



City of Savage
Scott County, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED

DECEMBER 31, 2019

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PREPARED BY:

FINANCE DEPARTMENT

Julie Stahl
Finance Director

Member GFOA of U.S. and Canada
Published June 10, 2020

CITY OF SAVAGE
SAVAGE, MINNESOTA

COMPREHENSIVE
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 Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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June 10, 2020

To the Mayor, City Council and the Citizens of the City of Savage:

Minnesota statutes require all cities to issue an annual report on their financial position and activity, prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Savage, Minnesota for the fiscal year ended December 31, 2019.

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

The City of Savage's financial statements have been audited by Abdo, Eick & Meyers, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Savage for the fiscal year ended December 31, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Savage's financial statements for the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Savage's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Savage, incorporated in 1892, is a suburban community located in the southwest region of the Twin Cities metropolitan region, approximately 20 miles from downtown Minneapolis and 20 miles from downtown St. Paul. This region is considered to be the major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Savage currently occupies a land area of approximately 17 square miles and serves a population of approximately 32,245 individuals, 10,748 households and over 650 businesses employing over 8,400 individuals. The City of Savage is empowered to levy a property tax on both real and personal properties located within its boundaries. While it is empowered by state statute to extend its corporate limits by annexation, Savage is still developing within its corporate limits and is bordered on three sides by other incorporated communities.

The City of Savage became a statutory city in 1974. The City operates under a statutory form of government consisting of a four-member city council and a mayor who is a voting member. Council members serve four-year staggered terms, with two Council members elected every four years, and the Mayor serves a four year term. Among its primary duties, the City Council makes laws, sets policies, adopts budgets and oversees a wide ranging agenda for the community. The City Administrator is appointed by the City Council. This official heads the administrative branch of City government and directs all City operations, projects and programs.

The City of Savage provides a full range of services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure; water, sewer and storm sewer services and recreational activities. A total of 200 full, part-time, and seasonal employees in seven departments are responsible for the effective delivery of the aforementioned services.

The annual budget serves as a foundation for the City of Savage's financial planning and control. All departments of the City of Savage submit requests for appropriation for the following year to the City Administrator, who uses this information to develop a proposed budget. This is presented to the City Council for review. The City Council is required to adopt a proposed budget and tax levy by September 30. The Council is also required to schedule and hold a Truth in Taxation (TNT) public hearing. The council must also adopt a final budget by no later than December 31.

LOCAL ECONOMY

The City of Savage is strategically located in the southwest portion of the Twin Cities metropolitan area. The City has two quick access points over the Minnesota River from Highway 13, the Highway 169 Bloomington Ferry Bridge and Interstate 35 Bridge. Both provide City residents and the business community with a direct connection to the 494 corridor and a quick path to downtown Minneapolis. Less than 25 minutes from the Mall of America and the Airport, the City has become an attractive location for both commuters and businesses alike. The location combined with the unique connected system of parks, open spaces, sidewalks and trails has made the City an attractive location to live, work and play.

Beginning in 2008 the City began to experience a general slowdown due to the onset of the "great recession." The City of Savage has weathered the storm nicely and signs of an economic turnaround began to emerge in 2011. In the past six years, the City has seen on average a 6% annual increase in tax capacity. The increase can be attributed to both new development and an overall recovery in property market values. Residential sale values are steadily increasing and are nearing levels that existed prior to the recession.

Other economic indicators in the City remain positive. Local unemployment is below state and national levels, due in part to the high education levels of City residents and the dramatically improved economic conditions. A large percentage of the wage earners residing in Savage possess post-secondary degrees or higher and a significant number of households have two wage earners. Recent 2017 Census Data results indicate the City has a median family income of \$101,900 - one of the highest in the Twin Cities Metropolitan Area.

LONG-TERM FINANCIAL PLANNING

City of Savage officials continue to exercise budgetary restraint and fiscally responsible management practices to enhance cash flow and general fund stability. Individual budgets and multi-year projections are utilized for each of the City's funds. Debt service fund projections and cash flow models are updated and reviewed annually. Officials continue to review the impact to tax levy during the budget process and when issuing new debt for capital projects.

In May 2009 the City's bond rating was upgraded by Standard & Poor's to AA+ from Aa3 (Moody's) in recognition of a consistent growth rate, improved financial policies and manageable debt. In November of 2017, Standard & Poor upgraded the City's general obligation debt rating to a AAA. This upgrade reflects the city's healthy trend of economic growth, resulting in stronger wealth and income figures – both of which are expected to continue. The upgrade is also a reflection of the city's strong financial performance, very strong financial policies and practices, and maintenance of very strong reserves and liquidity. During 2018 conservative spending and cost savings measures resulted in an enhanced year-end fund balance ratio. We continue to achieve and plan to maintain our financial policy goal of a 35% - 50% fund balance ratio at year's end. It is noteworthy to mention that the City's actual fund balance ratio has steadily remained at 50% since 2011.

Due to economic factors being experienced with the COVID-19 pandemic, building and development-related revenues collected in 2020 are expected to meet the conservative budgeted amounts, rather than exceeding them as in years past. Despite the effects of the pandemic, the City anticipates maintaining the 50% fund balance ratio at year's end. It is too soon to tell whether or not the ability to build reserves in other governmental funds will be possible.

Preliminary valuation reports from Scott County indicate that overall community market values will increase again in 2021 nearly as high as the levels experienced in 2020. Providing expense increases can be held to reasonable levels we anticipate that we will be able to develop a budget for 2021 that will result in a flat, but hopefully slight reduction in the City's overall tax rate.

Over the years, the City's liquor operations helped to fund over \$4.6 million in community projects - building an environmental learning center and assisting in the payment of the library bonds. Unfortunately, economic factors have negatively affected the operations in the past several years. After two consecutive years of losses in the City's liquor operations, staff has actively been making several changes to turn matters around. Management and council continue to monitor the progress of the fund and are committed to keep the City's best interest in mind. The City made the last payment on the bonds issued for the construction of the Marketplace liquor building in February 2019. The City realized an increase in net position for the Liquor operations fund of \$142,164 in 2018. With a staff restructuring and increased oversight of the operations that began mid-2019, the liquor fund has shown a very positive increase in the net position of \$508,940 for 2019. Preliminary 2020 liquor sales show strong promise for another very positive year.

RELEVANT FINANCIAL POLICIES

Beginning in 2015 the City was able to eliminate its' reliance on the use of fund balance to balance the annual General Fund operating budget. The 2020 tax levy is \$641,208 more than in 2019 (a 3.55% increase). The tax rate decreased by 2.2% - due to the 2020 tax base increasing by \$3.6 million. The 2020 budget continues to include our practice of projecting building permit revenue at very conservative levels. The City has also eliminated any reliance on the receipt of financial aid from the State of Minnesota, with the exception of police and fire aid, which is approximately \$425,000.

Moving into the 2021 budgeting process we will continue our past practice of conservatism with our expenditures and staffing levels. Any anticipated increases in General Fund expenditures are projected to be absorbed by the growth in our tax base and will not require an increase in our tax rate nor any reliance on our Fund Balance reserves.

The City participates in the recently initiated State of Minnesota Performance Measurements Program and will be reviewing these measures as relevant guidelines during future budget sessions. The City is also reviewing any major budget changes (increases or decreases) expected during a five-year projection period. The City completed the compilation of its five-year 2014 budget document and submitted the 105-page report to the GFOA for the Distinguished Budget Presentation Award for the first time. The City received the Distinguished Budget award for this first submission and has subsequently received the award for the 2015 through 2018 budget years as well.

MAJOR INITIATIVES

In 2019, the City recorded its highest annual total value of building permits pulled at \$142,153,530. The 2018 aggregate amount was \$98 million dollars. Residentially, in 2019 the City added 129 single family homes, a 190-unit market rate apartment building, and a 32-unit senior facility began construction.

The City has been very busy with school district construction in 2019. In 2017 the Prior Lake Savage passed a referendum on \$109 Million in school improvements to accommodate growth in the area. In 2019 the 94,000 sq. ft. Hamilton Ridge Elementary School began construction in the Big Sky Estates development. Improvements were made to the interior of Redtail Ridge Elementary School and the Prior Lake Savage High School added several additions to their building, including a new field house.

On the commercial side, the City has seen a lot of activity in redevelopment. In 2019 the Valley Oil Redevelopment projects finally kicked off. This is a 28,763 sq. ft light industrial building located in the Highway 13 Frontage area. The City used tax increment financing to clean up contaminated soils making the site more attractive to development. The building looks great, and the City's hope is this encourages redevelopment or reinvestment in properties in the area. The Continental Business Center also began renovating interior space and leasing property in 2019. This is a 340,000 sq. ft industrial business center. The building was formerly owned by Continental Machines, Inc. which made saws and other tools in its heyday. The business downsized over the years and eventually sold in 2018. The Business Center is designed as a mall for light industrial businesses and has been very successful in its first year. Other significant projects in 2019 include a new Research and Development Building by Cargill, an addition on to Fabcon, and a 16 bed mental health facility.

In 2020, we expect to see commercial development and redevelopment to continue on pace. The newly built HyVee Grocery store is already expanding to provide drive through grocery pick up. Next to HyVee a new preschool has been approved for development. The City's last working farm is now going through the review process for redevelopment. The plans include several professional office buildings and a small convention space which is very needed in this area.

The vast majorities of the lots being created are in high amenity locations and are being absorbed into the marketplace at a brisk pace. In 2019, 175 new single family permits were approved and at the end of May 2020, 42 new single family homes have been recorded. Given the available lot inventory and demand we anticipate that approximately 100 to 140 single family units will be constructed this year. The global conditions due to the virus pandemic present uncertainty for residential development activity. Nonetheless, with the City's conservative budget approach and healthy reserves, staff is not overwhelmed at this time and is cautiously approaching the 2021 budget.

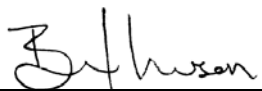
AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Savage for CAFR for the fiscal year ended December 31, 2018. This is the 22nd consecutive year the City of Savage has earned this honor. In order to be awarded a Certificate of Achievement, the government has published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

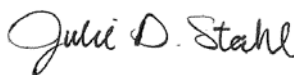
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their support for maintaining the highest standards of professionalism in the management of the City of Savage's finances.

Respectfully submitted,



Brad A. Larson
City Administrator



Julie D. Stahl
Finance Director

City of Savage, Minnesota
City Directory
For the Year Ended December 31, 2019

CITY COUNCIL

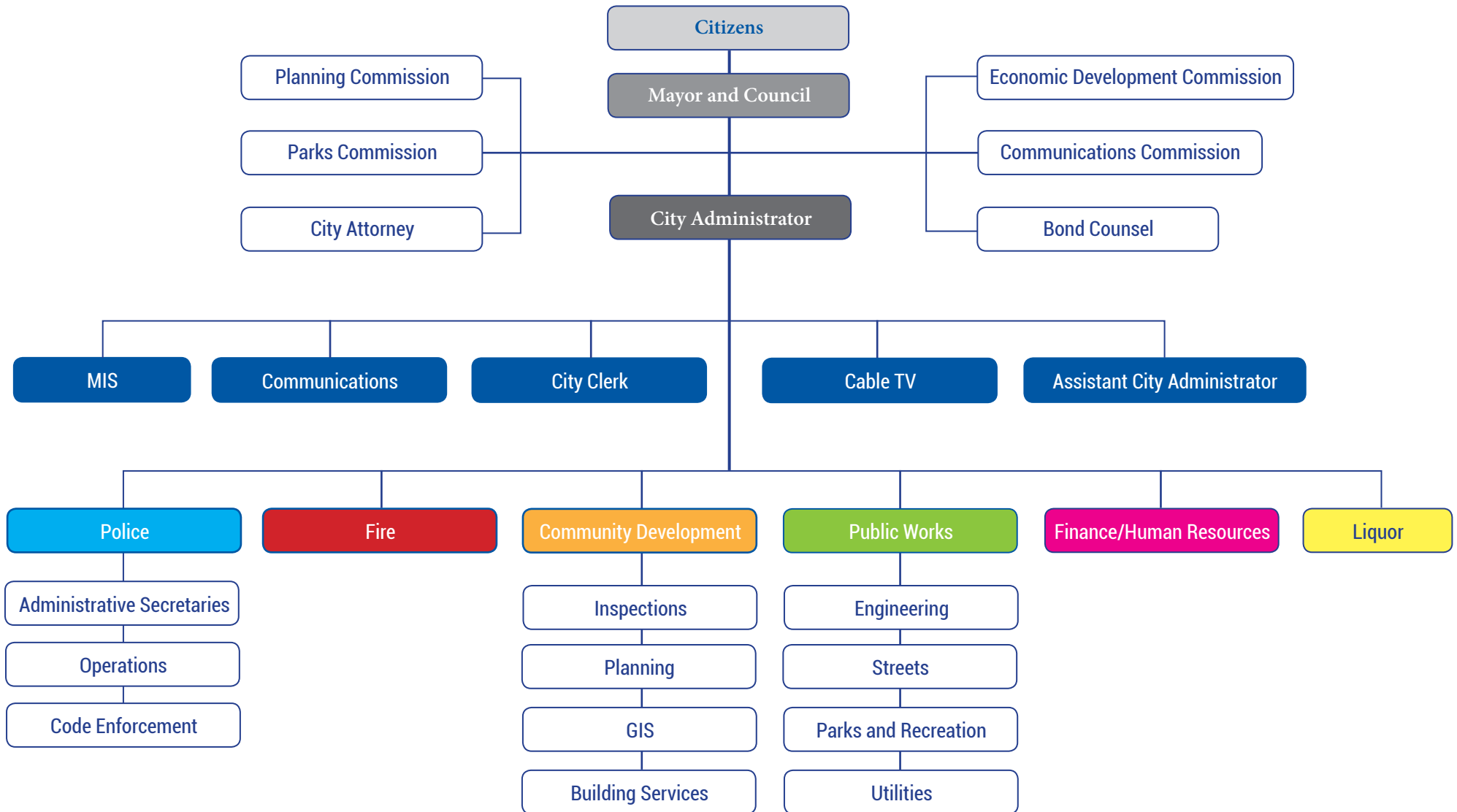
<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Janet Williams	Mayor	12/31/20
Christine Kelly	Council Member	12/31/20
Gene Abbott	Council Member	12/31/22
Bob Coughlen	Council Member	12/31/22
Matt Johnson	Council Member	12/31/20

CITY OFFICIALS

<u>Name</u>	<u>Title</u>
Brad A. Larson	City Administrator
Seng Thongvanh	City Engineer
Rodney R. Seurer	Chief of Police
Julie D. Stahl	Finance Director
Stacy R. Schmidt	Liquor Facility Manager
Joel E. McColl	Fire Chief
Jay M. Scherer	Chief Building Official
Bryan L. Tucker	Planning Manager



CITY OF SAVAGE ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Savage
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION
CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Savage, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Savage, Minnesota (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 23 and the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedules of Employer's Contributions, the related note disclosures, and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

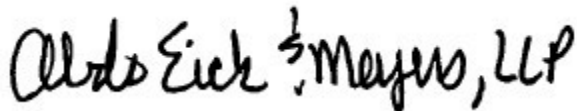
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Savage's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
June 10, 2020

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Management's Discussion and Analysis

As management of the City of Savage, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$163,568,035 (net position). Of this amount, \$19,916,064 (unrestricted *net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,509,042 over the prior year. This increase is due to an increase in property tax and interest revenues in governmental activities and water and sewer activities increasing net position by \$2,054,232 in business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,173,446, an increase of \$567,976 in comparison with the prior year. Approximately 84.2 percent of the ending fund balances, or \$22,889,403, is non-spendable, restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$8,072,292, or 48.2 percent of total 2019 General fund expenditures and transfers out.
- The City's total long-term bonded debt decreased \$5,990,377 (10.8 percent) during the current fiscal year. The City issued G.O. refunding bonds of \$1,685,000 and G.O. improvement bonds of \$2,615,000. Offsetting these increases were regularly scheduled debt service principal payments of \$10,525,394.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statement, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Savage.

Figure 1
Required Components of the
City's Annual Financial Report

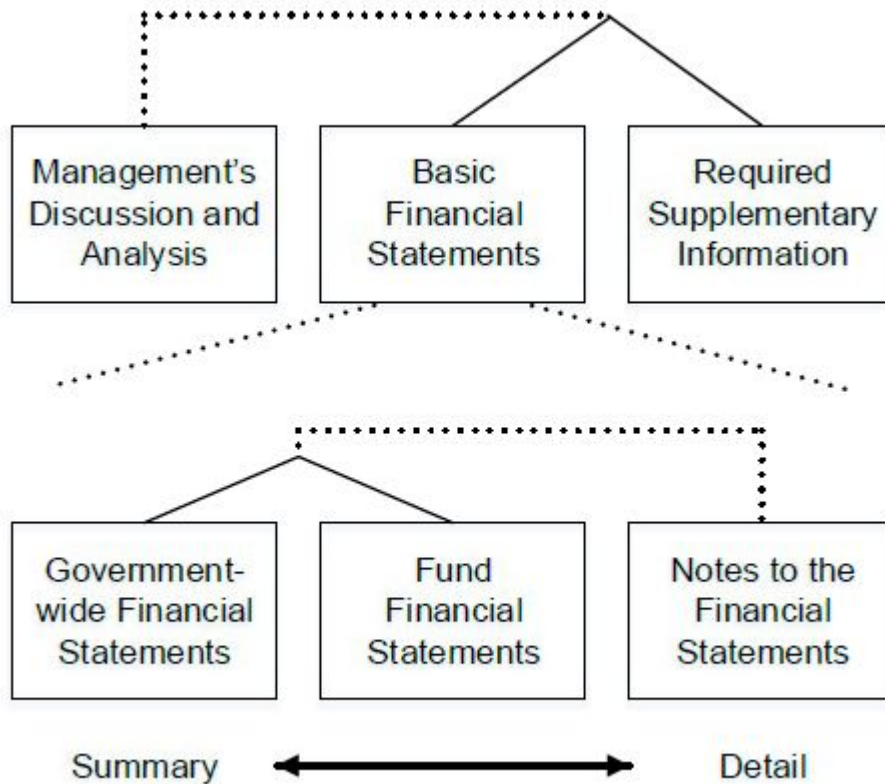


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system	Instances in which the City administers resources on behalf of someone else
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow of resources information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and community development. The business-type activities of the City include water, sewer, storm water operations, street lights, sports center, and municipal liquor.

The government-wide financial statements start on page 39 of this report.

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

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

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

The City maintains several individual governmental funds, many of which are debt service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Debt Service fund, and 2019 Capital Projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules* elsewhere in this report.

The City adopts an annual appropriated budget for the General fund and Special Revenue funds; however, the City did not budget for the Strom Project fund as the only activity in this fund is interest revenue on contracts-for-deed the City has with the tenants. The budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 44 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm water, municipal liquor, street light utility and sports center operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for the funding of risk management to other functions of the City.

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

The basic proprietary fund financial statements start on page 50 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 60 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 63 of this report.

Required Supplementary Information. In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the City of Savage's share of net pension liabilities for defined benefit plans, schedules of contribution, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 102 of this report.

Other Information. The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and Debt Service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules start on page 112 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$163,568,035 at the close of the most recent fiscal year.

A portion of the City's net position (\$127,889,044 or 78.2 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Savage's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Assets						
Current and other assets	\$ 39,903,951	\$ 38,061,578	\$ 1,842,373	\$ 17,780,116	\$ 16,115,353	\$ 1,664,763
Capital assets	100,110,341	100,482,059	(371,718)	78,244,565	79,404,322	(1,159,757)
Total Assets	<u>140,014,292</u>	<u>138,543,637</u>	<u>1,470,655</u>	<u>96,024,681</u>	<u>95,519,675</u>	<u>505,006</u>
Deferred Outflows of Resources						
Deferred charge on refunding and lease revision	506,630	584,599	(77,969)	-	-	-
Deferred pension resources	4,979,731	5,869,758	(890,027)	145,700	272,395	(126,695)
Deferred other post employment benefit resources	162,795	54,814	107,981	23,164	10,909	12,255
Total Deferred Outflows of Resources	<u>5,649,156</u>	<u>6,509,171</u>	<u>(860,015)</u>	<u>168,864</u>	<u>283,304</u>	<u>(114,440)</u>
Liabilities						
Long-term liabilities outstanding	48,933,620	50,510,014	(1,576,394)	13,845,943	17,291,605	(3,445,662)
Other liabilities	3,839,008	6,071,414	(2,232,406)	1,550,998	1,105,789	445,209
Total Liabilities	<u>52,772,628</u>	<u>56,581,428</u>	<u>(3,808,800)</u>	<u>15,396,941</u>	<u>18,397,394</u>	<u>(3,000,453)</u>
Deferred Inflows of Resources						
Unavailable revenue - grants	3,744,853	-	3,744,853	-	-	-
Deferred pension resources	5,991,796	7,475,495	(1,483,699)	231,365	342,477	(111,112)
Deferred other post employment benefit resources	129,207	-	129,207	22,168	-	22,168
Total Deferred Inflows of Resources	<u>9,865,856</u>	<u>7,475,495</u>	<u>2,390,361</u>	<u>253,533</u>	<u>342,477</u>	<u>(88,944)</u>
Net Position						
Net investment in capital assets	61,931,750	60,647,943	1,283,807	65,957,294	63,945,940	2,011,354
Restricted	15,762,927	15,881,764	(118,837)	-	186,213	(186,213)
Unrestricted	5,330,287	4,466,178	864,109	14,585,777	12,930,955	1,654,822
Total Net Position	<u>\$ 83,024,964</u>	<u>\$ 80,995,885</u>	<u>\$ 2,029,079</u>	<u>\$ 80,543,071</u>	<u>\$ 77,063,108</u>	<u>\$ 3,479,963</u>

An additional portion of the City's net position (\$15,762,927 or 9.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, (\$19,916,064 or 12.2 percent), may be used to meet the City's ongoing obligations to citizens and creditors.

Capital assets of the business-type activities increased during the year due to completion of construction in progress projects.

Deferred outflows of resources decreased due to the change in discounts rates used by the actuarial valuation. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities. Governmental activities increased the City's net position by \$2,029,079. Key elements of this increase are as follows:

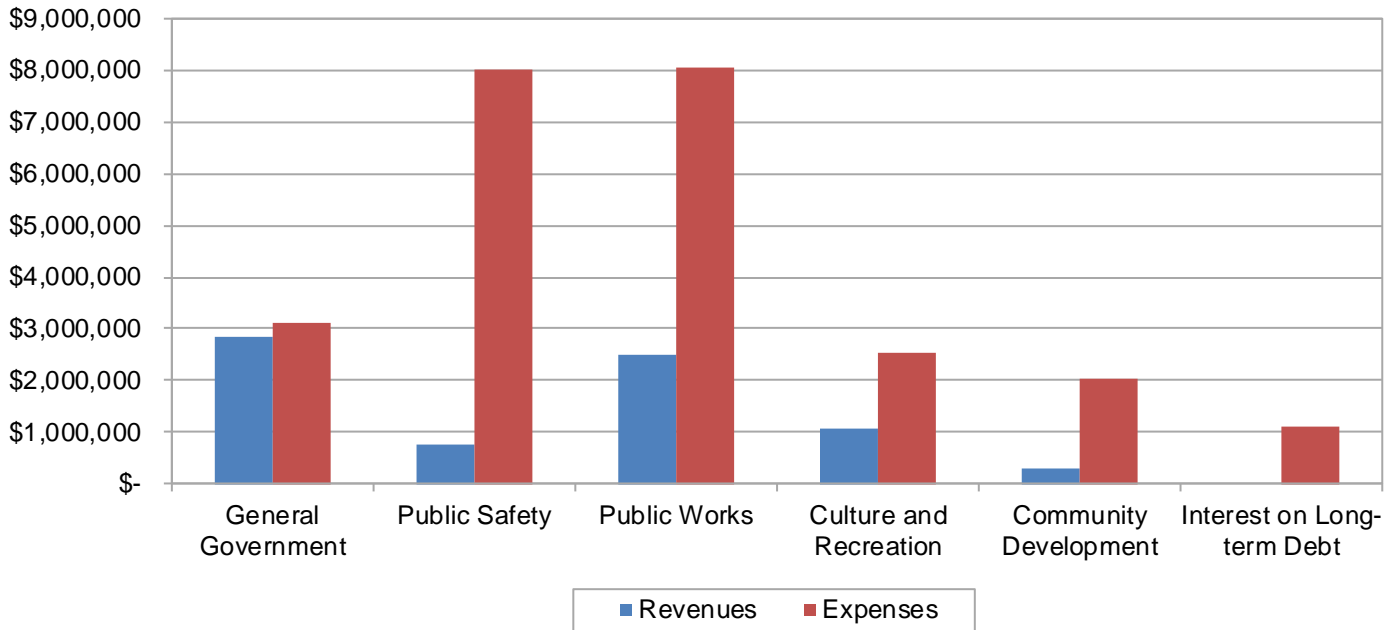
City of Savage's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 4,024,212	\$ 3,292,804	\$ 731,408	\$ 19,825,129	\$ 17,726,643	\$ 2,098,486
Operating grants and contributions	1,046,275	815,644	230,631	13,582	19,061	(5,479)
Capital grants and contributions	2,426,179	2,890,999	(464,820)	203,840	218,902	(15,062)
Grants and contributions not restricted	23,176	26,246	(3,070)	-	-	-
General Revenues						
Property taxes/tax increments	18,296,600	17,563,681	732,919	-	-	-
Franchise taxes	191,698	196,673	(4,975)	-	-	-
Other	49,243	47,848	1,395	-	-	-
Other General Revenues	17,101	1,098	16,003	-	-	-
Gain on Sale of Capital Assets	45,809	87,979	(42,170)	-	-	-
Unrestricted Investment Earnings	873,039	406,919	466,120	403,313	185,921	217,392
Total Revenues	<u>26,993,332</u>	<u>25,329,891</u>	<u>1,663,441</u>	<u>20,445,864</u>	<u>18,150,527</u>	<u>2,295,337</u>
Expenses						
General government	3,117,228	3,151,299	(34,071)	-	-	-
Community development	2,028,031	2,240,018	(211,987)	-	-	-
Public safety	8,019,430	6,597,722	1,421,708	-	-	-
Public works	8,038,006	7,914,737	123,269	-	-	-
Culture and recreation	2,539,161	465,338	2,073,823	-	-	-
Interest on long-term debt	1,127,911	1,316,898	(188,987)	-	-	-
Water and sewer	-	-	-	9,378,190	9,249,657	128,533
Storm water	-	-	-	1,389,829	1,663,561	(273,732)
Liquor	-	-	-	5,364,001	5,199,119	164,882
Street light	-	-	-	376,197	371,087	5,110
Sports dome	-	-	-	552,170	573,093	(20,923)
Total Expenses	<u>24,869,767</u>	<u>21,686,012</u>	<u>3,183,755</u>	<u>17,060,387</u>	<u>17,056,517</u>	<u>3,870</u>
Increase (Decrease) in Net Position						
Before Transfers	2,123,565	3,643,879	(1,520,314)	3,385,477	1,094,010	2,291,467
Transfers	(94,486)	(1,356,235)	1,261,749	94,486	1,356,235	(1,261,749)
Change in Net Position	2,029,079	2,287,644	(258,565)	3,479,963	2,450,245	1,029,718
Net Position, January 1	80,995,885	78,708,241	2,287,644	77,063,108	74,612,863	2,450,245
Net Position, December 31	<u>\$ 83,024,964</u>	<u>\$ 80,995,885</u>	<u>\$ 2,029,079</u>	<u>\$ 80,543,071</u>	<u>\$ 77,063,108</u>	<u>\$ 3,479,963</u>

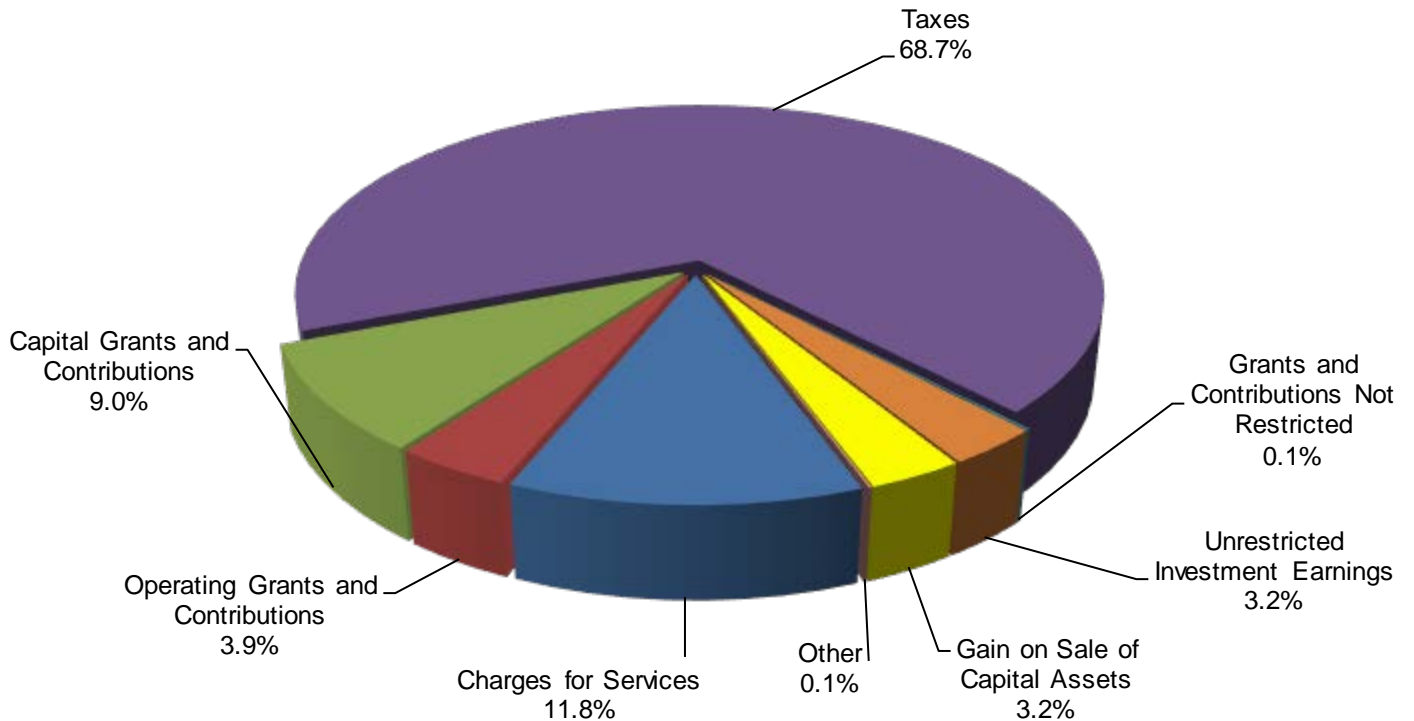
- Property Taxes increased over \$0.7 million primarily due to increases tax levy.
- The culture and recreation function increased over \$2.1 million due to more maintenance expenses and increased program expense.

