

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 27, 2025

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that, under existing State of Minnesota statutes, interest on the Bonds is exempt from State of Minnesota income tax, and is not a specific preference item for purposes of the Minnesota alternative minimum tax applicable to 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. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF THE VILLAGE OF MINNETONKA BEACH, MINNESOTA (Hennepin County)

(Minnesota City Credit Enhancement Program)

\$8,190,000* GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2025A

PROPOSAL OPENING: March 10, 2025, 10:00 A.M., C.T. **CONSIDERATION:** March 10, 2025, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$8,190,000* General Obligation Tax Abatement Bonds, Series 2025A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapter 469, as amended, and Chapter 475, as amended, and Sections 469.1812 through 469.1815, by the City of the Village of Minnetonka Beach, Minnesota (the "City"), to finance a portion of the new City water treatment facility and two new wells for the City. 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 Kutak Rock LLP, Minneapolis, Minnesota.

DATE OF BONDS: April 2, 2025

MATURITY: August 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$200,000	2034	\$395,000	2041	\$515,000
2028	320,000	2035	405,000	2042	535,000
2029	330,000	2036	425,000	2043	560,000
2030	345,000	2037	440,000	2044	585,000
2031	355,000	2038	455,000	2045	610,000
2032	365,000	2039	475,000		
2033	380,000	2040	495,000		

***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, 2026 and semiannually thereafter.

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

MINIMUM PROPOSAL: \$8,091,720.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$163,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kutak Rock LLP.

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.



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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 THE VILLAGE OF MINNETONKA BEACH CITY COUNCIL

		<u>Term Expires</u>
Joe Pagano	Mayor	January 2027
Chris Zinn	Treasurer	January 2027
Chris Dovolis	Council Member	January 2027
Jennifer Halverson	Council Member	January 2027
Jason Mohr	Council Member	January 2029
Bill Whitely	Council Member	January 2029

ADMINISTRATION

Heidi Honey, City Administrator

Jane Burgess, City Clerk

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, City Attorney, Minneapolis, Minnesota

Kutak Rock LLP, 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 the Village of Minnetonka Beach, Minnesota (the "City") and the issuance of its \$8,190,000* General Obligation Tax Abatement Bonds, Series 2025A (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 March 10, 2025.

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 April 2, 2025. The Bonds will mature on August 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, 2026, 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 2027 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 Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. 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 August 1, 2035 shall be subject to optional redemption prior to maturity on August 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 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 pursuant to Minnesota Statutes, Chapter 469, as amended, and Chapter 475, as amended, and Sections 469.1812 through 469.1815, by the City, to finance a portion of the new City water treatment facility and two new wells for the City (the "Project").

Per Minnesota Statutes, Chapter 469, as amended, in any year, the total amount of property taxes abated by a political subdivision 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

Par Amount of Bonds	<u>\$8,190,000</u>	
Total Sources		\$8,190,000

Uses

Total Underwriter's Discount (1.200%)	\$98,280	
Costs of Issuance	88,000	
Deposit to Construction Fund	8,000,000	
Rounding Amount	<u>3,720</u>	
Total Uses		\$8,190,000

*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 will be paid from abatements of the City's portion of taxes from specific parcels which will benefit from the development of the Project. 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 Bonds.

Should the tax abatement revenues 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

The City will be participating in the State of Minnesota Credit Enhancement Program ("MNCEP") for this issue and is requesting a credit enhanced rating from S&P Global Ratings ("S&P"). S&P has a policy which assigns a rating of "AAA" to issuers participating in the MNCEP. The "AAA" rating is based on the State of Minnesota's current "AAA" rating from S&P. See "STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM" for further details.

The City currently has a "AA+"/Stable outlook underlying rating from S&P and will be requesting an underlying rating on this issue. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. 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.

STATE OF MINNESOTA CREDIT ENHANCEMENT PROGRAM

By resolution adopted for this issue on February 10, 2025 and the Award Resolution (collectively the "Resolution"), the City has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 446A.086 (the "Act"), which provides for payment by the State of Minnesota in the event of a potential default of certain obligations. The City has entered into a Credit Enhancement Program Agreement (the "Agreement") with the Minnesota Public Facilities Authority (the "Authority"), which is acting on behalf of the State of Minnesota. The provisions of the Agreement shall be binding on the City as long as any obligations of the issue remain outstanding.

The City covenants in the Agreement to deposit with the paying agent for the issue three business days prior to the date on which a payment is due an amount sufficient to make that payment. Under the Agreement, if the City believes it may be unable to make a principal or interest payment for this issue on the due date, it must notify the Authority not less than 15 business days prior to the date a payment is due on the Bonds if the City will be unable to make all or a portion of the payment. The City's agreement with the Paying Agent for the Bonds requires the Paying Agent to immediately inform the Minnesota Commissioner of Management and Budget, with a copy to the Authority, if the Paying Agent becomes aware of a default or potential default in the payment of principal or interest on the Bonds, or if, on the day two business days before the date a payment is due on the Bonds, there are insufficient funds on deposit with the Paying Agent to make the payment.

If the City is unable to make any portion of the payment on the Bonds on or before the date due, the State of Minnesota, acting through the Authority, shall make such payment in its place pursuant to the Act, providing that funds are available in the State General Fund. The obligation to make a payment under the Act is not a general obligation of the State of Minnesota. The Act does not obligate the Minnesota legislature to provide for the availability of funds in the General Fund for this purpose.

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, 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 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 Kutak Rock LLP, 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 MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Minnesota statutes, interest on the Bonds is exempt from State of Minnesota income tax and is not a specific preference item for purposes of the Minnesota alternative minimum tax applicable to individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Minnesota or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix B.

Original Issue Discount. The Bonds that have an original yield above their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Bank Qualified. The City has represented that it does not reasonably anticipate issuing greater than \$10,000,000 of tax-exempt obligations in calendar year 2025 (excluding certain private activity and refunding bonds) and that it has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80 percent of that portion of such institutions' interest expense allocable to interest on such bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such bonds.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, 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

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, 2023 have been audited by Abdo, 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 (tax abatement revenue) 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 of Minnesota (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 \$174,000 - .75% Over \$174,000 - .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

2023/24 Economic Market Value	<u><u>\$616,216,834¹</u></u>
2023/24 Assessor's Estimated Market Value	
Real Estate	\$557,871,900
Personal Property	154,100
Total Valuation	<u><u>\$558,026,000</u></u>
2023/24 Net Tax Capacity	
Real Estate	\$6,723,506
Personal Property	3,077
Net Tax Capacity	<u>\$6,726,583</u>
Less: Fiscal Disparities Contribution ²	<u>(30,162)</u>
Taxable Net Tax Capacity	\$6,696,421
Plus: Fiscal Disparities Distribution ²	14,605
Adjusted Taxable Net Tax Capacity	<u><u>\$6,711,026</u></u>

2023/24 NET TAX CAPACITY BY CLASSIFICATION

	2023/24 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$6,256,091	93.01%
Commercial/industrial	99,170	1.47%
Commercial & residential seasonal/rec.	368,245	5.47%
Personal property	<u>3,077</u>	<u>0.05%</u>
Total	<u><u>\$6,726,583</u></u>	<u><u>100.00%</u></u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City is about 97.55% of the actual selling prices of property most recently 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 an Economic Market Value ("EMV") for the City of \$616,216,834.

² 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.

