



City of Savage
Scott County, Minnesota

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR YEAR ENDED

DECEMBER 31, 2022

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City of Savage, Minnesota
Annual Comprehensive Financial Report
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For the Year Ended December 31, 2022

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INTRODUCTORY SECTION

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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June 13, 2023

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 Annual Comprehensive Financial Report of the City of Savage, Minnesota for the fiscal year ended December 31, 2022.

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, 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, 2022 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, 2022 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 32,983 individuals, 11,401 households and over 650 businesses employing over 8,600 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 293 full-time, 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. From 2017-2021, the City realized an average 7.7% annual increase in taxable market value. The increase can be attributed to both new development and an overall recovery in property market values. In 2022, the City had a large increase in taxable market value of 20.8 %. This was definitely an anomaly and similar increases were seen county-wide. The estimated increase in taxable market value for 2024 is 2.6% - giving the City a two-year average increase of 11%. Residential sale values appear to have leveled a bit and are now higher than 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 2021 Census Data results indicate the City has a median family income of \$115,600 – 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.

Due to economic factors being experienced with the COVID-19 pandemic, new residential and commercial building and development-related revenues collected in 2020 and 2021 were lower than in years past, but still more than our conservative budgeted amounts. The City is optimistic that new development and redevelopment activity will continue to grow in 2022, which is important for a community approaching full build out. During 2022 staff utilized 2021 yearend designated fund balance to make purchases that were hindered by the COVID pandemic. 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.

With the preliminary Scott County evaluation reports indicating an overall community market value increase of 2.6% in 2024, staff will continue to control spending in 2023 and analyze budget forecasts and requests for 2024. The average 2-year increase of 11% in market values and the growth in the tax capacity will offset the cost of the City's full transition to the full-time fire staffing model that began in 2023. Staff anticipates that we will be able to develop a budget for 2024 that will result in a flat overall City 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 \$508,939 in 2019. Continued operational improvements in the liquor stores and the positive effect on sales during the 2020 pandemic enabled the liquor fund to transfer \$400,000 to support various community projects at yearend. Additionally, despite large maintenance expenditures in 2021, the liquor fund transferred \$450,000 to community park projects at yearend. In 2022, the fund transferred out \$240,000 to community projects – intentionally retaining cash reserves for additional large maintenance costs in 2023. Staff is anticipating another strong year in 2023 and looks forward to continuing to transfer funds out in this manner.

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 2023 general operating tax levy is \$1.5M more than in 2022 (9.8% increase) – mainly due to transitioning from a paid-on-call fire model to a full-time model as well as additional police staffing. The City's overall tax rate decreased by 4.4% due to the 2023 tax base increasing by \$9.5 million and the debt levy reducing by \$236K. The 2023 budget continues to include our practice of projecting building permit and development revenue at conservative levels. The City has also eliminated any reliance on the receipt of financial aid from the State of Minnesota, apart from police and fire aid, which is approximately \$560,000.

Moving into the 2024 budgeting process we will continue our past practice of conservatism with our expenditures. Any staff increases will be the direct result of fulfilling the strategic planning initiatives approved by council. The continuation of the new fire staffing model will also be a driving factor. Any anticipated increases in General Fund expenditures are projected to be absorbed by the growth in our tax base and will not rely on our Fund Balance reserves.

The City participates in the 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 also completed a Strategic Plan which covers and addresses the priorities of the City over the next three to five years. The City completed its' first five-year budget document in 2014 and submitted the 105-page report to the GFOA for the Distinguished Budget Presentation Award. The City received the Distinguished Budget award for this first submission and has subsequently received the award for the 2015 through 2020 budget years as well.

MAJOR INITIATIVES

The coronavirus pandemic hit hard in 2020 and continued into 2021. Although new development slowed, alteration permits remained quite high - 1476 in 2020, 1563 in 2019. Due to the supply chain issues and inflation challenges, there were only 1104 alteration permits issued in 2021. The City realized a small gain in these residential alteration permits in 2022 at 1179. The total value of permits was \$57.8 million in 2020, \$53.6 million in 2021, and increased to \$66.5 million in 2022. Valuations of commercial permits increased \$26.4 million from 2021 to 2022; residential permit valuation totals decreased \$13.7 million between the two years. Residentially, there were 35 single family detached dwelling units added in 2022– down from 66 in 2021, 75 in 2020 and 129 in 2019. Much of these decreases are due to the inflation experienced throughout the past year.

While available commercially zoned land is becoming less available, the City continues to see steady new commercial development and redevelopment. In 2023, construction will begin on MN Mash which is a 6,700 square foot private baseball and training center located off CR 16. This is an 11-acre development that will bring utilities and road access into additionally zoned commercial property creating more opportunities for development in the area. Also in 2023, construction will be completed on a new 150-unit senior living facility near CR42 and CR27. Looking back at 2022, construction was completed on a 28-unit addition to Savage Senior Living at Fen Pointe, an automotive repair facility near CR42 and CR27, and a Holiday truck stop at the intersection of Hwy 101 and TH 13. Construction was also completed on a Caribou Coffee Cabin in downtown Savage – replacing a former gas station. As undeveloped land decreases and the population and traffic continue to grow, the City will see more redevelopment activity like the Caribou Coffee Cabin.

Platting activity in 2022 included an additional 35 single family lots for construction over the next few years. The redevelopment (Big Sky Estates) of the former gravel quarry site continues to see new homes being built. When complete, the development will consist of over 500 single family homes – many of these built over the next 5-10 years. The City expects to see additional residential development west of Big Sky Estates along 154th Street as older large lot developments are redeveloped.

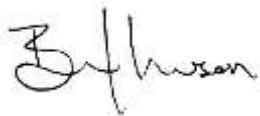
AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Savage for its' Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This is the 25th consecutive year the City of Savage has earned this honor. To be awarded a Certificate of Achievement, the government has published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

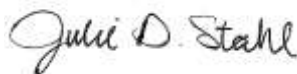
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2022

CITY COUNCIL

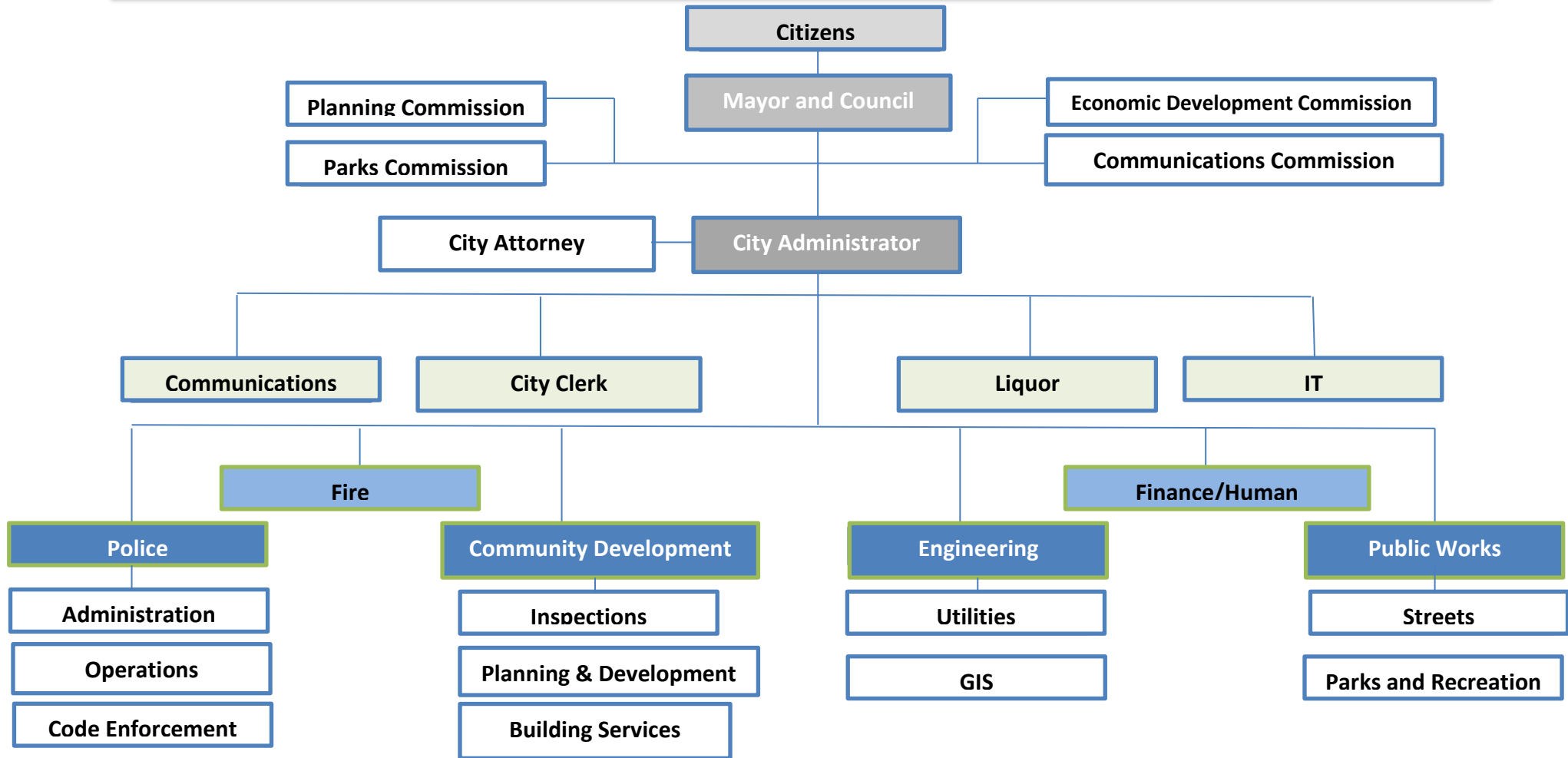
Name	Title	Term Expires
Janet Williams	Mayor	12/31/24
Christine Kelly	Council Member	12/31/24
Stacy Crakes	Council Member	12/31/26
Bob Coughlen	Council Member	12/31/26
Matt Johnson	Council Member	12/31/24

CITY OFFICIALS

Name	Title
Brad A. Larson	City Administrator
Seng Thongvanh	City Engineer
Rodney R. Seurer	Chief of Police
Julie D. Stahl	Finance Director
Brenda Visnovec	Liquor Facility Manager
Jeremie Bresnahan	Fire Chief
Jay M. Scherer	Chief Building Official



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Savage, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Savage, Minnesota (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Savage's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As described in Note 9 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 87, Leases, for the year ended December 31, 2022. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

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 108 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.



Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
Minneapolis, Minnesota
June 13, 2023



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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, 2022.

Financial Highlights

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased as shown in the summary of changes in net assets table on the following pages. The increase this year was due to an increase in charges for services and operating grants and contributions in the business-type activities continuing to outweigh expenses.
- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to transfers in from various enterprise funds.
- Unassigned fund balance in the General fund as shown in the financial analysis of the City's funds section increased from prior year.
- The City's total bonded debt decreased during the fiscal year. The decrease was a result of schedule debt service payments as shown on the outstanding debt table

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**

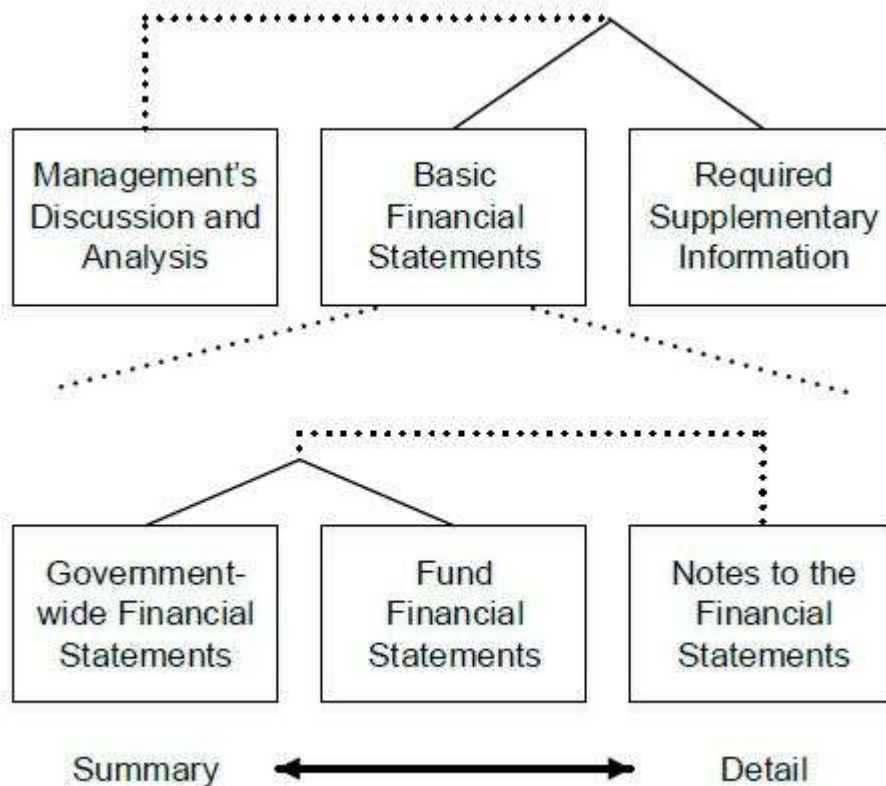


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

		Fund Financial Statements		
	Government-wide 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 41 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, ARPA fund and 2022 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 certain Special Revenue funds; however, the City did not budget for the Strom Project fund as the only activity in these funds is interest revenue on contracts-for-deed the City has with the tenants. The City also did not budget for the ARPA and MN Opioid Settlement fund since funding was awarded after the budget was prepared. 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 46 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 and sewer, storm water, municipal liquor, street light utility, and sports center funds all of which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 52 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 62 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 65 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 108 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 financial statements and schedules start on page 122 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 at the close of the most recent fiscal year.

A large portion of the City's net position 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		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Assets						
Current and other assets	\$ 43,593,949	\$ 41,368,424	\$ 2,225,525	\$ 28,358,980	\$ 21,226,723	\$ 7,132,257
Capital assets	95,126,435	97,006,841	(1,880,406)	69,257,852	72,212,419	(2,954,567)
Total Assets	<u>138,720,384</u>	<u>138,375,265</u>	<u>345,119</u>	<u>97,616,832</u>	<u>93,439,142</u>	<u>4,177,690</u>
Deferred Outflows of Resources						
Deferred charge on refunding and lease revision	272,723	350,692	(77,969)	-	-	-
Deferred pension resources	13,136,103	7,658,524	5,477,579	622,432	784,340	(161,908)
Deferred other post employment benefit resources	239,058	273,275	(34,217)	57,531	65,765	(8,234)
Total Deferred Outflows of Resources	<u>13,647,884</u>	<u>8,282,491</u>	<u>5,365,393</u>	<u>679,963</u>	<u>850,105</u>	<u>(170,142)</u>
Liabilities						
Long-term liabilities outstanding	54,635,016	42,067,937	12,567,079	10,907,275	10,551,479	355,796
Other liabilities	6,389,134	6,046,178	342,956	933,256	1,004,444	(71,188)
Total Liabilities	<u>61,024,150</u>	<u>48,114,115</u>	<u>12,910,035</u>	<u>11,840,531</u>	<u>11,555,923</u>	<u>284,608</u>
Deferred Inflows of Resources						
Unavailable revenue - grants	489,681	-	489,681	-	-	-
Deferred pension resources	1,149,935	9,495,934	(8,345,999)	30,557	986,733	(956,176)
Deferred other post employment benefit resources	61,006	81,342	(20,336)	14,682	19,576	(4,894)
Deferred lease resources	704,713	-	704,713	4,622,880	-	4,622,880
Total Deferred Inflows of Resources	<u>2,405,335</u>	<u>9,577,276</u>	<u>(7,171,941)</u>	<u>4,668,119</u>	<u>1,006,309</u>	<u>3,661,810</u>
Net Position						
Net investment in capital assets	63,787,832	63,409,856	377,976	61,483,488	63,167,051	(1,683,563)
Restricted	14,833,165	15,964,668	(1,131,503)	-	-	-
Unrestricted	10,317,786	9,591,841	725,945	20,304,657	18,559,964	1,744,693
Total Net Position	<u>\$ 88,938,783</u>	<u>\$ 88,966,365</u>	<u>\$ (27,582)</u>	<u>\$ 81,788,145</u>	<u>\$ 81,727,015</u>	<u>\$ 61,130</u>
Net Position as a Percent of Total						
Net investment in capital assets	71.7 %	71.2 %		75.2 %	77.3 %	
Restricted	16.7	18.0		-	-	
Unrestricted	11.6	10.8		24.8	22.7	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

Capital assets in both governmental and business-type activities decreased during the year due to depreciation expense.

Deferred outflows of resources increased due to the change in discounts rates used in 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 decreased the City's net position. Key elements of this decrease are as follows:

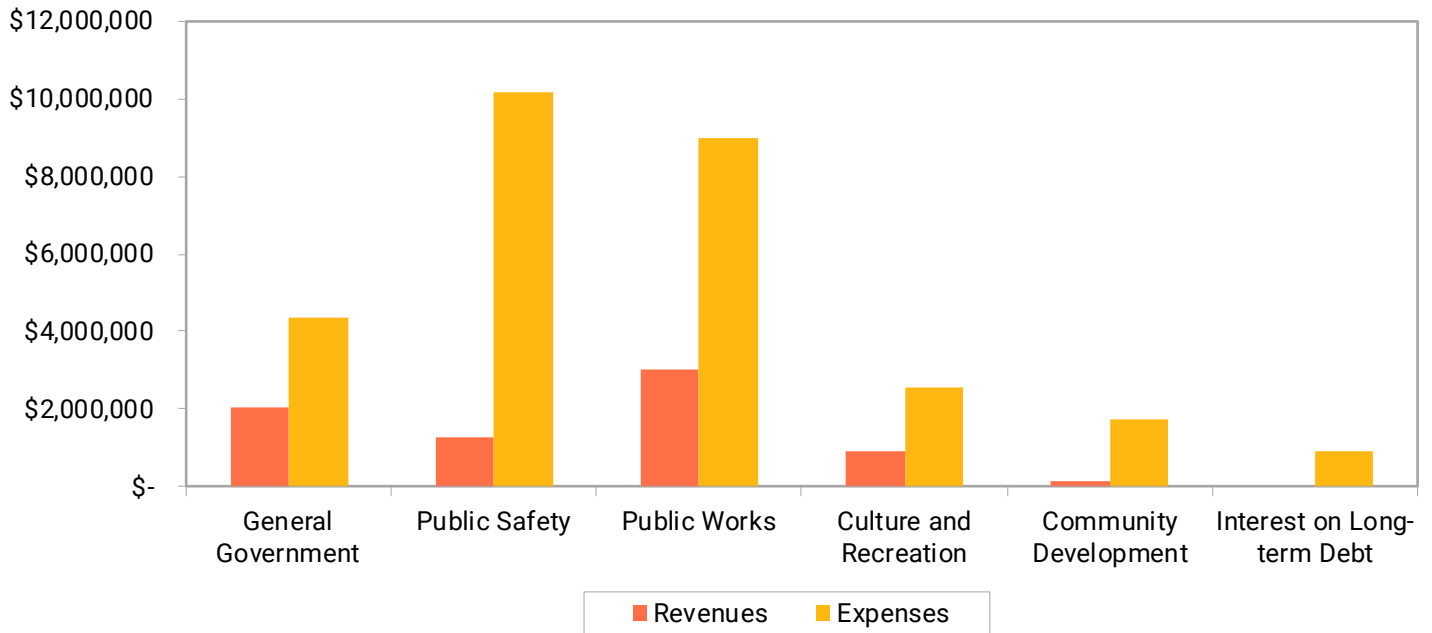
City of Savage's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 3,066,458	\$ 2,637,858	\$ 428,600	\$ 20,258,423	\$ 19,953,359	\$ 305,064
Operating grants and contributions	1,265,799	1,081,974	183,825	289,679	40,520	249,159
Capital grants and contributions	3,026,171	2,544,857	481,314	88,280	289,921	(201,641)
Grants and contributions not restricted	102,935	208,620	(105,685)	-	-	-
General Revenues						
Property taxes/tax increments	20,694,235	20,321,923	372,312	55,000	52,500	2,500
Franchise taxes	157,464	171,492	(14,028)	-	-	-
Other	63,567	51,523	12,044	-	-	-
Other general revenues	2,580	246	2,334	-	-	-
Gain on sale of capital assets	119,088	366,719	(247,631)	-	39,001	(39,001)
Unrestricted investment earnings (loss)	(451,409)	(64,754)	(386,655)	(302,960)	(34,578)	(268,382)
Total Revenues	<u>28,046,888</u>	<u>27,320,458</u>	<u>726,430</u>	<u>20,388,422</u>	<u>20,340,723</u>	<u>47,699</u>
Expenses						
General government	4,384,358	3,088,566	1,295,792	-	-	-
Community development	1,726,281	1,659,388	66,893	-	-	-
Public safety	10,162,892	7,866,269	2,296,623	-	-	-
Public works	8,991,987	9,131,601	(139,614)	-	-	-
Culture and recreation	2,581,282	3,180,439	(599,157)	-	-	-
Interest on long-term debt	937,100	976,372	(39,272)	-	-	-
Water and sewer	-	-	-	10,499,178	9,889,144	610,034
Storm water	-	-	-	1,600,939	1,574,099	26,840
Liquor	-	-	-	6,479,719	6,457,360	22,359
Street light	-	-	-	438,758	381,322	57,436
Sports dome	-	-	-	599,268	478,041	121,227
Total Expenses	<u>28,783,900</u>	<u>25,902,635</u>	<u>2,881,265</u>	<u>19,617,862</u>	<u>18,779,966</u>	<u>837,896</u>
Increase (Decrease) in Net Position						
Before Transfers	(737,012)	1,417,823	(2,154,835)	770,560	1,560,757	(790,197)
Transfers	709,430	492,819	216,611	(709,430)	(492,819)	(216,611)
Change in Net Position	(27,582)	1,910,642	(1,938,224)	61,130	1,067,938	(1,006,808)
Net Position, January 1	<u>88,966,365</u>	<u>87,055,723</u>	<u>1,910,642</u>	<u>81,727,015</u>	<u>80,659,077</u>	<u>1,067,938</u>
Net Position, December 31	<u>\$ 88,938,783</u>	<u>\$ 88,966,365</u>	<u>\$ (27,582)</u>	<u>\$ 81,788,145</u>	<u>\$ 81,727,015</u>	<u>\$ 61,130</u>

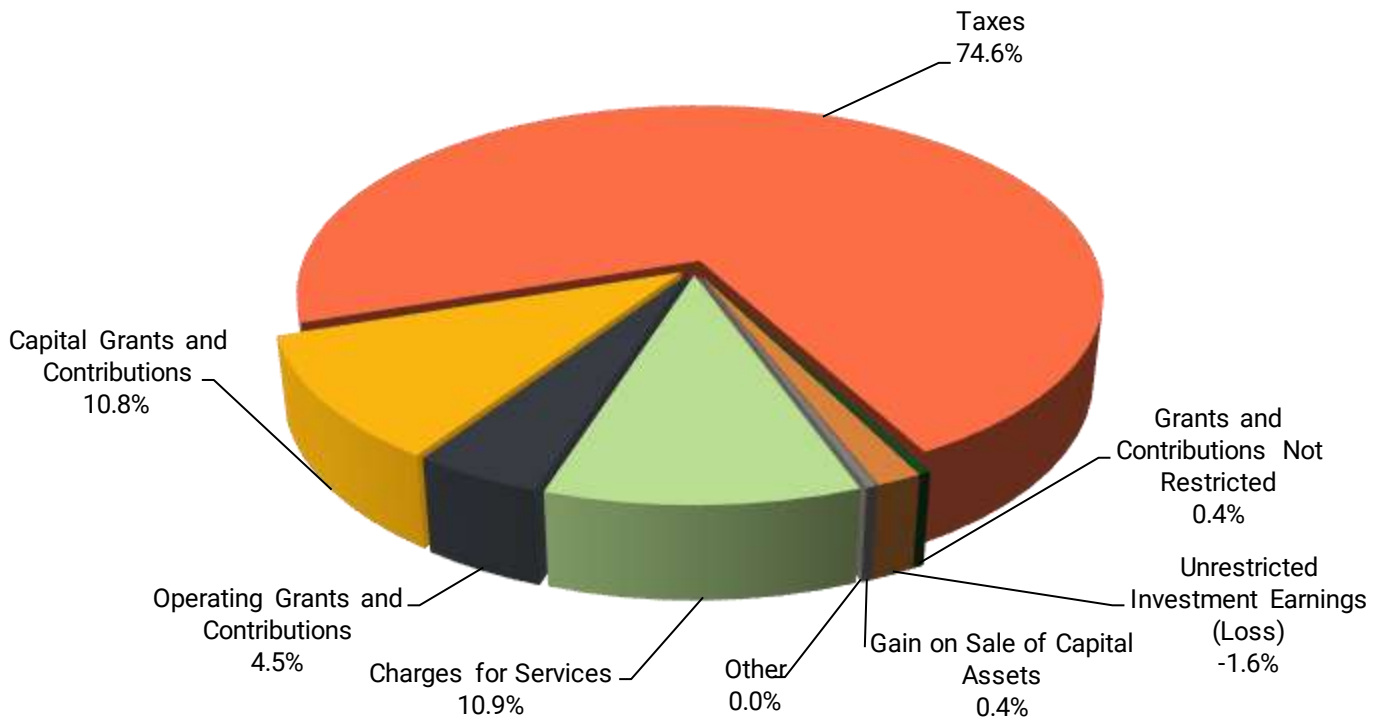
- Capital grants and contributions increased due to Municipal state aid revenue recognized in 2022.
- Charges for services increased due to development activity within the city and park dedication fees.
- Public safety expenses increased due to an increase in police and fire costs as well as recognition of pension expense due to GASB 68.