The following graphs depict various governmental activities and show the revenue and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



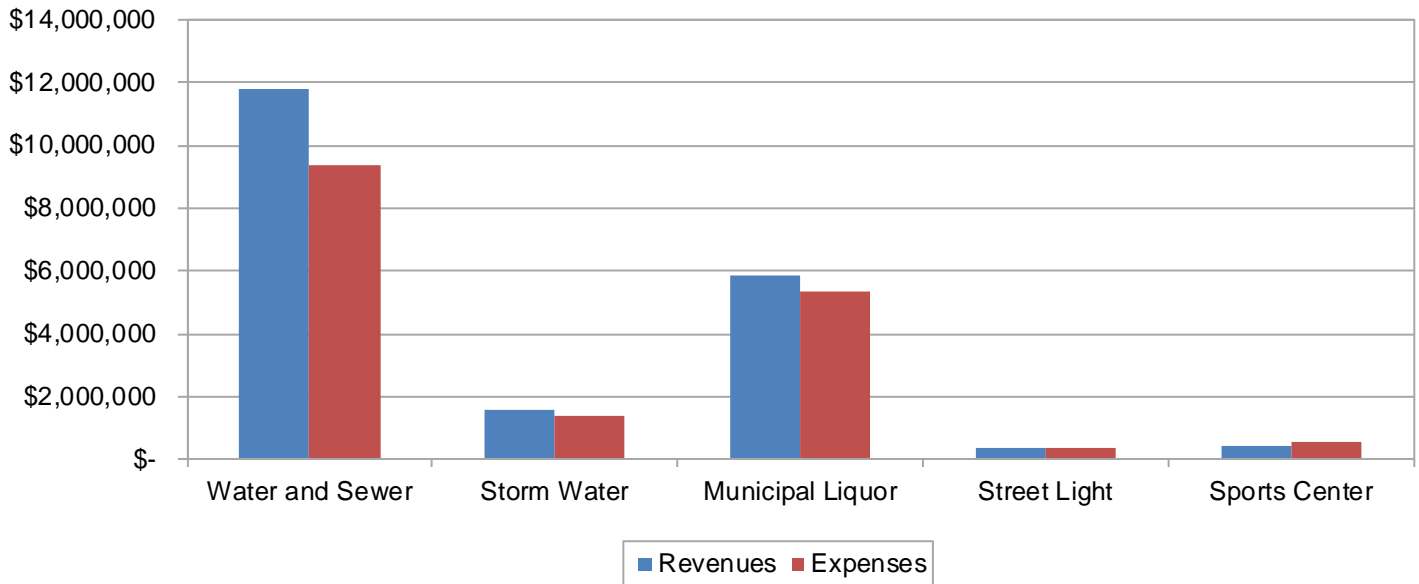
Revenues by Source - Governmental Activities



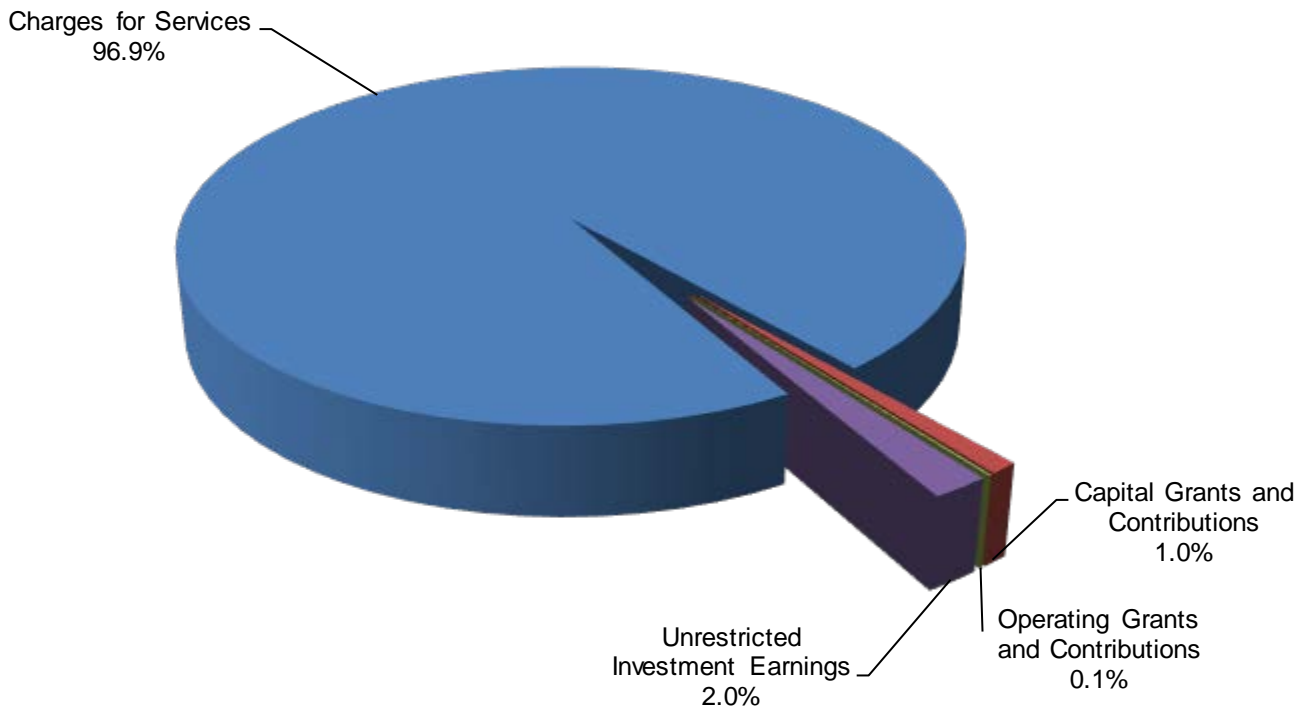
Business-type Activities. Business-type activities increased the City's net position by \$3,479,963, complementing the increase in governmental activities. Key elements of this increase are as follows:

- Net operating income in three of five business-type funds were favorable, with total net operating income of \$3,059,018.
- Business-type activities also increased due to governmental activities contributing a total of \$2,064,671 relating to capital.

Expenses and Program Revenues - Business - type Activities



Revenues by Source - Business - type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,173,446, an increase of \$567,976 in comparison with the prior year. Approximately 15.8 percent of this total amount, \$4,284,043, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$22,889,403) consists of the following 1) nonspendable (\$62,863), 2) restricted (\$12,128,571), 3) committed (\$2,067,518), or 4) assigned (\$8,630,451) for the purposes described in Note 3.

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2019	2018	
General	\$ 8,381,816	\$ 7,800,906	\$ 580,910
The General Fund had revenues over budget of \$1,635,100 mainly due to additional revenues from licenses and permits as well as charges for services. Although there was an excess of revenues over expenditures of \$1,780,910, transfers to other funds of \$1,450,000 led to the net change in fund balance in the general fund of an increase of \$580,910.			
Debt Service	\$ 9,828,287	\$ 9,842,056	\$ (13,769)
The decrease in fund balance of the Debt Service funds is due to refunding of bonds and new issuances during 2019 along with regularly scheduled debt payments.			
2019 Capital Projects	\$ (1,036,541)	\$ 846,527	\$ (1,883,068)
The fund balance decreased \$1,883,068 mainly due to capital outlay expenditures exceeding revenues in the fund due to capital projects in 2019.			

Nonmajor Government funds have a total fund balance of \$9,999,884. The net increase in fund balance during the current year was \$1,883,903. The increase is mainly attributable to transfers in of \$2,010,000.

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

Unrestricted net position of the business-type activities at the end of the year amounted to \$14,585,777. The total increase in net position for business-type activities was \$3,479,963. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's General fund budget was amended during the year to account for contributions and donations that were received in 2019 - the net budgetary effect was an increase of \$12,646 to fund balance. Actual revenues had a positive budget variance of \$1,635,100, and expenditures had a positive budget variance of \$383,164.

- The largest budget variances for revenues were charges for services and licenses and permits, which were over budget by \$559,882 and \$870,768, respectively. The positive variances can mainly be attributed to community development and building activity during the year resulting in additional permit fees and charges for plan reviews.
- The largest budget variances for expenditures was public works, which was under budget by \$143,777. The variance in public works was due to less than anticipated in personnel services and supplies in relation to the maintenance (streets and alleys) department.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$178,354,906 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City's investment in capital assets for the current fiscal year was \$1,531,475.

Major capital asset events during the current fiscal year included:

- The Vernon Avenue Improvements was completed in 2019.
- The 2019 Street Improvements project was completed in 2019.
- The Glendale Avenue Improvements were largely completed in 2019 and will be completed in 2020.
- The Advanced Meter Replacements project was completed in 2019.

Additional information on the City's capital assets can be found in Note 3C starting on page 77 of this report.

City of Savage's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Land	\$ 5,458,583	\$ 5,458,583	\$ -	\$ 1,661,272	\$ 1,661,272	\$ -
Right of Ways and Easements	754,344	754,344	-	-	-	-
Construction in Progress	4,916,487	6,866,970	(1,950,483)	2,332,460	4,772,631	(2,440,171)
Land Improvements	4,104,341	4,189,934	(85,593)	266,668	300,001	(33,333)
Buildings and Structures	22,044,759	22,498,763	(454,004)	22,057,565	22,754,972	(697,407)
Furniture and Equipment	6,410,463	6,297,126	113,337	7,299,437	3,281,452	4,017,985
Improvements other than Buildings	56,421,364	54,416,339	2,005,025	44,627,163	46,633,994	(2,006,831)
Total	<u>\$ 100,110,341</u>	<u>\$ 100,482,059</u>	<u>\$ (371,718)</u>	<u>\$ 78,244,565</u>	<u>\$ 79,404,322</u>	<u>\$ (1,159,757)</u>

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$49,697,492. The additional long-term debt is defined below related to bonded indebtedness and other long-term debt.

City of Savage's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
General Obligation Bonds	\$ 8,910,000	\$ 10,440,000	\$ (1,530,000)	\$ -	\$ -	\$ -
Unamortized Discount and Premium	1,350,421	1,051,783	298,638	402,071	465,692	(63,621)
Public Facility Revenue Bond	-	-	-	-	-	-
General Obligation Special Assessment Improvement Bonds	27,149,800	28,568,000	(1,418,200)	-	-	-
General Obligation Revenue Bonds Revenue Bonds	-	-	-	11,885,200	15,162,394	(3,277,194)
Total	<u>\$ 37,410,221</u>	<u>\$ 40,059,783</u>	<u>\$ (2,649,562)</u>	<u>\$ 12,287,271</u>	<u>\$ 15,628,086</u>	<u>\$ (3,340,815)</u>

The City's total bonded long-term debt decreased \$5,990,377 (12.05%) during the current fiscal year. The City issued G.O. refunding bonds of \$1,685,000 and G.O. improvement bonds of \$2,615,000. Offsetting these increases were regularly scheduled debt service principal payments of \$10,525,394.

The City obtained a “AAA” rating from Standard and Poor’s for general obligation debt.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. As of December 31, 2019, the City is under the legal debt margin.

Additional information on the City’s long-term debt can be found in Note 3E starting on page 80 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following are key economic factors for the City of Savage. These factors have been considered when preparing the budget for fiscal year ending December 31, 2020.

- Growth in the City’s tax base is expected to continue into 2020 in both residential and commercial sectors. Preliminary valuation information from Scott County shows Savage’s net tax capacity growth for taxes payable in 2021 at 8.3% from 2020 actual valuations.
- Water and sewer rates were increased 3% in 2018, 3% in 2019 and 1.5% in 2020.
- Storm water rates have had no increase since the 5% increase in 2009.
- Street light rates have also had no increase since their 5% increase in 2009.
- The General Fund 2020 budget shows no reliance on fund balance to balance the budget - this is the 5th year in a row.
- Due to continued recovery in the assessed property values and overall change in the City’s tax base, the adjusted net tax base capacity increased 8.9% from 2019 to 2020.
- The adherence to fiscally responsible spending has served the City well in weathering the economic downturn. Cost savings measures implemented beginning with 2009, combined with a conservative approach to spending in 2019, resulted in another positive year-end fund balance carry over. The addition of this carry over to the existing appropriated General Fund balance continues to put the City in a positive position as it begins to prepare for the 2021 budgeting process. The City’s 2019 yearend Assigned and Unassigned General Fund balance reserve has been maintained at 50% of the projected 2020 General fund budget expenditures. The \$254,143 of Assigned fund balance is earmarked for library roof and AC replacements (\$150,000), other city facilities maintenance/capital needs (\$97,646), Employee Committee (\$3,196) and Police Forfeitures (\$3,301) spending.
- In 2013, the City was named as one of the top 50 small towns in America by Money Magazine. At a ranking of No. 21, the City was recognized for its quaint downtown, low crime rates, job growth and investment in a \$5 million indoor sports facility that opened in the fall of 2012.
- Post-recession, the State of Minnesota (the “State”) has one of the lowest unemployment rates in the Country and Scott County has the lowest unemployment rate in the State. In 2019 assessment (2020 collection) year, the City’s net tax capacity increased by 9.4 percent. This is the seventh year in a row that tax capacity increased after four consecutive years of tax capacity declines. Home foreclosures have dropped to levels experienced prior to the recession. Residential home sales of existing owner-occupied units and the demand for new residential construction are high. New single-family housing construction values are generally in excess of \$500,000.
- Over the past seven years the City has seen a significant rebound in residential development. The overall population of Savage in 2016 also for the first time surpassed the 30,000 mark. The City of Savage recorded its highest total value of building permits pulled in 2019. The aggregate amount was \$142 million dollars – surpassing the record aggregate amount of \$98 million in 2018. This number not only represents the strong development climate in Savage, but also a strong redevelopment climate, which is important for a community approaching full build out. The City’s taxable market value has also increased over 7% on average for the past five years. Based on the platted lots and plans the City is in the process of reviewing, this number is expected to continue to be strong in the near future.

- On the residential side of development, the City added 129 single family homes, 190 multi-family units and 43 townhome units in 2019. In addition to this, 58 future single-family residential lots were platted. The City had expected 2020 to continue to be a strong year for residential development in Savage. The arrival of the COVID-19 pandemic in early 2020 has introduced uncertainty on how the development will now play out. New units in the first quarter of 2020 are down compared to 2019, but residential additions and alterations are significantly higher.
- On the commercial side, the City has seen a lot of activity in redevelopment. In 2019 the Valley Oil Redevelopment projects finally kicked off. This is a 28,763 sq. ft. light industrial building located in the Highway 13 Frontage area. The City used tax increment financing to clean up contaminated soils making the site more attractive to development. The building looks great, and the City's hope is this encourages redevelopment or reinvestment in properties in the area. The Continental Business Center also began renovating interior space and leasing property in 2019. This is a 340,000 sq. ft industrial business center. The building was formerly owned by Continental Machines, Inc. which made saws and other tools in its heyday. The business downsized over the years and eventually sold in 2018. The Business Center is designed as a mall for light industrial businesses and has been very successful in its first year. Other significant projects in 2019 include a new Research and Development Building by Cargill, an addition on to Fabcon, a 38-unit senior memory care center, and a 16-bed intensive residential treatment facility. This mental health facility will bring good paying jobs and activate the previously vacant streetscape of the downtown area.
- Included in these residential development numbers are plans for Big Sky Estates. The City has approved two of the expected three TIF districts to assist with redeveloping the former quarry site. The third and final phase is expected to be requested in 2020 or 2021. In total the Big Sky Estates development will consist of over 500 single family homes. The majority of these homes will be built over the next 5-10 years.
- In the fall of 2017, the Prior Lake-Savage School District held a referendum for the sale of approximately \$109 million in bonds for the purpose of building a new elementary school and improving or expanding existing schools. The smaller renovations to existing buildings were completed in 2018. The major expansion of the high school and construction of the new Hamilton Ridge elementary school started in 2019 and will be complete for the 2020-2021 school year.

All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City Hall, 6000 McColl Drive, Savage, Minnesota 55378.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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City of Savage, Minnesota
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 34,132,080	\$ 14,082,615	\$ 48,214,695
Receivables			
Accounts	66,976	1,705,342	1,772,318
Accrued interest	100,962	-	100,962
Taxes	134,626	-	134,626
Special assessments	4,228,386	301,540	4,529,926
Notes	1,087,426	339,771	1,427,197
Internal balances	(166,957)	166,957	-
Inventories	5,939	1,051,366	1,057,305
Prepaid items	56,924	495	57,419
Assets held for resale	257,589	132,030	389,619
Capital assets			
Land and construction in progress	11,129,414	3,993,732	15,123,146
Depreciable assets (net of accumulated depreciation)	<u>88,980,927</u>	<u>74,250,833</u>	<u>163,231,760</u>
Total Assets	<u>140,014,292</u>	<u>96,024,681</u>	<u>236,038,973</u>
Deferred Outflows of Resources			
Deferred charge on refunding and lease revision	506,630	-	506,630
Deferred pension resources	4,979,731	145,700	5,125,431
Deferred other postemployment benefit resources	162,795	23,164	185,959
Total Deferred Outflows of Resources	<u>5,649,156</u>	<u>168,864</u>	<u>5,818,020</u>
Liabilities			
Accounts and contracts payable	618,376	1,091,233	1,709,609
Accrued salaries and withholdings payable	486,446	96,475	582,921
Accrued interest payable	487,920	137,522	625,442
Due to other governments	406,351	75,513	481,864
Deposits payable	1,827,932	120,683	1,948,615
Unearned revenue	11,983	29,572	41,555
Noncurrent liabilities			
Due within one year	5,698,890	1,777,421	7,476,311
Due in more than one year	34,296,051	10,738,871	45,034,922
Other postemployment benefits liability	617,745	105,987	723,732
Net pension liability	<u>8,320,934</u>	<u>1,223,664</u>	<u>9,544,598</u>
Total Liabilities	<u>52,772,628</u>	<u>15,396,941</u>	<u>68,169,569</u>
Deferred Inflows of Resources			
Deferred revenue - grants	3,744,853	-	3,744,853
Deferred pension resources	5,991,796	231,365	6,223,161
Deferred other postemployment benefit resources	129,207	22,168	151,375
Total Deferred Inflows of Resources	<u>9,865,856</u>	<u>253,533</u>	<u>10,119,389</u>
Net Position			
Net investment in capital assets	61,931,750	65,957,294	127,889,044
Restricted for			
Park improvements	2,300,284	-	2,300,284
Debt service	13,462,643	-	13,462,643
Unrestricted	<u>5,330,287</u>	<u>14,585,777</u>	<u>19,916,064</u>
Total Net Position	<u>\$ 83,024,964</u>	<u>\$ 80,543,071</u>	<u>\$ 163,568,035</u>

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

City of Savage, Minnesota
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 3,117,228	\$ 2,798,696	\$ 36,168	\$ 17,459
Community development	2,028,031	9,524	300,000	-
Public safety	8,019,430	101,953	650,994	-
Public works	8,038,006	52,315	33,420	2,407,220
Culture and recreation	2,539,161	1,061,724	25,693	1,500
Interest on long-term debt	1,127,911	-	-	-
Total Governmental Activities	<u>24,869,767</u>	<u>4,024,212</u>	<u>1,046,275</u>	<u>2,426,179</u>
Business-type Activities				
Water and sewer	9,378,190	11,580,076	10,434	203,840
Storm water	1,389,829	1,551,700	293	-
Municipal liquor	5,364,001	5,870,314	2,627	-
Street light	376,197	382,704	-	-
Sports center	552,170	440,335	228	-
Total Business-type Activities	<u>17,060,387</u>	<u>19,825,129</u>	<u>13,582</u>	<u>203,840</u>
Total Governmental and Business-type Activities	<u>\$ 41,930,154</u>	<u>\$ 23,849,341</u>	<u>\$ 1,059,857</u>	<u>\$ 2,630,019</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Franchise taxes

Other taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Other general revenues

Gain on sale of capital assets

Transfers - Internal Activities

Total General Revenues

Change in Net Position

Net Position - January 1

Net Position - December 31

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

Net (Expenses) Revenues and
Changes in Net Position

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (264,905)	\$ -	\$ (264,905)
(1,718,507)	-	(1,718,507)
(7,266,483)	-	(7,266,483)
(5,545,051)	-	(5,545,051)
(1,450,244)	-	(1,450,244)
(1,127,911)	-	(1,127,911)
<u>(17,373,101)</u>	<u>-</u>	<u>(17,373,101)</u>
-	2,416,160	2,416,160
-	162,164	162,164
-	508,940	508,940
-	6,507	6,507
-	(111,607)	(111,607)
<u>-</u>	<u>2,982,164</u>	<u>2,982,164</u>
<u>(17,373,101)</u>	<u>2,982,164</u>	<u>(14,390,937)</u>
13,259,647	-	13,259,647
4,640,351	-	4,640,351
396,602	-	396,602
191,698	-	191,698
49,243	-	49,243
23,176	-	23,176
873,039	403,313	1,276,352
17,101	-	17,101
45,809	-	45,809
(94,486)	94,486	-
<u>19,402,180</u>	<u>497,799</u>	<u>19,899,979</u>
2,029,079	3,479,963	5,509,042
<u>80,995,885</u>	<u>77,063,108</u>	<u>158,058,993</u>
<u>\$ 83,024,964</u>	<u>\$ 80,543,071</u>	<u>\$ 163,568,035</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

City of Savage, Minnesota
Balance Sheet
Governmental Funds
December 31, 2019

	General	Debt Service	2019 Capital Projects	Other Governmental Funds	Total
Assets					
Cash and investments	\$ 11,091,901	\$ 9,422,853	\$ 1,373,379	\$ 10,926,867	\$ 32,815,000
Receivables					
Accrued interest	100,962	-	-	-	100,962
Accounts	15,791	-	-	51,185	66,976
Taxes	128,253	2,997	-	3,376	134,626
Special assessments	503	4,123,243	-	104,640	4,228,386
Notes	-	-	-	1,087,426	1,087,426
Due from other funds	33,667	405,670	-	1,194,000	1,633,337
Inventories	5,939	-	-	-	5,939
Prepaid items	49,442	-	-	7,482	56,924
Assets held for resale	-	-	-	257,589	257,589
	<u>\$ 11,426,458</u>	<u>\$ 13,954,763</u>	<u>\$ 1,373,379</u>	<u>\$ 13,632,565</u>	<u>\$ 40,387,165</u>
Liabilities					
Accounts payable	\$ 278,879	\$ 4,200	\$ 25,725	\$ 240,439	\$ 549,243
Accrued salaries and withholdings payable	477,335	-	-	9,111	486,446
Contracts payable	-	-	56,695	12,438	69,133
Due to other governments	406,351	-	-	-	406,351
Due to other funds	-	-	-	1,800,294	1,800,294
Deposits payable	1,793,901	-	-	34,031	1,827,932
Unearned revenue	11,983	-	-	-	11,983
Total Liabilities	<u>2,968,449</u>	<u>4,200</u>	<u>82,420</u>	<u>2,096,313</u>	<u>5,151,382</u>
Deferred Inflows of Resources					
Unavailable revenue - grants	-	-	2,327,500	1,417,353	3,744,853
Unavailable revenue - property taxes	75,690	1,988	-	-	77,678
Unavailable revenue - interest	-	-	-	18,297	18,297
Unavailable revenue - special assessments	503	4,120,288	-	100,718	4,221,509
Total Deferred Inflows of Resources	<u>76,193</u>	<u>4,122,276</u>	<u>2,327,500</u>	<u>1,536,368</u>	<u>8,062,337</u>
Fund Balances					
Nonspendable	55,381	-	-	7,482	62,863
Restricted	-	9,828,287	-	2,300,284	12,128,571
Committed	-	-	-	2,067,518	2,067,518
Assigned	254,143	-	-	8,376,308	8,630,451
Unassigned	8,072,292	-	(1,036,541)	(2,751,708)	4,284,043
Total Fund Balances	<u>8,381,816</u>	<u>9,828,287</u>	<u>(1,036,541)</u>	<u>9,999,884</u>	<u>27,173,446</u>
	<u>\$ 11,426,458</u>	<u>\$ 13,954,763</u>	<u>\$ 1,373,379</u>	<u>\$ 13,632,565</u>	<u>\$ 40,387,165</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances					

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

City of Savage, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2019

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

Total Fund Balances - Governmental	\$ 27,173,446
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	213,869,476
Less accumulated depreciation	(113,759,135)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Noncurrent liabilities at year-end consist of	
Bonds payable	(36,059,800)
Unamortized bond premium and discount	(1,350,421)
Capital lease payable	(1,275,000)
Deferred charge on lease revision	85,020
Deferred charge on refunding	421,610
Compensated absences payable	(1,309,720)
Net Pension liability	(8,320,934)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	
Property taxes	77,678
Special assessments	4,221,509
Interest on loans	18,297
Governmental fund do not report a liability for accrued interest until due and payable.	(487,920)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	4,979,731
Deferred inflows of pension resources	(5,991,796)
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities are included in the governmental statement of net position.	
	732,923
Total Net Position - Governmental Activities	\$ 83,024,964