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity ¹	Adjusted Taxable Net Tax Capacity ²	Percent Increase/Decrease in Estimated Market Value
2019/20	\$366,110,800	\$365,448,160	\$4,335,414	\$4,317,693	4.77%
2020/21	396,316,100	395,812,420	4,711,441	4,694,476	8.25%
2021/22	404,225,200	403,731,060	4,805,707	4,789,729	2.00%
2022/23	479,467,100	478,994,350	5,743,648	5,729,107	18.61%
2023/24	558,026,000	557,554,546	6,726,583	6,711,026	16.38%

LARGEST TAXPAYING PARCELS³

Taxpayer	Type of Property	2023/24 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Individual	Residential	\$147,146	2.19%
RSLT Holdings, LLC	Residential	125,061	1.86%
Lafayette Club	Commercial	97,450	1.45%
Arena, LLC	Residential	89,991	1.34%
Individual	Residential	86,848	1.29%
Individual	Residential	82,795	1.23%
Individual	Residential	80,624	1.20%
Individual	Residential	79,131	1.18%
Individual	Residential	76,781	1.14%
Individual	Residential	<u>75,730</u>	<u>1.13%</u>
Total		\$941,557	14.00%

City's Total 2023/24 Net Tax Capacity \$6,726,583

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

¹ Net Tax Capacity is before fiscal disparities adjustments.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments.

³ Hennepin County has provided only the ten largest taxpaying *parcels* which appear on the tax rolls of the County, and therefore the information stated above may not be reflective of the entire valuation of all parcels and may not include all classifications of property.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by tax abatement revenues (includes the Bonds)*	\$8,190,000
Total G.O. debt secured by taxes	2,620,000
Total G.O. debt secured by utility revenues	6,270,000
Total General Obligation Debt*	<u>\$17,080,000</u>

*Preliminary, subject to change.

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 no current plans for additional financing in the next 12 months.

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

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" means 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 certain obligations enumerated under Minnesota Statutes, Section 475.51, subd.4, including the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property; (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 revenue producing public 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 certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the City; and (10) 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 Bonds).

2023/24 Assessor's Estimated Market Value	\$558,026,000
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$16,740,780
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes	<u>(2,620,000)</u>
Unused Debt Limit	<u><u>\$14,120,780</u></u>

City of the Village of Minnetonka Beach, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 04/02/2025)

Tax Abatement Bonds								
Series 2025A								
Dated Amount	04/02/2025 \$8,190,000*							
Maturity	08/01							
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	431,629	0	431,629	431,629	8,190,000	.00%	2026
2027	200,000	324,398	200,000	324,398	524,398	7,990,000	2.44%	2027
2028	320,000	317,698	320,000	317,698	637,698	7,670,000	6.35%	2028
2029	330,000	306,978	330,000	306,978	636,978	7,340,000	10.38%	2029
2030	345,000	295,758	345,000	295,758	640,758	6,995,000	14.59%	2030
2031	355,000	283,855	355,000	283,855	638,855	6,640,000	18.93%	2031
2032	365,000	271,430	365,000	271,430	636,430	6,275,000	23.38%	2032
2033	380,000	258,655	380,000	258,655	638,655	5,895,000	28.02%	2033
2034	395,000	245,165	395,000	245,165	640,165	5,500,000	32.84%	2034
2035	405,000	230,945	405,000	230,945	635,945	5,095,000	37.79%	2035
2036	425,000	215,960	425,000	215,960	640,960	4,670,000	42.98%	2036
2037	440,000	199,385	440,000	199,385	639,385	4,230,000	48.35%	2037
2038	455,000	182,005	455,000	182,005	637,005	3,775,000	53.91%	2038
2039	475,000	163,805	475,000	163,805	638,805	3,300,000	59.71%	2039
2040	495,000	144,330	495,000	144,330	639,330	2,805,000	65.75%	2040
2041	515,000	123,540	515,000	123,540	638,540	2,290,000	72.04%	2041
2042	535,000	101,395	535,000	101,395	636,395	1,755,000	78.57%	2042
2043	560,000	78,123	560,000	78,123	638,123	1,195,000	85.41%	2043
2044	585,000	53,483	585,000	53,483	638,483	610,000	92.55%	2044
2045	610,000	27,450	610,000	27,450	637,450	0	100.00%	2045
	8,190,000	4,255,984	8,190,000	4,255,984	12,445,984			

* Preliminary, subject to change.

City of the Village of Minnetonka Beach, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 04/02/2025)

	G.O. Bonds Series 2019A		Refunding Bonds 1) Series 2021A							Calendar Year Ending
Dated Amount	07/10/2019 \$2,385,000		12/01/2021 \$930,000							
Maturity	02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	
2025	0	30,600	0	8,250	0	38,850	38,850	2,620,000	.00%	2025
2026	100,000	59,200	90,000	15,150	190,000	74,350	264,350	2,430,000	7.25%	2026
2027	105,000	55,100	95,000	12,375	200,000	67,475	267,475	2,230,000	14.89%	2027
2028	110,000	50,800	95,000	9,525	205,000	60,325	265,325	2,025,000	22.71%	2028
2029	115,000	46,875	100,000	7,100	215,000	53,975	268,975	1,810,000	30.92%	2029
2030	115,000	43,425	100,000	5,100	215,000	48,525	263,525	1,595,000	39.12%	2030
2031	120,000	39,900	100,000	3,100	220,000	43,000	263,000	1,375,000	47.52%	2031
2032	125,000	36,225	105,000	1,050	230,000	37,275	267,275	1,145,000	56.30%	2032
2033	130,000	32,400			130,000	32,400	162,400	1,015,000	61.26%	2033
2034	130,000	28,500			130,000	28,500	158,500	885,000	66.22%	2034
2035	135,000	24,525			135,000	24,525	159,525	750,000	71.37%	2035
2036	140,000	20,400			140,000	20,400	160,400	610,000	76.72%	2036
2037	145,000	16,125			145,000	16,125	161,125	465,000	82.25%	2037
2038	150,000	11,700			150,000	11,700	161,700	315,000	87.98%	2038
2039	155,000	7,125			155,000	7,125	162,125	160,000	93.89%	2039
2040	160,000	2,400			160,000	2,400	162,400	0	100.00%	2040
	1,935,000	505,300	685,000	61,650	2,620,000	566,950	3,186,950			

1) This represents the \$930,000 Refunding Bonds portion of the \$1,185,000 General Obligation Utility Revenue and Refunding Bonds, Series 2021A.

City of the Village of Minnetonka Beach, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 04/02/2025)

	Water Utility Revenue Bonds Series 2020A		Utility Revenue Bonds 1) Series 2021A		Water Revenue Bonds Series 2023A							Calendar Year Ending
Dated	07/01/2020		12/01/2021		12/06/2023							
Amount	\$1,355,000		\$255,000		\$4,965,000							
Maturity	02/01		02/01		08/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	11,250	0	2,175	0	112,500	0	125,925	125,925	6,270,000	.00%	2025
2026	60,000	21,900	25,000	3,975	125,000	225,000	210,000	250,875	460,875	6,060,000	3.35%	2026
2027	60,000	20,700	25,000	3,225	130,000	218,750	215,000	242,675	457,675	5,845,000	6.78%	2027
2028	65,000	19,450	25,000	2,475	135,000	212,250	225,000	234,175	459,175	5,620,000	10.37%	2028
2029	65,000	18,150	25,000	1,850	145,000	205,500	235,000	225,500	460,500	5,385,000	14.11%	2029
2030	65,000	16,850	25,000	1,350	150,000	198,250	240,000	216,450	456,450	5,145,000	17.94%	2030
2031	65,000	15,550	25,000	850	155,000	190,750	245,000	207,150	452,150	4,900,000	21.85%	2031
2032	70,000	14,200	30,000	300	165,000	183,000	265,000	197,500	462,500	4,635,000	26.08%	2032
2033	70,000	12,800			175,000	174,750	245,000	187,550	432,550	4,390,000	29.98%	2033
2034	70,000	11,400			180,000	166,000	250,000	177,400	427,400	4,140,000	33.97%	2034
2035	70,000	10,000			190,000	157,000	260,000	167,000	427,000	3,880,000	38.12%	2035
2036	75,000	8,550			200,000	147,500	275,000	156,050	431,050	3,605,000	42.50%	2036
2037	75,000	7,050			210,000	137,500	285,000	144,550	429,550	3,320,000	47.05%	2037
2038	75,000	5,550			220,000	127,000	295,000	132,550	427,550	3,025,000	51.75%	2038
2039	80,000	4,000			230,000	118,200	310,000	122,200	432,200	2,715,000	56.70%	2039
2040	80,000	2,400			240,000	109,000	320,000	111,400	431,400	2,395,000	61.80%	2040
2041	80,000	800			250,000	99,400	330,000	100,200	430,200	2,065,000	67.07%	2041
2042					260,000	89,088	260,000	89,088	349,088	1,805,000	71.21%	2042
2043					270,000	78,363	270,000	78,363	348,363	1,535,000	75.52%	2043
2044					280,000	67,225	280,000	67,225	347,225	1,255,000	79.98%	2044
2045					295,000	55,325	295,000	55,325	350,325	960,000	84.69%	2045
2046					305,000	42,419	305,000	42,419	347,419	655,000	89.55%	2046
2047					320,000	29,075	320,000	29,075	349,075	335,000	94.66%	2047
2048					335,000	15,075	335,000	15,075	350,075	0	100.00%	2048
	1,125,000	200,600	180,000	16,200	4,965,000	3,158,919	6,270,000	3,375,719	9,645,719			