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

Expenses and Program Revenues - Governmental Activities



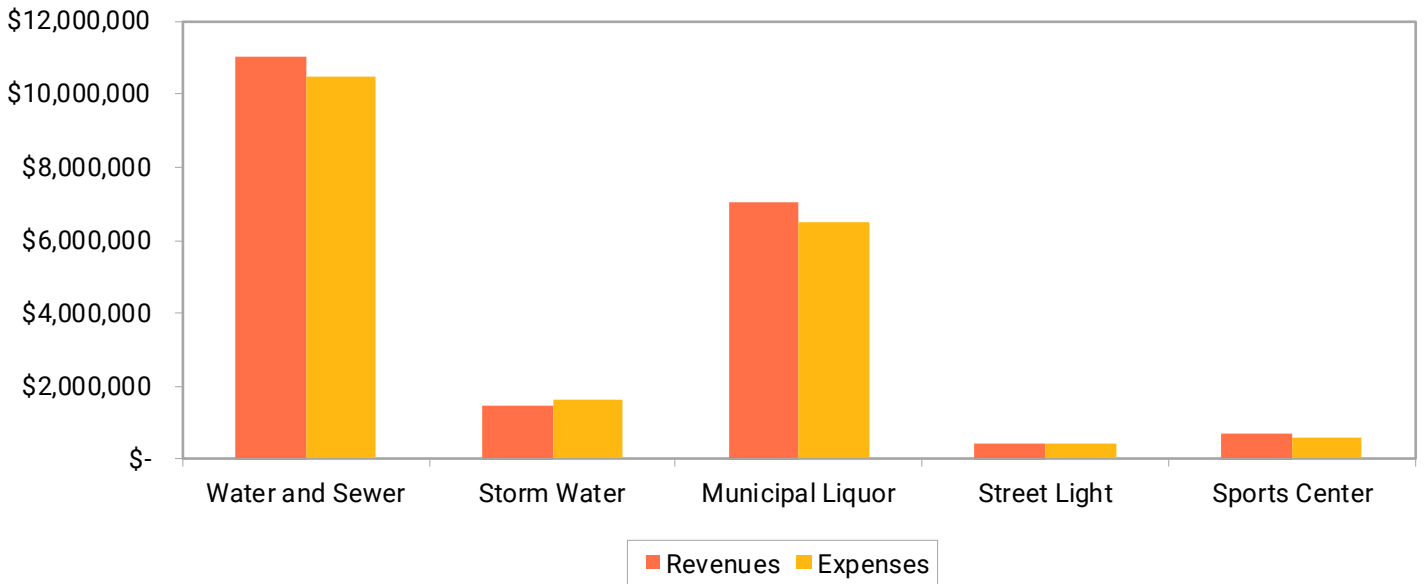
Revenues by Source - Governmental Activities



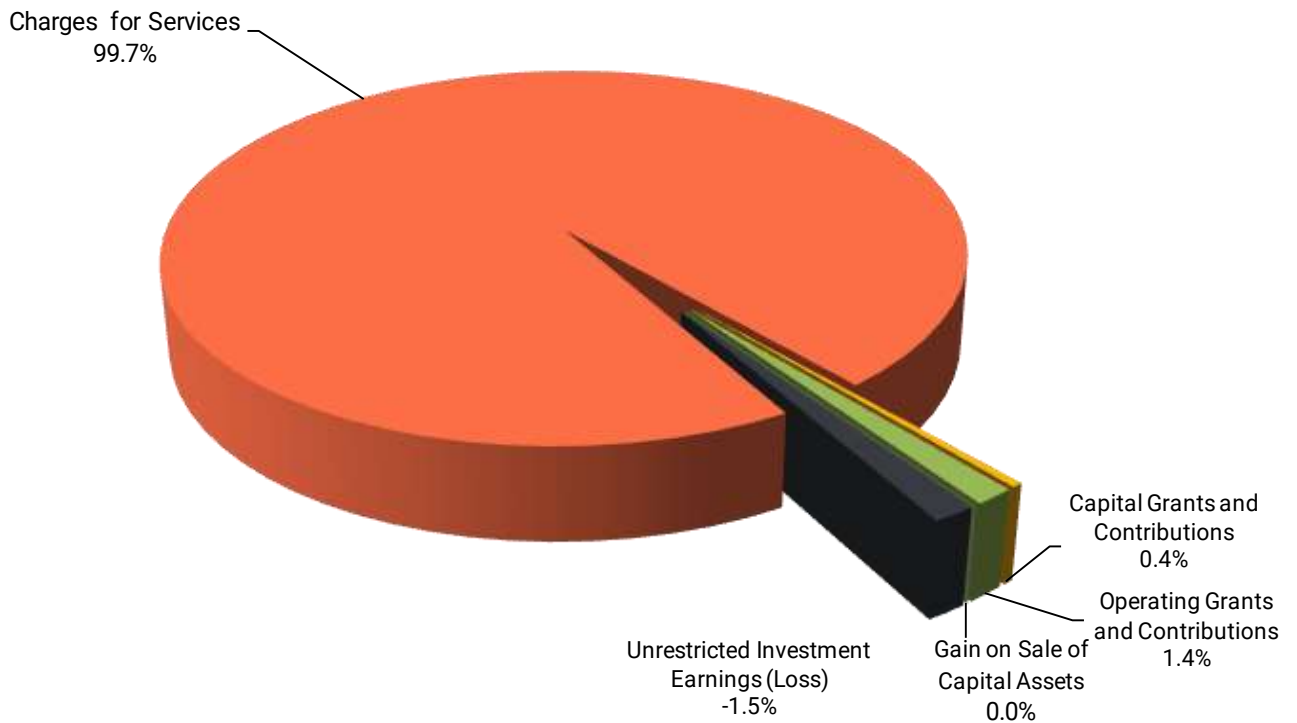
Business-type Activities. Business-type activities increased the City’s net position, complementing the decrease in governmental activities. Key elements of this decrease are as follows:

- Net operating income in two of five business-type funds were favorable, with total net operating income of \$361,333.

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. The table below outlines the governmental fund balances for the year ending December 31, 2022.

	General Fund	Debt Service Fund	2022 Capital Projects	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances							
Nonspendable	\$ 76,800	\$ -	\$ -	\$ 1,119,610	\$ 1,196,410	\$ 73,381	\$ 1,123,029
Restricted	24,033	9,071,639	-	2,104,318	11,199,990	12,655,633	(1,455,643)
Committed	-	-	-	2,132,578	2,132,578	2,463,735	(331,157)
Assigned	189,644	-	20,029	7,805,364	8,015,037	7,562,899	452,138
Unassigned	9,346,228	-	-	(839,087)	8,507,141	7,928,070	579,071
Total	<u>\$ 9,636,705</u>	<u>\$ 9,071,639</u>	<u>\$ 20,029</u>	<u>\$ 12,322,783</u>	<u>\$ 31,051,156</u>	<u>\$ 30,683,718</u>	<u>\$ 367,438</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 65 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 76,800	\$ 71,527	\$ 5,273
Restricted	24,033	24,028	5
Assigned	189,644	254,832	(65,188)
Unassigned	9,346,228	9,110,224	236,004
Total	<u>\$ 9,636,705</u>	<u>\$ 9,460,611</u>	<u>\$ 176,094</u>
General Fund expenditures	\$ 18,146,121	\$ 17,357,762	
Unassigned as a percent of expenditures	51.5%	52.5%	
Total Fund Balance as a percent of expenditures	53.1%	54.5%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was due to favorable budget variances for both revenue and expenditures.

Other major governmental fund analysis is shown below:

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2022	2021	
General	\$ 9,636,705	\$ 9,460,611	\$ 176,094
The General Fund fund balance increased due to positive budget variances in both revenues and expenditures.			
Debt Service	\$ 9,071,639	\$ 10,825,414	\$ (1,753,775)
The decrease in fund balance of the Debt Service funds is due to schedules debt payments and transfers out to other funds.			
ARPA	\$ -	\$ -	\$ -
The fund balance in the ARPA fund is zero because all ARPA funding received is unearned revenue until spent. As of 12/31/2022 the City has spent \$658,566 in ARPA funding			
2022 Capital Projects	\$ 20,029	132,502	\$ (112,473)
The fund balance decreased due to capital expenditures in excess of revenues as well as a transfer out to the Permanent Improvement fund.			

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	Ending Net Position 2022	Ending Net Position 2021	Increase/ (Decrease)
Water And Sewer	\$ 58,047,643	\$ 58,078,297	\$ (30,654)
<i>The decrease primarily is attributed to an increase in net pension liability</i>			
Storm Water Utility	18,622,181	18,888,530	(266,349)
<i>The decrease primarily relates to an operating loss and transfers out to other funds</i>			
Municipal Liquor	2,800,906	2,512,086	288,820
<i>The increase primarily is attributed to positive operating income as well as increased nonoperating revenue</i>			
Street Light Utility	1,020,533	1,117,444	(96,911)
<i>The decrease primarily relates to an operating loss and transfers out to other funds</i>			
Sports Center	1,296,882	1,130,658	166,224
<i>The increase relates mainly to the recognition of \$250,000 of ARPA funding</i>			

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 17,969,658	\$ 349,402	\$ 18,319,060	\$ 18,532,215	\$ 213,155
Expenditures	18,219,658	604,234	18,823,892	18,146,121	677,771
Excess of Revenues Over Expenditures	(250,000)	(254,832)	(504,832)	386,094	890,926
Other Financing Sources (Uses)					
Transfers in	250,000	-	250,000	290,000	40,000
Transfers out	-	-	-	(500,000)	(500,000)
Total Other Financing Sources (Uses)	250,000	-	250,000	(210,000)	(460,000)
Net Change in Fund Balances	-	(254,832)	(254,832)	176,094	430,926
Fund Balances, January 1	9,460,611	-	9,460,611	9,460,611	
Fund Balances, December 31	\$ 9,460,611	\$ (254,832)	\$ 9,205,779	\$ 9,636,705	\$ 430,926

The City's General fund budget was amended during the year as shown above. The budget amendment increased several revenue sources and increased expenses mainly relating to public safety. Actual revenues were over the final budget and expenditures were under the final budget amounts as shown above.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, right of ways and easements, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges. The total decrease in the City's investment in capital assets for the current fiscal year for governmental and business-type activities is due to depreciation expense in excess of asset additions.

Major capital asset events during the current fiscal year included:

- The city completed the 2021 neighborhood street improvement project and the project is in progress
- The Community Park Playground improvement.

Additional information on the City's capital assets can be found in Note 3D starting on page 80 of this report.

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

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	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	3,955,849	4,681,778	(725,929)	1,413,857	1,510,932	(97,075)
Land Improvements	4,896,397	4,602,132	294,265	367,537	200,001	167,536
Leased building				585,724	-	585,724
Buildings and Structures	20,520,345	21,011,746	(491,401)	20,133,601	20,842,247	(708,646)
Furniture and Equipment	7,734,849	7,666,800	68,049	7,337,589	7,678,901	(341,312)
Improvements other than Buildings	51,806,068	52,831,458	(1,025,390)	38,343,994	40,319,066	(1,975,072)
Total	\$ 95,126,435	\$ 97,006,841	\$ (1,880,406)	\$ 69,843,574	\$ 72,212,419	\$ (2,368,845)

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of special assessment debt, revenue related debt and general obligation debt as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Savage's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
General Obligation Bonds	\$ 4,060,000	\$ 5,630,000	\$ (1,570,000)	\$ -	\$ -	\$ -
Unamortized Discount and Premium	1,646,282	1,827,677	(181,395)	249,364	295,368	(46,004)
General Obligation Special Assessment Improvement Bonds	24,880,000	25,450,000	(570,000)	-	-	-
General Obligation Revenue Bonds						
Revenue Bonds	-	-	-	7,525,000	8,750,000	(1,225,000)
Total	\$ 30,586,282	\$ 32,907,677	\$ (2,321,395)	\$ 7,774,364	\$ 9,045,368	\$ (1,271,004)

The City's total bonded long-term debt decreased during the current fiscal year. The City issued one G.O. Improvement bond. Offsetting this increase were regularly scheduled debt service principal payments.

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, 2022, the City is under the legal debt margin.

Additional information on the City's long-term debt can be found in Note 3F starting on page 83 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 were considered when preparing the budget for fiscal year ending December 31, 2023.

- Growth in the City's tax base is expected to continue into 2023 in both residential and commercial sectors. The City's tax base grew 19.7% between 2022 and 2023. Preliminary valuation information from Scott County shows Savage's net tax capacity growth for taxes payable in 2024 at 2.6% from 2023 actual valuations.
- Water and sewer rates increased 1.5% in 2020, 1.5% in 2021 and 1.5% in 2022. Rates were held flat for FY2023.
- Storm water rates have not increased since the 5% increase in 2009. Due to the stability of the fund, rates were decreased in FY2023 by 10% for single-family dwellings and decreased 2% for townhomes/duplex units.

- Street light rates have not increased since the 5% increase in 2009. Rates were increased by 3% (from \$2.99/month to \$3.10/month) for 2023 to help stabilize the fund. This equates to an increase of \$1.32/year for each utility account.
- The General Fund 2023 budget shows no reliance on fund balance to balance the budget - this is the eighth year in a row.
- The continued recovery (from the 2008 Great Recession) in the assessed property values saw the housing market return to those 2008 values in 2017. In the past five years, property values have continued to steadily increase. Low housing inventory and high demand for homes in Savage contributed to the adjusted net tax base capacity increasing 18.7% from 2022 to 2023.
- Adherence to fiscally responsible spending allowed the City to weather the economic downturn that began with the Great Recession of 2008. Cost savings measures implemented beginning in 2009, combined with a conservative approach to spending in 2022, resulted in a positive yearend fund balance carry over. The Coronavirus (COVID-19) pandemic in 2020 brought many challenges and obstacles to normal operations and many initiatives were either canceled or delayed. A great deal of staff time was devoted to mitigating and responding to the pandemic and the state mandates surrounding it. Many of the purchases and/or plans that were delayed in 2020 and 2021 proceeded in 2022 utilizing the year-end designated fund balance. The remaining appropriated General Fund balance continues to put the City in a positive position preparing for the 2024 budgeting process. The City's 2022 year-end Unassigned General Fund balance reserve was maintained at 48% of the projected 2023 General Fund budget expenditures. The \$189K of Assigned fund balance is designated for contingency needs (\$150K) and police forfeitures spending (\$39K).
- Over three months after MN Governor Walz' mandated the closing of all non-essential businesses, he announced on June 25, 2020, that \$841.4 million of the state's share of Federal CARES (Coronavirus Aid, Relief and Economic Security) Act funds would be distributed to local governments that have eligible costs related to the COVID-19 pandemic. The City received \$2.3M of these federal funds based on the per capita calculation. The US Treasury's guidance on what costs qualified for these funds was vague and changed several times between April (when the first guidance was issued) and October of 2020. Once the City received the Coronavirus Relief Fund (CRF) federal funds, a new special revenue fund was created to track the expenditures. Qualifying costs incurred before the separate fund was established were identified and transferred to the new fund.
- The United States Congress passed the American Rescue Plan Act (ARPA) to address the economic crisis of the COVID-19 pandemic in 2021. These federal funds were designed to help local governments with economic recovery from the pandemic. The City of Savage received \$3.53 million in funding through ARPA. Using community engagement and staff input, a list of proposed projects for the ARPA funds was put together in early 2022. The City Council adopted the ARPA Spending Plan on March 7, 2022. The spending plan can be amended by City Council as long as the funds are obligated by December 31, 2024.
- Moving to a full-time fire service model has greatly affected the general operating budget the past couple of years. With the pandemic prompting this direction, and the upgrades and code-compliant improvements at the O'Connell fire station now in place, management staff budgeted and planned for the staffing model change. To minimize the property tax impact to citizens and to prepare new fire staff for the transition, staff planned a tiered implementation schedule in 2021. The 2022 budget incorporated a full year of the new model, with additional full-time positions anticipated to occur in 2023. Additional staff in the police department were added for 2023 to cover the transitions anticipated with upcoming retirements. Both of these factors contributed to the \$1.5M increase in the City's general operating levy in 2023 and will impact the 2024 budget.
- 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. The pandemic restrictions enacted through the MN governors' mandates in 2020 negatively impacted the Savage Sports Center a great deal. An additional \$100K transfer-in was needed in 2020 to cover lost revenues due to the pandemic-induced closures. Staff budgeted conservatively for 2021 since it was unknown if/when the state mandates surrounding the pandemic would be lifted. The governors' restrictions were relaxed in the fall of 2021 and the Sports Center was able to host much of the 4Q 2021 field rentals. The revenues rebounded enough such that the fund only needed \$250K of the budgeted \$350K support from the Community Investment fund. In 2022, the City was able to utilize \$250K of the ARPA funds to help support the operations in place of the Community Investment fund doing so.

- Post-recession, the State of Minnesota (the “State”) had one of the lowest unemployment rates in the country and Scott County had the lowest unemployment rate in the State. However, in 2020, unemployment rose higher in three months of COVID-19 than it did in two years of the Great Recession of 2008. The US unemployment rate peaked at an unprecedented level, not seen since data collection started in 1948, in April 2020 (14.8%) before declining to a still-elevated level in December 2020 (6.7%). Minnesota ranked the 16th lowest in the U.S. with an unemployment rate of 6.2% on December 31, 2020. Scott County’s annual average unemployment rate in 2020 was 5.6% - compared to 2.5% in 2019. Unemployment rates continued to decline throughout 2021 and 2022 – the US Unemployment rate was 3.5% on December 31, 2022, Scott County’s was 2.3%, and the City of Savage’s rate was 2.1%.
- In the 2022 assessment (2023 collection) year, the City’s net tax capacity increased by 19.7%. This is the tenth year in a row that tax capacity increased after four consecutive years of tax capacity declines. Home foreclosures dropped to levels experienced prior to the recession. Foreclosure activity has, for all intents and purposes, ground to a halt due to moratoria put in place by the federal, state, and local governments and the mortgage forbearance program initiated by the CARES Act in 2020. In Minnesota, foreclosures rose by 268%, from 577 in the first six months of 2021 to 2,126 in the first half of 2022. The foreclosure rate in the state (of one in every 1,169 homes) ranks as the 24th lowest in the nation. Residential home sales of existing owner-occupied units continue to be in high demand due to the City’s quality of living.
- From 2011 through 2022 the City realized a significant rebound in residential development. The overall population of Savage in 2021 was 32,983. 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. The COVID-19 pandemic in 2020 paused both new commercial and new residential development. However, the building inspection department remained busy throughout 2021 and 2022 with the amount of residential alteration permits that continued. New development and redevelopment activity started to resume in 2021 and into 2022 - which is important for a community approaching full build out. The City’s taxable market value increased over 10.8% 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.
- The City was hopeful that 2021 would be a strong year for residential development in Savage. The arrival of the COVID-19 pandemic in early 2020 introduced uncertainty on how the development played out. New units in 2021 and 2020 were down compared to 2019, but residential additions and alterations were still strong – just under the 2019 permit revenues. The pandemic slowed new residential construction in 2020, and inflation and supply chain disruptions in 2021 and 2022 slowed even the residential alterations activity. New single-family housing construction values in Savage are generally more than \$500,000. Despite these factors, the City added 35 single family homes, and a 6-unit townhome in 2022. Platting activity in 2022 included an additional 35 single family lots for construction over the next few years.
- Even though commercially zoned land is becoming less available, the City continues to see steady new commercial development and redevelopment. In 2023, construction will begin on MN Mash which is a 6,700 square foot private baseball and training center located off CR 16. This is an 11-acre development that will bring utilities and road access into additionally zoned commercial property creating more opportunities for development in the area. Also in 2023, construction will be completed on a new 150-unit senior living facility near CR42 and CR27. Looking back at 2022, construction was completed on a 28-unit addition to Savage Senior Living at Fen Pointe, an automotive repair facility near CR42 and CR27, and a Holiday truck stop at the intersection of Hwy 101 and TH 13. Construction was also completed on a Caribou Coffee Cabin in downtown Savage – replacing a former gas station. As undeveloped land decreases and the population and traffic continue to grow, the City will see more redevelopment activity like the Caribou Coffee Cabin.
- Development in Savage will not stop once we reach full build out. Instead, the City will see more redevelopment and needs to plan for what that will look like. With this in mind, the City has been working with the Minnesota Department of Transportation on improvements to the Trunk Highway 13 Corridor that goes across north Savage and connects the south metro from east to west. The City Council recently approved funding for a neighborhood plan that will contemplate how properties along the busy TH 13 will redevelop in the future.

All these factors were considered in preparing the City’s budget for the 2023 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, 2022

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City of Savage, Minnesota
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 36,185,394	\$ 19,472,431	\$ 55,657,825
Restricted cash	24,033	-	24,033
Receivables			
Accounts	138,977	1,902,374	2,041,351
Accrued interest	164,612	-	164,612
Taxes	241,029	-	241,029
Leases	720,361	4,726,517	5,446,878
Special assessments	4,138,244	292,644	4,430,888
Notes	624,142	270,038	894,180
Due from other governments	32,847	-	32,847
Internal balances	(114,040)	114,040	-
Inventories	5,667	853,414	859,081
Prepaid items	1,175,095	9,770	1,184,865
Assets held for resale	257,588	132,030	389,618
Capital assets			
Land and construction in progress	10,168,776	3,075,129	13,243,905
Leased - net of amortization	-	585,722	585,722
Depreciable assets (net of accumulated depreciation)	84,957,659	66,182,723	151,140,382
Total Assets	<u>138,720,384</u>	<u>97,616,832</u>	<u>236,337,216</u>
Deferred Outflows of Resources			
Deferred charge on refunding and lease revision	272,723	-	272,723
Deferred pension resources	13,136,103	622,432	13,758,535
Deferred other postemployment benefit resources	239,058	57,531	296,589
Total Deferred Outflows of Resources	<u>13,647,884</u>	<u>679,963</u>	<u>14,327,847</u>
Liabilities			
Accounts and contracts payable	1,067,952	662,576	1,730,528
Accrued salaries and withholdings payable	115,426	20,023	135,449
Accrued interest payable	398,457	82,238	480,695
Due to other governments	25,028	6,402	31,430
Deposits payable	1,896,503	117,316	2,013,819
Unearned revenue	2,885,768	44,701	2,930,469
Noncurrent liabilities			
Due within one year			
Long-term liabilities	5,842,821	1,706,546	7,549,367
Due in more than one year			
Long-term liabilities	27,497,146	6,964,233	34,461,379
Other postemployment benefits liability	763,772	183,808	947,580
Net pension liability	20,531,277	2,052,688	22,583,965
Total Liabilities	<u>61,024,150</u>	<u>11,840,531</u>	<u>72,864,681</u>
Deferred Inflows of Resources			
Deferred revenue - grants	489,681	-	489,681
Deferred pension resources	1,149,935	30,557	1,180,492
Deferred other postemployment benefit resources	61,006	14,682	75,688
Deferred lease resources	704,713	4,622,880	5,327,593
Total Deferred Inflows of Resources	<u>2,405,335</u>	<u>4,668,119</u>	<u>7,073,454</u>
Net Position			
Net investment in capital assets	63,787,832	61,483,488	125,271,320
Restricted for			
Park improvements	2,104,318	-	2,104,318
Public safety	24,033	-	24,033
Debt service	12,704,814	-	12,704,814
Unrestricted	10,317,786	20,304,657	30,622,443
Total Net Position	<u>\$ 88,938,783</u>	<u>\$ 81,788,145</u>	<u>\$ 170,726,928</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, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 4,384,358	\$ 1,945,314	\$ 49,316	\$ 34,567
Community development	1,726,281	21,286	113,049	-
Public safety	10,162,892	176,202	1,096,384	-
Public works	8,991,987	9,501	-	2,991,604
Culture and recreation	2,581,282	914,155	7,050	-
Interest on long-term debt	937,100	-	-	-
Total Governmental Activities	<u>28,783,900</u>	<u>3,066,458</u>	<u>1,265,799</u>	<u>3,026,171</u>
Business-type Activities				
Water and sewer	10,499,178	10,940,862	6,700	88,280
Storm water	1,600,939	1,454,555	16,915	-
Municipal liquor	6,479,719	7,007,605	13,847	-
Street light	438,758	397,096	-	-
Sports center	599,268	458,305	252,217	-
Total Business-type Activities	<u>19,617,862</u>	<u>20,258,423</u>	<u>289,679</u>	<u>88,280</u>
 Total Governmental and Business-type Activities	 <u>\$ 48,401,762</u>	 <u>\$ 23,324,881</u>	 <u>\$ 1,555,478</u>	 <u>\$ 3,114,451</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 (loss)

