position in the respective proprietary funds is Sports Center Fund, \$31,908; Street Lighting, \$1,163,869; Water and Sewer Utility, \$22,923,356; Storm Water Utility, \$5,061,805 and Eagle Valley Golf Course, \$1,367,098.

The Sports Center Fund had a decrease in net position of \$951,506. The sports center produced operating income in 2022 of \$200,392; this was offset by depreciation expense of \$764,216 for an operating loss after depreciation of \$563,824. The rate structure does not include depreciation on the facility or GASB 68 pension expense liability. Non-operating revenues include tower lease income and income from a lease agreement with Summit Orthopedics, Ltd. These lease revenues totaled \$254,780 in 2022. Revenues from facility rental, programming, and concessions increased by \$183,727 in 2022 compared to 2021. The two main contributors to the loss of net position were a loss on disposal of fixed assets and an unrealized loss on investments.

The Street Lighting Operation Fund had a decrease in net position of \$95,259. The City charges for services collected from the residential and commercial population fell short of the amount billed to the City for operational expenses of the street lighting infrastructure. The majority of the loss on net position is attributed to the \$86,690 unrealized loss on investments. Depreciation is not accounted for in the financial statements due to the structure of the street lighting contract with Xcel Energy.

The Water and Sewer Utility Fund had an increase in net position of \$7,161,326. Capital contributions for 2022 amounted to \$8,477,674 and is the main contributor of the increase in net position. The Water and Sewer Utility Fund produced income before capital contributions and transfers in 2022 of \$328,458 which includes depreciation. Non-operating revenues/expenses netted to \$736,482 due to an unrealized loss on investments of \$1,940,731 and grants totaling \$1,938,818. Effective January 1, 2022, the water rate increased \$.10/1,000 gallons for both commercial and residential. The administrative charge increased \$1.00 per quarter for residential and month for commercial accounts. The irrigation water rate increased by \$.32/1,000 gallons. The City Sewer rate increased \$1.20/quarter, the MCES fixed rate increased \$1.57/quarter and the MCES usage rate increased \$.20/1,000 gallons.

**City of Woodbury
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Proprietary Funds (Continued)

The Storm Water Utility Fund had an increase in net position of \$4,998,999. There was a loss before capital contributions and transfers in the amount of \$91,562 which can be attributed to the unrealized loss on investments of \$339,188. In addition, there was \$6,155,752 of capital contributions in 2022 offset by the transfers out in the amount of \$1,109,047 to other funds. The budgeted rate structure does not include depreciation on the system. The rate structure provides infrastructure replacement funding based on the level of street reconstruction funding available and the capacity to do road and utility projects at the same time. There was a 3% rate increase in 2022 for the Storm Water Utility.

The Eagle Valley Golf Course Fund had an increase in net position of \$294,130. Golf Course operations saw a slight dip in the number of rounds in 2022; 42,621 rounds played compared to 44,679 in 2021, a 4.6% decrease. The net income from operations for 2022 was \$383,969 which includes depreciation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Amendments

During the year there was an increase between the original and final amended budget of \$2,096,458. The following amendments make-up that increase:

- The 2022 General Fund budget was amended to transfer out the 2022 positive budget variances of \$1,228,427. The transfer out consisted of a transfer of \$671,927 to the Capital Improvement Fund to assist in funding future projects and \$556,500 to the Risk Management Fund to bring the fund's reserve balance to the maximum level per the City's fund balance policy.
- The 2022 General Fund budget was amended to include \$639,096 of budget carryovers from 2021; this is for projects or purchases that were not completed and or received by the end of 2021. This increases the budgeted expenditure line items and was funded by the use of fund balance (\$560,691) and intergovernmental and miscellaneous revenues (\$78,405) for grant specific purchases.
- The 2022 General Fund budget was amended to include \$228,935 for the hiring of a building inspector and for various other work not anticipated at the time of the originally adopted 2022 General Fund budget.

BUDGET TO ACTUAL

Revenues

In 2022, the General Fund exceeded the amended budgeted revenue by \$1,726,114. The City's largest revenue source, property taxes had a positive budget variance of \$438,518, recording a collection rate of 99.5%; this includes the current and delinquent collections. Licenses and permits had a positive budget variance exceeding budget by \$3,580,897; the 2022 budget forecast for permit revenues was conservative.

**City of Woodbury
Management's Discussion and Analysis**

BUDGET TO ACTUAL (CONTINUED)

Expenditures

The City's largest expenditure, personal services had a positive budget variance of \$2,736,979, this positive variance was due to vacant positions from retirements or turnover during the year.

GENERAL GOVERNMENT

Administration/Elections

This division expended 95.1% of the \$2,186,723 budget with a positive budget variance of \$106,920. The line item for other services and charges was underspent by \$45,691; various expenditures were under budget due to an open position. Also, the line item for personal services was under budget by \$61,781 due to an open position during the year.

Information Technology

This division expended 93.8% of the \$1,652,800 budget with a positive budget variance of \$102,910. The line item for personal services was under budget by \$122,556 due to open positions during the year.

Finance

This division expended 93.4% of the \$1,227,795 budget with a positive budget variance of \$81,341. The line item for personal services was under budget by \$116,241 due to open positions during the year. Offsetting this underage was an overage in the other services and charges budget of \$25,882 due to unbudgeted consulting service expenses related to the aforementioned open positions.

PUBLIC SAFETY

Police

This division expended 94.2% of the \$13,624,341 budget with a positive budget variance of \$787,238. The majority of this variance is in personal services with a positive variance of \$930,729 due to open positions throughout the year and difficulty filling them.

Fire

This division expended 89.9% of the \$5,616,538 budget with a positive budget variance of \$563,699. The line item for personal services was under budget by \$534,783 due to turnover during the year.

PUBLIC WORKS

Engineering

This division ended the year with a positive budget variance of \$210,883 or 89.3% of budget. Personal services were under budget as a result of turnover during the year. The positive variance for personal services was \$239,918.

Streets

This division expended 94.4% of the \$3,289,550 budget with a positive budget variance of \$183,896. Personal services had a positive budget variance of \$201,149 due to turnover of full-time staff during the year.

**City of Woodbury
Management's Discussion and Analysis**

PARKS AND RECREATION

Recreation

This division ended the year with a positive budget variance of \$150,781 or 91.9% of budget. The variance is spread across the three categories: personal services \$100,369, materials and supplies \$31,100, and other services and charges \$19,312. Recreational programming was not as limited as it was in 2021 from the pandemic, however staffing needed to support programs was still an issue being addressed.

Parks & Forestry

This division expended 89.7% of the \$4,477,600 budget resulting in a positive variance of \$462,124. There was a positive variance in personal services of \$205,131, materials and supplies of \$36,978, and other services and charges of \$220,015. This is the result of the open personal positions during the year.

**City of Woodbury
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$690,794,573 (net of accumulated depreciation).

**City of Woodbury's Capital Assets
(Net of Depreciation)**

| Primary Government | Beginning Balance | Increase | Decrease | Transfers | Ending Balance |
|---|-----------------------|----------------------|---------------------|--------------------|-----------------------|
| Governmental activities | | | | | |
| Land(not depreciated) | \$ 129,245,182 | \$ 10,112,494 | \$ - | \$ - | \$ 139,357,676 |
| Construction in progress(not depreciated) | 26,185,547 | 17,728,926 | 6,179,523 | (5,121,710) | 32,613,240 |
| Building and structures | 70,300,625 | 391,590 | - | - | 70,692,215 |
| Infrastructure | 310,424,682 | 6,755,592 | 1,310,856 | - | 315,869,418 |
| Furniture and fixtures | 1,427,896 | 136,938 | 203,112 | - | 1,361,722 |
| Machinery and equipment | 26,985,410 | 3,068,764 | 945,601 | 30,585 | 29,139,158 |
| Land improvements | 17,334,931 | 2,789,213 | - | - | 20,124,144 |
| Leased equipment | - | 75,602 | - | - | 75,602 |
| Total capital assets | <u>581,904,273</u> | <u>41,059,119</u> | <u>8,639,092</u> | <u>(5,091,125)</u> | <u>609,233,175</u> |
| Less accumulated depreciation for | | | | | |
| Buildings and structures | 16,905,161 | 1,503,303 | - | - | 18,408,464 |
| Infrastructure | 110,069,416 | 7,445,345 | 845,482 | - | 116,669,279 |
| Furniture and fixtures | 942,939 | 111,337 | 196,236 | - | 858,040 |
| Machinery and equipment | 12,283,202 | 1,987,262 | 835,905 | 29,618 | 13,464,177 |
| Land improvements | 7,572,477 | 856,749 | - | - | 8,429,226 |
| Less accumulated ammorization for | | | | | |
| Leased equipment | - | 30,365 | - | - | 30,365 |
| Total accumulated depreciation | <u>147,773,195</u> | <u>11,934,361</u> | <u>1,877,623</u> | <u>29,618</u> | <u>157,859,551</u> |
| Governmental activities capital assets-net | <u>434,131,078</u> | <u>29,124,758</u> | <u>6,761,469</u> | <u>(5,120,743)</u> | <u>451,373,624</u> |
| Business-type activities | | | | | |
| Land(not depreciated) | 16,228,342 | 664,037 | - | - | 16,892,379 |
| Construction in progress(not depreciated) | 731,980 | 3,283,774 | 1,428,581 | (42,300) | 2,544,873 |
| Land improvements | 2,555,821 | - | - | - | 2,555,821 |
| Buildings and structures | 41,865,524 | 1,155,839 | 598,176 | - | 42,423,187 |
| Furniture and fixtures | 245,227 | - | - | - | 245,227 |
| Machinery and equipment | 5,036,203 | 96,969 | 26,107 | (30,585) | 5,076,480 |
| Water systems | 95,707,911 | 2,270,067 | - | 1,357,014 | 99,334,992 |
| Sewer systems | 67,452,243 | 1,285,050 | - | 2,032,712 | 70,770,005 |
| Storm sewer | 109,505,812 | 4,381,468 | - | 1,774,284 | 115,661,564 |
| Total capital assets | <u>339,329,063</u> | <u>13,137,204</u> | <u>2,052,864</u> | <u>5,091,125</u> | <u>355,504,528</u> |
| Less accumulated depreciation for | | | | | |
| Land improvements | 580,897 | 120,941 | - | - | 701,838 |
| Buildings and structures | 9,538,562 | 895,570 | 324,013 | - | 10,110,119 |
| Furniture and fixtures | 116,231 | 42,672 | - | - | 158,903 |
| Machinery and equipment | 2,511,531 | 364,904 | 16,542 | (29,618) | 2,830,275 |
| Water systems | 42,160,360 | 2,712,509 | - | - | 44,872,869 |
| Sewer systems | 26,401,711 | 1,320,183 | - | - | 27,721,894 |
| Storm sewer | 28,122,191 | 1,565,490 | - | - | 29,687,681 |
| Total accumulated depreciation | <u>109,431,483</u> | <u>7,022,269</u> | <u>340,555</u> | <u>(29,618)</u> | <u>116,083,579</u> |
| Business-type activities capital assets-net | <u>229,897,580</u> | <u>6,114,935</u> | <u>1,712,309</u> | <u>5,120,743</u> | <u>239,420,949</u> |
| Total capital assets | <u>\$ 664,028,658</u> | <u>\$ 35,239,693</u> | <u>\$ 8,473,778</u> | <u>-</u> | <u>\$ 690,794,573</u> |

Additional information on the City of Woodbury's capital assets can be found in Note 4.

**City of Woodbury
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$46,635,000, a decrease of \$4,220,000 from 2021. This number is comprised of G.O. debt of \$31,525,000 and debt supported by special assessments of \$15,110,000.

Additional long-term debt amounts to \$73,287 in notes and loans payable, \$45,765 of lease liability, and compensated absences in the amount of \$3,316,210.

City of Woodbury's Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| General obligation debt | \$ 31,525,000 | \$ 33,685,000 | \$ - | \$ - | \$ 31,525,000 | \$ 33,685,000 |
| General obligation tax increment | - | 140,000 | - | - | - | 140,000 |
| General obligation improvement bonds | 15,110,000 | 17,030,000 | - | - | 15,110,000 | 17,030,000 |
| Notes and loans payable | 73,287 | 73,287 | - | - | 73,287 | 73,287 |
| Leased liability | 45,765 | - | - | - | 45,765 | - |
| Compensated absences | 3,050,904 | 3,281,117 | 265,306 | 294,523 | 3,316,210 | 3,575,640 |
| | <u>\$ 49,804,956</u> | <u>\$ 54,209,404</u> | <u>\$ 265,306</u> | <u>\$ 294,523</u> | <u>\$ 50,070,262</u> | <u>\$ 54,503,927</u> |

The above table does not include any unamortized loss or gain on refunding's nor issuance premiums and discounts. This along with additional information on the City's long term debt can be found in Note 5.

State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total estimated market value. The current debt limitation for the City of Woodbury is \$333,179,322. Only \$30,853,354 of the City's outstanding debt is counted within the statutory limitation.

In December of 2020, Standard & Poors' Rating Service rated the City as AAA. Standard & Poors' rationale behind this rating is "a very strong economy, with access to the broad and diverse metropolitan statistical area; strong management, with good financial policies and practices; strong budgetary performance; very strong budget flexibility; very strong liquidity; adequate debt and contingent liability profile and a strong institutional framework." An updated rating was not obtained in 2022 due to no new bonds being issued.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, 8301 Valley Creek Road, Woodbury, Minnesota 55125.

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BASIC FINANCIAL STATEMENTS

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**City of Woodbury
Statement of Net Position
December 31, 2022**

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| Assets | | | |
| Cash and investments (including cash equivalents) | \$ 183,563,268 | \$ 30,929,443 | \$ 214,492,711 |
| Receivables | | | |
| Accounts receivable | 2,110,160 | 5,744,094 | 7,854,254 |
| Interest receivable | 779,465 | - | 779,465 |
| Taxes receivable | 497,841 | - | 497,841 |
| Special assessments receivable | 14,406,757 | 487,208 | 14,893,965 |
| Internal balances | (605,279) | 605,279 | - |
| Due from other governments | 1,652,479 | 1,699,075 | 3,351,554 |
| Prepaid items | 1,389,408 | 1,001,576 | 2,390,984 |
| Inventories | 186,056 | 194,263 | 380,319 |
| Leases receivable | 7,191,745 | 1,564,093 | 8,755,838 |
| Notes receivable | 4,402,194 | - | 4,402,194 |
| Net pension asset - Fire Relief Association | 9,331,716 | - | 9,331,716 |
| Capital assets not being depreciated | | | |
| Land | 139,357,676 | 16,892,379 | 156,250,055 |
| Construction in progress | 32,613,240 | 2,544,873 | 35,158,113 |
| Capital assets net of accumulated depreciation | | | |
| Buildings and structures | 52,283,751 | 32,313,068 | 84,596,819 |
| Infrastructure | 199,200,139 | 183,484,117 | 382,684,256 |
| Furniture and fixtures | 503,682 | 86,324 | 590,006 |
| Machinery and equipment | 15,674,981 | 2,246,205 | 17,921,186 |
| Land improvements | 11,694,918 | 1,853,983 | 13,548,901 |
| Leased equipment | 45,237 | - | 45,237 |
| Total assets | <u>676,279,434</u> | <u>281,645,980</u> | <u>957,925,414</u> |
| Deferred Outflows of Resources | | | |
| Deferred amount from bond refunding | 162,400 | - | 162,400 |
| Deferred outflows of resources related to pensions | 27,524,051 | 700,703 | 28,224,754 |
| Deferred outflows of resources related to OPEB | 4,003,337 | 465,584 | 4,468,921 |
| Total deferred outflows of resources | <u>31,689,788</u> | <u>1,166,287</u> | <u>32,856,075</u> |
| Total assets and deferred outflows of resources | <u>\$ 707,969,222</u> | <u>\$ 282,812,267</u> | <u>\$ 990,781,489</u> |
| Liabilities | | | |
| Salaries and benefits payable | \$ 1,185,390 | \$ 122,552 | \$ 1,307,942 |
| Accounts payable | 2,431,886 | 886,053 | 3,317,939 |
| Contracts payable | 1,501,776 | 688,124 | 2,189,900 |
| Accrued interest payable | 561,577 | - | 561,577 |
| Due to other governments | 114,316 | 291,184 | 405,500 |
| Deposits payable | 16,204,719 | 332,160 | 16,536,879 |
| Unearned revenue | 384,520 | 6,056,291 | 6,440,811 |
| Bond principal payable | | | |
| Payable within one year | 3,575,000 | - | 3,575,000 |
| Payable after one year | 44,921,416 | - | 44,921,416 |
| Note from direct borrowing | | | |
| Payable after one year | 73,287 | - | 73,287 |
| Lease liability | | | |
| Payable within one year | 23,583 | - | 23,583 |
| Payable after one year | 22,182 | - | 22,182 |
| Compensated absences payable | | | |
| Payable within one year | 2,270,055 | 200,324 | 2,470,379 |
| Payable after one year | 780,849 | 64,982 | 845,831 |
| Total OPEB liability | 6,778,448 | 759,559 | 7,538,007 |
| Net pension liability | | | |
| Payable after one year | 45,752,272 | 2,324,131 | 48,076,403 |
| Total liabilities | <u>126,581,276</u> | <u>11,725,360</u> | <u>138,306,636</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows of resources related to pensions | 4,035,393 | 92,205 | 4,127,598 |
| Deferred inflows of resources related to OPEB | 1,445,553 | 168,651 | 1,614,204 |
| Advanced appropriations - state shared taxes | 1,082,597 | - | 1,082,597 |
| Leases | 6,948,408 | 1,545,190 | 8,493,598 |
| Total deferred inflows of resources | <u>13,511,951</u> | <u>1,806,046</u> | <u>15,317,997</u> |
| Net Position | | | |
| Net investment in capital assets | 417,857,610 | 238,732,825 | 640,151,605 |
| Restricted for | | | |
| Debt service | 17,769,063 | - | 17,769,063 |
| Public safety activities | 114,421 | - | 114,421 |
| Redevelopment projects | 4,780,535 | - | 4,780,535 |
| Capital projects | 1,959,675 | - | 1,959,675 |
| Park dedication | 4,503,364 | - | 4,503,364 |
| Tax increment | 423,369 | - | 423,369 |
| Other purposes | 228,761 | - | 228,761 |
| Unrestricted | 120,239,197 | 30,548,036 | 167,226,063 |
| Total net position | <u>567,875,995</u> | <u>269,280,861</u> | <u>837,156,856</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 707,969,222</u> | <u>\$ 282,812,267</u> | <u>\$ 990,781,489</u> |

See notes to basic financial statements.

City of Woodbury
Statement of Activities
Year Ended December 31, 2022

| Functions/Programs | Expenses | Program Charges for Services |
|--|--------------------------|------------------------------------|
| Governmental activities | | |
| General government | \$ 10,303,825 | \$ 2,075,306 |
| Public safety | 19,801,350 | 3,537,539 |
| Public works | 21,384,554 | 2,088,686 |
| Community development | 2,999,050 | 7,386,480 |
| Parks and recreation | 9,249,626 | 1,193,152 |
| Interest on long-term debt | 1,373,648 | - |
| Total governmental activities | <u>65,112,053</u> | <u>16,281,163</u> |
| Business-type activities | | |
| Sports center | 2,749,540 | 2,099,139 |
| Street lighting operation | 655,363 | 626,729 |
| Water | 9,233,590 | 8,106,715 |
| Sewer | 8,201,771 | 9,106,517 |
| Storm water | 2,523,418 | 2,538,881 |
| Golf course | 1,713,902 | 2,103,341 |
| Total business-type activities | <u>25,077,584</u> | <u>24,581,322</u> |
| Total governmental and business-type activities | <u>\$ 90,189,637</u> | <u>\$ 40,862,485</u> |

| Program Services | | Net (Expense) Revenues and Changes in Net Position | | Totals |
|--|--|---|-----------------------------|--------------------------------|
| Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Government- Type Activities |
| \$ 256,083 | \$ 779,442 | \$ (7,192,994) | \$ - | \$ (7,192,994) |
| 2,047,137 | - | (14,216,674) | - | (14,216,674) |
| 749,295 | 22,215,399 | 3,668,826 | - | 3,668,826 |
| 209,795 | - | 4,597,225 | - | 4,597,225 |
| 370,669 | 15,838,827 | 8,153,022 | - | 8,153,022 |
| - | - | (1,373,648) | - | (1,373,648) |
| <u>3,632,979</u> | <u>38,833,668</u> | <u>(6,364,243)</u> | <u>-</u> | <u>(6,364,243)</u> |
| 22,636 | - | - | (627,765) | (627,765) |
| - | - | - | (28,634) | (28,634) |
| 1,932,638 | 4,490,256 | - | 5,296,019 | 5,296,019 |
| - | 597,692 | - | 1,502,438 | 1,502,438 |
| 153,653 | 4,381,468 | - | 4,550,584 | 4,550,584 |
| 2,666 | - | - | 392,105 | 392,105 |
| <u>2,111,593</u> | <u>9,469,416</u> | <u>-</u> | <u>11,084,747</u> | <u>11,084,747</u> |
| <u>\$ 5,744,572</u> | <u>\$ 48,303,084</u> | (6,364,243) | 11,084,747 | 4,720,504 |
| General revenues | | | | |
| Property taxes | | 41,993,124 | - | 41,993,124 |
| Tax increments | | 168,552 | - | 168,552 |
| Unrestricted state aid | | 49,140 | 10,180 | 59,320 |
| Unrestricted investment earnings | | (10,014,042) | (1,805,483) | (11,819,525) |
| Transfers | | (2,118,246) | 2,118,246 | - |
| Total general revenues and transfers | | <u>30,078,528</u> | <u>322,943</u> | <u>30,401,471</u> |
| Change in net position | | 23,714,285 | 11,407,690 | 35,121,975 |
| Net position - beginning | | <u>544,161,710</u> | <u>257,873,171</u> | <u>802,034,881</u> |
| Net position - ending | | <u>\$ 567,875,995</u> | <u>\$ 269,280,861</u> | <u>\$ 837,156,856</u> |

City of Woodbury
Balance Sheet - Governmental Funds
December 31, 2022

| | General Fund (101) | Capital Project | |
|--|-----------------------|--------------------------------------|---|
| | | Capital Improvement Fund (421) | Development Construction Fund (498) |
| Assets | | | |
| Cash and investments | \$ 21,380,259 | \$ 14,318,677 | \$ 18,514,945 |
| Accounts receivable | 266,718 | - | 8,406 |
| Accrued interest receivable | 763,730 | - | - |
| Taxes receivable | 525,307 | - | - |
| Special assessments receivable | - | - | 1,510,681 |
| Due from other funds | 470 | - | - |
| Due from other governments | 195,794 | 167,379 | - |
| Prepaid items | 140,959 | - | - |
| Leases receivable | 7,109,792 | - | - |
| Notes receivable | 73,287 | - | - |
| Total assets | \$ 30,456,316 | \$ 14,486,056 | \$ 20,034,032 |
| Liabilities | | | |
| Salaries and benefits payable | \$ 1,185,390 | \$ - | \$ - |
| Accounts payable | 705,569 | 610,751 | 283,009 |
| Contracts payable | 393 | 329,515 | - |
| Due to other funds | - | - | - |
| Advances from other funds | - | - | - |
| Due to other governments | 87,210 | - | 8,890 |
| Deposits payable | 1,647,025 | - | 14,557,694 |
| Unearned revenue | 384,520 | - | - |
| Total liabilities | 4,010,107 | 940,266 | 14,849,593 |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - taxes | 234,089 | - | - |
| Unavailable revenue - special assessments | - | - | 1,508,967 |
| Unavailable revenue - notes receivable | 73,287 | - | - |
| Advanced appropriations - state shared taxes | - | - | - |
| Leases | 6,866,712 | - | - |
| Total deferred inflows of resources | 7,174,088 | - | 1,508,967 |
| Fund Balances | | | |
| Nonspendable | 140,959 | - | - |
| Restricted | - | - | - |
| Committed | 2,714,547 | 36,228 | - |
| Assigned | 561,100 | 13,509,562 | 3,675,472 |
| Unassigned | 15,855,515 | - | - |
| Total fund balances | 19,272,121 | 13,545,790 | 3,675,472 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 30,456,316 | \$ 14,486,056 | \$ 20,034,032 |

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 127,343,023 | \$ 181,556,904 |
| 1,833,107 | 2,108,231 |
| 15,735 | 779,465 |
| 13,584 | 538,891 |
| 12,898,302 | 14,408,983 |
| - | 470 |
| 1,289,306 | 1,652,479 |
| 890,795 | 1,031,754 |
| 81,953 | 7,191,745 |
| 4,328,907 | 4,402,194 |
| <u>\$ 148,694,712</u> | <u>\$ 213,671,116</u> |
| | |
| \$ - | \$ 1,185,390 |
| 456,577 | 2,055,906 |
| 1,171,868 | 1,501,776 |
| 470 | 470 |
| 605,279 | 605,279 |
| 18,216 | 114,316 |
| - | 16,204,719 |
| - | 384,520 |
| <u>2,252,410</u> | <u>22,052,376</u> |
| | |
| 7,953 | 242,042 |
| 12,848,253 | 14,357,220 |
| 1,456,867 | 1,530,154 |
| 1,082,597 | 1,082,597 |
| 81,696 | 6,948,408 |
| <u>15,477,366</u> | <u>24,160,421</u> |
| | |
| 890,795 | 1,031,754 |
| 20,152,046 | 20,152,046 |
| 14,960,517 | 17,711,292 |
| 94,961,578 | 112,707,712 |
| - | 15,855,515 |
| <u>130,964,936</u> | <u>167,458,319</u> |
| | |
| <u>\$ 148,694,712</u> | <u>\$ 213,671,116</u> |

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City of Woodbury
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
December 31, 2022

Total fund balances - governmental funds \$ 167,458,319

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

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

| | |
|-------------------------------|---------------|
| Cost of capital assets | 609,157,573 |
| Less accumulated depreciation | (157,829,186) |
| Leased equipment | 75,602 |
| Less accumulated amortization | (30,365) |

Long-term liabilities are not due and payable in the current period and, therefore, as liabilities in the funds. Long-term liabilities at year-end consist of:

| | |
|------------------------------|--------------|
| Bonds and notes payable | (46,635,000) |
| Note from direct borrowing | (73,287) |
| Unamortized bond premium | (1,861,416) |
| Deferred loss on refunding | 162,400 |
| Compensated absences payable | (3,050,904) |
| Total OPEB liability | (6,778,448) |
| Net pension liability | (45,752,272) |
| Lease liability | (45,765) |

Net pension assets created through non-employer contributions to defined benefit pension plans are not recognized in the governmental funds.

9,331,716

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

| | |
|--|-------------|
| Deferred outflows of resources related to pensions | 27,524,051 |
| Deferred inflows of resources related to pensions | (4,035,393) |
| Deferred outflows of resources related to OPEB | 4,003,337 |
| Deferred inflows of resources related to OPEB | (1,445,553) |

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

| | |
|-------------------------|----------|
| Property taxes | 242,042 |
| Estimated uncollectible | (41,050) |

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

| | |
|--------------------------------|------------|
| Special assessments receivable | 14,357,220 |
| Estimated uncollectible | (2,226) |
| Loans and grants receivable | 1,530,154 |

Governmental funds do not report a liability for accrued interest due and payable.

(561,577)

Inventories of the governmental funds are recorded as expenditures when purchased rather than when consumed, but are valued at cost for the Statement of Net Position.

186,056

Internal Service Funds are used by management to charge the costs of risk management to individual funds.

1,989,967

Total net position - governmental activities

\$ 567,875,995

City of Woodbury
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2022

| | General Fund (101) | Capital Project | |
|---|-----------------------|--------------------------------------|---|
| | | Capital Improvement Fund (421) | Development Construction Fund (498) |
| Revenues | | | |
| Property taxes | \$ 30,800,590 | \$ 2,438,655 | \$ - |
| Tax increments | - | - | - |
| Special assessments | - | - | 3,597,110 |
| Licenses and permits | 7,594,197 | - | - |
| Franchise fees | - | - | - |
| Intergovernmental | 1,695,104 | 564,278 | - |
| Charges for services | 2,050,652 | 5,000 | - |
| Fines and forfeitures | 169,983 | - | - |
| Other interest earnings | 210,365 | - | - |
| Investment income | (2,168,105) | (1,066,209) | - |
| Park dedication fees | - | - | - |
| Rentals | 338,633 | - | - |
| Principal payments on loans | - | - | - |
| Other revenues | 89,435 | 430 | - |
| Total revenues | <u>40,780,854</u> | <u>1,942,154</u> | <u>3,597,110</u> |
| Expenditures | | | |
| Current | | | |
| General government | 7,659,733 | 362,421 | - |
| Public safety | 18,113,144 | 451,391 | - |
| Public works | 7,491,963 | 56,775 | 3,356,753 |
| Community development | 2,647,003 | - | - |
| Park and recreation | 5,717,985 | 278,245 | - |
| Debt service | | | |
| Principal | 26,635 | - | - |
| Interest | 1,519 | - | - |
| Other charges | - | - | - |
| Capital outlay | | | |
| General government | 13,321 | 1,941,511 | - |
| Public safety | - | 611,184 | - |
| Public works | - | 1,047,494 | - |
| Community development | - | 71,344 | - |
| Park and recreation | - | 576,715 | - |
| Total expenditures | <u>41,671,303</u> | <u>5,397,080</u> | <u>3,356,753</u> |
| Excess of revenues over (under) expenditures | (890,449) | (3,454,926) | 240,357 |
| Other Financing Sources (Uses) | | | |
| Sale of city property | - | 272,462 | - |
| Proceeds from capital leases | 13,321 | - | - |
| Transfers in | 5,164,435 | 1,280,110 | - |
| Transfers out | (1,750,627) | - | - |
| Total other financing sources (uses) | <u>3,427,129</u> | <u>1,552,572</u> | <u>-</u> |
| Net change in fund balances | 2,536,680 | (1,902,354) | 240,357 |
| Fund Balances | | | |
| Beginning of year | <u>16,735,441</u> | <u>15,448,144</u> | <u>3,435,115</u> |
| End of year | <u>\$ 19,272,121</u> | <u>\$ 13,545,790</u> | <u>\$ 3,675,472</u> |

See notes to basic financial statements.

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 8,720,712 | \$ 41,959,957 |
| 168,552 | 168,552 |
| 12,575,488 | 16,172,598 |
| - | 7,594,197 |
| 2,248,172 | 2,248,172 |
| 6,065,601 | 8,324,983 |
| 5,151,630 | 7,207,282 |
| 85,251 | 255,234 |
| 218,489 | 428,854 |
| (6,849,524) | (10,083,838) |
| 3,120,369 | 3,120,369 |
| 125,327 | 463,960 |
| 35,424 | 35,424 |
| 395,784 | 485,649 |
| <u>32,061,275</u> | <u>78,381,393</u> |
| 196,359 | 8,218,513 |
| 779,864 | 19,344,399 |
| 1,026,642 | 11,932,133 |
| 175,765 | 2,822,768 |
| 2,151,544 | 8,147,774 |
| 4,220,000 | 4,246,635 |
| 1,548,630 | 1,550,149 |
| 23,886 | 23,886 |
| 401,265 | 2,356,097 |
| - | 611,184 |
| 14,019,307 | 15,066,801 |
| - | 71,344 |
| 1,604,797 | 2,181,512 |
| <u>26,148,059</u> | <u>76,573,195</u> |
| 5,913,216 | 1,808,198 |
| - | 272,462 |
| - | 13,321 |
| 6,092,215 | 12,536,760 |
| (8,340,136) | (10,090,763) |
| <u>(2,247,921)</u> | <u>2,731,780</u> |
| 3,665,295 | 4,539,978 |
| <u>127,299,641</u> | <u>162,918,341</u> |
| <u>\$ 130,964,936</u> | <u>\$ 167,458,319</u> |

City of Woodbury
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to
the Statement of Activities - Governmental Funds
Year Ended December 31, 2022

Net change in fund balances - governmental funds \$ 4,539,978

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

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 outlays | 20,232,589 |
| Depreciation/amortization expense | (11,934,361) |
| Loss on disposal | (581,946) |
| Contributed assets | 14,584,726 |
| Book value of assets contributed to business-type activities | (5,164,010) |
| Book value of assets contributed from business-type activities | 43,267 |

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities. 4,249,837

Issuance of long-term debt is shown as other financing sources in the funds but are recorded as a long-term liability in the Statement of Net Position. (13,321)

Refunding losses are recognized when paid in the governmental funds but amortized over the life of the debt in the Statement of Activities. (40,600)

Premiums are recognized when debt is issued in the governmental funds but amortized over the of the debt in the Statement of Activities. 186,673

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 51,112

Compensated absences are recognized when paid in the governmental funds but recognized when incurred in the Statement of Activities. 230,213

OPEB obligations are recognized when paid in the governmental funds but recognized when incurred in the Statement of Activities. (606,367)

Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective. 234,123

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

| | |
|-----------------------------|-------------|
| Special assessments | (2,255,693) |
| Loans and grants receivable | (60,621) |

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

| | |
|---------------------------|--------|
| Property taxes delinquent | 33,167 |
|---------------------------|--------|

Inventories in governmental activities are recognized as an expenditure when they are purchased (purchased method) in the funds, and therefore, are not reported in the funds. This amount is the net inventory change attributable to governmental activities. (15,429)

Internal Service Funds are used by management to charge the costs of benefit accrual, risk management and workers' compensation to individual funds. 948

Change in net position - governmental activities \$ 23,714,285

City of Woodbury
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|---------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 30,362,072 | \$ 30,362,072 | \$ 30,800,590 | \$ 438,518 |
| Licenses and permits | 3,956,700 | 4,013,300 | 7,594,197 | 3,580,897 |
| Intergovernmental | 1,638,600 | 1,866,081 | 1,695,104 | (170,977) |
| Charges for services | 1,943,200 | 1,943,200 | 2,050,652 | 107,452 |
| Fines and forfeitures | 209,000 | 209,000 | 169,983 | (39,017) |
| Investment income | 255,000 | 255,000 | (2,168,105) | (2,423,105) |
| Rentals | 325,082 | 325,082 | 338,633 | 13,551 |
| Other revenues | 57,746 | 81,005 | 299,800 | 218,795 |
| Total revenues | <u>38,747,400</u> | <u>39,054,740</u> | <u>40,780,854</u> | <u>1,726,114</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 7,751,200 | 7,971,350 | 7,659,733 | (311,617) |
| Public safety | 19,646,900 | 19,464,335 | 18,113,144 | (1,351,191) |
| Public works | 7,842,600 | 7,909,430 | 7,491,963 | (417,467) |
| Community development | 2,686,700 | 2,728,826 | 2,647,003 | (81,823) |
| Park and recreation | 6,109,400 | 6,330,890 | 5,717,985 | (612,905) |
| Debt service | | | | |
| Principal | - | - | 26,635 | 26,635 |
| Interest | - | - | 1,519 | 1,519 |
| Capital outlay | | | | |
| General government | - | - | 13,321 | 13,321 |
| Total expenditures | <u>44,036,800</u> | <u>44,404,831</u> | <u>41,671,303</u> | <u>(2,733,528)</u> |
| Excess of revenues over (under) expenditures | (5,289,400) | (5,350,091) | (890,449) | 4,459,642 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from leases | - | - | 13,321 | 13,321 |
| Transfers in | 5,196,000 | 5,196,000 | 5,164,435 | (31,565) |
| Transfers out | (22,200) | (1,750,627) | (1,750,627) | - |
| Total other financing sources (uses) | <u>5,173,800</u> | <u>3,445,373</u> | <u>3,427,129</u> | <u>(18,244)</u> |
| Net change in fund balance | <u>\$ (115,600)</u> | <u>\$ (1,904,718)</u> | 2,536,680 | <u>\$ 4,441,398</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>16,735,441</u> | |
| End of year | | | <u>\$ 19,272,121</u> | |