1) This represents the \$255,000 Utility Revenue portion of the \$1,185,000 General Obligation Utility Revenue and Refunding Bonds, Series 2021A.

OVERLAPPING DEBT¹

Taxing District	2023/24 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt²	City's Proportionate Share
Hennepin County	\$2,859,451,218	0.2347%	\$1,211,355,000	\$2,843,050
I.S.D. No. 278 (Orono Public Schools)	67,074,676	10.0053%	45,615,000 ³	4,563,918
Metropolitan Council	6,313,906,529	0.1063%	159,410,000 ⁴	169,453
Three Rivers Park District	2,052,772,775	0.3269%	49,625,000	<u>162,224</u>
City's Share of Total Overlapping Debt				<u><u>\$7,738,645</u></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 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.

⁴ 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 \$616,216,834	Debt/ Per Capita 535¹
Direct G.O. Debt Secured By:			
Tax Abatement Revenues*	\$8,190,000		
Taxes	2,620,000		
Utility Revenues	6,270,000		
Total General Obligation Debt*	<u>\$17,080,000</u>		
Less: G.O. Debt Paid Entirely from Revenues ²	<u>(6,270,000)</u>		
Tax Supported General Obligation Debt*	\$10,810,000	1.75%	\$20,205.61
 City's Share of Total Overlapping Debt	 <u>\$7,738,645</u>	 <u>1.26%</u>	 <u>\$14,464.76</u>
 Total*	 <u><u>\$18,548,645</u></u>	 <u><u>3.01%</u></u>	 <u><u>\$34,670.36</u></u>

*Preliminary, subject to change.

¹ Estimated 2023 population.

² Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date	% Collected
2019/20	\$1,044,051	\$1,038,456	\$1,044,048	99.9998%
2020/21	1,061,543	1,055,537	1,061,540	99.9997%
2021/22	1,092,408	1,080,525	1,092,408	100.0000%
2022/23	1,190,161	1,190,161	1,190,161	100.0000%
2023/24	1,397,433	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.² 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.

TAX CAPACITY RATES³

	2019/20	2020/21	2021/22	2022/23	2023/24
Hennepin County	41.084%	38.210%	38.535%	34.542%	34.681%
City of the Village of Minnetonka Beach	24.179%	22.621%	22.808%	20.771%	20.823%
I.S.D. No. 278 (Orono Public Schools)	23.109%	22.657%	23.903%	18.934%	18.811%
Hennepin HRA	0.801%	0.722%	0.771%	0.663%	0.624%
Hennepin RRA	1.388%	1.323%	1.329%	1.188%	1.153%
Metropolitan Council	0.616%	0.631%	0.659%	0.576%	0.614%
Metropolitan Mosquito	0.412%	0.381%	0.377%	0.331%	0.312%
Metropolitan Transit	1.433%	1.256%	1.204%	1.066%	0.927%
Park Museum	0.710%	0.707%	0.722%	0.647%	0.694%
Three Rivers Park District	2.859%	2.793%	2.787%	2.473%	2.399%

Referendum Market Value Rates:

I.S.D. No. 278 (Orono Public Schools)	0.22353%	0.20923%	0.19411%	0.18645%	0.17247%
---------------------------------------	----------	----------	----------	----------	----------

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

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Second half tax payments on agricultural property are due on November 15th of each year.

³ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1894. The City operates under a home rule charter form of government consisting of a five-member City Council of which the Mayor votes only in the case of a tie. The City Administrator and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has three (3) full-time employees, one (1) part-time employee, and one (1) seasonal employee. 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

The City does not have any recognized and certified bargaining units.

POST EMPLOYMENT BENEFITS

The City does not pay directly for retirees' post-employment benefits. The City has some obligations for post-employment benefits as mandated by State Statutes. Specifically, the City is required to allow retirees to be covered by the City's health care plan as long as the retiree pays his/her premiums. Retiree membership in a health care plan typically increases costs of the premiums. This increased cost is commonly known as implicit price subsidy.

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 December 31, 2024)

Fund	Total Cash and Investments
General	\$1,430,837
Debt Service	73,612
Capital Projects	199,474
Water	1,125,746
Sewer	242,151
Stormwater	212,238
	<hr/>
Total Funds on Hand	<u><u>\$3,284,058</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:

	2022 Audited	2023 Audited	2024 Draft Audit
Water Utility			
Total Operating Revenues	\$196,191	\$362,060	\$368,709
Less: Operating Expenses	<u>(196,915)</u>	<u>(203,385)</u>	<u>(246,492)</u>
Operating Income	(\$724)	\$158,675	\$122,217
Plus: Depreciation	<u>105,568</u>	<u>105,548</u>	<u>136,765</u>
Revenues Available for Debt Service	<u><u>\$104,844</u></u>	<u><u>\$264,223</u></u>	<u><u>\$258,982</u></u>
Sewer Utility			
Total Operating Revenues	\$92,632	\$95,862	\$113,261
Less: Operating Expenses	<u>(136,248)</u>	<u>(115,179)</u>	<u>(132,819)</u>
Operating Income	(\$43,616)	(\$19,317)	(\$19,558)
Plus: Depreciation	<u>14,152</u>	<u>14,152</u>	<u>14,152</u>
Revenues Available for Debt Service	<u><u>(\$29,464)</u></u>	<u><u>(\$5,165)</u></u>	<u><u>(\$5,406)</u></u>
Stormwater Utility			
Total Operating Revenues	\$18,585	\$18,300	\$18,287
Less: Operating Expenses	<u>(11,748)</u>	<u>(2,548)</u>	<u>(2,548)</u>
Operating Income	\$6,837	\$15,752	\$15,739
Plus: Depreciation	<u>2,548</u>	<u>2,548</u>	<u>2,548</u>
Revenues Available for Debt Service	<u><u>\$9,385</u></u>	<u><u>\$18,300</u></u>	<u><u>\$18,287</u></u>