Other general revenues

Gain on sale of capital assets

Transfers - Internal Activities

Total General Revenues and Transfers

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		
Governmental Activities	Business-Type Activities	Total
\$ (2,355,161)	\$ -	\$ (2,355,161)
(1,591,946)	-	(1,591,946)
(8,890,306)	-	(8,890,306)
(5,990,882)	-	(5,990,882)
(1,660,077)	-	(1,660,077)
(937,100)	-	(937,100)
(21,425,472)	-	(21,425,472)
-	536,664	536,664
-	(129,469)	(129,469)
-	541,733	541,733
-	(41,662)	(41,662)
-	111,254	111,254
-	1,018,520	1,018,520
(21,425,472)	1,018,520	(20,406,952)
15,711,039	-	15,711,039
4,256,432	55,000	4,311,432
726,764	-	726,764
157,464	-	157,464
63,567	-	63,567
102,935	-	102,935
(451,409)	(302,960)	(754,369)
2,580	-	2,580
119,088	-	119,088
709,430	(709,430)	-
21,397,890	(957,390)	20,440,500
(27,582)	61,130	33,548
88,966,365	81,727,015	170,693,380
\$ 88,938,783	\$ 81,788,145	\$ 170,726,928

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, 2022

City of Savage, Minnesota
Balance Sheet
Governmental Funds
December 31, 2022

	General	Debt Service	ARPA	2022 Capital Projects	Other Governmental Funds	Total
Assets						
Cash and investments	\$ 11,728,824	\$ 9,068,401	\$ 2,933,477	\$ 600,887	\$ 10,779,777	\$ 35,111,366
Restricted cash	24,033	-	-	-	-	24,033
Receivables						
Accrued interest	164,612	-	-	-	-	164,612
Accounts receivable	40,236	-	-	-	95,896	136,132
Taxes	231,188	-	-	-	9,841	241,029
Leases	-	-	-	-	720,361	720,361
Special assessments	16,332	4,034,870	-	-	87,042	4,138,244
Notes	-	-	-	-	624,142	624,142
Due from other governments	32,847	-	-	-	-	32,847
Due from other funds	-	-	-	-	1,131,000	1,131,000
Inventories	5,667	-	-	-	-	5,667
Prepaid items	71,133	-	-	-	1,103,962	1,175,095
Assets held for resale	-	-	-	-	257,588	257,588
Total Assets	<u>\$ 12,314,872</u>	<u>\$ 13,103,271</u>	<u>\$ 2,933,477</u>	<u>\$ 600,887</u>	<u>\$ 14,809,609</u>	<u>\$ 43,762,116</u>
Liabilities						
Accounts payable	\$ 520,428	\$ -	\$ 55,450	\$ 505	\$ 398,127	\$ 974,510
Accrued salaries and withholdings payable	112,960	-	-	-	2,466	115,426
Contracts payable	-	-	-	90,672	1,251	91,923
Due to other governments	25,028	-	-	-	-	25,028
Due to other funds	-	-	-	-	1,245,040	1,245,040
Deposits payable	1,883,842	-	-	-	12,661	1,896,503
Unearned revenue	7,741	-	2,878,027	-	-	2,885,768
Total Liabilities	<u>2,549,999</u>	<u>-</u>	<u>2,933,477</u>	<u>91,177</u>	<u>1,659,545</u>	<u>7,234,198</u>
Deferred Inflows of Resources						
Unavailable revenue - grants	-	-	-	489,681	-	489,681
Unavailable revenue - property taxes	111,837	-	-	-	-	111,837
Unavailable revenue - interest	-	-	-	-	39,297	39,297
Unavailable revenue - special assessments	16,331	4,031,632	-	-	83,271	4,131,234
Deferred lease resources	-	-	-	-	704,713	704,713
Total Deferred Inflows of Resources	<u>128,168</u>	<u>4,031,632</u>	<u>-</u>	<u>489,681</u>	<u>827,281</u>	<u>5,476,762</u>
Fund Balances						
Nonspendable	76,800	-	-	-	1,119,610	1,196,410
Restricted	24,033	9,071,639	-	-	2,104,318	11,199,990
Committed	-	-	-	-	2,132,578	2,132,578
Assigned	189,644	-	-	20,029	7,805,364	8,015,037
Unassigned	9,346,228	-	-	-	(839,087)	8,507,141
Total Fund Balances	<u>9,636,705</u>	<u>9,071,639</u>	<u>-</u>	<u>20,029</u>	<u>12,322,783</u>	<u>31,051,156</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,314,872</u>	<u>\$ 13,103,271</u>	<u>\$ 2,933,477</u>	<u>\$ 600,887</u>	<u>\$ 14,809,609</u>	<u>\$ 43,762,116</u>

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, 2022

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

Total Fund Balances - Governmental	\$ 31,051,156
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	228,130,988
Less accumulated depreciation	(133,004,553)
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	(28,940,000)
Unamortized bond premium and discount	(1,646,282)
Capital lease payable	(920,000)
Deferred charge on lease revision	56,940
Deferred charge on refunding	215,783
Compensated absences payable	(1,833,685)
Net pension liability	(20,531,277)
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	111,837
Special assessments	4,131,234
Interest on loans	39,297
Governmental fund do not report a liability for accrued interest until due and payable.	(398,457)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	13,136,103
Deferred inflows of pension resources	(1,149,935)
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.	
	489,634
Total Net Position - Governmental Activities	\$ 88,938,783

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, 2022

	General	Debt Service	ARPA	2022 Capital Projects	Other Governmental Funds	Total
Revenues						
Taxes	\$ 15,714,598	\$ 4,256,432	\$ -	\$ -	\$ 916,798	\$ 20,887,828
Licenses and permits	803,842	-	-	-	-	803,842
Intergovernmental	794,974	-	180,511	1,665,126	231,162	2,871,773
Charges for services	1,072,581	-	-	-	-	1,072,581
Fines and forfeits	131,399	-	-	-	-	131,399
Special assessments	1,404	920,400	-	-	13,597	935,401
Investment earnings (loss)	(182,174)	(118,781)	-	9,095	(141,964)	(433,824)
Miscellaneous	195,591	-	-	-	955,649	1,151,240
Total Revenues	<u>18,532,215</u>	<u>5,058,051</u>	<u>180,511</u>	<u>1,674,221</u>	<u>1,975,242</u>	<u>27,420,240</u>
Expenditures						
Current						
General government	2,849,799	-	16,049	-	597,548	3,463,396
Community development	1,167,378	-	45,857	-	113,607	1,326,842
Public safety	8,965,771	-	63,522	-	-	9,029,293
Public works	2,889,484	-	55,083	-	-	2,944,567
Culture and recreation	2,172,187	-	-	-	3,170	2,175,357
Capital outlay						
General government	-	-	-	-	555,201	555,201
Community development	-	-	-	-	562,241	562,241
Public safety	53,626	-	-	-	184,248	237,874
Public works	47,876	-	-	3,806,672	479,192	4,333,740
Culture and recreation	-	-	-	-	1,197,714	1,197,714
Debt service						
Principal	-	4,905,000	-	-	-	4,905,000
Interest and other charges	-	936,888	-	44,722	142,618	1,124,228
Total Expenditures	<u>18,146,121</u>	<u>5,841,888</u>	<u>180,511</u>	<u>3,851,394</u>	<u>3,835,539</u>	<u>31,855,453</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>386,094</u>	<u>(783,837)</u>	<u>-</u>	<u>(2,177,173)</u>	<u>(1,860,297)</u>	<u>(4,435,213)</u>
Other Financing Sources (Uses)						
Sale of capital assets	-	-	-	-	119,088	119,088
Transfers in	290,000	145,000	-	1,636,818	3,152,457	5,224,275
Issuance of bonds	-	-	-	1,730,000	915,000	2,645,000
Premiums on bonds issued	-	-	-	37,339	26,344	63,683
Transfers out	(500,000)	(1,114,938)	-	(1,339,457)	(295,000)	(3,249,395)
Total Other Financing Sources (Uses)	<u>(210,000)</u>	<u>(969,938)</u>	<u>-</u>	<u>2,064,700</u>	<u>3,917,889</u>	<u>4,802,651</u>
Net Changes in Fund Balances	176,094	(1,753,775)	-	(112,473)	2,057,592	367,438
Fund Balances, January 1	<u>9,460,611</u>	<u>10,825,414</u>	<u>-</u>	<u>132,502</u>	<u>10,265,191</u>	<u>30,683,718</u>
Fund Balances, December 31	<u>\$ 9,636,705</u>	<u>\$ 9,071,639</u>	<u>\$ -</u>	<u>\$ 20,029</u>	<u>\$ 12,322,783</u>	<u>\$ 31,051,156</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, 2022

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 367,438
<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	(6,874,891)
Capital outlay	6,296,511
Loss on disposal of assets	(36,578)
<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>	
	(1,265,450)
<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	(17,585)
Consolidation of internal service fund activities with governmental activities	(33,741)
<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	27,438
Special assessments	310,550
Interest on loans	7,000
<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	(2,645,000)
Debt issuance discounts amortization	245,078
Principal repayments	4,785,000
Financed purchase agreements repayments	120,000
Amortization of deferred charges on refunding	(77,969)
Premium on bonds issued and lease revision	(63,683)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(1,033,981)
Pension revenue from state contributions	180,157
<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>	
	20,019
<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	<u>(337,895)</u>
Change in Net Position - Governmental Activities	<u>\$ (27,582)</u>

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 15,742,525	\$ 15,742,525	\$ 15,714,598	\$ (27,927)
Licenses and permits	614,800	614,800	803,842	189,042
Intergovernmental	628,117	787,988	794,974	6,986
Charges for services	737,550	784,150	1,072,581	288,431
Fines and forfeits	41,000	141,000	131,399	(9,601)
Special assessments	2,666	2,666	1,404	(1,262)
Investment earnings (loss)	100,000	100,000	(182,174)	(282,174)
Miscellaneous	103,000	145,931	195,591	49,660
Total Revenues	<u>17,969,658</u>	<u>18,319,060</u>	<u>18,532,215</u>	<u>213,155</u>
Expenditures				
Current				
General government	2,980,578	3,059,228	2,849,799	209,429
Community development	1,224,750	1,224,750	1,167,378	57,372
Public safety	8,814,394	9,201,737	8,965,771	235,966
Public works	3,091,751	3,050,847	2,889,484	161,363
Culture and recreation	2,078,685	2,190,730	2,172,187	18,543
Capital outlay				
Public safety	29,500	48,800	53,626	(4,826)
Public works	-	47,800	47,876	(76)
Total Expenditures	<u>18,219,658</u>	<u>18,823,892</u>	<u>18,146,121</u>	<u>677,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(250,000)</u>	<u>(504,832)</u>	<u>386,094</u>	<u>890,926</u>
Other Financing Sources (Uses)				
Transfers in	250,000	250,000	290,000	40,000
Transfers out	-	-	(500,000)	(500,000)
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>(210,000)</u>	<u>(460,000)</u>
Net Change in Fund Balances	-	(254,832)	176,094	430,926
Fund Balances, January 1	<u>9,460,611</u>	<u>9,460,611</u>	<u>9,460,611</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 9,460,611</u>	<u>\$ 9,205,779</u>	<u>\$ 9,636,705</u>	<u>\$ 430,926</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, 2022

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Assets			
Current Assets			
Cash and investments	\$ 12,057,424	\$ 6,087,331	\$ 1,094,747
Receivables			
Accounts	1,501,934	298,726	-
Notes	-	-	270,038
Leases	4,583,728	-	142,789
Special assessments - delinquent	15,220	-	-
Due from other funds	114,040	-	-
Inventories	-	-	853,414
Prepaid items	6,981	-	2,789
Assets held for resale	-	132,030	-
Total Current Assets	<u>18,279,327</u>	<u>6,518,087</u>	<u>2,363,777</u>
Noncurrent Assets			
Special assessments receivable	<u>277,424</u>	-	-
Capital assets			
Land	1,371,272	-	290,000
Land Improvements	703,205	-	253,418
Leased building	-	-	729,164
Buildings and structures	27,507,176	-	1,642,379
Machinery and equipment	10,845,572	473,076	196,044
Improvements other than buildings	99,903,982	28,867,019	-
Construction in progress	610,353	795,597	-
Total Capital Assets	<u>140,941,560</u>	<u>30,135,692</u>	<u>3,111,005</u>
Less Accumulated Depreciation and Amortization	<u>(89,825,873)</u>	<u>(17,810,664)</u>	<u>(1,096,992)</u>
Net Capital Assets	<u>51,115,687</u>	<u>12,325,028</u>	<u>2,014,013</u>
Total Noncurrent Assets	<u>51,393,111</u>	<u>12,325,028</u>	<u>2,014,013</u>
Total Assets	<u>69,672,438</u>	<u>18,843,115</u>	<u>4,377,790</u>
Deferred Outflows of Resources			
Deferred pension resources	398,697	50,080	158,002
Deferred other postemployment benefit resources	<u>34,143</u>	<u>5,563</u>	<u>15,442</u>
	<u>432,840</u>	<u>55,643</u>	<u>173,444</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
\$ 228,853	\$ 4,076	\$ 19,472,431	\$ 1,074,028
73,484	28,230	1,902,374	2,845
-	-	270,038	-
-	-	4,726,517	-
-	-	15,220	-
-	-	114,040	-
-	-	853,414	-
-	-	9,770	-
-	-	132,030	-
<u>302,337</u>	<u>32,306</u>	<u>27,495,834</u>	<u>1,076,873</u>
-	-	277,424	-
-	-	1,661,272	-
-	500,000	1,456,623	-
-	-	729,164	-
1,254,683	4,256,087	34,660,325	-
-	94,520	11,609,212	-
-	-	128,771,001	-
7,907	-	1,413,857	-
<u>1,262,590</u>	<u>4,850,607</u>	<u>180,301,454</u>	-
<u>(513,277)</u>	<u>(1,211,074)</u>	<u>(110,457,880)</u>	-
<u>749,313</u>	<u>3,639,533</u>	<u>69,843,574</u>	-
<u>749,313</u>	<u>3,639,533</u>	<u>70,120,998</u>	-
<u>1,051,650</u>	<u>3,671,839</u>	<u>97,616,832</u>	<u>1,076,873</u>
-	15,653	622,432	-
-	2,383	57,531	239,058
-	18,036	679,963	239,058

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, 2022

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Liabilities			
Current Liabilities			
Accounts payable	\$ 161,434	\$ 11,270	\$ 383,153
Accrued salaries and withholdings payable	12,732	1,342	5,076
Contracts payable	-	5,423	-
Lease payable - current	-	-	142,407
Due to other governments	6,402	-	-
Accrued interest payable	60,767	-	-
Deposits payable	66,572	50,744	-
Unearned revenue	-	-	4,591
Bonds payable - current	920,000	-	-
Compensated absences payable - current	231,028	20,992	45,578
Total Current Liabilities	<u>1,458,935</u>	<u>89,771</u>	<u>580,805</u>
Noncurrent Liabilities			
Bonds payable	4,666,158	-	-
Lease payable	-	-	444,869
Net pension liability	1,314,843	165,155	521,068
Other postemployment benefits payable	109,085	17,772	49,336
Total Noncurrent Liabilities	<u>6,090,086</u>	<u>182,927</u>	<u>1,015,273</u>
Total Liabilities	<u>7,549,021</u>	<u>272,698</u>	<u>1,596,078</u>
Deferred Inflows of Resources			
Deferred pension resources	19,573	2,459	7,757
Deferred other postemployment benefit resources	8,713	1,420	3,941
Deferred lease resources	4,480,328	-	142,552
Total Deferred Outflows of Pension Resources	<u>4,508,614</u>	<u>3,879</u>	<u>154,250</u>
Net Position			
Net investment in capital assets	45,529,529	12,325,028	1,428,291
Unrestricted	12,518,114	6,297,153	1,372,615
Total Net Position	<u>\$ 58,047,643</u>	<u>\$ 18,622,181</u>	<u>\$ 2,800,906</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
\$ 31,117	\$ 70,179	\$ 657,153	\$ 1,519
-	873	20,023	-
-	-	5,423	-
-	-	142,407	-
-	-	6,402	-
-	21,471	82,238	-
-	-	117,316	-
-	40,110	44,701	-
-	335,000	1,255,000	-
-	11,541	309,139	-
<u>31,117</u>	<u>479,174</u>	<u>2,639,802</u>	<u>1,519</u>
-	1,853,206	6,519,364	-
-	-	444,869	-
-	51,622	2,052,688	-
-	7,615	183,808	763,772
<u>-</u>	<u>1,912,443</u>	<u>9,200,729</u>	<u>763,772</u>
<u>31,117</u>	<u>2,391,617</u>	<u>11,840,531</u>	<u>765,291</u>
-	768	30,557	-
-	608	14,682	61,006
-	-	4,622,880	-
<u>-</u>	<u>1,376</u>	<u>4,668,119</u>	<u>61,006</u>
749,313	1,451,327	61,483,488	-
<u>271,220</u>	<u>(154,445)</u>	<u>20,304,657</u>	<u>489,634</u>
<u>\$ 1,020,533</u>	<u>\$ 1,296,882</u>	<u>\$ 81,788,145</u>	<u>\$ 489,634</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, 2022

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Operating Revenues			
Sales	\$ -	\$ -	\$ 6,912,138
Cost of sales	-	-	(5,012,280)
Gross Profit	-	-	1,899,858
Charges for services	10,381,610	1,395,201	-
Special assessments	167,597	-	-
Other revenue	6,200	60,269	36,113
Total Operating Revenues	<u>10,555,407</u>	<u>1,455,470</u>	<u>1,935,971</u>
Operating Expenses			
Personnel services	1,664,597	210,295	792,695
Professional services	1,440,948	109,411	326,312
Shop supplies	400,682	-	-
Sewer charges - MCES	2,136,513	-	-
Utilities	417,652	-	70,728
Depreciation and amortization	3,679,830	918,794	188,748
Repairs and maintenance	426,673	328,951	54,408
Rent	269	-	3,861
Postage	45,610	7,086	-
Telephone	13,392	-	-
Insurance	43,642	275	13,324
Office and other supplies	116,621	21,037	17,363
Miscellaneous	-	5,090	-
Total Operating Expenses	<u>10,386,429</u>	<u>1,600,939</u>	<u>1,467,439</u>
Operating Income (Loss)	<u>168,978</u>	<u>(145,469)</u>	<u>468,532</u>
Nonoperating Revenues (Expenses)			
Lease revenue	327,217	-	61,388
Lease interest revenue	64,438	-	724
Property taxes	-	-	-
Intergovernmental	-	16,000	-
Investment earnings (loss)	(169,087)	(115,545)	(12,913)
Interest and other charges	(112,749)	-	-
Miscellaneous revenue	500	-	11,089
Total Nonoperating Revenues (Expenses)	<u>110,319</u>	<u>(99,545)</u>	<u>60,288</u>
Income (Loss) Before Contributions and Transfers	279,297	(245,014)	528,820
Capital Contributions	629,702	710,892	-
Transfers Out	<u>(939,653)</u>	<u>(732,227)</u>	<u>(240,000)</u>
Change in Net Position	(30,654)	(266,349)	288,820
Net Position, January 1	<u>58,078,297</u>	<u>18,888,530</u>	<u>2,512,086</u>
Net Position, December 31	<u>\$ 58,047,643</u>	<u>\$ 18,622,181</u>	<u>\$ 2,800,906</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
\$ -	\$ -	\$ 6,912,138	\$ -
-	-	(5,012,280)	-
-	-	1,899,858	-
397,096	458,305	12,632,212	-
-	-	167,597	-
-	-	102,582	-
<u>397,096</u>	<u>458,305</u>	<u>14,802,249</u>	<u>-</u>
-	142,863	2,810,450	452,270
1,235	33,185	1,911,091	475,716
-	-	400,682	-
-	-	2,136,513	-
353,709	210,455	1,052,544	-
54,341	124,265	4,965,978	-
26,913	24,168	861,113	-
-	-	4,130	-
1,624	-	54,320	-
-	-	13,392	-
936	4,076	62,253	-
-	8,339	163,360	-
-	-	5,090	-
<u>438,758</u>	<u>547,351</u>	<u>14,440,916</u>	<u>927,986</u>
<u>(41,662)</u>	<u>(89,046)</u>	<u>361,333</u>	<u>(927,986)</u>
-	-	388,605	-
-	-	65,162	-
-	55,000	55,000	-
-	250,000	266,000	-
(5,385)	(30)	(302,960)	(17,585)
-	(51,917)	(164,666)	-
-	2,217	13,806	894,245
<u>(5,385)</u>	<u>255,270</u>	<u>320,947</u>	<u>876,660</u>
(47,047)	166,224	682,280	(51,326)
13,136	-	1,353,730	-
<u>(63,000)</u>	<u>-</u>	<u>(1,974,880)</u>	<u>-</u>
(96,911)	166,224	61,130	(51,326)
<u>1,117,444</u>	<u>1,130,658</u>	<u>81,727,015</u>	<u>540,960</u>
<u>\$ 1,020,533</u>	<u>\$ 1,296,882</u>	<u>\$ 81,788,145</u>	<u>\$ 489,634</u>

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

City of Savage, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	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	\$ 10,466,407	\$ 1,427,710	\$ 1,960,616
Payment to suppliers	(5,064,350)	(501,095)	(384,136)
Payment to employees	(1,469,213)	(205,665)	(748,097)
Other operating receipts	500	-	11,089
Net Cash Provided (Used) by Operating Activities	<u>3,933,344</u>	<u>720,950</u>	<u>839,472</u>
Cash Flows from Noncapital Financing Activities			
Tax receipts	-	-	-
Receipts (payments) from (to) other funds	29,000	-	-
Lease receipts	288,255	-	61,875
Lease payments	-	-	(141,888)
Transfers out	(939,653)	(732,227)	(240,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(622,398)</u>	<u>(732,227)</u>	<u>(320,013)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(338,242)	-	(251,360)
Connection charges	88,280	-	-
Intergovernmental receipts	-	16,000	-
Principal paid on debt	(894,085)	-	-
Interest paid on debt	(162,959)	-	-
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(1,307,006)</u>	<u>16,000</u>	<u>(251,360)</u>
Cash Flows from Investing Activities			
Investment interest loss	(169,087)	(115,545)	(12,913)
Net Increase (Decrease) in Cash and Cash Equivalents	1,834,853	(110,822)	255,186
Cash and Cash Equivalents, January 1	<u>10,222,571</u>	<u>6,198,153</u>	<u>839,561</u>
Cash and Cash Equivalents, December 31	<u><u>\$ 12,057,424</u></u>	<u><u>\$ 6,087,331</u></u>	<u><u>\$ 1,094,747</u></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
\$ 397,056	\$ 478,567	\$ 14,730,356	\$ (2,845)
(381,245)	(256,200)	(6,587,026)	(510,434)
-	(132,262)	(2,555,237)	(445,214)
-	2,217	13,806	894,245
<u>15,811</u>	<u>92,322</u>	<u>5,601,899</u>	<u>(64,248)</u>
-	55,000	55,000	-
-	-	29,000	-
-	-	350,130	-
-	-	(141,888)	-
<u>(63,000)</u>	<u>-</u>	<u>(1,974,880)</u>	<u>-</u>
<u>(63,000)</u>	<u>55,000</u>	<u>(1,682,638)</u>	<u>-</u>
(12,917)	-	(602,519)	-
-	-	88,280	-
-	250,000	266,000	-
-	(330,000)	(1,224,085)	-
<u>-</u>	<u>(63,283)</u>	<u>(226,242)</u>	<u>-</u>
<u>(12,917)</u>	<u>(143,283)</u>	<u>(1,698,566)</u>	<u>-</u>
<u>(5,385)</u>	<u>(30)</u>	<u>(302,960)</u>	<u>(17,585)</u>
(65,491)	4,009	1,917,735	(81,833)
<u>294,344</u>	<u>67</u>	<u>17,554,696</u>	<u>1,155,861</u>
<u>\$ 228,853</u>	<u>\$ 4,076</u>	<u>\$ 19,472,431</u>	<u>\$ 1,074,028</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, 2022

	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)	\$ 168,978	\$ (145,469)	\$ 468,532
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Miscellaneous revenues	500	-	11,089
Depreciation and amortization	3,679,830	918,794	188,748
(Increase) decrease in assets and			
deferred outflows of resources			
Accounts receivable	(66,583)	(27,760)	-
Special assessments receivable	(25,872)	-	-
Prepaid items	3,455	-	(2,789)
Notes receivable	-	-	24,182
Inventories	-	-	122,566
Deferred pension resources	82,716	20,896	56,339
Deferred other post employment benefit resources	4,887	796	2,210
Increase (decrease) in liabilities and			
deferred inflows of resources			
Accounts payable and contract payable	22,937	(29,245)	54,750
Accrued salaries and withholdings payable	4,245	185	1,726
Compensated absences payable	37,660	2,223	20,321
Deposits payable	(9,061)	-	-
Unearned revenue	-	-	463
Net pension liability	655,821	67,994	227,649
Other postemployment benefits payable	(975)	(159)	(441)
Contracts payable	-	-	(72,667)
Deferred pension resources	(586,065)	(86,832)	(261,893)
Deferred other post employment benefit resources	(2,905)	(473)	(1,313)
Due to other governments	(36,224)	-	-
	<u>\$ 3,933,344</u>	<u>\$ 720,950</u>	<u>\$ 839,472</u>
Net Cash Provided (Used) by			
Operating Activities	<u>\$ 3,933,344</u>	<u>\$ 720,950</u>	<u>\$ 839,472</u>
Supplemental Schedule of Noncash			
Capital and Related Financing Activities			
Amortization of discounts / (premiums) on bonds	\$ (38,419)	\$ (216)	\$ -
Capital contributions from other funds	\$ 541,422	\$ 710,892	\$ -

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

<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
<u>Street Light Utility</u>	<u>Sports Center</u>	<u>Totals</u>	<u>Activities -</u>
			<u>Internal</u>
			<u>Service Funds</u>
\$ (41,662)	\$ (89,046)	\$ 361,333	\$ (927,986)
-	2,217	13,806	894,245
54,341	124,265	4,965,978	-
(40)	41,558	(52,825)	(2,845)
-	-	(25,872)	-
-	-	666	-
-	-	24,182	-
-	-	122,566	-
-	1,957	161,908	-
-	341	8,234	34,217
3,172	24,023	75,637	(34,718)
-	461	6,617	-
-	1,984	62,188	-
-	-	(9,061)	-
-	(21,296)	(20,833)	-
-	27,515	978,979	-
-	(68)	(1,643)	(6,825)
-	-	(72,667)	-
-	(21,386)	(956,176)	-
-	(203)	(4,894)	(20,336)
-	-	(36,224)	-
<u>\$ 15,811</u>	<u>\$ 92,322</u>	<u>\$ 5,601,899</u>	<u>\$ (64,248)</u>
<u>\$ -</u>	<u>\$ (8,500)</u>	<u>\$ (47,135)</u>	<u>\$ -</u>
<u>\$ 13,136</u>	<u>\$ -</u>	<u>\$ 1,265,450</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, 2022

	Service Availability Charge	State Surcharge	Total
Assets			
Cash and investments	\$ 5,533	\$ 1,037	\$ 6,570
Liabilities			
Due to other governments	\$ 5,533	\$ 1,037	\$ 6,570

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, 2022

	Service Availability Charge	State Surcharge	Total
Additions			
Service access charges collected for other governments	\$ 356,349	\$ -	\$ 356,349
Surcharge fees collected for other governments	-	22,460	22,460
Total Additions	<u>356,349</u>	<u>22,460</u>	<u>378,809</u>
Deductions			
Payments of service access charges to other governments	356,349	-	356,349
Payments of surcharge fees to other governments	-	22,460	22,460
Total Deductions	<u>356,349</u>	<u>22,460</u>	<u>378,809</u>
Net Increase (Decrease) in Fiduciary Net Position	-	-	-
Net Position, January 1	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 *ARPA fund* is fund is used to account for grants received as a result of the American Rescue Plan Act and the expenditures for which the grants will fund.