City of Woodbury
Statement of Net Position - Proprietary Funds
December 31, 2022

| | Sports Center (204) | Street Lighting Operation (210) | Water and Sewer Utility (501, 505) |
|--|------------------------|------------------------------------|---------------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 82,717 | \$ 1,219,352 | \$ 22,781,120 |
| Accounts receivable | 385,960 | - | 5,341,576 |
| Special assessments receivable | - | - | 426,648 |
| Due from other governments | 29,606 | - | 1,379,184 |
| Lease receivable | 116,263 | - | - |
| Prepaid items | 1,918 | 725 | 987,946 |
| Inventories | - | - | 194,263 |
| Total current assets | 616,464 | 1,220,077 | 31,110,737 |
| Noncurrent assets | | | |
| Advances to other funds | - | - | 605,279 |
| Special assessments receivable | - | - | 60,560 |
| Lease receivable | 1,447,830 | - | - |
| Capital assets | | | |
| Land | - | - | 4,410,267 |
| Land improvements | 576,004 | - | 488,167 |
| Buildings and structures | 34,168,646 | - | 4,714,552 |
| Furniture and fixtures | 29,782 | - | 146,733 |
| Machinery and equipment | 404,963 | - | 3,391,628 |
| Water system | - | - | 99,334,992 |
| Sewer system | - | - | 70,770,005 |
| Storm sewer system | - | - | - |
| Construction in progress | - | - | 2,516,714 |
| Total capital assets | 35,179,395 | - | 185,773,058 |
| Less accumulated depreciation | (8,641,833) | - | (74,854,146) |
| Net capital assets | 26,537,562 | - | 110,918,912 |
| Total noncurrent assets | 27,985,392 | - | 111,584,751 |
| Total assets | 28,601,856 | 1,220,077 | 142,695,488 |
| Deferred Outflows of Resources | | | |
| Deferred outflows of resources related to pensions | 115,000 | - | 425,416 |
| Deferred outflows of resources related to OPEB | 69,385 | - | 331,014 |
| Total deferred outflows of resources | 184,385 | - | 756,430 |
| Total assets and deferred outflows of resources | \$ 28,786,241 | \$ 1,220,077 | \$ 143,451,918 |

| Storm Water Utility (525) | Eagle Valley Golf Course (550) | Totals | Internal Service Fund |
|------------------------------|--------------------------------------|-----------------------|-----------------------------|
| | | | Risk Management (720) |
| \$ 4,846,077 | \$ 2,000,177 | \$ 30,929,443 | \$ 2,006,364 |
| 12,961 | 3,597 | 5,744,094 | 1,929 |
| - | - | 426,648 | - |
| 290,285 | - | 1,699,075 | - |
| - | - | 116,263 | - |
| 1,450 | 9,537 | 1,001,576 | 357,654 |
| - | - | 194,263 | - |
| <u>5,150,773</u> | <u>2,013,311</u> | <u>40,111,362</u> | <u>2,365,947</u> |
| - | - | 605,279 | - |
| - | - | 60,560 | - |
| - | - | 1,447,830 | - |
| 8,241,540 | 4,240,572 | 16,892,379 | - |
| - | 1,491,650 | 2,555,821 | - |
| - | 3,539,989 | 42,423,187 | - |
| 52,501 | 16,211 | 245,227 | - |
| - | 1,279,889 | 5,076,480 | - |
| - | - | 99,334,992 | - |
| - | - | 70,770,005 | - |
| 115,661,564 | - | 115,661,564 | - |
| - | 28,159 | 2,544,873 | - |
| <u>123,955,605</u> | <u>10,596,470</u> | <u>355,504,528</u> | <u>-</u> |
| <u>(29,720,652)</u> | <u>(2,866,948)</u> | <u>(116,083,579)</u> | <u>-</u> |
| <u>94,234,953</u> | <u>7,729,522</u> | <u>239,420,949</u> | <u>-</u> |
| <u>94,234,953</u> | <u>7,729,522</u> | <u>241,534,618</u> | <u>-</u> |
| <u>99,385,726</u> | <u>9,742,833</u> | <u>281,645,980</u> | <u>2,365,947</u> |
| - | 160,287 | 700,703 | - |
| - | 65,185 | 465,584 | - |
| - | <u>225,472</u> | <u>1,166,287</u> | <u>-</u> |
| <u>\$ 99,385,726</u> | <u>\$ 9,968,305</u> | <u>\$ 282,812,267</u> | <u>\$ 2,365,947</u> |

City of Woodbury
Statement of Net Position- Proprietary Funds
December 31, 2022

| | Sports Center (204) | Street Lighting Operation (210) | Water and Sewer Utility (501, 505) |
|---|------------------------|------------------------------------|---------------------------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Salaries and benefits payable | \$ 24,336 | \$ - | \$ 82,263 |
| Accounts payable | 43,750 | 56,208 | 676,949 |
| Contracts payable | 4,491 | - | 665,393 |
| Due to other governments | 5,209 | - | 264,562 |
| Deposits payable | - | - | 313,390 |
| Unearned revenue | 39,964 | - | 6,012,584 |
| Current portion of compensated absences | 31,268 | - | 82,081 |
| Total current liabilities | <u>149,018</u> | <u>56,208</u> | <u>8,097,222</u> |
| Noncurrent liabilities | | | |
| Net OPEB payable | 94,841 | - | 564,666 |
| Compensated absences | 10,143 | - | 26,626 |
| Net pension liability | 381,438 | - | 1,411,044 |
| Total noncurrent liabilities | <u>486,422</u> | <u>-</u> | <u>2,002,336</u> |
| Total liabilities | <u>635,440</u> | <u>56,208</u> | <u>10,099,558</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows of resources related to pensions | 15,133 | - | 55,980 |
| Deferred inflows of resources related to OPEB | 25,499 | - | 119,505 |
| Leases | 1,545,190 | - | - |
| Total deferred inflows of resources | <u>1,585,822</u> | <u>-</u> | <u>175,485</u> |
| Net Position | | | |
| Net investment in capital assets | 26,533,071 | - | 110,253,519 |
| Unrestricted | 31,908 | 1,163,869 | 22,923,356 |
| Total net position | <u>26,564,979</u> | <u>1,163,869</u> | <u>133,176,875</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 28,786,241</u> | <u>\$ 1,220,077</u> | <u>\$ 143,451,918</u> |

| Storm Water Utility (525) | Eagle Valley Golf Course (550) | Totals | Internal Service Fund |
|------------------------------|--------------------------------------|-----------------------|-----------------------------|
| | | | Risk Management (720) |
| \$ - | \$ 15,953 | \$ 122,552 | \$ - |
| 68,351 | 40,795 | 886,053 | 375,980 |
| 18,240 | - | 688,124 | - |
| 20,617 | 796 | 291,184 | - |
| - | 18,770 | 332,160 | - |
| - | 3,743 | 6,056,291 | - |
| - | 86,975 | 200,324 | - |
| <u>107,208</u> | <u>167,032</u> | <u>8,576,688</u> | <u>375,980</u> |
| - | 100,052 | 759,559 | - |
| - | 28,213 | 64,982 | - |
| - | 531,649 | 2,324,131 | - |
| <u>-</u> | <u>659,914</u> | <u>3,148,672</u> | <u>-</u> |
| 107,208 | 826,946 | 11,725,360 | 375,980 |
| - | 21,092 | 92,205 | - |
| - | 23,647 | 168,651 | - |
| - | - | 1,545,190 | - |
| <u>-</u> | <u>44,739</u> | <u>1,806,046</u> | <u>-</u> |
| 94,216,713 | 7,729,522 | 238,732,825 | - |
| 5,061,805 | 1,367,098 | 30,548,036 | 1,989,967 |
| <u>99,278,518</u> | <u>9,096,620</u> | <u>269,280,861</u> | <u>1,989,967</u> |
| <u>\$ 99,385,726</u> | <u>\$ 9,968,305</u> | <u>\$ 282,812,267</u> | <u>\$ 2,365,947</u> |

City of Woodbury
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended December 31, 2022

| | Sports Center (204) | Street Lighting Operation (210) | Water and Sewer Utility (501, 505) |
|--|------------------------|------------------------------------|--|
| Operating Revenues | | | |
| Charges for services | \$ 1,818,883 | \$ 626,729 | \$ 16,252,953 |
| Penalties | - | - | 338,653 |
| Sale of materials and meter charges | - | - | 186,131 |
| Other revenue | - | - | 249,600 |
| Total operating revenues | <u>1,818,883</u> | <u>626,729</u> | <u>17,027,337</u> |
| Operating Expenses | | | |
| Personal services | 674,125 | - | 2,660,482 |
| Materials and supplies | 128,558 | - | 308,708 |
| Other services and charges | 760,584 | 655,363 | 4,061,542 |
| MCES disposal charge | - | - | 4,995,934 |
| Repairs and maintenance | 55,224 | - | 978,590 |
| Total operating expenses | <u>1,618,491</u> | <u>655,363</u> | <u>13,005,256</u> |
| Operating income before depreciation | 200,392 | (28,634) | 4,022,081 |
| Depreciation expense | <u>764,216</u> | <u>-</u> | <u>4,430,105</u> |
| Operating income (loss) | (563,824) | (28,634) | (408,024) |
| Nonoperating Revenues (Expenses) | | | |
| Investment income | (32,912) | (66,625) | (1,352,815) |
| Other interest earnings | 48,112 | - | 6,884 |
| Special assessments | - | - | 2,211 |
| Net loss on disposal of asset | (274,164) | - | (37,229) |
| Intergovernmental revenues | 1,671 | - | 1,938,818 |
| Other revenues | 254,780 | - | 178,613 |
| Other expenses | (92,669) | - | - |
| Total nonoperating revenues (expenses) | <u>(95,182)</u> | <u>(66,625)</u> | <u>736,482</u> |
| Income/(loss) before capital contributions and transfers | (659,006) | (95,259) | 328,458 |
| Capital contributions | - | - | 8,477,674 |
| Transfers in | - | - | - |
| Transfers out | <u>(292,500)</u> | <u>-</u> | <u>(1,644,806)</u> |
| Change in net position | <u>(951,506)</u> | <u>(95,259)</u> | <u>7,161,326</u> |
| Net Position | | | |
| Beginning of year | <u>27,516,485</u> | <u>1,259,128</u> | <u>126,015,549</u> |
| End of year | <u>\$ 26,564,979</u> | <u>\$ 1,163,869</u> | <u>\$ 133,176,875</u> |

Net changes in net position reported above:

Amounts reported for business-type activities in the Statement of Activities are different because:

- Transfer in of capital assets from governmental activities
- Governmental activities contribution revenue reported above
- Transfer out of capital assets to governmental activities
- Loss on disposal of asset reported above

Change in net position of business-type activities

| Storm Water Utility (525) | Eagle Valley Golf Course (550) | Totals | Internal Service Fund |
|------------------------------|--------------------------------------|-----------------------|-----------------------------|
| | | | Risk Management (720) |
| \$ 2,538,881 | \$ 2,097,871 | \$ 23,335,317 | \$ 1,892,835 |
| - | - | 338,653 | - |
| - | - | 186,131 | - |
| - | - | 249,600 | 260,448 |
| <u>2,538,881</u> | <u>2,097,871</u> | <u>24,109,701</u> | <u>2,153,283</u> |
| 30,628 | 843,568 | 4,208,803 | - |
| 7,350 | 320,461 | 765,077 | - |
| 571,958 | 235,958 | 6,285,405 | 2,569,235 |
| - | - | 4,995,934 | - |
| 337,492 | 61,957 | 1,433,263 | - |
| <u>947,428</u> | <u>1,461,944</u> | <u>17,688,482</u> | <u>2,569,235</u> |
| 1,591,453 | 635,927 | 6,421,219 | (415,952) |
| <u>1,575,990</u> | <u>251,958</u> | <u>7,022,269</u> | <u>-</u> |
| 15,463 | 383,969 | (601,050) | (415,952) |
| (260,678) | (99,337) | (1,812,367) | (139,600) |
| - | - | 54,996 | - |
| - | - | 2,211 | - |
| - | (967) | (312,360) | - |
| 153,653 | 4,995 | 2,099,137 | - |
| - | 5,470 | 438,863 | - |
| - | - | (92,669) | - |
| <u>(107,025)</u> | <u>(89,839)</u> | <u>377,811</u> | <u>(139,600)</u> |
| (91,562) | 294,130 | (223,239) | (555,552) |
| 6,155,752 | - | 14,633,426 | - |
| 43,856 | - | 43,856 | 556,500 |
| <u>(1,109,047)</u> | <u>-</u> | <u>(3,046,353)</u> | <u>-</u> |
| <u>4,998,999</u> | <u>294,130</u> | <u>11,407,690</u> | <u>948</u> |
| <u>94,279,519</u> | <u>8,802,490</u> | <u>257,873,171</u> | <u>1,989,019</u> |
| <u>\$ 99,278,518</u> | <u>\$ 9,096,620</u> | <u>\$ 269,280,861</u> | <u>\$ 1,989,967</u> |
| | | \$ 11,407,690 | |
| | | 5,164,010 | |
| | | (5,164,010) | |
| | | (43,267) | |
| | | <u>43,267</u> | |
| | | <u>\$ 11,407,690</u> | |

City of Woodbury
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2022

| | Business-Type Activities - Enterprise Funds | | |
|--|---|------------------------------------|--|
| | Sports Center (204) | Street Lighting Operation (210) | Water and Sewer Utility (501, 505) |
| Cash Flows - Operating Activities | | | |
| Receipts from customers and users | \$ 1,714,263 | \$ 626,729 | \$ 16,402,608 |
| Receipts from internal services provided | - | - | - |
| Other nonoperating revenues | 237,548 | - | 2,117,431 |
| Payments to suppliers | (1,048,317) | (648,571) | (11,078,431) |
| Payments to employees | (584,536) | - | (2,452,426) |
| Net cash flows - operating activities | 318,958 | (21,842) | 4,989,182 |
| Cash Flows - Noncapital Financing Activities | | | |
| Transfer from other funds | - | - | - |
| Transfer to other funds | (292,500) | - | (1,644,806) |
| Special assessments received | - | - | 2,211 |
| Receipt of advances from other funds | - | - | 43,397 |
| Net cash flows - noncapital financing activities | (292,500) | - | (1,599,198) |
| Cash Flows - Capital and Related Financing Activities | | | |
| Acquisition and construction of capital assets | (1,151,348) | - | (2,641,871) |
| Capital grants received | - | - | 4,816,358 |
| Proceeds from disposal of capital assets | - | - | (31,650) |
| Net cash flows - capital and related financing activities | (1,151,348) | - | 2,142,837 |
| Cash Flows - Investing Activities | | | |
| Decrease in fair value of investments classified as cash equivalents | 15,200 | (66,625) | (1,345,931) |
| Net change in cash and cash equivalents | (1,109,690) | (88,467) | 4,186,890 |
| Cash and Cash Equivalents | | | |
| January 1, | 1,192,407 | 1,307,819 | 18,594,230 |
| December 31, | \$ 82,717 | \$ 1,219,352 | \$ 22,781,120 |

| Business-Type Activities - Enterprise Funds | | Internal Service Fund | |
|--|--------------------------------------|--------------------------|-----------------------------|
| Storm Water Utility (525) | Eagle Valley Golf Course (550) | Totals | Risk Management (720) |
| \$ 2,536,040 | \$ 2,091,507 | \$ 23,371,147 | \$ - |
| - | - | - | 2,161,112 |
| - | 10,465 | 2,365,444 | - |
| (996,229) | (635,852) | (14,407,400) | (2,548,378) |
| (30,628) | (821,519) | (3,889,109) | - |
| <u>1,509,183</u> | <u>644,601</u> | <u>7,440,082</u> | <u>(387,266)</u> |
| 43,856 | - | 43,856 | 556,500 |
| (1,109,047) | - | (3,046,353) | - |
| - | - | 2,211 | - |
| - | - | 43,397 | - |
| <u>(1,065,191)</u> | <u>-</u> | <u>(2,956,889)</u> | <u>556,500</u> |
| - | (51,622) | (3,844,841) | - |
| - | - | 4,816,358 | - |
| - | - | (31,650) | - |
| <u>-</u> | <u>(51,622)</u> | <u>939,867</u> | <u>-</u> |
| <u>(260,678)</u> | <u>(99,337)</u> | <u>(1,757,371)</u> | <u>(139,600)</u> |
| 183,314 | 493,642 | 3,665,689 | 29,634 |
| <u>4,662,763</u> | <u>1,506,535</u> | <u>27,263,754</u> | <u>1,976,730</u> |
| <u>\$ 4,846,077</u> | <u>\$ 2,000,177</u> | <u>\$ 30,929,443</u> | <u>\$ 2,006,364</u> |

City of Woodbury
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2022

| | Business-Type activities - Enterprise Funds | | |
|--|---|------------------------------------|--|
| | Sports Center (204) | Street Lighting Operation (210) | Water and Sewer Utility (501, 505) |
| Reconciliation of Operating Income | | | |
| (Loss) to Net Cash Flows - | | | |
| Operating activities | | | |
| Operating income/(loss) | \$ (563,824) | \$ (28,634) | \$ (408,024) |
| Adjustments to reconcile operating income | | | |
| (loss) to net cash flows - operating activities | | | |
| Depreciation expense | 764,216 | - | 4,430,105 |
| Net other nonoperating revenue | 144,879 | - | 2,117,431 |
| Accounts receivable | (116,020) | - | (525,297) |
| Intergovernmental receivables | 9 | - | - |
| Notes receivable | - | - | (98,580) |
| Prepaid items | (861) | (725) | (571,318) |
| Inventory | - | - | 56,559 |
| Accounts payable | (6,072) | 7,517 | (285,274) |
| Wages, salaries, and compensation payable | (1,749) | - | (10,659) |
| Net OPEB payable | 40,802 | - | 203,737 |
| Net pension liability and related items | 50,536 | - | 14,978 |
| Deposits payable | - | - | 3,100 |
| Escrows payable | - | - | (852) |
| Unearned revenue | 11,391 | - | - |
| Intergovernmental payables | (4,349) | - | 63,276 |
| Total adjustments | 882,782 | 6,792 | 5,397,206 |
| Net cash flows - operating activities | \$ 318,958 | \$ (21,842) | \$ 4,989,182 |
| Noncash Investing, Capital, and | | | |
| Financing Activities | | | |
| Capital assets transferred to governmental activities | \$ - | \$ - | \$ (42,300) |
| Contributions of capital assets from governmental activities | - | - | 3,389,726 |
| Contributions of capital assets from developers | - | - | 2,790,573 |
| Total noncash investing, capital, and financing activities | \$ - | \$ - | \$ 6,137,999 |

| Business-Type Activities - Enterprise Funds | | Internal Service Fund | |
|--|--------------------------------------|--------------------------|-----------------------------|
| Storm Water Utility (525) | Eagle Valley Golf Course (550) | Totals | Risk Management (720) |
| \$ 15,463 | \$ 383,969 | \$ (601,050) | \$ (415,952) |
| 1,575,990 | 251,958 | 7,022,269 | - |
| - | 10,465 | 2,272,775 | - |
| (2,841) | (3,076) | (647,234) | 7,829 |
| - | - | 9 | - |
| - | - | (98,580) | - |
| (1,450) | (8,725) | (583,079) | (119,790) |
| - | - | 56,559 | - |
| (82,531) | (11,048) | (377,408) | 140,647 |
| - | (4,723) | (17,131) | - |
| - | 40,803 | 285,342 | - |
| - | (14,031) | 51,483 | - |
| - | 2,930 | 6,030 | - |
| - | - | (852) | - |
| - | (3,288) | 8,103 | - |
| 4,552 | (633) | 62,846 | - |
| <u>1,493,720</u> | <u>260,632</u> | <u>8,041,132</u> | <u>28,686</u> |
| <u>\$ 1,509,183</u> | <u>\$ 644,601</u> | <u>\$ 7,440,082</u> | <u>\$ (387,266)</u> |
| \$ - | \$ (967) | \$ (43,267) | \$ - |
| 1,774,284 | - | 5,164,010 | - |
| <u>4,381,468</u> | <u>-</u> | <u>7,172,041</u> | <u>-</u> |
| <u>\$ 6,155,752</u> | <u>\$ (967)</u> | <u>\$ 12,292,784</u> | <u>\$ -</u> |

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City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Woodbury is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

The financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

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

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

Blended Component Units – Reported as if they were part of the City.

Joint Ventures and Jointly Governed Organizations – The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as listed below and on the following page.

1. Blended Component Units

Economic Development Authority for the City of Woodbury

The Economic Development Authority (EDA) is an entity legally separate from the City; however, the EDA is reported as if it were part of the primary government because the EDA Board is the same as the City Council and there is a financial benefit and burden relationship between the City and the EDA.

The activity of the EDA is shown in the EDA Special Revenue Fund. Separate financial statements are not prepared for the EDA.

Housing and Redevelopment Authority for the City of Woodbury

The Housing and Redevelopment Authority (HRA) is an entity legally separate from the City; however, the HRA is reported as if it were part of the primary government because the HRA Board is the same as the City Council and there is a financial benefit and burden relationship between the City and the HRA.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

1. Blended Component Units (Continued)

Housing and Redevelopment Authority for the City of Woodbury (Continued)

The activity of the HRA is shown in the HRA Special Revenue Fund. Separate financial statements are not prepared for the HRA.

2. Joint Ventures and Jointly Governed Organizations

East Metro Public Safety Training Facility (aka Health and Emergency Response Occupations (HERO) Center (a Joint Venture)

The HERO Center is a regional public safety training center used to meet the training and skills development needs of east metro area municipal law enforcement and emergency responder agencies, the regional medical community, and state university partners. The Center is constructed via funding provided by the Cities of Woodbury and Cottage Grove (the Partners) and State bond proceeds provided to the City of Cottage Grove. The Facility Operations Committee consists of six members – the City Administrator of each Partner, the public safety director from each Partner, and one city staff member from each Partner, or their designees. During 2022, the City did not contribute towards the construction and operations of the Center.

LOGIS (a Jointly Governed Organization)

This consortium of approximately 45 government entities provides computerized data processing and support services to its members. LOGIS is legally separate from the City, as the City does not appoint a voting majority of the Board and the consortium is fiscally independent of the City. During 2022, the City expended \$159,466 to LOGIS for services provided. This amount is recorded as an expenditure/expense of the General Fund's finance and information technology divisions and the Water and Sewer Utility Fund. Financial statements for LOGIS can be requested by mail from LOGIS, 5750 Duluth Street, Golden Valley, Minnesota 55422.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. 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.

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

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current period, except for grant revenues, which are considered revenues if collected within one year of the end of the current 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, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current 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.

Description of Funds:

Major Governmental Funds:

General Fund – This 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.

Capital Improvement Fund – This fund accounts for funds designated for capital projects and major equipment acquisitions.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds: (Continued)

Major Governmental Funds: (Continued)

Development Construction Fund – This fund accounts for public improvement projects, which are currently under construction and where special assessments will be the major funding source but have not yet been levied. This fund also accounts for the costs associated with privately constructed improvement projects funded by the developer.

Proprietary Funds:

Sports Center Fund – This fund accounts for the revenues and operating expenses of the Sports Center.

Street Lighting Operation Fund – This fund accounts for the revenues collected from residents who reside in an area where streetlights are installed and the operational expenses for those service areas.

Water and Sewer Utility Fund – This fund accounts for water and sewer operations provided by the City.

Storm Water Utility Fund – This fund accounts for major maintenance and capital projects associated with the City's storm water system.

Eagle Valley Golf Course Fund – This fund accounts for the revenue and operating expenses of the Eagle Valley Golf Course.

Internal Service Fund:

Risk Management Fund – This fund accounts for the City's worker's compensation, general liability, property casualty insurances, and the self-insured dental program for employees. All other employee benefit programs such as employee health, disability or accident insurance are accounted for in the employee's respective operating fund.

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 to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds: (Continued)

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

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

1. Deposits and Investments

City Funds

The City's cash and cash equivalents is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Minnesota Statutes also authorize the City to invest in long-term equities. The City must maintain the highest bond rating by a national bond rating agency to qualify for this investment authority. The law limits the equity investment to index mutual funds that are held for long-term capital plans or long-term obligations. The amount invested cannot exceed 15% of the sum of unassigned cash, cash equivalents, deposits, and investments. Equity investments are limited to mutual funds indexed to the S & P 500, Dow Jones U.S. Total Stock Market Index, or investments with the State Board of Investment.

Certain investments for the City are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

2. Receivables and Payables

Activities between funds that are representative of long-term lending/borrowing arrangements outstanding at the end of the year are referred to as "advances to/advances from other funds". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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

Property taxes, special assessments, and ambulance receivables have been reported net of estimated uncollectible accounts. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year.

Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Washington County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City. The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

Special assessment receivable consists of \$73,446 of delinquent amounts receivable.

3. Inventory and Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption. Inventory is valued at cost using the first in, first out (FIFO) method for the propriety funds and the governmental activities. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. Capital Assets

Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, 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 one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

Pursuant to GASB Statement No. 34, in the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The City estimated historical cost for the initial reporting of these assets (acquired prior to 2003) through back trending (estimated the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost. 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.

Property, plant, and equipment of the City are depreciated using the straight-line method over the estimated useful lives as listed below.

| Assets | Years |
|----------------------------|-------|
| Buildings and improvements | 15-50 |
| Furniture and fixtures | 5-25 |
| Machinery and equipment | 5-30 |
| Other improvements | 10-25 |
| Streets | 20-40 |
| Water system | 10-50 |
| Sewer system | 20-75 |
| Storm water system | 20-75 |

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City presents deferred outflows of resources on the Statement of Net Position for the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City presents deferred outflows of resources on the Statements of Net Position for deferred outflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position, and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from four sources – taxes, special assessments, notes receivable, and advanced appropriations – state shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statements of Net Position for deferred inflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years. The City also presents deferred inflows of resources on the balance sheets related to leases.

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of the Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefit that is vested as severance pay.

City policy permits employees to accumulate from 10 to 24 days of vacation per year. All permanent employees who have completed ten years of service with the City shall be entitled to 50% of the unused sick leave as severance pay (not to exceed 75 days) upon retirement, termination in good standing or disability. In case of death, their beneficiary shall be entitled to their severance pay, not to exceed 50 days.

Sick pay may be accumulated to a maximum of 100 days, at which point the employee will be granted an additional one-half day per month of banked sick leave to be used only when the regular sick leave accumulation has been exhausted.

7. 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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the relief association and additions to/deductions from PERA's and the relief association's fiduciary net position have been determined on the same basis as they are reported by PERA and the relief association 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.

9. Fund Balance

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- Nonspendable Fund Balance – These are amounts that cannot be spent because they are not in spendable form.
- Restricted Fund Balance – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments, or b) imposed by law through enabling legislation.
- Committed Fund Balance – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision-making authority) through resolution.
- Assigned Fund Balance – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City's fund balance policy delegates the authority to assign amounts for specific purposes to the City Administrator.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Fund Balance (Continued)

a. Classification (Continued)

- Unassigned Fund Balance – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

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

When unrestricted resources are available for use it is the City's policy to use resources in the following order: committed, assigned, and unassigned.

b. Stabilization Amounts

The City Council has committed 2.5% of the subsequent year's budget in the General Fund as stabilization amounts as adopted by a City Council directive. These resources are available to address one-time operational emergencies such as natural disasters or unforeseen catastrophic events, unexpected revenue reductions such as federal or state aid cuts and/or unanticipated expenditure requirements. This commitment of funds is analyzed and accounted for as part of the annual budget process; any amounts added greater than the 2.5% would require Council action. Funds may only be spent if a one-time operational emergency occurs as stated in the directive and approved by resolution of the City Council. The balance as of December 31, 2022, was \$1,181,480.

c. Minimum Fund Balance

The City's target General Fund balance is 35% to 50% of the following year's General Fund budget. The minimum level of unassigned General Fund Balance to be maintained is 30% of the following year's General Fund budget including transfers.

10. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. A reclassification of \$16,438,830 was made between this net position class and unrestricted net position in the total column of the Statement of Net Position to recognize the portion of debt attributable to capital assets donated from governmental activities to business-type activities. Net position is reported as restricted in the government-wide financial statement when there are limitations on use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

F. Budgetary Information

Budgetary information budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, and for seven Capital Project Funds – Park Dedication, Parks and Trails Replacement, Community Investment, Municipal State Aid Roadway Construction, Capital Improvement, Tax Abatement Plan - I-94 Region, and Street Reconstruction/Maintenance Funds. A separate budget report is issued at the beginning of each year.

Budgeted amounts presented include the originally adopted budget and final amended budget approved by the City Council. The City does not use encumbrances. Budgeted expenditure appropriations lapse at year-end.

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

1. The City Administrator submits to the City Council, a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public meetings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a divisional basis for the General Fund and on a fund basis for Special Revenue Funds, except for the National Opioid Settlement Fund, and the seven Capital Project Funds and can be expended by each division (or fund) based upon detailed budget estimates for individual divisions (or funds).
5. The City Administrator is authorized to transfer appropriations between divisions and object code classifications. Transfers between funds or increases/decreases in the fund total appropriations require City Council approval.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, except for the National Opioid Settlement Fund, and seven Capital Project Funds. These funds are the only funds with legally adopted annual budgets.
7. Legal debt obligation indentures determine the appropriation level of debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation (G.O.) bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.

City of Woodbury
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

8. A Capital Improvement Plan (CIP) is reviewed and adopted annually by the City Council. The CIP is a planning document that presents a five-year overview of the scheduled capital projects and equipment needs of the City. The first year of the CIP is incorporated into the annual budget process for those funds in which an Annual Budget is adopted. For CIP funds not included in the Annual Budget, capital spending appropriations occur through individual City Council action on a project-by-project basis and these appropriations are not reflected in the financial statements.
9. Expenditures may not legally exceed budgeted appropriations at the division level in the General Fund and at the total fund level in all other funds. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, materials and supplies, contractual services, and capital outlay) within each activity.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

As of December 31, 2022, the City was not exposed to custodial credit risk because deposits were fully collateralized. The City had deposits of \$3,089,717 as of December 31, 2022. The City's book balance for cash as of December 31, 2022, was \$1,074,610.

Custodial Credit Risk – Deposits: The City addresses custodial credit risk by having the authority from the City Council to maintain deposits with various financial institutions that are members of the Federal Reserve System. As required by *Minnesota Statutes*, any of the City's deposits are to be protected by \$250,000 of federal depository insurance and pledged collateral. The fair value of pledged collateral must equal 110% of the deposits not covered by insurance or bonds.

B. Investments

As of December 31, 2022, the City had the following investments and maturities:

| Investment Type | Level of Fair Value Measurement | Rating | Market Value | Investment Maturities (in Years) | | | |
|--|---------------------------------|--------|-----------------------|----------------------------------|-----------------------|---------------------|---------------------|
| | | | | Less Than 1 | 1 - 5 | 6 - 10 | Over 10 |
| US Treasury Bills and Notes | 1 | AA+ | \$ 42,216,558 | \$ 31,591,398 | \$ 10,625,160 | \$ - | \$ - |
| Federal National Mortgage Association | 2 | AA+ | 13,153,216 | - | 13,153,216 | - | - |
| Federal Home Loan Mortgage Corporation Notes | 2 | AA+ | 26,619,834 | 4,692,053 | 21,927,781 | - | - |
| Federal Home Loan Bank Notes | 2 | AA+ | 38,491,647 | - | 35,891,307 | 2,600,340 | - |
| Federal Farm Credit Bank Notes | 2 | AA+ | 27,634,173 | 990,440 | 20,684,803 | - | 5,958,930 |
| Brokered Certificates of Deposit | 2 | N/A | 7,053,874 | 1,960,881 | 4,876,299 | 216,694 | - |
| Brokered Money Market | 1 | AAAm | 8,043,753 | 8,043,753 | - | - | - |
| Local government securities | 2 | AA- | 45,412,061 | 6,357,639 | 39,054,422 | - | - |
| SBI Non-Retirement Equity Fund | 1 | N/A | 4,756,075 | 4,756,075 | - | - | - |
| Total | | | <u>\$ 213,381,191</u> | <u>\$ 58,392,239</u> | <u>\$ 146,212,988</u> | <u>\$ 2,817,034</u> | <u>\$ 5,958,930</u> |

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* 118A.04-05 limits investments that are in the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy limits its investments to those specified in these Statutes. The City's investments were rated by Standard and Poor's as noted in the investments table.

City of Woodbury
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy states the City will hold investments until maturity with specific exceptions. The City will not invest in securities maturing more than 15 years from the date of purchase other than through the Minnesota State Board of Investment (SBI) funds. The policy also states that the City will not purchase investments that, at the time of investment, cannot be held to maturity. The City will also not invest in securities, other than money-market mutual funds or equity-based investments invested through the Minnesota SBI, without a fixed maturity date and fixed interest or discount rate.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of a city's investment in a single issuer. The City's investment policy addresses concentration of credit risk by diversifying its investments by security type not to exceed maximum holdings percentages. The maximum holdings percentages are 15% for funds with the Minnesota SBI, 30% for bankers acceptances including no more than 5% in any issue, 30% for certificates of deposit, 30% for commercial paper including no more than 5% in any one issuer, 30% for repurchase agreements including no more than 5% in any one issuer, 50% for municipal bonds including no more than 5% in any one issuer, 50% for guaranteed investment contracts, 75% in federal agency securities including mortgage-backed securities with no more than 30% in any one agency, 100% for U.S. Treasury obligations, and 100% in money market funds including the 4M Fund. As of December 31, 2022, the City is in compliance with its investment policy. More than 5% of the City's investment portfolio is in various holding as listed below:

| <u>Investment Class</u> | <u>Percentage of Total Investments</u> |
|--|--|
| Federal National Mortgage Association | 6.16% |
| Federal Home Loan Mortgage Corporation Notes | 12.48% |
| Federal Home Loan Bank Notes | 18.04% |
| Federal Farm Credit Bank Notes | 12.95% |

Custodial Credit Risk – Investments: 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. The City's investment policy states that the City will minimize this risk by holding all securities in segregated accounts for the City's benefits at a third-party trustee as safekeeping agent. The investment dealer or bank in which the security is purchased shall deliver all securities on the delivery versus payment method to the designated third party. The City's investment policy addresses this risk by requiring that securities be held by a third-party custodian.

City of Woodbury
Notes to Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The following is a summary of total deposits and investments:

| | |
|--------------------------------|-----------------------|
| Deposits (Note 2.A.) | \$ 1,074,610 |
| Petty cash | 36,910 |
| Investments (Note 2.B.) | <u>213,381,191</u> |
| Total deposits and investments | <u>\$ 214,492,711</u> |

Deposits and investments are presented in the December 31, 2022, basic financial statements as follows:

| | |
|---------------------------|-----------------------|
| Statement of Net Position | |
| Cash and investments | <u>\$ 214,492,711</u> |

NOTE 3 – LEASE RECEIVABLE

The City has entered into various lease agreements for the use of City land and buildings by third parties. Total inflows of resources related to lease arrangements amounted to \$1,250,470 for the year-ended December 31, 2022.