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 City's 2023 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Draft Audit	2025 Preliminary Budget ¹
Revenues					
Taxes	\$814,960	\$887,490	\$976,810	\$1,115,352	\$1,454,443
Licenses and permits	144,229	200,301	106,450	154,159	120,250
Intergovernmental	45,846	4,263	47,898	19,432	5,700
Charges for services	101,355	97,076	104,085	107,190	84,427
Fines and forfeitures	2,978	5,804	8,570	5,452	3,000
Special assessments	32,170	10,066	1,281	1,124	0
Investment earnings	(247)	0	90,485	126,184	60,000
Other miscellaneous revenues	6,833	3,473	3,144	4,311	9,015
Total Revenues	<u>\$1,148,124</u>	<u>\$1,208,473</u>	<u>\$1,338,723</u>	<u>\$1,533,204</u>	<u>\$1,736,835</u>
Expenditures					
Current:					
General government	\$460,888	\$395,968	\$449,842	\$495,920	\$520,108
Public safety	228,744	272,164	257,320	279,333	276,832
Streets and highways	133,256	147,792	154,953	169,416	242,167
Sanitation and recycling	76,854	79,617	81,620	83,174	87,293
Culture and recreation	73,126	55,346	35,130	40,811	33,260
Capital outlay	7,592	10,523	1,800	14,235	100,000
Total Expenditures	<u>\$980,460</u>	<u>\$961,410</u>	<u>\$980,665</u>	<u>\$1,082,889</u>	<u>\$1,259,660</u>
Excess of revenues over (under) expenditures	\$167,664	\$247,063	\$358,058	\$450,315	\$477,175
Other Financing Sources (Uses)					
Transfers in	\$0	\$0	\$0	\$0	\$0
Transfers (out)	(123,500)	(73,000)	(119,950)	(208,700)	0
Total Other Financing Sources (Uses)	<u>(\$123,500)</u>	<u>(\$73,000)</u>	<u>(\$119,950)</u>	<u>(\$208,700)</u>	<u>\$0</u>
Net changes in Fund Balances	\$44,164	\$174,063	\$238,108	\$241,615	\$477,175
General Fund Balance January 1	\$732,887	\$777,051	\$951,114	\$1,189,222	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	<u>\$777,051</u>	<u>\$951,114</u>	<u>\$1,189,222</u>	<u>\$1,430,837</u>	
DETAILS OF DECEMBER 31 FUND BALANCE					
Restricted	\$18,916	\$18,898	\$42,835	\$0	
Assigned	0	0	0	0	
Unassigned	758,135	932,216	1,146,387	1,430,837	
Total	<u>\$777,051</u>	<u>\$951,114</u>	<u>\$1,189,222</u>	<u>\$1,430,837</u>	

¹ The 2025 preliminary budget was adopted on December 9, 2024.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 546 and a 2023 population estimate of 535, and comprising an area of .48 square miles, is a boot-shaped peninsula located approximately 32 miles west of St. Paul, Minnesota.

LARGER EMPLOYERS¹

The City is a residential community with limited commercial development. Additional employment opportunities are available in the nearby City of Spring Park, Minnesota (approximately 2.9 miles away).

Firm	Type of Business/Product	Estimated No. of Employees
Presbyterian Homes and Services	Residential care and nursing homes	400
Lake Minnetonka Shores	Residential care and nursing homes	250
Lord Fletcher's Old Lake Lodge	Restaurant and banquet facilities	200
The Lafayette Club ²	Golf course and country club	150
Ridgeview Westonka Clinic	Medical care	70
Boomerang Laboratories	Manufacturer liquid products for personal care	31
Rockvan Boat Yards, Inc.	Boat yard and marina	25
Minnetonka Drive-in	Restaurants	20
Safety Rail	Safety consultants	20
Vann Restaurant	Restaurant	15

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 Located within the City.

BUILDING PERMITS (as of January 15, 2025)

	2021	2022	2023	2024	2025
<u>New Single Family Homes</u>					
No. of building permits	3	2	4	2	0
Valuation	\$4,272,000	\$1,612,132	\$8,426,000	\$1,415,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	34	48	56	59	1
Valuation	\$7,332,873	\$7,638,423	\$14,653,451	\$10,494,128	\$180,000

Source: The City.

U.S. CENSUS DATA**Population Trend:** The City

2010 U.S. Census population	539
2020 U.S. Census population	546
Percent of Change 2010 - 2020	1.30%
2023 Metropolitan Council Population Estimate	535

Income and Age Statistics

	The City	Hennepin County	State of Minnesota	United States
2023 per capita income	\$165,622	\$57,633	\$46,957	\$43,289
2023 median household income	\$250,001	\$96,339	\$87,556	\$78,538
2023 median family income	\$250,001	\$131,862	\$111,492	\$96,922
2023 median gross rent	\$0	\$1,439	\$1,235	\$1,348
2023 median value owner occupied units	\$2,000,001	\$376,500	\$305,500	\$303,400
2023 median age	49.1 yrs.	37.4 yrs.	38.6 yrs.	38.7 yrs.
	State of Minnesota		United States	
City % of 2023 per capita income	352.71%		382.60%	
City % of 2023 median family income	224.23%		257.94%	

Housing Statistics

	<u>The City</u>		Percent of Change
	2020	2023	
All Housing Units	198	198	0.00%

Source: 2010 and 2020 Census of Population and Housing, and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), and 2023 Preliminary Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Hennepin County	Hennepin County	State of Minnesota	State of Minnesota
2020	667,782	6.6%	6.3%	6.3%
2021	668,831	3.8%	3.7%	3.7%
2022	685,129	2.4%	2.7%	2.7%
2023	689,878	2.6%	2.8%	2.8%
2024	682,486	2.9%	3.2%	3.2%

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 have been no material adverse changes 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 Financial Report

City of the Village of Minnetonka Beach

Minnetonka Beach, Minnesota

For the year ended December 31, 2023



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P 952.835.9090

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City of the Village of Minnetonka Beach, Minnesota
Annual Financial Report
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For the Year Ended December 31, 2023

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INTRODUCTORY SECTION

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of the Village of Minnetonka Beach
Elected and Appointed Officials
For the Year Ended December 31, 2023

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joe Pagano	Mayor	12/31/24
Tracey Breazeale	Council Member	12/31/24
Chris Dovolis	Council Member	12/31/26
Jennifer Halverson	Council Member	12/31/26
Jason Mohr	Council Member	12/31/24
Chris Zinn	Treasurer	12/31/24

APPOINTED OFFICIALS

Heidi Honey	City Administrator
Jane Burgess	City Clerk

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FINANCIAL SECTION
CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of the Village of Minnetonka Beach, Minnesota

Opinions

We have audited the accompanying financial statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of the Village of Minnetonka Beach, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements of the governmental funds referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each fund of the City, as of December 31, 2023, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions the Minnesota Office of the State Auditor as described in Note 1B. Also, in our opinion, the financial statements of the proprietary funds referred to in the first paragraph present fairly, in all material respects, the respective financial position of each fund of the City, as of December 31, 2023, and their respective changes in financial position and cash flows, for the year then ended, on the basis of the financial reporting provisions the Minnesota Office of the State Auditor as described in Note 1B.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City, as of December 31, 2023, the changes in financial position for the year then ended.

Basis for Opinions

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

Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Minnesota Office of the State Auditor, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Minnesota Office of the State Auditor. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Minnesota Office of the State auditor, as described in Note 1B. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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, that 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and supplementary information (unaudited) 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.