The *2022 Capital Projects fund* is used to account for 2022 capital project construction costs.

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 Utility fund* accounts for the operation of the City's street light system.

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

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.
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, 2022:

- U.S. Government Agency Securities of \$19,894,891 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of \$4,215,586 are valued using a matrix pricing model (Level 2 inputs)

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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

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 future periods 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.

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 their service to and will be used to liquidate the liability, typically the General Fund. The unused vacation and sick leave of the proprietary funds is included in accrued liabilities of the respective fund.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2022 valuation date. The measurement date is January 1, 2021. The General fund is typically used to liquidate governmental other postemployment benefits payable.

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		
City's proportionate share	\$ 1,070,825	\$ 1,408,981	\$ 2,000	\$ 142,598	\$ 2,624,404
Proportionate share of State's contribution	32,662	127,370	-	-	160,032
Total pension expense	<u>\$ 1,103,487</u>	<u>\$ 1,536,351</u>	<u>\$ 2,000</u>	<u>\$ 142,598</u>	<u>\$ 2,784,436</u>

Unearned Revenue

The City's unearned revenue consists of grant revenue from the American Rescue Plan Act that has not yet met the revenue recognition criteria.

Note 1: Summary of Significant Accounting Policies (Continued)

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 future periods 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. Furthermore, the City reports deferred lease resources related to cell tower and space leases and is recorded under GASB 87, which is reported in the governmental funds, enterprise funds and the statement of net position.

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 2022, 35 percent of the next year's budgeted operating expenditures is \$7,090,204.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, Economic Development, Hamilton Building, Strom and Post Office special revenue funds and all enterprise funds. Budget amounts are presented as originally adopted or amended. The City did not budget for the ARPA major special revenue fund because it was not legally required to do so. 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. Deficit Fund Equity

As of December 31, 2022, the following funds reported deficit fund equity:

Fund	Amount
Primary Government	
Nonmajor funds	
Tax Increment Construction	\$ 839,087

The fund deficit is 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, 2022

Note 2: Stewardship, Compliance and Accountability (Continued)

C. Excess of Expenditures over Appropriations

Fund	Final Budget	Actual	Excess of Expenditures Over Appropriations
Primary Government			
Nonmajor			
Economic Development	\$ 10,547	\$ 113,607	\$ 103,060
Hamilton Building	45,088	48,564	3,476

The budget excesses were funded by revenues in excess of the budget and available fund balance.

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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

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 \$1,426,915 and the bank balance was \$1,482,737. 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.

Investments

As of December 31, 2022, 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	\$ 12,614,619		
Broker Money Market Funds	N/A	less than 1 year	17,536,417		
Total Pooled Investments			<u>30,151,036</u>		
Non-pooled Investments at Amortized Costs					
Negotiable certifications of deposits	NA	less than 1 year	1,456,300	\$ -	\$ 1,456,300
Negotiable certifications of deposits	NA	1 to 5 years	2,759,286	-	2,759,286
Government Agency Securities	A+	1 to 5 years	347,803	347,803	-
Government Agency Securities	AA-	1 to 5 years	442,200	442,200	-
Government Agency Securities	AA	1 to 5 years	4,463,444	4,463,444	-
Government Agency Securities	AA	more than 5 years	1,183,465	1,183,465	-
Commercial paper	N/A	less than 6 months	982,600	982,600	-
Government Agency Securities	AA+	1 to 5 years	225,234	225,234	-
Government Agency Securities	AAA	less than 1 year	3,989,571	3,989,571	-
Government Agency Securities	AAA	1 to 5 years	6,063,176	6,063,176	-
Government Agency Securities	AAA	more than 5 years	2,197,398	2,197,398	-
Total Investments			<u>\$ 54,261,513</u>	<u>\$ 19,894,891</u>	<u>\$ 4,215,586</u>

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

(1) 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, 2022

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	\$ 1,426,915
Investments	<u>54,261,513</u>
Total	<u><u>\$ 55,688,428</u></u>
Primary Government	
Governmental activities	\$ 36,185,394
Governmental activities - Restricted cash	24,033
Business-type activities	<u>19,472,431</u>
Subtotal	55,681,858
Fiduciary	
Cash and investments	<u>6,570</u>
Total	<u><u>\$ 55,688,428</u></u>

B. Notes Receivable

The City sold seven properties on contract for deeds in the Strom industrial park. 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. All, but one, of the contract for deed have been paid in full. The receivable balance at December 31, 2022 was \$34,845.

The developer for Village Commons (66-unit rental complex) 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, 2022 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, 2022 including accrued interest, was \$389,297.

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, 2022 was \$270,038.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

C. Lease Receivable

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Antenna Lease - MN41318-T-00 - Canterbury Park - Verizon	01/01/22	1.44 %	\$ 12,059	\$ 573,685
Antenna Lease - Verizon WS Oaks	01/01/22	1.44	22,986	1,047,107
Antenna Lease - Verizon MIN Loftus CR 42	01/01/22	1.16	32,782	442,956
Antenna Lease T-Mobile (Sprint) MS74XC636 - Boone	01/01/22	1.29	28,059	866,672
Antenna Lease T-Mobile A1P00018A - CR 42	01/01/22	1.49	19,603	1,170,323
Antenna Lease Verizon MN Halle - Boone	01/01/22	1.42	23,578	1,056,670
Boba Tea	05/01/22	0.64	8,304	71,938
CAP Agency	08/01/22	0.40	14,888	74,738
E-Flow DBA Papa Murphy's	01/01/22	0.40	41,140	72,325
Prior-Ties DBA Great Clips	01/01/22	0.40	42,091	70,464
Total				<u>\$ 5,446,878</u>

The City leases various tower sites and store fronts to several companies. These agreements contain various renewal and extension options. The latest maturity date is projected to be in in 2046, however, the Utilities anticipates new or revised leasing arrangements to occur in the future.

The annual amounts to be recognized split between principal and interest are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 282,057	\$ 71,967	\$ 354,024
2024	253,391	69,930	323,321
2025	174,898	67,142	242,040
2026	186,131	64,805	250,936
2027	180,757	62,367	243,124
2028 - 2032	1,079,873	270,427	1,350,300
2033 - 2037	1,288,937	187,930	1,476,867
2038 - 2042	1,382,490	92,828	1,475,318
2043 - 2046	618,344	11,923	630,267
Total	<u>\$ 5,446,878</u>	<u>\$ 899,319</u>	<u>\$ 6,346,197</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2022 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	4,681,778	3,775,162	(4,501,091)	3,955,849
Rights of ways and easement	754,344	-	-	754,344
Total Capital Assets not Being Depreciated	<u>10,894,705</u>	<u>3,775,162</u>	<u>(4,501,091)</u>	<u>10,168,776</u>
Capital Assets Being Depreciated				
Land improvements	14,291,011	761,001	-	15,052,012
Buildings and structures	32,180,524	162,447	-	32,342,971
Furniture and equipment	15,234,841	1,228,453	(414,325)	16,048,969
Improvements other than buildings	150,913,171	3,605,089	-	154,518,260
Total Capital Assets Being Depreciated	<u>212,619,547</u>	<u>5,756,990</u>	<u>(414,325)</u>	<u>217,962,212</u>
Less Accumulated Depreciation for				
Land improvements	(9,688,879)	(466,736)	-	(10,155,615)
Buildings and structures	(11,168,778)	(653,848)	-	(11,822,626)
Furniture and equipment	(7,568,041)	(1,123,828)	377,747	(8,314,120)
Improvements other than buildings	(98,081,713)	(4,630,479)	-	(102,712,192)
Total Accumulated Depreciation	<u>(126,507,411)</u>	<u>(6,874,891)</u>	<u>377,747</u>	<u>(133,004,553)</u>
Total Capital Assets Being Depreciated, Net	<u>86,112,136</u>	<u>(1,117,901)</u>	<u>(36,578)</u>	<u>84,957,659</u>
Governmental Activities Capital Assets, Net	<u>\$ 97,006,841</u>	<u>\$ 2,657,261</u>	<u>\$ (4,537,669)</u>	<u>\$ 95,126,435</u>

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

Governmental Activities	
General government	\$ 208,968
Community development	55,657
Public safety	317,736
Public works	6,032,314
Parks and recreation	260,216
Total Depreciation Expense - Governmental Activities	<u>\$ 6,874,891</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,661,272	\$ -	\$ -	\$ 1,661,272
Construction in progress	1,510,932	1,330,142	(1,427,217)	1,413,857
Total Capital Assets not Being Depreciated	<u>3,172,204</u>	<u>1,330,142</u>	<u>(1,427,217)</u>	<u>3,075,129</u>
Capital Assets Being Depreciated				
Land improvements	1,255,754	200,869	-	1,456,623
Leased building	729,164	-	-	729,164
Buildings and structures	34,610,196	50,129	-	34,660,325
Furniture and equipment	11,444,330	164,882	-	11,609,212
Improvements other than buildings	127,221,837	1,549,164	-	128,771,001
Total Capital Assets Being Depreciated	<u>175,261,281</u>	<u>1,965,044</u>	<u>-</u>	<u>177,226,325</u>
Less Accumulated Depreciation/Amortization for				
Land improvements	(1,055,753)	(33,333)	-	(1,089,086)
Leased building	-	(143,440)	-	(143,440)
Buildings and structures	(13,767,949)	(758,775)	-	(14,526,724)
Furniture and equipment	(3,765,429)	(506,194)	-	(4,271,623)
Improvements other than buildings	(86,902,771)	(3,524,236)	-	(90,427,007)
Total Accumulated Depreciation	<u>(105,491,902)</u>	<u>(4,965,978)</u>	<u>-</u>	<u>(110,457,880)</u>
Total Capital Assets Being Depreciated, Net	<u>69,769,379</u>	<u>(3,000,934)</u>	<u>-</u>	<u>66,768,445</u>
Business-type Activities Capital Assets, Net	<u>\$ 72,941,583</u>	<u>\$ (1,670,792)</u>	<u>\$ (1,427,217)</u>	<u>\$ 69,843,574</u>

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

Business-type Activities	
Water and sewer	\$ 3,679,830
Storm Water	918,794
Municipal Liquor	188,748
Sports Center	124,265
Street Light	<u>54,341</u>
Total Depreciation/Amortization Expense - Business-type Activities	<u>\$ 4,965,978</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of December 31, 2022. 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
TH13/Dakota/Yose Design Study	\$ 120,990	\$ 28,230
Comm.Park Skate Park	125,057	12,556
2021 St.Improvements	3,626,863	590,651
Community Monument	153,954	20,271
Community Park Phase II	165,111	5,562
Total	<u>\$ 4,191,975</u>	<u>\$ 657,270</u>

E. 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	Tax Increment Construction	\$ 114,040
Nonmajor governmental	Tax Increment Construction	1,131,000
Total		<u>\$ 1,245,040</u>

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

Fund	Transfers In				Total
	General	Debt Service	2022 Capital Projects	Nonmajor Governmental Funds	
Transfer Out					
General	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Debt Service	-	-	414,938	700,000	1,114,938
2022 Capital Projects	-	-	-	1,339,457	1,339,457
Nonmajor governmental	-	145,000	-	150,000	295,000
Water and Sewer	250,000	-	489,653	200,000	939,653
Storm Water	-	-	732,227	-	732,227
Liquor	40,000	-	-	200,000	240,000
Street Light	-	-	-	63,000	63,000
Total Transfers	<u>\$ 290,000</u>	<u>\$ 145,000</u>	<u>\$ 1,636,818</u>	<u>\$ 3,152,457</u>	<u>\$ 5,224,275</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

The General fund transferred excess fund balance of \$500,000 to the capital equipment certificates fund to fund future purchases.

- The Debt Service funds transferred \$1,114,938 to the 2022 Capital Projects fund and Nonmajor capital project funds to close out funds no longer in use by the city and to help fund projects.
- The 2022 Capital Projects funds transferred \$1,339,457 of advances municipal state aid funding to the Permanent Improvement Revolving fund to help fund future projects.
- The Hamilton Building nonmajor special revenue fund transferred \$145,000 to the Capital Lease fund to support the debt service payments.
- The Strom Project nonmajor fund transferred \$100,000 to the Cable Television fund to support cable operations.
- The Community Investment nonmajor fund transferred \$50,000 to the Park Dedication fund to support project costs.
- The Water fund transferred \$250,000 to the General fund to cover overhead and administrative costs.
- The Water and Sewer fund transferred \$489,653 to the 2022 Capital Projects fund to cover water related project costs.
- The Storm Water fund transferred \$732,227 to the 2022 Capital Projects fund to cover storm related project costs.
- The Liquor fund transferred excess fund balance of \$240,000 to the General fund and Park Dedication fund.
- The Street Light fund transferred \$63,000 to the Park Dedication nonmajor fund to cover street light related project costs.

F. 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:

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Primary Government

General Obligation Bonds

Description	Authorized and Issued	Interest Rate	Dated	Maturity Date	Balance at Year End
2020B G.O. Advanced Refunding	\$ 1,760,000	5.00 %	06/04/20	02/01/26	\$ 1,230,000
2014B G.O. Advanced Refunding	6,600,000	2.00 - 2.38	06/05/14	02/01/27	<u>2,830,000</u>
Total General Obligation Bonds					<u><u>\$ 4,060,000</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
2023	\$ 825,000	\$ 110,618	\$ 935,618
2024	855,000	84,368	939,368
2025	875,000	57,565	932,565
2026	915,000	28,913	943,913
2027	590,000	7,008	597,008
Total	<u><u>\$ 4,060,000</u></u>	<u><u>\$ 288,472</u></u>	<u><u>\$ 4,348,472</u></u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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
2012A G.O. Improvement Bonds	\$ 5,085,000	1.00 - 2.62 %	06/15/12	02/01/28	\$ 1,535,000
2014A G.O. Improvement Bonds	3,290,000	2.00 - 3.50	06/05/14	02/01/30	1,405,000
2015A G.O. Improvement Bonds	4,100,000	2.00 - 4.00	06/04/15	02/01/31	2,235,000
2016A G.O. Improvement Bonds	3,335,000	2.00 - 3.00	06/16/16	02/01/32	1,875,000
2017A G.O. Improvement Bonds	3,095,000	2.00 - 3.00	07/12/17	02/01/33	1,215,000
2018A G.O. Improvement Bonds	3,200,000	3.00 - 3.15	05/17/18	02/01/34	2,335,000
2018B G.O. Refunding Bonds	1,220,000	3.00 - 5.00	05/17/18	02/01/24	430,000
2019A G.O. Improvement Bonds	2,615,000	3.00 - 5.00	06/06/19	02/01/35	1,945,000
2019B G.O. Refunding Bonds	1,685,000	5.00	06/06/19	02/01/25	905,000
2020A G.O. Improvement Bonds	2,795,000	2.00 - 3.00	06/04/20	02/01/36	2,485,000
2020C G.O. Advanced Refunding	3,495,000	2.00 - 4.00	11/05/20	02/01/29	3,070,000
2021A G.O. Improvement Bonds	2,800,000	2.00 - 4.00	07/22/21	02/01/37	2,800,000
2022A G.O. Improvement Bonds	2,645,000	2.45 - 4.74	05/18/22	02/01/38	<u>2,645,000</u>
Total G.O. Special Assessment Improvement Bonds					<u>\$ 24,880,000</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

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
2023	\$ 3,515,000	\$ 726,242	\$ 4,241,242
2024	3,445,000	584,883	4,029,883
2025	3,195,000	465,577	3,660,577
2026	2,645,000	363,947	3,008,947
2027	2,475,000	284,180	2,759,180
2028 - 2032	7,000,000	700,790	7,700,790
2033 - 2037	2,470,000	137,227	2,607,227
2038	135,000	2,025	137,025
Total	\$ 24,880,000	\$ 3,264,871	\$ 28,144,871

General Obligation Revenue Bonds

These bonds were issued to finance the cost of improvements to the City's utility system and sports center. 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:

	Water and Sewer	Sports Center
Operating Revenues	\$ 10,555,407	\$ 458,305
Principal and Interest	1,057,044	393,283
Percentage of Revenues	999 %	117 %

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

Description	Authorized and Issued	Interest Rate	Dated	Maturity Date	Balance at Year End
Tax Abatement Bonds					
Series 2012B	\$ 4,915,000	1.00 - 2.62 %	06/15/12	02/01/28	\$ 2,145,000
G.O. Improvement Bonds					
Series 2015A	3,075,000	2.00 - 4.00	06/04/15	02/01/31	1,990,000
G.O. Improvement Bonds					
Series 2017A	3,830,000	2.00 - 3.00	07/12/17	02/01/33	2,910,000
G.O. Utility Revenue Refunding Bonds					
Series 2018B	3,480,000	3.00 - 5.00	05/17/18	02/01/23	480,000
Total Business-type Bonds					\$ 7,525,000

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

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

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2023	\$ 1,255,000	\$ 180,742	\$ 1,435,742
2024	795,000	152,777	947,777
2025	810,000	132,957	942,957
2026	825,000	111,969	936,969
2027	845,000	91,432	936,432
2028 - 2032	2,700,000	201,894	2,901,894
2033	295,000	4,425	299,425
Total	<u>\$ 7,525,000</u>	<u>\$ 876,196</u>	<u>\$ 8,401,196</u>

Financed Purchase Agreements

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.

In May 2016, the City entered into a lease agreement with Hy-Vee, Inc. for retail store for operation of the liquor store. The space is 6,779 square feet with monthly a 10 year term. Monthly payments during the first two years were \$8,198 then increased for the remaining eight years to \$12,146.

The assets acquired through capital leases are as follows:

Asset	<u>Governmental Activities</u>
Building and structures	\$ 2,260,000
Less accumulated depreciation	<u>(1,495,600)</u>
Total	<u>\$ 764,400</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

The annual service requirements to maturity for financed purchase agreements are as follows:

Year Ending December 31,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 120,000	\$ 25,723	\$ 145,723	\$ 142,407	\$ 3,341	\$ 145,748
2024	120,000	22,543	142,543	143,321	2,427	145,748
2025	125,000	19,113	144,113	144,241	1,507	145,748
2026	130,000	15,413	145,413	145,167	581	145,748
2027	140,000	11,363	151,363	12,140	6	12,146
2028 - 2029	285,000	9,507	294,507	-	-	-
Total	<u>\$ 920,000</u>	<u>\$ 103,662</u>	<u>\$ 1,023,662</u>	<u>\$ 587,276</u>	<u>\$ 7,862</u>	<u>\$ 595,138</u>

Lease Payable

Lease agreements are summarized as follows:

Description	Total Lease Liability	Interest Rate	Issue Date	Payment Terms	Balance at Year End
Hyvee Liquor Store Building lease	\$ 729,164	2.26 %	01/01/22	6 years	<u>\$ 587,276</u>

On May 26th, 2016 the city entered into a lease agreement with Hy-Vee Inc.. The lease is effective from January 1st, 2022, to January 31st, 2027. Base rent for fiscal year 2022 was \$145,749. The interest rate on the lease is variable based on the prime interest rate as of January 1 of each fiscal year during the term of the lease.

Annual requirements to amortize the long-term obligation and related interest are as follows:

Year Ending June 30,	Lease Payable		
	Principal	Interest	Total
2023	\$ 142,407	\$ 3,341	\$ 145,748
2024	143,321	2,427	145,748
2025	144,241	1,507	145,748
2026	145,167	581	145,748
2027	12,140	6	12,146
Total	<u>\$ 587,276</u>	<u>\$ 7,862</u>	<u>\$ 595,138</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

During the year ended December 31, 2022, the following changes occurred in non-current liabilities reported on the government-wide statements.

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 5,630,000	\$ -	\$ (1,570,000)	\$ 4,060,000	\$ 825,000
General obligation special assessment bonds	25,450,000	2,645,000	(3,215,000)	24,880,000	3,515,000
Unamortized discount and premium	1,827,677	63,683	(245,078)	1,646,282	-
Total Bonds Payable - Net	<u>32,907,677</u>	<u>2,708,683</u>	<u>(5,030,078)</u>	<u>30,586,282</u>	<u>4,340,000</u>
Financed Purchase Agreement	1,040,000	-	(120,000)	920,000	120,000
Compensated Absences Payable	<u>1,495,790</u>	<u>675,790</u>	<u>(337,895)</u>	<u>1,833,685</u>	<u>1,382,821</u>
Governmental Activity Long-term Liabilities	<u>\$ 35,443,467</u>	<u>\$ 3,384,473</u>	<u>\$ (5,487,973)</u>	<u>\$ 33,339,967</u>	<u>\$ 5,842,821</u>
Business-type Activities					
Bonds Payable					
General obligation revenue bonds	\$ 8,750,000	\$ -	\$ (1,225,000)	\$ 7,525,000	\$ 1,255,000
Unamortized discount and premium	295,368	200,947	(246,951)	249,364	-
Total Bonds Payable - Net	<u>9,045,368</u>	<u>200,947</u>	<u>(1,471,951)</u>	<u>7,774,364</u>	<u>1,255,000</u>
Lease Payable	729,164	-	141,888	587,276	142,407
Compensated Absences Payable	<u>246,951</u>	<u>231,854</u>	<u>(169,666)</u>	<u>309,139</u>	<u>309,139</u>
Business-type Activity Long-term Liabilities	<u>\$ 10,021,483</u>	<u>\$ 432,801</u>	<u>\$ (1,499,729)</u>	<u>\$ 8,670,779</u>	<u>\$ 1,706,546</u>

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, 2022 there were two revenue bonds outstanding with Aspen Academy Charter School with a total principal amount \$18,015,000.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

G. Components of Fund Balance

At December 31, 2022, 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	2022 Capital Projects	Other Governmental Funds	Total
Nonspendable for Prepaid Items					
Prepaid items	\$ 71,133	\$ -	\$ -	\$ 1,103,962	\$ 1,175,095
Leases	-	-	-	15,648	15,648
Inventory	5,667	-	-	-	5,667
Total Nonspendable	\$ 76,800	\$ -	\$ -	\$ 1,119,610	\$ 1,196,410
Restricted for					
Debt service	\$ -	\$ 9,071,639	\$ -	\$ -	\$ 9,071,639
Public safety	24,033	-	-	-	24,033
Park improvements	-	-	-	2,104,318	2,104,318
Total Restricted	\$ 24,033	\$ 9,071,639	\$ -	\$ 2,104,318	\$ 11,199,990
Committed for					
Cable television	\$ -	\$ -	\$ -	\$ 188,553	\$ 188,553
Opiod settlement	-	-	-	82,065	82,065
Economic development	-	-	-	1,556,491	1,556,491
Hamilton building	-	-	-	119,572	119,572
Post office	-	-	-	185,897	185,897
Total Committed	\$ -	\$ -	\$ -	\$ 2,132,578	\$ 2,132,578
Assigned to					
Capital projects	\$ 189,644	\$ -	\$ 20,029	\$ 7,805,364	\$ 8,015,037

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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

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

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to 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.