City of Woodbury
Notes to Basic Financial Statements

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
|---|-----------------------|----------------------|---------------------|-----------------------|-----------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 129,245,182 | \$ 10,112,494 | \$ - | \$ - | \$ 139,357,676 |
| Construction in progress | 26,185,547 | 17,728,926 | 6,179,523 | (5,121,710) | 32,613,240 |
| Total capital assets not being depreciated | <u>155,430,729</u> | <u>27,841,420</u> | <u>6,179,523</u> | <u>(5,121,710)</u> | <u>171,970,916</u> |
| Other capital assets | | | | | |
| Building and structures | 70,300,625 | 391,590 | - | - | 70,692,215 |
| Infrastructure | 310,424,682 | 6,755,592 | 1,310,856 | - | 315,869,418 |
| Furniture and fixtures | 1,427,896 | 136,938 | 203,112 | - | 1,361,722 |
| Machinery and equipment | 26,985,410 | 3,068,764 | 945,601 | 30,585 | 29,139,158 |
| Land improvements | 17,334,931 | 2,789,213 | - | - | 20,124,144 |
| Leased equipment | - | 75,602 | - | - | 75,602 |
| Total other capital assets at historical cost | <u>426,473,544</u> | <u>13,217,699</u> | <u>2,459,569</u> | <u>30,585</u> | <u>437,262,259</u> |
| Less accumulated depreciation for | | | | | |
| Building and structures | 16,905,161 | 1,503,303 | - | - | 18,408,464 |
| Infrastructure | 110,069,416 | 7,445,345 | 845,482 | - | 116,669,279 |
| Furniture and fixtures | 942,939 | 111,337 | 196,236 | - | 858,040 |
| Machinery and equipment | 12,283,202 | 1,987,262 | 835,905 | 29,618 | 13,464,177 |
| Land improvements | 7,572,477 | 856,749 | - | - | 8,429,226 |
| Less accumulated amortization for | | | | | |
| Leased equipment | - | 30,365 | - | - | 30,365 |
| Total accumulated depreciation/amortization | <u>147,773,195</u> | <u>11,934,361</u> | <u>1,877,623</u> | <u>29,618</u> | <u>157,859,551</u> |
| Total other capital assets, net | <u>278,700,349</u> | <u>1,283,338</u> | <u>581,946</u> | <u>967</u> | <u>279,402,708</u> |
| Governmental activities capital assets, net | <u>\$ 434,131,078</u> | <u>\$ 29,124,758</u> | <u>\$ 6,761,469</u> | <u>\$ (5,120,743)</u> | <u>\$ 451,373,624</u> |

City of Woodbury
Notes to Basic Financial Statements

NOTE 4 – CAPITAL ASSETS (CONTINUED)

| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
|--|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| Business-type activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 16,228,342 | \$ 664,037 | \$ - | \$ - | \$ 16,892,379 |
| Construction in progress | 731,980 | 3,283,774 | 1,428,581 | (42,300) | 2,544,873 |
| Total capital assets not being depreciated | <u>16,960,322</u> | <u>3,947,811</u> | <u>1,428,581</u> | <u>(42,300)</u> | <u>19,437,252</u> |
| Capital assets being depreciated | | | | | |
| Land improvements | 2,555,821 | - | - | - | 2,555,821 |
| Buildings and structures | 41,865,524 | 1,155,839 | 598,176 | - | 42,423,187 |
| Furniture and fixtures | 245,227 | - | - | - | 245,227 |
| Machinery and equipment | 5,036,203 | 96,969 | 26,107 | (30,585) | 5,076,480 |
| Water systems | 95,707,911 | 2,270,067 | - | 1,357,014 | 99,334,992 |
| Sewer systems | 67,452,243 | 1,285,050 | - | 2,032,712 | 70,770,005 |
| Storm sewer | 109,505,812 | 4,381,468 | - | 1,774,284 | 115,661,564 |
| Total capital assets being depreciated | <u>322,368,741</u> | <u>9,189,393</u> | <u>624,283</u> | <u>5,133,425</u> | <u>336,067,276</u> |
| Less accumulated depreciation for | | | | | |
| Land improvements | 580,897 | 120,941 | - | - | 701,838 |
| Buildings and structures | 9,538,562 | 895,570 | 324,013 | - | 10,110,119 |
| Furniture and fixtures | 116,231 | 42,672 | - | - | 158,903 |
| Machinery and equipment | 2,511,531 | 364,904 | 16,542 | (29,618) | 2,830,275 |
| Water systems | 42,160,360 | 2,712,509 | - | - | 44,872,869 |
| Sewer systems | 26,401,711 | 1,320,183 | - | - | 27,721,894 |
| Storm sewer | 28,122,191 | 1,565,490 | - | - | 29,687,681 |
| Total accumulated depreciation | <u>109,431,483</u> | <u>7,022,269</u> | <u>340,555</u> | <u>(29,618)</u> | <u>116,083,579</u> |
| Total capital assets being depreciated, net | <u>212,937,258</u> | <u>2,167,124</u> | <u>283,728</u> | <u>5,163,043</u> | <u>219,983,697</u> |
| Business-type activities capital assets, net | <u>\$ 229,897,580</u> | <u>\$ 6,114,935</u> | <u>\$ 1,712,309</u> | <u>\$ 5,120,743</u> | <u>\$ 239,420,949</u> |

City of Woodbury
Notes to Basic Financial Statements

NOTE 4 – CAPITAL ASSETS (CONTINUED)

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

| | |
|---|---------------------------------|
| Governmental activities | |
| General government | \$ 1,531,934 |
| Public safety | 699,718 |
| Public works | 8,253,664 |
| Community development | 30,265 |
| Parks and recreation | <u>1,418,780</u> |
| Total depreciation and amortization expense - governmental activities | <u><u>\$ 11,934,361</u></u> |
| Business-type activities | |
| Sports center | \$ 764,216 |
| Water | 2,930,793 |
| Sewer | 1,499,312 |
| Storm water | 1,575,990 |
| Golf course | <u>251,958</u> |
| Total depreciation expense - business-type activities | <u><u>\$ 7,022,269</u></u> |

NOTE 5 – LONG-TERM DEBT

A. G.O. Bonds

The City issues general obligation debt for the acquisition and construction of street and utility improvements and facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

City of Woodbury
Notes to Basic Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

B. Components of Long Term Liabilities

As of December 31, 2022, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

| | Issue Date | Interest Rate | Original Issue | Final Maturity | Balance at Year-End | Due Within One Year |
|--|---------------|------------------|-------------------|-------------------|------------------------|------------------------|
| Governmental activities | | | | | | |
| G.O. Bonds | | | | | | |
| G.O. Tax Abatement Bonds, Series 2013A | 02/14/13 | 2.00-3.00% | \$ 16,015,000 | 02/01/35 | \$ 13,425,000 | \$ 880,000 |
| G.O. Parks and Open Space Bonds, Series 2013B | 02/14/13 | 2.00-3.00% | 6,275,000 | 02/01/27 | 2,850,000 | 530,000 |
| G.O. Capital Improvement Plan Bonds, Series 2018A | 09/13/18 | 3.00-5.00% | 12,395,000 | 02/01/40 | 11,565,000 | 445,000 |
| G.O. Bonds, Series 2020A | 12/30/20 | 1.00-2.00% | 4,050,000 | 02/01/31 | <u>3,685,000</u> | <u>380,000</u> |
| Total G.O. Bonds | | | | | <u>31,525,000</u> | <u>2,235,000</u> |
| Improvement Bonds | | | | | | |
| G.O. Improvement and Refunding Bonds, Series 2012A | 06/19/12 | 1.00-2.00% | 6,110,000 | 02/01/23 | 765,000 | 170,000 |
| G.O. Improvement Bonds, Series 2014A | 11/04/14 | 2.25-3.00% | 3,070,000 | 02/01/30 | 1,010,000 | 115,000 |
| G.O. Improvement Bonds, Series 2015A | 06/03/15 | 2.00-3.00% | 4,800,000 | 02/01/31 | 3,075,000 | 310,000 |
| G.O. Improvement Bonds, Series 2016A | 07/06/16 | 2.00-3.00% | 3,595,000 | 02/01/32 | 2,555,000 | 225,000 |
| G.O. Improvement Bonds, Series 2017A | 08/07/17 | 2.00-3.00% | 2,345,000 | 02/01/33 | 1,790,000 | 145,000 |
| G.O. Improvement Bonds, Series 2018A | 09/13/18 | 3.00-5.00% | 2,100,000 | 02/01/34 | 1,785,000 | 115,000 |
| G.O. Improvement Bonds, Series 2019A | 05/30/19 | 3.00% | 1,500,000 | 02/01/35 | 1,335,000 | 85,000 |
| G.O. Improvement Bonds, Series 2020A | 12/30/20 | 1.00-2.00% | 2,965,000 | 02/01/36 | <u>2,795,000</u> | <u>175,000</u> |
| Total Improvement Bonds | | | | | <u>15,110,000</u> | <u>1,340,000</u> |
| Note from direct borrowing | | | | | | |
| Washington County Note | 07/15/03 | N/A | 73,287 | 12/31/36 | 73,287 | - |
| Issuance premiums | | | | | 1,861,416 | - |
| Lease liability | | | | | 45,765 | 23,583 |
| Compensated absences | | | | | <u>3,050,904</u> | <u>2,270,055</u> |
| Total governmental activities | | | | | <u>51,666,372</u> | <u>5,868,638</u> |
| Business-type activities | | | | | | |
| Compensated absences | | | | | <u>265,306</u> | <u>200,324</u> |
| Total business-type activities | | | | | <u>265,306</u> | <u>200,324</u> |
| Total City Indebtedness | | | | | <u>\$ 51,931,678</u> | <u>\$ 6,068,962</u> |

Debt Service Funds will be used to pay general governmental principal and interest liabilities. The General Fund and proprietary funds will pay for the corresponding compensated absence liability.

City of Woodbury
Notes to Basic Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

C. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for bonds and notes are as follows:

| Year Ending December 31, | Governmental Activities | | | | | |
|-----------------------------|-------------------------|---------------------|----------------------|---------------------|----------------------------|-------------|
| | G.O. Bonds | | Improvement Bonds | | Note from Direct Borrowing | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | \$ 2,235,000 | \$ 928,756 | \$ 1,340,000 | \$ 364,154 | \$ - | \$ - |
| 2024 | 2,315,000 | 859,731 | 1,330,000 | 328,341 | - | - |
| 2025 | 2,380,000 | 792,781 | 1,350,000 | 294,021 | - | - |
| 2026 | 2,445,000 | 723,069 | 1,405,000 | 259,558 | - | - |
| 2027 | 2,515,000 | 646,256 | 1,420,000 | 223,942 | - | - |
| 2028-2032 | 10,035,000 | 2,275,631 | 6,510,000 | 574,153 | - | - |
| 2033-2037 | 7,140,000 | 910,885 | 1,755,000 | 49,947 | 73,287 | - |
| 2038-2040 | 2,460,000 | 133,906 | - | - | - | - |
| Total | \$ 31,525,000 | \$ 7,271,015 | \$ 15,110,000 | \$ 2,094,116 | \$ 73,287 | \$ - |

| Year Ending December 31, | Lease Liability | | Totals | |
|-----------------------------|------------------|-----------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2023 | \$ 23,583 | \$ 1,003 | \$ 3,598,583 | \$ 1,293,913 |
| 2024 | 12,070 | 494 | 3,657,070 | 1,188,566 |
| 2025 | 9,526 | 174 | 3,739,526 | 1,086,976 |
| 2026 | 586 | 2 | 3,850,586 | 982,629 |
| 2027 | - | - | 3,935,000 | 870,198 |
| 2028-2032 | - | - | 16,545,000 | 2,849,784 |
| 2033-2037 | - | - | 8,968,287 | 960,832 |
| 2038-2040 | - | - | 2,460,000 | 133,906 |
| Total | \$ 45,765 | \$ 1,673 | \$ 46,754,052 | \$ 9,366,804 |

City of Woodbury
Notes to Basic Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

D. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2022, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|----------------------|---------------------|---------------------|----------------------|------------------------|
| Governmental activities | | | | | |
| Bonds payable | | | | | |
| General obligation | \$ 33,685,000 | \$ - | \$ 2,160,000 | \$ 31,525,000 | \$ 2,235,000 |
| G.O. Tax Increment | 140,000 | - | 140,000 | - | - |
| G.O. Improvement | 17,030,000 | - | 1,920,000 | 15,110,000 | 1,340,000 |
| Note from direct borrowing | 73,287 | - | - | 73,287 | - |
| Deferred amounts | | | | | |
| Issuance premiums | 2,048,089 | - | 186,673 | 1,861,416 | - |
| Lease liability | - | 75,602 | 29,837 | 45,765 | 23,583 |
| Compensated absences | 3,281,117 | 2,353,758 | 2,583,971 | 3,050,904 | 2,270,055 |
| Total governmental activities long-term liabilities | <u>\$ 56,257,493</u> | <u>\$ 2,429,360</u> | <u>\$ 7,020,481</u> | <u>\$ 51,666,372</u> | <u>\$ 5,868,638</u> |
| Business-type activities | | | | | |
| Compensated absences | <u>\$ 294,523</u> | <u>\$ 190,070</u> | <u>\$ 219,287</u> | <u>\$ 265,306</u> | <u>\$ 200,324</u> |

E. Lease Liability

The City has entered into various lease purchase agreements for the use of copiers and postage machines. Additional information about the related leased equipment assets can be found in Note 4.

NOTE 6 – CONDUIT DEBT OBLIGATIONS

Conduit debt obligations are certain limited obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various revenue bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the financial statements of the City. The outstanding balance of conduit debt as of December 31, 2022, was \$156,771,729.

NOTE 7 – DEFERRED TAX LEVIES

G.O. bonded and improvement debt of all Minnesota cities is issued in accordance with *Minnesota Statutes*. When a bond issue to be financed by an ad valorem tax levy is sold, specific annual amounts of such tax levies are stated in the bond resolution and the County Auditor is notified and instructed to levy these taxes over the appropriate years. These future tax levies are subject to cancellation when and if the City has provided alternative financing. Alternatively, the City Council is required to levy any additional taxes found necessary for the full payment of principal and interest.

Future scheduled debt service tax levies for the G.O. bonded and improvement debt are \$39,162,578.

City of Woodbury
Notes to Basic Financial Statements

NOTE 8 – INTERFUND ASSETS/LIABILITIES

The composition of interfund balances as of December 31, 2022, was as follows:

| Receivable Fund | Payable Fund | Amount | Purpose |
|-----------------|--------------------------|-------------------|---------|
| General Fund | Other Governmental Funds | \$ 470 | A |
| Water and Sewer | Other Governmental Funds | <u>605,279</u> | B |
| Total | | <u>\$ 605,749</u> | |

A – Covers temporary negative cash positions, which will be repaid as funding becomes available

B – Provide funds for future debt service payments

NOTE 9 – TRANSFERS

| Transfer Out | Transfer In | Amount | Purpose |
|--------------------------|---------------------------------------|----------------------|---------|
| General Fund | Capital Improvements Fund | \$ 1,171,927 | A |
| General Fund | Other Governmental Funds | 22,200 | F |
| General Fund | Risk Management Internal Service Fund | 556,500 | I |
| Other Governmental Funds | Capital Improvements Fund | 18,183 | G |
| Other Governmental Funds | General Fund | 3,216,700 | B, C, H |
| Other Governmental Funds | Other Governmental Funds | 5,061,397 | B, D, G |
| Other Governmental Funds | Storm Water Utility | 43,856 | B |
| Sports Center | Other Governmental Funds | 292,500 | D |
| Water and Sewer | General Fund | 1,276,300 | C |
| Water and Sewer | Other Governmental Funds | 368,506 | B, D |
| Storm Water Utility | General Fund | 671,435 | E |
| Storm Water Utility | Capital Improvements Fund | 90,000 | B |
| Storm Water Utility | Other Governmental Funds | <u>347,612</u> | B |
| Total | | <u>\$ 13,137,116</u> | |

A – Provide funding for various capital improvements projects based on budget variances

B – Provide funding for capital projects and equipment

C – Provide funding for professional and administrative services

D – Provide funding for debt service payments

E – Provide funding for storm water personnel and projects

F – Provide funding for public safety activities

G – Close funds

H – Provide for EMS operational costs

I – Transfer to Risk Management Internal Service Fund to offset anticipated future premium costs

City of Woodbury
Notes to Basic Financial Statements

NOTE 9 – TRANSFERS (CONTINUED)

Transfers on the Statement of Activities from governmental activities to business-type activities includes capital assets contributed from governmental activities to business-type activities and capital assets transferred from business-type activities to governmental activities as reported in Note 4.

NOTE 10 – FUND BALANCE DETAIL

Fund equity balances are classified as follows on the chart below to reflect the limitations and restrictions of the respective funds.

| | General | Capital Improvement Fund | Development Construction Fund | Other Governmental Funds | Total |
|-----------------------------|----------------------|--------------------------------|-------------------------------------|--------------------------------|-----------------------|
| Nonspendable | | | | | |
| Prepaid items | \$ 140,959 | \$ - | \$ - | \$ 890,795 | \$ 1,031,754 |
| Restricted | | | | | |
| Forfeiture | - | - | - | 106,476 | 106,476 |
| Equitable sharing | - | - | - | 7,945 | 7,945 |
| Redevelopment projects | - | - | - | 4,780,535 | 4,780,535 |
| Park dedication fees | - | - | - | 4,503,364 | 4,503,364 |
| Debt service | - | - | - | 8,141,921 | 8,141,921 |
| Tax increments | - | - | - | 423,369 | 423,369 |
| Lawful gambling | - | - | - | 25,821 | 25,821 |
| Public safety | - | - | - | 202,940 | 202,940 |
| Capital projects | - | - | - | 1,959,675 | 1,959,675 |
| Total restricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,152,046</u> | <u>20,152,046</u> |
| Committed | | | | | |
| Stabilization | 1,181,480 | - | - | - | 1,181,480 |
| Compensated absences | 1,525,452 | - | - | - | 1,525,452 |
| Committed contracts | 7,615 | 36,228 | - | 3,019,434 | 3,063,277 |
| Construction administration | - | - | - | 4,459,583 | 4,459,583 |
| Public safety activities | - | - | - | 217,569 | 217,569 |
| Fire relief pension | - | - | - | 307,796 | 307,796 |
| Community wellness | - | - | - | 741,438 | 741,438 |
| Economic development | - | - | - | 1,009,745 | 1,009,745 |
| Emergency medical services | - | - | - | 5,204,952 | 5,204,952 |
| Total committed | <u>2,714,547</u> | <u>36,228</u> | <u>-</u> | <u>14,960,517</u> | <u>17,711,292</u> |
| Assigned | | | | | |
| Next year's budget deficit | 313,400 | 2,008,199 | - | 9,511,311 | 11,832,910 |
| Authorized carryovers | 247,700 | 1,398,573 | - | 6,620,924 | 8,267,197 |
| Capital projects | - | 10,102,790 | 3,675,472 | 78,829,343 | 92,607,605 |
| Total assigned | <u>561,100</u> | <u>13,509,562</u> | <u>3,675,472</u> | <u>94,961,578</u> | <u>112,707,712</u> |
| Unassigned | | | | | |
| | <u>15,855,515</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,855,515</u> |
| Total | <u>\$ 19,272,121</u> | <u>\$ 13,545,790</u> | <u>\$ 3,675,472</u> | <u>\$ 130,964,936</u> | <u>\$ 167,458,319</u> |

NOTE 11 – RISK MANAGEMENT

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

City of Woodbury
Notes to Basic Financial Statements

NOTE 11 – RISK MANAGEMENT (CONTINUED)

The City established an Internal Service Fund, called the Risk Management Fund, to account for the self-insurance programs provided by LMCIT. Fund revenues are primarily charges to other funds, transfers from the General Fund, LMCIT dividends and investment earnings.

Workers' compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City has a \$10,000 deductible per occurrence. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. For property and casualty coverage, the City has a \$100,000 deductible per occurrence with a \$250,000 annual maximum.

The City is self-insured for the employees dental coverage. The City's plan is administered through Health Partners at a charge of \$5/person per month. The City collects the premium from their employees and deposits them into the Risk Management Fund. Claims are then paid from the fund by the City. There is no reinsurance on the dental portion because of the policy limits that are in place. The limits vary based on the provider and their membership in the Health Partners network. The limits range from \$750 to \$2,000 on a three tiered schedule.

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The estimated liability as of December 31, 2022, is \$339,363.

The City self-insures a short term disability policy which pays 66.7% of an employee's wages when qualified. Benefits paid have been immaterial. Claims are paid through fund balance.

The City continues to carry commercial insurance for all other risks of loss, including employee health, life, disability, and accident insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS

The City participates in various pension plans, total pension expense for all plans for the year ended December 31, 2022, was \$3,298,002. The amount of pension expense for each pension plan: The General Employees Retirement Plan, Public Employees Police and Fire Plan, Public Employees' Defined Contribution Plan, and Woodbury Volunteer Fire Relief Association are noted in the following plan summaries.

The General Fund and various Enterprise Funds typically liquidate the liability related to pensions.

Public Employees' Retirement Association

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by 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.

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

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.

General Employees Plan Benefits

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

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

General Employees Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. 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.

Police and Fire Plan Benefits

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

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

C. Contributions

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

General Employees Plan Contributions

Coordinated Plan members were required to contribute and 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2022, were \$1,136,614. The City's contributions were equal to the required contributions as set by state statute.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

C. Contributions (Continued)

Police and Fire Plan Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Plan for the year ended December 31, 2022, were \$1,716,730. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Plan Pension Costs

At December 31, 2022, the City reported a liability of \$15,491,585 for its proportionate share of the General Employees Plan'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 \$454,089.

The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1956% at the end of the measurement period and 0.2062% for the beginning of the period.

| | |
|--|---------------|
| City's proportionate share of the net pension liability | \$ 15,491,585 |
| State of Minnesota's proportionate share of the net pension liability associated with the City | 454,089 |
| Total | \$ 15,945,674 |

For the year ended December 31, 2022, the City recognized pension expense of \$2,198,693 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$67,851 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Plan Pension Costs (Continued)

At December 31, 2022, the City reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 129,398 | \$ 174,077 |
| Changes in actuarial assumptions | 3,690,286 | 64,813 |
| Net collective difference between projected and actual investment earnings | - | 36,202 |
| Changes in proportion | 282,577 | 339,501 |
| Contributions paid to PERA subsequent to the measurement date | 568,307 | - |
| Total | \$ 4,670,568 | \$ 614,593 |

The \$568,307 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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31, | Pension Expense Amount |
|-----------------------------|---------------------------|
| 2023 | \$ 1,435,099 |
| 2024 | 1,365,366 |
| 2025 | (713,778) |
| 2026 | 1,400,981 |
| Total | \$ 3,487,668 |

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Plan Pension Costs

At December 31, 2022, the City reported a liability of \$32,584,818 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.7488% at the end of the measurement period and 0.7131% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer pension allocation schedules for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$2,746,298 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$276,150 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$67,391 for the year ended December 31, 2022, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

Police and Fire Plan Pension Costs (Continued)

At December 31, 2022, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 1,964,296 | \$ - |
| Changes in actuarial assumptions | 18,857,172 | 201,310 |
| Net collective difference between projected and actual investment earnings | 886,548 | - |
| Changes in proportion | 311,358 | 613,446 |
| Contributions paid to PERA subsequent to the measurement date | 858,365 | - |
| Total | \$ 22,877,739 | \$ 814,756 |

The \$858,365 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31, | Pension Expense Amount |
|-----------------------------|---------------------------|
| 2023 | \$ 4,087,900 |
| 2024 | 4,134,819 |
| 2025 | 3,664,558 |
| 2026 | 6,560,300 |
| 2027 | 2,757,041 |
| Total | \$ 21,204,618 |

**City of Woodbury
Notes to Basic Financial Statements**

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Long-Term Expected Return on Investment

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| 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 | <u>100.0 %</u> | |

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation.

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

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

F. Actuarial Methods and Assumptions (Continued)

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the previous valuation.

G. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 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 General Employees Fund was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in the fiscal year ended June 30, 2061, projected benefit payments exceed the fund's projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.4% for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

H. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease in Discount Rate (5.5%) | Current Discount Rate (6.5%) | 1% Increase in Discount Rate (7.5%) |
|--|---|------------------------------------|---|
| City's proportionate share of the General Employees Fund net pension liability | \$ 24,469,769 | \$ 15,491,585 | \$ 8,128,088 |
| | 1% Decrease in Discount Rate (4.4%) | Current Discount Rate (5.4%) | 1% Increase in Discount Rate (6.4%) |
| City's proportionate share of the Police and Fire Fund net pension liability | \$ 49,312,943 | \$ 32,584,818 | \$ 19,061,131 |

I. Pension Plan Fiduciary Net Position

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

Public Employees' Defined Contribution Plan

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

**City of Woodbury
Notes to Basic Financial Statements**

NOTE 12 – PENSION PLANS (CONTINUED)

Public Employees' Defined Contribution Plan (Continued)

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the City. *Minnesota Statutes* Chapter 353D.03 specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% of the assets in each member's account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City during fiscal year 2022 were:

| Contribution Amount | | Percentage of Covered Payroll | | Required Rate |
|---------------------|----------|-------------------------------|----------|---------------|
| Employee | Employer | Employee | Employer | |
| \$ 569 | \$ 569 | 5% | 5% | 5% |

Defined Benefit Pension Plan – Woodbury Volunteer Fire Relief Association

A. Plan Description

The Woodbury Firefighter's Benefit Association (the "Association") is the administrator of a single employer defined benefit plan established to provide benefits for members of the Woodbury Fire Department.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Woodbury Firefighter's Association, 2100 Radio Drive, Woodbury, Minnesota 55125 or by calling (651) 714-3600.

The Association provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are based on a member's years of service, are established in accordance with bylaws, and vest after 5 years of credited service. Benefit provisions can be amended by the Association within the parameters provided by *Minnesota Statutes*.

**City of Woodbury
Notes to Basic Financial Statements**

NOTE 12 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Woodbury Volunteer Fire Relief Association (Continued)

A. Plan Description (Continued)

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Woodbury Firefighter's Association, 2100 Radio Drive, Woodbury, Minnesota 55125 or by calling (651) 714-3600.

B. Benefits Provided

The Association provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are based on a member's years of service, are established in accordance with bylaws, and vest after 5 years of credited service. Benefit provisions can be amended by the Association within the parameters provided by *Minnesota Statutes*.

C. Employees Covered by Benefit Terms

At the December 31, 2020, actuarial valuation date, the following employees were covered by the benefit terms:

| | |
|---|-------------------|
| Inactive employees entitled to but not yet receiving benefits | 68 |
| Active employees | <u>59</u> |
| Total | <u><u>127</u></u> |

D. Contributions

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a 10 year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on-behalf payment of \$571,880 made by the State of Minnesota for the Relief Association.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Woodbury Volunteer Fire Relief Association (Continued)

E. Net Pension Liability (Continued)

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.25 % |
| Investment rate of return | 6%, net of plan investment expense |
| Mortality | RP-2014 employee generational mortality table projected with mortality improvement scale MP-2019 RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2019 |

There were no changes in actuarial assumptions or plan provisions for 2022.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the table on the table below:

| <u>Asset Class</u> | <u>Allocation at Measurement Date</u> | <u>Long-Term Expected Nominal Rate of Return</u> |
|--|---------------------------------------|--|
| Domestic equity | 46.84 % | 7.15 % |
| International equity | 14.66 | 7.57 |
| Fixed income | 34.53 | 3.65 |
| Real estate and alternatives | 0.00 | 6.68 |
| Cash and equivalents | 3.97 | 2.34 |
| | <hr/> | <hr/> |
| Total | 100.00 % | 6.18 |
| Reduced for assumed investment expense | | -0.07 |
| | | <hr/> |
| Net assumed investment return | | 6.00 % |
| | | <hr/> <hr/> |

The discount rate used to measure the total pension liability was 6.0%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Woodbury Volunteer Fire Relief Association (Continued)

F. Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|--|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances at January 1, 2021 | \$ 9,862,427 | \$ 17,354,735 | \$ (7,492,308) |
| Changes for the year | | | |
| Service cost | 236,163 | - | 236,163 |
| Interest cost | 578,008 | - | 578,008 |
| State and local contributions | - | 498,691 | (498,691) |
| Net investment income | - | 2,177,979 | (2,177,979) |
| Benefit payments | (930,250) | (930,250) | - |
| Administrative expense | - | (23,091) | 23,091 |
| Net changes | (116,079) | 1,723,329 | (1,839,408) |
| Balances at December 31, 2021 measurement date | <u>\$ 9,746,348</u> | <u>\$ 19,078,064</u> | <u>\$ (9,331,716)</u> |

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 6.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current rate:

| | 1% Decrease in Discount Rate (5.0%) | Current Discount Rate (6.00%) | 1% Increase in Discount Rate (7.0%) |
|-------------------|---|-------------------------------------|---|
| Net pension asset | <u>\$ 9,191,980</u> | <u>\$ 9,331,716</u> | <u>\$ 9,461,649</u> |

City of Woodbury
Notes to Basic Financial Statements

NOTE 12 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Woodbury Volunteer Fire Relief Association (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized pension expense of (\$1,647,558). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ - | \$ 601,471 |
| Change of assumptions | 104,567 | 9,731 |
| Difference between expected and actual liability | - | 2,087,047 |
| Contributions subsequent to the measurement date | <u>571,880</u> | <u>-</u> |
| Total | <u>\$ 676,447</u> | <u>\$ 2,698,249</u> |

The \$571,880 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | <u>Total</u> |
|-------------------------------------|-----------------------|
| 2023 | \$ (697,909) |
| 2024 | (976,874) |
| 2025 | (618,975) |
| 2026 | <u>(299,924)</u> |
| Total | <u>\$ (2,593,682)</u> |

NOTE 13 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The City's defined benefit OPEB plan provides a single employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. The City's health plan is community-rated through the Public Employees Insurance Program (PEIP).

City of Woodbury
Notes to Basic Financial Statements

NOTE 13 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

B. Benefits Provided

Employees are eligible for retiree health benefits upon meeting eligibility requirements under PERA.

Police and fire employees are eligible for early retirement at age 50 and must be partially vested. The vesting requirements are as follows:

- Date of hire prior to July 1, 2010 – three years of service
- Date of hire on/after July 1, 2010, but before July 1, 2014 – 50% vested at five years of service, 100% vested at 10 years of service
- Date of hire on/after July 1, 2014 – 50% vested at 10 years of service, 100% vested at 20 years of service

General employees are eligible for early retirement at age 55 and must be fully vested. The vesting requirements are as follows:

- Date of hire prior to July 1, 2010 – three years of service
- Date of hire on/after to July 1, 2010 – five years of service

C. Contributions

Retirees and their spouses contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms. The required contributions are based on projected pay-as-you-go financing requirements. For the year-ended December 31, 2022, the City contributed \$170,698 to the plan.

For the governmental activities, the net OPEB obligation is generally liquidated by the General Fund.

D. Members

As of the December 31, 2022, actuarial valuation, the following were covered by the benefit terms:

| | |
|-----------------------------------|-------------------|
| Active employees with coverage | 213 |
| Active employees waiving coverage | 54 |
| Retirees with coverage | <u>34</u> |
| Total | <u><u>301</u></u> |

City of Woodbury
Notes to Basic Financial Statements

NOTE 13 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

| | |
|---------------------------------|---|
| Payroll growth | 10.25% for 1 year of service reduced incrementally to 3.20% for 25 years for service for general employees; 12.25% for 1 year of service reduced incrementally to 3.25% for 25 years of service for police and fire employees |
| Inflation rate | 2.25% |
| Healthcare cost trend increases | 7.5% initially, decreasing 0.5% per year to a rate of 4.5% |
| Mortality assumptions | Pub-2010 Total Dataset Mortality Table fully generational using Scale MP-2021 for healthy employees and retirees; Pub-2010 Public Safety Table fully generational using Scale MP-2021 for police and fire employees and retirees; Pub-2010 Disabled Mortality Table fully generational using Scale MP-2021 for disabled employees and retirees; Pub-2010 Continuing Survivor Table fully generational using Scale MP-2021 for surviving Spouses |

The discount rate used to measure the total OPEB liability was 4.31% as of December 31, 2022, based on the yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The following changes in actuarial assumptions occurred in 2022:

Changes in actuarial assumptions

- The discount rate was increased to 4.31% from the discount rate of 2.25% as of December 31, 2021.
- Mortality tables have been updated from using improvement Scale MP-2020 to Scale MP-2021.
- Health care trend rates have been updated to an initial rate of 7.5% for fiscal 2023 decreasing by 0.5% annually to an ultimate rate of 4.5%.
- Disability rates have been updated in accordance with PERA of Minnesota Actuarial Valuations for General employees and Police/Fire as of July 1, 2022.
- Termination rates have been updated in accordance with PERA of Minnesota Actuarial Valuations for General employees and Police/Fire as of July 1, 2022.
- Retirement rates have been updated in accordance with PERA of Minnesota Actuarial Valuations for General employees and Police/Fire as of July 1, 2022.

City of Woodbury
Notes to Basic Financial Statements

NOTE 13 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

F. Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

| | Total OPEB Liability |
|--|-------------------------|
| Balance at January 1, 2022 | \$ 4,781,081 |
| Changes for the year | |
| Service cost | 335,520 |
| Interest | 113,213 |
| Change in assumptions | (1,386,644) |
| Differences between expected and actual experience | 3,865,535 |
| Benefit payments | (170,698) |
| Net changes | 2,756,926 |
| Balance at December 31, 2022 | \$ 7,538,007 |

G. OPEB Liability Sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 4.31% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

| Total OPEB Liability | | |
|------------------------|--------------------|------------------------|
| 1% decrease (3.31%) | Current (4.31%) | 1% increase (5.31%) |
| \$ 8,171,267 | \$ 7,538,007 | \$ 6,954,248 |

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

| Total OPEB Liability | | |
|--|--------------------------------------|--|
| 1% decrease (6.5% decreasing to 3.5%) | Current (7.5% decreasing to 4.5%) | 1% increase (8.5% decreasing to 5.5%) |
| \$ 6,728,260 | \$ 7,538,007 | \$ 8,488,005 |

City of Woodbury
Notes to Basic Financial Statements

NOTE 13 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$847,070. As of December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 3,978,124 | \$ 299,715 |
| Changes of assumptions | 490,797 | 1,314,489 |
| Total | \$ 4,468,921 | \$ 1,614,204 |

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

| Year Ending December 31, | Total |
|-----------------------------|--------------|
| 2023 | \$ 398,337 |
| 2024 | 398,337 |
| 2025 | 398,337 |
| 2026 | 398,337 |
| 2027 | 398,342 |
| Thereafter | 863,027 |
| Total | \$ 2,854,717 |

City of Woodbury
Notes to Basic Financial Statements

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

As of December 31, 2022, the following commitments existed for the City's construction projects:

| Contractor/Payee | Project | Revised Contract Amount | Completed to Date | Amount Remaining |
|-------------------------------|--|-------------------------------|-------------------------|---------------------|
| Applied Ecological Services | Parks Project - Vegetation Management | \$ 15,466 | \$ 7,851 | \$ 7,615 |
| Sunram Construction, Inc. | Briarcroft Park and Highcroft Park | 482,019 | 478,435 | 3,584 |
| Albrecht Co. | Carver Lake Park Picnic Shelter | 54,565 | 18,337 | 36,228 |
| Washington County | Norma Lane | 281,666 | 281,461 | 205 |
| Washington County | Dale Rd-CSAH 19 Corridor Management Project | 1,921,292 | 1,841,097 | 80,195 |
| Washington County | Woodbury Drive - I-94 to Tamarack | 654,373 | 643,943 | 10,430 |
| Peterson Companies | Woodbury Drive - I-94 to Tamarack | 137,443 | 136,659 | 784 |
| Cedar Ridge Landscaping | Bailey Road - Woodlane to Radio Drive -landscaping | 237,608 | 236,553 | 1,055 |
| Washington County | Tamarack Road - Woodbury Dr - Preserve Trail | 4,330,152 | 4,008,580 | 321,572 |
| Peterson Companies | Tamarack Road - Woodbury Dr - Preserve Trail | 24,005 | 17,551 | 6,454 |
| Washington County | Rivertown Drive - Commerce to Hudson Road | 1,654,752 | 1,221,316 | 433,436 |
| Washington County | Commerce Drive | 4,283,018 | 3,659,006 | 624,012 |
| Peterson Companies | Commerce Drive | 48,739 | 29,857 | 18,882 |
| Washington County | Hudson Road - Rivertown to City Walk | 3,273,311 | 2,821,615 | 451,696 |
| Peterson Companies | Hudson Road - Rivertown to City Walk | 25,675 | 10,674 | 15,001 |
| Washington County | CSAH 19 Corridor Mgmt Project - Bailey-Dale | 1,256,801 | 957,511 | 299,290 |
| Cedar Ridge Landscaping | CSAH 19 Corridor Mgmt Project - Bailey-Dale | 188,000 | 187,737 | 263 |
| Miller Excavating | Hudson Road/Settlers Ridge Parkway Improvements | 2,865,805 | 2,559,932 | 305,873 |
| Miller Excavating | Hudson Road Turn Lanes at Karen Drive | 1,194,500 | 1,068,968 | 125,532 |
| McNamara Contracting | Edgewood Wall | 399,779 | 391,260 | 8,519 |
| T.A. Schifsky & Sons | 2021 RRP - Preserve Area | 3,045,830 | 2,817,588 | 228,242 |
| Minnesota Paving & Materials | Ojibway Park Parking Lot Rehabilitation | 873,256 | 834,879 | 38,377 |
| Rice Lake Construction Group | Temporary Treatment Plant - Buildout | 826,008 | 815,667 | 10,341 |
| Traut Companies | Well 21 | 860,144 | 506,455 | 353,689 |
| American Liberty Construction | Well 21 | 1,256,017 | 109,972 | 1,146,045 |
| Applied Ecological Services | 2020 Vegetation Management | 156,941 | 95,146 | 61,795 |
| Stantec Consulting | 2021 Vegetation Management | 78,703 | 46,054 | 32,649 |
| Stantec Consulting | 2022 Vegetation Management | 38,912 | 26,386 | 12,526 |
| Stantec Consulting | 2018 Vegetation Management | 146,845 | 123,807 | 23,038 |
| Applied Ecological Services | 2019 Vegetation Management | 134,716 | 105,767 | 28,949 |
| Stantec Consulting | Savanna Oaks Park Vegetation Management | 49,997 | 1,522 | 48,475 |
| Rice Lake Construction | Well 20 | 1,277,544 | 1,231,512 | 46,032 |
| Total Commitment | | | | <u>\$ 4,780,784</u> |

NOTE 15 – TAX INCREMENT FINANCING

The City has entered into two Tax Increment Financing agreements which meet the criteria for disclosure under *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures*. The City's authority to enter into these agreements comes from *Minnesota Statute 469*. The City entered into this agreement for the purpose of economic development.