Abdo
Minneapolis, Minnesota
March 26, 2024



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BASIC FINANCIAL STATEMENTS - REGULATORY BASIS

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of the Village of Minnetonka Beach, Minnesota
Statement of Balances Arising from Cash Transactions
Governmental Funds
December 31, 2023

	101 General	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and temporary investments	\$ 1,189,222	\$ 321,296	\$ 1,510,518
Cash Fund Balances			
Restricted			
Debt service	\$ -	\$ 74,647	\$ 74,647
Street maintenance	18,898	-	18,898
Public safety	23,937	-	23,937
Assigned for			
Capital purchases	-	246,649	246,649
Unassigned	1,146,387	-	1,146,387
Total Cash Fund Balances	\$ 1,189,222	\$ 321,296	\$ 1,510,518

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

City of the Village of Minnetonka Beach, Minnesota
Statement of Cash Receipts, Disbursements and Changes in Cash Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	101 General	Other Nonmajor Governmental Funds	Total Governmental Funds
Receipts			
Taxes	\$ 976,810	\$ 68,796	\$ 1,045,606
Licenses and permits	106,450	-	106,450
Intergovernmental	47,898	-	47,898
Charges for services	104,085	-	104,085
Fines and forfeitures	8,570	-	8,570
Special assessments	1,281	-	1,281
Investment earnings	90,485	-	90,485
Miscellaneous	3,144	-	3,144
Total Receipts	<u>1,338,723</u>	<u>68,796</u>	<u>1,407,519</u>
Disbursements			
Current			
General government	449,842	-	449,842
Public safety	257,320	-	257,320
Streets and highways	154,953	-	154,953
Sanitation and recycling	81,620	-	81,620
Culture and recreation	35,130	-	35,130
Capital outlay			
Streets and highways	-	75,624	75,624
Culture and recreation	1,800	-	1,800
Debt service			
Principal payments	-	36,000	36,000
Interest and other fiscal charges	-	29,285	29,285
Total Disbursements	<u>980,665</u>	<u>140,909</u>	<u>1,121,574</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>358,058</u>	<u>(72,113)</u>	<u>285,945</u>
Other Financing Sources (Uses)			
Transfers in	-	119,950	119,950
Transfers out	(119,950)	-	(119,950)
Total Other Financing Sources (Uses)	<u>(119,950)</u>	<u>119,950</u>	<u>-</u>
Net Change in Cash Fund Balances	238,108	47,837	285,945
Cash Fund Balances, January 1	<u>951,114</u>	<u>273,459</u>	<u>1,224,573</u>
Cash Fund Balances, December 31	<u>\$ 1,189,222</u>	<u>\$ 321,296</u>	<u>\$ 1,510,518</u>

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

City of the Village of Minnetonka Beach, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities Enterprise Funds			Total
	601 Water Utility	602 Sewer Utility	Nonmajor 603 Stormwater Utility	
Assets				
Current Assets				
Cash and temporary investments	\$ 5,101,194	\$ 105,053	\$ 99,694	\$ 5,305,941
Accounts receivable	73,382	26,552	5,060	104,994
Total Current Assets	<u>5,174,576</u>	<u>131,605</u>	<u>104,754</u>	<u>5,410,935</u>
Noncurrent Assets				
Capital assets				
Construction in progress	336,323	-	-	336,323
Improvements other than buildings	5,198,487	21,759	101,937	5,322,183
Equipment	82,857	169,614	-	252,471
Less accumulated depreciation	(998,213)	(60,995)	(10,192)	(1,069,400)
Total Capital Assets (Net of Accumulated Depreciation)	<u>4,619,454</u>	<u>130,378</u>	<u>91,745</u>	<u>4,841,577</u>
Total Assets	<u>9,794,030</u>	<u>261,983</u>	<u>196,499</u>	<u>10,252,512</u>
Liabilities				
Current Liabilities				
Accounts payable	1,001	274	-	1,275
Accrued interest payable	29,291	-	-	29,291
Current portion of bonds payable	227,000	-	-	227,000
Total Current Liabilities	<u>257,292</u>	<u>274</u>	<u>-</u>	<u>257,566</u>
Noncurrent Liabilities				
Bonds payable	8,703,732	-	-	8,703,732
Total Liabilities	<u>8,961,024</u>	<u>274</u>	<u>-</u>	<u>8,961,298</u>
Net Position				
Net investment in capital assets	351,068	130,378	91,745	573,191
Unrestricted	481,938	131,331	104,754	718,023
Total Net Position	<u>\$ 833,006</u>	<u>\$ 261,709</u>	<u>\$ 196,499</u>	<u>\$ 1,291,214</u>

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

City of the Village of Minnetonka Beach, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities Enterprise Funds			Total
	601	602	Nonmajor 603	
	Water Utility	Sewer Utility	Stormwater Utility	
Operating Revenues				
Charges for services	\$ 362,060	\$ 95,862	\$ 18,300	\$ 476,222
Operating Expenses				
Personnel services	23,243	11,157	-	34,400
Supplies	648	-	-	648
MCES charges	-	51,818	-	51,818
Depreciation	105,548	14,152	2,548	122,248
Other services and charges	73,946	38,052	-	111,998
Total Operating Expenses	203,385	115,179	2,548	321,112
Operating Income (Loss)	158,675	(19,317)	15,752	155,110
Nonoperating Revenues (Expenses)				
Investment earnings	6,947	-	-	6,947
Taxes	162,844	-	-	162,844
Interest expense and other	(84,234)	-	-	(84,234)
Bond issuance costs	(120,578)	-	-	(120,578)
Total Nonoperating Revenues (Expenses)	(35,021)	-	-	(35,021)
Change in Net Position	123,654	(19,317)	15,752	120,089
Net Position, January 1	709,352	281,026	180,747	1,171,125
Net Position, December 31	\$ 833,006	\$ 261,709	\$ 196,499	\$ 1,291,214

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

City of the Village of Minnetonka Beach, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities Enterprise Funds			Total
	Nonmajor			
	601 Water Utility	602 Sewer Utility	603 Stormwater Utility	
Cash Flows from Operating Activities				
Receipts from customers	\$ 326,265	\$ 95,862	\$ 18,412	\$ 440,539
Payments to suppliers	(75,688)	(90,757)	-	(166,445)
Payments to employees	(23,243)	(11,157)	-	(34,400)
Net Cash Provided (Used) by Operating Activities	<u>227,334</u>	<u>(6,052)</u>	<u>18,412</u>	<u>239,694</u>
Cash Flows from Capital and Related Financing Activities				
Taxes collected	162,844	-	-	162,844
Net proceeds from bonds issued	5,000,765	-	-	5,000,765
Acquisition of capital assets	(336,323)	-	-	(336,323)
Principal paid on long-term debt	(209,000)	-	-	(209,000)
Interest paid on long-term debt	(96,760)	-	-	(96,760)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>4,521,526</u>	<u>-</u>	<u>-</u>	<u>4,521,526</u>
Cash Flows from Investing Activities				
Investment earnings	6,947	-	-	6,947
Net Increase (Decrease) in Cash and Cash Equivalents	4,755,807	(6,052)	18,412	4,768,167
Cash and Cash Equivalents, January 1	<u>345,387</u>	<u>111,105</u>	<u>81,282</u>	<u>537,774</u>
Cash and Cash Equivalents, December 31	<u>\$ 5,101,194</u>	<u>\$ 105,053</u>	<u>\$ 99,694</u>	<u>\$ 5,305,941</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 158,675	\$ (19,317)	\$ 15,752	\$ 155,110
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	105,548	14,152	2,548	122,248
(Increase) in assets				
Accounts receivable	(35,795)	(1,161)	112	(36,844)
Increase (Decrease) in liabilities				
Accounts payable	(1,094)	274	-	(820)
Net Cash Provided (Used) by Operating Activities	<u>\$ 227,334</u>	<u>\$ (6,052)</u>	<u>\$ 18,412</u>	<u>\$ 239,694</u>
Schedule of Noncash Capital and Related Financing Activities				
Amortization of bond premium	<u>\$ 10,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,981</u>

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

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of the Village of Minnetonka Beach, Minnesota (the City), operates under “Optional Plan A” as defined in the State of Minnesota statutes. The City is governed by an elected Mayor, a four-member City Council and an elected Treasurer. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The City has no component units that meet the GASB criteria.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared under the regulatory basis of accounting as described in the Minnesota Office of the State Auditor’s Reporting and Publishing Requirements for Cities under 2,500 in population published in February of 2016. Under that basis, governmental fund receipts are recognized when received rather than when measurable and available, and disbursements are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America primarily because the City has not provided a management discussion and analysis letter, government-wide statement of net position and government-wide statement of activities and the City does not recognize governmental fund receipts and disbursements in accordance with the modified accrual basis of accounting.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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.