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

City of Savage, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Debt Service	2019 Capital Projects	Other Governmental Funds	Total
Revenues					
Taxes	\$ 13,281,690	\$ 4,640,351	\$ -	\$ 616,748	\$ 18,538,789
Licenses and permits	1,421,268	-	-	-	1,421,268
Intergovernmental	653,086	36,541	-	1,640,526	2,330,153
Charges for services	1,185,732	-	-	-	1,185,732
Fines and forfeits	81,334	-	-	-	81,334
Special assessments	1,186	1,226,878	-	14,227	1,242,291
Investment earnings	256,466	216,757	28,697	311,676	813,596
Miscellaneous	187,886	-	-	1,287,504	1,475,390
Total Revenues	<u>17,068,648</u>	<u>6,120,527</u>	<u>28,697</u>	<u>3,870,681</u>	<u>27,088,553</u>
Expenditures					
Current					
General government	2,430,029	-	-	365,286	2,795,315
Community development	989,426	-	-	529,372	1,518,798
Public safety	7,254,982	-	-	-	7,254,982
Public works	2,639,452	41,668	-	-	2,681,120
Culture and recreation	1,927,069	-	-	1,269	1,928,338
Capital outlay					
General government	-	-	-	315,277	315,277
Community development	-	-	-	475,947	475,947
Public safety	25,378	-	-	356,447	381,825
Public works	-	-	6,065,212	240,348	6,305,560
Culture and recreation	21,402	-	-	1,083,751	1,105,153
Debt service					
Principal	-	5,533,200	-	-	5,533,200
Interest and other charges	-	1,146,350	38,231	46,885	1,231,466
Total Expenditures	<u>15,287,738</u>	<u>6,721,218</u>	<u>6,103,443</u>	<u>3,414,582</u>	<u>31,526,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,780,910</u>	<u>(600,691)</u>	<u>(6,074,746)</u>	<u>456,099</u>	<u>(4,438,428)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	45,809	45,809
Transfers in	250,000	614,954	2,208,611	2,010,000	5,083,565
Bonds issued	-	1,685,000	1,795,000	820,000	4,300,000
Premiums on bonds issued	-	178,718	188,067	98,625	465,410
Payment to refunded bond escrow agent	-	(1,825,000)	-	-	(1,825,000)
Transfers out	(1,450,000)	(66,750)	-	(1,546,630)	(3,063,380)
Total Other Financing Sources (Uses)	<u>(1,200,000)</u>	<u>586,922</u>	<u>4,191,678</u>	<u>1,427,804</u>	<u>5,006,404</u>
Net Changes in Fund Balances	580,910	(13,769)	(1,883,068)	1,883,903	567,976
Fund Balances, January 1	<u>7,800,906</u>	<u>9,842,056</u>	<u>846,527</u>	<u>8,115,981</u>	<u>26,605,470</u>
Fund Balances, December 31	<u>\$ 8,381,816</u>	<u>\$ 9,828,287</u>	<u>\$ (1,036,541)</u>	<u>\$ 9,999,884</u>	<u>\$ 27,173,446</u>

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

City of Savage, Minnesota
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2019

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 567,976
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Depreciation	(6,438,613)
Capital outlay	8,131,564
<p>Governmental funds report projects in capital project funds. Some of the capital assets constructed in the project will be maintained in business-type activity funds. The assets are reported as a transfer from the government-activities to the business-type activities</p>	
	(2,064,671)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds are reported with governmental activities.</p>	
Investment earnings	41,146
Consolidation of internal service fund activities with governmental activities	(81,952)
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Property taxes	(1,248)
Special assessments	(250,034)
Interest on loans	18,297
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are delayed and amortized in the statement of activities.</p>	
Debt issued	(4,300,000)
Debt issuance discounts amortization	166,772
Principal repayments	7,248,200
Capital lease repayments	110,000
Amortization of debt issuance costs and discounts	(77,969)
Premium on bonds issued	(465,410)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(648,616)
Pension revenue from state contributions	50,809
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditures in the funds when it is due, and this requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	14,752
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	8,076
	8,076
Change in Net Position - Governmental Activities	\$ 2,029,079

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

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City of Savage, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 13,442,799	\$ 13,442,799	\$ 13,281,690	\$ (161,109)
Licenses and permits	550,500	550,500	1,421,268	870,768
Intergovernmental	555,847	556,247	653,086	96,839
Charges for services	625,850	625,850	1,185,732	559,882
Fines and forfeits	40,000	40,000	81,334	41,334
Special assessments	-	-	1,186	1,186
Investment earnings	75,000	75,000	256,466	181,466
Miscellaneous	92,000	143,152	187,886	44,734
Total Revenues	<u>15,381,996</u>	<u>15,433,548</u>	<u>17,068,648</u>	<u>1,635,100</u>
Expenditures				
Current				
General government	2,449,043	2,466,543	2,430,029	36,514
Community development	1,044,863	1,044,863	989,426	55,437
Public safety	7,277,257	7,353,116	7,254,982	98,134
Public works	2,800,729	2,783,229	2,639,452	143,777
Culture and recreation	1,996,604	1,998,104	1,927,069	71,035
Capital outlay				
Public safety	13,500	13,500	25,378	(11,878)
Culture and recreation	-	11,547	21,402	(9,855)
Total Expenditures	<u>15,581,996</u>	<u>15,670,902</u>	<u>15,287,738</u>	<u>383,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,000)</u>	<u>(237,354)</u>	<u>1,780,910</u>	<u>2,018,264</u>
Other Financing Sources (Uses)				
Transfers in	200,000	250,000	250,000	-
Transfers out	-	-	(1,450,000)	(1,450,000)
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>250,000</u>	<u>(1,200,000)</u>	<u>(1,450,000)</u>
Net Change in Fund Balances	-	12,646	580,910	568,264
Fund Balances, January 1	<u>7,800,906</u>	<u>7,800,906</u>	<u>7,800,906</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 7,800,906</u>	<u>\$ 7,813,552</u>	<u>\$ 8,381,816</u>	<u>\$ 568,264</u>

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

City of Savage, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2019

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Assets			
Current Assets			
Cash and investments	\$ 8,075,673	\$ 5,796,484	\$ -
Receivables			
Accounts	1,351,254	248,876	-
Notes	-	-	339,771
Special assessments - current	8,342	-	-
Special assessments - delinquent	12,328	-	-
Due from other funds	200,624	-	-
Inventories	-	-	1,051,366
Prepaid items	-	-	495
Assets held for resale	-	132,030	-
Total Current Assets	<u>9,648,221</u>	<u>6,177,390</u>	<u>1,391,632</u>
Noncurrent Assets			
Special assessments receivable	<u>280,870</u>	-	-
Capital assets			
Land	1,371,272	-	290,000
Land Improvements	703,205	-	52,549
Buildings and structures	27,507,176	-	1,629,578
Machinery and equipment	10,046,057	328,806	145,553
Improvements other than buildings	97,272,419	27,081,154	-
Construction in progress	<u>1,035,946</u>	<u>1,045,421</u>	-
Total Capital Assets	<u>137,936,075</u>	<u>28,455,381</u>	<u>2,117,680</u>
Less Accumulated Depreciation	<u>(78,999,499)</u>	<u>(15,199,989)</u>	<u>(819,342)</u>
Net Capital Assets	<u>58,936,576</u>	<u>13,255,392</u>	<u>1,298,338</u>
Total Noncurrent Assets	<u>59,217,446</u>	<u>13,255,392</u>	<u>1,298,338</u>
Total Assets	<u>68,865,667</u>	<u>19,432,782</u>	<u>2,689,970</u>
Deferred Outflows of Resources			
Deferred pension resources	87,716	14,209	40,403
Deferred other postemployment benefit resources	<u>15,773</u>	<u>2,330</u>	<u>4,462</u>
	<u>103,489</u>	<u>16,539</u>	<u>44,865</u>

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

Business-Type Activities - Enterprise Funds			Governmental
603	650	Totals	Activities -
Street Light Utility	Sports Center		Internal
			Service Funds
\$ 210,257	\$ 201	\$ 14,082,615	\$ 1,317,080
71,060	34,152	1,705,342	-
-	-	339,771	-
-	-	8,342	-
-	-	12,328	-
-	-	200,624	-
-	-	1,051,366	-
-	-	495	-
-	-	132,030	-
<u>281,317</u>	<u>34,353</u>	<u>17,532,913</u>	<u>1,317,080</u>
-	-	280,870	-
-	-	1,661,272	-
-	500,000	1,255,754	-
917,208	4,256,087	34,310,049	-
-	35,619	10,556,035	-
-	-	124,353,573	-
251,093	-	2,332,460	-
<u>1,168,301</u>	<u>4,791,706</u>	<u>174,469,143</u>	<u>-</u>
<u>(364,779)</u>	<u>(840,969)</u>	<u>(96,224,578)</u>	<u>-</u>
<u>803,522</u>	<u>3,950,737</u>	<u>78,244,565</u>	<u>-</u>
<u>803,522</u>	<u>3,950,737</u>	<u>78,525,435</u>	<u>-</u>
<u>1,084,839</u>	<u>3,985,090</u>	<u>96,058,348</u>	<u>1,317,080</u>
-	3,372	145,700	-
-	599	23,164	162,795
-	<u>3,971</u>	<u>168,864</u>	<u>162,795</u>

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

City of Savage, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2019

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Liabilities			
Current Liabilities			
Accounts payable	\$ 761,520	\$ 3,011	\$ 243,920
Accrued salaries and withholdings payable	58,086	7,713	23,605
Contracts payable	2,235	8,434	-
Due to other funds	-	-	33,667
Due to other governments	13,314	-	60,778
Accrued interest payable	106,459	1,769	-
Deposits payable	69,326	51,357	-
Unearned revenue	-	-	2,422
Bonds payable - current	1,152,900	80,500	-
Compensated absences payable - current	170,378	22,195	29,789
Total Current Liabilities	<u>2,334,218</u>	<u>174,979</u>	<u>394,181</u>
Noncurrent Liabilities			
Bonds payable	7,790,107	85,059	-
Net Pension liability	741,941	123,651	330,511
Other postemployment benefits payable	72,171	10,659	20,416
Total Noncurrent Liabilities	<u>8,604,219</u>	<u>219,369</u>	<u>350,927</u>
Total Liabilities	<u>10,938,437</u>	<u>394,348</u>	<u>745,108</u>
Deferred Inflows of Resources			
Deferred pension resources	139,939	22,013	64,047
Deferred other postemployment benefit resources	15,095	2,230	4,270
Total Deferred Outflows of Pension Resources	<u>155,034</u>	<u>24,243</u>	<u>68,317</u>
Net Position			
Net investment in capital assets	49,993,569	13,089,833	1,298,338
Unrestricted	7,882,116	5,940,897	623,072
Total Net Position	<u>\$ 57,875,685</u>	<u>\$ 19,030,730</u>	<u>\$ 1,921,410</u>

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

<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>603</u>	<u>650</u>	<u>Totals</u>	
<u>Street Light Utility</u>	<u>Sports Center</u>		
\$ 27,638	\$ 44,475	\$ 1,080,564	\$ -
-	7,071	96,475	-
-	-	10,669	-
-	-	33,667	-
-	1,421	75,513	-
-	29,294	137,522	-
-	-	120,683	-
-	27,150	29,572	-
-	315,000	1,548,400	-
-	6,659	229,021	-
<u>27,638</u>	<u>431,070</u>	<u>3,362,086</u>	<u>-</u>
-	2,863,705	10,738,871	-
-	27,561	1,223,664	-
-	2,741	105,987	617,745
<u>-</u>	<u>2,894,007</u>	<u>12,068,522</u>	<u>617,745</u>
<u>27,638</u>	<u>3,325,077</u>	<u>15,430,608</u>	<u>617,745</u>
-	5,366	231,365	-
-	573	22,168	129,207
<u>-</u>	<u>5,939</u>	<u>253,533</u>	<u>129,207</u>
803,522	772,032	65,957,294	-
<u>253,679</u>	<u>(113,987)</u>	<u>14,585,777</u>	<u>732,923</u>
<u>\$ 1,057,201</u>	<u>\$ 658,045</u>	<u>\$ 80,543,071</u>	<u>\$ 732,923</u>

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

City of Savage, Minnesota
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Operating Revenues			
Sales	\$ -	\$ -	\$ 5,775,933
Cost of sales	-	-	(4,330,240)
Gross Profit	-	-	1,445,693
Charges for services	11,126,667	1,358,833	-
Special assessments	186,221	192,867	-
Other revenue	263,522	293	95,165
Total Operating Revenues	<u>11,576,410</u>	<u>1,551,993</u>	<u>1,540,858</u>
Operating Expenses			
Personnel services	1,330,054	236,638	517,980
Professional services	1,293,390	19,162	227,570
Shop supplies	316,099	-	-
Sewer charges - MCES	1,984,744	-	-
Utilities	260,479	-	60,372
Depreciation	3,529,314	868,829	44,451
Repairs and maintenance	260,160	209,358	16,293
Rent	1,207	-	138,981
Postage	41,007	6,079	-
Telephone	15,574	-	-
Insurance	30,131	58	11,705
Office and other supplies	85,793	34,354	15,602
Miscellaneous	-	13,446	-
Total Operating Expenses	<u>9,147,952</u>	<u>1,387,924</u>	<u>1,032,954</u>
Operating Income (Loss)	<u>2,428,458</u>	<u>164,069</u>	<u>507,904</u>
Nonoperating Revenues (Expenses)			
Investment earnings	197,835	194,486	-
Interest and other charges	(230,238)	(1,905)	(807)
Gain on disposal of capital assets	13,800	-	-
Miscellaneous revenue	300	-	1,843
Total Nonoperating Revenues (Expenses)	<u>(18,303)</u>	<u>192,581</u>	<u>1,036</u>
Income (Loss) Before Contributions and Transfers	2,410,155	356,650	508,940
Capital Contributions	993,077	1,027,547	-
Transfers In	-	-	-
Transfers Out	<u>(1,349,000)</u>	<u>(837,935)</u>	<u>-</u>
Change in Net Position	2,054,232	546,262	508,940
Net Position, January 1	<u>55,821,453</u>	<u>18,484,468</u>	<u>1,412,470</u>
Net Position, December 31	<u>\$ 57,875,685</u>	<u>\$ 19,030,730</u>	<u>\$ 1,921,410</u>

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

Business-Type Activities - Enterprise Funds			Governmental
603	650		Activities -
Street Light Utility	Sports Center	Totals	Internal
			Service Funds
\$ -	\$ -	\$ 5,775,933	\$ -
-	-	(4,330,240)	-
-	-	1,445,693	-
382,704	440,335	13,308,539	-
-	-	379,088	-
-	-	358,980	-
<u>382,704</u>	<u>440,335</u>	<u>15,492,300</u>	<u>-</u>
-	124,295	2,208,967	368,968
2,146	39,692	1,581,960	186,878
-	-	316,099	-
-	-	1,984,744	-
335,706	169,768	826,325	-
35,583	121,564	4,599,741	-
1,320	11,868	498,999	-
-	-	140,188	-
1,442	-	48,528	-
-	-	15,574	-
-	2,123	44,017	-
-	17,769	153,518	-
-	1,176	14,622	-
<u>376,197</u>	<u>488,255</u>	<u>12,433,282</u>	<u>555,846</u>
<u>6,507</u>	<u>(47,920)</u>	<u>3,059,018</u>	<u>(555,846)</u>
10,990	2	403,313	41,146
-	(63,915)	(296,865)	-
-	-	13,800	-
-	228	2,371	523,894
<u>10,990</u>	<u>(63,685)</u>	<u>122,619</u>	<u>565,040</u>
17,497	(111,605)	3,181,637	9,194
247,887	-	2,268,511	-
-	316,750	316,750	-
<u>(100,000)</u>	<u>-</u>	<u>(2,286,935)</u>	<u>(50,000)</u>
165,384	205,145	3,479,963	(40,806)
<u>891,817</u>	<u>452,900</u>	<u>77,063,108</u>	<u>773,729</u>
<u>\$ 1,057,201</u>	<u>\$ 658,045</u>	<u>\$ 80,543,071</u>	<u>\$ 732,923</u>

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

City of Savage, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 11,581,423	\$ 1,788,088	\$ 1,561,997
Payment to suppliers	(4,056,409)	(299,943)	(489,731)
Payment to employees	(1,305,745)	(225,969)	(635,117)
Other operating receipts	300	-	1,843
Net Cash Provided (Used) by Operating Activities	6,219,569	1,262,176	438,992
Cash Flows from Noncapital Financing Activities			
Receipts (payments) from (to) other funds	27,094	-	(259,354)
Transfers in	-	-	-
Transfers out	(1,349,000)	(837,935)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,321,906)	(837,935)	(259,354)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(874,079)	(141,598)	-
Proceeds from the sale of assets	13,800	-	-
Connection charges	203,840	-	-
Principal paid on refunding debt	(1,360,000)	-	-
Principal paid on debt	(1,351,194)	(81,000)	(175,000)
Interest paid on debt	(338,101)	(5,415)	(4,638)
Net Cash Flows Used by Capital and Related Financing Activities	(3,705,734)	(228,013)	(179,638)
Cash Flows from Investing Activities			
Investment earnings received	197,835	194,486	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,389,764	390,714	-
Cash and Cash Equivalents, January 1	6,685,909	5,405,770	-
Cash and Cash Equivalents, December 31	\$ 8,075,673	\$ 5,796,484	\$ -

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

Business-Type Activities - Enterprise Funds			Governmental
603	650	Totals	Activities -
Street Light Utility	Sports Center		Internal
			Service Funds
\$ 381,786	\$ 463,198	\$ 15,776,492	\$ -
(341,513)	(275,035)	(5,462,631)	(188,599)
-	(120,614)	(2,287,445)	(347,977)
-	228	2,371	523,894
<u>40,273</u>	<u>67,777</u>	<u>8,028,787</u>	<u>(12,682)</u>
-	-	(232,260)	-
-	316,750	316,750	-
<u>(100,000)</u>	<u>-</u>	<u>(2,286,935)</u>	<u>(50,000)</u>
<u>(100,000)</u>	<u>316,750</u>	<u>(2,202,445)</u>	<u>(50,000)</u>
(60,698)	-	(1,076,375)	-
-	-	13,800	-
-	-	203,840	-
-	-	(1,360,000)	-
-	(310,000)	(1,917,194)	-
-	(75,294)	(423,448)	-
<u>(60,698)</u>	<u>(385,294)</u>	<u>(4,559,377)</u>	<u>-</u>
<u>10,990</u>	<u>2</u>	<u>403,313</u>	<u>41,146</u>
(109,435)	(765)	1,670,278	(21,536)
<u>319,692</u>	<u>966</u>	<u>12,412,337</u>	<u>1,338,616</u>
<u>\$ 210,257</u>	<u>\$ 201</u>	<u>\$ 14,082,615</u>	<u>\$ 1,317,080</u>

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

City of Savage, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Storm Water	Municipal Liquor
Reconciliation of Operating Income (Loss)			
to Net Cash Provided (Used) by			
Operating Activities			
Operating income (loss)	\$ 2,428,458	\$ 164,069	\$ 507,904
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Miscellaneous revenues	300	-	1,843
Depreciation	3,529,314	868,829	44,451
(Increase) decrease in assets/deferred resources			
Accounts receivable	(619)	236,095	(266)
Special assessments receivable	5,632	-	-
Prepaid items	-	-	(18)
Notes receivable	-	-	21,441
Inventories	-	-	(37,246)
Deferred pension resources	70,134	10,121	43,960
Deferred other post employment benefit resources	(8,991)	(1,273)	(1,643)
Increase (decrease) in liabilities and			
and deferred inflows of resources			
Accounts payable and contract payable	185,596	(17,486)	13,493
Accrued salaries and withholdings payable	6,169	(96)	(5,336)
Compensated absences payable	6,745	1,782	(19,723)
Deposits payable	44,758	-	-
Unearned revenue	-	-	(36)
Net Pension liability	(4,579)	7,088	(67,369)
Other postemployment benefits payable	(1,738)	(1,482)	(28,411)
Deferred pension resources	(58,526)	(7,701)	(42,885)
Deferred other post employment benefit resources	15,095	2,230	4,270
Due to other governments	1,821	-	4,563
	<u>\$ 6,219,569</u>	<u>\$ 1,262,176</u>	<u>\$ 438,992</u>
Net Cash Provided (Used) by			
Operating Activities	<u>\$ 6,219,569</u>	<u>\$ 1,262,176</u>	<u>\$ 438,992</u>
Supplemental Schedule of Noncash			
Capital and Related Financing Activities			
Amortization of discounts / (premiums) on bonds	<u>\$ (52,528)</u>	<u>\$ (2,594)</u>	<u>\$ -</u>
Capital assets purchased on account	<u>\$ 372,495</u>	<u>\$ -</u>	<u>\$ -</u>
Disposal of capital assets	<u>\$ (31,734)</u>	<u>\$ -</u>	<u>\$ -</u>
Disposal of related accumulated depreciation	<u>\$ 31,734</u>	<u>\$ -</u>	<u>\$ -</u>
Capital contributions from other funds	<u>\$ 789,237</u>	<u>\$ 1,027,547</u>	<u>\$ -</u>

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

Business-Type Activities - Enterprise Funds			Governmental
Street Light Utility	Sports Center	Totals	Activities - Internal Service Funds
\$ 6,507	\$ (47,920)	\$ 3,059,018	\$ (555,846)
-	228	2,371	523,894
35,583	121,564	4,599,741	-
(918)	13,674	247,966	-
-	-	5,632	-
-	-	(18)	-
-	-	21,441	-
-	-	(37,246)	-
-	2,480	126,695	-
-	(348)	(12,255)	(107,981)
(899)	(32,219)	148,485	(1,721)
-	136	873	-
-	75	(11,121)	-
-	-	44,758	-
-	9,189	9,153	-
-	557	(64,303)	-
-	2,208	(29,423)	(235)
-	(2,000)	(111,112)	-
-	573	22,168	129,207
-	(420)	5,964	-
<u>\$ 40,273</u>	<u>\$ 67,777</u>	<u>\$ 8,028,787</u>	<u>\$ (12,682)</u>
<u>\$ -</u>	<u>\$ (8,499)</u>	<u>\$ (63,621)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,495</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,734)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,734</u>	<u>\$ -</u>
<u>\$ 247,887</u>	<u>\$ -</u>	<u>\$ 2,064,671</u>	<u>\$ -</u>

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

City of Savage, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019

	<u>Custodial Funds</u>
Assets	
Cash and investments	<u>\$ 496,064</u>
Liabilities	
Due to other governments	<u>\$ 496,064</u>

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

City of Savage, Minnesota
Statement Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2019

	Custodial Funds
Additions	
Service access charges collected for other governments	\$ 1,519,540
Surcharge fees collected for other governments	50,561
Total Additions	1,570,101
Deductions	
Payments of service access charges to other governments	1,519,540
Payments of surcharge fees to other governments	50,561
Total Deductions	1,570,101
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position, January 1	-
Net Position, December 31	\$ -

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

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Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Savage (the City) is a municipal corporation of the "Optional Plan A" form of government defined in *Minnesota Statutes*. The City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

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

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The Criterion that results in the EDA being reported as a blended component unit include 1) the board members are members of the City Council and 2) the operational responsibility of the EDA rests with the management of the City. The EDA does not issue separate financial statements so they are included on the financial section of this report.

As a result of applying the component unit definition criteria above, a certain organization has been defined and is presented in this report as follows:

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

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

For the category above, the specific entity is identified as follows:

1. Blended Component Unit

The Savage Economic Development Authority's (EDA) governing body consists of City Council Members. The Savage EDA's financial data has been blended with that of the City due to the governing body being substantively the same as the governing body of the City and due to the EDA being fiscally dependent on the City. The criteria that results in the EDA being reported as a blended component unit include 1) the board members are members of the City Council and 2) the operational responsibility of the EDA rests with the management of the City. The EDA does not issue separate financial statements and are included in the financial section of this report.

2. Joint Ventures and Jointly Governed Organizations

The City is a member of a joint powers agreement, together with the Cities of Shakopee, Prior Lake, Belle Plaine, Jordan, Elko New Market, and New Prague, Minnesota, to provide for the joint exercise of prosecutorial powers. The member Cities each shall appoint one individual to serve on the Scott Joint Prosecution Association Board, with each of the representatives having one vote.

Effective October 1, 2014, the SJPA board of directors unanimously voted to contract with Scott County for prosecution services and amend the Joint Powers Agreement accordingly. Under the new agreement, the SJPA member cities will not be charged for any prosecution services. Correspondingly, the County retains all the fine and penalty revenue generated by the prosecution services. The board agreed to disburse the accumulated fund balance at December 31, 2014, back to the cities based on each city's average Case Summary activity for the past seven years.

Note 1: Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type, pension (or other benefit) trust, and custodial.

Custodial Funds are presented in the fiduciary fund financial statement. Since, by definition, fiduciary fund assets are held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used for activities or obligations of the City, these Funds are not incorporated into the government-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of internal services is the City's governmental activities, the financial statements of the Internal Service Fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

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

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

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

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 an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. 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 expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 general government, except those required to be accounted for in another fund.

The *Debt Service fund* is used to account for the accumulation of resources used for the payment of principal, interest, and fiscal agent fees on long-term debt of the governmental funds.

The *2019 Capital Projects fund* is fund is used to account for the construction costs of street improvements.

The City reports the following major proprietary funds:

The *Water and Sewer fund* accounts for the operating, maintenance, and capital improvement of the City's water and sewer distribution and collection systems.

The *Storm Water fund* accounts for the operating, maintenance, and capital improvement of the City's surface water collection operations.

The *Municipal Liquor fund* accounts for the operation, maintenance, and capital improvements of the City's municipal liquor store.

The *Street Light fund* accounts of the operation of the City's street light system.

The *Sports Center fund* accounts for the operation of the City's Sports Center.

Nonmajor Governmental Funds

Special Revenue funds account for revenue derived from specific revenue sources that are legally restricted or committed to expenditures for specific purposes. For additional information on specific Special Revenue funds, refer to the Special Revenue fund statements.

Capital Project funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities. For additional information on Capital Projects funds, refer to the Capital Projects fund statements.

Additionally, the City reports the following fund types:

Internal Service funds account for the City's property, liability, worker's compensation and retiree health insurance provided to other departments within the City.

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary Funds:

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The City's Custodial funds account for activities of Service Availability Charges and State Surcharge collections.

Service Availability Charges account for assets in the form of sewer availability charges by the City and remitted to the Metropolitan Council Environmental Services.

State Surcharges account for assets in the form of state building permit charges collected by the City and remitted to the state.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payment in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 City's enterprise funds and of the City's internal service 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources 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 in the government-wide 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.

The City may 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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

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, 2019:

- U.S. Government Agency Securities of are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of are valued using a matrix pricing model (Level 2 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Investment Policy

The City's investment policy incorporates Minnesota statutes as described above which reduces the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk.* 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 above.
- *Custodial Credit Risk.* Custodial credit risk for investments 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 City's policy states all deposits must be collateralized in compliance with Minnesota Statutes 118A with all deposits being collateralized at 110% of deposits in excess of FDIC insurance.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy states the City will attempt to diversify its investments according to type, maturity, and institution. The policy state the portfolio shall not contain more than 50% of the portfolio value in any one institution.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City's investment policy states the City will limit the portion of the portfolio with maturities greater than five years to 75% of the portfolio.

Statement of Cash Flows

For purpose of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents.

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. Property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Scott County provides settlement to cities and other taxing districts three times a year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year-end in the governmental fund financial statements.

Accounts Receivable

When necessary, the City utilizes an allowance for uncollectible accounts to value its receivables. However, the City considers all of its current receivables to be collectible.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventories and Prepaid Items

Inventories of materials and supplies are recorded at cost, which approximates market, using the first-in, first out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The City uses the consumption method to account for all prepaid items.