Under the agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

City of Woodbury
Notes to Basic Financial Statements

NOTE 15 – TAX INCREMENT FINANCING (CONTINUED)

During the year ended December 31, 2022, the City generated \$168,552 in tax increment revenue and made \$52,497 in payments to developers.

NOTE 16 – SUBSEQUENT EVENTS

The City awarded the construction contract for the 2023 roadway rehabilitation project in the amount of \$25,354,714 and the related construction administration services contract in the amount of \$2,177,044.

The City accepted grants from the Minnesota Pollution Control Agency from 3M settlement funds related to the water treatment plant design and pipeline design in the amount of \$16,388,543, and an additional \$9,138,740 related to wellhead temporary water treatment.

NOTE 17 – GASB STANDARDS ISSUED AND NOT YET IMPLEMENTED

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending December 31, 2023.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Woodbury
Schedule of Changes in Total OPEB Liability
and Related Ratios

| | December 31, 2018 | December 31, 2019 | December 31, 2020 | December 31, 2021 | December 31, 2022 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 519,761 | \$ 228,142 | \$ 253,804 | \$ 373,814 | \$ 335,520 |
| Interest | 218,330 | 151,850 | 126,438 | 104,448 | 113,213 |
| Changes of benefit terms | (3,707,877) | - | - | - | - |
| Changes of assumptions | (87,197) | 267,411 | 513,351 | (49,268) | (1,386,644) |
| Differenced between expected and actual experience | 856,761 | (361,118) | 170,568 | (127,405) | 3,865,535 |
| Benefit payments | <u>(189,709)</u> | <u>(130,637)</u> | <u>(125,313)</u> | <u>(146,168)</u> | <u>(170,698)</u> |
| Net change in total OPEB liability | <u>(2,389,931)</u> | <u>155,648</u> | <u>938,848</u> | <u>155,421</u> | <u>2,756,926</u> |
| Beginning of year | <u>5,921,095</u> | <u>3,531,164</u> | <u>3,686,812</u> | <u>4,625,660</u> | <u>4,781,081</u> |
| End of year | <u>\$ 3,531,164</u> | <u>\$ 3,686,812</u> | <u>\$ 4,625,660</u> | <u>\$ 4,781,081</u> | <u>\$ 7,538,007</u> |
| Covered-employee payroll | \$ 18,959,540 | \$ 20,365,038 | \$ 20,492,730 | \$ 20,896,820 | \$ 23,451,272 |
| Total OPEB liability as a percentage of covered-employee payroll | 18.6% | 18.1% | 22.6% | 22.9% | 32.1% |

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

City of Woodbury
Schedule of City's Proportionate Share
of Net Pension Liability
General Employees Retirement Fund
Last Ten Years

| For Fiscal Year Ended June 30, | City's Proportionate Share (Percentage) of the Net Pension Liability (Asset) | City's Proportionate Share (Amount) of the Net Pension Liability (Asset) | State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City | City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City | City's Covered Payroll | City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------------------------------|---|---|--|--|------------------------------|--|--|
| 2015 | 0.1826% | \$ 9,463,280 | \$ - | \$ 9,463,280 | \$ 10,554,507 | 89.66% | 78.19% |
| 2016 | 0.1863% | 15,126,636 | 197,630 | 15,324,266 | 11,562,920 | 130.82% | 68.91% |
| 2017 | 0.1955% | 12,480,591 | 156,921 | 12,637,512 | 12,593,640 | 99.10% | 75.90% |
| 2018 | 0.1928% | 10,695,754 | 350,797 | 11,046,551 | 12,957,667 | 82.54% | 79.53% |
| 2019 | 0.1916% | 10,593,135 | 329,319 | 10,922,454 | 13,560,693 | 78.12% | 80.23% |
| 2020 | 0.2012% | 12,062,859 | 371,968 | 12,434,827 | 14,349,707 | 84.06% | 79.06% |
| 2021 | 0.2062% | 8,805,664 | 268,911 | 9,074,575 | 14,845,520 | 59.32% | 87.00% |
| 2022 | 0.1956% | 15,491,585 | 454,089 | 15,945,674 | 14,649,307 | 105.75% | 76.67% |

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

Schedule of City's Proportionate Share
of Net Pension Liability
Public Employees Police and Fire Retirement Fund
Last Ten Years

| For Fiscal Year Ended June 30, | City's Proportion of the Net Pension Liability (Asset) | City's Proportionate Share of the Net Pension Liability (Asset) | State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City | City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City | City's Covered Payroll | City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------------------------------|---|--|--|--|------------------------------|--|--|
| 2015 | 0.7470% | \$ 8,487,668 | \$ - | \$ 8,487,668 | \$ 6,653,352 | 127.57% | 86.61% |
| 2016 | 0.7650% | 30,631,931 | - | 30,631,931 | 7,367,944 | 415.75% | 63.88% |
| 2017 | 0.7840% | 10,514,373 | - | 10,514,373 | 8,048,377 | 130.64% | 85.43% |
| 2018 | 0.7628% | 8,062,010 | - | 8,062,010 | 8,039,747 | 100.28% | 88.84% |
| 2019 | 0.7858% | 8,259,553 | - | 8,259,553 | 8,288,917 | 99.65% | 89.26% |
| 2020 | 0.7647% | 10,010,742 | 237,452 | 10,248,194 | 8,629,835 | 116.00% | 87.19% |
| 2021 | 0.7131% | 5,440,198 | 247,442 | 5,687,640 | 8,427,554 | 64.55% | 93.66% |
| 2022 | 0.7488% | 32,584,818 | 1,423,646 | 34,008,464 | 9,096,802 | 358.20% | 70.53% |

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

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**City of Woodbury
Schedule of City Contributions
General Employees Retirement Fund
Last Ten Years**

| Fiscal Year Ending December 31, | Statutorily Required Contribution | Contributions in Relation to the Statutorily Required Contributions | Contribution Deficiency (Excess) | City's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---------------------------------------|---|---|--|---------------------------|---|
| 2015 | \$ 869,186 | \$ 869,186 | \$ - | \$ 11,589,147 | 7.5% |
| 2016 | 885,816 | 885,816 | - | 11,810,880 | 7.5% |
| 2017 | 936,245 | 936,245 | - | 12,483,267 | 7.5% |
| 2018 | 998,579 | 998,579 | - | 13,314,387 | 7.5% |
| 2019 | 1,041,979 | 1,041,979 | - | 13,893,053 | 7.5% |
| 2020 | 1,098,560 | 1,098,560 | - | 14,647,467 | 7.5% |
| 2021 | 1,109,357 | 1,109,357 | - | 14,791,427 | 7.5% |
| 2022 | 1,136,614 | 1,136,614 | - | 15,154,853 | 7.5% |

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

**Schedule of City Contributions
Public Employees Police and Fire Retirement Fund
Last Ten Years**

| Fiscal Year Ending December 31, | Statutorily Required Contribution | Contributions in Relation to the Statutorily Required Contributions | Contribution Deficiency (Excess) | City's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---------------------------------------|---|---|--|---------------------------|---|
| 2015 | \$ 1,193,616 | \$ 1,193,616 | \$ - | \$ 7,368,000 | 16.2% |
| 2016 | 1,218,475 | 1,218,475 | - | 7,521,451 | 16.2% |
| 2017 | 1,284,208 | 1,284,208 | - | 7,927,210 | 16.2% |
| 2018 | 1,333,194 | 1,333,194 | - | 8,229,593 | 16.2% |
| 2019 | 1,432,066 | 1,432,066 | - | 8,448,767 | 16.95% |
| 2020 | 1,512,077 | 1,512,077 | - | 8,542,808 | 17.70% |
| 2021 | 1,523,005 | 1,523,005 | - | 8,604,548 | 17.70% |
| 2022 | 1,716,730 | 1,716,730 | - | 9,699,040 | 17.70% |

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

City of Woodbury
Schedule of Changes in Net Pension Liability
and Related Ratios - Woodbury Firefighters' Benefit Association

| | Measurement Date | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | December 31, 2014 | December 31, 2015 | December 31, 2016 | December 31, 2017 |
| Total pension liability (TPL) | | | | |
| Service cost | \$ 189,705 | \$ 194,922 | \$ 213,301 | \$ 174,102 |
| Interest | 420,215 | 453,092 | 489,301 | 572,853 |
| Differences between expected and actual experience | - | - | (120,121) | - |
| Changes of assumptions | - | - | (112,175) | 30,790 |
| Changes of benefit terms | - | - | - | - |
| Benefit payments, including refunds or member contribution refunds | - | (218,658) | - | (114,804) |
| Net change in total pension liability | <u>609,920</u> | <u>429,356</u> | <u>470,306</u> | <u>662,941</u> |
| Beginning of year | <u>6,275,133</u> | <u>6,885,053</u> | <u>7,314,409</u> | <u>7,784,715</u> |
| End of year | <u>\$ 6,885,053</u> | <u>\$ 7,314,409</u> | <u>\$ 7,784,715</u> | <u>\$ 8,447,656</u> |
| Plan fiduciary net pension (FNP) | | | | |
| Contributions - state and local | \$ 359,518 | \$ 398,535 | \$ 400,737 | \$ 404,923 |
| Contributions - donations and other | - | - | - | 1,950 |
| Net investment income | 657,646 | 11,243 | 719,843 | 1,644,070 |
| Benefit payments, including refunds of member contribution refunds | - | (218,658) | - | (114,804) |
| Administrative expense | (18,889) | (15,250) | (15,954) | (16,354) |
| Other | 1,000 | - | - | - |
| Net change in plan fiduciary net position | <u>999,275</u> | <u>175,870</u> | <u>1,104,626</u> | <u>1,919,785</u> |
| Beginning of year | <u>8,709,201</u> | <u>9,708,476</u> | <u>9,884,346</u> | <u>10,988,972</u> |
| End of year | <u>\$ 9,708,476</u> | <u>\$ 9,884,346</u> | <u>\$ 10,988,972</u> | <u>\$ 12,908,757</u> |
| Net pension asset | <u>\$ (2,823,423)</u> | <u>\$ (2,569,937)</u> | <u>\$ (3,204,257)</u> | <u>\$ (4,461,101)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 141.0% | 135.1% | 141.2% | 152.8% |

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

| Measurement Date | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|
| December 31, 2018 | December 31, 2019 | December 31, 2020 | December 31, 2021 |
| \$ 184,514 | \$ 176,701 | \$ 225,338 | \$ 236,163 |
| 600,475 | 586,975 | 657,183 | 578,008 |
| (145,255) | - | (862,097) | - |
| 93,324 | - | 113,530 | - |
| - | 735,120 | 91,508 | - |
| <u>(107,920)</u> | <u>(438,209)</u> | <u>(496,416)</u> | <u>(930,250)</u> |
| <u>625,138</u> | <u>1,060,587</u> | <u>(270,954)</u> | <u>(116,079)</u> |
| <u>8,447,656</u> | <u>9,072,794</u> | <u>10,133,381</u> | <u>9,862,427</u> |
| <u>\$ 9,072,794</u> | <u>\$ 10,133,381</u> | <u>\$ 9,862,427</u> | <u>\$ 9,746,348</u> |
| \$ 420,593 | \$ 441,682 | \$ 469,961 | \$ 498,691 |
| 995 | - | - | - |
| (581,986) | 2,574,415 | 2,229,437 | 2,177,979 |
| (107,920) | (438,209) | (496,416) | (930,250) |
| (27,971) | (22,403) | (16,200) | (23,091) |
| - | - | - | - |
| <u>(296,289)</u> | <u>2,555,485</u> | <u>2,186,782</u> | <u>1,723,329</u> |
| <u>12,908,757</u> | <u>12,612,468</u> | <u>15,167,953</u> | <u>17,354,735</u> |
| <u>\$ 12,612,468</u> | <u>\$ 15,167,953</u> | <u>\$ 17,354,735</u> | <u>\$ 19,078,064</u> |
| <u>\$ (3,539,674)</u> | <u>\$ (5,034,572)</u> | <u>\$ (7,492,308)</u> | <u>\$ (9,331,716)</u> |
| 139.0% | 149.7% | 176.0% | 195.7% |

City of Woodbury
Schedule of City and Non-Employer Entity Contributions -
Woodbury Firefighters' Benefit Association

| | December 31, 2014 | December 31, 2015 | December 31, 2016 | December 31, 2017 | December 31, 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Employer | | | | | |
| Statutorily determined contribution (SDC) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contribution in relation to the SDC | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Non-employer | | | | | |
| 2% state aid | <u>\$ 359,518</u> | <u>\$ 398,535</u> | <u>\$ 400,737</u> | <u>\$ 404,923</u> | <u>\$ 420,593</u> |

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

| <u>December 31, 2019</u> | <u>December 31, 2020</u> | <u>December 31, 2021</u> | <u>December 31, 2022</u> |
|------------------------------|------------------------------|------------------------------|------------------------------|
| \$ - | \$ - | \$ - | \$ - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 441,682</u> | <u>\$ 469,961</u> | <u>\$ 493,067</u> | <u>\$ 571,880</u> |

City of Woodbury
Notes to Required Supplementary Information

General Employees Fund

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

City of Woodbury
Notes to Required Supplementary Information

General Employees Fund (Continued)

2020 Changes (Continued)

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% thereafter. 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 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 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

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

City of Woodbury
Notes to Required Supplementary Information

General Employees Fund (Continued)

2017 Changes (Continued)

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

City of Woodbury
Notes to Required Supplementary Information

Police and Fire Fund

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes resulted in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

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

City of Woodbury
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2019 Changes (Continued)

Changes in 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.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0% per year through 2064 and 2.5% per years, thereafter, to 1.0% for all years, with no trigger.

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

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

City of Woodbury
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- Assumed age difference was changed from separate assumptions for male members (wives assumed to be 3 years younger) and female members (husbands assumed to be 4 years older) to the assumption that males are 2 years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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 single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

City of Woodbury
Notes to Required Supplementary Information

Woodbury Volunteer Fire Relief Association

2022 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 6.5% to 6.0% to reflect updated capital market assumptions.
- The mortality assumptions were updated from the rates used in the July 1, 2018, Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2020, Minnesota Police and Fire Plan actuarial valuation.
- The inflation assumption decreased from 2.5% to 2.25%.

Changes in Plan Provisions

- The lump sum benefit amount increased from \$8,374 to \$8,625.

2020 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- The lump sum benefit amount increased from \$6,720 to \$8,374.

2019 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 7.0% to 6.5% to reflect updated capital market assumptions.
- The mortality and withdrawal assumptions were updated from the rates used in the July 1, 2016, Minnesota PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2018, Minnesota PERA Police and Fire Plan actuarial valuation.
- The assumed inflation assumption decreased from 2.75% to 2.5%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate decreased from 7.25% to 7.0% to reflect updated capital market assumptions.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Woodbury
Notes to Required Supplementary Information

Woodbury Volunteer Fire Relief Association (Continued)

2017 Changes

Changes in Actuarial Assumptions

- The expected investment return and discount rate increased from 6.5% to 7.25% to reflect updated capital market assumptions.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Woodbury
Notes to Required Supplementary Information

Post Employment Health Care Plan

No assets have been accumulated in a trust to fund this liability.

2022 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 4.31% from the discount rate of 2.25% as of December 31, 2021.
- Mortality tables have been updated from using improvement Scale MP-2020 to Scale MP-2021.
- Health care trend rates have been updated to an initial rate of 7.5% for fiscal 2023 decreasing by 0.5% annually to an ultimate rate of 4.5%.
- Disability rates have been updated in accordance with PERA of Minnesota Actuarial Valuations for General employees and Police/Fire as of July 1, 2022.
- Termination rates have been updated in accordance with PERA of Minnesota Actuarial Valuations for General employees and Police/Fire as of July 1, 2022.
- Retirement rates have been updated in accordance with PERA of Minnesota Actuarial Valuations for General employees and Police/Fire as of July 1, 2022.

2021 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 2.25% from the discount rate of 2.12% as of December 31, 2020.

2020 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 2.12% from the discount rate of 3.26% as of January 1, 2020.
- Mortality tables were updated from RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to the tables listed in the above table.
- Health care trend rates were updated from a range of 7.5% to 5.0% to the range listed in the above table.
- Disability, termination, retirement, and salary increase rates were updated in accordance with PERA of Minnesota actuarial valuations.

2019 Changes

Changes in Actuarial Assumptions

- The healthcare cost trend rate was reduced from 8.0%, initially to 7.5%, initially.
- The discount rate changed from 4.11% to 3.26%.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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**City of Woodbury
Fund Descriptions**

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 specified purposes.

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and payment of, interest, principal, and related costs on general long-term debt.

CAPITAL PROJECT 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).

**City of Woodbury
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2022**

| | <u>Special Revenue</u> | <u>Debt Service</u> |
|--|------------------------|----------------------|
| Assets | | |
| Cash and investments | \$ 13,022,720 | \$ 8,734,327 |
| Accounts receivable | 1,230,265 | - |
| Accrued interest receivable | 15,735 | - |
| Taxes receivable | | |
| Delinquent | 1,474 | 6,479 |
| Due from county | 1,763 | 3,868 |
| Special assessments receivable | | |
| Delinquent | - | 9,711 |
| Special deferred | - | 35,494 |
| Deferred | - | 10,137,035 |
| Due from county | - | 9,505 |
| Due from other governments | 543 | - |
| Prepaid items | 48,890 | - |
| Leases receivable | - | - |
| Notes receivable | 4,328,907 | - |
| | <u>\$ 18,650,297</u> | <u>\$ 18,936,419</u> |
| Liabilities | | |
| Accounts payable | \$ 59,762 | \$ 500 |
| Contracts payable | - | - |
| Due to other funds | 470 | - |
| Advances from other funds | - | 605,279 |
| Due to other governments | 18,034 | - |
| Total liabilities | <u>78,266</u> | <u>605,779</u> |
| Deferred Inflows of Resources | | |
| Unavailable revenue - taxes | 1,474 | 6,479 |
| Unavailable revenue - special assessments | - | 10,182,240 |
| Unavailable revenue - notes receivable | 1,456,867 | - |
| Advanced appropriations - State shared taxes | - | - |
| Leases | - | - |
| Total deferred inflows of resources | <u>1,458,341</u> | <u>10,188,719</u> |
| Fund Balances | | |
| Nonspendable | 48,890 | - |
| Restricted | 5,123,717 | 8,141,921 |
| Committed | 11,941,083 | - |
| Assigned | - | - |
| Total fund balances | <u>17,113,690</u> | <u>8,141,921</u> |
| | | |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 18,650,297</u> | <u>\$ 18,936,419</u> |

| <u>Capital Project</u> | <u>Total Nonmajor Governmental Funds</u> |
|------------------------|--|
| \$ 105,585,976 | \$ 127,343,023 |
| 602,842 | 1,833,107 |
| - | 15,735 |
| - | 7,953 |
| - | 5,631 |
| 37,800 | 47,511 |
| 408,680 | 444,174 |
| 2,219,533 | 12,356,568 |
| 40,544 | 50,049 |
| 1,288,763 | 1,289,306 |
| 841,905 | 890,795 |
| 81,953 | 81,953 |
| - | 4,328,907 |
| <u>\$ 111,107,996</u> | <u>\$ 148,694,712</u> |
| | |
| \$ 396,315 | \$ 456,577 |
| 1,171,868 | 1,171,868 |
| - | 470 |
| - | 605,279 |
| 182 | 18,216 |
| <u>1,568,365</u> | <u>2,252,410</u> |
| | |
| - | 7,953 |
| 2,666,013 | 12,848,253 |
| - | 1,456,867 |
| 1,082,597 | 1,082,597 |
| 81,696 | 81,696 |
| <u>3,830,306</u> | <u>15,477,366</u> |
| | |
| 841,905 | 890,795 |
| 6,886,408 | 20,152,046 |
| 3,019,434 | 14,960,517 |
| 94,961,578 | 94,961,578 |
| <u>105,709,325</u> | <u>130,964,936</u> |
| | |
| <u>\$ 111,107,996</u> | <u>\$ 148,694,712</u> |

City of Woodbury
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2022

| | Special Revenue | Debt Service |
|---|-----------------|--------------|
| Revenues | | |
| Property taxes | \$ 624,346 | \$ 2,891,690 |
| Tax increments | - | - |
| Special assessments | - | 1,718,209 |
| Franchise fees | - | - |
| Intergovernmental | 1,316,157 | - |
| Charges for services | 5,066,987 | - |
| Fines and forfeitures | 85,251 | - |
| Other interest earnings | 84,102 | - |
| Investment income | (724,280) | (88,619) |
| Park dedication fees | - | - |
| Rentals | - | 86,488 |
| Principal payments on loans | 35,424 | - |
| Other revenues | 365,787 | - |
| Total revenues | 6,853,774 | 4,607,768 |
| Expenditures | | |
| Current | | |
| General government | 1,056 | - |
| Public safety | 779,864 | - |
| Public works | - | - |
| Community development | 175,765 | - |
| Park and recreation | 271,316 | - |
| Debt service | | |
| Principal | - | 4,220,000 |
| Interest | 132,750 | 1,415,880 |
| Other charges | - | 23,886 |
| Capital outlay | | |
| General government | - | - |
| Public works | - | - |
| Parks and recreation | 341,614 | - |
| Total expenditures | 1,702,365 | 5,659,766 |
| Excess of revenues over (under) expenditures | 5,151,409 | (1,051,998) |
| Other Financing Sources (Uses) | | |
| Transfers in | 22,200 | 808,165 |
| Transfers out | (3,169,000) | (14,950) |
| Total other financing sources (uses) | (3,146,800) | 793,215 |
| Net change in fund balances | 2,004,609 | (258,783) |
| Fund Balances | | |
| Beginning of year | 15,109,081 | 8,400,704 |
| End of year | \$ 17,113,690 | \$ 8,141,921 |

| <u>Capital Project</u> | <u>Total Nonmajor Governmental Funds</u> |
|------------------------|--|
| \$ 5,204,676 | \$ 8,720,712 |
| 168,552 | 168,552 |
| 10,857,279 | 12,575,488 |
| 2,248,172 | 2,248,172 |
| 4,749,444 | 6,065,601 |
| 84,643 | 5,151,630 |
| - | 85,251 |
| 134,387 | 218,489 |
| (6,036,625) | (6,849,524) |
| 3,120,369 | 3,120,369 |
| 38,839 | 125,327 |
| - | 35,424 |
| 29,997 | 395,784 |
| <u>20,599,733</u> | <u>32,061,275</u> |
| 195,303 | 196,359 |
| - | 779,864 |
| 1,026,642 | 1,026,642 |
| - | 175,765 |
| 1,880,228 | 2,151,544 |
| - | 4,220,000 |
| - | 1,548,630 |
| - | 23,886 |
| 401,265 | 401,265 |
| 14,019,307 | 14,019,307 |
| 1,263,183 | 1,604,797 |
| <u>18,785,928</u> | <u>26,148,059</u> |
| 1,813,805 | 5,913,216 |
| 5,261,850 | 6,092,215 |
| <u>(5,156,186)</u> | <u>(8,340,136)</u> |
| <u>105,664</u> | <u>(2,247,921)</u> |
| 1,919,469 | 3,665,295 |
| <u>103,789,856</u> | <u>127,299,641</u> |
| <u>\$ 105,709,325</u> | <u>\$ 130,964,936</u> |

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City of Woodbury Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. During the year, the City had the following Nonmajor Special Revenue Funds:

Lawful Gambling Contribution Fund – This Fund accounts for contributions from licensed gambling organizations. The City may use funds for the same statutorily defined charitable purposes as gambling organizations.

Public Safety Training Center – This Fund was established in 2018 to account for the interfund loan that was established as a funding source for the construction of a regional public safety training facility (HERO Center) located in Cottage Grove. This fund accounts for Woodbury's share of the construction and operations of the HERO Center. The primary source of revenue for this fund is property tax levy.

Administration Fee Fund – This Fund accounts for the administration fee charged to public improvement projects.

National Opioid Settlement Fund – This Fund accounts for settlement proceeds from opioid manufacturers and distributors.

Public Safety Activities Fund – This Fund accounts for forfeiture revenues and expenditures through law enforcement investigation and confiscations as permitted by *Minnesota Statutes*, the DARE Program and Special Response Team and other miscellaneous public safety grants and programs.

Emergency Medical Services Fund – This Fund accounts for the revenue and operating expenses of the City's emergency medical services.

Fire Relief Pension Fund – This Fund accounts for the City's contribution toward the Paid-on-Call Firefighters Retirement Fund.

Sports Center Sponsorship Fund – This Fund accounts for the collaboration with M Health Fairview around naming and branding activities that will create incremental City resources to support investment in other recreational and health-oriented activities at the center or elsewhere in the City and support other City interests generally.

HUD Fund – This Fund accounts for the grant related revenues and expenditures of administering the federal HOME Grants and Community Development Block Grants.

EDA Fund – This Fund accounts for the activity of the Woodbury Economic Development Authority.

HRA Fund – This Fund accounts for the collection of the HRA levy and the related expenditures as legally authorized under *Minnesota Statutes* 469.001 to 469.047 that directs redevelopment projects with the specific purpose of removing blight and promoting affordable safe and decent housing.

City of Woodbury
Subcombining Balance Sheet -
Nonmajor Special Revenue Funds
December 31, 2022

| | Lawful Gambling Contribution (203) | Public Safety Training Center (205) | Administration Fee Fund (206) | National Opioid Settlement Fund (207) |
|---|---|---|----------------------------------|--|
| Assets | | | | |
| Cash and investments | \$ 19,739 | \$ 197,510 | \$ 4,459,583 | \$ 202,940 |
| Accounts receivable | 6,082 | - | - | - |
| Accrued interest receivable | - | - | - | - |
| Taxes receivable | | | | |
| Delinquent | - | - | - | - |
| Due from county | - | - | - | - |
| Due from other governments | - | - | - | - |
| Prepaid items | - | - | - | - |
| Notes receivable | - | - | - | - |
| | <u>25,821</u> | <u>197,510</u> | <u>4,459,583</u> | <u>202,940</u> |
| Total assets | <u>\$ 25,821</u> | <u>\$ 197,510</u> | <u>\$ 4,459,583</u> | <u>\$ 202,940</u> |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - |
| Due to other governments | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue - taxes | - | - | - | - |
| Unavailable revenue - notes receivable | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 25,821 | - | - | 202,940 |
| Committed | - | 197,510 | 4,459,583 | - |
| Total fund balances | <u>25,821</u> | <u>197,510</u> | <u>4,459,583</u> | <u>202,940</u> |
| | <u>\$ 25,821</u> | <u>\$ 197,510</u> | <u>\$ 4,459,583</u> | <u>\$ 202,940</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 25,821</u> | <u>\$ 197,510</u> | <u>\$ 4,459,583</u> | <u>\$ 202,940</u> |

| Public Safety Activities Fund (208) | Emergency Medical Services (212) | Fire Relief Pension Fund (214) | Sports Center Sponsorship (216) | HUD (220) | EDA (616) |
|---|--|--------------------------------------|---------------------------------------|---------------------|---------------------|
| \$ 140,501 | \$ 4,033,395 | \$ 307,796 | \$ 741,438 | \$ - | \$ 1,009,358 |
| 1,972 | 1,171,557 | - | - | 25,580 | - |
| - | - | - | - | 1,347 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 105 | - | - | - | - | 438 |
| 48,890 | - | - | - | - | - |
| - | - | - | - | 1,456,867 | - |
| <u>\$ 191,468</u> | <u>\$ 5,204,952</u> | <u>\$ 307,796</u> | <u>\$ 741,438</u> | <u>\$ 1,483,794</u> | <u>\$ 1,009,796</u> |
| \$ 7,357 | \$ - | \$ - | \$ - | \$ 9,164 | \$ 51 |
| - | - | - | - | 470 | - |
| 741 | - | - | - | 17,293 | - |
| <u>8,098</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,927</u> | <u>51</u> |
| - | - | - | - | - | - |
| - | - | - | - | 1,456,867 | - |
| - | - | - | - | 1,456,867 | - |
| 48,890 | - | - | - | - | - |
| 114,421 | - | - | - | - | - |
| 20,059 | 5,204,952 | 307,796 | 741,438 | - | 1,009,745 |
| <u>183,370</u> | <u>5,204,952</u> | <u>307,796</u> | <u>741,438</u> | <u>-</u> | <u>1,009,745</u> |
| <u>\$ 191,468</u> | <u>\$ 5,204,952</u> | <u>\$ 307,796</u> | <u>\$ 741,438</u> | <u>\$ 1,483,794</u> | <u>\$ 1,009,796</u> |

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**City of Woodbury
Subcombining Balance Sheet -
Nonmajor Special Revenue Funds
December 31, 2022**

| | HRA (620) | Total Nonmajor Special Revenue Funds |
|---|---------------------|---|
| Assets | | |
| Cash and investments | \$ 1,910,460 | \$ 13,022,720 |
| Accounts receivable | 25,074 | 1,230,265 |
| Accrued interest receivable | 14,388 | 15,735 |
| Taxes receivable | | |
| Delinquent | 1,474 | 1,474 |
| Due from county | 1,763 | 1,763 |
| Due from other governments | - | 543 |
| Prepaid items | - | 48,890 |
| Notes receivable | 2,872,040 | 4,328,907 |
| | <u>\$ 4,825,199</u> | <u>\$ 18,650,297</u> |
| Liabilities | | |
| Accounts payable | \$ 43,190 | \$ 59,762 |
| Due to other funds | - | 470 |
| Due to other governments | - | 18,034 |
| Total liabilities | <u>43,190</u> | <u>78,266</u> |
| Deferred Inflows of Resources | | |
| Unavailable revenue - taxes | 1,474 | 1,474 |
| Unavailable revenue - notes receivable | - | 1,456,867 |
| Total deferred inflows of resources | <u>1,474</u> | <u>1,458,341</u> |
| Fund Balances | | |
| Nonspendable | - | 48,890 |
| Restricted | 4,780,535 | 5,123,717 |
| Committed | - | 11,941,083 |
| Total fund balances | <u>4,780,535</u> | <u>17,113,690</u> |
| | <u>\$ 4,825,199</u> | <u>\$ 18,650,297</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 4,825,199</u> | <u>\$ 18,650,297</u> |

City of Woodbury
Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended December 31, 2022

| | Lawful Gambling Contribution (203) | Public Safety Training Center (205) | Administration Fee Fund (206) | National Opioid Settlement Fund (207) |
|---|---|---|----------------------------------|--|
| Revenues | | | | |
| Property taxes | \$ - | \$ 374,395 | \$ - | \$ - |
| Intergovernmental | - | - | - | - |
| Charges for services | - | - | 1,824,880 | - |
| Fines and forfeitures | - | - | - | - |
| Other interest earnings | - | - | - | - |
| Investment income | (361) | (10,082) | (226,835) | (153) |
| Principal payments on loans | - | - | - | - |
| Other revenues | 26,182 | - | - | 203,093 |
| Total revenues | <u>25,821</u> | <u>364,313</u> | <u>1,598,045</u> | <u>202,940</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | 1,056 | - |
| Public safety | - | - | - | - |
| Community development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Debt service | | | | |
| Interest and other charges | - | 132,750 | - | - |
| Capital outlay | | | | |
| Parks and recreation | - | - | - | - |
| Total expenditures | <u>-</u> | <u>132,750</u> | <u>1,056</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | 25,821 | 231,563 | 1,596,989 | 202,940 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (800,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(800,000)</u> | <u>-</u> |
| Net change in fund balances | 25,821 | 231,563 | 796,989 | 202,940 |
| Fund Balances | | | | |
| Beginning of year | <u>-</u> | <u>(34,053)</u> | <u>3,662,594</u> | <u>-</u> |
| End of year | <u>\$ 25,821</u> | <u>\$ 197,510</u> | <u>\$ 4,459,583</u> | <u>\$ 202,940</u> |

| Public Safety Activities Fund (208) | Emergency Medical Services (212) | Fire Relief Pension Fund (214) | Sports Center Sponsorship (216) | HUD (220) | EDA (616) |
|---|--|--------------------------------------|---------------------------------------|----------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 100,911 | 68,668 | 571,879 | - | 570,050 | 4,649 |
| - | 3,242,107 | - | - | - | - |
| 85,251 | - | - | - | - | - |
| - | - | - | - | 7,456 | - |
| (12,091) | (205,499) | (59,260) | (36,942) | - | (58,908) |
| - | - | - | - | 35,424 | - |
| 7,761 | 90 | - | 126,785 | - | 240 |
| <u>181,832</u> | <u>3,105,366</u> | <u>512,619</u> | <u>89,843</u> | <u>612,930</u> | <u>(54,019)</u> |
| - | - | - | - | - | - |
| 207,984 | - | 571,880 | - | - | - |
| - | - | - | - | - | 23,683 |
| - | - | - | - | 271,316 | - |
| - | - | - | - | - | - |
| - | - | - | - | 341,614 | - |
| <u>207,984</u> | <u>-</u> | <u>571,880</u> | <u>-</u> | <u>612,930</u> | <u>23,683</u> |
| (26,152) | 3,105,366 | (59,261) | 89,843 | - | (77,702) |
| 22,200 | - | - | - | - | - |
| - | (2,369,000) | - | - | - | - |
| <u>22,200</u> | <u>(2,369,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (3,952) | 736,366 | (59,261) | 89,843 | - | (77,702) |
| 187,322 | 4,468,586 | 367,057 | 651,595 | - | 1,087,447 |
| <u>\$ 183,370</u> | <u>\$ 5,204,952</u> | <u>\$ 307,796</u> | <u>\$ 741,438</u> | <u>\$ -</u> | <u>\$ 1,009,745</u> |

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City of Woodbury
Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended December 31, 2022

| | <u>HRA (620)</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|---|---------------------|---|
| Revenues | | |
| Property taxes | \$ 249,951 | \$ 624,346 |
| Intergovernmental | - | 1,316,157 |
| Charges for services | - | 5,066,987 |
| Fines and forfeitures | - | 85,251 |
| Other interest earnings | 76,646 | 84,102 |
| Investment income | (114,149) | (724,280) |
| Principal payments on loans | - | 35,424 |
| Other revenues | 1,636 | 365,787 |
| Total revenues | <u>214,084</u> | <u>6,853,774</u> |
| Expenditures | | |
| Current | | |
| General government | - | 1,056 |
| Public safety | - | 779,864 |
| Community development | 152,082 | 175,765 |
| Parks and recreation | - | 271,316 |
| Debt service | | |
| Interest and other charges | - | 132,750 |
| Capital outlay | | |
| Parks and recreation | - | 341,614 |
| Total expenditures | <u>152,082</u> | <u>1,702,365</u> |
| Excess of revenues over (under) expenditures | 62,002 | 5,151,409 |
| Other Financing Sources (Uses) | | |
| Transfers in | - | 22,200 |
| Transfers out | - | (3,169,000) |
| Total other financing sources (uses) | <u>-</u> | <u>(3,146,800)</u> |
| Net change in fund balances | 62,002 | 2,004,609 |
| Fund Balances | | |
| Beginning of year | <u>4,718,533</u> | <u>15,109,081</u> |
| End of year | <u>\$ 4,780,535</u> | <u>\$ 17,113,690</u> |

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City of Woodbury
Nonmajor Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources for, and payment of, interest, principal, and related costs on long-term debt other than revenue bonds. A separate fund is maintained for each bond issue.