Governmental funds are used to account for the City’s general government activities and are accounted for using the regulatory basis of accounting. Their receipts are recognized when received in cash and disbursements are recognized when paid in cash. The regulatory basis of accounting is a special purpose framework other than GAAP. Under GAAP, governmental funds use the modified accrual method of accounting. The difference between the regulatory basis and modified accrual basis of accounting is that under the modified accrual basis of accounting, receipts are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On the regulatory basis, receipts from property taxes are recognized in the year the tax is collected. Receipts from grants, entitlements and donations are recognized in the year in which they are collected. For proprietary funds, revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and disbursements requirements, in which the resources are provided to the City on a reimbursement basis.

Preparation of the financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

The *Water Utility fund* accounts for activities related to providing water to customers.

The *Sewer Utility fund* accounts for activities related to providing sanitary sewer service to customers.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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.

C. Assets, Liabilities and Net Position / Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion of the cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statements of Cash Flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

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.

The City has the following recurring fair value measurements as of December 31, 2023:

- Treasury Notes of \$5,275,237 are valued using quoted market prices (Level 1 Inputs)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June, and December of each year.

Accounts Receivable

Accounts receivable in the enterprise funds include amounts billed for services provided before year end. The City annually certifies delinquent water and sewer accounts to the County for collection. As a result, there is no allowance for uncollectible accounts. There City has no outstanding utility receivables older than one year.

Capital Assets

Under the regulatory basis, the City does not account for capital assets used in governmental funds.

Property, plant and equipment in the proprietary funds of the City are recorded at cost. Capital assets are defined by the City as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of three years. Property, plant and equipment donated to these proprietary fund type operations are recorded at their acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized in the proprietary funds.

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

Property, plant and equipment are depreciated in the proprietary funds of the City using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Improvements Other than Buildings	20 to 50
Machinery and Equipment	4 to 20

Compensated Absences

Each regular full-time employee who terminates employment in good standing with the City after five years of full-time employment and who provides one month advance notice shall receive all accumulated vacation time and a one-time lump-sum severance payment amount equal to 50 percent of the employee's individual accumulated sick leave balance at the date of the termination, not to exceed 960 hours, compensated at the employee's normal straight-time rate of pay in effect on the employee's termination date.

In governmental funds, the cost of these benefits is recognized when payments are made to the employees.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term Obligations

In the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental funds 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 disbursements.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

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

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Treasurer.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when disbursements are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 65 percent of budgeted operating disbursements for cash-flow timing.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the regulatory basis which is a basis of accounting that is not consistent with accounting principles generally accepted in the United States of America for the General fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the Administration so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. There were no budget amendments in 2023.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$5,184 and the bank balance was \$141,972. \$141,972 of the bank balance was covered by federal depository insurance.

Investments

At year end, the City's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Broker Money Market	N/A	less than 6 months	\$ 41,445			
4M Fund	PI	less than 6 months	1,494,493			
Non-pooled Investments at Fair Value						
Treasury Notes	N/A	6 months to 1 year	<u>5,275,237</u>	<u>\$ 5,275,237</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments			<u>\$ 6,811,175</u>	<u>\$ 5,275,237</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

The investments of the City are subject to the following risks:

- *Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list on page 23 of the notes.
- *Custodial Credit Risk* is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The investment in the Minnesota Municipal Money Market Mutual Fund is not subject to the custodial credit risk classifications as noted in paragraph 9 of GASB Statement No. 40. The City's investment policy minimizes this risk by: Maintaining a list of public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services and all public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- *Concentration of Credit Risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount that may be invested in any one issuer. In accordance with the City's investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities.
- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy minimizes the risk by Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

A reconciliation of cash and temporary investments as shown on the statements for the City follows:

Deposits	\$ 5,184
Petty Cash	100
Investments	<u>6,811,175</u>
Total	<u>\$ 6,816,459</u>
Governmental Funds	
Unrestricted	\$ 1,510,518
Proprietary Funds	
Unrestricted	<u>5,305,941</u>
Total	<u>\$ 6,816,459</u>

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

A summary of changes in business-type activity capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 336,323	\$ -	\$ 336,323
Capital Assets being Depreciated				
Improvements other than buildings	5,322,183	-	-	5,322,183
Equipment	252,471	-	-	252,471
Total Capital Assets being Depreciated	<u>5,574,654</u>	<u>-</u>	<u>-</u>	<u>5,574,654</u>
Less Accumulated Depreciation for				
Improvements other than buildings	(846,614)	(117,695)	-	(964,309)
Equipment	(100,538)	(4,553)	-	(105,091)
Total Accumulated Depreciation	<u>(947,152)</u>	<u>(122,248)</u>	<u>-</u>	<u>(1,069,400)</u>
Total Capital Assets being Depreciated, Net	<u>4,627,502</u>	<u>(122,248)</u>	<u>-</u>	<u>4,505,254</u>
Business-type Activities Capital Assets, Net	<u>\$ 4,627,502</u>	<u>\$ 214,075</u>	<u>\$ -</u>	<u>\$ 4,841,577</u>

The depreciation expense for the Water fund, Sewer fund and Stormwater Utility was as follows:

Business-type activities	
Water	\$ 105,548
Sewer	14,152
Stormwater	<u>2,548</u>
Total depreciation expense - business-type activities	<u>\$ 122,248</u>

C. Interfund Transfers

During the year ended December 31, 2023 the General fund transferred \$119,950 to the Capital Improvement Fund to fund capital improvement projects.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

D. Long-term Debt

General Obligation (G.O.) Bonds

The City issues G.O. bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for governmental and enterprise funds. In addition, refunding G.O. bonds have been issued. G.O. bonds are direct obligations and pledge the full faith and credit of the government. G.O. bonds currently outstanding for they are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds, Series 2019A	\$ 2,385,000	3.00 - 4.00 %	07/01/19	02/01/40	\$ 2,125,000
G.O. Bonds, Series 2020A	2,385,000	3.00 - 4.00	07/01/20	02/01/41	1,245,000
G.O. Bonds, Series 2021A	1,185,000	2.00 - 3.00	12/01/21	02/01/32	1,085,000
G.O. Bonds, Series 2023A	4,965,000	4.00 - 5.00	12/06/23	08/01/48	4,965,000
Total G.O. Bonds					<u>\$ 9,420,000</u>

Annual debt service requirements to maturity for the G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 38,000	\$ 26,760	\$ 64,760	\$ 227,000	\$ 237,115	\$ 464,115
2025	38,000	25,240	63,240	227,000	308,460	535,460
2026	40,000	23,680	63,680	360,000	301,545	661,545
2027	42,000	22,040	64,040	373,000	288,110	661,110
2028	44,000	20,320	64,320	386,000	274,180	660,180
2029 - 2033	242,000	79,530	321,530	1,998,000	1,169,795	3,167,795
2034 - 2038	280,000	40,500	320,500	1,785,000	838,300	2,623,300
2039 - 2043	126,000	3,810	129,810	1,679,000	506,965	2,185,965
2044 - 2048	-	-	-	1,535,000	209,119	1,744,119
Total	<u>\$ 850,000</u>	<u>\$ 241,880</u>	<u>\$ 1,091,880</u>	<u>\$ 8,570,000</u>	<u>\$ 4,133,589</u>	<u>\$ 12,703,589</u>

Changes in Long-term Liabilities

During the year ended December 31, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
G.O. Bonds Payable	<u>\$ 886,000</u>	<u>\$ -</u>	<u>\$ (36,000)</u>	<u>\$ 850,000</u>	<u>\$ 38,000</u>
Business-type Activities					
G.O. Bonds Payable	\$ 3,814,000	\$ 4,965,000	\$ (209,000)	\$ 8,570,000	\$ 227,000
Unamortized Premium on Bonds	215,370	156,343	(10,981)	360,732	-
Business-type Activity Long-term Liabilities	<u>\$ 4,029,370</u>	<u>\$ 5,121,343</u>	<u>\$ (219,981)</u>	<u>\$ 8,930,732</u>	<u>\$ 227,000</u>

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Defined Benefit Pension Plan - Statewide

A. Plan Description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERP), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356.