Assets Held for Resale

Land was acquired by the City and EDA for subsequent resale for redevelopment purposes. Land held for resale in an asset recorded at the lower of cost or realizable value in the fund that acquired it.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. This includes infrastructure acquired prior to the implementation of GASB Statement No. 34.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such purchased assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

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.

Major outlays for capital assets and improvement are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2019, no interest was capitalized in connection with construction in progress.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	15 to 20
Buildings and Structures	15 to 50
Furniture, Equipment, Vehicles	4 to 30
Infrastructure	20 to 30

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. These items, deferred pension resources, deferred other postemployment benefit resources, and deferred charge on refunding and lease revision are reported only in the statements of net position. The first two items result from actuarial calculations and current year pension contributions and OPEB contributions made subsequent to the measurement date. The third item is the deferred charge on refunding. A deferred charge on refunding and lease revision result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated Absences

Paid vacation and sick leave is granted to all regular, benefit eligible employees of the City. Vacation benefits vary with the length of service of the employee. Sick leave can be accumulated up to a maximum of 720 hours. In addition, regular benefit eligible employees can receive payment for any amount accrued over the maximum of 720 hours. There is a second sick bank for employees that were employed prior to January 1, 2005 created during their transition to this new system. This second sick leave bank may be converted to payment for health insurance premiums only at the time of retirement. The City used the second sick bank to accrue extra sick hours for employees that had over their old maximum amount of hours accrued. Public works union employees hired after January 1, 2005 are not eligible for the second sick leave bank.

An employee of the City who leaves the City in good standing is paid for all unused and accrued vacation time. An employee who leaves the City may also receive pay for a percentage of accumulated sick days of up to 50% for employees with at least five years of service. Some police union employees may also receive pay for a percentage of accumulated sick leave of up to 33% with no service requirement and 50% with between 10 and 20 years of service.

All compensated absences pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee termination or similar circumstances. These liabilities are paid by the governmental fund the employee provided most of its service to. The unused vacation and sick leave of the proprietary funds is included in accrued liabilities of the respective fund.

Postemployment Benefits other than Pensions

Under *Minnesota statute 471.61, subdivision 2b.*, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at January 1, 2019 valuation date. The measurement date is January 1, 2019. The General fund is typically used to liquidate governmental other postemployment benefits payable.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term Obligations

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

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Pensions

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

The total pension expense for the GERP, PEPFP, DCP and Savage Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Fire Relief Association	Total All Plans
	GERP	PEPFP	DCP		
Pension Expense	\$ 140,774	\$ 690,141	\$ 2,000	\$ 571,285	\$ 1,404,200

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable* revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, special assessments, interest and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

Note 1: Summary of Significant Accounting Policies (Continued)

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 City Administrator.

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

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 expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unrestricted (combined committed, assigned and unassigned) fund balance of 35 percent of the subsequent year's budgeted operating expenditures of the General Fund. For 2019, 35 percent of the next year's budgeted operating expenditures is \$5,453,699.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 balances 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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. The City adopts an annual budget for the General fund, Cable Television, Park Fees, Economic Development, Hamilton Building and Post Office special revenue funds and all enterprise funds. Budget amounts are presented as originally adopted or amended. The City has established budgetary control at the department level in the General fund. Management may amend the line items within the departments in the General fund without seeking approval of the City Council. Budgeted expenditure appropriations lapse at year-end.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, expenditures exceeded appropriations in the following funds:

Fund	Final Budget	Actual	Excess of Expenditures Over Appropriations
Nonmajor			
Cable Television	\$ 267,328	\$ 287,670	\$ 20,342
Economic Development	11,866	529,372	517,506

These excess expenditures were funded by fund balance and greater than anticipated revenues.

C. Deficit Fund Equity

As of December 31, 2019, the following funds reported deficit fund equity:

Fund	Amount
Primary Government	
Major funds	
2019 Street Projects	\$ 1,036,541
Nonmajor funds	
Tax Increment Construction	1,334,355
2018 Street Projects	1,417,353

The fund deficits are expected to be eliminated with future tax increment revenues or transfers from other funds.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

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 fair 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.

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. The cash and investments for both of the discretely presented component units are pooled with the City's cash and investments. At year end, the City's carrying amount of deposits was \$5,012,001 and the bank balance was \$4,955,788. Of the bank balance, \$500,000 was covered by Federal depository insurance. The remaining balance was covered by collateral held by the pledging financial institution's trust department in the City's name.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2019, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using	
				Level 1	Level 2
Pooled Investments at Amortized Costs					
4M Fund	N/A	less than 1 year	\$ 7,824,551		
Broker Money Market Funds	N/A	less than 1 year	21,064,884		
Total Pooled Investments			28,889,435		
Non-pooled Investments at Amortized Costs					
Negotiable certifications of deposits	NA	less than 1 year	487,791	\$ -	\$ 487,791
Negotiable certifications of deposits	NA	1 to 5 years	1,902,723	-	1,902,723
Government Agency Securities	A	1 to 5 years	1,023,810	1,023,810	-
Government Agency Securities	AA-	more than 5 years	2,012,620	2,012,620	-
Government Agency Securities	AA	less than 1 year	3,163,467	3,163,467	-
Government Agency Securities	AA	1 to 5 years	1,071,583	1,071,583	-
Government Agency Securities	AA+	1 to 5 years	1,415,930	1,415,930	-
Government Agency Securities	AAA	1 to 5 years	3,731,399	3,731,399	-
Total Investments			<u>\$ 43,698,758</u>	<u>\$ 12,418,809</u>	<u>\$ 2,390,514</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.

The City has no level 3 investments.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

A reconciliation of cash and investments as shown on the statement of net position for the City follows:

Carrying Amount of Deposits	\$ 5,012,001
Investments	<u>43,698,758</u>
Total	<u><u>\$ 48,710,759</u></u>
Primary Government	
Governmental activities	\$ 34,132,080
Business-type activities	<u>14,082,615</u>
Subtotal	<u>48,214,695</u>
Fiduciary	
Cash and investments	<u>496,064</u>
Total	<u><u>\$ 48,710,759</u></u>

B. Notes Receivable

The City sold seven properties on contract for deeds. The notes are due and payable on various dates with interest accruing at rates between 2% to 5% per annum. These notes were recorded as receivables in the Strom Project Special Revenue Fund. The receivable balance at December 31, 2019 was \$519,129.

Additionally the developer for Village Commons received a grant from the Metropolitan Council to assist with project construction costs. Minnesota Statutes require these fund to be directed to the City before being disbursed to the developer. The developer requested the funds as a note, which has a term of thirty years and an interest rate of 0%. The principal balance is to be repaid in one lump sum on December 21, 2042. This notes is recorded as a receivable in the Economic Development Special Revenue fund. The receivable balance December 31, 2019 was \$200,000.

On March 20, 2017 the Savage City Council approved the preliminary site development plan and rezoning for the development of a work force housing project at 14977 Louisiana Ave. In order for the project to obtain Minnesota Housing Financial Agency (MHFA) tax credits it would be beneficial for the City to consider participating financially in the development project. The Third Amendment to the purchase agreement revises the land acquisition terms from a flat payment in the amount of \$605,000 to an initial payment amount at closing in the amount of \$230,000 (plus \$25,000 in earnest money) with the remaining balance (\$350,000) to be paid pursuant to the terms of a promissory note. The terms of the Note are \$350,000, payable over 30 years, at an interest rate of 2% per annum, with all principal and interest deferred until the end of the thirty-year term. The receivable balance December 31, 2019 including accrued interest, was \$368,297.

On January 27, 2017, the City entered into a contract for deed with SHIMKIDS, LLC, a Minnesota liability company, for lots 6 and 7, block 45, Village of Savage, formerly Hamilton. A portion of this contract is payable to the City in the amount of \$400,000 over a 15-year term and is amortized over 15 years at 4 percent payable in monthly principal and interest payments. The receivable balance at December 31, 2019 was \$339,771.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 5,458,583	\$ -	\$ -	\$ 5,458,583
Construction in progress	6,866,970	4,564,678	(6,515,161)	4,916,487
Rights of ways and easement	754,344	-	-	754,344
Total Capital Assets not Being Depreciated	<u>13,079,897</u>	<u>4,564,678</u>	<u>(6,515,161)</u>	<u>11,129,414</u>
Capital Assets Being Depreciated				
Land improvements	12,311,747	419,282	-	12,731,029
Buildings and structures	31,726,939	189,894	-	31,916,833
Furniture and equipment	12,695,708	948,446	(340,539)	13,303,615
Improvements other than buildings	138,328,831	6,459,754	-	144,788,585
Total Capital Assets Being Depreciated	<u>195,063,225</u>	<u>8,017,376</u>	<u>(340,539)</u>	<u>202,740,062</u>
Less Accumulated Depreciation for				
Land improvements	(8,121,813)	(504,875)	-	(8,626,688)
Buildings and structures	(9,228,176)	(643,898)	-	(9,872,074)
Furniture and equipment	(6,398,582)	(835,111)	340,539	(6,893,152)
Improvements other than buildings	(83,912,492)	(4,454,729)	-	(88,367,221)
Total Accumulated Depreciation	<u>(107,661,063)</u>	<u>(6,438,613)</u>	<u>340,539</u>	<u>(113,759,135)</u>
Total Capital Assets Being Depreciated, Net	<u>87,402,162</u>	<u>1,578,763</u>	<u>-</u>	<u>88,980,927</u>
Governmental Activities Capital Assets, Net	<u>\$ 100,482,059</u>	<u>\$ 6,143,441</u>	<u>\$ (6,515,161)</u>	<u>\$ 100,110,341</u>

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

Governmental Activities	
General government	\$ 195,908
Community development	52,179
Public safety	297,879
Public works	5,648,693
Parks and recreation	243,954
Total Depreciation Expense - Governmental Activities	<u>\$ 6,438,613</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,661,272	\$ -	\$ -	\$ 1,661,272
Construction in progress	4,772,631	2,313,716	(4,753,887)	2,332,460
Total Capital Assets not Being Depreciated	<u>6,433,903</u>	<u>2,313,716</u>	<u>(4,753,887)</u>	<u>3,993,732</u>
Capital Assets Being Depreciated				
Land improvements	1,255,754	-	-	1,255,754
Buildings and structures	34,249,351	60,698	-	34,310,049
Furniture and equipment	6,344,953	4,242,816	(31,734)	10,556,035
Improvements other than buildings	122,776,932	1,576,641	-	124,353,573
Total Capital Assets Being Depreciated	<u>164,626,990</u>	<u>5,880,155</u>	<u>(31,734)</u>	<u>170,475,411</u>
Less Accumulated Depreciation for				
Land improvements	(955,753)	(33,333)	-	(989,086)
Buildings and structures	(11,494,379)	(758,105)	-	(12,252,484)
Furniture and equipment	(3,063,501)	(224,831)	31,734	(3,256,598)
Improvements other than buildings	(76,142,938)	(3,583,472)	-	(79,726,410)
Total Accumulated Depreciation	<u>(91,656,571)</u>	<u>(4,599,741)</u>	<u>31,734</u>	<u>(96,224,578)</u>
Total Capital Assets Being Depreciated, Net	<u>72,970,419</u>	<u>1,280,414</u>	<u>-</u>	<u>74,250,833</u>
Business-type Activities Capital Assets, Net	<u>\$ 79,404,322</u>	<u>\$ 3,594,130</u>	<u>\$ (4,753,887)</u>	<u>\$ 78,244,565</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type Activities	
Water and sewer	\$ 3,529,314
Storm Water	868,829
Municipal Liquor	44,451
Sports Center	121,564
Street Light	35,583
Total Depreciation Expense - Business-type Activities	<u>\$ 4,599,741</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of December 31, 2019. The projects include various street and road improvements and public facilities projects. At year end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
TIF #12 - ValleyOil Remediation	\$ 794,938	\$ 58,125
TH13/Dakota/Yose Design Study	120,285	28,935
Warren Butler Parking Lot Improvement	248,762	84,905
19-01: 2019 Street Improvements	1,553,596	566,683
19-03: Gendale Ave Improvements	4,115,944	579,574
125th St Watermain Improvements	223,466	49,996
Total	\$ 7,056,991	\$ 1,368,218

D. Interfund Receivables, Payables and Transfers

Due to/from funds represent reclassifications of temporary cash deficits in individual fund and other short-term loans expected to be repaid within one year. The amount owing between funds represents reclassification of temporary cash deficits between. At year end, the balances were as follows:

Receivable Fund	Payable Fund	Amount
Primary Government		
Water and Sewer	Nonmajor governmental	\$ 200,624
Nonmajor governmental	Nonmajor governmental	1,194,000
Debt Service funds	Nonmajor governmental	405,670
General	Liquor Fund	33,667
Total		\$ 1,833,961

The City made transfers during the year as shown and described below:

Fund	Transfers In					Total
	General	Debt Service	2019 Capital Improvements	Nonmajor Governmental Funds	Sports Center	
Transfer Out						
General	\$ -	\$ -	\$ -	\$ 1,450,000	\$ -	\$ 1,450,000
Debt Service	-	-	-	-	66,750	66,750
Nonmajor governmental	-	614,954	621,676	60,000	250,000	1,546,630
Water	200,000	-	774,000	375,000	-	1,349,000
Storm Water	-	-	712,935	125,000	-	837,935
Street Light	-	-	100,000	-	-	100,000
Internal service	50,000	-	-	-	-	50,000
Total Transfers	\$ 250,000	\$ 614,954	\$ 2,208,611	\$ 2,010,000	\$ 316,750	\$ 5,400,315

Transfers made during the year were to assist operations, finance debt service payments, support capital projects, fund equipment purchases and to close unused funds.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

E. General Long-term Debt

General Obligation Bonds

The City issues general obligation bonds and equipment certificates to provide funds for improvements, recreational facilities, or projects which benefit the City as a whole and are, therefore, repaid from ad valorem levies.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Primary Government

General Obligation Bonds

Description	Authorized and Issued	Interest Rate	Dated	Maturity Date	Balance at Year End
2017B G.O. City Recreation Facility Refunding Bonds	\$ 1,520,000	3.00 %	07/12/17	02/01/22	\$ 950,000
2010A G.O. City Build America Taxable Bonds	5,160,000	1.30 - 5.00	06/17/10	02/01/26	2,225,000
2014B G.O. Advanced Refunding	6,600,000	2.00 - 2.38	06/05/14	02/01/27	4,390,000
2015B G.O. Improvement & Street Reconstruction Crossover Refunding Bonds	2,730,000	1.50 - 2.50	06/04/15	02/01/22	<u>1,345,000</u>
Total General Obligation Bonds					<u><u>\$ 8,910,000</u></u>

The annual service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 1,570,000	\$ 237,020	\$ 1,807,020
2021	1,580,000	194,679	1,774,679
2022	1,605,000	150,171	1,755,171
2023	855,000	113,654	968,654
2024	880,000	86,669	966,669
2025 - 2027	<u>2,420,000</u>	<u>95,484</u>	<u>2,515,484</u>
Total	<u><u>\$ 8,910,000</u></u>	<u><u>\$ 877,677</u></u>	<u><u>\$ 9,787,677</u></u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Special Assessment Improvement Bonds

These Bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. However, some issues are partly financed by ad valorem levies.

Description	Authorized and Issued	Interest Rate	Dated	Maturity Date	Balance at Year End
2011A G.O. Improvement Bonds	\$ 6,495,000	2.00 - 3.75 %	06/01/11	02/01/27	\$ 2,685,000
2012A G.O. Improvement Bonds	5,085,000	1.00 - 2.62	06/15/12	02/01/28	2,220,000
2013A G.O. Improvement Bonds	5,750,000	1.50 - 2.50	06/01/13	02/01/29	3,025,000
2013B G.O. Refunding Improvement Bonds	491,200	2.00	06/01/13	02/01/21	164,800
2014A G.O. Improvement Bonds	3,290,000	2.00 - 3.50	06/05/14	02/01/30	2,030,000
2015A G.O. Improvement Bonds	4,100,000	2.00 - 4.00	06/04/15	02/01/31	3,120,000
2016A G.O. Improvement Bonds	3,335,000	2.00 - 3.00	06/16/16	02/01/32	2,755,000
2017A G.O. Improvement Bonds	3,095,000	2.00 - 3.00	07/12/17	02/01/33	2,625,000
2018A G.O. Improvement Bonds	3,200,000	3.00 - 3.15	05/17/18	02/01/34	3,200,000
2018B G.O. Refunding Bonds	1,220,000	3.00 - 5.00	05/17/18	02/01/24	1,025,000
2019A G.O. Improvement Bonds	2,615,000	3.00 - 5.00	06/06/19	02/01/35	2,615,000
2019B G.O. Refunding Bonds	1,685,000	5.00	06/06/19	02/01/25	<u>1,685,000</u>
Total G.O. Special Assessment Improvement Bonds					<u><u>\$ 27,149,800</u></u>

The annual service requirements to maturity for the general obligation special assessment improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 3,026,600	\$ 809,650	\$ 3,836,250
2021	3,243,200	680,573	3,923,773
2022	3,090,000	578,160	3,668,160
2023	3,065,000	478,816	3,543,816
2024	2,700,000	385,436	3,085,436
2025 - 2029	8,970,000	969,865	9,939,865
2030 - 2034	2,965,000	169,809	3,134,809
2035	90,000	1,350	91,350
Total	<u>\$ 27,149,800</u>	<u>\$ 4,073,659</u>	<u>\$ 31,223,459</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Revenue Bonds

These bonds were issued to finance the cost of improvements to the City's utility system and the construction of a liquor store. They will be retired from net revenue of the Water and Sewer Enterprise Fund. Certain revenue bonds require the City establish separate funds for repayment of these obligations. The City has pledge income derived from the acquired or constructed assets to pay debt service as follows:

	<u>Water and Sewer</u>	<u>Storm Water</u>	<u>Municipal Liquor</u>	<u>Sports Center</u>
Operating Revenues	\$ 11,576,410	\$ 1,551,993	\$ 1,540,858	\$ 440,335
Principal and Interest	1,689,295	86,415	179,638	385,294
Percentage of Revenues	685 %	1,796 %	858 %	114 %

The components of the general obligation revenue bonds are as follows:

<u>Description</u>	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
G.O. Utility Revenue Bonds					
Series 2011B	\$ 2,045,000	2.00 - 3.00 %	06/01/11	02/01/21	\$ 445,000
Tax Abatement Bonds					
Series 2012B	4,915,000	1.00 - 2.62	06/15/12	02/01/28	3,110,000
G.O. Crossover Refunding Bonds					
Series 2013B	1,043,800	2.00	06/01/13	02/01/21	350,200
G.O. Improvement Bonds					
Series 2015A	3,075,000	2.00 - 4.00	06/04/15	02/01/31	2,550,000
G.O. Improvement Bonds					
Series 2017A	3,830,000	2.00 - 3.00	07/12/17	02/01/33	3,605,000
G.O. Utility Revenue Refunding Bonds					
Series 2018B	3,480,000	3.00 - 5.00	05/17/18	02/01/23	<u>1,825,000</u>
 Total Business-type Bonds					 <u><u>\$ 11,885,200</u></u>

The annual service requirements to maturity for the general obligation revenue bonds are as follows:

<u>Year Ending December 31,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,548,400	\$ 311,534	\$ 1,859,934
2021	1,586,800	260,682	1,847,482
2022	1,225,000	216,983	1,441,983
2023	1,255,000	180,742	1,435,742
2024	795,000	152,777	947,777
2025 - 2029	3,850,000	460,284	4,310,284
2030 - 2034	<u>1,625,000</u>	<u>82,392</u>	<u>1,707,392</u>
 Total	 <u><u>\$ 11,885,200</u></u>	 <u><u>\$ 1,665,394</u></u>	 <u><u>\$ 13,550,594</u></u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Capital Leases

In August 1999, the City entered into a lease agreement with the Scott County Housing and Redevelopment Authority (HRA) for financing construction of 17,500 square feet of office and classroom space, capitalized at \$2,230,000. The Scott County HRA issued \$2,295,000 Facility Lease Revenue Bonds and \$175,000 Taxable Facility Lease Revenue Bonds to pay for the construction. The Revenue Bonds had interest rates that ranged from 4.75% to 5.70% and 6.75% to 7.00%, respectively. The City revised its capital lease agreement using Facility Lease Revenue Refunding Bonds, Series 2008 with Scott County Community Development Agency (CDA) in order to take advantage of lower interest rates. The revised lease agreement requires the City to make yearly payments beginning February 1, 2009 equal to the principal and interest due on the Revenue Refunding Bonds with interest rates ranging between 4.20% to 4.60%. The refunding replaces the Series 1999A Bonds. The difference between the present value of the lease obligation under the original agreement and the present value of future minimum lease payments was a loss of \$195,000; however, the amount of interest cost over the remaining lease term decreased by \$312,734, resulting in a net savings of \$117,724. During December 2017, the City revised its capital lease agreement using Taxable Facility Lease Revenue Refunding Bonds, Series 2017B with Scott County CDA in order to take advantage of lower interest rates. The revised lease agreement requires the City to make annual payments beginning February 1, 2019 equal to the principal and interest due on the Facility Lease Revenue Refunding Bonds, Series 2017B with interest rates between 2.0% to 3.25%. The new refunding will provide a net present value benefit of \$74,466. These payments will be made from the Capital Lease Debt Service Fund. Revenues from sublease agreements will be used to pay these lease payments. The assets acquired through capital leases are \$2,260,000 worth of buildings and structures.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Building and structures	\$ 2,260,000
Less accumulated depreciation	(949,200)
Total	\$ 1,310,800

The annual service requirements to maturity for capital leases are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 120,000	\$ 33,863	\$ 153,863
2021	115,000	31,308	146,308
2022	120,000	28,633	148,633
2023	120,000	25,723	145,723
2024	120,000	22,543	142,543
2025 - 2029	680,000	55,394	735,394
Total	\$ 1,275,000	\$ 197,464	\$ 1,472,464

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

During the year ended December 31, 2019, the following changes occurred in non-current liabilities reported on the government-wide statements.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 10,440,000	\$ -	\$ (1,530,000)	\$ 8,910,000	\$ 1,570,000
General obligation special assessment bonds	28,568,000	4,300,000	(5,718,200)	27,149,800	3,026,600
Unamortized discount and premium	1,051,783	465,410	(166,772)	1,350,421	-
Total Bonds Payable	<u>40,059,783</u>	<u>4,765,410</u>	<u>(7,414,972)</u>	<u>37,410,221</u>	<u>4,596,600</u>
Capital Lease Payable	1,385,000	-	(110,000)	1,275,000	120,000
Compensated Absences Payable	<u>1,317,796</u>	<u>739,045</u>	<u>(747,121)</u>	<u>1,309,720</u>	<u>982,290</u>
Governmental Activity Long-term Liabilities	<u>\$ 42,762,579</u>	<u>\$ 5,504,455</u>	<u>\$ (8,272,093)</u>	<u>\$ 39,994,941</u>	<u>\$ 5,698,890</u>
Business-type Activities					
Bonds Payable					
General obligation revenue bonds	\$ 15,162,394	\$ -	\$ (3,277,194)	\$ 11,885,200	\$ 1,548,400
Unamortized discount and premium	465,692	-	(63,621)	402,071	-
Total Bonds Payable - Net	<u>15,628,086</u>	<u>-</u>	<u>(3,340,815)</u>	<u>12,287,271</u>	<u>1,548,400</u>
Compensated Absences Payable	<u>240,142</u>	<u>162,229</u>	<u>(173,350)</u>	<u>229,021</u>	<u>229,021</u>
Business-type Activity Long-term Liabilities	<u>\$ 15,868,228</u>	<u>\$ 162,229</u>	<u>\$ (3,514,165)</u>	<u>\$ 12,516,292</u>	<u>\$ 1,777,421</u>

Current Refunding

On June 6, 2019 the City issued \$1,685,000 of 2019B G.O. Bonds. The bonds bear an average coupon rate of 4.0 percent and along with available City funds, were used to call \$1,980,000 of the outstanding principal of the 2009A G.O. Improvement Bonds. As a result of the refunding issue, the City will save \$265,028 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of \$251,755.

Conduit Debt Obligations

The City of Savage has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from private-sector entity revenues. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City of Savage or the State of Minnesota, or any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019 there were two revenue bonds outstanding with Aspen Academy Charter School with a total principal amount \$19,040,000.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

At December 31, 2019, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Permanent Improvement Revolving	Other Governmental Funds	Total
Nonspendable for prepaid items					
Prepaid items	\$ 49,442	\$ -	\$ -	\$ 7,482	\$ 56,924
Inventory	5,939	-	-	-	5,939
Total Nonspendable	<u>\$ 55,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,482</u>	<u>\$ 62,863</u>
Restricted for					
Debt service	\$ -	\$ 9,828,287	\$ -	\$ -	\$ 9,828,287
Park improvements	-	-	-	2,300,284	2,300,284
Total Restricted	<u>\$ -</u>	<u>\$ 9,828,287</u>	<u>\$ -</u>	<u>\$ 2,300,284</u>	<u>\$ 12,128,571</u>
Committed for					
Cable television	\$ -	\$ -	\$ -	\$ 308,182	\$ 308,182
Economic development	-	-	-	1,395,994	1,395,994
Hamilton building	-	-	-	248,332	248,332
Post office	-	-	-	115,010	115,010
Total Committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,067,518</u>	<u>\$ 2,067,518</u>
Assigned to					
Capital projects	\$ 247,646	\$ -	\$ -	\$ 8,376,308	\$ 8,623,954
Employee committee	3,196	-	-	-	3,196
Forfeiture	3,301	-	-	-	3,301
Total Assigned	<u>\$ 254,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,376,308</u>	<u>\$ 8,630,451</u>

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

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

General Employees Retirement Plan (GERP)

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

Public Employees Police and Fire Plan (PEPFP)

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

B. Benefits Provided

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

GERP Benefits

GERP 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. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

PEPFP Benefits

Benefits for the PEPFP members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for PEPFP members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ending December 31, 2019, 2018 and 2017 were \$476,249 , \$457,087 and \$426,380 , respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.80 percent of pay to 11.30 percent and employer rates increased from 16.20 percent to 16.95 percent on January 1, 2019. The City's contributions to the Police and Fire Fund for the years ending December 31, 2019, 2018 and 2017 were \$569,503 , \$523,700 and \$497,852 , respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2019, the City reported a liability of \$4,887,438 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$151,827. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportion was 0.0884 percent which was an increase of 0.0010 percent from its proportion measured as of June 30, 2018.

City's Proportionate Share of the Net Pension Liability	\$ 4,887,438
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	151,827
Total	\$ 5,039,265

For the year ended December 31, 2019, the City recognized pension expense of \$129,404 for its proportionate share of the General Employees Fund's pension expense. In addition, the City recognized an additional \$11,370 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2019, the City reported its proportionate share of General Employees Fund's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 135,682	\$ 14,579
Changes in Actuarial Assumptions	8,125	384,866
Net Difference Between Projected and Actual Earnings on Plan Investments	-	478,478
Changes in Proportion	109,876	-
Contributions Paid to PERA Subsequent to the Measurement Date	<u>238,958</u>	<u>-</u>
 Total	 <u>\$ 492,641</u>	 <u>\$ 877,923</u>

The \$238,959 reported as deferred outflows of resources related to pensions resulting from the City's contributions to GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (203,074)
2021	(349,282)
2022	(79,759)
2023	7,875

Police and Fire Fund Pension Costs

At December 31, 2019, the City reported a liability of \$3,339,653 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.3137 percent which was an increase of 0.0180 percent from its proportionate share measured as of June 30, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$647,791 for its proportionate share of the Police and Fire Plan's pension expense. The City also recognized \$42,350 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2019, the City reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 165,179	\$ 567,936
Changes in Actuarial Assumptions	2,954,078	3,923,339
Net Difference Between Projected and Actual Earnings on Plan Investments	-	654,797
Changes in Proportion	254,602	113,408
Contributions Paid to PERA Subsequent to the Measurement Date	297,492	-
Total	\$ 3,671,351	\$ 5,259,480

The \$297,492 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (217,386)
2021	(450,530)
2022	(1,266,513)
2023	9,050
2024	39,758

E. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for General Employee Plan and 1.0 percent per year for Police and Fire Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	35.5 %	5.10 %
Private Markets	25.0	5.90
Fixed Income	20.0	0.75
International Equity	17.5	5.90
Cash Equivalents	2.0	-
Total	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

G. Pension Liability Sensitivity

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

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	General Employees Fund	\$ 8,034,685	\$ 4,887,438
Police and Fire Fund	7,299,862	3,339,653	65

H. Pension Plan Fiduciary Net Position

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

Note 5: Defined Contribution Plan

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota statutes, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City During the fiscal year 2019 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 2,000	\$ 2,000	5.00%	5.00%	5.00%

The City and council member's contributions to the DCP plan for the years ending December 31, 2019, 2018 and 2017 were \$2,000, \$2,000 and \$2,000, respectively.