General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated 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. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan Benefits

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

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is 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 2020 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, 2022, 2021 and 2020 were \$547,500, \$526,480 and \$514,545, 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 Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2022, 2021 and 2020 were \$774,397, \$705,171 and \$645,643, 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, 2022, the City reported a liability of \$7,460,671 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. 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 \$218,585. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 0.0942 percent which was a decrease of 0.0001 percent from its proportion measured as of June 30, 2021.

City's Proportionate Share of the Net Pension Liability	\$ 7,460,671
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	218,585
Total	\$ 7,679,256

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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

For the year ended December 31, 2022, the City recognized pension expense of \$1,070,825 for its proportionate share of the General Employees Fund's pension expense. In addition, the City recognized an additional \$33,662 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.

At December 31, 2022, the City reported its proportionate share of General Employees Fund'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	\$ 62,319	\$ 79,548
Changes in Actuarial Assumptions	1,690,223	29,377
Net Difference Between Projected and Actual Earnings on Plan Investments	117,175	-
Changes in Proportion	89,893	2,135
Contributions Paid to PERA Subsequent to the Measurement Date	302,676	-
Total	\$ 2,262,286	\$ 111,060

The \$302,676 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 737,051
2024	675,556
2025	(238,764)
2026	674,707

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$15,034,795 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2022, the City's proportionate share was 0.3455 percent which was an increase of 0.0341 percent from its proportionate share measured as of June 30, 2021.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$1,408,981 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$127,370 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$31,095 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 880,733	\$ 18,170
Changes in Actuarial Assumptions	8,590,456	135,892
Net Difference Between Projected and Actual Earnings on Plan Investments	562,494	-
Changes in Proportion	335,315	110,350
Contributions Paid to PERA Subsequent to the Measurement Date	436,702	-
Total	\$ 10,805,700	\$ 264,412

The \$436,702 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 1,979,408
2024	2,018,452
2025	1,797,639
2026	3,058,160
2027	1,250,927

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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

E. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
Alternative Assets (Private Markets)	25.0	5.90
Bonds (Fixed Income)	25.0	0.75
International Equity	16.5	5.30
 Total	 <u>100.00 %</u>	

Actuarial Assumptions

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

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

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

Actuarial assumptions used in the June 30, 2022 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 assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50 percent to 5.40 percent.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

F. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.50 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 was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061 for the Police and Fire Fund, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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 one percentage point lower or one percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (5.50%)	Current (6.50%)	1 Percent Increase (7.50%)
General Employees Fund	\$ 11,784,521	\$ 7,460,671	\$ 3,914,447
	1 Percent Decrease (4.40%)	Current (5.40%)	1 Percent Increase (6.40%)
Police and Fire Fund	22,753,234	15,034,795	8,794,899

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.

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 five percent of salary which is matched by the elected official's employer. 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.

Total contributions made by the City During the fiscal year 2022 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, 2022, 2021 and 2020 were \$2,000, \$2,000 and \$2,000, respectively.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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, 2021, the plan covered 33 active firefighters and 49 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 \$230,873 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2022, 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, 2022 were \$429,873. 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, 2022

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

D. Pension Costs

At December 31, 2022, the City reported a net pension liability of \$88,499 for the Volunteer Firefighter Fund. The net pension liability was measured as of December 31, 2021. 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, 2021	<u>\$ 8,482,433</u>	<u>\$ 7,985,561</u>	<u>\$ 496,872</u>
Changes for the Year			
Service cost	172,056	-	172,056
Interest cost	465,749	-	465,749
Assumption changes	105,909	-	105,909
Plan changes	161,120	-	161,120
Projected investment return	-	166,063	(166,063)
Contributions (employer)	-	199,003	(199,003)
Nonemployer contributions	-	438,641	(438,641)
(Gain)/loss	(10,769)	511,704	(522,473)
Benefit payments	(372,649)	(372,649)	-
Administrative expenses	-	(12,973)	12,973
Total Net Changes	<u>521,416</u>	<u>929,789</u>	<u>(408,373)</u>
Ending Balance December 31, 2021	<u>\$ 9,003,849</u>	<u>\$ 8,915,350</u>	<u>\$ 88,499</u>

For the year ended December 31, 2022, the City recognized pension expense of \$142,598.

At December 31, 2022, 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	\$ 3,736	\$ 24,267
Changes in Actuarial Assumptions	256,940	-
Net Difference Between Projected and Actual Earnings on Plan Investments	-	780,753
Contributions to Plan Subsequent to the Measurement Date	<u>429,873</u>	<u>-</u>
Total	<u>\$ 690,549</u>	<u>\$ 805,020</u>

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

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

Deferred outflows of resources totaling \$429,873 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, 2023. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2023	\$ (24,214)
2024	(242,096)
2025	(175,694)
2026	(102,340)

E. Actuarial Assumptions

The total pension liability at December 31, 2022 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	2.50%
Investment Rate of Return	5.75%

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	6.00 %	1.80 %
Fixed Income	20.00	3.00
Equities	74.00	6.80
Total	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 5.75 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, 2022

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 (4.75%)	Current (5.75%)	1 Percent Increase (6.75%)
Defined Benefit Plan	\$ 1,426,745	\$ 88,499	\$ (977,424)

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 offers 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. The plan includes no assets accumulated in a GASB-compliant trust.

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	8
Spouses Receiving Benefid Payments	3
Active Plan Members	124
Total Plan Members	135

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, 2022, the City's average contribution rate was 8.64 percent of covered-employee payroll. For the year 2022, the City directly contributed \$45,027 to the Plan, while implicit contributions totaled \$41,208.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$947,580 was measured as of January 1, 2022, and was determined by an actuarial valuation as of January 1, 2021. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 7: Postemployment Benefits Other than Pensions (Continued)

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.00%
20-Year Municipal Bond Yield	2.00%
Inflation Rate	2.00%
Medical Trend Rate	6.25% in 2022 grading to 5.00% over 5 years and then to 4.00% over the next 48 years
Dental Trend Rate	4.00%

The discount rate used to measure the total OPEB liability was 2.00 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.

The actuarial assumptions used in the January 1, 2021 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)
Balances at December 31, 2021	<u>\$ 956,047</u>
Changes for the Year:	
Service cost	48,547
Interest	19,332
Benefit payments	<u>(76,346)</u>
Net Changes	<u>(8,467)</u>
Balances at December 31, 2022	<u><u>\$ 947,580</u></u>

Since the prior measurement date, the following assumptions changed: None.

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 (1.00 percent) or 1-percentage-point higher (3.00 percent) than the current discount rate:

1 Percent Decrease (1.00%)	Current (2.00%)	1 Percent Increase (3.00%)
\$ 1,008,031	\$ 947,580	\$ 890,896

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 7: Postemployment Benefits Other than Pensions (Continued)

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 (5.25% Decreasing to 4.00%)	Healthcare Cost Trend Rates (6.25% Decreasing to 5.00%)	1 Percent Increase (7.25% Decreasing to 6.00%)
\$ 863,900	\$ 947,580	\$ 1,044,321

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$17,223. At December 31, 2022, 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	\$ 165,447	\$ -
Changes in Liability (Gain)/Loss	44,907	75,688
Contributions to OPEB Subsequent to the Measurement Date	86,235	-
Total	\$ 296,589	\$ 75,688

Deferred outflows of resources totaling \$86,235 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, 2023. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows

Year ended December 31:	
2023	\$ (26,962)
2024	(26,962)
2025	(26,962)
2026	(29,704)
2027	(24,076)

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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 8: Other Information (Continued)

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 2022.

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, 2022, the outstanding principal and interest balance on these revenue bonds is \$1,003,599.

On September 20, 2021, the CDA issued \$1,805,000 of refunding bonds to refund the callable maturities of the \$2,880,000 Series 2013C Bonds originally issued for the Hamilton project. By refunding the 2013C Bonds, the Agency anticipates reducing debt service costs by approximately \$282,000 in net future value savings and approximately \$271,000 in net present value savings.

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 January 1 to December 31, 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.

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.

City of Savage, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 8: Other Information (Continued)

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: Change in Accounting Principles

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements. The City's recognition of the beginning balances related to the lease liability and the intangible right to use lease asset were equal balances and had no effect on the beginning net position of the Governmental Activities.

Note 10: Subsequent Events

On June 5, 2023, the City Council authorized the sale of a \$3,180,000 General Obligation Bond, Series 2023A. The issuance will finance the City's 2023 street improvement projects.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of Savage, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2022

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/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.0942 %	\$ 7,460,671	\$ 218,585	\$ 7,679,256	\$ 6,789,310	109.9 %	76.7 %
06/30/21	0.0943	4,027,032	123,003	4,150,035	7,052,876	57.1	87.0
06/30/20	0.0912	5,467,857	168,587	5,636,444	6,488,577	84.3	79.0
06/30/19	0.0884	4,887,438	151,827	5,039,265	6,253,241	78.2	80.2
06/30/18	0.0874	4,848,594	159,101	5,007,695	5,877,053	82.5	79.5
06/30/17	0.0861	5,496,567	69,094	5,565,661	5,545,085	99.1	75.9
06/30/16	0.0847	6,877,220	89,813	6,967,033	5,256,467	130.8	68.9
06/30/15	0.0885	4,586,529	-	4,586,529	5,115,787	89.7	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)
12/31/22	\$ 547,500	\$ 547,500	\$ -	\$ 7,300,002	7.50 %
12/31/21	526,480	526,480	-	7,019,730	7.50
12/31/20	514,545	514,545	-	6,860,594	7.50
12/31/19	476,249	476,249	-	6,349,992	7.50
12/31/18	457,087	457,087	-	6,094,490	7.50
12/31/17	426,380	426,380	-	5,685,072	7.50
12/31/16	401,004	401,004	-	5,346,720	7.50
12/31/15	394,189	394,189	-	5,255,853	7.50

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, 2022

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

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.

City of Savage, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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

2019 - 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.

2016 - There were no changes in plan provisions since the previous valuation.

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, 2022

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/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.3455 %	\$15,034,795	\$ 656,633	\$ 15,691,428	\$ 4,054,721	370.8 %	70.5 %
06/30/21	0.3114	2,403,678	108,096	2,511,774	3,822,683	62.9	93.7
06/30/20	0.3026	3,988,592	-	3,988,592	3,417,310	116.7	87.2
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	3,073,162	398.3	63.9
06/30/15	0.3050	3,465,514	-	3,465,514	2,835,494	122.2	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)
12/31/22	\$ 774,397	\$ 774,397	\$ -	\$ 4,375,122	17.70 %
12/31/21	705,171	705,171	-	3,984,019	17.70
12/31/20	645,643	645,643	-	3,647,702	17.70
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.

City of Savage, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

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

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

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. 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.

City of Savage, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2022

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

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

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.

2016 - There were no changes in plan provisions since the previous valuation.

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, 2022

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

	2022 (Fire Relief Report Date 2020)	2021 (Fire Relief Report Date 2020)	2020 (Fire Relief Report Date 2019)	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	\$ 172,056	\$ 166,397	\$ 149,704	\$ 124,685	\$ 110,794	\$ 118,368	\$ 95,357	\$ 87,353
Interest on pension liability (asset)	465,749	459,072	447,060	433,199	401,172	387,067	361,511	350,753
Changes of benefit terms	105,909	-	72,800	71,495	95,143	79,133	60,427	-
Gain (loss)	(10,769)	(34,178)	14,950	113,646	(171,516)	26,177	94,849	-
Changes of assumptions	161,120	245,547	254,253	150,603	405,055	(28,593)	186,213	-
Benefit payments	(372,649)	(343,738)	(501,451)	(296,205)	(388,016)	(309,796)	(260,917)	(288,652)
Net Change in Total Pension Liability	521,416	493,100	437,316	597,423	452,632	272,356	537,440	149,454
Total Pension Liability - January 1	956,047	7,989,333	7,552,017	6,954,594	6,501,962	6,229,606	5,692,166	5,542,712
Total Pension Liability - December 31 (a)	\$ 1,477,463	\$ 8,482,433	\$ 7,989,333	\$ 7,552,017	\$ 6,954,594	\$ 6,501,962	\$ 6,229,606	\$ 5,692,166
Plan Fiduciary Net Position								
Employer contributions	\$ 166,063	\$ 185,514	\$ 184,514	\$ 184,514	\$ 184,514	\$ 184,514	\$ 184,514	\$ 149,192
Nonemployer contributions	199,003	187,508	176,529	168,582	164,768	162,295	158,225	184,514
Projected investment return	438,641	414,349	369,537	409,851	358,176	331,448	352,571	329,228
Gain (loss)	511,704	366,773	754,785	(752,939)	474,769	112,519	(518,661)	(20,383)
Benefit payments	(372,649)	(343,738)	(501,451)	(296,205)	(388,016)	(309,796)	(260,917)	(288,652)
Administrative expenses	(12,973)	(32,553)	(10,716)	(16,916)	(13,540)	(17,389)	(11,254)	(15,067)
Net Change in Plan Fiduciary Net Position	929,789	777,853	973,198	(303,113)	780,671	463,591	(95,522)	338,832
Plan Fiduciary Net Position - January 1	7,985,561	7,207,708	6,234,510	6,537,623	5,756,952	5,293,361	5,388,883	5,050,051
Plan Fiduciary Net Position - December 31 (b)	\$ 8,915,350	\$ 7,985,561	\$ 7,207,708	\$ 6,234,510	\$ 6,537,623	\$ 5,756,952	\$ 5,293,361	\$ 5,388,883
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	\$ (7,437,887)	\$ 496,872	\$ 781,625	\$ 1,317,507	\$ 416,971	\$ 745,010	\$ 936,245	\$ 303,283
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	603.42%	94.14%	90.22%	82.55%	94.00%	88.54%	84.97%	94.67%
Covered Payroll	N/A	N/A	N/A	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	N/A	N/A	N/A

Notes to the Schedule:

The mortality improvement scale changed from MP-2018 to MP-2019
The expected long-term investment return and GASB discounting rate were lowered from 5.75% to 5.50%.

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, 2022

Notes to the Required Supplementary Information - Fire Relief Association

Changes in Actuarial Assumptions

2022 - There were no changes in plan provisions since the previous valuation

2021 - There were no changes in actuarial assumptions since the previous valuation.

2020 - The mortality improvement scale changed from MP-2018 to MP-2019. The expected long-term investment return and GASB discount rate were lowered from 6.00% to 5.75%. The 20-Year municipal bond rate assumption was lowered from 3.50% to 3.00%

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

2022 - There were no changes in plan provisions since the previous valuation

2021 - There were no changes in plan provisions since the previous valuation.

2020 - The monthly benefit level increased from \$39.71 to \$40.89. The lump sum benefit level increased from \$6,073.73 to \$6,255.94.

2019 - The monthly benefit level increased from \$38.55 to \$39.71 The lump sum benefit level increased from \$5,896.83 to \$6,073.73.

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.

City of Savage, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2022

Schedule of Employer's Fire Relief Association's Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/22	\$ 230,873	\$ 429,876	\$ (199,003)
12/31/21	199,003	386,511	(187,508)
12/31/20	188,508	365,037	(176,529)
12/31/19	175,529	184,514	(8,985)
12/31/18	168,582	353,096	(184,514)
12/31/17	163,768	348,282	(184,514)

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, 2022

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

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 48,547	\$ 47,133	\$ 36,123	\$ 30,473	\$ 48,000
Interest	19,332	23,028	27,914	24,792	24,967
Differences between expected and actual experience	-	137,186	-	157,406	-
Changes in assumptions	-	31,360	39,388	(176,605)	-
Benefit payments	(76,346)	(58,778)	(51,039)	(65,724)	(55,868)
Net Change in Total OPEB Liability	(8,467)	179,929	52,386	(29,658)	17,099
Total OPEB Liability - Beginning	956,047	776,118	723,732	753,390	736,291
Total OPEB Liability - Ending	<u>\$ 947,580</u>	<u>\$ 956,047</u>	<u>\$ 776,118</u>	<u>\$ 723,732</u>	<u>\$ 753,390</u>
Covered-Employee Payroll	\$ 10,253,922	\$ 10,253,922	\$ 8,980,357	\$ 8,124,416	\$ 8,124,416
City's total OPEB liability as a percentage of covered-employee payroll	9.24 %	9.32 %	8.64 %	8.91 %	9.27 %

Changes in Method by Year:

2022 None
2021 None
2020 None
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:

2022 None
2021

The health care trend rates, mortality tables, and salary increase rates were updated.
The retirement and withdrawal rates for non-public safety employees was updated.
The inflation rate was changed from 2.50% to 2.00%.
The discount rate was changed from 2.90% to 2.00%.

2020

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

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.

Note: The City's plan has no accumulated assets in a GASB-Compliant trust.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF SAVAGE
SAVAGE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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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, 2022

	Special Revenue	Capital Projects	Total
Assets			
Cash and investments	\$ 1,538,879	\$ 9,240,898	\$ 10,779,777
Receivables			
Accounts	75,100	20,796	95,896
Taxes	-	9,841	9,841
Leases	146,676	573,685	720,361
Special assessments	-	87,042	87,042
Notes	624,142	-	624,142
Due from other funds	-	1,131,000	1,131,000
Prepaid items	-	1,103,962	1,103,962
Assets held for resale	174,800	82,788	257,588
	\$ 2,559,597	\$ 12,250,012	\$ 14,809,609
Liabilities			
Accounts payable	\$ 227,438	\$ 170,689	\$ 398,127
Accrued salaries and withholdings payable	2,466	-	2,466
Contracts payable	-	1,251	1,251
Due to other funds	-	1,245,040	1,245,040
Deposits payable	11,142	1,519	12,661
Total Liabilities	241,046	1,418,499	1,659,545
Deferred Inflows of Resources			
Deferred lease resources	144,906	559,807	704,713
Unavailable revenue - interest	39,297	-	39,297
Unavailable revenue - special assessments	-	83,271	83,271
Total Deferred Inflows of Resources	184,203	643,078	827,281
Fund Balances			
Nonspendable	1,770	1,117,840	1,119,610
Restricted	-	2,104,318	2,104,318
Committed	2,132,578	-	2,132,578
Assigned	-	7,805,364	7,805,364
Unassigned	-	(839,087)	(839,087)
Total Fund Balances	2,134,348	10,188,435	12,322,783
	\$ 2,559,597	\$ 12,250,012	\$ 14,809,609
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	\$ 2,559,597	\$ 12,250,012	\$ 14,809,609

City of Savage, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2022

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	\$ 190,034	\$ 726,764	\$ 916,798
Intergovernmental	194,836	36,326	231,162
Special assessments	-	13,597	13,597
Investment earnings (loss)	(29,266)	(112,698)	(141,964)
Miscellaneous			
Loan interest payments	16,238	-	16,238
Refunds and reimbursements	-	900	900
Rents	179,222	-	179,222
Other	59,169	700,120	759,289
Total Revenues	610,233	1,365,009	1,975,242
Expenditures			
Current			
General government	597,548	-	597,548
Community development	113,607	-	113,607
Culture and recreation	-	3,170	3,170
Capital outlay			
General government	83,465	471,736	555,201
Community development	-	562,241	562,241
Public safety	-	184,248	184,248
Public works	-	479,192	479,192
Culture and recreation	-	1,197,714	1,197,714
Debt service			
Interest and other charges	-	142,618	142,618
Total Expenditures	794,620	3,040,919	3,835,539
Excess (Deficiency) of Revenues Over (Under) Expenditures	(184,387)	(1,675,910)	(1,860,297)
Other Financing Sources (Uses)			
Sale of capital assets	-	119,088	119,088
Transfers in	100,000	3,052,457	3,152,457
Issuance of bonds	-	915,000	915,000
Premiums on bonds issued	-	26,344	26,344
Transfers out	(245,000)	(50,000)	(295,000)
Total Other Financing Sources (Uses)	(145,000)	4,062,889	3,917,889
Net Change in Fund Balances	(329,387)	2,386,979	2,057,592
Fund Balances, January 1	2,463,735	7,801,456	10,265,191
Fund Balances, December 31	\$ 2,134,348	\$ 10,188,435	\$ 12,322,783

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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.

MN Opioid Settlement Fund - This fund is used to account for the funding received from the opioid settlement.

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 building.

City of Savage, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2022

	201	222	231	203
	Cable Television	MN Opioid Settlement	Economic Development	Hamilton Building
Assets				
Cash and investments	\$ 148,528	\$ 82,065	\$ 754,810	\$ 130,116
Receivables				
Accounts	43,152	-	26,951	4,997
Leases	-	-	-	146,676
Notes	-	-	589,297	-
Assets held for resale	-	-	174,800	-
Total Assets	<u>\$ 191,680</u>	<u>\$ 82,065</u>	<u>\$ 1,545,858</u>	<u>\$ 281,789</u>
Liabilities				
Accounts payable	\$ 661	\$ -	\$ -	\$ 9,059
Accrued salaries and withholdings payable	2,466	-	-	-
Deposits payable	-	-	160	6,482
Total Liabilities	<u>3,127</u>	<u>-</u>	<u>160</u>	<u>15,541</u>
Deferred Inflows of Resources				
Unavailable revenue - interest	-	-	39,297	-
Deferred lease resources	-	-	-	144,906
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>39,297</u>	<u>144,906</u>
Fund Balances				
Nonspendable	-	-	-	1,770
Committed for				
Cable television	188,553	-	-	-
Opioid settlement	-	82,065	-	-
Economic development	-	-	1,506,401	-
Hamilton building	-	-	-	119,572
Post office	-	-	-	-
Total Fund Balances	<u>188,553</u>	<u>82,065</u>	<u>1,506,401</u>	<u>121,342</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 191,680</u>	<u>\$ 82,065</u>	<u>\$ 1,545,858</u>	<u>\$ 281,789</u>

208		233		
Strom Project	Post Office	Total		
\$ 15,245	\$ 408,115	\$ 1,538,879		
-	-	75,100		
-	-	146,676		
34,845	-	624,142		
-	-	174,800		
<u>\$ 50,090</u>	<u>\$ 408,115</u>	<u>\$ 2,559,597</u>		
\$ -	\$ 217,718	\$ 227,438		
-	-	2,466		
-	4,500	11,142		
-	<u>222,218</u>	<u>241,046</u>		
-	-	39,297		
-	-	<u>144,906</u>		
-	-	<u>184,203</u>		
-	-	1,770		
-	-	188,553		
-	-	82,065		
50,090	-	1,556,491		
-	-	119,572		
-	185,897	185,897		
<u>50,090</u>	<u>185,897</u>	<u>2,134,348</u>		
<u>\$ 50,090</u>	<u>\$ 408,115</u>	<u>\$ 2,559,597</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, 2022

	201	222	231	203
	Cable Television	MN Opioid Settlement	Economic Development	Hamilton Building
Revenues				
Taxes	\$ 157,464	\$ -	\$ 32,570	\$ -
Intergovernmental	-	81,787	113,049	-
Investment earnings (loss)	(3,543)	278	(13,495)	(3,308)
Miscellaneous revenues				
Loan interest payments	-	-	14,286	-
Rents	-	-	-	107,896
Other	22,608	-	22,519	14,042
Total Revenues	<u>176,529</u>	<u>82,065</u>	<u>168,929</u>	<u>118,630</u>
Expenditures				
Current				
General government	289,228	-	-	48,564
Community development	-	-	113,607	-
Capital outlay				
General government	83,465	-	-	-
Total Expenditures	<u>372,693</u>	<u>-</u>	<u>113,607</u>	<u>48,564</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(196,164)</u>	<u>82,065</u>	<u>55,322</u>	<u>70,066</u>
Other Financing Sources (Uses)				
Transfers in	100,000	-	-	-
Transfers out	-	-	-	(145,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>(145,000)</u>
Net Change in Fund Balances	(96,164)	82,065	55,322	(74,934)
Fund Balances, January 1	<u>284,717</u>	<u>-</u>	<u>1,451,079</u>	<u>196,276</u>
Fund Balances, December 31	<u>\$ 188,553</u>	<u>\$ 82,065</u>	<u>\$ 1,506,401</u>	<u>\$ 121,342</u>