**City of Woodbury
Subcombining Balance Sheet -
Nonmajor Debt Service Funds
December 31, 2022**

| | 2013B Parks and Open Space Refunding Bonds (947) | 2012A G.O. Improvement & Refunding Bonds (955) | 2013A G.O. Tax Abatement Bonds (956) | 2014A G.O. Improvement and Refunding Bonds (957) |
|--|--|---|--|---|
| Assets | | | | |
| Cash and investments | \$ 583,613 | \$ 959,372 | \$ 1,293,665 | \$ 626,710 |
| Taxes receivable | | | | |
| Delinquent | 6,062 | - | - | 417 |
| Due from County | 3,867 | - | - | 1 |
| Special assessments receivable | | | | |
| Delinquent | - | 648 | - | 874 |
| Special deferred | - | - | - | - |
| Deferred | - | 312,674 | - | 659,130 |
| Due from county | - | 314 | - | 878 |
| Total assets | <u>\$ 593,542</u> | <u>\$ 1,273,008</u> | <u>\$ 1,293,665</u> | <u>\$ 1,288,010</u> |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Advances from other funds | - | - | 605,279 | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>605,279</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue - taxes | 6,062 | - | - | 417 |
| Unavailable revenue - special assessments | - | 313,322 | - | 660,004 |
| Total deferred inflows of resources | <u>6,062</u> | <u>313,322</u> | <u>-</u> | <u>660,421</u> |
| Fund Balances | | | | |
| Restricted | 587,480 | 959,686 | 688,386 | 627,589 |
| Total fund balances | <u>587,480</u> | <u>959,686</u> | <u>688,386</u> | <u>627,589</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 593,542</u> | <u>\$ 1,273,008</u> | <u>\$ 1,293,665</u> | <u>\$ 1,288,010</u> |

| 2015A G.O. Improvement Bonds (958) | 2016A G.O. Improvement Bonds (959) | 2017A G.O. Improvement Bonds (960) | 2018A G.O. CIP and Improvement Bonds (961) | 2019A G.O. Improvement Bonds (962) | 2020A G.O. Bonds (963) | Total Nonmajor Debt Service Funds |
|--|--|--|---|--|---------------------------|--|
| \$ 828,397 | \$ 1,225,453 | \$ 775,735 | \$ 1,196,552 | \$ 448,301 | \$ 796,529 | \$ 8,734,327 |
| - | - | - | - | - | - | 6,479 |
| - | - | - | - | - | - | 3,868 |
| 892 | 2,372 | 1,089 | 1,348 | 430 | 2,058 | 9,711 |
| - | 12,400 | - | - | 23,094 | - | 35,494 |
| 1,112,301 | 1,607,769 | 1,155,812 | 1,591,436 | 1,019,082 | 2,678,831 | 10,137,035 |
| 1,292 | 1,894 | 2,109 | 438 | 210 | 2,370 | 9,505 |
| <u>\$ 1,942,882</u> | <u>\$ 2,849,888</u> | <u>\$ 1,934,745</u> | <u>\$ 2,789,774</u> | <u>\$ 1,491,117</u> | <u>\$ 3,479,788</u> | <u>\$ 18,936,419</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 500 | \$ 500 |
| - | - | - | - | - | - | 605,279 |
| - | - | - | - | - | 500 | 605,779 |
| - | - | - | - | - | - | 6,479 |
| 1,113,193 | 1,622,541 | 1,156,901 | 1,592,784 | 1,042,606 | 2,680,889 | 10,182,240 |
| <u>1,113,193</u> | <u>1,622,541</u> | <u>1,156,901</u> | <u>1,592,784</u> | <u>1,042,606</u> | <u>2,680,889</u> | <u>10,188,719</u> |
| 829,689 | 1,227,347 | 777,844 | 1,196,990 | 448,511 | 798,399 | 8,141,921 |
| <u>829,689</u> | <u>1,227,347</u> | <u>777,844</u> | <u>1,196,990</u> | <u>448,511</u> | <u>798,399</u> | <u>8,141,921</u> |
| <u>\$ 1,942,882</u> | <u>\$ 2,849,888</u> | <u>\$ 1,934,745</u> | <u>\$ 2,789,774</u> | <u>\$ 1,491,117</u> | <u>\$ 3,479,788</u> | <u>\$ 18,936,419</u> |

City of Woodbury
Subcombining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Debt Service Funds
Year Ended December 31, 2022

| | G.O. Tax Increment Bonds 2002A/ 2009B (939) | 2013B Parks and Open Space Refunding Bonds (947) | 2011A G.O. Improvement Bonds (954) | 2012A G.O. Improvement & Refunding Bonds (955) |
|---|--|--|--|---|
| Revenues | | | | |
| Property taxes | \$ - | \$ 614,268 | \$ - | \$ - |
| Special assessments | | | | |
| Principal | - | - | 496 | 165,978 |
| Interest | - | - | - | 174 |
| Investment income | - | (3,593) | - | (12,345) |
| Rentals | 86,488 | - | - | - |
| Total revenues | <u>86,488</u> | <u>610,675</u> | <u>496</u> | <u>153,807</u> |
| Expenditures | | | | |
| Debt service | | | | |
| Principal | 140,000 | 515,000 | 600,000 | 175,000 |
| Interest | 2,450 | 93,225 | 7,624 | 18,558 |
| Other charges | 2,250 | 605 | 500 | 9,656 |
| Total expenditures | <u>144,700</u> | <u>608,830</u> | <u>608,124</u> | <u>203,214</u> |
| Excess of revenues over (under) expenditures | (58,212) | 1,845 | (607,628) | (49,407) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 55,963 | - | 240,000 | - |
| Transfers out | (10,660) | - | (4,290) | - |
| Total other financing sources (uses) | <u>45,303</u> | <u>-</u> | <u>235,710</u> | <u>-</u> |
| Net change in fund balances | (12,909) | 1,845 | (371,918) | (49,407) |
| Fund Balances | | | | |
| Beginning of year | <u>12,909</u> | <u>585,635</u> | <u>371,918</u> | <u>1,009,093</u> |
| End of year | <u>\$ -</u> | <u>\$ 587,480</u> | <u>\$ -</u> | <u>\$ 959,686</u> |

| 2013A G.O. Tax Abatement Bonds (956) | 2014A G.O. Improvement and Refunding Bonds (957) | 2015A G.O. Improvement Bonds (958) | 2016A G.O. Improvement Bonds (959) | 2017A G.O. Improvement Bonds (960) | 2018A G.O. CIP and Improvement Bonds (961) |
|--|---|--|--|--|---|
| \$ 1,013,609 | \$ 63 | \$ 155,345 | \$ - | \$ - | \$ 659,105 |
| - | 139,842 | 203,753 | 284,177 | 220,980 | 235,542 |
| - | 664 | 321 | 376 | 464 | 523 |
| (10,130) | (7,782) | (9,104) | (15,294) | (9,516) | (10,426) |
| - | - | - | - | - | - |
| <u>1,003,479</u> | <u>132,787</u> | <u>350,315</u> | <u>269,259</u> | <u>211,928</u> | <u>884,744</u> |
| 855,000 | 110,000 | 305,000 | 220,000 | 145,000 | 535,000 |
| 395,320 | 29,675 | 80,748 | 65,181 | 46,000 | 517,319 |
| 605 | 754 | 754 | 700 | 5,700 | 754 |
| <u>1,250,925</u> | <u>140,429</u> | <u>386,502</u> | <u>285,881</u> | <u>196,700</u> | <u>1,053,073</u> |
| (247,446) | (7,642) | (36,187) | (16,622) | 15,228 | (168,329) |
| 292,500 | - | - | - | - | 219,702 |
| - | - | - | - | - | - |
| <u>292,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>219,702</u> |
| 45,054 | (7,642) | (36,187) | (16,622) | 15,228 | 51,373 |
| <u>643,332</u> | <u>635,231</u> | <u>865,876</u> | <u>1,243,969</u> | <u>762,616</u> | <u>1,145,617</u> |
| <u>\$ 688,386</u> | <u>\$ 627,589</u> | <u>\$ 829,689</u> | <u>\$ 1,227,347</u> | <u>\$ 777,844</u> | <u>\$ 1,196,990</u> |

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City of Woodbury
Subcombining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Debt Service Funds
Year Ended December 31, 2022

| | 2019A G.O. Improvement Bonds (962) | 2020A G.O. Bonds (963) | Total Nonmajor Debt Service Funds |
|---|--|---------------------------|--|
| Revenues | | | |
| Property taxes | \$ - | \$ 449,300 | \$ 2,891,690 |
| Special assessments | | | |
| Principal | 153,782 | 310,736 | 1,715,286 |
| Interest | 121 | 280 | 2,923 |
| Investment income | (5,208) | (5,221) | (88,619) |
| Rentals | - | - | 86,488 |
| Total revenues | <u>148,695</u> | <u>755,095</u> | <u>4,607,768</u> |
| Expenditures | | | |
| Debt service | | | |
| Principal | 85,000 | 535,000 | 4,220,000 |
| Interest | 41,325 | 118,455 | 1,415,880 |
| Other charges | 699 | 909 | 23,886 |
| Total expenditures | <u>127,024</u> | <u>654,364</u> | <u>5,659,766</u> |
| Excess of revenues over (under) expenditures | 21,671 | 100,731 | (1,051,998) |
| Other Financing Sources (Uses) | | | |
| Transfers in | - | - | 808,165 |
| Transfers out | - | - | (14,950) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>793,215</u> |
| Net change in fund balances | 21,671 | 100,731 | (258,783) |
| Fund Balances | | | |
| Beginning of year | <u>426,840</u> | <u>697,668</u> | <u>8,400,704</u> |
| End of year | <u>\$ 448,511</u> | <u>\$ 798,399</u> | <u>\$ 8,141,921</u> |

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City of Woodbury Nonmajor Capital Project Funds

The Capital Project Funds account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). During the year, the City had the following Nonmajor Capital Projects Funds:

Park Dedication Fund – This Fund accounts for park dedication fees paid by developers and expenditures incurred in the development of City parks.

Parks and Trails Replacement Fund – This Fund accounts for the replacement and improvement of the City's parks and trails infrastructure.

Community Investment Fund – This Fund accounts for residual surpluses and/or deficits of matured debt funds.

Municipal State Aid (MSA) Roadway Construction – This Fund accounts for unallocated MSA construction revenues and associated roadway projects.

Major Roadway Special Assessment – This Fund accounts for funds collected for future major roadway improvement projects.

Phases I and II Major Roadway Special Assessment – This Fund accounts for funds collected for roadways that are designated as Phases I and II MUSA roadway improvement projects.

TIF 13 Development and TIF 15 Redevelopment Districts – These funds accounts for increment revenues which are committed to debt and other authorized uses pursuant to *Minnesota Statutes*.

2018 Public Works Expansion Project – This fund accounts for the funds collected for and costs of the public works expansion project.

Tax Abatement Plan – I-94 Region – This Fund accounts for the collection of tax abatement revenues and the costs associated with the improvement projects in the defined I-94 region identified in the Tax Abatement Plan.

Trunk Storm Sewer Funds – These Funds account for the collection of storm water area charges. Such balances are committed to future storm sewer improvements.

Street Reconstruction/Maintenance Fund – This fund accounts for street reconstruction projects in existing developments.

Trunk Water and Sanitary Sewer Fund – This Fund accounts for the collection of water and sanitary sewer area and connection charges. Such balances are committed to future water and sanitary sewer improvements.

City of Woodbury
Subcombining Balance Sheet -
Nonmajor Capital Project Funds
December 31, 2022

| | Park Dedication Fund (201) | Parks and Trails Replacement Fund (202) | Community Investment Fund (420) | Municipal State Aid Roadway Construction (425) |
|--|----------------------------------|--|---------------------------------------|---|
| Assets | | | | |
| Cash and investments | \$ 4,707,243 | \$ 1,548,682 | \$ 6,186,845 | \$ 13,977,002 |
| Accounts receivable | - | 597,457 | - | - |
| Special assessments receivable | | | | |
| Delinquent | - | - | 209 | - |
| Special deferred | - | - | 306,728 | 56,852 |
| Deferred | - | - | 395,053 | 437,489 |
| Due from County | - | - | 7,883 | - |
| Due from other governments | - | - | 199,764 | 942,786 |
| Prepaid items | - | - | - | - |
| Leases receivable | 27,239 | - | 54,714 | - |
| Total assets | \$ 4,734,482 | \$ 2,146,139 | \$ 7,151,196 | \$ 15,414,129 |
| Liabilities | | | | |
| Accounts payable | \$ 7,523 | \$ 20,008 | \$ 134,420 | \$ 67,961 |
| Contracts payable | 60,590 | 40,156 | - | 329,812 |
| Due to other governments | - | - | - | 182 |
| Total liabilities | 68,113 | 60,164 | 134,420 | 397,955 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue - special assessments | - | - | 701,990 | 494,341 |
| Advanced appropriations - State shared taxes | - | - | - | 1,082,597 |
| Leases | 27,321 | - | 54,375 | - |
| Total deferred inflows of resources | 27,321 | - | 756,365 | 1,576,938 |
| Fund Balances | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 4,503,364 | - | - | - |
| Committed | 3,584 | - | - | 2,263,276 |
| Assigned | 132,100 | 2,085,975 | 6,260,411 | 11,175,960 |
| Total fund balances | 4,639,048 | 2,085,975 | 6,260,411 | 13,439,236 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 4,734,482 | \$ 2,146,139 | \$ 7,151,196 | \$ 15,414,129 |

| Major Roadway Special Assessment (426) | Phases I & II Major Roadway Special Assessment (427, 428) | TIF District 13 Quarry Ridge Senior Housing (438) | TIF District 15 Valley Creek Redevelopment (440) | Tax Abatement Plan - I-94 Region (468) | Ramsey Washington Metro Trunk Storm (472) | East Mississippi Trunk Storm Sewer (475) |
|--|---|---|--|--|---|--|
| \$ 6,270,222 | \$ 15,677,156 | \$ 422,339 | \$ 1,030 | \$ 2,960,212 | \$ 762,967 | \$ 84,499 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 113,384 | 1,603 | - | - | - | 115,853 | - |
| 4,798 | 458 | - | - | - | - | - |
| - | - | - | - | 73,863 | - | 5,733 |
| - | - | - | - | 796,107 | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 6,388,404</u> | <u>\$ 15,679,217</u> | <u>\$ 422,339</u> | <u>\$ 1,030</u> | <u>\$ 3,830,182</u> | <u>\$ 878,820</u> | <u>\$ 90,232</u> |
| \$ - | \$ 40,104 | \$ - | \$ - | \$ - | \$ 1,720 | \$ 11,466 |
| - | 507,235 | - | - | - | 19,563 | - |
| - | - | - | - | - | - | - |
| - | 547,339 | - | - | - | 21,283 | 11,466 |
| 113,384 | 1,603 | - | - | - | 115,853 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>113,384</u> | <u>1,603</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>115,853</u> | <u>-</u> |
| - | - | - | - | 796,107 | - | - |
| - | - | 422,339 | 1,030 | 1,959,675 | - | - |
| - | 431,405 | - | - | - | 8,519 | - |
| <u>6,275,020</u> | <u>14,698,870</u> | <u>-</u> | <u>-</u> | <u>1,074,400</u> | <u>733,165</u> | <u>78,766</u> |
| <u>6,275,020</u> | <u>15,130,275</u> | <u>422,339</u> | <u>1,030</u> | <u>3,830,182</u> | <u>741,684</u> | <u>78,766</u> |
| <u>\$ 6,388,404</u> | <u>\$ 15,679,217</u> | <u>\$ 422,339</u> | <u>\$ 1,030</u> | <u>\$ 3,830,182</u> | <u>\$ 878,820</u> | <u>\$ 90,232</u> |

City of Woodbury
Subcombining Balance Sheet -
Nonmajor Capital Project Funds
December 31, 2022

| | Central District Trunk Storm Sewer (477) | West Draw Trunk Storm Sewer (480) | Valley Branch Trunk Storm Sewer (485) | Street Reconstruction/ Maintenance Fund (499) |
|---|--|---|---|--|
| Assets | | | | |
| Cash and investments | \$ 19,472,337 | \$ 250,083 | \$ 926,121 | \$ 12,779,338 |
| Accounts receivable | - | - | - | - |
| Special assessments receivable | | | | |
| Delinquent | 253 | - | 12,213 | 180 |
| Special deferred | - | - | - | - |
| Deferred | 66,193 | - | 59,940 | 867,508 |
| Due from County | 3,567 | - | 6,656 | 2,203 |
| Due from other governments | 60,884 | 5,733 | - | - |
| Prepaid items | - | - | - | - |
| Leases receivable | - | - | - | - |
| | <u>\$ 19,603,234</u> | <u>\$ 255,816</u> | <u>\$ 1,004,930</u> | <u>\$ 13,649,229</u> |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 11,466 | \$ - | \$ 97,447 |
| Contracts payable | - | - | - | 60,358 |
| Due to other governments | - | - | - | - |
| Total liabilities | <u>-</u> | <u>11,466</u> | <u>-</u> | <u>157,805</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue - special assessments | 66,446 | - | 72,153 | 867,688 |
| Advanced appropriations - State shared taxes | - | - | - | - |
| Leases | - | - | - | - |
| Total deferred inflows of resources | <u>66,446</u> | <u>-</u> | <u>72,153</u> | <u>867,688</u> |
| Fund Balances | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | 266,618 |
| Assigned | 19,536,788 | 244,350 | 932,777 | 12,357,118 |
| Total fund balances | <u>19,536,788</u> | <u>244,350</u> | <u>932,777</u> | <u>12,623,736</u> |
| | <u>\$ 19,603,234</u> | <u>\$ 255,816</u> | <u>\$ 1,004,930</u> | <u>\$ 13,649,229</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 19,603,234</u> | <u>\$ 255,816</u> | <u>\$ 1,004,930</u> | <u>\$ 13,649,229</u> |

| Trunk Water and Sanitary Sewer Fund (901) | Total Nonmajor Capital Project Funds |
|--|--|
| \$ 19,559,900 | \$ 105,585,976 |
| 5,385 | 602,842 |
| 24,945 | 37,800 |
| 45,100 | 408,680 |
| 162,510 | 2,219,533 |
| 14,979 | 40,544 |
| - | 1,288,763 |
| 45,798 | 841,905 |
| - | 81,953 |
| <u>\$ 19,858,617</u> | <u>\$ 111,107,996</u> |
| \$ 4,200 | \$ 396,315 |
| 154,154 | 1,171,868 |
| - | 182 |
| <u>158,354</u> | <u>1,568,365</u> |
| 232,555 | 2,666,013 |
| - | 1,082,597 |
| - | 81,696 |
| <u>232,555</u> | <u>3,830,306</u> |
| 45,798 | 841,905 |
| - | 6,886,408 |
| 46,032 | 3,019,434 |
| 19,375,878 | 94,961,578 |
| <u>19,467,708</u> | <u>105,709,325</u> |
| <u>\$ 19,858,617</u> | <u>\$ 111,107,996</u> |

City of Woodbury
Subcombining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Capital Project Funds
For the Year Ended December 31, 2022

| | Park Dedication Fund (201) | Parks and Trails Replacement Fund (202) | Community Investment Fund (420) | Municipal State Aid Roadway Construction (425) |
|--|----------------------------------|--|---------------------------------------|--|
| Revenues | | | | |
| Property taxes | \$ - | \$ 700,000 | \$ 244,182 | \$ - |
| Tax increments | - | - | - | - |
| Special assessments | | | | |
| Principal | - | - | 129,218 | 321,511 |
| Interest | - | - | 1,567 | 847 |
| Franchise fees | - | 2,248,172 | - | - |
| Intergovernmental | - | - | 156,340 | 4,246,831 |
| Charges for services | 84,643 | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Other interest earnings | 762 | - | 133,625 | - |
| Investment income | (228,595) | (94,296) | (347,866) | (810,002) |
| Park dedication fees | 3,120,369 | - | - | - |
| Rentals | - | - | 38,839 | - |
| Other revenues | 30,000 | - | - | - |
| Total revenues | <u>3,007,179</u> | <u>2,853,876</u> | <u>355,905</u> | <u>3,759,187</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | 195,303 | - |
| Public works | - | - | - | 479,689 |
| Park and recreation | 1,859,177 | 21,051 | - | - |
| Capital outlay | | | | |
| General government | - | - | 401,265 | - |
| Public works | - | - | - | 4,246,556 |
| Park and recreation | 140,893 | 1,122,290 | - | - |
| Total expenditures | <u>2,000,070</u> | <u>1,143,341</u> | <u>596,568</u> | <u>4,726,245</u> |
| Excess of revenues over (under) expenditures | 1,007,109 | 1,710,535 | (240,663) | (967,058) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | 14,949 | 3,096,779 |
| Transfers out | - | (912,619) | (240,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(912,619)</u> | <u>(225,051)</u> | <u>3,096,779</u> |
| Net change in fund balances | 1,007,109 | 797,916 | (465,714) | 2,129,721 |
| Fund Balances | | | | |
| Beginning of year | <u>3,631,939</u> | <u>1,288,059</u> | <u>6,726,125</u> | <u>11,309,515</u> |
| End of year | <u>\$ 4,639,048</u> | <u>\$ 2,085,975</u> | <u>\$ 6,260,411</u> | <u>\$ 13,439,236</u> |

| Major Roadway Special Assessment (426) | Phases I & II Major Roadway Special Assessment (427, 428) | TIF District 13 Quarry Ridge Senior Housing (438) | TIF District 15 Valley Creek Redevelopment (440) | 2018 Public Works Expansion Project (466) | Tax Abatement Plan - I-94 Region (468) | Ramsey Washington Metro Trunk Storm (472) |
|--|---|---|--|---|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 194,817 | \$ - |
| - | - | 159,005 | 9,547 | - | - | - |
| 63,495 | 1,773,218 | - | - | - | - | 17,000 |
| - | 38 | - | - | - | - | 417 |
| - | - | - | - | - | - | - |
| - | 89,289 | - | - | - | 184,634 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (418,637) | (996,740) | (18,843) | (25) | (2,226) | (204,430) | (45,403) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>(355,142)</u> | <u>865,805</u> | <u>140,162</u> | <u>9,522</u> | <u>(2,226)</u> | <u>175,021</u> | <u>(27,986)</u> |
| - | - | - | - | - | - | - |
| - | 468 | 47,245 | 6,528 | 2,290 | 118,749 | 7,500 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 1,858,359 | - | - | 19,800 | 3,500 | 483,950 |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>1,858,827</u> | <u>47,245</u> | <u>6,528</u> | <u>22,090</u> | <u>122,249</u> | <u>491,450</u> |
| (355,142) | (993,022) | 92,917 | 2,994 | (24,316) | 52,772 | (519,436) |
| - | 641,087 | - | - | - | - | 400,000 |
| (976,315) | (2,120,464) | (55,962) | - | (18,183) | - | - |
| <u>(976,315)</u> | <u>(1,479,377)</u> | <u>(55,962)</u> | <u>-</u> | <u>(18,183)</u> | <u>-</u> | <u>400,000</u> |
| (1,331,457) | (2,472,399) | 36,955 | 2,994 | (42,499) | 52,772 | (119,436) |
| <u>7,606,477</u> | <u>17,602,674</u> | <u>385,384</u> | <u>(1,964)</u> | <u>42,499</u> | <u>3,777,410</u> | <u>861,120</u> |
| <u>\$ 6,275,020</u> | <u>\$ 15,130,275</u> | <u>\$ 422,339</u> | <u>\$ 1,030</u> | <u>\$ -</u> | <u>\$ 3,830,182</u> | <u>\$ 741,684</u> |

City of Maplewood
Subcombining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Capital Project Funds
For the Year Ended December 31, 2022

| | East Mississippi Trunk Storm Sewer (475) | Central District Trunk Storm Sewer (477) | West Draw Trunk Storm Sewer (480) | Valley Branch Trunk Storm Sewer (485) |
|--|---|--|---|---|
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Tax increments | - | - | - | - |
| Special assessments | | | | |
| Principal | - | 1,961,414 | - | 12,213 |
| Interest | - | 91 | - | 1,221 |
| Franchise fees | - | - | - | - |
| Intergovernmental | 5,733 | 60,884 | 5,733 | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Other interest earnings | - | - | - | - |
| Investment income | (4,910) | (1,112,970) | (14,533) | (53,424) |
| Park dedication fees | - | - | - | - |
| Rentals | - | - | - | - |
| Other revenues | - | - | - | - |
| Total revenues | <u>823</u> | <u>909,419</u> | <u>(8,800)</u> | <u>(39,990)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | - |
| Public works | 11,466 | 158,734 | 11,466 | - |
| Park and recreation | - | - | - | - |
| Capital outlay | | | | |
| General government | - | - | - | - |
| Public works | - | 1,129,144 | - | - |
| Park and recreation | - | - | - | - |
| Total expenditures | <u>11,466</u> | <u>1,287,878</u> | <u>11,466</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | (10,643) | (378,459) | (20,266) | (39,990) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (43,856) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(43,856)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (10,643) | (422,315) | (20,266) | (39,990) |
| Fund Balances | | | | |
| Beginning of year | <u>89,409</u> | <u>19,959,103</u> | <u>264,616</u> | <u>972,767</u> |
| End of year | <u>\$ 78,766</u> | <u>\$ 19,536,788</u> | <u>\$ 244,350</u> | <u>\$ 932,777</u> |

| Street Reconstruction/ Maintenance Fund (499) | Trunk Water and Sanitary Sewer Fund (901) | Total Nonmajor Capital Project Funds |
|--|--|--|
| \$ 4,065,677 | \$ - | \$ 5,204,676 |
| - | - | 168,552 |
| 136,659 | 6,434,572 | 10,849,300 |
| 1,131 | 2,667 | 7,979 |
| - | - | 2,248,172 |
| - | - | 4,749,444 |
| - | - | 84,643 |
| - | - | - |
| - | - | 134,387 |
| (578,894) | (1,104,831) | (6,036,625) |
| - | - | 3,120,369 |
| - | - | 38,839 |
| - | (3) | 29,997 |
| <u>3,624,573</u> | <u>5,332,405</u> | <u>20,599,733</u> |
| - | - | 195,303 |
| 174,466 | 8,041 | 1,026,642 |
| - | - | 1,880,228 |
| - | - | 401,265 |
| 1,421,999 | 4,855,999 | 14,019,307 |
| - | - | 1,263,183 |
| <u>1,596,465</u> | <u>4,864,040</u> | <u>18,785,928</u> |
| 2,028,108 | 468,365 | 1,813,805 |
| 1,109,035 | - | 5,261,850 |
| (147,700) | (641,087) | (5,156,186) |
| <u>961,335</u> | <u>(641,087)</u> | <u>105,664</u> |
| 2,989,443 | (172,722) | 1,919,469 |
| <u>9,634,293</u> | <u>19,640,430</u> | <u>103,789,856</u> |
| <u>\$ 12,623,736</u> | <u>\$ 19,467,708</u> | <u>\$ 105,709,325</u> |

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City of Woodbury
Schedule of Revenues - Budget (Original and Final)
and Actual - General Fund
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget - Over (under) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 30,362,072 | \$ 30,362,072 | \$ 30,800,590 | \$ 438,518 |
| Licenses and permits | 3,956,700 | 4,013,300 | 7,594,197 | 3,580,897 |
| Intergovernmental revenues | | | | |
| State grants and aids | 25,000 | 250,901 | 152,838 | (98,063) |
| State - police aid | 685,000 | 685,000 | 626,862 | (58,138) |
| State - police training aid | 60,000 | 60,000 | 67,993 | 7,993 |
| State-MSA-Street maintenance | 585,000 | 585,000 | 585,000 | - |
| State - public safety disability reimbursement | 45,000 | 45,000 | 25,565 | (19,435) |
| Federal grants and aids | 30,600 | 30,600 | 41,823 | 11,223 |
| Local grants and aids | 83,000 | 84,580 | 73,796 | (10,784) |
| School district reimbursement | 125,000 | 125,000 | 121,227 | (3,773) |
| Total intergovernmental revenues | <u>1,638,600</u> | <u>1,866,081</u> | <u>1,695,104</u> | <u>(170,977)</u> |
| Charges for services | | | | |
| Community development | 139,000 | 139,000 | 177,225 | 38,225 |
| Engineering services | 88,300 | 88,300 | 150,980 | 62,680 |
| General government | 42,600 | 42,600 | 46,396 | 3,796 |
| Municipal buildings | 23,000 | 23,000 | 31,861 | 8,861 |
| Public safety | 10,000 | 10,000 | 10,974 | 974 |
| Parks and recreation | 760,300 | 760,300 | 754,600 | (5,700) |
| Parks and forestry | 77,000 | 77,000 | 74,097 | (2,903) |
| Antenna rental | 803,000 | 803,000 | 804,519 | 1,519 |
| Total charges for services | <u>1,943,200</u> | <u>1,943,200</u> | <u>2,050,652</u> | <u>107,452</u> |
| Fines and forfeitures | 209,000 | 209,000 | 169,983 | (39,017) |
| Investment income | 255,000 | 255,000 | (2,168,105) | (2,423,105) |
| Rentals | 325,082 | 325,082 | 338,633 | 13,551 |
| Other revenues | 57,746 | 81,005 | 299,800 | 218,795 |
| Total miscellaneous | <u>637,828</u> | <u>661,087</u> | <u>(1,529,672)</u> | <u>(2,190,759)</u> |
| Total revenues | <u>38,747,400</u> | <u>39,054,740</u> | <u>40,780,854</u> | <u>1,726,114</u> |
| Other Financing Sources | | | | |
| Proceeds from capital leases | - | - | 13,321 | 13,321 |
| Transfers in | 5,196,000 | 5,196,000 | 5,164,435 | (31,565) |
| Total other financing sources | <u>5,196,000</u> | <u>5,196,000</u> | <u>5,177,756</u> | <u>(18,244)</u> |
| Total revenues and other financing sources | <u>\$ 43,943,400</u> | <u>\$ 44,250,740</u> | <u>\$ 45,958,610</u> | <u>\$ 1,707,870</u> |

City of Woodbury
Schedule of Expenditures - Budget (Original and Final)
and Actual - General Fund
Year Ended December 31, 2022
(Continued)

| Expenditures | Budgeted Amounts | | Actual | Variance With Final Budget - Over (under) |
|--------------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| General Government | | | | |
| Mayor and council | | | | |
| Personal services | \$ 65,200 | \$ 65,200 | \$ 65,127 | \$ (73) |
| Materials and supplies | 5,000 | 5,000 | 4,354 | (646) |
| Other services and charges | 312,600 | 316,843 | 313,203 | (3,640) |
| Total mayor and council | <u>382,800</u> | <u>387,043</u> | <u>382,684</u> | <u>(4,359)</u> |
| Administration/Elections | | | | |
| Personal services | 1,625,200 | 1,625,200 | 1,563,419 | (61,781) |
| Materials and supplies | 14,200 | 14,200 | 14,752 | 552 |
| Other services and charges | 397,300 | 547,323 | 501,632 | (45,691) |
| Total administration/ elections | <u>2,036,700</u> | <u>2,186,723</u> | <u>2,079,803</u> | <u>(106,920)</u> |
| Information Technology | | | | |
| Personal services | 1,224,400 | 1,224,400 | 1,101,844 | (122,556) |
| Materials and supplies | 18,400 | 18,400 | 26,348 | 7,948 |
| Other services and charges | 424,900 | 410,000 | 417,754 | 7,754 |
| Capital outlay | - | - | 3,944 | 3,944 |
| Total information technology | <u>1,667,700</u> | <u>1,652,800</u> | <u>1,549,890</u> | <u>(102,910)</u> |
| Finance | | | | |
| Personal services | 1,065,400 | 1,085,400 | 969,159 | (116,241) |
| Materials and supplies | 4,700 | 4,700 | 4,341 | (359) |
| Other services and charges | 113,200 | 137,695 | 163,577 | 25,882 |
| Capital outlay | - | - | 9,377 | 9,377 |
| Total finance | <u>1,183,300</u> | <u>1,227,795</u> | <u>1,146,454</u> | <u>(81,341)</u> |
| Municipal Buildings | | | | |
| Personal services | 617,300 | 617,300 | 583,649 | (33,651) |
| Materials and supplies | 59,100 | 59,100 | 63,979 | 4,879 |
| Other services and charges | 884,600 | 911,411 | 940,186 | 28,775 |
| Total municipal buildings | <u>1,561,000</u> | <u>1,587,811</u> | <u>1,587,814</u> | <u>3</u> |
| Assessing | | | | |
| Personal services | 111,500 | 111,500 | 111,357 | (143) |
| Other services and charges | 286,800 | 296,759 | 296,901 | 142 |
| Total assessing | <u>398,300</u> | <u>408,259</u> | <u>408,258</u> | <u>(1)</u> |
| Communications | | | | |
| Personal services | 357,900 | 357,900 | 355,725 | (2,175) |
| Supplies, repairs and maintenance | 300 | 300 | 155 | (145) |
| Other services and charges | 163,200 | 162,719 | 162,271 | (448) |
| Total assessing | <u>521,400</u> | <u>520,919</u> | <u>518,151</u> | <u>(2,768)</u> |
| Total general government | <u>7,751,200</u> | <u>7,971,350</u> | <u>7,673,054</u> | <u>(298,296)</u> |

City of Woodbury
Schedule of Expenditures - Budget (Original and Final)
and Actual - General Fund
Year Ended December 31, 2022
(Continued)

| Expenditures | Budgeted Amounts | | Actual | Variance With Final Budget - Over (under) |
|-------------------------------|------------------|---------------|---------------|---|
| | Original | Final | | |
| Public Safety | | | | |
| Police | | | | |
| Personal services | \$ 12,318,100 | \$ 12,318,100 | \$ 11,387,371 | \$ (930,729) |
| Materials and supplies | 240,600 | 242,404 | 265,407 | 23,003 |
| Other services and charges | 1,150,300 | 1,063,837 | 1,184,325 | 120,488 |
| Total police | 13,709,000 | 13,624,341 | 12,837,103 | (787,238) |
| Fire | | | | |
| Personal services | 4,839,400 | 4,741,538 | 4,206,755 | (534,783) |
| Materials and supplies | 251,000 | 251,000 | 300,726 | 49,726 |
| Other services and charges | 624,000 | 624,000 | 545,358 | (78,642) |
| Total fire | 5,714,400 | 5,616,538 | 5,052,839 | (563,699) |
| Emergency Preparedness/Safety | | | | |
| Personal services | 149,100 | 149,100 | 156,839 | 7,739 |
| Materials and supplies | 800 | 800 | 524 | (276) |
| Other services and charges | 73,600 | 73,556 | 65,839 | (7,717) |
| Total emergency preparedness | 223,500 | 223,456 | 223,202 | (254) |
| Total public safety | 19,646,900 | 19,464,335 | 18,113,144 | (1,351,191) |
| Public Works | | | | |
| Engineering | | | | |
| Personal services | 1,852,400 | 1,852,400 | 1,612,482 | (239,918) |
| Materials and supplies | 18,700 | 18,700 | 31,607 | 12,907 |
| Other services and charges | 126,000 | 98,823 | 114,951 | 16,128 |
| Total engineering | 1,997,100 | 1,969,923 | 1,759,040 | (210,883) |
| Streets | | | | |
| Personal services | 2,420,300 | 2,420,300 | 2,219,151 | (201,149) |
| Materials and supplies | 359,200 | 368,200 | 354,394 | (13,806) |
| Other services and charges | 520,800 | 501,050 | 532,109 | 31,059 |
| Total streets | 3,300,300 | 3,289,550 | 3,105,654 | (183,896) |
| Fleet Services | | | | |
| Personal services | 962,200 | 962,200 | 908,191 | (54,009) |
| Materials and supplies | 484,900 | 583,779 | 664,663 | 80,884 |
| Other services and charges | 353,500 | 353,500 | 325,294 | (28,206) |
| Total fleet services | 1,800,600 | 1,899,479 | 1,898,148 | (1,331) |
| Street lighting | | | | |
| Other services and charges | 137,100 | 146,688 | 146,688 | - |
| Total street lighting | 137,100 | 146,688 | 146,688 | - |

City of Woodbury
Schedule of Expenditures - Budget (Original and Final)
and Actual - General Fund
Year Ended December 31, 2022
(Continued)

| | Budgeted Amounts | | Actual | Variance With Final Budget - Over (under) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Expenditures | | | | |
| Public works administration | | | | |
| Personal services | \$ 537,700 | \$ 537,700 | \$ 527,080 | \$ (10,620) |
| Materials and supplies | 11,500 | 11,500 | 10,251 | (1,249) |
| Other services and charges | 58,300 | 54,590 | 45,102 | (9,488) |
| Total public works administration | <u>607,500</u> | <u>603,790</u> | <u>582,433</u> | <u>(21,357)</u> |
| Total public works | <u>7,842,600</u> | <u>7,909,430</u> | <u>7,491,963</u> | <u>(417,467)</u> |
| Community Development | | | | |
| Planning and code enforcement | | | | |
| Personal services | 929,300 | 929,300 | 873,276 | (56,024) |
| Materials and supplies | 5,400 | 5,400 | 21,124 | 15,724 |
| Other services and charges | 82,700 | 66,731 | 25,210 | (41,521) |
| Total planning and code enforcement | <u>1,017,400</u> | <u>1,001,431</u> | <u>919,610</u> | <u>(81,821)</u> |
| Inspections | | | | |
| Personal services | 1,425,200 | 1,478,400 | 1,403,034 | (75,366) |
| Materials and supplies | 9,100 | 11,300 | 10,200 | (1,100) |
| Other services and charges | 235,000 | 237,695 | 314,159 | 76,464 |
| Total inspections | <u>1,669,300</u> | <u>1,727,395</u> | <u>1,727,393</u> | <u>(2)</u> |
| Total community development | <u>2,686,700</u> | <u>2,728,826</u> | <u>2,647,003</u> | <u>(81,823)</u> |
| Parks and recreation | | | | |
| Recreation | | | | |
| Personal services | 1,398,700 | 1,398,700 | 1,298,331 | (100,369) |
| Materials and supplies | 88,900 | 88,900 | 57,800 | (31,100) |
| Other services and charges | 391,700 | 365,690 | 346,378 | (19,312) |
| Total recreation | <u>1,879,300</u> | <u>1,853,290</u> | <u>1,702,509</u> | <u>(150,781)</u> |
| Parks and forestry | | | | |
| Personal services | 2,415,100 | 2,415,100 | 2,209,969 | (205,131) |
| Materials and supplies | 274,000 | 281,500 | 244,522 | (36,978) |
| Other services and charges | 1,541,000 | 1,781,000 | 1,560,985 | (220,015) |
| Total parks and forestry | <u>4,230,100</u> | <u>4,477,600</u> | <u>4,015,476</u> | <u>(462,124)</u> |
| Total parks and recreation | <u>6,109,400</u> | <u>6,330,890</u> | <u>5,717,985</u> | <u>(612,905)</u> |
| Debt service | | | | |
| Principal | - | - | 26,635 | - |
| Interest | - | - | 1,519 | - |
| Total debt service | <u>-</u> | <u>-</u> | <u>28,154</u> | <u>-</u> |
| Total expenditures | <u>44,036,800</u> | <u>44,404,831</u> | <u>41,671,303</u> | <u>(2,761,682)</u> |
| Other Financing Uses | | | | |
| Transfers out | <u>22,200</u> | <u>1,750,627</u> | <u>1,750,627</u> | <u>-</u> |
| Total expenditures and other financing uses | <u>\$ 44,059,000</u> | <u>\$ 46,155,458</u> | <u>\$ 43,421,930</u> | <u>\$ (2,761,682)</u> |