General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota statute, and vest after three years of credited service. The defined retirement 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 and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all General Employee Plan members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088, or by calling (651) 296-7460 or (800) 652-9026.

B. Funding Policy

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by Minnesota statutes. General Employees Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in 2023. In 2023, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan General Employees Plan members and 7.50 percent for Coordinated Plan General Employees Plan members. The City's contributions to the General Employees Plan for the years ended December 31, 2023, 2022 and 2021 were \$20,743, \$19,940, and \$17,435, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Other Information

A. 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 insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded this City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The market value of taxable property within the City is \$478,994,350 making the legal debt margin \$14,369,831. The City currently has \$9,420,000 debt subject to this limit.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of the Village of Minnetonka Beach, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Balances Arising from Cash Transactions
 December 31, 2023

	401 Capital Projects	301 Debt Service	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and temporary investments	<u>\$ 246,649</u>	<u>\$ 74,647</u>	<u>\$ 321,296</u>
Cash Fund Balances			
Restricted for debt service			
Debt service	\$ -	\$ 74,647	\$ 74,647
Assigned for			
Capital purchases	<u>246,649</u>	<u>-</u>	<u>246,649</u>
Total Cash Fund Balances	<u>\$ 246,649</u>	<u>\$ 74,647</u>	<u>\$ 321,296</u>

City of the Village of Minnetonka Beach, Minnesota
Combining Schedule of Cash Receipts, Disbursements and Changes in Cash Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Capital Project Funds		
	401	301	
	Capital Projects	Debt Service	Total
	<u> </u>	<u> </u>	<u> </u>
Receipts			
Taxes	\$ -	\$ 68,796	\$ 68,796
Disbursements			
Capital outlay			
Streets and highways	75,624	-	75,624
Debt service			
Principal payments	-	36,000	36,000
Interest and other fiscal charges	-	29,285	29,285
Total Disbursements	<u>75,624</u>	<u>65,285</u>	<u>140,909</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	(75,624)	3,511	(72,113)
Other Financing Sources			
Transfers in	<u>119,950</u>	<u>-</u>	<u>119,950</u>
Net Change in Cash Fund Balances	44,326	3,511	47,837
Cash Fund Balances, January 1	<u>202,323</u>	<u>71,136</u>	<u>273,459</u>
Cash Fund Balances, December 31	<u>\$ 246,649</u>	<u>\$ 74,647</u>	<u>\$ 321,296</u>

City of the Village of Minnetonka Beach, Minnesota
General Fund
Budgetary Comparison Schedule - Regulatory Basis (Continued on the Following Pages)
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary Fund Balances, January 1	\$ 951,114	\$ 951,114	\$ 951,114	\$ -	\$ 777,051
Receipts					
Taxes					
General property taxes	958,078	958,078	976,810	18,732	887,490
Licenses and permits					
Business	1,200	1,200	2,101	901	450
Nonbusiness	91,100	91,100	104,349	13,249	199,851
Total licenses And permits	92,300	92,300	106,450	14,150	200,301
Intergovernmental					
State					
Other	-	-	23,937	23,937	-
County					
Other	3,800	3,800	23,961	20,161	4,263
Total Intergovernmental	3,800	3,800	47,898	44,098	4,263
Charges for services					
Leaf pick-up	19,400	19,400	17,881	(1,519)	14,110
US Post Office	5,000	5,000	5,000	-	5,000
Sanitation and recycling	81,965	81,965	81,204	(761)	77,966
Total charges for services	106,365	106,365	104,085	(2,280)	97,076
Fines and forfeitures	3,000	3,000	8,570	5,570	5,804
Special assessments	-	-	1,281	1,281	-
Investment earnings	3,000	3,000	90,485	87,485	10,066
Miscellaneous					
Other	1,500	1,500	3,144	1,644	3,473
Total Receipts	1,168,043	1,168,043	1,338,723	170,680	1,208,473
Amounts Available for Appropriation	2,119,157	2,119,157	2,289,837	170,680	1,985,524

City of the Village of Minnetonka Beach, Minnesota
General Fund
Budgetary Comparison Schedule - Regulatory Basis (Continued)
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Disbursements					
Current					
General government					
Administration and finance					
Personnel services	\$ 290,803	\$ 290,803	\$ 290,802	\$ 1	\$ 251,508
Elections					
Other services and charges	700	700	697	3	5,379
City hall					
Supplies	19,000	19,000	19,702	(702)	20,641
Other services and charges	69,100	69,100	56,494	12,606	11,826
Total city hall	88,100	88,100	76,196	11,904	32,467
Assessor					
Other services and charges	12,500	12,500	18,250	(5,750)	11,000
Insurance					
Other services and charges	23,040	23,040	27,109	(4,069)	23,040
Legal					
Other services and charges	47,000	47,000	17,299	29,701	46,370
Audit and accounting					
Other services and charges	19,000	19,000	18,545	455	17,032
Planning and zoning					
Other services and charges	-	-	944	(944)	9,172
Total General Government	481,143	481,143	449,842	31,301	395,968
Public safety					
Police					
Other services and charges	161,815	161,815	161,815	-	152,970
Fire					
Other services and charges	58,680	58,680	58,479	201	53,226
Building inspection					
Other services and charges	24,000	24,000	37,026	(13,026)	65,968
Prisoner room and board					
Other services and charges	300	300	-	300	-
Animal control					
Other services and charges	100	100	-	100	-
Total Public Safety	244,895	244,895	257,320	(12,425)	272,164

City of the Village of Minnetonka Beach, Minnesota
General Fund
Budgetary Comparison Schedule - Regulatory Basis (Continued)
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Disbursements (Continued)					
Current (continued)					
Streets and highways					
Street lighting					
Other services and charges	\$ 9,000	\$ 9,000	\$ 10,104	\$ (1,104)	\$ 10,075
Street maintenance					
Personnel services	100,830	100,830	96,989	3,841	85,768
Supplies	19,000	19,000	13,443	5,557	11,383
Other services and charges	82,225	82,225	34,417	47,808	40,566
Total street maintenance	<u>202,055</u>	<u>202,055</u>	<u>144,849</u>	<u>57,206</u>	<u>137,717</u>
Total Streets and Highways	<u>211,055</u>	<u>211,055</u>	<u>154,953</u>	<u>56,102</u>	<u>147,792</u>
Sanitation and recycling					
Other services and charges	81,965	81,965	81,620	345	79,617
Culture and recreation					
Parks and recreation					
Supplies	750	750	467	283	-
Other services and charges	27,785	27,785	34,663	(6,878)	55,346
Total culture and recreation	<u>28,535</u>	<u>28,535</u>	<u>35,130</u>	<u>(6,595)</u>	<u>55,346</u>
Total Current Disbursements	<u>1,047,593</u>	<u>1,047,593</u>	<u>978,865</u>	<u>68,728</u>	<u>950,887</u>
Capital outlay					
Streets and highways	-	-	-	-	8,528
Culture and recreation	-	-	1,800	(1,800)	1,995
Total capital outlay	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>(1,800)</u>	<u>10,523</u>
Total Disbursements	1,047,593	1,047,593	980,665	66,928	961,410
Other Financing Uses					
Transfers out	119,950	119,950	119,950	-	73,000
Total Disbursements and Other Financing Uses	<u>1,167,543</u>	<u>1,167,543</u>	<u>1,100,615</u>	<u>66,928</u>	<u>1,034,410</u>
Budgetary Fund Balances, December 31	<u>\$ 951,614</u>	<u>\$ 951,614</u>	<u>\$ 1,189,222</u>	<u>\$ 237,608</u>	<u>\$ 951,114</u>