208	233	
Strom Project	Post Office	Total
\$ -	\$ -	\$ 190,034
-	-	194,836
(2,486)	(6,712)	(29,266)
1,952	-	16,238
-	71,326	179,222
-	-	59,169
<u>(534)</u>	<u>64,614</u>	<u>610,233</u>
-	259,756	597,548
-	-	113,607
-	-	83,465
<u>-</u>	<u>259,756</u>	<u>794,620</u>
<u>(534)</u>	<u>(195,142)</u>	<u>(184,387)</u>
-	-	100,000
<u>(100,000)</u>	<u>-</u>	<u>(245,000)</u>
<u>(100,000)</u>	<u>-</u>	<u>(145,000)</u>
(100,534)	(195,142)	(329,387)
<u>150,624</u>	<u>381,039</u>	<u>2,463,735</u>
<u>\$ 50,090</u>	<u>\$ 185,897</u>	<u>\$ 2,134,348</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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Franchise taxes	\$ 190,000	\$ 190,000	\$ 157,464	\$ (32,536)	\$ 171,492
Investment earnings (loss)	1,453	1,453	(3,543)	(4,996)	(316)
Miscellaneous revenues	31,428	31,428	22,608	(8,820)	79,912
Total Revenues	<u>222,881</u>	<u>222,881</u>	<u>176,529</u>	<u>(46,352)</u>	<u>251,088</u>
Expenditures					
Current					
General government	296,503	296,503	289,228	7,275	275,767
Capital outlay					
General government	85,000	85,000	83,465	1,535	-
Total Expenditures	<u>381,503</u>	<u>381,503</u>	<u>372,693</u>	<u>8,810</u>	<u>275,767</u>
Deficiency of Revenues Under Expenditures	<u>(158,622)</u>	<u>(158,622)</u>	<u>(196,164)</u>	<u>(37,542)</u>	<u>(24,679)</u>
Other Financing Sources					
Sale of capital assets	-	-	-	-	850
Transfers in	100,000	100,000	100,000	-	100,000
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,850</u>
Net Change in Fund Balances	(58,622)	(58,622)	(96,164)	(37,542)	76,171
Fund Balances, January 1	<u>284,717</u>	<u>284,717</u>	<u>284,717</u>	<u>-</u>	<u>208,546</u>
Fund Balances, December 31	<u>\$ 226,095</u>	<u>\$ 226,095</u>	<u>\$ 188,553</u>	<u>\$ (37,542)</u>	<u>\$ 284,717</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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Taxes	\$ 30,000	\$ 30,000	\$ 32,570	\$ 2,570	\$ 31,203
Intergovernmental	-	-	113,049	113,049	28,752
Investment earnings (loss)	4,000	4,000	(13,495)	(17,495)	(1,323)
Miscellaneous					
Loan interest payments	14,286	14,286	14,286	-	14,286
Other	22,519	22,519	22,519	-	22,963
Total Revenues	<u>70,805</u>	<u>70,805</u>	<u>168,929</u>	<u>98,124</u>	<u>95,881</u>
Expenditures					
Current					
Community development	<u>10,547</u>	<u>10,547</u>	<u>113,607</u>	<u>(103,060)</u>	<u>1,648</u>
Net Change in Fund Balances	60,258	60,258	55,322	(4,936)	94,233
Fund Balances, January 1	<u>1,451,079</u>	<u>1,451,079</u>	<u>1,451,079</u>	<u>-</u>	<u>1,356,846</u>
Fund Balances, December 31	<u>\$ 1,511,337</u>	<u>\$ 1,511,337</u>	<u>\$ 1,506,401</u>	<u>\$ (4,936)</u>	<u>\$ 1,451,079</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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings (loss)	\$ 3,000	\$ 3,000	\$ (3,308)	\$ (6,308)	\$ (440)
Miscellaneous					
Rents	136,502	136,502	107,896	(28,606)	140,411
Other	18,000	18,000	14,042	(3,958)	34,533
Total Revenues	<u>157,502</u>	<u>157,502</u>	<u>118,630</u>	<u>(38,872)</u>	<u>174,504</u>
Expenditures					
Current					
General government	<u>45,088</u>	<u>45,088</u>	<u>48,564</u>	<u>(3,476)</u>	<u>52,314</u>
Excess of Revenues Over Expenditures	112,414	112,414	70,066	(42,348)	122,190
Other Financing Uses					
Transfers out	<u>(145,000)</u>	<u>(145,000)</u>	<u>(145,000)</u>	-	<u>(145,000)</u>
Net Changes in Fund Balances	(32,586)	(32,586)	(74,934)	(42,348)	(22,810)
Fund Balances, January 1	<u>196,276</u>	<u>196,276</u>	<u>196,276</u>	-	<u>219,086</u>
Fund Balances, December 31	<u>\$ 163,690</u>	<u>\$ 163,690</u>	<u>\$ 121,342</u>	<u>\$ (42,348)</u>	<u>\$ 196,276</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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings (loss)	\$ 682	\$ 682	\$ (6,712)	\$ (7,394)	\$ (160)
Miscellaneous					
Rents	56,670	56,670	71,326	14,656	91,298
Total Revenues	<u>57,352</u>	<u>57,352</u>	<u>64,614</u>	<u>7,262</u>	<u>91,138</u>
Expenditures					
Current					
General government	342,150	342,150	259,756	82,394	48,746
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(284,798)</u>	<u>(284,798)</u>	<u>(195,142)</u>	<u>89,656</u>	<u>42,392</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	311,477
Transfers out	-	-	-	-	(60,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,477</u>
Net Changes in Fund Balances	(284,798)	(284,798)	(195,142)	89,656	293,869
Fund Balances, January 1	<u>381,039</u>	<u>381,039</u>	<u>381,039</u>	<u>-</u>	<u>87,170</u>
Fund Balances, December 31	<u>\$ 96,241</u>	<u>\$ 96,241</u>	<u>\$ 185,897</u>	<u>\$ 89,656</u>	<u>\$ 381,039</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.

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

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

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.

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

2021 Capital Projects Fund - This fund is used to account for the construction costs of street improvements.

2023 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, 2022

	230	702	419	501	503
	Community Investment	Capital Equipment Certificates	Tax Increment Construction	Permanent Improvement Revolving	Sidewalk
Assets					
Cash and investments	\$ 1,555,093	\$ 1,186,050	\$ 409,101	\$ 967,527	\$ 288,074
Receivables					
Accounts	-	-	-	-	-
Taxes - current	-	-	9,841	-	-
Special assessments	-	-	-	87,042	-
Lease	-	-	-	-	-
Due from other funds	1,131,000	-	-	-	-
Prepaid items	-	1,103,962	-	-	-
Assets held for resale	82,788	-	-	-	-
Total Assets	<u>\$ 2,768,881</u>	<u>\$ 2,290,012</u>	<u>\$ 418,942</u>	<u>\$ 1,054,569</u>	<u>\$ 288,074</u>
Liabilities					
Accounts payable	\$ 10,173	\$ 41,425	\$ 12,989	\$ 40,783	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	-	-	1,245,040	-	-
Deposits payable	-	-	-	-	-
Total Liabilities	<u>10,173</u>	<u>41,425</u>	<u>1,258,029</u>	<u>40,783</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	83,271	-
Deferred lease resources	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,271</u>	<u>-</u>
Fund Balances					
Nonspendable	-	1,103,962	-	-	-
Restricted for					
Capital projects	-	-	-	-	-
Assigned for					
Capital projects	2,758,708	1,144,625	-	-	288,074
Future capital improvements	-	-	-	930,515	-
Unassigned	-	-	(839,087)	-	-
Total Fund Balances	<u>2,758,708</u>	<u>2,248,587</u>	<u>(839,087)</u>	<u>930,515</u>	<u>288,074</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,768,881</u>	<u>\$ 2,290,012</u>	<u>\$ 418,942</u>	<u>\$ 1,054,569</u>	<u>\$ 288,074</u>

507	509	511	537	538	540	
Street Infrastructure	Park Dedication	Park Improvement	2020 Capital Projects	2021 Capital Projects	2023 Capital Projects	Total
\$ 399,975	\$ 2,143,570	\$ 1,008,738	\$ -	\$ 1,199,195	\$ 83,575	\$ 9,240,898
-	20,796	-	-	-	-	20,796
-	-	-	-	-	-	9,841
-	-	-	-	-	-	87,042
-	-	573,685	-	-	-	573,685
-	-	-	-	-	-	1,131,000
-	-	-	-	-	-	1,103,962
-	-	-	-	-	-	82,788
<u>\$ 399,975</u>	<u>\$ 2,164,366</u>	<u>\$ 1,582,423</u>	<u>\$ -</u>	<u>\$ 1,199,195</u>	<u>\$ 83,575</u>	<u>\$ 12,250,012</u>
\$ -	\$ 58,797	\$ -	\$ -	\$ 1,325	\$ 5,197	\$ 170,689
-	1,251	-	-	-	-	1,251
-	-	-	-	-	-	1,245,040
-	-	1,519	-	-	-	1,519
-	60,048	1,519	-	1,325	5,197	1,418,499
-	-	-	-	-	-	83,271
-	-	559,807	-	-	-	559,807
-	-	559,807	-	-	-	643,078
-	-	13,878	-	-	-	1,117,840
-	2,104,318	-	-	-	-	2,104,318
399,975	-	1,007,219	-	1,197,870	78,378	6,874,849
-	-	-	-	-	-	930,515
-	-	-	-	-	-	(839,087)
<u>399,975</u>	<u>2,104,318</u>	<u>1,021,097</u>	<u>-</u>	<u>1,197,870</u>	<u>78,378</u>	<u>10,188,435</u>
<u>\$ 399,975</u>	<u>\$ 2,164,366</u>	<u>\$ 1,582,423</u>	<u>\$ -</u>	<u>\$ 1,199,195</u>	<u>\$ 83,575</u>	<u>\$ 12,250,012</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, 2022

	230	702	419	501	503
	Community Investment	Capital Equipment Certificates	Tax Increment Construction	Permanent Improvement Revolving	Sidewalk
Revenues					
Taxes					
Tax increment	\$ -	\$ -	\$ 726,764	\$ -	\$ -
Intergovernmental					
Other	-	-	-	36,326	-
Special assessments	-	-	-	13,597	-
Investment earnings (loss)	11,801	(9,006)	(5,747)	(21,517)	(5,565)
Miscellaneous					
Refunds and reimbursements	-	-	-	-	-
Other	-	572	-	-	-
Total Revenues	<u>11,801</u>	<u>(8,434)</u>	<u>721,017</u>	<u>28,406</u>	<u>(5,565)</u>
Expenditures					
Current					
Culture and recreation	-	-	-	-	-
Capital outlay					
General government	197,441	274,295	-	-	-
Community development	-	-	562,241	-	-
Public safety	-	184,248	-	-	-
Public works	-	45,122	-	252,307	-
Culture and recreation	-	176,986	-	-	-
Debt service					
Interest and other charges	-	23,205	750	-	20,679
Total Expenditures	<u>197,441</u>	<u>703,856</u>	<u>562,991</u>	<u>252,307</u>	<u>20,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(185,640)</u>	<u>(712,290)</u>	<u>158,026</u>	<u>(223,901)</u>	<u>(26,244)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	119,088	-	-	-
Transfers in	-	500,000	-	1,339,457	-
Issuance of bonds	-	915,000	-	-	-
Premium on bonds issued	-	26,344	-	-	-
Transfers out	(50,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>1,560,432</u>	<u>-</u>	<u>1,339,457</u>	<u>-</u>
Net Changes in Fund Balances	(235,640)	848,142	158,026	1,115,556	(26,244)
Fund Balances, January 1	<u>2,994,348</u>	<u>1,400,445</u>	<u>(997,113)</u>	<u>(185,041)</u>	<u>314,318</u>
Fund Balances, December 31	<u>\$ 2,758,708</u>	<u>\$ 2,248,587</u>	<u>\$ (839,087)</u>	<u>\$ 930,515</u>	<u>\$ 288,074</u>

507	509	511	537	538	540	
<u>Street Infrastructure</u>	<u>Park Dedication</u>	<u>Park Improvement</u>	<u>2020 Capital Projects</u>	<u>2021 Capital Projects</u>	<u>2023 Capital Projects</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 726,764
-	-	-	-	-	-	36,326
-	-	-	-	-	-	13,597
(7,465)	(38,996)	(14,169)	-	(22,247)	213	(112,698)
-	-	900	-	-	-	900
-	561,913	137,635	-	-	-	700,120
<u>(7,465)</u>	<u>522,917</u>	<u>124,366</u>	<u>-</u>	<u>(22,247)</u>	<u>213</u>	<u>1,365,009</u>
-	-	3,170	-	-	-	3,170
-	-	-	-	-	-	471,736
-	-	-	-	-	-	562,241
-	-	-	-	-	-	184,248
27,243	-	-	-	32,685	121,835	479,192
-	1,001,770	18,958	-	-	-	1,197,714
-	36,020	61,464	-	500	-	142,618
<u>27,243</u>	<u>1,037,790</u>	<u>83,592</u>	<u>-</u>	<u>33,185</u>	<u>121,835</u>	<u>3,040,919</u>
<u>(34,708)</u>	<u>(514,873)</u>	<u>40,774</u>	<u>-</u>	<u>(55,432)</u>	<u>(121,622)</u>	<u>(1,675,910)</u>
-	-	-	-	-	-	119,088
-	813,000	200,000	-	-	200,000	3,052,457
-	-	-	-	-	-	915,000
-	-	-	-	-	-	26,344
-	-	-	-	-	-	(50,000)
-	813,000	200,000	-	-	200,000	4,062,889
(34,708)	298,127	240,774	-	(55,432)	78,378	2,386,979
434,683	1,806,191	780,323	-	1,253,302	-	7,801,456
<u>\$ 399,975</u>	<u>\$ 2,104,318</u>	<u>\$ 1,021,097</u>	<u>\$ -</u>	<u>\$ 1,197,870</u>	<u>\$ 78,378</u>	<u>\$ 10,188,435</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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
General property	\$ 15,727,525	\$ 15,727,525	\$ 15,683,601	\$ (43,924)	\$ 14,911,048
Gravel tax	15,000	15,000	30,997	15,997	20,320
Total taxes	<u>15,742,525</u>	<u>15,742,525</u>	<u>15,714,598</u>	<u>(27,927)</u>	<u>14,931,368</u>
Licenses and permits					
Business	84,350	84,350	93,240	8,890	75,116
Non-business	530,450	530,450	710,602	180,152	700,829
Total licenses and permits	<u>614,800</u>	<u>614,800</u>	<u>803,842</u>	<u>189,042</u>	<u>775,945</u>
Intergovernmental					
Federal					
Grants	15,000	46,275	65,394	19,119	37,960
State					
Local performance aid	4,400	4,400	4,552	152	4,545
MSA maintenance aid	37,755	37,755	38,130	375	37,755
Fire aid	180,000	230,000	230,873	873	199,003
Police aid	330,100	392,100	391,765	(335)	417,908
Other state aid	14,000	30,596	18,723	(11,873)	54,701
County					
Other county grants	3,000	3,000	1,675	(1,325)	9,999
Local					
Miscellaneous	43,862	43,862	43,862	-	44,407
Total intergovernmental	<u>628,117</u>	<u>787,988</u>	<u>794,974</u>	<u>6,986</u>	<u>806,278</u>
Charges for services					
General government	1,050	1,050	2,495	1,445	1,721
Community development	570,000	570,000	831,149	261,149	739,023
Public safety	24,500	24,500	44,803	20,303	23,568
Public works	1,000	1,000	7,470	6,470	9,749
Culture and recreation	141,000	187,600	186,664	(936)	182,301
Total charges for services	<u>737,550</u>	<u>784,150</u>	<u>1,072,581</u>	<u>288,431</u>	<u>956,362</u>
Fines and forfeitures	41,000	141,000	131,399	(9,601)	123,445
Special assessments	2,666	2,666	1,404	(1,262)	1,205
Investment earnings (loss)	100,000	100,000	(182,174)	(282,174)	(19,261)
Miscellaneous revenues					
Contributions and donations	10,000	52,931	45,737	(7,194)	98,659
Rent	62,000	62,000	107,099	45,099	65,545
Refunds and reimbursements	5,000	5,000	2,580	(2,420)	246
Other	26,000	26,000	40,175	14,175	51,637
Total miscellaneous	<u>103,000</u>	<u>145,931</u>	<u>195,591</u>	<u>49,660</u>	<u>216,087</u>
Total Revenues	<u>17,969,658</u>	<u>18,319,060</u>	<u>18,532,215</u>	<u>213,155</u>	<u>17,791,429</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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and council					
Personnel services	\$ 42,636	\$ 42,636	\$ 42,631	\$ 5	\$ 42,637
Supplies	300	300	115	185	185
Other services and charges	70,495	70,495	69,716	779	60,976
Total mayor and council	<u>113,431</u>	<u>113,431</u>	<u>112,462</u>	<u>969</u>	<u>103,798</u>
Administration					
Personnel services	713,894	713,894	694,949	18,945	649,362
Supplies	7,100	9,100	8,162	938	12,833
Other services and charges	123,150	101,600	84,620	16,980	115,641
Total administration	<u>844,144</u>	<u>824,594</u>	<u>787,731</u>	<u>36,863</u>	<u>777,836</u>
Elections					
Personnel services	11,842	33,842	32,344	1,498	-
Supplies	1,300	1,300	995	305	-
Other services and charges	30,650	8,650	3,971	4,679	-
Total elections	<u>43,792</u>	<u>43,792</u>	<u>37,310</u>	<u>6,482</u>	<u>-</u>
General government buildings					
Personnel services	406,181	406,181	328,635	77,546	385,951
Supplies	30,000	30,000	14,531	15,469	20,425
Other services and charges	146,952	185,952	194,065	(8,113)	170,274
Total general government buildings	<u>583,133</u>	<u>622,133</u>	<u>537,231</u>	<u>84,902</u>	<u>576,650</u>
Communications					
Supplies	9,700	9,700	9,485	215	9,280
Other services and charges	76,600	113,200	110,402	2,798	58,746
Total communications	<u>86,300</u>	<u>122,900</u>	<u>119,887</u>	<u>3,013</u>	<u>68,026</u>
Finance					
Personnel services	341,386	337,186	337,208	(22)	311,829
Supplies	3,900	2,100	1,267	833	28,806
Other services and charges	353,448	373,598	373,567	31	349,668
Total finance	<u>698,734</u>	<u>712,884</u>	<u>712,042</u>	<u>842</u>	<u>690,303</u>
Legal					
Other services and charges	<u>140,100</u>	<u>130,000</u>	<u>150,900</u>	<u>(20,900)</u>	<u>127,143</u>
Management information systems (MIS)					
Personnel services	237,744	238,244	236,849	1,395	223,496
Supplies	45,000	44,500	22,551	21,949	7,033
Other services and charges	188,200	201,750	127,836	73,914	128,958
Total MIS	<u>470,944</u>	<u>484,494</u>	<u>387,236</u>	<u>97,258</u>	<u>359,487</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, 2022
 (With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			Variance with Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Contingency					
Other services and charges	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ -
Total general government	<u>2,980,578</u>	<u>3,059,228</u>	<u>2,849,799</u>	<u>209,429</u>	<u>2,703,243</u>
Community development					
Geographic information systems (GIS)					
Personnel services	100,231	105,231	104,183	1,048	53,081
Supplies	11,000	6,000	3,075	2,925	3,285
Other services and charges	22,800	22,800	13,034	9,766	15,026
Total GIS	<u>134,031</u>	<u>134,031</u>	<u>120,292</u>	<u>13,739</u>	<u>71,392</u>
Community development					
Personnel services	331,021	331,021	321,706	9,315	316,310
Supplies	2,900	4,300	4,173	127	3,942
Other services and charges	29,350	27,950	19,634	8,316	57,710
Total community development	<u>363,271</u>	<u>363,271</u>	<u>345,513</u>	<u>17,758</u>	<u>377,962</u>
Building inspection					
Personnel services	651,597	651,597	633,923	17,674	599,854
Supplies	11,700	14,400	12,895	1,505	14,076
Other services and charges	64,151	61,451	54,755	6,696	55,863
Total building inspection	<u>727,448</u>	<u>727,448</u>	<u>701,573</u>	<u>25,875</u>	<u>669,793</u>
Total community development	<u>1,224,750</u>	<u>1,224,750</u>	<u>1,167,378</u>	<u>57,372</u>	<u>1,119,147</u>
Public safety					
Police					
Personnel services	6,162,794	6,266,169	6,084,381	181,788	5,918,117
Supplies	210,830	274,449	276,523	(2,074)	238,025
Other services and charges	576,514	644,631	599,277	45,354	540,258
Total police	<u>6,950,138</u>	<u>7,185,249</u>	<u>6,960,181</u>	<u>225,068</u>	<u>6,696,400</u>
Fire					
Personnel services	1,473,252	1,494,752	1,492,493	2,259	1,226,793
Supplies	142,750	139,750	126,997	12,753	126,621
Other services and charges	248,254	381,986	386,100	(4,114)	417,833
Total fire	<u>1,864,256</u>	<u>2,016,488</u>	<u>2,005,590</u>	<u>10,898</u>	<u>1,771,247</u>
Total public safety	<u>8,814,394</u>	<u>9,201,737</u>	<u>8,965,771</u>	<u>235,966</u>	<u>8,467,647</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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public works					
Administration					
Personnel services	\$ 184,564	\$ 184,564	\$ 187,403	\$ (2,839)	\$ 183,513
Supplies	25,950	25,950	33,178	(7,228)	28,524
Other services and charges	189,930	204,930	206,244	(1,314)	190,512
Total administration	<u>400,444</u>	<u>415,444</u>	<u>426,825</u>	<u>(11,381)</u>	<u>402,549</u>
Maintenance (streets and alleys)					
Personnel services	926,289	862,739	844,933	17,806	805,903
Supplies	140,900	156,900	156,327	573	137,071
Other services and charges	260,700	260,700	247,730	12,970	208,413
Total maintenance	<u>1,327,889</u>	<u>1,280,339</u>	<u>1,248,990</u>	<u>31,349</u>	<u>1,151,387</u>
Engineering					
Personnel services	627,763	627,763	581,697	46,066	603,600
Supplies	14,100	14,100	12,844	1,256	7,059
Other services and charges	114,121	114,121	28,705	85,416	39,056
Total engineering	<u>755,984</u>	<u>755,984</u>	<u>623,246</u>	<u>132,738</u>	<u>649,715</u>
Snow and ice removal					
Personnel services	28,957	28,957	39,354	(10,397)	35,416
Supplies	154,000	154,000	153,713	287	73,716
Other services and charges	74,100	74,100	71,787	2,313	55,028
Total snow and ice removal	<u>257,057</u>	<u>257,057</u>	<u>264,854</u>	<u>(7,797)</u>	<u>164,160</u>
Vehicle maintenance					
Personnel services	216,827	212,827	212,210	617	210,343
Supplies	79,000	67,000	66,075	925	69,441
Other services and charges	54,550	62,196	47,284	14,912	42,807
Total vehicle maintenance	<u>350,377</u>	<u>342,023</u>	<u>325,569</u>	<u>16,454</u>	<u>322,591</u>
Total public works	<u>3,091,751</u>	<u>3,050,847</u>	<u>2,889,484</u>	<u>161,363</u>	<u>2,690,402</u>
Culture and recreation					
Parks and recreation					
Personnel services	1,438,932	1,466,832	1,463,136	3,696	1,396,152
Supplies	212,000	216,850	205,551	11,299	201,481
Other services and charges	322,209	372,809	372,995	(186)	343,392
Total parks and recreation	<u>1,973,141</u>	<u>2,056,491</u>	<u>2,041,682</u>	<u>14,809</u>	<u>1,941,025</u>
Library					
Supplies	6,000	6,000	3,044	2,956	3,251
Other services and charges	57,444	85,644	95,021	(9,377)	96,981
Total library	<u>63,444</u>	<u>91,644</u>	<u>98,065</u>	<u>(6,421)</u>	<u>100,232</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, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Forestry and natural resources					
Personnel services	\$ -	\$ -	\$ 194	\$ (194)	\$ 123,195
Supplies	14,700	15,195	6,417	8,778	10,386
Other services and charges	27,400	27,400	25,829	1,571	9,475
Total forestry and natural resources	<u>42,100</u>	<u>42,595</u>	<u>32,440</u>	<u>10,155</u>	<u>143,056</u>
Total culture and recreation	<u>2,078,685</u>	<u>2,190,730</u>	<u>2,172,187</u>	<u>18,543</u>	<u>2,184,313</u>
Total current	<u>18,190,158</u>	<u>18,727,292</u>	<u>18,044,619</u>	<u>682,673</u>	<u>17,164,752</u>
Capital outlay					
General government	-	-	-	-	-
Public safety	29,500	48,800	53,626	(4,826)	166,692
Public works	-	47,800	47,876	(76)	26,318
Culture and recreation	-	-	-	-	-
Total capital outlay	<u>29,500</u>	<u>96,600</u>	<u>101,502</u>	<u>(4,902)</u>	<u>193,010</u>
Total Expenditures	<u>18,219,658</u>	<u>18,823,892</u>	<u>18,146,121</u>	<u>677,771</u>	<u>17,357,762</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	<u>(250,000)</u>	<u>(504,832)</u>	<u>386,094</u>	<u>890,926</u>	<u>433,667</u>
Other Financing Sources (Uses)					
Transfers in	250,000	250,000	290,000	40,000	290,419
Transfers out	-	-	(500,000)	(500,000)	(1,054,797)
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>(210,000)</u>	<u>(460,000)</u>	<u>(764,378)</u>
Net Change in Fund Balances	-	(254,832)	176,094	430,926	(330,711)
Fund Balances, January 1	<u>9,460,611</u>	<u>9,460,611</u>	<u>9,460,611</u>	-	<u>9,791,322</u>
Fund Balances, December 31	<u>\$ 9,460,611</u>	<u>\$ 9,205,779</u>	<u>\$ 9,636,705</u>	<u>\$ 430,926</u>	<u>\$ 9,460,611</u>