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association

A. Plan Description

All members of the Savage Fire Department (the Department) are covered by a defined benefit plan administered by the Savage Firefighter's Relief Association (the Association). As of December 31, 2018, the plan covered 36 active firefighters and 8 vested terminated, retirees and beneficiaries fire fighters whose pension benefits are deferred. The plan is a single employer defined benefit retirement plan and is established and administered in accordance with *Minnesota statute*, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

B. Benefits Provided

Full retirement benefits are payable to member who have reached age 50 and have completed 15 years of service for monthly service pensions, or 10 years of service for lump sum service pensions. Partial benefits are payable to member who have reached age 50 and have completed 10 years of service. Disability benefits and widow and children survivor benefits are also payable to member or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling State Statutes.

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota statutes* and voluntary City contributions (if applicable). The State of Minnesota contributed \$175,529 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2018, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the plan for the year ended December 31, 2019 were \$184,514. The City's contributions were equal to the required contributions as set by state statute. In addition, the City made no voluntary contributions to the plan. The firefighter has no obligation to contribute to the plan.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)

D. Pension Costs

At December 31, 2019, the City reported a net pension liability of \$1,317,507 for the Volunteer Firefighter Fund. The net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability in accordance with GASB 68 was determined by Hildi, Inc. applying an actuarial formula to specific census data certified by the Department. The following table presents the changes in the net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2018	\$ 6,954,594	\$ 6,537,623	\$ 416,971
Changes for the Year			
Service cost	124,685	-	124,685
Interest cost	433,199	-	433,199
Assumption changes	150,603	-	150,603
Plan changes	71,495	-	71,495
Projected investment return	-	409,851	(409,851)
Contributions (employer)	-	184,514	(184,514)
Nonemployer contributions	-	168,582	(168,582)
(Gain)/loss	113,646	(752,939)	866,585
Benefit payments	(296,205)	(296,205)	-
Administrative expenses	-	(16,916)	16,916
Total Net Changes	<u>597,423</u>	<u>(303,113)</u>	<u>900,536</u>
Ending Balance December 31, 2018	<u>\$ 7,552,017</u>	<u>\$ 6,234,510</u>	<u>\$ 1,317,507</u>

For the year ended December 31, 2019, the City recognized pension expense of \$571,285.

At December 31, 2019, the City reported deferred outflows of resources and its contributions subsequent to the measurement date related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 85,234	\$ 85,758
Changes in Actuarial Assumptions	315,479	-
Net Difference Between Projected and Actual Earnings on Plan Investments	376,212	-
Contributions to Plan Subsequent to the Measurement Date	<u>184,514</u>	<u>-</u>
Total	<u>\$ 961,439</u>	<u>\$ 85,758</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)

Deferred outflows of resources totaling \$184,514 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2020	\$ 261,307
2021	157,578
2022	121,695
2023	150,587

E. Actuarial Assumptions

The total pension liability at December 31, 2019 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Salary Increases	2.50% per year
Cost of Living Increases	2.00%
Investment Rate of Return	6.00%
20-Year Municipal Bond Yield	3.50%

The expected long-term investment return and discounting rate were lowered from 6.25 percent to 6.0 percent. The mortality improvement scale changed from MP-2017 to MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash and Equivalents	9.00 %	2.25 %
Fixed Income	25.00	3.80
Equities	65.00	7.30
Other	1.00	6.00
Total	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)

G. Pension Liability Sensitivity

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	1 Percent Decrease (5.00%)	Current (6.00%)	1 Percent Increase (7.00%)
Defined Benefit Plan	\$ 2,494,687	\$ 1,317,507	\$ 383,180

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained at the Savage City Hall at 6000 McColl Drive, Savage, Minnesota 55378.

Note 7: Postemployment Benefits other than Pensions

A. Plan Description

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offer medical coverage. Medical coverage is administered by Benefits Extra, Inc. It is the City's policy to periodically review its medical coverage and to obtain request for proposals in order to provide the most favorable benefits and premiums for City employees and retirees.

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	5
Spouses Receiving Benefid Payments	1
Active Plan Members	115
Total Plan Members	121

B. Funding Policy

Contribution requirements are also negotiated between the City and union representatives. The City contributes a predetermined portion of the cost of current-year premiums for eligible retired plan members and their spouses based on the employment contract in effect at the time of retirement. For the year ended December 31, 2019, the City's average contribution rate was 8.91 percent of covered-employee payroll. For the year 2019, the City directly contributed \$32,549 to the Plan, while implicit contributions totaled \$23,258.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 7: Postemployment Benefits other than Pensions (Continued)

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$723,732 was measured as of January 1, 2018, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2019. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.80%
20-Year Municipal Bond Yield	3.30%
Inflation Rate	2.50%
Salary Increases	3.00%
Medical Trend Rate	6.50% in 2019 grading to 5.00% over 6 years

The discount rate used to measure the total OPEB liability was 3.80 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate.

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2019 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
	<u>\$</u>
Balances at December 31, 2018	753,390
Changes for the Year:	
Service cost	30,473
Interest	24,792
Differences between expected and actual experience	157,406
Changes in assumptions or other inputs	(176,605)
Benefit payments	(65,724)
Net Changes	(29,658)
Balances at December 31, 2019	<u>\$</u> 723,732

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 3.30% to 3.80%.
- Health care trend rates were changed to better anticipate short term and long term medical increases
- The retirement withdrawal tables for police and fire personnel were updated
- The percent of future retirees electing post-employment medical coverage was changed from 50% to 35%.

Since the prior measurement date, the following benefit terms changed: None

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 7: Postemployment Benefits other than Pensions (Continued)

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current discount rate:

1 Percent Decrease (2.80%)	Current (3.80%)	1 Percent Increase (4.80%)
\$ 773,599	\$ 723,732	\$ 677,664

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50 percent increasing to 6.00 percent) than the cost trend rate:

1 Percent Decrease (5.50% Decreasing to 4%)	Healthcare Cost Trend Rates (6.50% Decreasing to 5%)	1 Percent Increase (7.50% Decreasing to 6%)
\$ 667,205	\$ 723,732	\$ 788,284

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$52,432. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ -	\$ 151,375
Changes in Actuarial Assumptions	134,919	-
Contributions to OPEB Subsequent to the Measurement Date	51,040	-
Total	\$ 185,959	\$ 151,375

Deferred outflows of resources totaling \$51,040 related to pensions resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020.

Note 8: 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 participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation and other miscellaneous insurance coverage. LMCIT operates as a common risk management and insurance program for member cities. The City pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that LMCIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits for each insured event.

The City also carries commercial insurance for certain other risks of loss, including liquor liability and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in insurance coverage during 2019.

B. Legal Claims

The City has usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

C. Revenue Bonds

In July 2006, the Scott County Community Development Agency (CDA) issued \$3,440,000 Housing Development Revenue Bonds to refund in advance, the August 1999 HRA Bonds to undertake housing development projects and to acquire and construct multi-family rental housing. In December 2013, the CDA issued \$2,925,000 Housing Development Refunding Bonds, series 2013C to refund the 2006 Bonds to realize additional savings. The City has pledged its full faith, credit, and taxing powers to the Housing Bonds solely as a credit enhancement. It is intended that revenues the Scott County CDA pledged will equal or exceed 110% of the principal and interest due on these bonds.

On March 14, 2008, the CDA issued \$2,400,000 Facility Lease Revenue Refunding Bonds, series 2008A, which refunded their previous Housing Bonds. In the event the City makes advances to pay debt service on the Housing Bonds, the Scott County CDA will reimburse the City from future surplus funds.

During December 2017, the City revised its capital lease agreement using Taxable Facility Lease Revenue Refunding Bonds, Series 2017B with Scott County CDA in order to take advantage of lower interest rates. The revised lease agreement requires the City to make yearly payments beginning February 1, 2019 equal to the principal and interest due on the Facility Lease Revenue Refunding Bonds, Series 2017B with interest rates between 2.0% to 3.25%. As of December 31, 2019, the outstanding principal and interest balance on these revenue bonds is \$1,472,461.

D. Flexible Benefit Plan

The City has a flexible benefit plan which is classified as a "cafeteria plan" (the Plan) under Minnesota Statutes 125 of the Internal Revenue Code. Nonexempt employees of the City are eligible if they are regularly scheduled to work 30 hours or more per week, exempt employees are eligible when paid for 50 hours or more per biweekly pay period. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll check to the Plan for health and dental care, dependent care, life insurance premiums and disability insurance benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the Plan year, which is from October 1 to September 30, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. The City is contingently liable for claim against the total amount of participants' annual contributions to the health and dental care portion of the Plan, whether or not such contribution have been made.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 8: Other Information (Continued)

All assets of the Plan are held in a trust consisting of a separate bank account. Benefits Extra, Inc. serves as Trustee and handles all Plan recordkeeping. The plan is included in the financial statements in the General Fund.

All property of the Plan and income attributable to that property is solely the property of the City, subject to the claims of the City's general creditors. Participants' rights under the Plan are equal to those of general creditors of the City in an amount equal to eligible expense incurred by the participants. The City believes it is unlikely it will use the assets to satisfy the claims of general creditors in the future.

Note 9: Subsequent Events

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the City is unable to determine if it will have a material impact to its operations.

On May 4, 2020 the City issued series 2020A and 2020B General Obligation Bonds and General Obligation Refunding Bonds. The value of the 2020A bonds are \$2,795,000 and the 2020B bonds are \$1,760,000.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

City of Savage, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2019

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/19	0.0884 %	\$ 4,887,438	\$ 151,827	\$ 5,039,265	\$ 6,253,241	80.6 %	80.2 %
06/30/18	0.0874	4,848,594	159,101	5,007,695	5,877,053	85.2	79.5
06/30/17	0.0861	5,496,567	69,094	5,565,661	5,545,085	100.4	75.9
06/30/16	0.0847	6,877,220	89,813	6,967,033	5,256,467	132.5	68.9
06/30/15	0.0885	4,586,529	-	4,586,529	5,202,050	88.2	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/19	\$ 476,249	\$ 476,249	\$ -	\$ 6,349,992	7.5 %
12/31/18	457,087	457,087	-	6,094,490	7.5
12/31/17	426,380	426,380	-	5,685,072	7.5
12/31/16	401,004	401,004	-	5,346,720	7.5
12/31/15	394,189	394,189	-	5,255,853	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available

City of Savage, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2019

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

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

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

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of Savage, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2019

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/19	0.3137 %	\$ 3,339,653	\$ -	\$3,339,653	\$ 3,311,354	100.9 %	89.3 %
06/30/18	0.2957	3,151,857	-	3,151,857	3,116,313	101.1	88.8
06/30/17	0.3010	4,063,858	-	4,063,858	3,088,646	131.6	85.4
06/30/16	0.3050	12,240,181	-	12,240,181	2,935,636	417.0	63.9
06/30/15	0.3050	3,465,514	-	3,465,514	2,797,401	123.9	86.6

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/19	\$ 569,503	\$ 569,503	\$ -	\$ 3,359,897	16.95 %
12/31/18	523,700	523,700	-	3,232,716	16.20
12/31/17	497,852	497,852	-	3,073,162	16.20
12/31/16	490,172	490,172	-	3,025,753	16.20
12/31/15	459,350	459,350	-	2,835,494	16.20

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in Actuarial Assumptions

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017. As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016.

City of Savage, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2019

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund (Continued)

The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum. 2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of Savage, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2019

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability					
Service cost	\$ 124,685	\$ 110,794	\$ 118,368	\$ 95,357	\$ 87,353
Interest on pension liability (asset)	433,199	401,172	387,067	361,511	350,753
Changes of benefit terms	71,495	95,143	79,133	60,427	-
Gain (loss)	113,646	(171,516)	26,177	94,849	-
Changes of assumptions	150,603	405,055	(28,593)	186,213	-
Benefit payments	(296,205)	(388,016)	(309,796)	(260,917)	(288,652)
Net Change in Total Pension Liability	<u>597,423</u>	<u>452,632</u>	<u>272,356</u>	<u>537,440</u>	<u>149,454</u>
Total Pension Liability - January 1	<u>6,954,594</u>	<u>6,501,962</u>	<u>6,229,606</u>	<u>5,692,166</u>	<u>5,542,712</u>
Total Pension Liability - December 31 (a)	<u>\$ 7,552,017</u>	<u>\$ 6,954,594</u>	<u>\$ 6,501,962</u>	<u>\$ 6,229,606</u>	<u>\$ 5,692,166</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 184,514	\$ 184,514	\$ 184,514	\$ 184,514	\$ 149,192
Nonemployer contributions	168,582	164,768	162,295	158,225	184,514
Projected investment return	409,851	358,176	331,448	352,571	329,228
Gain (loss)	(752,939)	474,769	112,519	(518,661)	(20,383)
Benefit payments	(296,205)	(388,016)	(309,796)	(260,917)	(288,652)
Administrative expenses	(16,916)	(13,540)	(17,389)	(11,254)	(15,067)
Net Change in Plan Fiduciary Net Position	<u>(303,113)</u>	<u>780,671</u>	<u>463,591</u>	<u>(95,522)</u>	<u>338,832</u>
Plan Fiduciary Net Position - January 1	<u>6,537,623</u>	<u>5,756,952</u>	<u>5,293,361</u>	<u>5,388,883</u>	<u>5,050,051</u>
Plan Fiduciary Net Position - December 31 (b)	<u>\$ 6,234,510</u>	<u>\$ 6,537,623</u>	<u>\$ 5,756,952</u>	<u>\$ 5,293,361</u>	<u>\$ 5,388,883</u>
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	<u>\$ 1,317,507</u>	<u>\$ 416,971</u>	<u>\$ 745,010</u>	<u>\$ 936,245</u>	<u>\$ 303,283</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	82.55%	94.00%	88.54%	84.97%	94.67%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

The mortality improvement scale changed from MP-2017 to MP-2018

The expected long-term investment return and GASB discounting rate were lowered from 6.25% to 6.00%.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Savage, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2019

Notes to the Required Supplementary Information - Fire Relief Association

Changes in Actuarial Assumptions

2019 - The health care trend rates were changed to better anticipate short term and long-term medical increases. The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The retirement and withdrawal tables for Police and Fire Personnel were updated. The discount rate was changed from 3.30% to 3.80%. The percent of future retirees electing post-employment medical coverage was changed from 50% to 35%.

2018 - The mortality improvement scale changed from MP-2016 to MP-2017. The assumed annual increase to the benefit level changed from 1.50% to 2.00%.

2017 - The mortality improvement scale changed from MP-2015 to MP-2016.

2016 - The mortality improvement scale changed from MP-2014 to MP-2015. The disability decrement assumption was eliminated.

2015 - No changes in actuarial assumptions.

Changes in Plan Provisions

2018 - The monthly benefit level increased from \$37.43 to \$38.55. The lump sum benefit level increased from \$5,725.08 to \$5,896.83.

2015 - The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2014.

Schedule of Employer's Fire Relief Association's Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/19	\$ 184,514	\$ 184,514	\$ -
12/31/18	353,096	353,096	-
12/31/17	348,282	348,282	-
12/31/16	346,809	346,809	-
12/31/15	342,739	342,739	-

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Savage, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2019

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2019	2018
Total OPEB Liability		
Service cost	\$ 30,473	\$ 48,000
Interest	24,792	24,967
Differences between expected and actual experience	157,406	-
Changes in assumptions	(176,605)	-
Benefit payments	(65,724)	(55,868)
Net Change in Total OPEB Liability	(29,658)	17,099
Total OPEB Liability - Beginning	753,390	736,291
Total OPEB Liability - Ending	\$ 723,732	\$ 753,390
Covered Payroll	\$ 8,124,416	\$ 8,124,416
City's total OPEB liability as a percentage of covered payroll	8.91 %	9.27 %

Changes in Method by year:

2019 None

2018

The actuarial cost method was changed from projected unit credit to entry age as prescribed by GASB 75.

Changes in Assumptions by year:

2019

The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP 2016 Generational Improvement Scale with the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale.

The retirement and withdrawal tables for Police and Fire Personnel were updated.

The discount rate was changed from 3.3% to 3.8%.

The percent of future retirees electing post-employment medical coverage was changed from 50% to 35%.

2018

The discount rate was changed from 3.50% to 3.30%.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are established to account for specific revenue or other sources that are designated for financing particular functions or activities as required by deferral regulations, Minnesota statute, City charter provisions, local ordinances, or specific grant agreements. Most of the special revenue funds are related to specific Federal and State housing programs or grants for specific activities.

Nonmajor Capital Project Funds

Capital project funds are established to account for the resources used for the acquisition of capital facilities and infrastructure for the City with the exception of those financed by the enterprise funds.

Internal Service Funds

The Internal Service fund is to account for the financing of goods and services provided by one fund to the other departments of the City. These services are provided on a cost reimbursement basis or are partially or fully self-funded through interest earnings on dedicated reserves.

City of Savage, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2019

	Special Revenue	Capital Projects	Total
Assets			
Cash and investments	\$ 1,228,218	\$ 9,698,649	\$ 10,926,867
Receivables			
Accounts	51,185	-	51,185
Taxes	-	3,376	3,376
Special assessments	-	104,640	104,640
Notes	1,087,426	-	1,087,426
Due from other funds	-	1,194,000	1,194,000
Prepaid items	7,482	-	7,482
Assets held for resale	174,801	82,788	257,589
 Total Assets	 \$ 2,549,112	 \$ 11,083,453	 \$ 13,632,565
Liabilities			
Accounts payable	\$ 8,353	\$ 232,086	\$ 240,439
Accrued salaries and withholdings payable	9,111	-	9,111
Contracts payable	-	12,438	12,438
Due to other funds	405,670	1,394,624	1,800,294
Deposits payable	32,681	1,350	34,031
Total Liabilities	455,815	1,640,498	2,096,313
Deferred Inflows of Resources			
Unavailable revenue - grants	-	1,417,353	1,417,353
Unavailable revenue - interest	18,297	-	18,297
Unavailable revenue - special assessments	-	100,718	100,718
Total Deferred Inflows of Resources	18,297	1,518,071	1,536,368
Fund Balances			
Nonspendable	7,482	-	7,482
Restricted	-	2,300,284	2,300,284
Committed	2,067,518	-	2,067,518
Assigned	-	8,376,308	8,376,308
Unassigned	-	(2,751,708)	(2,751,708)
Total Fund Balances	2,075,000	7,924,884	9,999,884
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 2,549,112	 \$ 11,083,453	 \$ 13,632,565

City of Savage, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2019

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	\$ 220,146	\$ 396,602	\$ 616,748
Intergovernmental	300,000	1,340,526	1,640,526
Special assessments	-	14,227	14,227
Investment earnings	38,120	273,556	311,676
Miscellaneous			
Loan interest payments	9,524	-	9,524
Refunds and reimbursements	-	1,500	1,500
Rents	228,038	-	228,038
Other	78,435	970,007	1,048,442
Total Revenues	874,263	2,996,418	3,870,681
Expenditures			
Current			
General government	365,286	-	365,286
Community development	529,372	-	529,372
Culture and recreation	-	1,269	1,269
Capital outlay			
General government	5,810	309,467	315,277
Community development	-	475,947	475,947
Public safety	-	356,447	356,447
Public works	-	240,348	240,348
Culture and recreation	-	1,083,751	1,083,751
Debt service			
Interest and other charges	-	46,885	46,885
Total Expenditures	900,468	2,514,114	3,414,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,205)	482,304	456,099
Other Financing Sources (Uses)			
Sale of capital assets	7,200	38,609	45,809
Transfers in	50,000	1,960,000	2,010,000
Bonds issued	-	820,000	820,000
Premiums on bonds issued	-	98,625	98,625
Transfers out	(205,000)	(1,341,630)	(1,546,630)
Total Other Financing Sources (Uses)	(147,800)	1,575,604	1,427,804
Net Change in Fund Balances	(174,005)	2,057,908	1,883,903
Fund Balances, January 1	2,249,005	5,866,976	8,115,981
Fund Balances, December 31	\$ 2,075,000	\$ 7,924,884	\$ 9,999,884

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NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Nonmajor special revenue funds presently established are as follows:

Cable Television Fund - This fund includes cable television and media services. It is funded through cable franchise and PEG fees. It is used for the operations of the local cable television and provides media services support as needed.

Economic Development Fund - This fund is used to account for the economic development activities of the City

Hamilton Building Fund - This fund is used to account for the operating activities of the commercial/retail lease space of the Hamilton Building.

Strom Project Fund - This fund is used to account for the development and redevelopment initiatives related to business attraction and retention at the Strom Project.

Post Office Fund - This fund is used to account for the operating activities related to the Post Office.

City of Savage, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2019

	201	231	203
	Cable Television	Economic Development	Hamilton Building
Assets			
Cash and investments	\$ 278,781	\$ 566,834	\$ 257,860
Receivables			
Accounts	51,185	-	-
Notes	-	568,297	-
Prepaid items	7,482	-	-
Assets held for resale	-	174,801	-
	<u>337,448</u>	<u>1,309,932</u>	<u>257,860</u>
Total Assets	<u>\$ 337,448</u>	<u>\$ 1,309,932</u>	<u>\$ 257,860</u>
Liabilities			
Accounts payable	\$ 173	\$ 1,600	\$ 1,247
Accrued salaries and withholdings payable	9,111	-	-
Due to other funds	-	-	-
Deposits payable	12,500	7,500	8,281
Total Liabilities	<u>21,784</u>	<u>9,100</u>	<u>9,528</u>
Deferred Inflows of Resources			
Unavailable revenue - interest	-	18,297	-
	<u>-</u>	<u>18,297</u>	<u>-</u>
Fund Balances			
Nonspendable	7,482	-	-
Committed for			
Cable television	308,182	-	-
Economic development	-	1,282,535	-
Hamilton building	-	-	248,332
Post office	-	-	-
Total Fund Balances	<u>315,664</u>	<u>1,282,535</u>	<u>248,332</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 337,448</u>	<u>\$ 1,309,932</u>	<u>\$ 257,860</u>

208	233	
Strom Project	Post Office	Total
\$ -	\$ 124,743	\$ 1,228,218
-	-	51,185
519,129	-	1,087,426
-	-	7,482
-	-	174,801
<u>\$ 519,129</u>	<u>\$ 124,743</u>	<u>\$ 2,549,112</u>
\$ -	\$ 5,333	\$ 8,353
-	-	9,111
405,670	-	405,670
-	4,400	32,681
<u>405,670</u>	<u>9,733</u>	<u>455,815</u>
-	-	18,297
-	-	7,482
-	-	308,182
113,459	-	1,395,994
-	-	248,332
-	115,010	115,010
<u>113,459</u>	<u>115,010</u>	<u>2,075,000</u>
<u>\$ 519,129</u>	<u>\$ 124,743</u>	<u>\$ 2,549,112</u>

City of Savage, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2019

	201	231	203
	Cable Television	Economic Development	Hamilton Building
Revenues			
Taxes	\$ 191,698	\$ 28,448	\$ -
Intergovernmental	-	300,000	-
Investment earnings	10,579	17,542	6,433
Miscellaneous revenues			
Loan interest payments	-	9,524	-
Rents	-	-	137,168
Other	18,997	23,800	8,223
Total Revenues	<u>221,274</u>	<u>379,314</u>	<u>151,824</u>
Expenditures			
Current			
General government	287,670	-	37,801
Community development	-	529,372	-
Capital outlay			
General government	-	-	5,810
Total Expenditures	<u>287,670</u>	<u>529,372</u>	<u>43,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(66,396)</u>	<u>(150,058)</u>	<u>108,213</u>
Other Financing Sources (Uses)			
Sale of capital assets	2,200	5,000	-
Transfers in	-	-	50,000
Transfers out	-	-	(145,000)
Total Other Financing Sources (Uses)	<u>2,200</u>	<u>5,000</u>	<u>(95,000)</u>
Net Change in Fund Balances	(64,196)	(145,058)	13,213
Fund Balances, January 1	<u>379,860</u>	<u>1,427,593</u>	<u>235,119</u>
Fund Balances, December 31	<u>\$ 315,664</u>	<u>\$ 1,282,535</u>	<u>\$ 248,332</u>

208		233		
Strom		Post		Total
Project		Office		
\$ -	\$ -	\$ -	\$ 220,146	
-	-	-	300,000	
-	3,566		38,120	
-	-	-	9,524	
-	90,870		228,038	
27,415	-		78,435	
<u>27,415</u>	<u>94,436</u>		<u>874,263</u>	
-	39,815		365,286	
-	-		529,372	
-	-		5,810	
<u>-</u>	<u>39,815</u>		<u>900,468</u>	
<u>27,415</u>	<u>54,621</u>		<u>(26,205)</u>	
-	-		7,200	
-	-		50,000	
-	(60,000)		(205,000)	
<u>-</u>	<u>(60,000)</u>		<u>(147,800)</u>	
27,415	(5,379)		(174,005)	
<u>86,044</u>	<u>120,389</u>		<u>2,249,005</u>	
<u>\$ 113,459</u>	<u>\$ 115,010</u>		<u>\$ 2,075,000</u>	

City of Savage, Minnesota
Cable Television Fund
Budgeted Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance with Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Franchise taxes	\$ 197,323	\$ 197,323	\$ 191,698	\$ (5,625)	\$ 196,673
Investment earnings	-	-	10,579	10,579	4,954
Miscellaneous revenues	21,863	21,863	18,997	(2,866)	20,968
Total Revenues	<u>219,186</u>	<u>219,186</u>	<u>221,274</u>	<u>2,088</u>	<u>222,595</u>
Expenditures					
Current					
General government	267,328	267,328	287,670	(20,342)	274,303
Capital outlay					
General government	-	-	-	-	6,678
Total Expenditures	<u>267,328</u>	<u>267,328</u>	<u>287,670</u>	<u>(20,342)</u>	<u>280,981</u>
Deficiency of Revenues Under Expenditures	(48,142)	(48,142)	(66,396)	(18,254)	(58,386)
Other Financing Sources					
Sale of capital assets	-	-	2,200	2,200	-
Net Change in Fund Balances	(48,142)	(48,142)	(64,196)	(16,054)	(58,386)
Fund Balances, January 1	<u>379,860</u>	<u>379,860</u>	<u>379,860</u>	<u>-</u>	<u>438,246</u>
Fund Balances, December 31	<u>\$ 331,718</u>	<u>\$ 331,718</u>	<u>\$ 315,664</u>	<u>\$ (16,054)</u>	<u>\$ 379,860</u>

City of Savage, Minnesota
 Economic Development Fund
 Budgeted Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes	\$ 29,000	\$ 29,000	\$ 28,448	\$ (552)	\$ 28,883
Intergovernmental	-	-	300,000	300,000	4,100
Investment earnings	6,958	6,958	17,542	10,584	5,964
Miscellaneous					
Loan interest payments	-	-	9,524	9,524	-
Other	-	-	23,800	23,800	48,388
Total Revenues	<u>35,958</u>	<u>35,958</u>	<u>379,314</u>	<u>343,356</u>	<u>87,335</u>
Expenditures					
Current					
Community development	<u>11,866</u>	<u>11,866</u>	<u>529,372</u>	<u>(517,506)</u>	<u>72,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,092	24,092	(150,058)	(174,150)	14,853
Other Financing Sources					
Sale of capital assets	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balances	24,092	24,092	(145,058)	(169,150)	14,853
Fund Balances, January 1	<u>1,427,593</u>	<u>1,427,593</u>	<u>1,427,593</u>	<u>-</u>	<u>1,412,740</u>
Fund Balances, December 31	<u>\$ 1,451,685</u>	<u>\$ 1,451,685</u>	<u>\$ 1,282,535</u>	<u>\$ (169,150)</u>	<u>\$ 1,427,593</u>

City of Savage, Minnesota
 Hamilton Building Fund
 Budgeted Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings	\$ 2,000	\$ 2,000	\$ 6,433	\$ 4,433	\$ 3,466
Miscellaneous					
Rents	137,888	137,888	137,168	(720)	111,188
Other	-	-	8,223	8,223	14,294
Total Revenues	<u>139,888</u>	<u>139,888</u>	<u>151,824</u>	<u>11,936</u>	<u>128,948</u>
Expenditures					
Current					
General government	45,668	45,668	37,801	7,867	40,205
Capital outlay					
General government	-	-	5,810	(5,810)	-
Total Expenditures	<u>45,668</u>	<u>45,668</u>	<u>43,611</u>	<u>2,057</u>	<u>40,205</u>
Excess of Revenues Over Expenditures	<u>94,220</u>	<u>94,220</u>	<u>108,213</u>	<u>13,993</u>	<u>88,743</u>
Other Financing Sources (Uses)					
Transfers in	-	-	50,000	50,000	-
Transfers out	<u>(145,000)</u>	<u>(145,000)</u>	<u>(145,000)</u>	<u>-</u>	<u>(150,000)</u>
Total Other Financing Sources (Uses)	<u>(145,000)</u>	<u>(145,000)</u>	<u>(95,000)</u>	<u>50,000</u>	<u>(150,000)</u>
Net Changes in Fund Balances	(50,780)	(50,780)	13,213	63,993	(61,257)
Fund Balances, January 1	<u>235,119</u>	<u>235,119</u>	<u>235,119</u>	<u>-</u>	<u>296,376</u>
Fund Balances, December 31	<u>\$ 184,339</u>	<u>\$ 184,339</u>	<u>\$ 248,332</u>	<u>\$ 63,993</u>	<u>\$ 235,119</u>

City of Savage, Minnesota
 Post Office Fund
 Budgeted Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings	\$ 1,839	\$ 1,839	\$ 3,566	\$ 1,727	\$ 1,760
Miscellaneous					
Refunds and reimbursements	-	-	-	-	1,799
Rents	90,876	90,876	90,870	(6)	92,531
Total Revenues	<u>92,715</u>	<u>92,715</u>	<u>94,436</u>	<u>1,721</u>	<u>96,090</u>
Expenditures					
Current					
General government	<u>45,018</u>	<u>45,018</u>	<u>39,815</u>	<u>5,203</u>	<u>67,803</u>
Excess of Revenues Over Expenditures	47,697	47,697	54,621	6,924	28,287
Other Financing Uses					
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>(50,000)</u>
Net Changes in Fund Balances	(12,303)	(12,303)	(5,379)	6,924	(21,713)
Fund Balances, January 1	<u>120,389</u>	<u>120,389</u>	<u>120,389</u>	<u>-</u>	<u>142,102</u>
Fund Balances, December 31	<u>\$ 108,086</u>	<u>\$ 108,086</u>	<u>\$ 115,010</u>	<u>\$ 6,924</u>	<u>\$ 120,389</u>

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NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition and construction of major capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by enterprise funds.