City of Woodbury
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Capital Projects Fund - Capital Improvement Fund (421)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|-----------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 2,438,655 | \$ 2,438,655 | \$ 2,438,655 | \$ - |
| Intergovernmental | 100,000 | 322,090 | 564,278 | 242,188 |
| Charges for services: | | | | |
| Parks and recreation | 5,000 | 5,000 | 5,000 | - |
| Investment income | 70,000 | 70,000 | (1,066,209) | (1,136,209) |
| Other revenues | - | - | 430 | 430 |
| Total revenues | <u>2,613,655</u> | <u>2,835,745</u> | <u>1,942,154</u> | <u>(893,591)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 242,000 | 250,500 | 362,421 | 111,921 |
| Public safety | 483,000 | 534,700 | 451,391 | (83,309) |
| Public works | 69,000 | 69,000 | 56,775 | (12,225) |
| Parks and recreation | 232,000 | 344,500 | 278,245 | (66,255) |
| Capital outlay | | | | |
| General government | 1,872,000 | 2,279,340 | 1,941,511 | (337,829) |
| Public safety | 1,301,000 | 1,301,000 | 611,184 | (689,816) |
| Public works | 1,307,000 | 1,318,000 | 1,047,494 | (270,506) |
| Community development | 70,000 | 70,000 | 71,344 | 1,344 |
| Parks and recreation | 860,000 | 860,000 | 576,715 | (283,285) |
| Total expenditures | <u>6,436,000</u> | <u>7,027,040</u> | <u>5,397,080</u> | <u>(1,629,960)</u> |
| Excess of revenues over (under) expenditures | (3,822,345) | (4,191,295) | (3,454,926) | 736,369 |
| Other Financing Sources (Uses) | | | | |
| Sale of city property | 60,000 | 60,000 | 272,462 | 212,462 |
| Transfers in | 660,000 | 660,000 | 1,280,110 | 620,110 |
| Total other financing sources (uses) | <u>720,000</u> | <u>720,000</u> | <u>1,552,572</u> | <u>832,572</u> |
| Net change in fund balance | <u>\$ (3,102,345)</u> | <u>\$ (3,471,295)</u> | (1,902,354) | <u>\$ 1,568,941</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>15,448,144</u> | |
| End of year | | | <u>\$ 13,545,790</u> | |

City of Woodbury
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - Lawful Gambling Contribution Fund (203)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ (361) | \$ (361) |
| Other revenues | 7,800 | 7,800 | 26,182 | 18,382 |
| Total revenues | <u>7,800</u> | <u>7,800</u> | <u>25,821</u> | <u>18,021</u> |
| Net change in fund balance | <u>\$ 7,800</u> | <u>\$ 7,800</u> | 25,821 | <u>\$ 18,021</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>-</u> | |
| End of year | | | <u>\$ 25,821</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - Public Safety Training Center Fund (205)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 374,395 | \$ 374,395 | \$ 374,395 | \$ - |
| Investment income | 1,500 | 1,500 | (10,082) | (11,582) |
| Total revenues | <u>375,895</u> | <u>375,895</u> | <u>364,313</u> | <u>(11,582)</u> |
| Expenditures | | | | |
| Debt service | | | | |
| Interest | 132,750 | 132,750 | 132,750 | - |
| Total expenditures | <u>132,750</u> | <u>132,750</u> | <u>132,750</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 243,145</u> | <u>\$ 243,145</u> | 231,563 | <u>\$ (11,582)</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>(34,053)</u> | |
| End of year | | | <u>\$ 197,510</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - Administration Fee Fund (206)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 525,000 | \$ 525,000 | \$ 1,824,880 | \$ 1,299,880 |
| Investment income | 30,400 | 30,400 | (226,835) | (257,235) |
| Total revenues | <u>555,400</u> | <u>555,400</u> | <u>1,598,045</u> | <u>1,042,645</u> |
| Expenditures | | | | |
| General government | | | | |
| Other services and charges | <u>1,300</u> | <u>1,300</u> | <u>1,056</u> | <u>(244)</u> |
| Excess of revenues over expenditures | 554,100 | 554,100 | 1,596,989 | 1,042,889 |
| Other Financing Uses | | | | |
| Transfers out | <u>(800,000)</u> | <u>(800,000)</u> | <u>(800,000)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (245,900)</u> | <u>\$ (245,900)</u> | 796,989 | <u>\$ 1,042,889</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>3,662,594</u> | |
| End of year | | | <u>\$ 4,459,583</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - Public Safety Activities Fund (208)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 111,600 | \$ 111,600 | \$ 100,911 | \$ (10,689) |
| Fines and forfeitures | 13,000 | 31,497 | 85,251 | 53,754 |
| Investment income | 900 | 900 | (12,091) | (12,991) |
| Other revenues | 4,450 | 10,488 | 7,761 | (2,727) |
| Total revenues | <u>129,950</u> | <u>154,485</u> | <u>181,832</u> | <u>27,347</u> |
| Expenditures | | | | |
| Public safety | | | | |
| Personal services | 6,000 | 6,000 | - | (6,000) |
| Materials and supplies | 72,400 | 77,400 | 46,860 | (30,540) |
| Other services and charges | 105,050 | 124,585 | 161,124 | 36,539 |
| Total expenditures | <u>183,450</u> | <u>207,985</u> | <u>207,984</u> | <u>(1)</u> |
| Excess of revenues over (under) expenditures | (53,500) | (53,500) | (26,152) | 27,348 |
| Other Financing Sources | | | | |
| Transfers in | <u>22,200</u> | <u>22,200</u> | <u>22,200</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (31,300)</u> | <u>\$ (31,300)</u> | <u>(3,952)</u> | <u>\$ 27,348</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>187,322</u> | |
| End of year | | | <u>\$ 183,370</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - Emergency Medical Services Fund (212)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|-----------------------------|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ 68,668 | \$ 68,668 |
| Charges for services | 2,675,900 | 2,675,900 | 3,242,107 | 566,207 |
| Investment income | 24,400 | 24,400 | (205,499) | (229,899) |
| Other revenues | - | - | 90 | 90 |
| Total revenues | <u>2,700,300</u> | <u>2,700,300</u> | <u>3,105,366</u> | <u>405,066</u> |
| Other Financing Uses | | | | |
| Transfers out | <u>(2,439,000)</u> | <u>(2,439,000)</u> | <u>(2,369,000)</u> | <u>70,000</u> |
| Net change in fund balance | <u>\$ 261,300</u> | <u>\$ 261,300</u> | 736,366 | <u>\$ 475,066</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>4,468,586</u> | |
| End of year | | | <u>\$ 5,204,952</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - Fire Relief Pension Fund (214)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | \$ 470,000 | \$ 571,880 | \$ 571,879 | \$ (1) |
| Investment income | 1,000 | 1,000 | (59,260) | (60,260) |
| Total revenues | <u>471,000</u> | <u>572,880</u> | <u>512,619</u> | <u>(60,261)</u> |
| Expenditures | | | | |
| Public safety | | | | |
| Other services and charges | <u>470,000</u> | <u>571,880</u> | <u>571,880</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 1,000</u> | <u>\$ 1,000</u> | (59,261) | <u>\$ (60,261)</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>367,057</u> | |
| End of year | | | <u>\$ 307,796</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - Sports Center Sponsorship Fund (216)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ 5,000 | \$ 5,000 | \$ (36,942) | \$ (41,942) |
| Other revenues | 126,800 | 126,800 | 126,785 | (15) |
| Total revenues | <u>131,800</u> | <u>131,800</u> | <u>89,843</u> | <u>(41,957)</u> |
| Net change in fund balance | <u>\$ 131,800</u> | <u>\$ 131,800</u> | 89,843 | <u>\$ (41,957)</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>651,595</u> | |
| End of year | | | <u>\$ 741,438</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - HUD Fund (220)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|------------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 588,200 | \$ 881,338 | \$ 570,050 | (311,288) |
| Interest on loans | 37,000 | 37,000 | 7,456 | (29,544) |
| Other | - | - | 35,424 | 35,424 |
| Total revenues | <u>625,200</u> | <u>918,338</u> | <u>612,930</u> | <u>(305,408)</u> |
| Expenditures | | | | |
| Parks and recreation | | | | |
| Personal services | 22,600 | 25,497 | 23,540 | (1,957) |
| Materials and Supplies | - | 39,000 | - | (39,000) |
| Other Services and Charges | 77,600 | 328,841 | 247,776 | (81,065) |
| Capital outlay | 525,000 | 525,000 | 341,614 | (183,386) |
| Total expenditures | <u>625,200</u> | <u>918,338</u> | <u>612,930</u> | <u>(305,408)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> |
| Fund Balance | | | | |
| Beginning of year | | | - | |
| End of year | | | <u>\$ -</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - EDA Fund (616)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 8,991 | \$ 4,649 | \$ (4,342) |
| Investment income | 10,500 | 10,500 | (58,908) | (69,408) |
| Other revenues | 100 | 100 | 240 | 140 |
| Total revenues | <u>10,600</u> | <u>19,591</u> | <u>(54,019)</u> | <u>(73,610)</u> |
| Expenditures | | | | |
| Community development | | | | |
| Other services and charges | <u>78,700</u> | <u>115,700</u> | <u>23,683</u> | <u>(92,017)</u> |
| Net change in fund balance | <u>\$ (68,100)</u> | <u>\$ (96,109)</u> | <u>(77,702)</u> | <u>\$ 18,407</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>1,087,447</u> | |
| End of year | | | <u>\$ 1,009,745</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Special Revenue Fund - HRA Fund (620)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 247,500 | \$ 247,500 | \$ 249,951 | \$ 2,451 |
| Interest on loans | 80,000 | 80,000 | 76,646 | (3,354) |
| Investment income | 14,500 | 14,500 | (114,149) | (128,649) |
| Other revenues | 15,050 | 15,050 | 1,636 | (13,414) |
| Total revenues | <u>357,050</u> | <u>357,050</u> | <u>214,084</u> | <u>(142,966)</u> |
| Expenditures | | | | |
| Community development | | | | |
| Personal services | 170,700 | 170,700 | 101,577 | (69,123) |
| Other services and charges | 593,200 | 593,200 | 50,505 | (542,695) |
| Total expenditures | <u>763,900</u> | <u>763,900</u> | <u>152,082</u> | <u>(611,818)</u> |
| Net change in fund balance | <u>\$ (406,850)</u> | <u>\$ (406,850)</u> | 62,002 | <u>\$ 468,852</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>4,718,533</u> | |
| End of year | | | <u>\$ 4,780,535</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Capital Project Fund - Park Dedication Fund (201)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|---------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 20,000 | \$ 20,000 | \$ 84,643 | \$ 64,643 |
| Investment income | 10,000 | 10,000 | (228,595) | (238,595) |
| Park dedication fees | 615,000 | 615,000 | 3,120,369 | 2,505,369 |
| Other revenues | - | 30,000 | 30,762 | 762 |
| Total revenues | <u>645,000</u> | <u>675,000</u> | <u>3,007,179</u> | <u>2,332,179</u> |
| Expenditures | | | | |
| Parks and recreation | | | | |
| Personal services | 43,100 | 43,100 | 43,100 | - |
| Materials and Supplies | - | - | 11,333 | 11,333 |
| Other services and charges | 295,000 | 295,000 | 1,804,744 | 1,509,744 |
| Capital outlay | 460,000 | 1,794,000 | 140,893 | (1,653,107) |
| Total expenditures | <u>798,100</u> | <u>2,132,100</u> | <u>2,000,070</u> | <u>(132,030)</u> |
| Net change in fund balance | <u>\$ (153,100)</u> | <u>\$ (1,457,100)</u> | 1,007,109 | <u>\$ 2,464,209</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>3,631,939</u> | |
| End of year | | | <u>\$ 4,639,048</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Capital Project Fund - Parks and Trails Replacement Fund (202)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 700,000 | \$ 700,000 | \$ 700,000 | \$ - |
| Franchise fees | 2,390,000 | 2,390,000 | 2,248,172 | (141,828) |
| Investment income | 10,000 | 10,000 | (94,296) | (104,296) |
| Total revenues | <u>3,100,000</u> | <u>3,100,000</u> | <u>2,853,876</u> | <u>(246,124)</u> |
| Expenditures | | | | |
| Parks and recreation | | | | |
| Other services and charges | - | - | 21,051 | 21,051 |
| Capital outlay | 385,000 | 2,682,022 | 1,122,290 | (1,559,732) |
| Total expenditures | <u>385,000</u> | <u>2,682,022</u> | <u>1,143,341</u> | <u>(1,538,681)</u> |
| Excess of revenues over expenditures | 2,715,000 | 417,978 | 1,710,535 | 1,292,557 |
| Other Financing Uses | | | | |
| Transfers to other funds | <u>(3,465,000)</u> | <u>(927,619)</u> | <u>(912,619)</u> | <u>15,000</u> |
| Net change in fund balance | <u>\$ (750,000)</u> | <u>\$ (509,641)</u> | 797,916 | <u>\$ 1,307,557</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>1,288,059</u> | |
| End of year | | | <u>\$ 2,085,975</u> | |

City of Maplwood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Capital Projects Fund - Community Investment Fund (420)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|-------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 244,182 | \$ 244,182 | \$ 244,182 | \$ - |
| Special assessments | 30,000 | 30,000 | 130,785 | 100,785 |
| Intergovernmental | - | 192,965 | 156,340 | (36,625) |
| Other interest earnings | 132,750 | 132,750 | 133,625 | 875 |
| Investment income | 20,000 | 20,000 | (347,866) | (367,866) |
| Rentals | - | - | 38,839 | 38,839 |
| Total revenues | <u>426,932</u> | <u>619,897</u> | <u>355,905</u> | <u>(263,992)</u> |
| Expenditures | | | | |
| General government | | | | |
| Materials and supplies | - | - | 375 | 375 |
| Other services and charges | - | - | 194,928 | 194,928 |
| Capital outlay | - | 5,442,800 | 401,265 | (5,041,535) |
| Total expenditures | <u>-</u> | <u>5,442,800</u> | <u>596,568</u> | <u>(4,846,232)</u> |
| Excess of revenues over (under) expenditures | 426,932 | (4,822,903) | (240,663) | 4,582,240 |
| Other Financing Sources | | | | |
| Transfers in | 10,000 | 10,000 | 14,949 | 4,949 |
| Transfers out | (240,000) | (240,000) | (240,000) | - |
| Total other financing sources (uses) | <u>(230,000)</u> | <u>(230,000)</u> | <u>(225,051)</u> | <u>4,949</u> |
| Net change in fund balance | <u>\$ 196,932</u> | <u>\$ (5,052,903)</u> | <u>(465,714)</u> | <u>\$ 4,587,189</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>6,726,125</u> | |
| End of year | | | <u>\$ 6,260,411</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Capital Projects Fund - Municipal State Aid Roadway Construction (425)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|---------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Special assessments | \$ 90,000 | \$ 297,748 | \$ 322,358 | \$ 24,610 |
| Intergovernmental | 2,815,000 | 3,632,000 | 4,246,831 | 614,831 |
| Investment income | 40,000 | 40,000 | (810,002) | (850,002) |
| Total revenues | <u>2,945,000</u> | <u>3,969,748</u> | <u>3,759,187</u> | <u>(210,561)</u> |
| Expenditures | | | | |
| Public works | | | | |
| Other services and charges | 80,000 | 80,000 | 479,689 | 399,689 |
| Capital outlay | 1,675,000 | 8,579,327 | 4,246,556 | (4,332,771) |
| Total expenditures | <u>1,755,000</u> | <u>8,659,327</u> | <u>4,726,245</u> | <u>(3,933,082)</u> |
| Excess of revenues over (under) expenditures | 1,190,000 | (4,689,579) | (967,058) | 3,722,521 |
| Other Financing Sources | | | | |
| Transfers in | 715,000 | 3,151,779 | 3,096,779 | (55,000) |
| Net change in fund balance | <u>\$ 1,905,000</u> | <u>\$ (1,537,800)</u> | 2,129,721 | <u>\$ 3,667,521</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>11,309,515</u> | |
| End of year | | | <u>\$ 13,439,236</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Capital Project Fund - Tax Abatement Plan - I-94 Region (468)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|----------------------------|-------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 231,776 | \$ 231,776 | \$ 194,817 | \$ (36,959) |
| Other grants and aids | 221,543 | 221,543 | 184,634 | (36,909) |
| Investment income | 30,000 | 30,000 | (204,430) | (234,430) |
| Total revenues | <u>483,319</u> | <u>483,319</u> | <u>175,021</u> | <u>(308,298)</u> |
| Expenditures | | | | |
| Public Works | | | | |
| Personal services | 121,600 | 121,600 | 99,499 | (22,101) |
| Other services and charges | - | - | 19,250 | 19,250 |
| Capital outlay | 80,000 | 1,075,134 | 3,500 | (1,071,634) |
| Total expenditures | <u>201,600</u> | <u>1,196,734</u> | <u>122,249</u> | <u>(1,074,485)</u> |
| Net change in fund balance | <u>\$ 281,719</u> | <u>\$ (713,415)</u> | 52,772 | <u>\$ 766,187</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>3,777,410</u> | |
| End of year | | | <u>\$ 3,830,182</u> | |

City of Maplewood
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Original and Final) and Actual -
Capital Projects Fund - Street Reconstruction/Maintenance Fund (499)
Year Ended December 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Over (Under) |
|---|---------------------|---------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| General property taxes | \$ 4,065,677 | \$ 4,065,677 | \$ 4,065,677 | \$ - |
| Special assessments | 35,000 | 35,000 | 137,790 | 102,790 |
| Investment income | 55,000 | 55,000 | (578,894) | (633,894) |
| Total revenues | <u>4,155,677</u> | <u>4,155,677</u> | <u>3,624,573</u> | <u>(531,104)</u> |
| Expenditures | | | | |
| Public works | | | | |
| Other services and charges | 410,000 | 410,000 | 174,466 | (235,534) |
| Capital outlay | 4,275,000 | 1,946,535 | 1,421,999 | (524,536) |
| Total expenditures | <u>4,685,000</u> | <u>2,356,535</u> | <u>1,596,465</u> | <u>(760,070)</u> |
| Excess of revenues over (under) expenditures | (529,323) | 1,799,142 | 2,028,108 | 228,966 |
| Other Financing Sources | | | | |
| (Uses) | | | | |
| Transfers in | 3,815,000 | 1,124,035 | 1,109,035 | (15,000) |
| Transfers out | (47,700) | (147,700) | (147,700) | - |
| Total other financing sources (uses) | <u>3,767,300</u> | <u>976,335</u> | <u>961,335</u> | <u>(15,000)</u> |
| Net change in fund balance | <u>\$ 3,237,977</u> | <u>\$ 2,775,477</u> | 2,989,443 | <u>\$ 213,966</u> |
| Fund Balance | | | | |
| Beginning of year | | | <u>9,634,293</u> | |
| End of year | | | <u>\$ 12,623,736</u> | |

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SUPPLEMENTARY FINANCIAL INFORMATION

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City of Maplewood
Taxable Valuations, Tax Levies, and Tax Rates
December 31, 2022

| | Net Tax Capacity Values <u>2022/2023</u> | | Net Tax Capacity Values <u>2021/2022</u> |
|---------------------------------|--|--------------------------|--|
| Taxable Market Value | <u>\$ 13,310,236,200</u> | | <u>\$ 11,105,977,400</u> |
| Taxable Valuations | | | |
| Real estate | \$ 152,938,895 | | \$ 128,705,056 |
| Personal property | <u>920,182</u> | | <u>839,328</u> |
| Total | <u>153,859,077</u> | | <u>129,544,384</u> |
| Less Fiscal Disparities | | | |
| Distribution | (10,747,804) | | (10,235,127) |
| Contribution | 12,469,847 | | 12,025,302 |
| Captured tax increment value | <u>223,388</u> | | <u>172,604</u> |
| Total | <u>1,945,431</u> | | <u>1,962,779</u> |
| Total taxable valuation | <u>\$ 151,913,646</u> | | <u>\$ 127,581,605</u> |
| | | | |
| | <u>Certified Levy</u> | <u>Tax Capacity Rate</u> | <u>Certified Levy</u> <u>Tax Capacity Rate</u> |
| Tax Capacity Based Taxes | | | |
| Taxes levied | | | |
| Operating levy | \$ 41,549,692 | 26.893% | \$ 38,834,026 30.276% |
| Debt levy | <u>2,285,121</u> | <u>1.613%</u> | <u>2,277,359</u> <u>1.941%</u> |
| Total | <u>\$ 43,834,813</u> | <u>28.506%</u> | <u>\$ 41,111,385</u> <u>32.217%</u> |
| | | | |
| | <u>Certified Levy</u> | <u>Market Value Rate</u> | <u>Certified Levy</u> <u>Market Value Rate</u> |
| Market Value Based Taxes | | | |
| Debt levy | <u>\$ 619,600</u> | <u>0.0047%</u> | <u>\$ 615,500</u> <u>0.0055%</u> |

City of Maplewood
Combining Balance Sheet - Capital Project Funds
December 31, 2022

| | Major Capital Project Funds | | | Total Capital Project Funds |
|--|--------------------------------------|---|--------------------------------------|--------------------------------|
| | Capital Improvement Fund (421) | Development Construction Fund (498) | Nonmajor Capital Project Funds | 2022 |
| Assets | | | | |
| Cash and investments | \$ 14,318,677 | \$ 18,514,945 | \$ 105,585,976 | \$ 138,419,598 |
| Accounts receivable | - | 8,406 | 602,842 | 611,248 |
| Special assessments receivable | - | 1,510,681 | 2,706,557 | 4,217,238 |
| Due from other governments | 167,379 | - | 1,288,763 | 1,456,142 |
| Prepaid items | - | - | 841,905 | 841,905 |
| Leases receivable | - | - | 81,953 | 81,953 |
| Total assets | \$ 14,486,056 | \$ 20,034,032 | \$ 111,107,996 | \$ 145,628,084 |
| Liabilities | | | | |
| Accounts payable | \$ 610,751 | \$ 283,009 | \$ 396,315 | \$ 1,290,075 |
| Contracts payable | 329,515 | - | 1,171,868 | 1,501,383 |
| Due to other governments | - | 8,890 | 182 | 9,072 |
| Deposits payable | - | 14,557,694 | - | 14,557,694 |
| Total liabilities | 940,266 | 14,849,593 | 1,568,365 | 17,358,224 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue - special assessments | - | 1,508,967 | 2,666,013 | 4,174,980 |
| Advanced appropriations - State shared taxes | - | - | 1,082,597 | 1,082,597 |
| Leases | - | - | 81,696 | 81,696 |
| Total deferred inflows of resources | - | 1,508,967 | 3,830,306 | 5,339,273 |
| Fund Balances | | | | |
| Nonspendable | - | - | 841,905 | 841,905 |
| Restricted | - | - | 6,886,408 | 6,886,408 |
| Committed | 36,228 | - | 3,019,434 | 3,055,662 |
| Assigned | 13,509,562 | 3,675,472 | 94,961,578 | 112,146,612 |
| Total fund balances | 13,545,790 | 3,675,472 | 105,709,325 | 122,930,587 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 14,486,056 | \$ 20,034,032 | \$ 111,107,996 | \$ 145,628,084 |

City of Maplewood
Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Capital Project Funds
Year Ended December 31, 2022

| | <u>Major Capital Project Funds</u> | | | <u>Total Capital Project Funds</u> |
|--|---------------------------------------|--|---------------------------------------|------------------------------------|
| | <u>Capital Improvement Fund (421)</u> | <u>Development Construction Fund (498)</u> | <u>Nonmajor Capital Project Funds</u> | <u>2022</u> |
| Revenues | | | | |
| Property taxes | \$ 2,438,655 | \$ - | \$ 5,204,676 | \$ 7,643,331 |
| Tax increments | - | - | 168,552 | 168,552 |
| Special assessments | - | 3,597,110 | 10,857,279 | 14,454,389 |
| Franchise fees | - | - | 2,248,172 | 2,248,172 |
| Intergovernmental | 564,278 | - | 4,749,444 | 5,313,722 |
| Charges for services | 5,000 | - | 84,643 | 89,643 |
| Interest on loans | - | - | 1,637 | 1,637 |
| Investment income | (1,066,209) | - | (6,036,625) | (7,102,834) |
| Park dedication fees | - | - | 3,120,369 | 3,120,369 |
| Rentals | - | - | 38,839 | 38,839 |
| Other revenues | 430 | - | 162,747 | 163,177 |
| Total revenues | <u>1,942,154</u> | <u>3,597,110</u> | <u>20,599,733</u> | <u>26,138,997</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 362,421 | - | 195,303 | 557,724 |
| Public safety | 451,391 | - | - | 451,391 |
| Public works | 56,775 | 3,356,753 | 1,026,642 | 4,440,170 |
| Park and recreation | 278,245 | - | 1,880,228 | 2,158,473 |
| Debt service | | | | |
| Other charges | - | - | - | - |
| Capital outlay | 4,248,248 | - | 15,683,755 | 19,932,003 |
| Total expenditures | <u>5,397,080</u> | <u>3,356,753</u> | <u>18,785,928</u> | <u>27,539,761</u> |
| Excess of revenues over (under) expenditures | (3,454,926) | 240,357 | 1,813,805 | (1,400,764) |
| Other Financing Sources (Uses) | | | | |
| Sale of City Property | 272,462 | - | - | 272,462 |
| Transfers in | 1,280,110 | - | 5,261,850 | 6,541,960 |
| Transfers out | - | - | (5,156,186) | (5,156,186) |
| Total other financing sources (uses) | <u>1,552,572</u> | <u>-</u> | <u>105,664</u> | <u>1,658,236</u> |
| Net change in fund balances | (1,902,354) | 240,357 | 1,919,469 | 257,472 |
| Fund Balances | | | | |
| Beginning of year | <u>15,448,144</u> | <u>3,435,115</u> | <u>103,789,856</u> | <u>122,673,115</u> |
| End of year | <u>\$ 13,545,790</u> | <u>\$ 3,675,472</u> | <u>\$ 105,709,325</u> | <u>\$ 122,930,587</u> |

City of Maplewood
Schedule of Revenues, Expenses, and Changes
in Fund Net Position - Water and Sewer Utility Fund
Year Ended December 31, 2022

| | Water Operating (501) | Sewer Operating (501) | Total |
|---|--------------------------|--------------------------|-----------------------|
| Operating Revenues | | | |
| Service charges | \$ 7,363,711 | \$ 8,889,242 | \$ 16,252,953 |
| Penalties | 156,098 | 182,555 | 338,653 |
| Sale of materials and meter charges | 186,131 | - | 186,131 |
| Other revenue | 249,600 | - | 249,600 |
| Total operating revenues | <u>7,955,540</u> | <u>9,071,797</u> | <u>17,027,337</u> |
| Operating Expenses | | | |
| Personal services | 1,493,129 | 1,167,353 | 2,660,482 |
| Materials and supplies | 272,370 | 36,338 | 308,708 |
| Other services and charges | 3,667,798 | 393,744 | 4,061,542 |
| MCES disposal charge | - | 4,995,934 | 4,995,934 |
| Repairs and maintenance | 869,500 | 109,090 | 978,590 |
| Total operating expenses | <u>6,302,797</u> | <u>6,702,459</u> | <u>13,005,256</u> |
| Operating income before depreciation | 1,652,743 | 2,369,338 | 4,022,081 |
| Depreciation expense | <u>2,930,793</u> | <u>1,499,312</u> | <u>4,430,105</u> |
| Operating income/(loss) | (1,278,050) | 870,026 | (408,024) |
| Nonoperating Revenues (Expenses) | | | |
| Investment income | (676,407) | (676,408) | (1,352,815) |
| Special assessments | 884 | 1,327 | 2,211 |
| Loss on sale of asset | (18,614) | (18,615) | (37,229) |
| Intergovernmental revenues | 1,935,728 | 3,090 | 1,938,818 |
| Other revenues | 151,198 | 34,299 | 185,497 |
| Total nonoperating revenues (expenses) | <u>1,392,789</u> | <u>(656,307)</u> | <u>736,482</u> |
| Income before capital contributions and transfers | 114,739 | 213,719 | 328,458 |
| Capital contributions | 5,847,270 | 2,630,404 | 8,477,674 |
| Transfers out | <u>(840,253)</u> | <u>(804,553)</u> | <u>(1,644,806)</u> |
| Change in net position | <u>\$ 5,121,756</u> | <u>\$ 2,039,570</u> | 7,161,326 |
| Net Position | | | |
| Beginning of year | | | <u>126,015,549</u> |
| End of year | | | <u>\$ 133,176,875</u> |

STATISTICAL SECTION

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**City of Woodbury
Statistical Section
December 31, 2022**

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 196 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax. | 206 |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 216 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. | 225 |
| Operating Information | |
| These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. | 227 |

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

City of Woodbury
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 280,986,331 | \$ 298,019,199 | \$ 320,948,840 | \$ 330,316,130 |
| Restricted | 23,213,339 | 26,692,837 | 28,409,968 | 26,641,043 |
| Unrestricted | 99,906,956 | 110,327,080 | 80,565,193 | 90,809,300 |
| Total governmental activities net position | \$ 404,106,626 | \$ 435,039,116 | \$ 429,924,001 | \$ 447,766,473 |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 166,060,211 | \$ 168,876,049 | \$ 195,242,665 | \$ 194,049,309 |
| Restricted | 348,856 | 2,835,524 | - | - |
| Unrestricted | 23,102,277 | 24,598,368 | 22,173,804 | 24,264,969 |
| Total business-type activities net position | \$ 189,511,344 | \$ 196,309,941 | \$ 217,416,469 | \$ 218,314,278 |
| Primary government | | | | |
| Net investment in capital assets | \$ 444,585,168 | \$ 464,385,483 | \$ 496,096,597 | \$ 504,064,384 |
| Restricted | 23,562,195 | 29,528,361 | 28,409,968 | 26,641,043 |
| Unrestricted | 125,470,607 | 137,435,213 | 122,833,905 | 135,375,324 |
| Total primary government activities net position | \$ 593,617,970 | \$ 631,349,057 | \$ 647,340,470 | \$ 666,080,751 |

Table 1

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 330,209,205 | \$ 356,577,450 | \$ 381,845,280 | \$ 382,300,819 | \$ 397,105,148 | \$ 417,857,610 |
| 28,877,450 | 32,194,332 | 30,573,256 | 34,761,769 | 32,217,860 | 29,779,188 |
| 95,092,091 | 104,256,947 | 95,586,571 | 102,790,421 | 114,838,702 | 120,239,197 |
| <u>\$ 454,178,746</u> | <u>\$ 493,028,729</u> | <u>\$ 508,005,107</u> | <u>\$ 519,853,009</u> | <u>\$ 544,161,710</u> | <u>\$ 567,875,995</u> |
| \$ 204,906,495 | \$ 213,119,176 | \$ 212,271,090 | \$ 225,967,867 | \$ 229,831,384 | \$ 238,732,825 |
| - | - | - | - | - | - |
| 22,236,412 | 17,952,584 | 19,044,600 | 21,620,755 | 28,041,787 | 30,548,036 |
| <u>\$ 227,142,907</u> | <u>\$ 231,071,760</u> | <u>\$ 231,315,690</u> | <u>\$ 247,588,622</u> | <u>\$ 257,873,171</u> | <u>\$ 269,280,861</u> |
| \$ 515,206,963 | \$ 550,140,309 | \$ 574,868,545 | \$ 589,421,120 | \$ 609,268,846 | \$ 640,151,605 |
| 28,877,450 | 32,194,332 | 30,573,256 | 34,761,769 | 32,217,860 | 29,779,188 |
| 137,237,240 | 141,765,848 | 133,878,996 | 143,258,742 | 160,548,175 | 167,226,063 |
| <u>\$ 681,321,653</u> | <u>\$ 724,100,489</u> | <u>\$ 739,320,797</u> | <u>\$ 767,441,631</u> | <u>\$ 802,034,881</u> | <u>\$ 837,156,856</u> |

City of Woodbury
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 |
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 5,847,550 | \$ 6,489,419 | \$ 6,208,402 | \$ 6,659,186 |
| Public safety | 11,822,789 | 12,613,897 | 12,797,245 | 20,110,271 |
| Public works | 20,245,687 | 14,235,340 | 13,624,305 | 17,292,291 |
| Community development | 2,429,348 | 2,867,121 | 2,715,620 | 2,639,465 |
| Parks and recreation | 4,682,460 | 5,900,888 | 5,692,350 | 6,255,960 |
| Interest on long-term debt | 1,862,957 | 1,474,970 | 1,466,660 | 1,442,543 |
| Total governmental activities expenses | <u>46,890,791</u> | <u>43,581,635</u> | <u>42,504,582</u> | <u>54,399,716</u> |
| Business-type activities | | | | |
| M Health Fairview Sports Center | 1,087,756 | 1,256,100 | 2,232,816 | 1,948,860 |
| Street lighting | 513,793 | 488,371 | 475,277 | 502,024 |
| Emergency medical services | 1,771,807 | 1,908,769 | 2,057,338 | - |
| Water | 4,312,381 | 4,737,043 | 4,507,659 | 4,578,767 |
| Sewer | 5,573,637 | 5,830,023 | 5,733,443 | 6,119,318 |
| Storm water | 1,794,227 | 1,876,435 | 1,694,201 | 2,197,726 |
| Golf course | 1,424,485 | 1,385,972 | 1,458,962 | 1,391,925 |
| Total business-type activities expenses | <u>16,478,086</u> | <u>17,482,713</u> | <u>18,159,696</u> | <u>16,738,620</u> |
| Total primary government expense | <u>\$ 63,368,877</u> | <u>\$ 61,064,348</u> | <u>\$ 60,664,278</u> | <u>\$ 71,138,336</u> |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| Licenses and permits | \$ 4,239,678 | \$ 3,819,831 | \$ 4,654,505 | \$ 4,727,777 |
| Emergency medical services | - | - | - | 2,540,859 |
| Recreational fees | 651,882 | 679,823 | 699,825 | 735,749 |
| Water and sewer connection fees | 596,204 | 460,086 | 375,754 | 507,955 |
| Fines and forfeits | 321,244 | 329,244 | 360,059 | 335,158 |
| Administrative services fees | 574,263 | 417,610 | 691,251 | 473,597 |
| Tower Rental | 594,654 | 660,109 | 715,136 | 739,591 |
| Other activities | 1,001,711 | 1,331,505 | 794,049 | 1,023,341 |
| Operating grants and contributions | 3,852,990 | 1,941,503 | 2,179,002 | 2,369,025 |
| Capital grants and contributions | 20,739,840 | 37,510,839 | 29,466,820 | 26,254,437 |
| Total governmental activities program revenues | <u>32,572,466</u> | <u>47,150,550</u> | <u>39,936,401</u> | <u>39,707,489</u> |
| Business-type activities | | | | |
| Charges for services | | | | |
| Sports center | 1,034,005 | 1,126,251 | 1,560,515 | 1,728,167 |
| Street lighting | 543,241 | 552,514 | 561,106 | 567,064 |
| Emergency medical services | 1,830,486 | 1,926,411 | 2,065,351 | - |
| Water | 4,235,139 | 3,543,950 | 3,596,252 | 3,707,641 |
| Sewer | 5,764,057 | 5,698,161 | 5,792,028 | 6,437,130 |
| Storm water | 1,737,538 | 1,790,501 | 1,850,399 | 1,951,946 |
| Golf course | 1,293,927 | 1,369,596 | 1,457,007 | 1,554,204 |
| Operating grants and contributions | 105,577 | 110,817 | 95,649 | 211,970 |
| Capital grants and contributions | 1,503,425 | 3,217,614 | 1,696,011 | 742,555 |
| Total business-type activities program revenues | <u>18,047,395</u> | <u>19,335,815</u> | <u>18,674,318</u> | <u>16,900,677</u> |
| Total primary government program revenues | <u>\$ 50,619,861</u> | <u>\$ 66,486,365</u> | <u>\$ 58,610,719</u> | <u>\$ 56,608,166</u> |