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City of Savage, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2022

	331	336	339	341	346	347
	2006C/2017B Recreation Refunding	2018B G.O. Refunding Bonds	2009A G.O. Street Reconstruction/CIP Bonds	2010A/2020B G.O. Build America Bonds	2012A G.O. Bonds	2020C/2013A G.O. Bonds
Assets						
Cash and investments	\$ -	\$ 218,543	\$ 345,094	\$ 547,577	\$ 349,034	\$ 447,583
Receivables						
Special assessments - current	-	-	-	-	431	143
Special assessments - delinquent	-	-	-	-	-	-
Special assessments - deferred	-	12,669	17,758	8,809	118,782	182,069
Total Assets	<u>\$ -</u>	<u>\$ 231,212</u>	<u>\$ 362,852</u>	<u>\$ 556,386</u>	<u>\$ 468,247</u>	<u>\$ 629,795</u>
Deferred Inflows of Resources						
Unavailable revenue - special assessments	\$ -	\$ 12,669	\$ 17,758	\$ 8,809	\$ 118,782	\$ 182,069
Fund Balances						
Restricted for debt service	-	218,543	345,094	547,577	349,465	447,726
Total Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 231,212</u>	<u>\$ 362,852</u>	<u>\$ 556,386</u>	<u>\$ 468,247</u>	<u>\$ 629,795</u>

City of Savage, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2020

	349	350	351	352	353	354
	2014A	2014B	2015A	2015B	2016A	2017A
	G.O.	Advance Refunding	G.O.	Crossover Refunding	G.O. Street	G.O. Street
	Bonds	(2006 EDA Lease)	Bonds	(2006A Bonds)	Improvement	Improvement
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds
Assets						
Cash and investments	\$ 266,990	\$ 757,633	\$ 424,499	\$ -	\$ 220,517	\$ 501,609
Receivables						
Special assessments - current	-	-	151	-	154	-
Special assessments - delinquent	-	-	157	-	-	585
Special assessments - deferred	61,109	-	148,393	-	21,495	-
Total Assets	<u>\$ 328,099</u>	<u>\$ 757,633</u>	<u>\$ 573,200</u>	<u>\$ -</u>	<u>\$ 242,166</u>	<u>\$ 502,194</u>
Deferred Inflows of Resources						
Unavailable revenue - special assessments	\$ 61,109	\$ -	\$ 148,550	\$ -	\$ 21,495	\$ 585
Fund Balances						
Restricted for debt service	<u>266,990</u>	<u>757,633</u>	<u>424,650</u>	<u>-</u>	<u>220,671</u>	<u>501,609</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 328,099</u>	<u>\$ 757,633</u>	<u>\$ 573,200</u>	<u>\$ -</u>	<u>\$ 242,166</u>	<u>\$ 502,194</u>

355 2018A G.O. Street Improvement Bonds	356 2019A G.O. Street Improvement Bonds	357 2020A G.O. Street Improvement Bonds	358 2021A G.O. Bonds	359 2022A G.O. Bonds	372 Capital Lease	399 Debt Service Revolving	Total
\$ 592,384	\$ 981,309	\$ 462,695	\$ 652,223	\$ 360,800	\$ 15,032	\$ 1,924,879	\$ 9,068,401
1,018	170	345	178	-	-	648	3,238
343	-	-	-	-	-	1,721	2,806
<u>546,260</u>	<u>268,438</u>	<u>221,981</u>	<u>548,913</u>	<u>759,416</u>	<u>-</u>	<u>1,112,734</u>	<u>4,028,826</u>
<u>\$ 1,140,005</u>	<u>\$ 1,249,917</u>	<u>\$ 685,021</u>	<u>\$ 1,201,314</u>	<u>\$ 1,120,216</u>	<u>\$ 15,032</u>	<u>\$ 3,039,982</u>	<u>\$ 13,103,271</u>
\$ 546,603	\$ 268,438	\$ 221,981	\$ 548,913	\$ 759,416	\$ -	\$ 1,114,455	\$ 4,031,632
<u>593,402</u>	<u>981,479</u>	<u>463,040</u>	<u>652,401</u>	<u>360,800</u>	<u>15,032</u>	<u>1,925,527</u>	<u>9,071,639</u>
<u>\$ 1,140,005</u>	<u>\$ 1,249,917</u>	<u>\$ 685,021</u>	<u>\$ 1,201,314</u>	<u>\$ 1,120,216</u>	<u>\$ 15,032</u>	<u>\$ 3,039,982</u>	<u>\$ 13,103,271</u>

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City of Savage, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2022

	331	336	339	341	346	347
	2006C/2017B Recreation Refunding	2018B G.O. Refunding Bonds	2009A G.O. Street Reconstruction/CIP Bonds	2010A/2020B G.O. Build America Bonds	2012A G.O. Bonds	2020C/2013A G.O. Bonds
Revenues						
Taxes	\$ -	\$ 131,000	\$ 322,012	\$ 245,000	\$ 241,000	\$ 561,140
Special assessments	-	13,428	9,847	7,372	25,930	44,409
Investment earnings (loss)	-	(2,325)	(1,725)	(7,096)	(2,713)	191
Total Revenues	<u>-</u>	<u>142,103</u>	<u>330,134</u>	<u>245,276</u>	<u>264,217</u>	<u>605,740</u>
Expenditures						
Debt service						
Principal	325,000	210,000	275,000	275,000	230,000	425,000
Interest and other charges	4,875	18,200	52,675	68,875	40,200	110,000
Total Expenditures	<u>329,875</u>	<u>228,200</u>	<u>327,675</u>	<u>343,875</u>	<u>270,200</u>	<u>535,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(329,875)</u>	<u>(86,097)</u>	<u>2,459</u>	<u>(98,599)</u>	<u>(5,983)</u>	<u>70,740</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(6,486)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(6,486)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(336,361)	(86,097)	2,459	(98,599)	(5,983)	70,740
Fund Balances, January 1	<u>336,361</u>	<u>304,640</u>	<u>342,635</u>	<u>646,176</u>	<u>355,448</u>	<u>376,986</u>
Fund Balances, December 31	<u>\$ -</u>	<u>\$ 218,543</u>	<u>\$ 345,094</u>	<u>\$ 547,577</u>	<u>\$ 349,465</u>	<u>\$ 447,726</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, 2022

	349	350	351	352	353	354
	2014A	2014B	2015A	2015B	2016A	2017A
	G.O.	Advance Refunding	G.O.	Crossover Refunding	G.O. Street	G.O. Street
	Bonds	(2006 EDA Lease)	Bonds	(2006A Bonds)	Improvement	Improvement
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds
Revenues						
Taxes	\$ 162,000	\$ 549,000	\$ 232,000	\$ -	\$ 203,000	\$ 430,000
Special assessments	10,181	-	29,389	-	2,943	55,568
Investment earnings	(2,752)	(6,335)	(4,386)	-	(1,921)	(2,373)
Total Revenues	<u>169,429</u>	<u>542,665</u>	<u>257,003</u>	<u>-</u>	<u>204,022</u>	<u>483,195</u>
Expenditures						
Debt service						
Principal	155,000	530,000	215,000	440,000	295,000	475,000
Interest and other charges	43,275	68,169	61,713	5,500	44,175	42,650
Total Expenditures	<u>198,275</u>	<u>598,169</u>	<u>276,713</u>	<u>445,500</u>	<u>339,175</u>	<u>517,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,846)</u>	<u>(55,504)</u>	<u>(19,710)</u>	<u>(445,500)</u>	<u>(135,153)</u>	<u>(34,455)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	1,353	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,353</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(28,846)</u>	<u>(55,504)</u>	<u>(19,710)</u>	<u>(444,147)</u>	<u>(135,153)</u>	<u>(34,455)</u>
Fund Balances, January 1	<u>295,836</u>	<u>813,137</u>	<u>444,360</u>	<u>444,147</u>	<u>355,824</u>	<u>536,064</u>
Fund Balances, December 31	<u>\$ 266,990</u>	<u>\$ 757,633</u>	<u>\$ 424,650</u>	<u>\$ -</u>	<u>\$ 220,671</u>	<u>\$ 501,609</u>

355 2018A G.O. Street Improvement Bonds	356 2019A G.O. Street Improvement Bonds	357 2020A G.O. Street Improvement Bonds	358 2021A G.O. Bonds	359 2022A G.O. Bonds	372 Capital Lease	399 Debt Service Revolving	Eliminations	Total
\$ 221,000	\$ 359,705	\$ 315,000	\$ 284,575	\$ -	\$ -	\$ -	\$ -	\$ 4,256,432
106,757	56,410	37,415	83,718	358,369	-	78,664	-	920,400
(6,657)	(12,371)	(3,848)	(6,066)	2,431	(134)	(60,701)	-	(118,781)
<u>321,100</u>	<u>403,744</u>	<u>348,567</u>	<u>362,227</u>	<u>360,800</u>	<u>(134)</u>	<u>17,963</u>	<u>-</u>	<u>5,058,051</u>
290,000	335,000	310,000	-	-	120,000	-	-	4,905,000
75,175	94,275	69,850	107,748	-	28,633	900	-	936,888
<u>365,175</u>	<u>429,275</u>	<u>379,850</u>	<u>107,748</u>	<u>-</u>	<u>148,633</u>	<u>900</u>	<u>-</u>	<u>5,841,888</u>
<u>(44,075)</u>	<u>(25,531)</u>	<u>(31,283)</u>	<u>254,479</u>	<u>360,800</u>	<u>(148,767)</u>	<u>17,063</u>	<u>-</u>	<u>(783,837)</u>
-	-	-	-	-	145,000	6,486	(7,839)	145,000
-	-	-	-	-	-	(1,116,291)	7,839	(1,114,938)
-	-	-	-	-	145,000	(1,109,805)	-	(969,938)
(44,075)	(25,531)	(31,283)	254,479	360,800	(3,767)	(1,092,742)	-	(1,753,775)
637,477	1,007,010	494,323	397,922	-	18,799	3,018,269	-	10,825,414
<u>\$ 593,402</u>	<u>\$ 981,479</u>	<u>\$ 463,040</u>	<u>\$ 652,401</u>	<u>\$ 360,800</u>	<u>\$ 15,032</u>	<u>\$ 1,925,527</u>	<u>\$ -</u>	<u>\$ 9,071,639</u>

City of Savage, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations
 Governmental Funds
 For the Years Ended December 31, 2022 and 2021

	Total		Percent Increase (Decrease)
	2022	2021	
Revenues			
Taxes	\$ 20,887,828	\$ 20,529,247	1.75 %
Licenses and permits	803,842	775,945	3.60
Intergovernmental	2,871,773	2,404,960	19.41
Charges for services	1,072,581	956,362	12.15
Fines and forfeits	131,399	123,445	6.44
Special assessments	935,401	1,108,876	(15.64)
Investment earnings (loss)	(433,824)	(62,480)	N/A
Miscellaneous	1,151,240	1,057,318	8.88
Total Revenues	\$ 27,420,240	\$ 26,893,673	1.96 %
Per capita	\$ 826	\$ 815	1.29 %
Expenditures			
Current			
General government	\$ 3,463,396	\$ 3,106,005	11.51 %
Public safety	9,029,293	8,469,419	6.61
Public works	2,944,567	2,776,376	6.06
Culture and recreation	2,175,357	2,214,308	(1.76)
Community development	1,326,842	1,120,795	18.38
Capital outlay	6,886,770	6,317,239	9.02
Debt service			
Principal	4,905,000	9,418,200	(47.92)
Interest and other charges	1,124,228	1,229,775	(8.58)
Total Expenditures	\$ 31,855,453	\$ 34,652,117	(8.07) %
Per capita	\$ 960	\$ 1,051	(8.67) %
Total Long-term indebtedness	\$ 31,506,282	\$ 33,947,677	(7.19) %
Per capita	949	1,029	(7.80)
General Fund Balance - December 31	\$ 9,636,705	\$ 9,460,611	1.86 %
Per capita	290	287	1.20

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, 2022

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STATISTICAL SECTION (UNAUDITED)

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities				
Net investment in capital assets	\$ 55,245,476	\$ 56,875,347	\$ 56,788,519	\$ 52,404,031
Restricted	24,780,907	27,661,964	26,379,496	23,798,360
Unrestricted	4,300,332	4,808,819	346,467	6,125,991
Total Governmental Activities Net Position	<u>\$ 84,326,715</u>	<u>\$ 89,346,130</u>	<u>\$ 83,514,482</u>	<u>\$ 82,328,382</u>
Business-type Activities				
Net investment in capital assets	\$ 56,798,875	\$ 58,707,155	\$ 58,349,577	\$ 58,757,241
Restricted	186,213	186,213	186,213	186,213
Unrestricted	11,657,075	9,650,137	10,250,984	10,765,788
Total Business-type Activities Net Position	<u>\$ 68,642,163</u>	<u>\$ 68,543,505</u>	<u>\$ 68,786,774</u>	<u>\$ 69,709,242</u>
Primary Government				
Net investment in capital assets	\$ 101,888,966	\$ 105,769,655	\$ 105,597,787	\$ 111,161,272
Restricted	24,967,120	27,848,177	26,565,709	23,984,573
Unrestricted	26,112,792	24,271,803	20,137,760	16,891,779
Total Primary Government Net Position	<u>\$ 152,968,878</u>	<u>\$ 157,889,635</u>	<u>\$ 152,301,256</u>	<u>\$ 152,037,624</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					
2017	2018	2019	2020	2021	2022
\$ 56,043,065	\$ 60,647,943	\$ 61,931,750	\$ 59,437,507	\$ 63,409,856	\$ 63,787,832
15,945,047	15,881,764	15,762,927	20,053,358	15,964,668	14,833,165
6,952,544	4,466,178	5,330,287	7,564,858	9,591,841	10,317,786
<u>\$ 78,940,656</u>	<u>\$ 80,995,885</u>	<u>\$ 83,024,964</u>	<u>\$ 87,055,723</u>	<u>\$ 88,966,365</u>	<u>\$ 88,938,783</u>
\$ 62,456,787	\$ 63,945,940	\$ 65,957,294	\$ 64,851,418	\$ 63,167,051	\$ 61,483,488
186,213	186,213	-	-	-	-
12,020,899	12,930,955	14,585,777	15,807,659	18,559,964	20,304,657
<u>\$ 74,663,899</u>	<u>\$ 77,063,108</u>	<u>\$ 80,543,071</u>	<u>\$ 80,659,077</u>	<u>\$ 81,727,015</u>	<u>\$ 81,788,145</u>
\$ 118,499,852	\$ 124,593,883	\$ 127,889,044	\$ 124,288,925	\$ 126,576,907	\$ 125,271,320
16,131,260	16,067,977	15,762,927	20,053,358	15,964,668	14,833,165
18,973,443	17,397,133	19,916,064	23,372,517	28,151,805	30,622,443
<u>\$ 153,604,555</u>	<u>\$ 158,058,993</u>	<u>\$ 163,568,035</u>	<u>\$ 167,714,800</u>	<u>\$ 170,693,380</u>	<u>\$ 170,726,928</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental Activities				
General government	\$ 2,586,203	\$ 2,635,204	\$ 2,808,358	\$ 3,702,654
Community development	1,492,904	1,126,253	880,952	1,207,177
Public safety	5,736,452	6,080,356	6,144,514	8,119,785
Public works	9,625,099	7,655,405	10,013,293	12,269,023
Culture and recreation	1,754,704	1,664,785	1,859,142	2,102,361
Interest on long-term debt	2,024,222	1,793,677	1,572,793	1,521,939
Total Governmental Activities Expenses	<u>23,219,584</u>	<u>20,955,680</u>	<u>23,279,052</u>	<u>28,922,939</u>
Business-type Activities				
Water and sewer	9,973,931	8,505,471	8,401,436	8,972,833
Storm water	1,775,795	1,581,519	1,684,442	1,285,147
Municipal liquor	4,205,135	4,046,382	3,661,334	3,910,277
Street light	325,596	331,931	335,488	358,525
Sports center	527,728	490,481	466,643	463,356
Total Business-type Activities Expenses	<u>16,808,185</u>	<u>14,955,784</u>	<u>14,549,343</u>	<u>14,990,138</u>
Total Primary Government Expenses	<u>\$ 40,027,769</u>	<u>\$ 35,911,464</u>	<u>\$ 37,828,395</u>	<u>\$ 43,913,077</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 407,780	\$ 425,638	\$ 451,924	\$ 2,172,767
Community development	935,318	1,152,731	1,072,049	37,650
Public safety	229,931	191,024	138,373	77,347
Public works	1,061,729	629,211	509,220	38,705
Culture and recreation	244,232	262,835	229,892	1,059,107
Operating grants and contributions	598,964	581,227	740,935	1,615,121
Capital grants and contributions	5,744,272	4,327,779	5,877,187	5,110,433
Total Governmental Activities Program Revenues	<u>9,222,226</u>	<u>7,570,445</u>	<u>9,019,580</u>	<u>10,111,130</u>
Business-type Activities				
Charges for services				
Water and sewer	7,525,396	8,584,064	7,078,007	9,221,873
Storm water	1,293,742	1,415,134	1,377,448	1,566,646
Municipal liquor	4,435,027	4,245,608	3,705,763	3,801,453
Street light	344,842	347,059	351,997	364,653
Sports center	504,008	520,598	492,875	481,285
Operating grants and contributions	-	-	-	24,443
Capital grants and contributions	-	-	-	341,392
Total Business-type Activities Program Revenues	<u>14,103,015</u>	<u>15,112,463</u>	<u>13,006,090</u>	<u>15,801,745</u>
Total Primary Government Program Revenues	<u>\$ 23,325,241</u>	<u>\$ 22,682,908</u>	<u>\$ 22,025,670</u>	<u>\$ 25,912,875</u>

Table 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 3,007,733	\$ 3,151,299	\$ 3,117,228	\$ 3,537,333	\$ 3,088,566	\$ 4,384,358
1,097,374	2,240,018	2,028,031	1,911,812	1,659,388	1,726,281
7,191,221	6,597,722	8,019,430	8,110,576	7,866,269	10,162,892
9,910,401	7,914,737	8,038,006	8,531,735	9,131,601	8,991,987
3,591,953	465,338	2,539,161	2,134,573	3,180,439	2,581,282
1,355,906	1,316,898	1,127,911	1,026,555	976,372	937,100
<u>26,154,588</u>	<u>21,686,012</u>	<u>24,869,767</u>	<u>25,252,584</u>	<u>25,902,635</u>	<u>28,783,900</u>
9,289,662	9,249,657	9,378,190	9,925,292	9,889,144	10,499,178
1,371,284	1,663,561	1,389,829	1,350,408	1,574,099	1,600,939
4,961,257	5,199,119	5,364,001	6,528,974	6,457,360	6,479,719
387,609	371,087	376,197	355,911	381,322	438,758
491,401	573,093	552,170	454,691	478,041	599,268
<u>16,501,213</u>	<u>17,056,517</u>	<u>17,060,387</u>	<u>18,615,276</u>	<u>18,779,966</u>	<u>19,617,862</u>
<u>\$ 42,655,801</u>	<u>\$ 38,742,529</u>	<u>\$ 41,930,154</u>	<u>\$ 43,867,860</u>	<u>\$ 44,682,601</u>	<u>\$ 48,401,762</u>
\$ 2,340,982	\$ 2,491,834	\$ 2,798,696	\$ 1,972,318	\$ 1,855,210	\$ 1,945,314
57,861	34,884	9,524	21,286	21,286	21,286
68,783	140,383	101,953	49,542	139,298	176,202
28,800	32,700	52,315	37,680	27,913	9,501
884,066	593,003	1,061,724	295,778	594,151	914,155
1,182,258	815,644	1,046,275	3,117,335	1,081,974	1,265,799
4,116,418	2,890,999	2,426,179	2,372,021	2,544,857	3,026,171
<u>8,679,168</u>	<u>6,999,447</u>	<u>7,496,666</u>	<u>7,865,960</u>	<u>6,264,689</u>	<u>7,358,428</u>
9,048,111	10,110,211	11,580,076	9,996,437	10,769,609	10,940,862
1,538,029	1,424,700	1,551,700	1,401,399	1,398,959	1,454,555
4,887,610	5,338,168	5,870,314	7,385,922	7,024,361	7,007,605
365,915	375,038	382,704	384,659	394,568	397,096
464,101	478,526	440,335	274,338	365,862	458,305
5,200	19,061	13,582	6,750	40,520	289,679
582,599	218,902	203,840	111,395	289,921	88,280
<u>16,891,565</u>	<u>17,964,606</u>	<u>20,042,551</u>	<u>19,560,900</u>	<u>20,283,800</u>	<u>20,636,382</u>
<u>\$ 25,570,733</u>	<u>\$ 24,964,053</u>	<u>\$ 27,539,217</u>	<u>\$ 27,426,860</u>	<u>\$ 26,548,489</u>	<u>\$ 27,994,810</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Net (Expense)/Revenue				
Governmental activities	\$(13,997,358)	\$(13,385,235)	\$(14,259,472)	\$(18,811,809)
Business-type activities	(2,705,170)	156,679	(1,543,253)	811,607
Total Primary Government Net Expense	<u>\$(16,702,528)</u>	<u>\$(13,228,556)</u>	<u>\$(15,802,725)</u>	<u>\$(18,000,202)</u>
General Revenues and other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 15,554,819	\$ 16,121,557	\$ 16,612,868	\$ 16,584,312
Tax increments	32,397	13,325	-	100,392
Franchise taxes	194,057	195,656	191,425	202,011
Other taxes	-	-	-	47,702
Grants and contributions not restricted to specific programs	-	4,004	-	22,595
Unrestricted investment earnings (loss)	(570,068)	1,249,535	480,193	399,871
Other general revenues	16,566	3,480	-	33,994
Gain on sale of capital assets	73,492	58,522	265,936	130,444
Transfers	(597,918)	758,571	(2,724,755)	104,388
Total Governmental Activities	<u>14,703,345</u>	<u>18,404,650</u>	<u>14,825,667</u>	<u>17,625,709</u>
Business-type Activities				
Property taxes, levied for debt service	-	-	-	-
Unrestricted investment earnings (loss)	(269,402)	494,736	153,310	204,218
Other general revenues	4,718	8,498	2,377	-
Gain on sale of capital assets	-	-	-	11,031
Transfers	597,918	(758,571)	2,724,755	(104,388)
Total Business-type Activities	<u>333,234</u>	<u>(255,337)</u>	<u>2,880,442</u>	<u>110,861</u>
Total Primary Government	<u>\$ 15,036,579</u>	<u>\$ 18,149,313</u>	<u>\$ 17,706,109</u>	<u>\$ 17,736,570</u>
Change in Net Position				
Governmental activities	\$ 705,987	\$ 5,019,415	\$ 566,195	\$ (1,186,100)
Business-type activities	(2,371,936)	(98,658)	1,337,189	922,468
Total Primary Government	<u>\$ (1,665,949)</u>	<u>\$ 4,920,757</u>	<u>\$ 1,903,384</u>	<u>\$ (263,632)</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					
2018	2019	2020	2021	2022	2022
<u>\$ (17,475,420)</u>	<u>\$ (14,686,565)</u>	<u>\$ (17,373,101)</u>	<u>\$ (17,386,624)</u>	<u>\$ (19,637,946)</u>	<u>\$ (21,425,472)</u>
<u>390,352</u>	<u>908,089</u>	<u>2,982,164</u>	<u>945,624</u>	<u>1,503,834</u>	<u>1,018,520</u>
<u><u>\$ (17,085,068)</u></u>	<u><u>\$ (13,778,476)</u></u>	<u><u>\$ (14,390,937)</u></u>	<u><u>\$ (16,441,000)</u></u>	<u><u>\$ (18,134,112)</u></u>	<u><u>\$ (20,406,952)</u></u>
\$ 16,946,478	\$ 17,383,219	\$ 17,899,998	\$ 18,643,908	\$ 19,663,572	\$ 19,967,471
160,961	180,462	396,602	556,654	658,351	726,764
203,154	196,673	191,698	186,966	171,492	157,464
44,416	47,848	49,243	51,312	51,523	63,567
262,976	26,246	23,176	25,537	208,620	102,935
390,900	406,919	873,039	625,413	(64,754)	(451,409)
3,406	1,098	17,101	7,741	246	2,580
433,110	87,979	45,809	120,231	366,719	119,088
<u>(4,357,707)</u>	<u>(1,356,235)</u>	<u>(94,486)</u>	<u>1,199,621</u>	<u>492,819</u>	<u>709,430</u>
<u>14,087,694</u>	<u>16,974,209</u>	<u>19,402,180</u>	<u>21,417,383</u>	<u>21,548,588</u>	<u>21,397,890</u>
-	-	-	-	52,500	55,000
206,598	185,921	403,313	280,293	(34,578)	(302,960)
-	-	-	-	-	-
-	-	-	89,710	39,001	-
<u>4,357,707</u>	<u>1,356,235</u>	<u>94,486</u>	<u>(1,199,621)</u>	<u>(492,819)</u>	<u>(709,430)</u>
<u>4,564,305</u>	<u>1,542,156</u>	<u>497,799</u>	<u>(829,618)</u>	<u>(435,896)</u>	<u>(957,390)</u>
<u><u>\$ 18,651,999</u></u>	<u><u>\$ 18,516,365</u></u>	<u><u>\$ 19,899,979</u></u>	<u><u>\$ 20,587,765</u></u>	<u><u>\$ 21,112,692</u></u>	<u><u>\$ 20,440,500</u></u>
\$ (3,387,726)	\$ 2,287,644	\$ 2,029,079	\$ 4,030,759	\$ 1,910,642	\$ (27,582)
<u>4,954,657</u>	<u>2,450,245</u>	<u>3,479,963</u>	<u>116,006</u>	<u>1,067,938</u>	<u>61,130</u>
<u><u>\$ 1,566,931</u></u>	<u><u>\$ 4,737,889</u></u>	<u><u>\$ 5,509,042</u></u>	<u><u>\$ 4,146,765</u></u>	<u><u>\$ 2,978,580</u></u>	<u><u>\$ 33,548</u></u>

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 35,633	\$ 27,616	\$ 58,389	\$ 68,435
Restricted	-	-	-	-
Assigned	14,393	14,129	16,596	18,659
Unassigned	<u>6,416,262</u>	<u>6,685,706</u>	<u>6,783,256</u>	<u>6,934,350</u>
Total General Fund	<u>\$ 6,466,288</u>	<u>\$ 6,727,451</u>	<u>\$ 6,858,241</u>	<u>\$ 7,021,444</u>
All other Governmental Funds				
Unreserved, reported in				
Nonspendable	\$ 840,625	\$ 790,573	\$ 739,572	\$ 688,869
Restricted	23,507,078	24,394,291	26,854,132	19,661,660
Committed	1,276,323	1,324,188	2,060,967	2,293,894
Assigned - capital projects	8,085,760	4,620,966	4,423,322	5,447,669
Unassigned	<u>(6,935,079)</u>	<u>(1,801,173)</u>	<u>(742,569)</u>	<u>(934,728)</u>
Total All Other Governmental Funds	<u>\$ 26,774,707</u>	<u>\$ 29,328,845</u>	<u>\$ 33,335,424</u>	<u>\$ 27,157,364</u>

Source: City of Savage, audited financial statements.