Nonmajor capital projects funds presently established are as follows:

Community Investment Fund - This fund was established using the remaining amounts of retired bonds for the purpose of financing public projects benefiting the whole community.

Tax Increment Construction Fund - This fund is used to account for the development activity of the City's Tax Increment Financing (TIF) districts.

Capital Equipment Certificates Fund - This fund is used to account for the acquisition of equipment.

Permanent Improvement Revolving Fund - this fund is used to account for construction costs prior to obtaining permanent financing.

Sidewalk Fund - This fund is used to account for the fees and charges collected to provide financing for the construction and maintenance of sidewalks in the public right of way.

Street Infrastructure Fund - This fund is used to account for the construction and maintenance of public infrastructure.

Park Dedication Fund - This fund is used to account for park dedication fees received from land developers. The expenditures consist of acquiring and developing City parks and trails.

Park Improvement Fund - This fund is used to account for the long-term maintenance, repairs and replacement of City parks.

2018 Capital Projects Fund - This fund is used to account for the construction costs of street improvements.

2020 Capital Projects Fund - This fund is used to account for the construction costs of street improvements.

City of Savage, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2019

	230	419	702	501	503
	Community Investment	Tax Increment Construction	Capital Equipment Certificates	Permanent Improvement Revolving	Sidewalk
Assets					
Cash and investments	\$ 1,801,510	\$ 128,418	\$ 1,387,281	\$ 2,193,462	\$ 175,234
Receivables					
Taxes - current	-	3,376	-	-	-
Special assessments	-	-	-	104,640	-
Due from other funds	1,194,000	-	-	-	-
Assets held for resale	82,788	-	-	-	-
	<u>3,078,298</u>	<u>131,794</u>	<u>1,387,281</u>	<u>2,298,102</u>	<u>175,234</u>
Total Assets	\$ 3,078,298	\$ 131,794	\$ 1,387,281	\$ 2,298,102	\$ 175,234
Liabilities					
Accounts payable	\$ -	\$ 71,525	\$ 122,737	\$ 66	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	-	1,394,624	-	-	-
Deposits payable	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,466,149</u>	<u>122,737</u>	<u>66</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue - grants	-	-	-	-	-
Unavailable revenue - special assessments	-	-	-	100,718	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,718</u>	<u>-</u>
Fund Balances					
Restricted for					
Capital projects	-	-	-	-	-
Assigned for					
Capital projects	3,078,298	-	1,264,544	2,197,318	175,234
Unassigned	-	(1,334,355)	-	-	-
Total Fund Balances	<u>3,078,298</u>	<u>(1,334,355)</u>	<u>1,264,544</u>	<u>2,197,318</u>	<u>175,234</u>
	<u>\$ 3,078,298</u>	<u>\$ 131,794</u>	<u>\$ 1,387,281</u>	<u>\$ 2,298,102</u>	<u>\$ 175,234</u>
Total Liabilities Deferred Inflows of Resources, and Fund Balances	\$ 3,078,298	\$ 131,794	\$ 1,387,281	\$ 2,298,102	\$ 175,234

507	509	511	535	537	
Street Infrastructure	Park Dedication	Park Improvement	2018 Capital Projects	2020 Capital Projects	Total
\$ 743,838	\$ 2,320,105	\$ 775,522	\$ -	\$ 173,279	\$ 9,698,649
-	-	-	-	-	3,376
-	-	-	-	-	104,640
-	-	-	-	-	1,194,000
-	-	-	-	-	82,788
<u>\$ 743,838</u>	<u>\$ 2,320,105</u>	<u>\$ 775,522</u>	<u>\$ -</u>	<u>\$ 173,279</u>	<u>\$ 11,083,453</u>
\$ 24,425	\$ 7,383	\$ -	\$ -	\$ 5,950	\$ 232,086
-	12,438	-	-	-	12,438
-	-	-	-	-	1,394,624
-	-	1,350	-	-	1,350
<u>24,425</u>	<u>19,821</u>	<u>1,350</u>	<u>-</u>	<u>5,950</u>	<u>1,640,498</u>
-	-	-	1,417,353	-	1,417,353
-	-	-	-	-	100,718
-	-	-	1,417,353	-	1,518,071
-	2,300,284	-	-	-	2,300,284
719,413	-	774,172	-	167,329	8,376,308
-	-	-	(1,417,353)	-	(2,751,708)
<u>719,413</u>	<u>2,300,284</u>	<u>774,172</u>	<u>(1,417,353)</u>	<u>167,329</u>	<u>7,924,884</u>
<u>\$ 743,838</u>	<u>\$ 2,320,105</u>	<u>\$ 775,522</u>	<u>\$ -</u>	<u>\$ 173,279</u>	<u>\$ 11,083,453</u>

City of Savage, Minnesota
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2019

	230	419	702	501	503
	Community Investment	Tax Increment Construction	Capital Equipment Certificates	Permanent Improvement Revolving	Sidewalk
Revenues					
Taxes					
Tax increment	\$ -	\$ 396,602	\$ -	\$ -	\$ -
Intergovernmental					
State of Minnesota	-	-	-	-	-
Special assessments	-	-	-	14,227	-
Investment earnings	32,375	1,850	22,576	71,958	6,707
Miscellaneous					
Refunds and reimbursements	-	-	-	-	-
Other	-	-	22,849	33,420	-
Total Revenues	<u>32,375</u>	<u>398,452</u>	<u>45,425</u>	<u>119,605</u>	<u>6,707</u>
Expenditures					
Current					
Culture and recreation	-	-	-	-	-
Capital outlay					
General government	-	-	309,467	-	-
Community development	-	475,947	-	-	-
Public safety	-	-	356,447	-	-
Public works	-	-	101,918	21,892	17,646
Culture and recreation	-	-	182,037	-	-
Debt service					
Interest and other charges	-	715	17,078	-	29,090
Total Expenditures	<u>-</u>	<u>476,662</u>	<u>966,947</u>	<u>21,892</u>	<u>46,736</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,375</u>	<u>(78,210)</u>	<u>(921,522)</u>	<u>97,713</u>	<u>(40,029)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	38,609	-	-
Transfers in	1,060,000	-	400,000	-	-
Bonds issued	-	-	820,000	-	-
Premium on bonds issued	-	-	98,625	-	-
Transfers out	(250,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>810,000</u>	<u>-</u>	<u>1,357,234</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	842,375	(78,210)	435,712	97,713	(40,029)
Fund Balances, January 1	<u>2,235,923</u>	<u>(1,256,145)</u>	<u>828,832</u>	<u>2,099,605</u>	<u>215,263</u>
Fund Balances, December 31	<u>\$ 3,078,298</u>	<u>\$ (1,334,355)</u>	<u>\$ 1,264,544</u>	<u>\$ 2,197,318</u>	<u>\$ 175,234</u>

507	509	511	535	537	
<u>Street Infrastructure</u>	<u>Park Dedication</u>	<u>Park Improvement</u>	<u>2018 Capital Projects</u>	<u>2020 Capital Projects</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	396,602
-	-	-	1,340,526	-	1,340,526
-	-	-	-	-	14,227
33,536	71,781	26,755	5,773	245	273,556
-	-	1,500	-	-	1,500
-	849,860	63,878	-	-	970,007
<u>33,536</u>	<u>921,641</u>	<u>92,133</u>	<u>1,346,299</u>	<u>245</u>	<u>2,996,418</u>
-	-	1,269	-	-	1,269
-	-	-	-	-	309,467
-	-	-	-	-	475,947
-	-	-	-	-	356,447
26,345	-	-	39,631	32,916	240,348
-	801,899	99,815	-	-	1,083,751
-	-	2	-	-	46,885
<u>26,345</u>	<u>801,899</u>	<u>101,086</u>	<u>39,631</u>	<u>32,916</u>	<u>2,514,114</u>
<u>7,191</u>	<u>119,742</u>	<u>(8,953)</u>	<u>1,306,668</u>	<u>(32,671)</u>	<u>482,304</u>
-	-	-	-	-	38,609
-	-	-	300,000	200,000	1,960,000
-	-	-	-	-	820,000
-	-	-	-	-	98,625
<u>(621,676)</u>	<u>-</u>	<u>-</u>	<u>(469,954)</u>	<u>-</u>	<u>(1,341,630)</u>
<u>(621,676)</u>	<u>-</u>	<u>-</u>	<u>(169,954)</u>	<u>200,000</u>	<u>1,575,604</u>
(614,485)	119,742	(8,953)	1,136,714	167,329	2,057,908
<u>1,333,898</u>	<u>2,180,542</u>	<u>783,125</u>	<u>(2,554,067)</u>	<u>-</u>	<u>5,866,976</u>
<u>\$ 719,413</u>	<u>\$ 2,300,284</u>	<u>\$ 774,172</u>	<u>\$ (1,417,353)</u>	<u>\$ 167,329</u>	<u>\$ 7,924,884</u>

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City of Savage, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance with Final Budget	2018
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Taxes					
General property	\$ 13,431,799	\$ 13,431,799	\$ 13,260,895	\$ (170,904)	\$ 12,086,591
Gravel tax	11,000	11,000	20,795	9,795	18,965
Total taxes	<u>13,442,799</u>	<u>13,442,799</u>	<u>13,281,690</u>	<u>(161,109)</u>	<u>12,105,556</u>
Licenses and permits					
Business	78,000	78,000	89,974	11,974	85,947
Non-business	472,500	472,500	1,331,294	858,794	1,108,141
Total licenses and permits	<u>550,500</u>	<u>550,500</u>	<u>1,421,268</u>	<u>870,768</u>	<u>1,194,088</u>
Intergovernmental					
Federal					
Grants	15,000	15,000	29,840	14,840	29,151
State					
Local performance aid	4,200	4,200	4,397	197	4,300
MSA maintenance aid	37,725	37,725	37,725	-	37,725
Fire aid	160,000	160,000	187,606	27,606	178,338
Police aid	265,000	265,000	322,629	57,629	291,226
PERA aid	16,782	16,782	16,782	-	16,782
Other state aid	14,000	14,400	10,335	(4,065)	14,150
County					
Other county grants	3,000	3,000	2,035	(965)	5,474
Local					
Miscellaneous	40,140	40,140	41,737	1,597	40,824
Total intergovernmental	<u>555,847</u>	<u>556,247</u>	<u>653,086</u>	<u>96,839</u>	<u>617,970</u>
Charges for services					
General government	2,350	2,350	721	(1,629)	1,825
Community development	450,000	450,000	1,003,982	553,982	961,984
Public safety	19,500	19,500	17,049	(2,451)	22,114
Public works	10,000	10,000	830	(9,170)	2,075
Culture and recreation	144,000	144,000	163,150	19,150	147,003
Total charges for services	<u>625,850</u>	<u>625,850</u>	<u>1,185,732</u>	<u>559,882</u>	<u>1,135,001</u>
Fines and forfeitures	40,000	40,000	81,334	41,334	118,515
Special assessments	-	-	1,186	1,186	6,842
Investment earnings	75,000	75,000	256,466	181,466	100,000
Miscellaneous revenues					
Contributions and donations	7,000	58,152	53,652	(4,500)	77,918
Rent	55,000	55,000	85,443	30,443	66,756
Refunds and reimbursements	5,000	5,000	17,101	12,101	1,142
Other	25,000	25,000	31,690	6,690	32,809
Total miscellaneous	<u>92,000</u>	<u>143,152</u>	<u>187,886</u>	<u>44,734</u>	<u>178,625</u>
Total Revenues	<u>15,381,996</u>	<u>15,433,548</u>	<u>17,068,648</u>	<u>1,635,100</u>	<u>15,456,597</u>

City of Savage, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual (Continued)
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance with Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and council					
Personnel services	\$ 42,635	\$ 42,635	\$ 42,651	\$ (16)	\$ 42,634
Supplies	3,100	3,100	260	2,840	593
Other services and charges	53,722	71,222	66,648	4,574	48,124
Total mayor and city council	<u>99,457</u>	<u>116,957</u>	<u>109,559</u>	<u>7,398</u>	<u>91,351</u>
Administration					
Personnel services	555,430	555,430	554,825	605	598,587
Supplies	12,500	12,500	6,623	5,877	8,139
Other services and charges	52,662	52,662	49,266	3,396	48,195
Total administration	<u>620,592</u>	<u>620,592</u>	<u>610,714</u>	<u>9,878</u>	<u>654,921</u>
Elections					
Supplies	-	-	-	-	1,119
Other services and charges	-	-	-	-	17,449
Total elections	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,568</u>
General government buildings					
Personnel services	357,584	357,584	367,612	(10,028)	344,108
Supplies	27,500	27,500	17,664	9,836	17,149
Other services and charges	128,727	128,727	140,286	(11,559)	269,701
Total general government buildings	<u>513,811</u>	<u>513,811</u>	<u>525,562</u>	<u>(11,751)</u>	<u>630,958</u>
Communications					
Supplies	11,550	11,550	23,513	(11,963)	1,339
Other services and charges	76,560	76,560	70,121	6,439	45,422
Total communications	<u>88,110</u>	<u>88,110</u>	<u>93,634</u>	<u>(5,524)</u>	<u>46,761</u>
Finance					
Personnel services	313,564	313,564	302,090	11,474	283,287
Supplies	4,300	4,300	3,338	962	4,215
Other services and charges	319,320	319,320	319,775	(455)	305,994
Total finance	<u>637,184</u>	<u>637,184</u>	<u>625,203</u>	<u>11,981</u>	<u>593,496</u>
Legal					
Other services and charges	<u>130,000</u>	<u>130,000</u>	<u>153,707</u>	<u>(23,707)</u>	<u>126,270</u>
Management information systems (MIS)					
Personnel services	215,139	215,139	189,874	25,265	192,451
Supplies	43,750	43,750	36,382	7,368	16,180
Other services and charges	101,000	101,000	80,894	20,106	92,623
Total MIS	<u>359,889</u>	<u>359,889</u>	<u>307,150</u>	<u>52,739</u>	<u>301,254</u>

City of Savage, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance with Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Contingency					
Other services and charges	\$ -	\$ -	\$ 4,500	\$ (4,500)	\$ -
Total general government	<u>2,449,043</u>	<u>2,466,543</u>	<u>2,430,029</u>	<u>36,514</u>	<u>2,463,579</u>
Community development					
Geographic information systems (GIS)					
Personnel services	109,048	109,048	105,951	3,097	104,598
Supplies	14,000	14,000	3,044	10,956	5,344
Other services and charges	28,980	28,980	13,801	15,179	17,925
Total GIS	<u>152,028</u>	<u>152,028</u>	<u>122,796</u>	<u>29,232</u>	<u>127,867</u>
Community development					
Personnel services	267,909	267,909	279,142	(11,233)	263,481
Supplies	2,900	2,900	636	2,264	960
Other services and charges	31,150	31,150	14,287	16,863	37,188
Total community development	<u>301,959</u>	<u>301,959</u>	<u>294,065</u>	<u>7,894</u>	<u>301,629</u>
Building inspection					
Personnel services	527,329	527,329	519,548	7,781	480,195
Supplies	11,200	11,200	8,930	2,270	12,339
Other services and charges	52,347	52,347	44,087	8,260	44,835
Total building inspection	<u>590,876</u>	<u>590,876</u>	<u>572,565</u>	<u>18,311</u>	<u>537,369</u>
Total community development	<u>1,044,863</u>	<u>1,044,863</u>	<u>989,426</u>	<u>55,437</u>	<u>966,865</u>
Public safety					
Police					
Personnel services	5,385,116	5,385,116	5,247,739	137,377	4,935,967
Supplies	229,233	247,092	305,342	(58,250)	292,026
Other services and charges	507,490	507,490	515,542	(8,052)	443,573
Total police	<u>6,121,839</u>	<u>6,139,698</u>	<u>6,068,623</u>	<u>71,075</u>	<u>5,671,566</u>
Fire					
Personnel services	880,791	930,791	909,273	21,518	883,029
Supplies	81,950	89,950	70,705	19,245	84,929
Other services and charges	192,677	192,677	206,381	(13,704)	191,111
Total fire	<u>1,155,418</u>	<u>1,213,418</u>	<u>1,186,359</u>	<u>27,059</u>	<u>1,159,069</u>
Total public safety	<u>7,277,257</u>	<u>7,353,116</u>	<u>7,254,982</u>	<u>98,134</u>	<u>6,830,635</u>

City of Savage, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual (Continued)
 For the Year Ended December 31, 2019
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance with Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public works					
Administration					
Personnel services	\$ 165,351	\$ 165,351	\$ 165,889	\$ (538)	\$ 157,687
Supplies	17,150	17,150	34,354	(17,204)	18,210
Other services and charges	144,965	144,965	133,634	11,331	128,685
Total administration	<u>327,466</u>	<u>327,466</u>	<u>333,877</u>	<u>(6,411)</u>	<u>304,582</u>
Maintenance (streets and alleys)					
Personnel services	817,369	817,369	755,686	61,683	729,519
Supplies	215,900	215,900	151,334	64,566	135,704
Other services and charges	260,097	260,097	252,796	7,301	231,666
Total maintenance	<u>1,293,366</u>	<u>1,293,366</u>	<u>1,159,816</u>	<u>133,550</u>	<u>1,096,889</u>
Engineering					
Personnel services	559,639	559,639	562,331	(2,692)	543,621
Supplies	17,000	17,000	8,513	8,487	17,701
Other services and charges	102,776	85,276	34,570	50,706	89,484
Total engineering	<u>679,415</u>	<u>661,915</u>	<u>605,414</u>	<u>56,501</u>	<u>650,806</u>
Snow and ice removal					
Personnel services	12,977	12,977	33,317	(20,340)	23,192
Supplies	130,500	130,500	145,988	(15,488)	123,894
Other services and charges	64,100	64,100	66,057	(1,957)	62,835
Total snow and ice removal	<u>207,577</u>	<u>207,577</u>	<u>245,362</u>	<u>(37,785)</u>	<u>209,921</u>
Vehicle maintenance					
Personnel services	178,355	178,355	174,949	3,406	169,203
Supplies	70,500	70,500	66,875	3,625	79,099
Other services and charges	44,050	44,050	53,159	(9,109)	24,970
Total vehicle maintenance	<u>292,905</u>	<u>292,905</u>	<u>294,983</u>	<u>(2,078)</u>	<u>273,272</u>
Total public works	<u>2,800,729</u>	<u>2,783,229</u>	<u>2,639,452</u>	<u>143,777</u>	<u>2,535,470</u>
Culture and recreation					
Parks and recreation					
Personnel services	1,314,712	1,314,712	1,332,295	(17,583)	1,272,344
Supplies	210,500	212,000	200,223	11,777	204,113
Other services and charges	269,434	269,434	202,604	66,830	179,762
Total parks and recreation	<u>1,794,646</u>	<u>1,796,146</u>	<u>1,735,122</u>	<u>61,024</u>	<u>1,656,219</u>
Library					
Supplies	6,000	6,000	3,466	2,534	4,153
Other services and charges	72,333	72,333	65,276	7,057	87,741
Total library	<u>78,333</u>	<u>78,333</u>	<u>68,742</u>	<u>9,591</u>	<u>91,894</u>

City of Savage, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2019
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance with Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Forestry and natural resources					
Personnel services	\$ 92,025	\$ 92,025	\$ 99,346	\$ (7,321)	\$ 93,423
Supplies	20,700	20,700	3,749	16,951	14,015
Other services and charges	10,900	10,900	20,110	(9,210)	8,837
Total forestry and natural resources	<u>123,625</u>	<u>123,625</u>	<u>123,205</u>	<u>420</u>	<u>116,275</u>
Total culture and recreation	<u>1,996,604</u>	<u>1,998,104</u>	<u>1,927,069</u>	<u>71,035</u>	<u>1,864,388</u>
Total current	<u>15,568,496</u>	<u>15,645,855</u>	<u>15,240,958</u>	<u>404,897</u>	<u>14,660,937</u>
Capital outlay					
Public safety	13,500	13,500	25,378	(11,878)	45,498
Culture and recreation	-	11,547	21,402	(9,855)	-
Total capital outlay	<u>13,500</u>	<u>25,047</u>	<u>46,780</u>	<u>(21,733)</u>	<u>45,498</u>
Total Expenditures	<u>15,581,996</u>	<u>15,670,902</u>	<u>15,287,738</u>	<u>383,164</u>	<u>14,706,435</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	<u>(200,000)</u>	<u>(237,354)</u>	<u>1,780,910</u>	<u>2,018,264</u>	<u>750,162</u>
Other Financing Sources (Uses)					
Transfers in	200,000	250,000	250,000	-	338,000
Transfers out	-	-	(1,450,000)	(1,450,000)	(740,000)
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>250,000</u>	<u>(1,200,000)</u>	<u>(1,450,000)</u>	<u>(402,000)</u>
Net Change in Fund Balances	-	12,646	580,910	568,264	348,162
Fund Balances, January 1	<u>7,800,906</u>	<u>7,800,906</u>	<u>7,800,906</u>	<u>-</u>	<u>7,452,744</u>
Fund Balances, December 31	<u>\$ 7,800,906</u>	<u>\$ 7,813,552</u>	<u>\$ 8,381,816</u>	<u>\$ 568,264</u>	<u>\$ 7,800,906</u>

City of Savage, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2019

	331	336	339	341
	2006C/2017B Recreation Refunding	2018B G.O. Refunding Bonds	2009A G.O. Street Reconstruction/CIP Bonds	2010A G.O. Build America Bonds
Assets				
Cash and investments	\$ 426,551	\$ 250,060	\$ 321,829	\$ 804,745
Receivables				
Taxes - current	1,053	-	-	-
Taxes - delinquent	1,944	-	-	-
Special assessments - current	-	21,667	-	1,602
Special assessments - deferred	-	77,093	43,264	23,314
Special assessments - delinquent	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 429,548</u>	<u>\$ 348,820</u>	<u>\$ 365,093</u>	<u>\$ 829,661</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources				
Unavailable revenue - taxes	1,988	-	-	-
Unavailable revenue - special assessments	-	98,760	43,264	23,314
Total Deferred Inflows of Resources	<u>1,988</u>	<u>98,760</u>	<u>43,264</u>	<u>23,314</u>
Fund Balances				
Restricted for debt service	<u>427,560</u>	<u>250,060</u>	<u>321,829</u>	<u>806,347</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 429,548</u>	<u>\$ 348,820</u>	<u>\$ 365,093</u>	<u>\$ 829,661</u>

343 2010D G.O. Improvement and Refunding Bonds	344 2011A G.O. Street Reconstruction/CIP Bonds	346 2012A G.O. Bonds	347 2013A G.O. Bonds
\$ -	\$ 571,675	\$ 280,928	\$ 343,114
-	-	-	-
-	-	331	8
-	102,334	214,814	197,387
-	-	-	70
-	-	-	-
<u>\$ -</u>	<u>\$ 674,009</u>	<u>\$ 496,073</u>	<u>\$ 540,579</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	102,334	214,814	197,457
-	102,334	214,814	197,457
-	571,675	281,259	343,122
<u>\$ -</u>	<u>\$ 674,009</u>	<u>\$ 496,073</u>	<u>\$ 540,579</u>

City of Savage, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2019

	348	349	350	351	352
	2013B	2014A	2014B	2015A	2015B
	G.O. Refunding	G.O.	Advance Refunding	G.O.	Crossover Refunding
	Bonds	Bonds	(2006 EDA Lease)	Bonds	(2006A Bonds)
	Bonds	Bonds	Bonds	Bonds	Bonds
Assets					
Cash and investments	\$ 403,437	\$ 522,792	\$ 905,036	\$ 629,805	\$ 586,062
Receivables					
Taxes - current	-	-	-	-	-
Taxes - delinquent	-	-	-	-	-
Special assessments - current	-	160	-	-	229
Special assessments - deferred	52,493	96,475	-	224,140	65,526
Special assessments - delinquent	-	-	-	106	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 455,930</u>	<u>\$ 619,427</u>	<u>\$ 905,036</u>	<u>\$ 854,051</u>	<u>\$ 651,817</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources					
Unavailable revenue - taxes	-	-	-	-	-
Unavailable revenue - special assessments	52,493	96,475	-	224,246	65,526
Total Deferred Inflows of Resources	<u>52,493</u>	<u>96,475</u>	<u>-</u>	<u>224,246</u>	<u>65,526</u>
Fund Balances					
Restricted for debt service	<u>403,437</u>	<u>522,952</u>	<u>905,036</u>	<u>629,805</u>	<u>586,291</u>
Total Deferred Inflows of Resources, and Fund Balances	<u>\$ 455,930</u>	<u>\$ 619,427</u>	<u>\$ 905,036</u>	<u>\$ 854,051</u>	<u>\$ 651,817</u>