City of the Village of Minnetonka Beach, Minnesota
 Summary Financial Report
 Receipts and Disbursements for General Operations -
 Governmental Funds
 For the Years Ended December 31, 2023 and 2022

	Total		Percent Increase (Decrease)
	2023	2022	
Receipts			
Taxes	\$ 1,045,606	\$ 955,698	9.41 %
Licenses and permits	106,450	200,301	(46.85)
Intergovernmental	47,898	4,263	1,023.57
Charges for services	104,085	97,076	7.22
Fines	8,570	5,804	47.66
Special assessments	1,281	-	100.00
Investment earnings	90,485	10,066	798.92
Miscellaneous	3,144	3,473	(9.47)
	<u>\$ 1,407,519</u>	<u>\$ 1,276,681</u>	
Total Receipts	<u>\$ 1,407,519</u>	<u>\$ 1,276,681</u>	10.25 %
Per Capita	\$ 2,573	\$ 2,334	10.25 %
Disbursements			
Current			
General government	\$ 449,842	\$ 395,968	13.61 %
Public safety	257,320	272,164	(5.45)
Streets and highways	154,953	147,792	4.85
Sanitation and recycling	81,620	79,617	2.52
Culture and recreation	35,130	55,346	(36.53)
Capital outlay			
Streets and highways	75,624	93,157	(18.82)
Culture and recreation	1,800	2,978	(39.56)
Debt service			
Principal	36,000	34,000	6
Interest and other charges	29,285	35,390	(17.25)
	<u>\$ 1,121,574</u>	<u>\$ 1,116,412</u>	
Total Disbursements	<u>\$ 1,121,574</u>	<u>\$ 1,116,412</u>	0.46 %
Per Capita	\$ 2,050	\$ 2,041	0.46 %
Total Long-term Indebtedness	\$ 850,000	\$ 886,000	(4.06) %
Per Capita	1,554	1,620	(4.06)
General Fund Balance - December 31	\$ 1,189,222	\$ 951,114	25.03 %
Per Capita	2,174	1,739	25.03

The purpose of this report is to provide a summary of financial information concerning the City of the Village of Minnetonka Beach to interested citizens. The complete financial statements may be examined at City Hall, 2945 Westwood Road, Minnetonka Beach, MN 55361. Questions about this report should be directed to Heidi Honey, City Administrator.

SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of the Village of Minnetonka Beach, Minnesota
 Supplementary Information (Unaudited)
 December 31, 2023

Schedule of Accounts Receivable

Fund	Source of Revenue and Purpose	Amount
General	Hennepin County January tax settlement	<u>\$ 7,332</u>

Schedule of Accounts Payable and Contingent Liabilities

Fund	Vendor Name	Item and Purpose	Claim Number	Amount
General	MN Dept of Revenue	Payroll taxes		\$ 260
General	Gopher State One-Call	Contracted Services		11
General	Gronberg & associates	Contracted Services		490
General	MN Dept of Labor and Industry	Permit Fees		286
General	Republic Services	Garbage Services		6,228
General	Verizon	Communication Services		46
General	Stantec	Engineering		1,079
General	Xcel Energy	Utilities		979
General	Menards	Supplies		549
General	Visa	Supplies		623
General	Omamn Brothers Paving, Inc.	Road Repair		9,500
	Accrued Wages and Compensated Absences	Payroll		<u>57,474</u>
	Total			<u>\$ 77,525</u>

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OTHER REQUIRED REPORT

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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**INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE**

Honorable Mayor and City Council
City of the Village of Minnetonka Beach, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of the Village of Minnetonka Beach, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2024. In our report, our opinion was adverse because the City prepared its financial statements on the regulatory basis, which is a special purpose framework other than accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City of the Village of Minnetonka Beach failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.
March 26, 2024



Abdo
Minneapolis, Minnesota
March 26, 2024

FORM OF LEGAL OPINION

(See following pages)

\$8,190,000
City of the Village of Minnetonka Beach, Minnesota
General Obligation Tax Abatement Bonds
Series 2025A

We have acted as bond counsel to the City of the Village of Minnetonka Beach, Hennepin County, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Tax Abatement Bonds, Series 2025A (the “Bonds”), originally dated the date hereof, and issued in the original aggregate principal amount of \$8,190,000. 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 against the Issuer in accordance with their terms.

2. The principal of and interest on the Bond are payable 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 for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds is excludable, to the same extent, from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes and is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. The opinion set forth in the preceding sentences is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and 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 retroactively to the date of issuance of the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations and such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. 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 _____, 2025 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)

\$8,190,000
City of the Village of Minnetonka Beach, Minnesota
General Obligation Tax Abatement Bonds
Series 2025A

CONTINUING DISCLOSURE CERTIFICATE

_____, 2025

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of the Village of Minnetonka Beach, Minnesota (the “Issuer”) in connection with the issuance of its General Obligation Tax Abatement Bonds, Series 2025A (the “Bonds”) in the original aggregate principal amount of \$8,190,000. 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 Tax Abatement Bonds, Series 2025A, issued by the Issuer in the original aggregate principal amount of \$8,190,000.

“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 _____, 2025, 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 the Village of Minnetonka Beach, 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 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2024, 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 THE VILLAGE OF MINNETONKA
BEACH, MINNESOTA**

Mayor

City Administrator

TERMS OF PROPOSAL

**\$8,190,000* GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2025A
CITY OF THE VILLAGE OF MINNETONKA BEACH, MINNESOTA**

Proposals for the purchase of \$8,190,000* General Obligation Tax Abatement Bonds, Series 2025A (the "Bonds") of the City of the Village of Minnetonka Beach, 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 March 10, 2025, 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 6:00 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 pursuant to Minnesota Statutes, Chapter 469, as amended, and Chapter 475, as amended, and Sections 469.1812 through 469.1815, by the City, to finance a portion of the new City water treatment facility and two new wells for the City. 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 April 2, 2025, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on August 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$200,000	2034	\$395,000	2041	\$515,000
2028	320,000	2035	405,000	2042	535,000
2029	330,000	2036	425,000	2043	560,000
2030	345,000	2037	440,000	2044	585,000
2031	355,000	2038	455,000	2045	610,000
2032	365,000	2039	475,000		
2033	380,000	2040	495,000		

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, 2026, 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 2027 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 Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. 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 August 1, 2035, shall be subject to optional redemption prior to maturity on August 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 April 2, 2025, 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 Kutak Rock LLP, 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 \$8,091,720 plus accrued interest on the principal sum of \$8,190,000 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 submission.

A good faith deposit ("Deposit") in the amount of \$163,800 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 Deposit will be deducted from the purchase price at the closing for the Bonds.

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.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of 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, the form of 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-offering-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 of the Bonds (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 the Village of Minnetonka Beach, Minnesota

PROPOSAL FORM

The City Council
City of the Village of Minnetonka Beach, Minnesota (the "City")

March 10, 2025

RE: \$8,190,000* General Obligation Tax Abatement Bonds, Series 2025A (the "Bonds")
DATED: April 2, 2025

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 \$8,091,720) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% 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	_____	% due	2045
_____	% due	2032	_____	% due	2039	_____		
_____	% due	2033	_____	% due	2040	_____		

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 2027 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 \$163,800 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. The Deposit will be deducted from the purchase price at the closing for the Bonds. 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 April 2, 2025.

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 April 2, 2025 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 the Village of Minnetonka Beach, Minnesota, on March 10, 2025.

By: _____ By: _____
Title: _____ Title: _____