Table 3

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 34,956	\$ 105,053	\$ 55,381	\$ 44,199	\$ 71,527	\$ 76,800
-	-	-	-	24,028	24,033
226,626	50,378	254,143	872,986	254,832	189,644
<u>7,191,162</u>	<u>7,645,475</u>	<u>8,072,292</u>	<u>8,874,137</u>	<u>9,110,224</u>	<u>9,346,228</u>
<u>\$ 7,452,744</u>	<u>\$ 7,800,906</u>	<u>\$ 8,381,816</u>	<u>\$ 9,791,322</u>	<u>\$ 9,460,611</u>	<u>\$ 9,636,705</u>
\$ 14,269	\$ 7,277	\$ 7,482	\$ -	\$ 1,854	\$ 1,119,610
12,766,724	13,048,666	12,128,571	16,800,682	12,631,605	11,175,957
2,350,920	2,241,728	2,067,518	2,009,906	2,463,735	2,132,578
6,808,382	7,317,105	8,376,308	7,918,655	7,308,067	7,825,393
<u>(273,767)</u>	<u>(3,810,212)</u>	<u>(3,788,249)</u>	<u>(2,804,154)</u>	<u>(1,182,154)</u>	<u>(839,087)</u>
<u>\$ 21,666,528</u>	<u>\$ 18,804,564</u>	<u>\$ 18,791,630</u>	<u>\$ 23,925,089</u>	<u>\$ 21,223,107</u>	<u>\$ 21,414,451</u>

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 15,706,099	\$ 16,239,954	\$ 16,700,828	\$ 16,966,415
Special assessments	4,856,987	4,131,438	2,680,986	1,061,770
Licenses and permits	1,377,386	1,144,093	979,319	5,659,137
Intergovernmental	681,259	2,803,618	5,040,627	1,895,927
Charges for services	1,088,336	1,519,574	1,318,017	43,699
Fines and forfeits	201,687	157,931	110,039	2,238,634
Investment earnings (loss)	(548,819)	1,189,774	456,713	381,172
Miscellaneous	762,758	945,303	702,786	492,927
Total Revenues	<u>24,125,693</u>	<u>28,131,685</u>	<u>27,989,315</u>	<u>28,739,681</u>
Expenditures				
General government	2,373,190	2,468,850	2,540,980	2,691,979
Community development	720,049	753,240	795,823	800,377
Public safety	5,423,978	5,757,690	5,873,216	6,243,134
Public works	2,179,378	2,298,275	2,211,713	2,366,155
Culture and recreation	1,404,258	1,419,873	1,528,118	1,764,144
Capital outlay	11,702,470	10,829,083	7,316,930	12,481,059
Debt service				
Principal	7,750,000	6,625,000	7,190,000	11,280,000
Interest and other	2,186,986	1,946,410	1,735,867	1,616,804
Other charges	-	1,114,435	-	94,318
Total Expenditures	<u>33,740,309</u>	<u>33,212,856</u>	<u>29,192,647</u>	<u>39,337,970</u>
Deficiency of Revenues Under Expenditures	<u>(9,614,616)</u>	<u>(5,081,171)</u>	<u>(1,203,332)</u>	<u>(10,598,289)</u>
Other Financing Sources (Uses)				
Sale of capital assets	73,492	62,633	287,965	131,064
Transfers in	5,064,796	6,868,636	4,527,780	5,824,715
Debt issued	6,241,200	9,890,000	6,830,000	3,335,000
Premium/discount on debt issued	216,594	212,244	265,345	147,335
Principal paid on refunded bonds	-	(6,600,000)	-	-
Transfers out	(1,974,591)	(3,956,582)	(6,570,389)	(4,854,682)
Total Other Financing Sources (Uses)	<u>9,621,491</u>	<u>6,476,931</u>	<u>5,340,701</u>	<u>4,583,432</u>
Net Change in Fund Balances	<u>\$ 6,875</u>	<u>\$ 1,395,760</u>	<u>\$ 4,137,369</u>	<u>\$ (6,014,857)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>43.7 %</u>	<u>42.6 %</u>	<u>37.8 %</u>	<u>42.5 %</u>

Source: City of Savage, audited financial statements.

Table 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 17,354,608	\$ 17,822,759	\$ 18,538,789	\$ 19,447,810	\$ 20,529,247	\$ 20,887,828
1,103,285	1,194,088	1,421,268	912,015	775,945	803,842
3,959,527	2,079,088	2,330,153	4,569,363	2,404,960	2,871,773
1,158,646	1,135,001	1,185,732	828,127	956,362	1,072,581
45,258	118,515	81,334	39,684	123,445	131,399
1,414,733	1,273,975	1,242,291	1,095,951	1,108,876	935,401
370,860	387,862	813,596	599,729	(62,480)	(433,824)
1,528,002	1,077,592	1,475,390	792,889	1,057,318	1,151,240
<u>26,934,919</u>	<u>25,088,880</u>	<u>27,088,553</u>	<u>28,285,568</u>	<u>26,893,673</u>	<u>27,420,240</u>
2,721,328	2,856,200	2,795,315	3,260,369	3,106,005	3,463,396
878,233	1,039,347	1,518,798	1,454,335	1,120,795	1,326,842
6,532,555	6,830,635	7,254,982	8,018,520	8,469,419	9,029,293
2,319,866	2,576,056	2,681,120	2,668,115	2,776,376	2,944,567
1,850,781	1,870,107	1,928,338	1,936,535	2,214,308	2,175,357
9,804,826	8,867,349	8,583,762	7,812,949	6,317,239	6,886,770
6,700,000	7,328,200	5,533,200	4,716,600	9,418,200	4,905,000
1,381,337	1,396,076	1,231,466	1,256,333	1,229,775	1,124,228
113,394	-	-	48,057	-	-
<u>32,302,320</u>	<u>32,763,970</u>	<u>31,526,981</u>	<u>31,171,813</u>	<u>34,652,117</u>	<u>31,855,453</u>
<u>(5,367,401)</u>	<u>(7,675,090)</u>	<u>(4,438,428)</u>	<u>(2,886,245)</u>	<u>(7,758,444)</u>	<u>(4,435,213)</u>
438,318	90,019	45,809	120,231	366,719	119,088
7,504,778	4,192,992	5,083,565	7,882,633	6,424,210	5,224,275
6,000,000	4,420,000	4,300,000	8,050,000	2,800,000	2,645,000
233,034	138,269	465,410	759,224	335,761	63,683
(3,365,000)	-	(1,825,000)	(1,930,000)	-	-
<u>(10,503,265)</u>	<u>(3,679,992)</u>	<u>(3,063,380)</u>	<u>(5,452,878)</u>	<u>(5,200,939)</u>	<u>(3,249,395)</u>
<u>307,865</u>	<u>5,161,288</u>	<u>5,006,404</u>	<u>9,429,210</u>	<u>4,725,751</u>	<u>4,802,651</u>
<u>\$ (5,059,536)</u>	<u>\$ (2,513,802)</u>	<u>\$ 567,976</u>	<u>\$ 6,542,965</u>	<u>\$ (3,032,693)</u>	<u>\$ 367,438</u>
<u>31.4 %</u>	<u>38.1 %</u>	<u>28.9 %</u>	<u>25.2 %</u>	<u>36.6 %</u>	<u>23.6 %</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
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
2020	18,643,908	556,654	238,278	19,438,840
2021	19,663,572	658,351	223,015	20,544,938
2022	19,967,471	726,764	221,031	20,915,266

Source: City of Savage, audited financial statements.

City of Savage, Minnesota
 Governmental Funds 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
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
2020	18,652,878	556,654	238,278	19,447,810
2021	19,647,881	658,351	223,015	20,529,247
2022	19,940,033	726,764	221,031	20,887,828

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	
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
2020	42,694,112	(515,519)	905,265	43,083,858	42.36	3,707,956,100	1.15
2021	46,038,590	(627,779)	873,804	46,284,615	42.25	3,972,246,200	1.16
2022	49,462,759	(722,037)	685,435	49,426,157	40.33	4,291,919,080	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		
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
2020	32.274	10.083	42.357	23.765	32.718	7.744	106.584
2021	32.405	9.849	42.254	23.699	31.025	7.840	104.818
2022	31.649	8.677	40.326	20.273	30.492	7.640	98.731

⁽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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Continental 298 Fund, LLC	\$ 58,000,000	1	1.35 %			
Karl Bohn	25,503,700	2	0.59	\$ 16,083,900	2	0.70 %
Centerpoint Energy Resource	19,771,200	3	0.46			
Cargill, Inc.	19,049,800	4	0.44	23,733,600	1	1.03
NP Eagle Creek Industrial, LLC	18,706,600	5	0.44			
BF Nelson Corporation	16,041,700	6	0.37			
Stag Savage, LLC	14,337,100	7	0.33			
Savage Riverport (formally Riverland AG Corp)	13,687,000	8	0.32	9,000,000	7	0.39
Target Corporation & Property Tax Dept	13,000,000	9	0.30	13,500,000	3	0.58
BRE Retail Residual Owner 4, LLC	12,606,600	10	0.29	13,502,300	4	0.58
Larry M. Ross, LLC				11,000,000	5	0.48
MN Savage 16, LLC & Wangard Advisors, LLC				10,350,000	6	0.45
CHC Highview, LLC				14,350,000	8	0.62
AX TC Industrial LP				8,800,000	9	0.38
Meritex Twin Cities Industrial				8,450,000	10	0.37
Total	<u>\$ 210,703,700</u>		<u>4.92 %</u>	<u>\$ 128,769,800</u>		<u>5.58 %</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			
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	80,600	16,570,700	100.0
2016	16,616,613	16,560,804	99.7	55,809	16,616,613	100.0
2017	17,169,079	16,944,862	98.7	224,217	17,169,079	100.0
2018	17,499,645	17,447,577	99.7	52,068	17,499,645	100.0
2019	18,046,699	17,989,905	99.7	56,794	18,046,699	100.0
2020	18,687,907	18,634,254	99.7	53,653	18,687,907	100.0
2021	19,792,416	19,732,693	99.7	56,436	19,789,129	100.0
2022	20,036,957	19,990,872	99.8	-	19,990,872	99.8

⁽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

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	Public Facility Revenue Bonds	Tax Increment Bonds	Financed Purchase Agreement
2013	\$ 15,330,000	\$ 40,691,200	\$ 1,125,000	\$ -	\$ 2,010,000
2014	13,411,267	40,215,375	920,000	-	1,930,000
2015	15,062,802	38,676,912	705,000	-	1,840,000
2016	13,812,723	32,327,709	475,000	-	1,740,000
2017	12,151,247	30,618,103	240,000	-	1,385,000
2018	10,582,749	29,477,034	-	-	1,385,000
2019	8,989,631	28,420,590	-	-	1,275,000
2020	7,455,365	31,891,835	-	-	1,155,000
2021	5,840,512	27,067,165	-	-	1,040,000
2022	4,221,833	26,364,449	-	-	920,000

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, with exception of 2020 US Census figure.

Bureau of Economic Analysis, local area personal income reports.

Table 11

Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
Utility Revenue Bonds	Liquor Revenue Bonds	Tax Abatement Bonds			
\$ 17,872,195	\$ 930,000	\$ 4,915,000	\$ 82,873,395	6.35 %	\$ 3,008
15,765,718	784,516	4,731,203	77,758,079	5.49	2,677
15,258,253	642,137	4,427,703	76,612,807	4.85	2,552
12,638,286	494,758	4,119,204	65,607,680	3.95	2,300
14,328,521	337,378	3,810,704	62,870,953	3.61	2,047
11,955,881	175,000	3,497,205	57,072,869	3.04	1,817
9,108,566	-	3,178,705	50,972,492	2.54	1,581
7,824,285	-	2,855,205	51,181,690	2.54	1,577
6,518,661	-	2,526,707	42,993,045	2.14	1,322
5,629,364	-	2,145,000	39,280,646	2.14	1,178

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
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
2020	33,883,022	14,541,011	19,342,011	0.52	586
2021	27,357,101	10,825,414	16,531,687	0.42	498
2022	24,911,174	9,071,639	15,839,535	0.32	480

⁽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, with exception of 2020 US Census figure.
Scott County, estimated taxable market value of property.

City of Savage, Minnesota
 Computation of Direct and Overlapping Debt
 December 31, 2022

Table 13

	Gross Debt ⁽¹⁾	City Share	
		Percentage ⁽²⁾	Amount
Direct Debt			
City of Savage	<u>\$ 31,506,282</u>	100.00 %	<u>\$ 31,506,282</u>
Overlapping Debt			
School District No. 191	120,292,825	17.74	21,339,947
School District No. 271	163,925,000	0.10	163,925
School District No. 719	160,878,266	17.46	28,089,345
School District No. 720	245,260,079	0.74	1,814,925
Scott County	111,560,000	20.25	22,590,900
Scott County CDA	45,720,000	3.49	1,595,628
Metropolitan Council	<u>1,717,186,171</u>	0.52	<u>8,929,368</u>
Total Overlapping Debt	<u>2,564,822,341</u>		<u>84,524,038</u>
Total Direct and Overlapping Debt	<u><u>\$ 2,596,328,623</u></u>		<u><u>\$ 116,030,320</u></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

	Fiscal Year			
	2013	2014	2015	2016
Debt Limit	\$ 69,348,822	\$ 73,035,468	\$ 79,766,373	\$ 83,985,111
Total Net Debt Applicable to Limit	12,046,299	10,872,956	9,643,165	10,719,093
Legal Debt Margin	\$ 57,302,523	\$ 62,162,512	\$ 70,123,208	\$ 73,266,018
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.37 %	14.89 %	12.09 %	12.76 %

Legal debt margin

Note A: Under state law, the City's outstanding general obligation debt should not exceed 3 percent 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
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
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.

Table 14

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 88,739,559	\$ 93,455,505	\$ 101,899,221	\$ 111,238,683	\$ 119,167,386	\$ 119,167,386	
<u>9,107,412</u>	<u>7,657,005</u>	<u>6,184,766</u>	<u>4,607,482</u>	<u>1,820,179</u>	<u>1,820,179</u>	
<u>\$ 79,632,147</u>	<u>\$ 85,798,500</u>	<u>\$ 95,714,455</u>	<u>\$ 106,631,201</u>	<u>\$ 117,347,207</u>	<u>\$ 117,347,207</u>	
10.26 %	8.19 %	6.07 %	4.14 %	1.53 %	1.53 %	

Legal Debt Margin Calculation for Fiscal Year 2022

Taxable Market Value	<u>\$ 3,972,246,200</u>
Debt Limit (Note A)	<u>\$ 119,167,386</u>
Debt Applicable to Limit	
General obligation bonds	4,060,000
Less amount available in	
Debt Service funds (Note B)	<u>2,239,821</u>
Total Net Debt Applicable to Limit	<u>1,820,179</u>
Legal Debt Margin	<u>\$ 117,347,207</u>

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

Table 15

Fiscal Year	Enterprise Funds Revenue Bonds						Coverage
	Gross Revenues	Operating Expenses ⁽³⁾	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2013	\$ 10,270,125	\$ 5,621,295	\$ 4,648,830	\$ 2,433,000	\$ 801,269	\$ 3,234,269	1.44 %
2014	12,168,346	⁽¹⁾ 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
2020	11,948,150	6,744,797	5,203,353	1,548,400	311,534	1,859,934	2.80
2021	12,503,995	6,959,234	5,544,761	1,586,987	260,682	1,847,669	3.00
2022	12,184,520	7,811,830	4,372,690	1,224,085	216,983	1,441,068	3.03

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⁾ Revised figures represent calculation match final figures within 2014 annual report

⁽²⁾ 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)
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	2,004,478	62,164	7,352	2.5
2020	32,465	2,012,992	62,005	7,240	3.8
2021	32,983	N/A	N/A	6,709	3.1
2022	33,200	N/A	N/A	6,709	3.1

Source:

- (1) Metropolitan Council, population estimates, with exception of 2020 US Census figure.
- (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.
- (5) State of Minnesota Department of Employment and Economic Development.
December rate used for 2020 only versus 12 month average used in all other years.

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

Employer	Product/Service	2022		
		Approximate Number of Employees	Rank	Percentage of Total City Employment
Fabcon Holding Corporation	Offices-Other Holding Companies	900	1	10.66 %
HyVee	Grocery Store	500	2	5.92
Prior Lake-Savage School District 719 (a)	Education	213	3	2.52
Fabcon	Cement & Concrete Products	324	4	3.84
Burnsville-Eagan-Savage School District 191 (a)	Education	202	5	2.39
SuperTarget	Discount Retail	350	6	4.15
City of Savage (b)	Government	155	7	1.84
Siligan Container Corp	Shipping Containers	145	8	1.72
Lifetime Fitness	Health Club	152	9	1.80
Associated Partnership Ltd	Van Conversion	120	10	1.42
BF Nelson	Printing	100		
Waste Management	Waste Management Services			
Continental Hydraulics & Machines	Manufacturing			
Cub Foods	Grocery Store			
Road Machinery & Supply	Heavy Equipment Sales			
Total City Employment		8,441		36.26 %

(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, Demographics Now
State of Minnesota Department of Employment and Economic Development.

Table 17

2013		
<u>Approximate Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
950	2	13.55 %
296	3	4.22
1,271	1	18.12
290	4	4.14
154	6	2.14
150	7	2.14
125	8	1.78
180	5	2.57
110	9	1.57
100	10	1.43
<u>3,626</u>		<u>51.66 %</u>

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

Function	2013	2014	2015	2016
General Government				
Administration	10.5	10.5	10.5	10.0
Finance	5.0	4.6	5.7	5.7
Community Development	7.5	8.5	8.5	8.5
Building Maintenance	5.0	5.0	5.0	5.0
Public Safety				
Police				
Police chief	1.0	1.0	1.0	1.0
Officers	31.0	31.0	31.0	32.0
Civilians	8.9	9.5	9.5	9.8
Fire				
Fire Chief	1.0	1.0	1.0	1.0
Full Time Fire ^(a)	1.0	1.0	1.0	1.0
Paid on Call	41.0	36.0	35.0	38.0
Public Works:				
Administration	4.8	5.0	5.0	4.0
Engineering	4.0	5.0	5.0	5.0
Parks and Recreation	10.5	11.0	12.0	12.0
Streets	10.0	10.0	10.0	10.0
Utilities	9.0	9.0	9.0	9.0
Propriety				
Water ^(b)				
Sewer ^(b)				
Liquor	3.5	4.5	4.0	4.0
Total	<u>153.7</u>	<u>152.6</u>	<u>153.2</u>	<u>156.0</u>

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

^(a) Prior to 2021 - Fire Chief and Assistant Fire Chief were only Full Time Fire positions.

^(b) Employees are represented within the Public Works sections.

Source: Council Approved Authorized Position Report

Table 18

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
10.0	10.5	12.0	12.0	12.0	12.0
5.7	5.5	5.8	6.0	6.0	6.0
8.5	9.6	8.6	8.6	9.2	9.2
5.0	4.0	4.0	4.0	4.0	3.0
1.0	1.0	1.0	1.0	1.0	1.0
33.0	33.0	33.0	34.0	33.0	33.0
11.2	11.1	12.2	12.2	12.2	12.2
1.0	1.0	1.0	1.0	2.0	2.0
1.0	1.0	1.0	1.0	6.0	6.0
37.0	38.0	38.0	38.0	35.0	23.0
4.0	6.6	6.6	6.6	6.6	6.6
5.0	5.0	6.0	6.0	5.0	5.0
13.0	12.0	12.0	12.0	12.0	10.0
10.0	10.0	10.0	11.0	11.0	11.0
9.0	10.0	10.0	10.0	10.0	10.0
<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>5.0</u>	<u>5.8</u>	<u>4.8</u>
<u><u>158.4</u></u>	<u><u>162.3</u></u>	<u><u>165.2</u></u>	<u><u>168.4</u></u>	<u><u>170.8</u></u>	<u><u>154.8</u></u>

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

Function	Fiscal Year			
	2013	2014	2015	2016
Public Safety				
Police:				
Number of law contacts	14,512	14,724	14,455	13,629
Number of sworn officers	32	32	32	33
Fire				
Number of calls answered	412	385	349	351
Number of Part time Firefighters ^(c)	41	36	35	38
Building inspection:				
Number of residential permits	1,123	1,593	1,251	957
Number of commercial permits	153	136	170	165
Total permit valuation	\$ 56,903,187	\$ 79,728,667	\$ 47,204,497	\$ 91,766,515
Public Works:				
Water system:				
Number of service connections	9,082	9,293	9,377	9,447
Sewage system:				
Number of service connections	9,078	9,276	9,360	9,457

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

^(a) Reflects Revised Police Department Data for 2017

^(b) Commencing June 2020, crime reporting changes mandated nationwide to NIBRS (National Incident-Based Reporting System)

^(c) Transitioned from Paid on Call to Part time Firefighters July 2021.

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

Table 19

Fiscal Year					
2017	2018	2019	2020	2021	2022
14,013 ^(a)	14,292	14,424	13,899 ^(b)	12,800	32,917
34	34	35	34	34	33
377	421	520	702	942	1,564
37	38	38	35	35	27
1,187	1,309	1,378	1,566	1,194	1,372
111	133	161	144	124	162
\$ 89,826,021	\$ 98,012,973	\$ 133,297,705	\$ 57,794,548	\$ 53,569,672	\$ 66,508,850
9,638	9,709	10,066	10,151	10,262	10,345
9,615	9,686	10,178	10,224	10,325	10,378

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

Function	Fiscal Year			
	2013	2014	2015	2016
Public Safety				
Police				
Stations	1	1	1	1
Patrol units	25	26	26	27
Fire				
Stations	2	2	2	2
Response units	18	18	18	18
Inspection Units	1	1	1	1
Public Works				
Street division				
Municipal streets and roads ^(b)	119	120	122	126
Number of street lights	1,880	1,907	1,907	2,085
Water system				
Miles of water mains	151	155	155	160
Number of fire hydrants	1,658	1,682	1,701	1,765
Sewer system				
Miles of sanitary sewers	126	127	128	131
Parks and Recreation				
Number of parks	23	23	23	23
Park acreage	457	457	457	457
Tennis courts	10	10	10	10
Basketball courts	9	9	9	9
Pickleball Courts	-	-	-	-
Softball fields	30	30	30	30
Ice rinks	6	6	7	7

^(a) Inspection duties currently performed by Fire Chief and Assistant Fire Chief.

^(b) 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

Table 20

Fiscal Year						
2017	2018	2019	2020	2021	2022	
1	1	1	1	1	1	1
28	28	28	28	28	28	28
2	2	2	2	2	2	2
18	18	18	18	18	17	17
1	1	1	1	1	-	-
128	129	131	131	132	132	133
2,079	2,188	2,223	2,283	2,310	2,310	2312
161	164	164	166	168	168	169
1,799	1,805	1,826	1,851	1,877	1,877	1885
131	136	137	138	138	138	145
23	23	23	23	23	23	23
457	457	457	457	457	457	457
6	6	6	6	6	6	6
9	10	10	10	10	10	10
-	-	-	-	-	8	8
30	30	30	30	30	30	8
6	6	6	6	6	6	30