353 2016A G.O. Street Improvement Bonds	354 2017A G.O. Street Improvement Bonds	355 2018A G.O. Street Improvement Bonds	356 2019A G.O. Street Improvement Bonds	372 Capital Lease	399 Debt Service Revolving Fund	Total
\$ 391,085	\$ 603,340	\$ 698,099	\$ 424,529	\$ 28,914	\$ 1,230,852	\$ 9,422,853
-	-	-	-	-	-	1,053
-	-	-	-	-	-	1,944
-	162	206	-	-	257	24,622
28,471	969,395	-	432,426	-	1,562,289	4,089,421
-	564	-	-	-	8,460	9,200
-	-	-	-	-	405,670	405,670
<u>\$ 419,556</u>	<u>\$ 1,573,461</u>	<u>\$ 698,305</u>	<u>\$ 856,955</u>	<u>\$ 28,914</u>	<u>\$ 3,207,528</u>	<u>\$ 13,954,763</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200
-	-	-	-	-	-	1,988
28,471	969,959	-	432,426	-	1,570,749	4,120,288
28,471	969,959	-	432,426	-	1,570,749	4,122,276
391,085	603,502	698,305	424,529	28,914	1,632,579	9,828,287
<u>\$ 419,556</u>	<u>\$ 1,573,461</u>	<u>\$ 698,305</u>	<u>\$ 856,955</u>	<u>\$ 28,914</u>	<u>\$ 3,207,528</u>	<u>\$ 13,954,763</u>

City of Savage, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Continued)
For the Year Ended December 31, 2019

	331	336	339	341
	2006C/2017B Recreation Refunding	2018B G.O. Refunding Bonds	2009A G.O. Street Reconstruction/CIP Bonds	2010A G.O. Build America Bonds
Revenues				
Taxes	\$ 338,451	\$ 212,000	\$ 350,000	\$ 280,000
Intergovernmental	-	-	-	36,541
Special assessments	-	35,086	14,859	31,184
Investment earnings	7,143	3,436	18,220	20,783
Total Revenues	<u>345,594</u>	<u>250,522</u>	<u>383,079</u>	<u>368,508</u>
Expenditures				
Current				
Public works	-	-	-	-
Debt service				
Principal	295,000	195,000	450,000	280,000
Interest and other charges	33,375	56,325	119,349	111,803
Total Expenditures	<u>328,375</u>	<u>251,325</u>	<u>569,349</u>	<u>391,803</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,219</u>	<u>(803)</u>	<u>(186,270)</u>	<u>(23,295)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Bonds issued	-	-	1,685,000	-
Premiums on bonds issued	-	-	178,718	-
Payment to refunded bond escrow agent	-	-	(1,825,000)	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>38,718</u>	<u>-</u>
Net Change in Fund Balances	17,219	(803)	(147,552)	(23,295)
Fund Balances, January 1	<u>410,341</u>	<u>250,863</u>	<u>469,381</u>	<u>829,642</u>
Fund Balances, December 31	<u>\$ 427,560</u>	<u>\$ 250,060</u>	<u>\$ 321,829</u>	<u>\$ 806,347</u>

343 2010D G.O. Improvement and Refunding Bonds	344 2011A G.O. Street Reconstruction/CIP Bonds	346 2012A G.O. Bonds	347 2013A G.O. Bonds
\$ -	\$ 320,000	\$ 280,000	\$ 320,000
-	-	-	-
125,426	21,735	56,144	38,590
3,450	12,550	498	4,226
<u>128,876</u>	<u>354,285</u>	<u>336,642</u>	<u>362,816</u>
-	-	-	-
695,000	305,000	220,000	540,000
13,900	93,538	53,894	64,673
<u>708,900</u>	<u>398,538</u>	<u>273,894</u>	<u>604,673</u>
<u>(580,024)</u>	<u>(44,253)</u>	<u>62,748</u>	<u>(241,857)</u>
21,442	-	118,000	30,000
-	-	-	-
-	-	-	-
-	-	-	-
<u>21,442</u>	<u>-</u>	<u>118,000</u>	<u>30,000</u>
(558,582)	(44,253)	180,748	(211,857)
<u>558,582</u>	<u>615,928</u>	<u>100,511</u>	<u>554,979</u>
<u>\$ -</u>	<u>\$ 571,675</u>	<u>\$ 281,259</u>	<u>\$ 343,122</u>

City of Savage, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Continued)
For the Year Ended December 31, 2019

	348	349	350	351	352
	2013B	2014A	2014B	2015A	2015B
	G.O. Refunding	G.O.	Advance Refunding	G.O.	Crossover Refunding
	Bonds	Bonds	(2006 EDA Lease)	Bonds	(2006A Bonds)
	Bonds	Bonds	Bonds	Bonds	Bonds
Revenues					
Taxes	\$ -	\$ 200,000	\$ 560,000	\$ 350,000	\$ 400,000
Intergovernmental	-	-	-	-	-
Special assessments	66,211	13,684	-	51,564	48,593
Investment earnings	11,827	13,602	18,742	13,096	10,274
Total Revenues	<u>78,038</u>	<u>227,286</u>	<u>578,742</u>	<u>414,660</u>	<u>458,867</u>
Expenditures					
Current					
Public works	-	-	-	-	-
Debt service					
Principal	83,200	315,000	500,000	330,000	455,000
Interest and other charges	4,628	57,325	99,019	91,013	35,275
Total Expenditures	<u>87,828</u>	<u>372,325</u>	<u>599,019</u>	<u>421,013</u>	<u>490,275</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,790)</u>	<u>(145,039)</u>	<u>(20,277)</u>	<u>(6,353)</u>	<u>(31,408)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Bonds issued	-	-	-	-	-
Premiums on bonds issued	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9,790)	(145,039)	(20,277)	(6,353)	(31,408)
Fund Balances, January 1	<u>413,227</u>	<u>667,991</u>	<u>925,313</u>	<u>636,158</u>	<u>617,699</u>
Fund Balances, December 31	<u>\$ 403,437</u>	<u>\$ 522,952</u>	<u>\$ 905,036</u>	<u>\$ 629,805</u>	<u>\$ 586,291</u>

353 2016A G.O. Street Improvement Bonds	354 2017A G.O. Street Improvement Bonds	355 2018A G.O. Street Improvement Bonds	356 2019A G.O. Street Improvement Bonds	372 Capital Lease	399 Debt Service Revolving Fund	Total
\$ 350,000	\$ 430,000	\$ 249,900	\$ -	\$ -	\$ -	\$ 4,640,351
-	-	-	-	-	-	36,541
6,258	70,292	113,956	422,890	-	110,406	1,226,878
6,004	10,118	15,157	1,639	829	45,163	216,757
<u>362,262</u>	<u>510,410</u>	<u>379,013</u>	<u>424,529</u>	<u>829</u>	<u>155,569</u>	<u>6,120,527</u>
-	-	-	-	-	41,668	41,668
290,000	470,000	-	-	110,000	-	5,533,200
70,450	84,825	116,505	-	36,253	4,200	1,146,350
<u>360,450</u>	<u>554,825</u>	<u>116,505</u>	<u>-</u>	<u>146,253</u>	<u>45,868</u>	<u>6,721,218</u>
1,812	(44,415)	262,508	424,529	(145,424)	109,701	(600,691)
-	-	-	-	145,000	469,954	784,396
-	-	-	-	-	-	1,685,000
-	-	-	-	-	-	178,718
-	-	-	-	-	-	(1,825,000)
-	-	-	-	-	(236,192)	(236,192)
-	-	-	-	145,000	233,762	586,922
1,812	(44,415)	262,508	424,529	(424)	343,463	(13,769)
389,273	647,917	435,797	-	29,338	1,289,116	9,842,056
<u>\$ 391,085</u>	<u>\$ 603,502</u>	<u>\$ 698,305</u>	<u>\$ 424,529</u>	<u>\$ 28,914</u>	<u>\$ 1,632,579</u>	<u>\$ 9,828,287</u>

City of Savage, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations
 Governmental Funds
 For the Years Ended December 31, 2019 and 2018

	Total		Percent Increase (Decrease)
	2019	2018	
Revenues			
Taxes	\$ 18,538,789	\$ 17,822,759	4.02 %
Licenses and permits	1,421,268	1,194,088	19.03
Intergovernmental	2,330,153	2,079,088	12.08
Charges for services	1,185,732	1,135,001	4.47
Fines and forfeits	81,334	118,515	(31.37)
Special assessments	1,242,291	1,273,975	(2.49)
Investment earnings	813,596	387,862	109.76
Miscellaneous	1,475,390	1,077,592	36.92
	<u>\$ 27,088,553</u>	<u>\$ 25,088,880</u>	7.97 %
Total Revenues	<u>\$ 27,088,553</u>	<u>\$ 25,088,880</u>	7.97 %
Per capita	\$ 840	\$ 799	5.16 %
Expenditures			
Current			
General government	\$ 2,795,315	\$ 2,856,200	(2.13) %
Public safety	7,254,982	6,830,635	6.21
Public works	2,681,120	2,576,056	4.08
Culture and recreation	1,928,338	1,870,107	3.11
Community development	1,518,798	1,039,347	46.13
Capital outlay	8,583,762	8,867,349	(3.20)
Debt service			
Principal	5,533,200	7,328,200	(24.49)
Interest and other charges	1,231,466	1,396,076	(11.79)
	<u>\$ 31,526,981</u>	<u>\$ 32,763,970</u>	(3.78) %
Total Expenditures	<u>\$ 31,526,981</u>	<u>\$ 32,763,970</u>	(3.78) %
Per capita	\$ 978	\$ 1,043	(6.28) %
Total Long-term indebtedness	\$ 38,685,221	\$ 41,444,783	(6.66) %
Per capita	1,200	1,320	(9.08)
General Fund Balance - December 31	\$ 8,381,816	\$ 7,800,906	7.45 %
Per capita	260	248	4.65

The purpose of this report is to provide a summary of financial information concerning the City of Savage to interested citizens. The complete financial statements may be examined at City Hall, 6000 McColl Drive, Minnesota 55378. Questions about his report should be directed to Julie Stahl, Finance Director, at (952)-882-2691.

STATISTICAL SECTION (UNAUDITED)

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relocates to the services the government provides and the activities it performs.

City of Savage, Minnesota
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 1

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ 49,995,780	\$ 44,947,035	\$ 51,868,908	\$ 55,245,476
Restricted	27,783,068	28,661,106	26,923,205	24,780,907
Unrestricted	1,632,478	7,595,872	4,828,615	4,300,332
Total Governmental Activities				
Net Position	<u>\$ 79,411,326</u>	<u>\$ 81,204,013</u>	<u>\$ 83,620,728</u>	<u>\$ 84,326,715</u>
Business-type Activities				
Net investment in capital assets	\$ 64,274,645	\$ 59,136,142	\$ 57,394,271	\$ 56,798,875
Restricted	186,213	186,213	186,213	186,213
Unrestricted	9,175,558	12,050,334	13,433,615	11,657,075
Total Business-type Activities				
Net Position	<u>\$ 73,636,416</u>	<u>\$ 71,372,689</u>	<u>\$ 71,014,099</u>	<u>\$ 68,642,163</u>
Primary Government				
Net investment in capital assets	\$ 102,327,425	\$ 94,262,715	\$ 99,215,256	\$ 101,888,966
Restricted	27,969,281	28,847,319	27,109,418	24,967,120
Unrestricted	22,751,036	29,466,668	28,310,153	26,112,792
Total Primary Government				
Net Position	<u>\$ 153,047,742</u>	<u>\$ 152,576,702</u>	<u>\$ 154,634,827</u>	<u>\$ 152,968,878</u>

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated.

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Years prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Source: City of Savage, audited financial statements.

Table 1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 56,875,347	\$ 56,788,519	\$ 52,404,031	\$ 56,043,065	\$ 60,647,943	\$ 61,931,750
27,661,964	26,379,496	23,798,360	15,945,047	15,881,764	15,762,927
4,808,819	346,467	6,125,991	6,952,544	4,466,178	5,330,287
<u>\$ 89,346,130</u>	<u>\$ 83,514,482</u>	<u>\$ 82,328,382</u>	<u>\$ 78,940,656</u>	<u>\$ 80,995,885</u>	<u>\$ 83,024,964</u>
\$ 58,707,155	\$ 58,349,577	\$ 58,757,241	\$ 62,456,787	\$ 63,945,940	\$ 65,957,294
186,213	186,213	186,213	186,213	186,213	-
9,650,137	10,250,984	10,765,788	12,020,899	12,930,955	14,585,777
<u>\$ 68,543,505</u>	<u>\$ 68,786,774</u>	<u>\$ 69,709,242</u>	<u>\$ 74,663,899</u>	<u>\$ 77,063,108</u>	<u>\$ 80,543,071</u>
\$ 105,769,655	\$ 105,597,787	\$ 111,161,272	\$ 118,499,852	\$ 124,593,883	\$ 127,889,044
27,848,177	26,565,709	23,984,573	16,131,260	16,067,977	15,762,927
24,271,803	20,137,760	16,891,779	18,973,443	17,397,133	19,916,064
<u>\$ 157,889,635</u>	<u>\$ 152,301,256</u>	<u>\$ 152,037,624</u>	<u>\$ 153,604,555</u>	<u>\$ 158,058,993</u>	<u>\$ 163,568,035</u>

City of Savage, Minnesota
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental Activities				
General government	\$ 2,412,774	\$ 2,465,817	\$ 2,579,553	\$ 2,586,203
Community development	595,330	664,475	731,022	1,492,904
Public safety	5,619,912	5,650,788	5,881,131	5,736,452
Public works	8,829,965	8,364,994	9,186,780	9,625,099
Culture and recreation	1,630,060	1,679,064	1,609,802	1,754,704
Interest on long-term debt	2,508,079	2,172,544	2,257,180	2,024,222
Total Governmental Activities Expenses	<u>21,596,120</u>	<u>20,997,682</u>	<u>22,245,468</u>	<u>23,219,584</u>
Business-type Activities				
Water and sewer	10,205,970	10,092,700	10,187,040	9,973,931
Storm water	1,949,972	1,966,042	1,676,891	1,775,795
Municipal liquor	5,026,231	4,472,836	4,326,242	4,205,135
Street light	300,908	316,629	332,040	325,596
Sports center	-	-	134,016	527,728
Total Business-type Activities Expenses	<u>17,483,081</u>	<u>16,848,207</u>	<u>16,656,229</u>	<u>16,808,185</u>
Total Primary Government Expenses	<u>\$ 39,079,201</u>	<u>\$ 37,845,889</u>	<u>\$ 38,901,697</u>	<u>\$ 40,027,769</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 448,515	\$ 485,867	\$ 401,917	\$ 407,780
Community development	589,626	763,244	1,072,671	935,318
Public safety	272,055	254,405	230,613	229,931
Public works	789,646	882,681	1,432,254	1,061,729
Culture and recreation	152,341	191,863	168,882	244,232
Operating grants and contributions	494,766	643,307	853,424	598,964
Capital grants and contributions	4,083,430	4,065,639	7,080,462	5,744,272
Total Governmental Activities Program Revenues	<u>6,830,379</u>	<u>7,287,006</u>	<u>11,240,223</u>	<u>9,222,226</u>
Business-type Activities				
Charges for services				
Water and sewer	6,077,544	6,641,873	7,457,902	7,525,396
Storm water	1,413,006	1,288,222	1,243,080	1,293,742
Municipal liquor	5,181,548	4,657,014	4,560,288	4,435,027
Street light	331,197	335,105	345,255	344,842
Sports center	-	-	111,522	504,008
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total Business-type Activities Program Revenues	<u>13,003,295</u>	<u>12,922,214</u>	<u>13,718,047</u>	<u>14,103,015</u>
Total Primary Government Program Revenues	<u>\$ 19,833,674</u>	<u>\$ 20,209,220</u>	<u>\$ 24,958,270</u>	<u>\$ 23,325,241</u>

Table 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 2,635,204	\$ 2,808,358	\$ 3,702,654	\$ 3,007,733	\$ 3,151,299	\$ 3,117,228
1,126,253	880,952	1,207,177	1,097,374	2,240,018	2,028,031
6,080,356	6,144,514	8,119,785	7,191,221	6,597,722	8,019,430
7,655,405	10,013,293	12,269,023	9,910,401	7,914,737	8,038,006
1,664,785	1,859,142	2,102,361	3,591,953	465,338	2,539,161
1,793,677	1,572,793	1,521,939	1,355,906	1,316,898	1,127,911
<u>20,955,680</u>	<u>23,279,052</u>	<u>28,922,939</u>	<u>26,154,588</u>	<u>21,686,012</u>	<u>24,869,767</u>
8,505,471	8,401,436	8,972,833	9,289,662	9,249,657	9,378,190
1,581,519	1,684,442	1,285,147	1,371,284	1,663,561	1,389,829
4,046,382	3,661,334	3,910,277	4,961,257	5,199,119	5,364,001
331,931	335,488	358,525	387,609	371,087	376,197
490,481	466,643	463,356	491,401	573,093	552,170
<u>14,955,784</u>	<u>14,549,343</u>	<u>14,990,138</u>	<u>16,501,213</u>	<u>17,056,517</u>	<u>17,060,387</u>
<u>\$ 35,911,464</u>	<u>\$ 37,828,395</u>	<u>\$ 43,913,077</u>	<u>\$ 42,655,801</u>	<u>\$ 38,742,529</u>	<u>\$ 41,930,154</u>
\$ 425,638	\$ 451,924	\$ 2,172,767	\$ 2,340,982	\$ 2,491,834	\$ 2,798,696
1,152,731	1,072,049	37,650	57,861	34,884	9,524
191,024	138,373	77,347	68,783	140,383	101,953
629,211	509,220	38,705	28,800	32,700	52,315
262,835	229,892	1,059,107	884,066	593,003	1,061,724
581,227	740,935	1,615,121	1,182,258	815,644	1,046,275
4,327,779	5,877,187	5,110,433	4,116,418	2,890,999	2,426,179
<u>7,570,445</u>	<u>9,019,580</u>	<u>10,111,130</u>	<u>8,679,168</u>	<u>6,999,447</u>	<u>7,496,666</u>
8,584,064	7,078,007	9,221,873	9,048,111	10,110,211	11,580,076
1,415,134	1,377,448	1,566,646	1,538,029	1,424,700	1,551,700
4,245,608	3,705,763	3,801,453	4,887,610	5,338,168	5,870,314
347,059	351,997	364,653	365,915	375,038	382,704
520,598	492,875	481,285	464,101	478,526	440,335
-	-	24,443	5,200	19,061	13,582
-	-	341,392	582,599	218,902	203,840
<u>15,112,463</u>	<u>13,006,090</u>	<u>15,801,745</u>	<u>16,891,565</u>	<u>17,964,606</u>	<u>20,042,551</u>
<u>\$ 22,682,908</u>	<u>\$ 22,025,670</u>	<u>\$ 25,912,875</u>	<u>\$ 25,570,733</u>	<u>\$ 24,964,053</u>	<u>\$ 27,539,217</u>

City of Savage, Minnesota
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2

	Fiscal Year			
	2010	2011	2012	2013
Net (Expense)/Revenue				
Governmental activities	\$(14,765,741)	\$(13,710,676)	\$(11,005,245)	\$(13,997,358)
Business-type activities	(4,479,786)	(3,925,993)	(2,938,182)	(2,705,170)
Total Primary Government Net Expense	<u>\$(19,245,527)</u>	<u>\$(17,636,669)</u>	<u>\$(13,943,427)</u>	<u>\$(16,702,528)</u>
General Revenues and other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 15,115,141	\$ 14,937,657	\$ 15,063,473	\$ 15,554,819
Tax increments	140,606	36,356	34,233	32,397
Franchise taxes	189,678	196,149	189,980	194,057
Other taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings	330,672	1,471,561	895,463	(570,068)
Other general revenues	17,928	13,514	14,862	16,566
Gain on sale of capital assets	1,288	-	8,751	73,492
Transfers	(418,134)	(1,151,874)	(2,353,133)	(597,918)
Total Governmental Activities	<u>15,377,179</u>	<u>15,503,363</u>	<u>13,853,629</u>	<u>14,703,345</u>
Business-type Activities				
Unrestricted investment earnings	145,343	510,392	348,402	(269,402)
Other general revenues	637	-	12,730	4,718
Gain on sale of capital assets	-	-	-	-
Transfers	418,134	1,151,874	2,353,133	597,918
Total Business-type Activities	<u>564,114</u>	<u>1,662,266</u>	<u>2,714,265</u>	<u>333,234</u>
Total Primary Government	<u>\$ 15,941,293</u>	<u>\$ 17,165,629</u>	<u>\$ 16,567,894</u>	<u>\$ 15,036,579</u>
Change in Net Position				
Governmental activities	\$ 611,438	\$ 1,792,687	\$ 2,848,384	\$ 705,987
Business-type activities	(3,915,672)	(2,263,727)	(223,917)	(2,371,936)
Total Primary Government	<u>\$ (3,304,234)</u>	<u>\$ (471,040)</u>	<u>\$ 2,624,467</u>	<u>\$ (1,665,949)</u>

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated.

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Years prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Source: City of Savage, audited financial statements.

Table 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
<u>\$(13,385,235)</u>	<u>\$(14,259,472)</u>	<u>\$(18,811,809)</u>	<u>\$(17,475,420)</u>	<u>\$(14,686,565)</u>	<u>\$(17,373,101)</u>
<u>156,679</u>	<u>(1,543,253)</u>	<u>811,607</u>	<u>390,352</u>	<u>908,089</u>	<u>2,982,164</u>
<u><u>\$(13,228,556)</u></u>	<u><u>\$(15,802,725)</u></u>	<u><u>\$(18,000,202)</u></u>	<u><u>\$(17,085,068)</u></u>	<u><u>\$(13,778,476)</u></u>	<u><u>\$(14,390,937)</u></u>
\$ 16,121,557	\$ 16,612,868	\$ 16,584,312	\$ 16,946,478	\$ 17,383,219	\$ 17,899,998
13,325	-	100,392	160,961	180,462	396,602
195,656	191,425	202,011	203,154	196,673	191,698
-	-	47,702	44,416	47,848	49,243
4,004	-	22,595	262,976	26,246	23,176
1,249,535	480,193	399,871	390,900	406,919	873,039
3,480	-	33,994	3,406	1,098	17,101
58,522	265,936	130,444	433,110	87,979	45,809
758,571	<u>(2,724,755)</u>	104,388	<u>(4,357,707)</u>	<u>(1,356,235)</u>	<u>(94,486)</u>
<u>18,404,650</u>	<u>14,825,667</u>	<u>17,625,709</u>	<u>14,087,694</u>	<u>16,974,209</u>	<u>19,402,180</u>
494,736	153,310	204,218	206,598	185,921	403,313
8,498	2,377	-	-	-	-
-	-	11,031	-	-	-
<u>(758,571)</u>	<u>2,724,755</u>	<u>(104,388)</u>	<u>4,357,707</u>	<u>1,356,235</u>	<u>94,486</u>
<u>(255,337)</u>	<u>2,880,442</u>	<u>110,861</u>	<u>4,564,305</u>	<u>1,542,156</u>	<u>497,799</u>
<u><u>\$ 18,149,313</u></u>	<u><u>\$ 17,706,109</u></u>	<u><u>\$ 17,736,570</u></u>	<u><u>\$ 18,651,999</u></u>	<u><u>\$ 18,516,365</u></u>	<u><u>\$ 19,899,979</u></u>
\$ 5,019,415	\$ 566,195	\$ (1,186,100)	\$ (3,387,726)	\$ 2,287,644	\$ 2,029,079
<u>(98,658)</u>	<u>1,337,189</u>	<u>922,468</u>	<u>4,954,657</u>	<u>2,450,245</u>	<u>3,479,963</u>
<u><u>\$ 4,920,757</u></u>	<u><u>\$ 1,903,384</u></u>	<u><u>\$ (263,632)</u></u>	<u><u>\$ 1,566,931</u></u>	<u><u>\$ 4,737,889</u></u>	<u><u>\$ 5,509,042</u></u>

City of Savage, Minnesota
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 3

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 1,051	\$ -	\$ -	\$ -
Unreserved	5,571,994	-	-	-
Nonspendable	-	8,100	26,951	35,633
Assigned	-	57,506	57,070	14,393
Unassigned	-	6,095,222	6,259,170	6,416,262
Total General Fund	<u>\$ 5,573,045</u>	<u>\$ 6,160,828</u>	<u>\$ 6,343,191</u>	<u>\$ 6,466,288</u>
All other Governmental Funds				
Reserved	\$ 1,659,499	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	1,399,116	-	-	-
Debt service funds	25,176,670	-	-	-
Capital projects funds	9,330,389	-	-	-
Nonspendable	-	1,457,031	1,432,675	840,625
Restricted	-	19,401,374	19,581,241	23,507,078
Committed	-	1,119,599	1,276,006	1,276,323
Assigned - capital projects	-	14,609,278	10,355,038	8,085,760
Unassigned	-	(1,995,184)	(5,754,031)	(6,935,079)
Total All Other Governmental Funds	<u>\$ 37,565,674</u>	<u>\$ 34,592,098</u>	<u>\$ 26,890,929</u>	<u>\$ 26,774,707</u>

Note: GASB Statement No. 54 replaced the categories used to classify fund balance. The City implemented GASB Statement No. 54 in 2011, prior year balances were not reclassified.

Source: City of Savage, audited financial statements.

Table 3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
27,616	58,389	68,435	34,956	105,053	55,381
14,129	16,596	18,659	226,626	50,378	254,143
<u>6,685,706</u>	<u>6,783,256</u>	<u>6,934,350</u>	<u>7,191,162</u>	<u>7,645,475</u>	<u>8,072,292</u>
<u>\$ 6,727,451</u>	<u>\$ 6,858,241</u>	<u>\$ 7,021,444</u>	<u>\$ 7,452,744</u>	<u>\$ 7,800,906</u>	<u>\$ 8,381,816</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
790,573	739,572	688,869	14,269	7,277	7,482
24,394,291	26,854,132	19,661,660	12,766,724	13,048,666	12,128,571
1,324,188	2,060,967	2,293,894	2,350,920	2,241,728	2,067,518
4,620,966	4,423,322	5,447,669	6,808,382	7,317,105	8,376,308
<u>(1,801,173)</u>	<u>(742,569)</u>	<u>(934,728)</u>	<u>(273,767)</u>	<u>(3,810,212)</u>	<u>(3,788,249)</u>
<u>\$ 29,328,845</u>	<u>\$ 33,335,424</u>	<u>\$ 27,157,364</u>	<u>\$ 21,666,528</u>	<u>\$ 18,804,564</u>	<u>\$ 18,791,630</u>

City of Savage, Minnesota
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 4

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 15,377,240	\$ 15,038,116	\$ 15,040,188	\$ 15,706,099
Special assessments	2,106,741	3,823,356	3,116,273	4,856,987
Licenses and permits	910,748	1,070,212	1,963,399	1,377,386
Intergovernmental	626,826	1,852,531	5,059,511	681,259
Charges for services	788,813	799,037	1,045,284	1,088,336
Fines and forfeits	240,775	221,984	205,691	201,687
Interest on investments	319,413	1,434,005	872,295	(548,819)
Miscellaneous	770,497	881,852	825,963	762,758
Total Revenues	<u>21,141,053</u>	<u>25,121,093</u>	<u>28,128,604</u>	<u>24,125,693</u>
Expenditures				
General government	2,156,341	2,205,108	2,353,023	2,373,190
Community development	538,168	542,925	622,229	720,049
Public safety	5,231,715	5,234,134	5,480,860	5,423,978
Public works	2,140,871	2,058,008	2,071,901	2,179,378
Culture and recreation	1,280,481	1,388,032	1,242,838	1,404,258
Capital outlay	7,305,029	5,390,043	19,249,033	11,702,470
Debt service				
Principal	7,040,000	6,240,000	7,825,000	7,750,000
Interest and other	2,561,618	2,452,449	2,173,145	2,186,986
Other charges	-	-	-	-
Total Expenditures	<u>28,254,223</u>	<u>25,510,699</u>	<u>41,018,029</u>	<u>33,740,309</u>
Deficiency of Revenues Under Expenditures	<u>(7,113,170)</u>	<u>(389,606)</u>	<u>(12,889,425)</u>	<u>(9,614,616)</u>
Other Financing Sources (Uses)				
Sale of capital assets	37,778	41,412	37,891	73,492
Transfers in	2,620,628	3,992,995	1,245,987	5,064,796
Debt issued	17,065,000	8,640,000	5,085,000	6,241,200
Premium/discount on debt issued	548,790	147,401	132,741	216,594
Principal paid on refunded bonds	(3,555,000)	(11,025,000)	-	-
Transfers out	(1,910,061)	(3,792,995)	(1,131,000)	(1,974,591)
Total Other Financing Sources (Uses)	<u>14,807,135</u>	<u>(1,996,187)</u>	<u>5,370,619</u>	<u>9,621,491</u>
Net Change in Fund Balances	<u>\$ 7,693,965</u>	<u>\$ (2,385,793)</u>	<u>\$ (7,518,806)</u>	<u>\$ 6,875</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>45.5%</u>	<u>43.0%</u>	<u>45.4%</u>	<u>43.7%</u>

Source: City of Savage, audited financial statements.