Note: Emergency Medical Services was reclassified to a Governmental Activity from a Business-type Activity on 01/01/2016

Table 2

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 7,169,968 | \$ 7,034,287 | \$ 7,560,747 | \$ 7,688,976 | \$ 9,941,615 | \$ 10,303,825 |
| 18,894,385 | 16,045,131 | 21,939,908 | 20,772,774 | 15,898,196 | 19,801,350 |
| 20,186,430 | 16,633,425 | 27,087,629 | 26,209,391 | 21,020,072 | 21,384,554 |
| 2,541,124 | 2,634,810 | 2,962,743 | 3,071,739 | 3,631,214 | 2,999,050 |
| 6,269,419 | 5,736,719 | 6,174,080 | 6,017,063 | 6,835,444 | 9,249,626 |
| 1,383,976 | 1,481,391 | 1,879,246 | 1,786,723 | 1,517,490 | 1,373,648 |
| <u>56,445,302</u> | <u>49,565,763</u> | <u>67,604,353</u> | <u>65,546,666</u> | <u>58,844,031</u> | <u>65,112,053</u> |
| 2,071,447 | 2,069,174 | 2,160,880 | 1,674,521 | 1,935,459 | 2,749,540 |
| 516,279 | 545,482 | 521,728 | 536,542 | 555,712 | 655,363 |
| - | - | - | - | - | - |
| 4,798,202 | 5,317,541 | 5,395,291 | 5,847,988 | 7,366,730 | 9,233,590 |
| 6,657,872 | 6,834,217 | 7,226,007 | 7,460,594 | 7,370,139 | 8,201,771 |
| 2,028,344 | 2,574,313 | 2,436,137 | 2,277,236 | 2,094,511 | 2,523,418 |
| 1,411,303 | 1,835,018 | 1,463,681 | 1,538,233 | 1,663,043 | 1,713,902 |
| <u>17,483,447</u> | <u>19,175,745</u> | <u>19,203,724</u> | <u>19,335,114</u> | <u>20,985,594</u> | <u>25,077,584</u> |
| <u>\$ 73,928,749</u> | <u>\$ 68,741,508</u> | <u>\$ 86,808,077</u> | <u>\$ 84,881,780</u> | <u>\$ 79,829,625</u> | <u>\$ 90,189,637</u> |
| \$ 5,415,928 | \$ 5,034,501 | \$ 5,108,220 | \$ 4,564,701 | \$ 7,580,892 | \$ 7,594,197 |
| 2,516,703 | 2,609,089 | 2,652,186 | 2,324,562 | 3,160,735 | 3,242,107 |
| 729,358 | 691,247 | 702,562 | 163,842 | 609,734 | 728,465 |
| 542,600 | 690,745 | 1,040,815 | 659,070 | 952,259 | 688,420 |
| 311,907 | 280,411 | 266,113 | 183,241 | 172,061 | 169,983 |
| 735,973 | 1,200,514 | 615,127 | 1,018,459 | 1,014,012 | 1,824,880 |
| 744,717 | 770,228 | 806,981 | 842,628 | 846,886 | 804,519 |
| 1,043,763 | 893,101 | 941,177 | 625,571 | 1,162,417 | 1,228,592 |
| 2,262,839 | 3,328,710 | 3,166,824 | 8,714,579 | 4,210,414 | 3,632,979 |
| 22,691,788 | 36,151,276 | 22,201,108 | 20,037,464 | 25,490,712 | 38,833,668 |
| <u>36,995,576</u> | <u>51,649,822</u> | <u>37,501,113</u> | <u>39,134,117</u> | <u>45,200,122</u> | <u>58,747,810</u> |
| 1,856,062 | 2,045,117 | 2,140,286 | 1,270,869 | 1,919,931 | 2,099,139 |
| 576,146 | 582,793 | 593,435 | 605,215 | 614,778 | 626,729 |
| - | - | - | - | - | - |
| 4,093,832 | 5,045,835 | 4,858,801 | 5,833,934 | 7,558,363 | 8,106,715 |
| 6,867,032 | 7,328,087 | 7,956,767 | 8,008,566 | 8,610,780 | 9,106,517 |
| 1,987,655 | 2,078,177 | 2,179,345 | 2,290,361 | 2,400,878 | 2,538,881 |
| 1,436,082 | 1,367,287 | 1,532,925 | 1,733,526 | 2,055,816 | 2,103,341 |
| 176,487 | 175,079 | 281,899 | 253,217 | 344,193 | 2,111,593 |
| 15,000 | 6,314,894 | 1,765,311 | 10,744,512 | 6,046,681 | 9,469,416 |
| <u>17,008,296</u> | <u>24,937,269</u> | <u>21,308,769</u> | <u>30,740,200</u> | <u>29,551,420</u> | <u>36,162,331</u> |
| <u>\$ 54,003,872</u> | <u>\$ 76,587,091</u> | <u>\$ 58,809,882</u> | <u>\$ 69,874,317</u> | <u>\$ 74,751,542</u> | <u>\$ 94,910,141</u> |

City of Woodbury
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|---|------------------------|----------------------|-----------------------|------------------------|
| | 2013 | 2014 | 2015 | 2016 |
| Net (Expense)/Revenue | | | | |
| Governmental activities | \$ (14,318,325) | \$ 3,568,915 | \$ (2,568,181) | \$ (14,692,227) |
| Business-type activities | 1,569,309 | 1,853,102 | 514,622 | 162,057 |
| Total primary government net expense | <u>\$ (12,749,016)</u> | <u>\$ 5,422,017</u> | <u>\$ (2,053,559)</u> | <u>\$ (14,530,170)</u> |
| General Revenues and other Changes in Net Position | | | | |
| Government activities | | | | |
| Taxes | | | | |
| Property taxes | \$ 28,414,780 | \$ 29,085,833 | \$ 30,015,062 | \$ 31,497,842 |
| Tax increment collections | 182,715 | 182,688 | 87,646 | 111,524 |
| Unrestricted grants and contributions | 145,069 | 149,754 | 120,622 | 108,543 |
| Unrestricted investment earnings | (793,205) | 2,423,324 | 1,505,669 | 1,317,430 |
| Transfers | <u>(2,842,321)</u> | <u>(4,478,024)</u> | <u>(22,167,259)</u> | <u>(1,731,552)</u> |
| Total governmental activities | <u>25,107,038</u> | <u>27,363,575</u> | <u>9,561,740</u> | <u>31,303,787</u> |
| Business-type activities | | | | |
| Unrestricted grants and contributions | - | - | - | 8,813 |
| Unrestricted investment earnings | (144,321) | 433,299 | 246,619 | 205,805 |
| Gain on sale of capital assets | - | 34,172 | - | 20,494 |
| Transfers | <u>2,842,321</u> | <u>4,478,024</u> | <u>22,167,259</u> | <u>1,731,552</u> |
| Total business-type activities | <u>2,698,000</u> | <u>4,945,495</u> | <u>22,413,878</u> | <u>1,966,664</u> |
| Total primary government | <u>\$ 27,805,038</u> | <u>\$ 32,309,070</u> | <u>\$ 31,975,618</u> | <u>\$ 33,270,451</u> |
| Change in Net Position | | | | |
| Government activities | \$ 10,788,713 | \$ 30,932,490 | \$ 6,993,559 | \$ 16,611,560 |
| Business-type activities | <u>4,267,309</u> | <u>6,798,597</u> | <u>22,928,500</u> | <u>2,128,721</u> |
| Total primary government | <u>\$ 15,056,022</u> | <u>\$ 37,731,087</u> | <u>\$ 29,922,059</u> | <u>\$ 18,740,281</u> |

(Continued)
Table 2

| Fiscal Year | | | | | |
|------------------------|----------------------|------------------------|------------------------|-----------------------|----------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ (19,449,726) | \$ 2,084,059 | \$ (30,103,240) | \$ (26,412,549) | \$ (13,643,909) | \$ (6,364,243) |
| (475,151) | 5,761,524 | 2,105,045 | 11,405,086 | 8,565,826 | 11,084,747 |
| <u>\$ (19,924,877)</u> | <u>\$ 7,845,583</u> | <u>\$ (27,998,195)</u> | <u>\$ (15,007,463)</u> | <u>\$ (5,078,083)</u> | <u>\$ 4,720,504</u> |
| | | | | | |
| \$ 32,976,646 | \$ 34,124,288 | \$ 35,687,252 | \$ 37,991,810 | \$ 39,521,520 | \$ 41,993,124 |
| 108,501 | 111,876 | 134,426 | 156,668 | 157,437 | 168,552 |
| 124,211 | 69,424 | 70,893 | 45,937 | 51,643 | 49,140 |
| 1,637,926 | 2,594,781 | 6,401,923 | 4,319,093 | (354,449) | (10,014,042) |
| (8,985,285) | 1,889,611 | 2,785,124 | (4,253,057) | (1,423,541) | (2,118,246) |
| <u>25,861,999</u> | <u>38,789,980</u> | <u>45,079,618</u> | <u>38,260,451</u> | <u>37,952,610</u> | <u>30,078,528</u> |
| | | | | | |
| 688 | 12,858 | 3,816 | 4,707 | 3,011 | 10,180 |
| 253,648 | 254,873 | 908,051 | 610,082 | 257,446 | (1,805,483) |
| 64,159 | 10,681 | 12,142 | - | 34,725 | - |
| 8,985,285 | (1,889,611) | (2,785,124) | 4,253,057 | 1,423,541 | 2,118,246 |
| <u>9,303,780</u> | <u>(1,611,199)</u> | <u>(1,861,115)</u> | <u>4,867,846</u> | <u>1,718,723</u> | <u>322,943</u> |
| | | | | | |
| <u>\$ 35,165,779</u> | <u>\$ 37,178,781</u> | <u>\$ 43,218,503</u> | <u>\$ 43,128,297</u> | <u>\$ 39,671,333</u> | <u>\$ 30,401,471</u> |
| | | | | | |
| \$ 6,412,273 | \$ 40,874,039 | \$ 14,976,378 | \$ 11,847,902 | \$ 24,308,701 | \$ 23,714,285 |
| 8,828,629 | 4,150,325 | 243,930 | 16,272,932 | 10,284,549 | 11,407,690 |
| <u>\$ 15,240,902</u> | <u>\$ 45,024,364</u> | <u>\$ 15,220,308</u> | <u>\$ 28,120,834</u> | <u>\$ 34,593,250</u> | <u>\$ 35,121,975</u> |

City of Woodbury
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 |
| General Fund | | | | |
| Nonspendable | \$ 25,787 | \$ 30,800 | \$ 39,519 | \$ 52,059 |
| Restricted | - | - | - | - |
| Committed | 1,824,813 | 1,956,436 | 2,023,460 | 2,160,965 |
| Assigned | 407,852 | 119,999 | 167,600 | 224,100 |
| Unassigned | 8,733,874 | 9,206,283 | 9,547,383 | 9,819,950 |
| Total General Fund | <u>\$ 10,992,326</u> | <u>\$ 11,313,518</u> | <u>\$ 11,777,962</u> | <u>\$ 12,257,074</u> |
| All other governmental funds | | | | |
| Nonspendable | \$ 6,763 | \$ 10,027 | \$ 6,252 | \$ 8,691 |
| Restricted | 25,990,770 | 18,405,984 | 17,711,524 | 14,789,769 |
| Committed | 9,151,134 | 12,039,668 | 13,307,589 | 7,275,303 |
| Assigned | 79,873,467 | 86,308,087 | 87,599,222 | 105,993,207 |
| Unassigned | (1,985,779) | (655,833) | (2,037,589) | (432,612) |
| Total all other governmental funds | <u>\$ 113,036,355</u> | <u>\$ 116,107,933</u> | <u>\$ 116,586,998</u> | <u>\$ 127,634,358</u> |

Note: Further detail of the fund balance classifications are found in the notes to the financial statements.

Table 3

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$ 61,848 | \$ 68,803 | \$ 63,752 | \$ 99,648 | \$ 99,417 | \$ 140,959 |
| - | - | - | - | - | - |
| 2,312,686 | 2,416,600 | 2,498,934 | 2,705,303 | 2,742,033 | 2,714,547 |
| 183,400 | 241,965 | 216,800 | 348,100 | 676,291 | 561,100 |
| 10,227,748 | 10,710,586 | 13,857,433 | 14,410,918 | 13,217,700 | 15,855,515 |
| <u>\$ 12,785,682</u> | <u>\$ 13,437,954</u> | <u>\$ 16,636,919</u> | <u>\$ 17,563,969</u> | <u>\$ 16,735,441</u> | <u>\$ 19,272,121</u> |
| \$ 7,595 | \$ 7,180 | \$ 14,317 | \$ 6,473 | \$ 356,986 | \$ 890,795 |
| 16,651,126 | 22,161,646 | 18,904,818 | 26,030,484 | 20,929,784 | 20,152,046 |
| 8,802,408 | 16,691,686 | 11,573,549 | 17,220,043 | 16,557,975 | 14,996,745 |
| 113,210,403 | 112,903,933 | 109,527,340 | 106,977,668 | 108,374,172 | 112,146,612 |
| (351,409) | (908,618) | (4,481,211) | (4,311,766) | (36,017) | - |
| <u>\$ 138,320,123</u> | <u>\$ 150,855,827</u> | <u>\$ 135,538,813</u> | <u>\$ 145,922,902</u> | <u>\$ 146,182,900</u> | <u>\$ 148,186,198</u> |

City of Woodbury
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|---------------------|---------------------|--------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 |
| Revenues | | | | |
| General property taxes | \$ 28,426,072 | \$ 29,170,240 | \$ 29,996,988 | \$ 31,547,631 |
| Tax increments | 182,715 | 182,688 | 87,646 | 111,524 |
| Special assessments | 13,718,325 | 16,599,875 | 10,833,495 | 17,186,392 |
| Licenses and permits | 4,239,677 | 3,819,831 | 4,645,504 | 4,727,776 |
| Franchise fees | - | - | - | - |
| Intergovernmental | 5,660,402 | 7,061,816 | 5,313,847 | 5,896,549 |
| Charges for services | 2,612,729 | 2,553,564 | 2,666,135 | 5,049,612 |
| Fines and forfeits | 342,947 | 347,378 | 375,549 | 372,319 |
| Principal payments on loans | - | - | 76,464 | 77,299 |
| Other interest | 77,738 | 62,114 | 62,367 | 74,717 |
| Investment income | (852,242) | 2,347,136 | 1,444,307 | 1,245,570 |
| Park dedication fees | 847,760 | 849,619 | 658,000 | 586,600 |
| Rentals | 304,429 | 311,494 | 301,762 | 320,563 |
| Other revenues | 137,637 | 1,768,273 | 184,005 | 394,407 |
| Total revenues | <u>55,698,189</u> | <u>65,074,028</u> | <u>56,646,069</u> | <u>67,590,959</u> |
| Expenditures | | | | |
| General government | 4,694,845 | 5,099,311 | 5,042,735 | 5,387,497 |
| Public safety | 11,227,459 | 11,688,396 | 12,345,725 | 15,458,811 |
| Public works | 11,099,426 | 7,752,442 | 6,240,568 | 7,151,895 |
| Community development | 2,372,996 | 2,809,525 | 2,695,187 | 2,564,718 |
| Parks and recreation | 3,876,718 | 4,781,043 | 4,712,851 | 5,062,703 |
| Capital outlay/construction | 24,542,945 | 20,000,939 | 24,122,711 | 21,003,290 |
| Debt service | | | | |
| Principal | 4,832,442 | 10,852,593 | 6,495,262 | 4,406,808 |
| Interest | 1,927,762 | 1,614,414 | 1,458,194 | 1,469,378 |
| Paying agent fees | 15,805 | 28,437 | 26,400 | 23,142 |
| Issuance costs | - | 72,749 | 52,509 | 57,551 |
| Arbitrage rebate | - | - | 9,617 | - |
| Total expenditures | <u>64,590,398</u> | <u>64,699,849</u> | <u>63,201,759</u> | <u>62,585,793</u> |
| Revenues over (under) expenditures | <u>(8,892,209)</u> | <u>374,179</u> | <u>(6,555,690)</u> | <u>5,005,166</u> |
| Other financing sources (uses) | | | | |
| Long-term debt issued | 22,290,000 | 4,345,000 | 4,800,000 | 3,595,000 |
| Premium (discount) on debt issued | 1,178,171 | 223,187 | 103,610 | 155,507 |
| Payment to refunding bond escrow agent | (8,003,091) | - | - | - |
| Sale of capital assets | 48,172 | 44,250 | 149,405 | 138,892 |
| Transfers from other funds | 15,020,387 | 5,827,632 | 7,846,293 | 21,709,714 |
| Transfers to other funds | (12,708,941) | (7,421,478) | (5,400,109) | (20,419,792) |
| Total other financing sources (uses) | <u>17,824,698</u> | <u>3,018,591</u> | <u>7,499,199</u> | <u>5,179,321</u> |
| Net change in fund balance | <u>\$ 8,932,489</u> | <u>\$ 3,392,770</u> | <u>\$ 943,509</u> | <u>\$ 10,184,487</u> |
| Debt service as a percentage of noncapital expenditures | 16.9% | 27.9% | 20.4% | 14.2% |

Table 4

| Fiscal Year | | | | | | |
|----------------------|----------------------|------------------------|----------------------|---------------------|---------------------|--|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | |
| \$ 33,032,527 | \$ 34,085,224 | \$ 35,693,001 | \$ 37,932,909 | \$ 39,569,689 | \$ 41,959,957 | |
| 108,501 | 111,876 | 134,426 | 156,668 | 157,437 | 168,552 | |
| 16,111,507 | 16,506,490 | 12,303,029 | 11,033,606 | 13,091,030 | 16,172,598 | |
| 5,415,928 | 5,034,503 | 5,108,221 | 4,564,701 | 7,580,892 | 7,594,197 | |
| - | - | - | - | - | 2,248,172 | |
| 5,828,284 | 6,236,287 | 6,627,967 | 12,170,847 | 7,901,804 | 8,324,983 | |
| 5,338,516 | 5,864,397 | 5,321,291 | 4,774,322 | 6,307,500 | 7,207,282 | |
| 368,428 | 401,779 | 561,118 | 205,616 | 277,424 | 255,234 | |
| 50,745 | 49,228 | 149,157 | 26,189 | 144,199 | 35,424 | |
| 91,533 | 90,946 | 93,831 | 93,639 | 89,972 | 428,854 | |
| 1,552,952 | 2,497,488 | 6,050,925 | 4,023,906 | (636,527) | (10,083,838) | |
| 1,039,440 | 1,303,693 | 752,161 | 1,021,705 | 649,700 | 3,120,369 | |
| 323,745 | 328,208 | 395,533 | 286,925 | 376,690 | 463,960 | |
| 543,732 | 290,631 | 536,193 | 382,865 | 494,854 | 485,649 | |
| <u>69,805,838</u> | <u>72,800,750</u> | <u>73,726,853</u> | <u>76,673,898</u> | <u>76,004,664</u> | <u>78,381,393</u> | |
| 5,679,842 | 5,992,276 | 6,365,095 | 6,636,841 | 7,001,484 | 8,218,513 | |
| 16,516,264 | 17,611,006 | 21,738,230 | 19,798,605 | 18,194,479 | 19,344,399 | |
| 9,034,223 | 9,916,794 | 16,606,954 | 13,715,063 | 13,061,866 | 11,932,133 | |
| 2,587,754 | 2,869,749 | 2,825,988 | 2,976,877 | 3,523,050 | 2,822,768 | |
| 4,799,307 | 4,872,732 | 5,059,286 | 4,627,190 | 5,632,140 | 8,147,774 | |
| 17,599,137 | 33,028,609 | 33,162,751 | 22,920,663 | 21,335,894 | 20,286,938 | |
| 4,705,000 | 4,400,000 | 4,935,000 | 3,910,000 | 3,870,000 | 4,246,635 | |
| 1,431,755 | 1,358,352 | 1,906,721 | 1,871,540 | 1,726,492 | 1,550,149 | |
| 17,918 | 12,215 | 19,775 | 10,875 | 16,780 | 23,886 | |
| 60,453 | 90,020 | 42,129 | 74,488 | - | - | |
| - | - | - | - | - | - | |
| <u>62,431,653</u> | <u>80,151,753</u> | <u>92,661,929</u> | <u>76,542,142</u> | <u>74,362,185</u> | <u>76,573,195</u> | |
| <u>7,374,185</u> | <u>(7,351,003)</u> | <u>(18,935,076)</u> | <u>131,756</u> | <u>1,642,479</u> | <u>1,808,198</u> | |
| 2,345,000 | 14,495,000 | 1,500,000 | 7,015,000 | - | 13,321 | |
| 56,840 | 712,420 | 79,564 | 424,171 | - | - | |
| - | - | - | - | (4,295,000) | - | |
| 177,682 | 52,061 | 11,690 | 369,803 | 240,728 | 272,462 | |
| 6,990,392 | 15,633,711 | 8,595,866 | 19,440,925 | 15,114,166 | 12,536,760 | |
| <u>(5,729,726)</u> | <u>(10,354,213)</u> | <u>(3,370,093)</u> | <u>(16,070,516)</u> | <u>(13,270,903)</u> | <u>(10,090,763)</u> | |
| <u>3,840,188</u> | <u>20,538,979</u> | <u>6,817,027</u> | <u>11,179,383</u> | <u>(2,211,009)</u> | <u>2,731,780</u> | |
| <u>\$ 11,214,373</u> | <u>\$ 13,187,976</u> | <u>\$ (12,118,049)</u> | <u>\$ 11,311,139</u> | <u>\$ (568,530)</u> | <u>\$ 4,539,978</u> | |
| 13.7% | 12.2% | 11.5% | 10.8% | 10.5% | 10.3% | |

**City of Woodbury
Tax Capacity and Taxable Market Value
Last Ten Fiscal Years**

| Fiscal Year | Class of Property | | | | Total Real Estate Tax Capacity |
|-------------|--------------------------------|-----------------------|--------------------------------|------------------------------------|--------------------------------|
| | Residential Homestead Property | Agricultural Property | Commercial Industrial Property | Residential Non-Homestead Property | |
| 2013 | \$ 42,090,978 | \$ 759,173 | \$ 18,491,960 | \$ 7,884,066 | \$ 69,226,177 |
| 2014 | 44,459,488 | 725,692 | 18,355,297 | 8,839,094 | 72,379,571 |
| 2015 | 53,300,331 | 690,284 | 18,920,273 | 10,628,684 | 83,539,572 |
| 2016 | 55,100,200 | 591,965 | 19,820,698 | 10,962,467 | 86,475,330 |
| 2017 | 56,162,984 | 643,388 | 21,362,955 | 11,843,777 | 90,013,104 |
| 2018 | 60,444,140 | 777,297 | 23,071,363 | 13,105,063 | 97,397,863 |
| 2019 | 64,638,100 | 676,623 | 25,168,569 | 14,758,411 | 105,241,703 |
| 2020 | 69,480,777 | 681,939 | 26,852,386 | 17,058,557 | 114,073,659 |
| 2021 | 72,945,236 | 814,474 | 28,989,911 | 18,092,314 | 120,841,935 |
| 2022 | 76,315,637 | 694,515 | 31,282,092 | 20,412,812 | 128,705,056 |

Note: The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages varies depending on the type and value of the property. The formulas and class rates for converting taxable market value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature.

The following schedule (Table 6) provides additional information as to how the Total Direct Tax Rate is calculated.

Source: *Washington County Property Records and Taxpayer Services*

Table 5

| <u>Personal Property Tax Capacity</u> | <u>Total Tax Capacity</u> | <u>Total Direct Tax Rate</u> | <u>Taxable Market Value</u> |
|---|-----------------------------------|--------------------------------------|-------------------------------------|
| \$ 954,128 | \$ 70,180,305 | 39.47% | \$ 5,976,028,900 |
| 967,122 | 73,346,693 | 38.10% | 6,292,668,500 |
| 992,424 | 84,531,996 | 34.67% | 7,358,820,300 |
| 1,032,608 | 87,507,938 | 35.30% | 7,609,333,100 |
| 1,087,429 | 91,100,533 | 35.13% | 7,868,553,600 |
| 1,155,414 | 98,553,277 | 33.68% | 8,508,840,300 |
| 1,142,161 | 106,383,864 | 33.18% | 9,162,013,300 |
| 1,187,503 | 115,261,162 | 32.50% | 9,917,514,400 |
| 1,310,469 | 122,152,404 | 32.30% | 10,493,489,300 |
| 839,328 | 129,544,384 | 32.22% | 11,105,977,400 |

**City of Woodbury
Tax Base and Tax Rates
Last Ten Fiscal Years**

| Fiscal Year | Net Tax Capacity | | | | | |
|-------------|------------------|--|--|---------------------|---------------|--|
| | Tax Capacity | Less: Fiscal Disparities Tax Capacity Contribution | Less: Tax Capacity Dedicated to Tax Increment | Net Tax Capacity | Tax Levy | Less: Fiscal Disparities Distribution Received |
| 2013 | \$ 70,180,305 | \$ (7,629,688) | \$ (174,802) | \$ 62,375,815 | \$ 26,928,135 | \$ (2,327,268) |
| 2014 | 73,346,693 | (6,981,506) | (174,802) | 66,190,385 | 27,711,143 | (2,508,707) |
| 2015 | 84,531,996 | (7,153,086) | (83,228) | 77,295,682 | 29,254,518 | (2,466,111) |
| 2016 | 87,507,938 | (7,446,630) | (103,375) | 79,957,933 | 30,470,962 | (2,256,311) |
| 2017 | 91,100,533 | (7,944,059) | (103,375) | 83,053,099 | 31,680,046 | (2,510,227) |
| 2018 | 98,553,277 | (8,689,237) | (109,858) | 89,754,182 | 32,919,994 | (2,699,528) |
| 2019 | 106,383,864 | (9,533,115) | (131,205) | 96,719,544 | 34,888,483 | (2,799,656) |
| 2020 | 115,261,162 | (10,346,716) | (157,140) | 104,757,306 | 37,049,022 | (3,014,063) |
| 2021 | 122,152,404 | (11,058,772) | (160,481) | 110,933,151 | 38,919,504 | (3,089,778) |
| 2022 | 129,544,384 | (12,025,302) | (172,604) | 117,346,478 | 41,111,385 | (3,305,790) |

Note: The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. Property taxes are determined by multiplying the Net Tax Capacity by the tax capacity rate, expressed as a percentage.

Source: Washington County Property Records and Taxpayer Services

Table 6

| Net Tax Capacity | | Market Value Referendum | | | Total Direct Tax Rate |
|------------------|-------------------|-------------------------|---------------------|---------------------|-----------------------|
| Net Tax Levy | Tax Capacity Rate | Referendum Market Value | Referendum Tax Levy | Referendum Tax Rate | |
| \$ 24,600,867 | 39.44% | \$ 6,204,880,600 | \$ 1,675,094 | 0.02700% | 39.47% |
| 25,202,436 | 38.08% | 6,508,195,700 | 1,688,150 | 0.02594% | 38.10% |
| 26,788,407 | 34.66% | 7,519,507,300 | 983,850 | 0.01308% | 34.67% |
| 28,214,651 | 35.29% | 7,771,952,900 | 945,250 | 0.01216% | 35.30% |
| 29,169,819 | 35.12% | 8,027,552,500 | 952,900 | 0.01187% | 35.13% |
| 30,220,466 | 33.67% | 8,633,252,300 | 959,650 | 0.01112% | 33.68% |
| 32,088,827 | 33.18% | 9,274,401,900 | 615,500 | 0.00664% | 33.18% |
| 34,034,959 | 32.49% | 10,010,977,050 | 615,950 | 0.00615% | 32.50% |
| 35,829,726 | 32.30% | 10,555,065,100 | 615,950 | 0.00584% | 32.30% |
| 37,805,595 | 32.22% | 11,163,187,100 | 615,500 | 0.00551% | 32.22% |

**City of Woodbury
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

| Fiscal Year | City Direct Rates | | | | Overlapping Rates | | |
|-------------|-------------------|---------------------------------|------------------------------|-------------------|-----------------------------|-----------------------------|-----------------------------|
| | Basic Rate | General Obligation Debt Service | Market Value Referendum Rate | Total Direct Rate | (a) School District ISD 622 | (a) School District ISD 833 | (a) School District ISD 834 |
| 2013 | 36.609% | 2.830% | 0.02699% | 39.47% | 32.719% | 41.505% | 22.183% |
| 2014 | 35.402% | 2.673% | 0.02592% | 38.10% | 37.794% | 39.392% | 23.377% |
| 2015 | 31.144% | 3.513% | 0.01308% | 34.67% | 36.007% | 35.885% | 21.324% |
| 2016 | 32.486% | 2.801% | 0.01216% | 35.30% | 35.706% | 37.152% | 20.055% |
| 2017 | 32.423% | 2.699% | 0.01187% | 35.13% | 33.798% | 34.622% | 20.585% |
| 2018 | 31.176% | 2.495% | 0.01112% | 33.68% | 30.284% | 33.674% | 19.539% |
| 2019 | 30.496% | 2.681% | 0.00664% | 33.18% | 29.226% | 35.275% | 18.635% |
| 2020 | 30.440% | 2.049% | 0.00615% | 32.50% | 32.689% | 34.231% | 15.497% |
| 2021 | 30.403% | 1.895% | 0.00584% | 32.30% | 31.840% | 34.181% | 17.278% |
| 2022 | 30.276% | 1.941% | 0.00551% | 32.22% | 32.173% | 33.739% | 19.502% |

- (a) A property owner would be assessed one school district tax based on the school district the property is located in.
- (b) There are three different watershed districts within the City of Woodbury and the range of the tax rates is listed in the above table. The property owner is assessed the tax rate relative to the watershed district the property is located within.
- (c) Special districts include the Washington County CDA, Metropolitan Council, Transit District 509, Regional Rail Authority, Metropolitan Mosquito Control and the Woodbury HRA.

Source: Washington County Property Records and Taxpayer Services

Table 7

| Overlapping Rates | | |
|----------------------|---|-----------------------------|
| Washington County | (b) Range of Watershed Districts | (c) Special Districts |
| 34.227% | .780% - 4.740% | 5.222% |
| 32.816% | .761% - 4.253% | 4.983% |
| 30.190% | .693% - 4.494% | 4.478% |
| 30.568% | .753% - 4.460% | 4.857% |
| 30.451% | .839% - 4.067% | 4.621% |
| 29.986% | .819% - 3.878% | 4.430% |
| 29.685% | .808% - 3.979% | 4.231% |
| 28.947% | .766% - 3.425% | 3.956% |
| 27.435% | .742% - 4.074% | 3.799% |
| 27.532% | .718% - 3.747% | 3.678% |

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**City of Woodbury
Principal Property Taxpayers
Current Year and Nine Years Ago**

Table 8

| Taxpayer | 2022 | | | 2013 | | |
|-------------------------------------|----------------------|------|---|---------------------|------|---|
| | Net Tax Capacity | Rank | Percentage of Total City Net Tax Capacity | Net Tax Capacity | Rank | Percentage of Total City Net Tax Capacity |
| Tamarack Village Shopping Center LP | \$ 2,071,428 | 1 | 1.87% | | | |
| Ramco-Gershenson Properties LP | 1,682,642 | 2 | 1.52% | \$ 894,684 | 2 | 1.36% |
| IRPF Woodbury City Place LLC | 1,378,952 | 3 | 1.24% | | | |
| City Walk TIC I LLC Etal | 1,352,312 | 4 | 1.22% | | | |
| 10285 Grand Forest Owner LLC | 1,212,990 | 5 | 1.09% | | | |
| Invest Woodbury I SPE LLC | 898,776 | 6 | 0.81% | | | |
| G&I X Valley Creek LLC | 839,990 | 7 | 0.76% | | | |
| Woodbury Village Shopping Center LP | 768,313 | 8 | 0.69% | | | |
| Xcel Energy | 675,966 | 9 | 0.61% | 1,390,808 | 1 | 2.11% |
| MSP/Woodbury Medical LLC | 501,904 | 10 | 0.45% | 656,978 | 4 | 1.00% |
| DBRA RED Woodbury LLC | | | | 813,798 | 3 | 1.23% |
| Grand Reserve Apartments Corp | | | | 565,464 | 5 | 0.86% |
| State Farm Mutual Automobile | | | | 463,584 | 6 | 0.70% |
| TMF I Valley LLC | | | | 411,944 | 7 | 0.62% |
| Hartford Life & Annuity Insurance | | | | 406,138 | 8 | 0.62% |
| Health Investors Bus Trust | | | | 302,748 | 9 | 0.46% |
| Allina Health System | | | | 279,250 | 10 | 0.42% |
| Total | \$ 11,383,273 | | | \$ 6,185,396 | | |

Source: Washington County Property Records and Taxpayer Services

City of Woodbury
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year Ended December 31, | Net Tax Capacity Levy | Referendum Market Value Levy | Total Levy | Market Value Homestead & Ag Credit | Net Property Tax Levy | Adjustments During Collection Year |
|---|-----------------------------|------------------------------------|---------------|--|-----------------------------|--|
| 2013 | \$ 26,928,135 | \$ 1,675,094 | \$ 28,603,229 | \$ (2,088) | \$ 28,601,141 | \$ (84,468) |
| 2014 | 27,711,143 | 1,688,150 | 29,399,293 | (2,021) | 29,397,272 | (54,288) |
| 2015 | 29,254,518 | 983,850 | 30,238,368 | (3,608) | 30,234,760 | (89,036) |
| 2016 | 30,470,963 | 945,250 | 31,416,213 | (3,529) | 31,412,684 | (41,757) |
| 2017 | 31,680,046 | 952,899 | 32,632,945 | (3,286) | 32,629,659 | 77,917 |
| 2018 | 32,919,994 | 959,650 | 33,879,644 | (3,283) | 33,876,361 | 3,757 |
| 2019 | 34,888,483 | 615,500 | 35,503,983 | (3,401) | 35,500,582 | 3,902 |
| 2020 | 37,049,022 | 615,950 | 37,664,972 | (3,573) | 37,661,399 | 63,227 |
| 2021 | 38,919,504 | 615,950 | 39,535,454 | (3,147) | 39,532,307 | (115,624) |
| 2022 | 41,074,426 | 615,500 | 41,689,926 | (3,157) | 41,686,769 | - |

Note: Negative collections in subsequent years represent refunds to Taxpayers resulting from tax court petition settlements. Refunds are netted against collections and the City is not provided with that detail.