Table 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 16,239,954	\$ 16,700,828	\$ 16,966,415	\$ 17,354,608	\$ 17,822,759	\$ 18,538,789
4,131,438	2,680,986	1,061,770	1,103,285	1,194,088	1,421,268
1,144,093	979,319	5,659,137	3,959,527	2,079,088	2,330,153
2,803,618	5,040,627	1,895,927	1,158,646	1,135,001	1,185,732
1,519,574	1,318,017	43,699	45,258	118,515	81,334
157,931	110,039	2,238,634	1,414,733	1,273,975	1,242,291
1,189,774	456,713	381,172	370,860	387,862	813,596
945,303	702,786	492,927	1,528,002	1,077,592	1,475,390
<u>28,131,685</u>	<u>27,989,315</u>	<u>28,739,681</u>	<u>26,934,919</u>	<u>25,088,880</u>	<u>27,088,553</u>
2,468,850	2,540,980	2,691,979	2,721,328	2,856,200	2,795,315
753,240	795,823	800,377	878,233	1,039,347	1,518,798
5,757,690	5,873,216	6,243,134	6,532,555	6,830,635	7,254,982
2,298,275	2,211,713	2,366,155	2,319,866	2,576,056	2,681,120
1,419,873	1,528,118	1,764,144	1,850,781	1,870,107	1,928,338
10,829,083	7,316,930	12,481,059	9,804,826	8,867,349	8,583,762
6,625,000	7,190,000	11,280,000	6,700,000	7,328,200	5,533,200
1,946,410	1,735,867	1,616,804	1,381,337	1,396,076	1,231,466
1,114,435	-	94,318	113,394	-	-
<u>33,212,856</u>	<u>29,192,647</u>	<u>39,337,970</u>	<u>32,302,320</u>	<u>32,763,970</u>	<u>31,526,981</u>
<u>(5,081,171)</u>	<u>(1,203,332)</u>	<u>(10,598,289)</u>	<u>(5,367,401)</u>	<u>(7,675,090)</u>	<u>(4,438,428)</u>
62,633	287,965	131,064	438,318	90,019	45,809
6,868,636	4,527,780	5,824,715	7,504,778	4,192,992	5,083,565
9,890,000	6,830,000	3,335,000	6,000,000	4,420,000	4,300,000
212,244	265,345	147,335	233,034	138,269	465,410
(6,600,000)	-	-	(3,365,000)	-	(1,825,000)
<u>(3,956,582)</u>	<u>(6,570,389)</u>	<u>(4,854,682)</u>	<u>(10,503,265)</u>	<u>(3,679,992)</u>	<u>(3,063,380)</u>
<u>6,476,931</u>	<u>5,340,701</u>	<u>4,583,432</u>	<u>307,865</u>	<u>5,161,288</u>	<u>5,006,404</u>
<u>\$ 1,395,760</u>	<u>\$ 4,137,369</u>	<u>\$ (6,014,857)</u>	<u>\$ (5,059,536)</u>	<u>\$ (2,513,802)</u>	<u>\$ 567,976</u>
<u>42.6%</u>	<u>37.8%</u>	<u>42.5%</u>	<u>31.4%</u>	<u>38.1%</u>	<u>28.9%</u>

City of Savage, Minnesota
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 5

Fiscal Year	Property Tax	Tax Increment	Franchise/Other Tax	Total
2010	\$ 15,115,141	\$ 140,606	\$ 189,678	\$ 15,445,425
2011	14,937,657	36,356	196,149	15,170,162
2012	15,063,473	34,233	189,980	15,287,686
2013	15,554,819	32,397	194,057	15,781,273
2014	16,121,557	13,325	195,656	16,330,538
2015	16,612,868	-	191,425	16,804,293
2016	16,584,312	100,392	249,713	16,934,417
2017	16,946,478	160,961	247,570	17,355,009
2018	17,383,219	180,462	244,521	17,808,202
2019	17,899,998	396,602	240,941	18,537,541

Source: City of Savage, audited financial statements.

City of Savage, Minnesota
 Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Table 6

Fiscal Year	Property Tax	Tax Increment	Franchise/Other Tax	Total
2010	\$ 15,236,634	\$ 140,606	\$ 189,678	\$ 15,566,918
2011	15,001,760	36,356	196,149	15,234,265
2012	15,005,955	34,233	189,980	15,230,168
2013	15,657,638	32,397	194,057	15,884,092
2014	16,226,469	13,325	195,656	16,435,450
2015	16,700,828	-	191,425	16,892,253
2016	16,616,310	100,392	249,713	16,966,415
2017	16,946,077	160,961	247,570	17,354,608
2018	17,397,776	180,462	244,521	17,822,759
2019	17,901,246	396,602	240,941	18,538,789

Source: City of Savage, audited financial statements.

City of Savage, Minnesota
 Net Tax Capacity and Estimated Market Value of Property
 Last Ten Fiscal Years

Table 7

Fiscal Year Ended December 31,	Real and Personal Property ⁽¹⁾						Ratio of Total Tax Capacity to Taxable Market Value
	Total Tax Capacity	Tax Increment Tax Capacity	Net Fiscal Disparity	Net Tax Capacity	Total Direct Tax Rate	Taxable Market Value	
2010	\$ 31,342,817	\$ (129,985)	\$ 926,579	\$ 32,139,411	47.34 %	\$ 2,718,402,500	1.15 %
2011	30,658,327	(36,196)	862,581	31,484,712	48.28	2,652,900,000	1.16
2012	28,690,321	(26,264)	220,938	28,884,995	51.12	2,477,077,500	1.16
2013	27,003,916	(25,738)	414,077	27,392,255	55.51	2,311,627,400	1.17
2014	28,256,725	(25,738)	177,866	28,408,853	55.28	2,434,515,600	1.16
2015	30,700,138	-	313,279	31,013,417	51.74	2,658,879,100	1.15
2016	32,186,980	(81,937)	248,077	32,353,120	49.91	2,799,503,700	1.15
2017	34,350,260	(138,187)	650,645	34,862,718	47.84	2,957,985,300	1.16
2018	36,068,844	(159,437)	436,671	36,346,078	47.12	3,115,183,500	1.16
2019	39,173,698	(358,727)	741,358	39,556,329	44.47	3,396,640,700	1.15

⁽¹⁾ Personal property values are minimal and are included in the total value.

Source: Scott County

City of Savage, Minnesota
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Table 8

Fiscal Year	City of Savage			Overlapping Rates ⁽¹⁾		Special Districts ⁽²⁾	Total Direct and Overlapping Rates
	General Operating Rate	Debt Service Rate	Total Tax Capacity Rate	School District #191 Total Tax Capacity Rate	Scott County Total Tax Capacity Rate		
2010	31.807 %	15.528 %	47.335 %	20.668 %	33.237 %	6.246 %	107.486 %
2011	32.441	15.837	48.278	21.855	35.541	6.519	112.193
2012	33.763	17.360	51.123	21.878	38.802	6.958	118.761
2013	37.008	18.500	55.508	26.168	40.674	7.143	129.493
2014	36.379	18.899	55.278	25.661	39.720	6.934	127.593
2015	35.325	16.418	51.743	24.554	36.638	6.976	119.911
2016	35.633	14.272	49.905	31.065	36.175	7.676	124.821
2017	33.816	14.025	47.841	27.529	35.896	7.746	119.012
2018	33.474	13.643	47.117	25.759	35.114	8.687	116.677
2019	33.669	10.805	44.474	26.202	33.841	8.271	112.788

⁽¹⁾ Overlapping rates are those of local and county governments that apply to property owners within the City of Savage. Not all overlapping rates apply to all City of Savage property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

⁽²⁾ Special Districts include the following: Metropolitan Council, Metropolitan Transit District, Metropolitan Mosquito Control, Scott County Community Development Agency, and Prior Lake - Spring Lake Watershed District.

Source: Scott County

City of Savage, Minnesota
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 9

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Continental 298 Fund, LLC	\$ 41,500,000	1	1.22 %			
Cargill, Inc.	25,082,000	2	0.74	\$ 16,222,100	2	0.60 %
CHC Highview, LLC	20,048,500	3	0.59	16,993,800	1	0.63
Karl Bohn	19,812,800	4	0.58			
BRE	17,194,400	5	0.51			
Centerpoint Energy Resource	17,097,000	6	0.50			
BF Nelson	13,500,000	7	0.40	15,000,000	5	0.55
Target Corporation	13,300,000	8	0.39	15,250,000	4	0.56
Hy-Vee, Inc.	11,388,700	9	0.34			
Stag Savage, LLC	10,580,000	10	0.31			
Trout Run Preserve LLC				16,099,000	3	0.59
Larry M. Ross, LLC				13,200,000	7	0.48
Centro Bradley Spc 7, LLC				14,602,300	6	0.54
MN Savage 16 LLC				11,100,000	8	0.41
Cargill, Inc.				9,092,000	9	0.33
Whitebox Riverport Savage, LLC				9,000,000	10	0.33
Total	<u>\$189,503,400</u>		<u>5.58 %</u>	<u>\$136,559,200</u>		<u>5.02 %</u>

Source: Scott County

City of Savage, Minnesota
Property Tax Levies and Tax Collections
Last Ten Fiscal Years

Table 10

Fiscal Year Ended December 31,	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	Percent of Levy
		Amount	Percent of Levy			
2010	\$ 15,720,696 ⁽¹⁾	\$ 15,421,506	98.1 %	\$ 299,190	\$ 15,720,696	100.0 %
2011	15,570,374 ⁽¹⁾	15,345,901	98.6	224,473	15,570,374	100.0
2012	15,082,185	14,815,544	98.2	266,641	15,082,185	100.0
2013	15,468,230	15,280,212	98.8	188,018	15,468,230	100.0
2014	16,121,503	15,987,944	99.2	133,559	16,121,503	100.0
2015	16,570,700	16,490,100	99.5	80,509	16,570,609	100.0
2016	16,616,613	16,560,804	99.7	54,775	16,615,579	100.0
2017	17,169,079	16,944,862	98.7	218,166	17,163,028	100.0
2018	17,499,645	17,447,577	99.7	41,618	17,489,195	99.9
2019	18,046,699	17,989,905	99.7	-	17,989,905	99.7

⁽¹⁾ Levied TIF tax revenues are included in these amounts.

Source: Scott County

City of Savage, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 11

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Public Facility Revenue Bonds	Tax Increment Bonds	Capital Leases	Utility Revenue Bonds	Liquor Revenue Bonds	Tax Abatement Bonds			
2010	\$ 19,695,000	\$ 46,390,000	\$ 1,700,000	2,380,000	\$ 2,255,000	\$ 29,584,395	\$ 1,300,000	\$ -	\$ 103,304,395	8.99 %	\$ 3,839
2011	18,375,000	39,685,000	1,515,000	2,045,000	2,175,000	21,311,395	1,185,000	-	86,291,395	6.96	3,158
2012	16,875,000	40,765,000	1,325,000	-	2,090,000	19,131,395	1,060,000	4,915,000	86,161,395	6.63	3,133
2013	15,330,000	40,691,200	1,125,000	-	2,010,000	17,872,195	930,000	4,915,000	82,873,395	6.35	3,008
2014	13,411,267	40,215,375	920,000	-	1,930,000	15,765,718	784,516	4,731,203	77,758,079	5.49	2,677
2015	15,062,802	38,676,912	705,000	-	1,840,000	15,258,253	642,137	4,427,703	76,612,807	4.85	2,552
2016	13,812,723	32,327,709	475,000	-	1,740,000	12,638,286	494,758	4,119,204	65,607,680	3.95	2,300
2017	12,151,247	30,618,103	240,000	-	1,385,000	14,328,521	337,378	3,810,704	62,870,953	3.61	2,047
2018	10,582,749	29,477,034	-	-	1,385,000	11,955,881	175,000	3,497,205	57,072,869	3.04	1,817
2019	8,989,631	28,420,590	-	-	1,275,000	9,108,566	-	3,178,705	50,972,492	N/A	1,581

N/A = Not Available

As of year 2014 outstanding debt amounts include unamortized bond premium/discount

Sources: City of Savage, audited financial statements.
Metropolitan Council, population estimates. 2010 is U.S. Census figure.
Bureau of Economic Analysis, local area personal income reports.

City of Savage, Minnesota
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Year	Gross Bonded Debt ⁽¹⁾	Less Amounts Available in Debt Service Funds ⁽²⁾	Total Net Bonded Debt	Percentage of Total Estimated Taxable Market Value of Property	Per Capita
2010	\$ 55,051,916	\$ 26,896,102	\$ 28,155,814	1.04 %	\$ 1,046
2011	48,922,284	18,652,075	30,270,209	1.14	1,108
2012	50,125,826	18,688,499	31,437,327	1.27	1,141
2013	49,742,393	19,190,858	30,551,535	1.32	1,105
2014	46,614,592	19,814,426	26,800,166	1.10	923
2015	47,461,417	21,709,772	25,751,645	0.97	858
2016	40,570,197	16,686,205	23,883,992	0.85	789
2017	37,702,408	10,320,947	27,381,461	0.93	892
2018	34,673,740	9,842,056	24,831,684	0.80	791
2019	31,970,379	9,828,287	22,142,092	0.65	687

⁽¹⁾ Gross Bonded Debt includes bonds with special assessment revenue portions and therefore has been reduced by the deferred special assessment receivables in the debt service funds in order to reflect only the tax-supported debt burden.

⁽²⁾ Amounts available in Debt Service Funds include cash in escrow amounts for crossover bonds still maintained in Gross Bonded Debt figures.

Sources: City of Savage, audited financial statements.
Metropolitan Council, population estimates. 2010 is U.S. Census figure.
Scott County, estimated taxable market value of property.

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City of Savage, Minnesota
 Computation of Direct and Overlapping Debt
 December 31, 2019

Table 13

	Gross Debt ⁽¹⁾	City Share	
		Percentage ⁽²⁾	Amount
Direct Debt			
City of Savage	\$ 38,685,221	100.00 %	\$ 38,685,221
Overlapping Debt			
School District No. 191	138,355,000	17.74 %	24,544,177
School District No. 271	138,020,000	0.10	138,020
School District No. 719	206,749,049	17.46	36,098,384
School District No. 720	165,655,000	0.74	1,225,847
Scott County	113,540,000	20.25	22,991,850
Scott County CDA	51,420,000	3.49	1,794,558
Metropolitan Council	1,555,384,035	0.52	8,087,997
Total Overlapping Debt	<u>2,369,123,084</u>		<u>94,880,833</u>
Total Direct and Overlapping Debt	<u>\$ 2,407,808,305</u>		<u>\$ 133,566,054</u>

(1) Gross debt totals include capital leases and bonds which are financed by ad valorem tax levy, G.O. revenue financing, G.O. tax increment financing and special assessments.

(2) The percentage of overlapping debt applicable is estimated using total net tax capacity of property values. Applicable percentages were estimated by determining the portion of the county's taxable total net tax capacity that is within the government's boundaries and dividing it by the County's total net tax capacity property value.

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

Source: Scott County

City of Savage, Minnesota
 Legal Debt Margin Information
 Last Ten Fiscal Years

Table 14

	Fiscal Year			
	2010	2011	2012	2013
Debt Limit	\$ 81,552,075	\$ 79,587,000	\$ 74,312,325	\$ 69,348,822
Total Net Debt Applicable to Limit	<u>16,618,813</u>	<u>14,887,278</u>	<u>13,492,971</u>	<u>12,046,299</u>
Legal Debt Margin	<u>\$ 64,933,262</u>	<u>\$ 64,699,722</u>	<u>\$ 60,819,354</u>	<u>\$ 57,302,523</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.38%	18.71%	18.16%	17.37%

Legal debt margin

Note A: Under state law, the City's outstanding general obligation debt should not exceed 3 percent (2 percent prior to 2008) of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Note B: M.S.A. Section 475.51 (definitions) Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrant or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a Permanent Improvement Revolving fund.
5. Obligations issued for the acquisition and betterment of public water works system and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Not applicable.
7. Amount of all money and face value of all securities held as a Debt Service fund for the extinguishment of obligations other than those deductible under this subdivision.
8. Obligation to repay loans made under section 216C37.
9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of Federal petroleum pricing regulations.
10. Obligations issued to pay pension fund liabilities under section 457.52, subdivision 6, or any charter authority.
11. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Sources: City of Savage, audited financial statements.

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 73,035,468	\$ 79,766,373	\$ 83,985,111	\$ 88,739,559	\$ 93,455,505	\$ 101,899,221
<u>10,872,956</u>	<u>9,643,165</u>	<u>10,719,093</u>	<u>9,107,412</u>	<u>7,657,005</u>	<u>6,184,766</u>
<u>\$ 62,162,512</u>	<u>\$ 70,123,208</u>	<u>\$ 73,266,018</u>	<u>\$ 79,632,147</u>	<u>\$ 85,798,500</u>	<u>\$ 95,714,455</u>
14.89%	12.09%	12.76%	10.26%	8.19%	6.07%

Legal Debt Margin Calculation for Fiscal Year 2019

Taxable Market Value	<u>\$3,396,640,700</u>
Debt Limit (Note A)	<u>\$ 101,899,221</u>
Debt Applicable to Limit	
General obligation bonds	8,910,000
Less amount available in	
Debt Service funds (Note B)	<u>2,725,234</u>
Total Net Debt Applicable to Limit	<u>6,184,766</u>
Legal Debt Margin	<u>\$ 95,714,455</u>

City of Savage, Minnesota
Pledged-Revenue Coverage
Last Ten Fiscal Years

Table 15

Enterprise Funds Revenue Bonds

Fiscal Year	Gross Revenues	Operating Expenses ⁽³⁾	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2010	\$ 8,976,434	\$ 5,700,918	\$ 3,275,516	\$ 1,931,000	\$ 966,625	\$ 2,897,625	1.13 %
2011	9,535,274	5,638,291	3,896,983 ⁽¹⁾	10,433,000	965,125	11,398,125	0.34
2012	10,363,957	5,585,812	4,778,145	2,305,000	740,777	3,045,777	1.57
2013	10,270,125	5,621,295	4,648,830	2,433,000	801,269	3,234,269	1.44
2014	12,168,346 ⁽²⁾	6,621,857	5,546,489	2,822,000	704,057	3,526,057	1.57
2015	10,028,884	6,541,998	3,486,886	4,066,000	613,142	4,679,142	0.75
2016	12,404,473	6,881,644	5,522,829	2,991,000	597,261	3,588,261	1.54
2017	12,405,534	7,475,364	4,930,170	2,701,000	527,079	3,228,079	1.53
2018	13,437,708	7,761,011	5,676,697	2,844,800	535,071	3,379,871	1.68
2019	15,501,919	7,492,927	8,008,992	3,277,194	422,447	3,699,641	2.16

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements. Gross revenues include investment earnings. Operating expenses do not include interest or depreciation.

⁽¹⁾ Increase in Principal Debt Service payments is due to Crossover Refundings of 2010C and 2010D

⁽²⁾ Revised figures represent calculation match final figures within 2014 CAFR report

⁽³⁾ Revised figures represent calculation corrections for one expense item previously duplicated.

Source: City of Savage audited financial statements.

City of Savage, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 16

Fiscal Year	City of Savage Population (1)	City of Savage Personal Income (in thousands) (2)	Scott County Personal Income Per Capita (3)	City of Savage School Enrollment (4)	City of Savage Unemployment Rate (5)
2010	26,911	\$ 1,149,476	\$ 42,714	6,552	6.5 %
2011	27,325	1,240,555	45,400	6,765	5.2
2012	27,552	1,301,281	47,230	6,743	4.7
2013	27,655	1,304,597	47,174	6,628	4.1
2014	29,047	1,416,942	48,781	6,602	3.4
2015	30,024	1,581,064	52,660	6,728	2.9
2016	30,285	1,614,948	53,325	6,766	2.9
2017	30,713	1,743,055	56,753	6,771	2.8
2018	31,407	1,874,590	59,687	7,224	2.4
2019	32,245	N/A	N/A	7,352	2.5

Source:

- (1) 2010 U.S. Census figure. All other years estimated by Metropolitan Council, updated with actuals.
- (2) Based on Scott County's Per Capita Personal Income Data.
- (3) U.S. Bureau of Economic Analysis, Scott County Average.
- (4) Based on Metropolitan Council / American Community Survey 5 year summary statistics for Savage School Age Population. 2010 based on U.S. Census figure. Prior to 2012, based on 3 year summary statistics. Current year estimate using 5 year summary methodology.
- (5) State of Minnesota Department of Employment and Economic Development. Most recent year is preliminary figure.

City of Savage, Minnesota
Principal Employers
Current Year and Nine Years Ago

Table 17

Employer	Product/Service	2019			2010		
		Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
HyVee	Grocery Store	517	1	5.99 %			
Prior Lake-Savage School District 719 (a)	Education	372	2	4.31	275	3	4.01 %
Burnsville-Eagan-Savage School District 191 (a)	Education	289	3	3.35	231	4	3.37
Fabcon	Cement & Concrete Products	270	4	3.13	408	1	5.95
SuperTarget	Discount Retail	200	5	2.32	291	2	4.24
City of Savage (b)	Government	165	6	1.91	149	7	2.17
Lifetime Fitness	Health Club	143	7	1.66			
Associated Partnership Ltd	Van Conversion	120	8	1.39			
BF Nelson	Printing	100	9	1.16			
Soo Line Corporation	Railroad, Line-haul Operation	100	9	1.16			
STS Operating, Inc.	Power Flow Control Equipment	100	9	1.16			
Siligan Container Corp	Shipping Containers				217	5	3.16
Cub Foods	Grocery Store				200	6	2.91
Continental Hydraulics & Machines	Manufacturing				144	8	2.10
Chief Manufacturing	Manufacturing				140	9	2.04
Master Electric	Contractor				135	10	1.97
Total City Employment		(c) <u>8,634</u>		<u>27.54 %</u>	<u>6,862</u>		<u>31.92 %</u>

(a) Figures now reflect only those employed at district schools located within the City of Savage

(b) Includes full, part-time & on-call employees but does not include temporary or seasonal workers

(c) Based on average of available quarterly information

Source: Council Approved Authorized Position Report
Scott County CDA, First Stop Shop
State of Minnesota Department of Employment and Economic Development.

City of Savage, Minnesota
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Table 18

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration	8.9	8.9	8.5	10.5	10.5	10.5	10.0	10.0	10.5	12.0
Finance	4.0	4.0	4.7	5.0	4.6	5.7	5.7	5.7	5.5	5.8
Community development	6.2	5.6	6.8	7.5	8.5	8.5	8.5	8.5	9.6	8.6
Building maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Public Safety										
Police										
Police chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Officers	31.0	32.0	31.0	31.0	31.0	31.0	32.0	33.0	33.0	33.0
Civilians	8.5	9.6	9.2	8.9	9.5	9.5	9.8	11.2	11.1	12.2
Fire										
Fire chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Firefighters and officers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Paid on call	38.0	35.0	41.0	41.0	36.0	35.0	38.0	37.0	38.0	38.0
Public Works:										
Administration	4.5	4.5	4.5	4.8	5.0	5.0	4.0	4.0	6.6	6.6
Engineering	4.5	4.5	4.0	4.0	5.0	5.0	5.0	5.0	5.0	6.0
Parks and recreation	10.5	10.5	10.5	10.5	11.0	12.0	12.0	13.0	12.0	12.0
Streets	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Utilities	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0
Propriety										
Water ^(a)										
Sewer ^(a)										
Liquor	6.0	3.0	3.0	3.5	4.5	4.0	4.0	4.0	4.0	4.0
Total	149.1	144.6	150.2	153.7	152.6	153.2	156.0	158.4	162.3	165.2

Includes employees working a minimum of 20 hours per week. Does not include temporary and seasonal workers.

^(a) Includes full, part-time & on-call employees but does not include temporary or seasonal workers

Source: Council Approved Authorized Position Report

City of Savage, Minnesota
Operating Indicators by Function
Last Ten Fiscal Years

Table 19

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police:										
Number of law contacts	16,043	15,255	14,925	14,512	14,724	14,455	13,629	14,013	14,292 ^(a)	14,424
Number of sworn officers	32	33	32	32	32	32	33	34	34	35
Fire										
Number of calls answered	319	356	378	412	385	349	351	377	421	520
Number of volunteer firefighters	38	35	41	41	36	35	38	37	38	38
Building inspection:										
Number of residential permits	929	1,166	1,360	1,123	1,593	1,251	957	1,187	1,309	1,378
Number of commercial permits	124	177	197	153	136	170	165	111	133	161
Total permit valuation	27,134,835	40,236,518	81,761,264	56,903,187	79,728,667	47,204,497	91,766,515	89,826,021	98,012,973	133,297,705
Public Works:										
Water system:										
Number of service connections	8,701	8,798	8,949	9,082	9,293	9,377	9,447	9,638	9,709	10,066
Sewage system:										
Number of service connections	8,609	8,800	8,973	9,078	9,276	9,360	9,457	9,615	9,686	10,178

Note: Indicators are not available for the general government function.

Sources: Savage Police Department Activity Log
Savage Building Department Yearly Permit Log
Savage Public Works Department Statistics
Savage Fire Department Activity Log

City of Savage, Minnesota
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 20

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	26	26	25	26	26	27	28	28	28
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Response units	18	18	18	18	18	18	18	18	18	18
Inspection Units	1	1	1	1	1	1	1	1	1	1
Public Works										
Street division										
Municipal streets and roads (1)	126	127	128	119	120	122	126	128	129	131
Number of street lights	1,614	1,631	1,639	1,880	1,907	1,907	2,085	2,079	2,188	2,223
Water system										
Miles of water mains	147	148	149	151	155	155	160	161	164	164
Number of fire hydrants	1,587	1,613	1,625	1,658	1,682	1,701	1,765	1,799	1,805	1,826
Sewer system										
Miles of sanitary sewers	123	124	125	126	127	128	131	131	136	137
Parks and Recreation										
Number of parks	23	23	23	23	23	23	23	23	23	23
Park acreage	441	457	457	457	457	457	457	457	457	457
Tennis courts	10	10	10	10	10	10	10	6	6	6
Basketball courts	9	9	9	9	9	9	9	9	10	10
Softball fields	30	30	30	30	30	30	30	30	30	30
Ice rinks	9	9	6	6	6	7	7	6	6	6

⁽¹⁾ 2013 & forward figure is the City's improved basic mileage as reported to MnDOT and does not include state or county roads.

Sources: Savage Police Statistics
Savage Fire Statistics
Savage Public Works Department Statistics
Savage Parks and Recreation Department Statistics