Source: *Washington County Property Records and Taxpayer Services*

Table 9

| Adjusted Net Levy | Collected within the Fiscal Year of the Levy | | Adjustments in Subsequent Years | Adjusted Net Levy | Collections/ Refunds in Subsequent Years | Total Collections to Date | |
|----------------------|---|-----------------------|---------------------------------------|----------------------|---|---------------------------|-----------------------|
| | Amount | Percentage of Levy | | | | Amount | Percentage of Levy |
| \$ 28,516,673 | \$ 28,349,172 | 99.41% | \$ (340,307) | \$ 28,176,366 | \$ (173,030) | \$ 28,176,142 | 100.00% |
| 29,342,984 | 29,206,379 | 99.53% | (216,942) | 29,126,042 | (82,122) | 29,124,257 | 99.99% |
| 30,145,724 | 29,998,602 | 99.51% | (94,790) | 30,050,934 | 50,819 | 30,049,421 | 99.99% |
| 31,370,927 | 31,271,686 | 99.68% | 22,289 | 31,393,216 | 120,466 | 31,392,152 | 100.00% |
| 32,707,576 | 32,613,946 | 99.71% | (35,188) | 32,672,388 | 56,823 | 32,670,769 | 100.00% |
| 33,880,118 | 33,754,083 | 99.63% | (78,556) | 33,801,562 | 43,239 | 33,797,322 | 99.99% |
| 35,504,484 | 35,385,511 | 99.66% | (85,159) | 35,419,325 | 28,779 | 35,414,290 | 99.99% |
| 37,724,626 | 37,559,378 | 99.56% | (75,094) | 37,649,532 | 79,848 | 37,639,226 | 99.97% |
| 39,416,683 | 39,258,605 | 99.60% | (137,039) | 39,279,644 | - | 39,258,605 | 99.95% |
| 41,686,769 | 41,453,587 | 99.44% | (39,441) | 41,647,328 | - | 41,453,587 | 99.53% |

City of Woodbury219
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Business-Type Activities |
|-------------|--------------------------|---------------------|-------------------|---------------|--------------|--------------------------|
| | General Obligation Bonds | Tax Increment Bonds | Improvement Bonds | G.O. PFA Note | Note Payable | Revenue Bonds |
| 2013 | \$ 44,529,506 | \$ 1,151,238 | \$ 14,610,910 | \$ 1,834,664 | \$ 73,287 | \$ 800,000 |
| 2014 | 41,217,917 | 1,040,475 | 12,379,163 | 1,052,070 | 73,287 | 675,000 |
| 2015 | 36,819,481 | 929,712 | 15,967,797 | 246,808 | 73,287 | - |
| 2016 | 34,367,690 | 803,949 | 18,004,311 | - | 73,287 | - |
| 2017 | 31,849,787 | 673,186 | 18,220,311 | - | 73,287 | - |
| 2018 | 42,257,667 | 552,423 | 18,597,881 | - | 73,287 | - |
| 2019 | 39,533,042 | 416,660 | 17,934,961 | - | 73,287 | - |
| 2020 | 41,512,788 | 280,897 | 19,460,841 | - | 73,287 | - |
| 2021 | 35,000,946 | 140,134 | 17,762,009 | - | 73,287 | - |
| 2022 | 32,727,537 | - | 15,768,879 | - | 73,287 | - |

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

See Table 5 for Taxable Market Value and Table 15 for population data.

Table 10

| <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | <u>Percentage of Taxable Market Value</u> | <u>Per Capita</u> |
|-----------------------------------|--|---|---|-----------------------|
| <u>Equipment Certificates</u> | <u>Certificates of Participation</u> | | | |
| \$ 1,180,166 | \$ 3,210,012 | \$ 67,389,783 | 1.13% | \$ 1,047 |
| 997,182 | 3,025,425 | 60,460,519 | 0.96% | 908 |
| 809,199 | - | 54,846,284 | 0.75% | 808 |
| 616,215 | - | 53,865,452 | 0.71% | 784 |
| - | - | 50,816,571 | 0.65% | 734 |
| - | - | 61,481,258 | 0.72% | 871 |
| - | - | 57,957,950 | 0.63% | 803 |
| - | - | 61,327,813 | 0.62% | 817 |
| - | - | 52,976,376 | 0.50% | 692 |
| - | - | 48,569,703 | 0.44% | 615 |

City of Woodbury
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | |
|-------------|--------------------------|---------------------|-------------------|--------------------------|---------------|------------------------|
| | General Obligation Bonds | Tax Increment Bonds | Improvement Bonds | G.O. PFA Note | Revenue Bonds | Equipment Certificates |
| 2013 | \$ 44,529,506 | \$ 1,151,238 | \$ 14,610,910 | \$ 1,834,664 | \$ 800,000 | \$ 1,180,166 |
| 2014 | 41,217,917 | 1,040,475 | 12,379,163 | 1,052,070 | 675,000 | 997,182 |
| 2015 | 36,819,481 | 929,712 | 15,967,797 | 246,808 | - | 809,199 |
| 2016 | 34,367,690 | 803,949 | 18,004,311 | - | - | 616,215 |
| 2017 | 31,849,787 | 673,186 | 18,220,311 | - | - | - |
| 2018 | 42,257,667 | 552,423 | 18,597,881 | - | - | - |
| 2019 | 39,533,042 | 416,660 | 17,934,961 | - | - | - |
| 2020 | 41,512,788 | 280,897 | 19,460,841 | - | - | - |
| 2021 | 35,000,946 | 140,134 | 17,762,009 | - | - | - |
| 2022 | 32,727,537 | - | 15,768,879 | - | - | - |

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

See Table 5 for Taxable Market Value and Table 15 for population data.

Table 11

| <u>Total</u> | <u>Less Amount Restricted to Debt Service</u> | <u>Net General Bonded Debt</u> | <u>Percentage of Taxable Market Value</u> | <u>Per Capita</u> |
|---------------|---|--|---|-----------------------|
| \$ 64,106,484 | \$ 19,389,925 | \$ 44,716,559 | 0.75% | \$ 695 |
| 57,361,807 | 24,386,584 | 32,975,223 | 0.52% | 495 |
| 54,772,997 | 22,551,860 | 32,221,137 | 0.44% | 475 |
| 53,792,165 | 19,970,300 | 33,821,865 | 0.44% | 492 |
| 50,743,284 | 20,084,601 | 30,658,683 | 0.39% | 442 |
| 61,407,971 | 20,803,169 | 40,604,802 | 0.48% | 575 |
| 57,884,663 | 19,237,877 | 38,646,786 | 0.42% | 536 |
| 61,254,526 | 21,294,795 | 39,959,731 | 0.40% | 532 |
| 52,903,089 | 19,688,780 | 33,214,309 | 0.50% | 434 |
| 48,496,416 | 17,769,063 | 30,727,353 | 0.46% | 389 |

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City of Woodbury
Direct and Overlapping Governmental Activities Debt
December 31, 2022

Table 12

| <u>Governmental Unit</u> | <u>Taxable Net Tax Capacity</u> | <u>Debt Outstanding (a)</u> | <u>Debt Applicable to Tax Capacity in City</u> | |
|-----------------------------------|-------------------------------------|---------------------------------|--|-----------------------|
| | | | <u>Percent *</u> | <u>Amount</u> |
| Washington County | \$ 458,762,027 | \$ 98,060,000 | 33.1138% | \$ 32,471,392 |
| School Districts: | | | | |
| ISD No. 622 | 135,229,084 | 427,615,000 (b) | 11.8337% | 50,602,676 |
| ISD No. 833 | 187,434,070 | 283,615,000 (b) | 60.0426% | 170,289,820 |
| ISD No. 834 | 157,945,216 | 74,620,000 | 14.7967% | 11,041,298 |
| Metropolitan Council | 5,197,211,231 | 184,515,000 (c) | 2.4548% | 4,529,474 |
| Subtotal Overlapping Debt | | | | 268,934,660 |
| City Direct Debt | | | | 48,569,703 |
| Total Direct and Overlapping Debt | | | | <u>\$ 317,504,363</u> |

*The percentage of overlapping debt applicable is estimated using taxable market property values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the county's total taxable market value and similarly for the other governmental entities with overlapping debt.

Note:

Only those taxing jurisdictions with general obligation debt outstanding are included in this calculation. This does not include non-general obligation debt, self-supporting general obligation revenue debt, short-term obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

- (a) Outstanding debt is based on information in the Official Statements obtained on EMMA and the Municipal Advisor's records.
- (b) Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.
- (c) The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included here.

Source: *Washington County Property Records and Taxpayer Services.*

**City of Woodbury
Legal Debt Margin Information
Last Ten Fiscal Years**

| | 2013 | 2014 | 2015 | 2016 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Market value | \$ 5,976,028,900 | \$ 6,292,668,500 | \$ 7,358,820,300 | \$ 7,609,333,100 |
| Debt limit (3% of market value) | 179,280,867 | 188,780,055 | 220,764,609 | 228,279,993 |
| Amount of debt applicable to debt limit | | | | |
| Total bonded debt | 65,381,743 | 59,335,161 | 53,720,927 | 53,792,165 |
| Less | | | | |
| Tax Increment Bonds | (1,151,238) | (1,040,475) | (929,712) | (803,949) |
| Lease Purchase Agreement | (3,210,012) | (3,025,424) | - | - |
| Revenue Bonds | (800,000) | (675,000) | - | - |
| Improvement Bonds | (14,610,910) | (12,379,163) | (15,967,797) | (18,004,311) |
| Cash and investments in General Obligation Debt Service Funds | (4,490,557) | (5,661,951) | (3,198,638) | (2,966,588) |
| Total debt applicable to debt limit | <u>41,119,026</u> | <u>36,553,148</u> | <u>33,624,780</u> | <u>32,017,317</u> |
| Legal debt margin | <u>\$ 138,161,841</u> | <u>\$ 152,226,907</u> | <u>\$ 187,139,829</u> | <u>\$ 196,262,676</u> |
| Legal debt margin as a percentage of the debt limit | 77.06% | 80.64% | 84.77% | 85.97% |

Note: State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value.

Table 13

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 7,868,553,600 | \$ 8,508,840,300 | \$ 9,162,013,300 | \$ 9,917,514,400 | \$ 10,493,489,300 | \$ 11,105,977,400 |
| 236,056,608 | 255,265,209 | 274,860,399 | 297,525,432 | 314,804,679 | 333,179,322 |
| 50,743,284 | 61,407,971 | 57,884,663 | 61,254,526 | 52,903,089 | 48,496,416 |
| (673,186) | (552,423) | (416,660) | (280,897) | (140,134) | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (18,220,311) | (18,597,881) | (17,934,961) | (19,460,841) | (17,762,009) | (15,768,879) |
| <u>(2,978,579)</u> | <u>(3,050,743)</u> | <u>(2,522,299)</u> | <u>(5,919,087)</u> | <u>(1,874,183)</u> | <u>(796,529)</u> |
| <u>28,871,208</u> | <u>39,206,924</u> | <u>37,010,743</u> | <u>35,593,701</u> | <u>33,126,763</u> | <u>31,931,008</u> |
| <u>\$ 207,185,400</u> | <u>\$ 216,058,285</u> | <u>\$ 237,849,656</u> | <u>\$ 261,931,731</u> | <u>\$ 281,677,916</u> | <u>\$ 301,248,314</u> |
| 87.77% | 84.64% | 86.53% | 88.04% | 89.48% | 90.42% |

**City of Woodbury
Pledged Revenue Coverage
Last Ten Fiscal Years**

Table 14

Governmental Activities

| Fiscal Year | Improvement Bonds | | | | | Coverage |
|-------------|-------------------------------|-------------------------|----------------------------------|--------------|------------|----------|
| | Special Assessment Collection | Prior Year Fund Balance | Total Available for Debt Service | Debt Service | | |
| | | | | Principal | Interest | |
| 2013 | \$ 1,770,155 | \$ 2,781,255 | \$ 4,551,410 | \$ 1,340,000 | \$ 364,848 | 2.67 |
| 2014 | 1,895,396 | 2,903,800 | 4,799,196 | 1,415,000 | 259,626 | 2.87 |
| 2015 | 2,970,052 | 3,138,617 | 6,108,669 | 1,285,000 | 249,683 | 3.98 |
| 2016 | 2,807,661 | 4,581,758 | 7,389,419 | 1,675,000 | 384,066 | 3.59 |
| 2017 | 2,481,637 | 5,558,043 | 8,039,680 | 2,155,000 | 415,376 | 3.13 |
| 2018 | 2,510,356 | 5,563,657 | 8,074,013 | 1,780,000 | 409,715 | 3.69 |
| 2019 | 2,640,685 | 5,568,794 | 8,209,479 | 2,235,000 | 436,614 | 3.07 |
| 2020 | 2,546,547 | 5,528,184 | 8,074,732 | 1,570,000 | 451,126 | 4.00 |
| 2021 | 2,046,928 | 5,982,860 | 8,029,788 | 1,625,000 | 432,409 | 3.90 |
| 2022 | 1,958,213 | 5,712,558 | 7,670,771 | 1,920,000 | 407,503 | 3.30 |

Note: Prepayments are received on special assessments frequently before the end of the term of the assessment.
The prior year fund balance represents those prepayments and collections available for debt service payments.

Business-Type Activities

| Fiscal Year | Certificates of Participation | | | |
|-------------|-------------------------------|--------------|------------|----------|
| | Annual Budget Appropriation | Debt Service | | Coverage |
| | | Principal | Interest | |
| 2013 | \$ 316,946 | \$ 167,618 | \$ 149,328 | 1.00 |
| 2014 | 313,961 | 172,618 | 141,343 | 1.00 |
| 2015 | 3,010,942 | 2,942,294 | 68,648 | 1.00 |

Note: The 2005D Refunding Lease Purchase Agreement had a February 1, 2015 call date. The 2015 Adopted Budget accounted for the payment of the Certificates of Participation on the call date of February 1, 2015. The Community Investment and the Capital Improvement Funds provided a funding transfer to the Eagle Valley Golf Course Fund in 2014 for the retirement of the Certificates in 2015.

**City of Woodbury
Demographic and Economic Statistics
Last Ten Fiscal Years**

Table 15

| Calendar Year | City Population | Washington County | | | City Unemployment Rate |
|---------------|-----------------|----------------------|----------------------|----------------------------|------------------------|
| | | County Population | Personal Income | Per Capita Personal Income | |
| 2013 | 64,350 | 246,002 | \$ 13,509,800,000 | \$ 54,917 | 3.6% |
| 2014 | 66,613 | 248,580 | 14,455,041,000 | 58,150 | 3.0% |
| 2015 | 67,875 | 250,482 | 15,245,819,000 | 60,866 | 2.7% |
| 2016 | 68,725 | 252,655 | 15,812,021,000 | 62,583 | 3.0% |
| 2017 | 69,245 | 255,717 | 16,705,759,000 | 65,329 | 2.6% |
| 2018 | 70,559 | 258,969 | 17,486,407,000 | 67,523 | 2.2% |
| 2019 | 72,161 | 262,541 | 18,245,390,000 | 69,495 | 2.5% |
| 2020 | 75,102 | 265,476 | 19,186,846,000 | 72,273 | 4.8% |
| 2021 | 76,593 | 272,256 | 20,890,951,000 | 76,733 | 2.6% |
| 2022 | 78,920 | <i>not available</i> | <i>not available</i> | <i>not available</i> | 2.0% |

Note: Personal income information relevant to the City of Woodbury was only available for Washington County and is provided above.

Source: City population was provided by the City Community Development Department. Washington County personal income and population was retrieved from the Bureau of Economic Analysis. The unemployment rate source was the Minnesota Department of Employment & Economic Development.

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**City of Woodbury
Principal Employers
Current Year and Nine Years Ago**

Table 16

| Taxpayer | 2022 | | | 2013 | | |
|---------------------------------|--------------|------|-------------------------------|--------------|------|-------------------------------|
| | Employees | Rank | Percentage of City Employment | Employees | Rank | Percentage of City Employment |
| M Health Fairview (HealthEast) | 1,013 | 1 | 2.45% | | | |
| Independent School District 833 | 964 | 2 | 2.33% | 1,036 | 1 | 2.84% |
| Target.com | 864 | 3 | 2.09% | | | |
| 3M | 759 | 4 | 1.83% | | | |
| Self Esteem Brands | 472 | 5 | 1.14% | | | |
| Summit Orthopedics | 397 | 6 | 0.96% | 300 | 4 | 0.82% |
| HealthPartners(includes TRIA) | 393 | 7 | 0.95% | | | |
| Long Term Care Group, Inc. | 317 | 8 | 0.77% | | | |
| City of Woodbury | 250 | 9 | 0.60% | | | |
| Saint Therese | 199 | 10 | 0.48% | | | |
| Woodwinds Health Campus | | | | 851 | 2 | 2.33% |
| Woodbury Health Care Center | | | | 340 | 3 | 0.93% |
| Assurant | | | | 287 | 5 | 0.79% |
| The Hartford | | | | 250 | 6 | 0.69% |
| Wal-Mart | | | | 250 | 7 | 0.69% |
| Target.com | | | | 250 | 8 | 0.69% |
| Sam's Club | | | | 235 | 9 | 0.64% |
| Globe University | | | | 221 | 10 | 0.61% |
| Total | 5,628 | | 13.61% | 4,020 | | 11.02% |

Source: Principal employer data was gathered by telephone surveys of individual employers by the City's Community Development Department. The total City employment data source was the Minnesota Department of Employment and Economic Development.

City of Woodbury
Full-Time-Equivalent City Government Employees by Function/program
Last Ten Fiscal Years

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Government activities | | | | | | | |
| General Government | | | | | | | |
| Administration | 10.47 | 10.59 | 10.83 | 11.83 | 11.83 | 8.83 | 9.83 |
| Assessor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Finance | 6.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 |
| IT | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 7.00 |
| Communications | - | - | - | - | - | 3.00 | 3.00 |
| Building maintenance | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Public safety | | | | | | | |
| Police | 79.55 | 82.00 | 82.27 | 82.69 | 83.21 | 85.01 | 86.66 |
| Fire | 10.70 | 10.70 | 10.69 | 10.69 | 10.69 | 10.69 | 10.69 |
| Emergency preparedness | 1.00 | 1.00 | 1.00 | 1.03 | 1.05 | 1.05 | 1.05 |
| Emergency medical services | - | - | - | 15.67 | 16.93 | 17.69 | 18.69 |
| Public works | | | | | | | |
| Streets | 22.15 | 22.15 | 23.15 | 24.15 | 24.15 | 24.15 | 23.15 |
| Public works administration | 3.45 | 3.45 | 3.45 | 3.49 | 3.49 | 3.49 | 4.14 |
| Engineering | 10.67 | 11.42 | 12.30 | 12.95 | 13.00 | 13.00 | 14.81 |
| Fleet services | 7.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Community development | | | | | | | |
| Environmental | 2.79 | 2.74 | 3.23 | - | - | - | - |
| Planning & code enforcement | 7.00 | 5.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.50 |
| Inspections | 10.93 | 13.48 | 12.48 | 10.74 | 10.76 | 11.19 | 11.06 |
| Parks and recreation | | | | | | | |
| Recreation | 17.40 | 17.40 | 17.07 | 15.64 | 17.38 | 17.71 | 17.65 |
| Parks and forestry | 27.60 | 28.12 | 29.12 | 29.35 | 30.06 | 29.56 | 28.56 |
| Business-type activities | | | | | | | |
| Sports center | 7.98 | 8.65 | 12.53 | 12.21 | 12.45 | 12.14 | 12.26 |
| Emergency medical services | 9.38 | 9.45 | 10.20 | - | - | - | - |
| Water | 10.97 | 10.97 | 10.97 | 10.97 | 10.97 | 11.92 | 12.04 |
| Sewer | 10.97 | 10.97 | 10.97 | 10.97 | 10.97 | 11.92 | 12.04 |
| Eagle Valley Golf Course | 14.79 | 14.84 | 15.24 | 15.15 | 15.22 | 15.32 | 15.39 |

Note: A full-time employee is scheduled to work 2080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2080.

The data represents budgeted full-time equivalents and excludes revenue-part-time employees and on-call firefighters.

Emergency Medical Services (EMS) is a Governmental Fund starting in 2016. EMS added six full-time paramedics in 2016.

The Community Development Department reorganized in 2016 and eliminated the Environmental Division and added the Economic Development Division. The Environmental FTE's have been allocated between Engineering and Planning & Code Enforcement.

The Communications Division was established in 2018. This is a function of General Government and the employees were previously categorized under Administration.

Source: City Finance Department Budget Documents

Table 17

| <u>2020</u> | <u>2021</u> | <u>2022</u> |
|-------------|-------------|-------------|
| 9.83 | 10.83 | 12.21 |
| 1.00 | 1.00 | 1.00 |
| 7.50 | 7.90 | 9.00 |
| 7.00 | 7.50 | 9.50 |
| 3.00 | 3.00 | 3.00 |
| 5.00 | 5.00 | 5.00 |
| 87.95 | 88.78 | 89.93 |
| 10.49 | 10.39 | 10.39 |
| 1.03 | 1.13 | 1.13 |
| 18.08 | 18.08 | 18.46 |
| 23.15 | 23.15 | 23.01 |
| 4.72 | 4.72 | 5.72 |
| 14.36 | 13.42 | 16.85 |
| 8.00 | 9.00 | 9.00 |
| - | - | - |
| 7.50 | 8.00 | 9.50 |
| 11.69 | 11.69 | 12.43 |
| 17.80 | 17.51 | 16.56 |
| 29.56 | 29.56 | 29.41 |
| 12.06 | 12.00 | 11.06 |
| - | - | - |
| 12.18 | 12.32 | 12.82 |
| 12.18 | 12.32 | 12.82 |
| 15.90 | 15.46 | 15.40 |

City of Woodbury
Statistical Operating Indicators by Function/Program
Last Ten Fiscal Years

| | 2013 | 2014 | 2015 | 2016 |
|---|------------|------------|------------|---------|
| Government activities | | | | |
| General government | | | | |
| Administration and human resources | | | | |
| Rate of turnover (%) | 2.8% | 2.0% | 1.6% | 3.8% |
| Total number of injuries reported | 56 | 61 | 66 | 58 |
| Number of lost work days due to an at-work OSHA recordable injury | 250 | 360 | 286 | 212 |
| Finance | | | | |
| Number of significant deficiencies in the report on compliance and internal control | 0 | 0 | 1 | 0 |
| Number of findings in the state legal compliance report | 0 | 0 | 0 | 0 |
| IT | | | | |
| Total number of service requests (internal request system) | 1,018 | 1,300 | 1,358 | 1,813 |
| Percentage of service requests resolved within one business day | 71% | 76% | 64% | 70% |
| Public safety | | | | |
| Police | | | | |
| Calls for police service | 28,615 | 29,128 | 29,105 | 30,480 |
| Part I crimes per 1,000 residents/Group A offenses per 1,000 residents - 2021 measure (f) | 22.2 | 19.7 | 19.3 | 20.4 |
| Part II crimes per 1,000 residents (f) | 29.3 | 29.0 | 32.6 | 34.4 |
| Percentage of crimes cleared/Group A crimes cleared - 2021 measure (f) | 51% | 46% | 47% | 48% |
| Investigations conducted | 395 | 272 | 331 | 379 |
| Fire/EMS | | | | |
| Fire/hazardous responses | 656 | 677 | 784 | 899 |
| Fires with loss resulting in fire investigations | 26 | 34 | 41 | 20 |
| Emergency medical service (d) | | | | |
| Total EMS Patients | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | 3,601 |
| Percentage of time on-scene in less than 9 minutes (e) | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | 84% |
| Public works | | | | |
| Streets | | | | |
| Percentage of full cleaning events completed within 8 hours | 94.0% | 73.0% | 100.0% | 100.0% |
| Annual inches of local snowfall | 73 | 54 | 26 | 43 |
| Engineering | | | | |
| Percentage of lane miles inspected and evaluated (%) | 20.0% | 31.0% | 28.0% | 31.0% |
| Accidents per lane mile | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | 1.15 |
| Community development | | | | |
| Planning | | | | |
| Square footage of new additional commercial construction | 165,873 | 185,926 | 453,588 | 261,798 |
| Total dollar increase of comm/ind market value (million) | \$34.49 | \$46.09 | \$87.23 | \$76.89 |
| Number of applications | 85 | 64 | 77 | 73 |
| Building inspections | | | | |
| Number of permits issued | 4,706 | 4,493 | 4,339 | 4,493 |
| Number of inspections | 18,034 | 18,357 | 17,665 | 20,338 |
| Median time it takes to process a (new single dwelling) plan (days) | 15 | 15 | 17 | 13 |
| Parks and recreation | | | | |
| Recreation | | | | |
| Number of participants in programs | 89,380 | 83,543 | 89,234 | 74,650 |
| Number of regular admissions to Lookout Ridge indoor playground facility | 36,532 | 25,290 | 24,613 | 27,362 |
| Parks and forestry | | | | |
| Number of acres mowed and maintained | 534 | 534 | 540 | 542 |
| Number of acres in park system per 1,000 households | 125 | 127 | 128 | 128 |
| Number of miles of trails per 1,000 households | 5.6 | 5.6 | 5.5 | 5.6 |

Sources: Various City Departments

Table 18

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------|---------|----------|----------|---------|-----------|
| 3.6% | 4.7% | 4.4% | 3.2% | 5.0% | 6.2% |
| 62 | 55 | 68 | 66 | 80 | 95 |
| 147 | 253 | 218 | 683 | 606 | 255 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 2,659 | 2,410 | 1,392 | 1,540 | 1,275 | 1,411 |
| 86% | 78% | 68% | 67% | 70% | 90% |
| 30,903 | 30,182 | 40,833 | 36,949 | 40,299 | 50,759 |
| 21.3 | 19.2 | 22.2 | 21.5 | 33.9 | 29.9 |
| 37.0 | 25.8 | 20.6 | 17.1 | NA | NA |
| 56% | 46% | 33% | 31% | 30% | 30% |
| 402 | 451 | 558 | 650 | 506 | 433 |
| 1180 | 1334 | 1318 | 1134 | 1456 | 1479 |
| 36 | 39 | 31 | 39 | 31 | 37 |
| 3,662 | 3,937 | 4,075 | 4,064 | 4,119 | 5,101 |
| 90% | 87% | 86% | 92% | 91% | 93% |
| 100.0% | 94.0% | 100.0% | 100.0% | 88.0% | 81.0% |
| 28 | 82 | 87 | 49 | 31 | 59 |
| 26.0% | 21.0% | 28.0% | 18.0% | 18.0% | 19.0% |
| 1.14 | 1.07 | 1.11 | 0.67 | 0.85 | 1.06 |
| 540,079 | 164,236 | 106,526 | 172,865 | 579,474 | 1,109,257 |
| \$112.40 | \$95.92 | \$105.60 | \$154.07 | \$53.18 | \$997.09 |
| 90 | 68 | 92 | 71 | 86 | 63 |
| 5,450 | 5,651 | 5,367 | 5,563 | 7,386 | 10,510 |
| 20,761 | 27,125 | 27,506 | 26,193 | 31,283 | 32,868 |
| 10 | 10 | 13 | 21 | 36 | 24 |
| 80,674 | 84,909 | 82,941 | 11,058 | 63,799 | 79,141 |
| 27,572 | 25,849 | 23,258 | 6,529 | 11,087 | 16,883 |
| 534 | 534 | 534 | 540 | 543 | 547 |
| 129 | 127 | 126 | 123 | 121 | 120 |
| 5.7 | 5.7 | 5.6 | 5.6 | 6.0 | 5.8 |

City of Woodbury
Statistical Operating Indicators by Function/Program
Last Ten Fiscal Years

| | 2013 | 2014 | 2015 | 2016 |
|---|-----------|-----------|-----------|-----------|
| Business-type activities | | | | |
| Sports Center | | | | |
| Number of participants in facility run ice arena programs (a) | 14,703 | 24,798 | 34,192 | 27,812 |
| Number of participants in open field house programs (b) | 3,478 | 7,057 | 21,097 | 27,185 |
| Emergency medical service (d) | | | | |
| Total EMS Patients | 2,554 | 2,793 | 2,999 | N/A |
| Response time - medic average (min) | 3.7 | 3.8 | 3.8 | N/A |
| Water and sewer utility | | | | |
| Average number of gallons pumped per day | 7,507,715 | 6,569,863 | 6,631,014 | 6,742,666 |
| Water storage capacity (millions of gallons) | 10.5 | 10.5 | 10.5 | 10.5 |
| Water pumped (millions of gallons) | 2,755 | 2,398 | 2,420 | 2,461 |
| Number of commercial and residential meters read | 92,362 | 95,644 | 102,880 | 97,345 |
| Number of water main breaks repaired | 30 | 29 | 16 | 42 |
| Number of sewer blockages | 2 | 2 | 4 | 0 |
| Storm water utility | | | | |
| Number of ponds (c) | 497 | 497 | 579 | 584 |
| Lane miles of curbed streets for sweeping | 536 | 602 | 622 | 648 |
| Eagle valley golf course | | | | |
| Number of total rounds played | 30,459 | 30,866 | 33,559 | 36,187 |

- (a) The Sports Center added a new outdoor rink in 2015 and participants using this facility were included.
- (b) 2015 was the first full year of operation for the expanded field house facility at the Sports Center.
- (c) Best management practices recommend the inclusion of infiltration basins and rain gardens in the pond count which were added starting in 2015.
- (d) Emergency Medical Services was reclassified to a Governmental Activity from a Business-type Activity on 01/01/2016.
- (e) Emergency Medical Services changed the measure for response time.
- (f) Beginning in 2021, National Incident Based Reporting System crime statistics are not comparable to previous years. This is a result of a federal mandate that changed how all agencies must report crime beginning in 2021.

Sources: Various City departments

Table 18

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------|------------|------------|------------|------------|------------|
| 23,267 | 25,452 | 20,466 | 12,057 | 17,937 | 23,806 |
| 29,043 | 31,021 | 30,667 | 13,743 | 18,010 | 26,726 |
| <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> |
| <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> |
| 7,095,890 | 7,087,671 | 6,571,781 | 7,188,525 | 8,063,219 | 8,109,589 |
| 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 |
| 2,590 | 2,587 | 2,398 | 2,631 | 2,943 | 2,960 |
| 96,737 | 104,080 | 100,754 | 105,553 | 105,967 | 108,190 |
| 14 | 21 | 6 | 19 | 15 | 9 |
| 1 | 2 | 1 | 0 | 2 | 1 |
| 601 | 605 | 641 | 657 | 672 | 704 |
| 659 | 662 | 683 | 694 | 722 | 738 |
| 32,232 | 30,150 | 34,923 | 39,730 | 44,679 | 42,621 |

City of Woodbury
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

| Function/Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| Primary government | | | | | | | | |
| General government | | | | | | | | |
| Municipal buildings | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Public safety | | | | | | | | |
| Patrol units (c) | 37 | 36 | 36 | 37 | 36 | 37 | 37 | 37 |
| Fire units - pumper/tanker | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 |
| Fire units - aerial | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire units - utility/brush | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Warning sirens | 12 | 13 | 14 | 14 | 14 | 14 | 14 | 14 |
| Ambulance units (b) | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | 4 | 4 | 4 | 4 | 4 |
| Public works | | | | | | | | |
| Streets (paved lane miles) | 536 | 547 | 553 | 560 | 570 | 581 | 585 | 593 |
| Traffic signals | 18 | 18 | 17 | 17 | 17 | 19 | 19 | 19 |
| Parks and recreation | | | | | | | | |
| Parks and playgrounds (a) | 46 | 46 | 47 | 52 | 52 | 55 | 56 | 56 |
| Athletic fields | 69 | 71 | 71 | 71 | 71 | 71 | 71 | 71 |
| Activity buildings | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Trails (paved miles) | 123 | 123 | 127 | 128 | 132 | 136 | 139 | 141 |
| Business-type activities | | | | | | | | |
| Sports Center | | | | | | | | |
| Ice rinks | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Field house | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Emergency medical service | | | | | | | | |
| Ambulance units (b) | 4 | 4 | 4 | <i>N/A</i> | <i>NA</i> | <i>NA</i> | <i>NA</i> | <i>NA</i> |
| Water and sewer utility | | | | | | | | |
| Sanitary sewer mains (miles) | 245 | 248 | 250 | 252 | 257 | 262 | 264 | 267 |
| Sanitary lift stations | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 |
| Sanitary water mains (miles) | 293 | 298 | 300 | 304 | 309 | 317 | 319 | 324 |
| Fire hydrants | 2,889 | 2,937 | 2,972 | 3,020 | 3,081 | 3,169 | 3,203 | 3,253 |
| Wells and pump stations | 17 | 18 | 18 | 18 | 19 | 19 | 19 | 19 |
| Water towers | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Reservoirs | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Storm water utility | | | | | | | | |
| Storm sewer (miles) | 208 | 212 | 215 | 220 | 225 | 234 | 237 | 242 |
| Storm water lift stations | 8 | 9 | 9 | 9 | 9 | 9 | 10 | 10 |
| Eagle Valley Golf Course | | | | | | | | |
| Course site acreage | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 |

Notes: No capital asset indicators were available for community development or street lighting functions.

(a) City Open Space areas were added to this statistic in 2016.

(b) Emergency Medical Services was reclassified to a Governmental Activity from a Business-type Activity on 01/01/2016.

(c) Prior to 2021 included investigation units. 2021 going forward includes only patrol units.

Sources: Various City departments

Table 19

| <u>2021</u> | <u>2022</u> |
|-------------|-------------|
| 4 | 4 |
| 1 | 1 |
| 4 | 4 |
| 34 | 35 |
| 5 | 5 |
| 2 | 1 |
| 5 | 4 |
| 14 | 14 |
| 4 | 4 |
| 603 | 616 |
| 20 | 22 |
| 56 | 58 |
| 71 | 72 |
| 6 | 5 |
| 151 | 153 |
| 3 | 3 |
| 1 | 1 |
| <i>NA</i> | <i>NA</i> |
| 272 | 279 |
| 5 | 5 |
| 329 | 337 |
| 3,319 | 3,411 |
| 19 | 20 |
| 4 | 4 |
| 2 | 2 |
| 249 | 259 |
| 10 | 10 |
| 225 | 225 |

FORM OF LEGAL OPINION

(See following pages)



Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

§ _____
City of Woodbury, Minnesota
General Obligation Bonds
Series 2024A

We have acted as bond counsel to the City of Woodbury, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2024A (the “Bonds”), originally dated May 1, 2024, and issued in the original aggregate principal amount of \$_____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from special assessments levied or to be levied on property specially benefited by local improvements, in part from tax abatement revenues, and in part from ad valorem taxes, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”)) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated May __, 2024 at Minneapolis, Minnesota.

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

§ _____
City of Woodbury, Minnesota
General Obligation Bonds
Series 2024A

CONTINUING DISCLOSURE CERTIFICATE

May __, 2024

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Woodbury, Minnesota (the “Issuer”) in connection with the issuance of its General Obligation Bonds, Series 2024A (the “Bonds”), in the original aggregate principal amount of \$ _____. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Bonds are being delivered to _____ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the General Obligation Bonds, Series 2024A, issued by the Issuer in the original aggregate principal amount of \$ _____.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed Final Official Statement, dated April __, 2024, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Issuer” means the City of Woodbury, Minnesota, which is the obligated person with respect to the Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means _____.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2023, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. U.S. Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events (“Material Events”) with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF WOODBURY, MINNESOTA

Mayor

City Administrator

TERMS OF PROPOSAL

**\$16,205,000* GENERAL OBLIGATION BONDS, SERIES 2024A
CITY OF WOODBURY, MINNESOTA**

Proposals for the purchase of \$16,205,000* General Obligation Bonds, Series 2024A (the "Bonds") of the City of Woodbury, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on April 10, 2024, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 7:30 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued by the City pursuant to Minnesota Statutes, Chapters 429 and 475, as amended, and Sections 469.1812 through 469.1815, as amended, for the purposes of financing public improvements to the City's Central Park Facility and to reimburse the City for costs of the assessable 2023 street reconstruction projects. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated May 1, 2024, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2025 | \$205,000 | 2032 | \$980,000 | 2039 | \$1,215,000 |
| 2026 | 185,000 | 2033 | 1,005,000 | 2040 | 980,000 |
| 2027 | 195,000 | 2034 | 1,035,000 | 2041 | 1,020,000 |
| 2028 | 325,000 | 2035 | 1,070,000 | 2042 | 1,060,000 |
| 2029 | 355,000 | 2036 | 1,100,000 | 2043 | 1,105,000 |
| 2030 | 365,000 | 2037 | 1,135,000 | 2044 | 1,150,000 |
| 2031 | 550,000 | 2038 | 1,170,000 | | |

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2025, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2035 shall be subject to optional redemption prior to maturity on February 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about May 1, 2024, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$16,042,950 plus accrued interest on the principal sum of \$16,205,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$324,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall not be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of Woodbury, Minnesota

PROPOSAL FORM

The City Council
City of Woodbury, Minnesota (the "City")

April 10, 2024

RE: \$16,205,000* General Obligation Bonds, Series 2024A (the "Bonds")
DATED: May 1, 2024

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$0) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

| | | | | | |
|-------------|------|-------------|------|-------------|------|
| _____ % due | 2025 | _____ % due | 2032 | _____ % due | 2039 |
| _____ % due | 2026 | _____ % due | 2033 | _____ % due | 2040 |
| _____ % due | 2027 | _____ % due | 2034 | _____ % due | 2041 |
| _____ % due | 2028 | _____ % due | 2035 | _____ % due | 2042 |
| _____ % due | 2029 | _____ % due | 2036 | _____ % due | 2043 |
| _____ % due | 2030 | _____ % due | 2037 | _____ % due | 2044 |
| _____ % due | 2031 | _____ % due | 2038 | | |

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2025 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$324,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about May 1, 2024.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ___ NO: ___.

If the competitive sale requirements are not met, we elect to use either the: ___ 10% test, or the ___ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 1, 2024 of the above proposal is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Woodbury, Minnesota, on April 10, 2024.

By: _____ By: _____
Title: _____ Title: _____