



Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

THIS PAGE IS LEFT
BLANK INTENTIONALLY

CITY OF ST. FRANCIS, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

DARCY MULVIHILL - FINANCE DIRECTOR

PREPARED BY THE
DEPARTMENT OF FINANCE

Member of the Government Finance Officers' Association
of the United States and Canada

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of St. Francis, Minnesota
 Annual Comprehensive Financial Report
 Table of Contents
 For the Year Ended December 31, 2021

	<u>Page No.</u>
Introductory Section	
Letter of Transmittal from City Administrator and Finance Director	9
Organizational Chart	18
Elected and Appointed Officials	19
Certificate of Achievement for Excellence in Financial Reporting	20
Financial Section	
Independent Auditor's Report	23
Management's Discussion and Analysis	27
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	41
Statement of Activities	42
Fund Financial Statements	
Governmental Funds	
Balance Sheet	46
Reconciliation of the Balance Sheet to the Statement of Net Position	47
Statement of Revenues, Expenditures and Changes in Fund Balances	48
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	49
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	51
Proprietary Funds	
Statement of Net Position	52
Statement of Revenues, Expenses and Changes in Net Position	55
Statement of Cash Flows	56
Notes to the Financial Statements	59
Required Supplementary Information	
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	92
Schedule of Employer's Public Employees Retirement Association Contributions - General Employees Retirement Fund	92
Notes to the Required Supplementary Information - General Employees Retirement Fund	93
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - Public Employees Police and Fire Fund	95
Schedule of Employer's Public Employees Retirement Association Contributions - Public Employees Police and Fire Fund	95
Notes to the Required Supplementary Information - Public Employees Police and Fire Fund	96
Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios	98
Schedule of Employer's Fire Relief Association Contributions	98
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101
Police Forfeiture Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	102

City of St. Francis, Minnesota
Annual Comprehensive Financial Report
Table of Contents (Continued)
For the Year Ended December 31, 2021

	<u>Page No.</u>
Combining and Individual Fund Financial Statements and Schedules (Continued)	
Nonmajor Capital Projects Funds	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	105
Capital Equipment Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	106
Charitable Gambling Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	107
Park Improvements Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	108
Building Improvement Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	109
Street Improvement Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	110
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	111
Debt Service Funds	
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	117
Debt Service Fund G.O. Bonds 2021A	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	118
Debt Service Fund G.O. Bonds 2015A	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	119
Debt Service Fund G.O. Bonds 2017A	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	120
Discretely Presented Component Unit – Economic Development Authority (EDA)	
Balance Sheet	121
Statement of Revenues, Expenditures and Changes in Fund Balances	122
Summary Financial Report	
Revenues and Expenditures for General Operations - Governmental Funds	123
	<u>Table</u>
	<u>Page No.</u>
Statistical Section (Unaudited)	
Net Position by Component	1
Changes in Net Position	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
Assessed Value and Estimated Actual Value of Taxable Property	5
Property Tax Capacity Rates - Direct and Overlapping Governments	6
Principal Property Taxpayers	7
Property Tax Levies and Collections	8
Ratio of Outstanding Debt by Type	9
Ratios of General Bonded Debt Outstanding	10
Computation of Direct and Overlapping Debt	11
Legal Debt Margin Information	12
Pledged-Revenue Coverage	13
Demographic Statistics	14
Principal Employers	15
Full-Time Equivalent City Government Employees by Function	16
Operating Indicators by Function	17
Miscellaneous Statistics	18
Capital Asset Statistics by Function	19

INTRODUCTORY SECTION

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

THIS PAGE IS LEFT
BLANK INTENTIONALLY

May 3, 2022

To the Honorable Mayor, Members of the City Council, and Citizens of the City of St. Francis:

The annual comprehensive financial report (ACFR) of the City of St. Francis (the City) for the fiscal year ended December 31, 2021, is hereby submitted. Minnesota Statutes and the City Charter require the preparation of audited financial statements by the state auditor or a certified public accountant within 180 days after the close of the fiscal year. The accompanying financial statements have been audited by the firm of Abdo, independent certified public accountants.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City 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's financial statement in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Abdo have issued an unmodified (clean) opinion on the City of St. Francis's financial statements for the year ended December 31, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the City

St. Francis was originally known as the “Village of Otona” and was established in 1855 along the Rum River with a dam, grist, and a saw mill. The town was formally established as St. Francis in 1857. The Post Office was the first commercial building constructed in 1866, and in that year the Creamery Association was also built. Two other buildings were constructed during this period and still exist today: The Rum River Inn and the H.G. Leathers House. Both of these buildings are also listed on the National Register of Historic Places.

During the late 1960’s, St. Francis began to attract more residents and over the next few decades grew significantly. The community was incorporated in 1974, and with the assistance of a loan from the U.S. Department of Agriculture – Farmer’s Home Administration, the City constructed and began operating a municipal sewer and water system. These systems attracted quality development into the area. By 1980, the population had grown from 897 to 1,184 and by 1990, the population had grown 117% to reach a total of 2,538 residents. Growth continued through the 1990s and has been particularly dramatic in the past years. Today, the population is approximately 8,142. Its small-town character, its schools and accessible location has attracted and continues to attract new residents, particularly young families.

St. Francis is a home rule charter city. Minnesota has two basic types of cities – home rule and statutory – which influence cities’ organization and powers. The difference is the type of enabling legislation from which the municipality gains its authority. Home rule charter cities obtain their powers from a locally enacted home rule charter which is essentially a city constitution. Statutory cities get their power from Chapter 412 of Minnesota Statutes. Home rule charter cities can exercise any powers in their locally adopted charters as long as there’s no conflict with state law. Conversely, charter provisions can specifically restrict the powers of a city.

St. Francis operates under the Council/Administrator form of government. An elected City Council sets the policy and overall direction for St. Francis. Then city staff, under the direction of a city administrator, carries out council decisions and provides day-to-day city services. The city administrator is accountable to the City Council.

The City Council consists of a Mayor and four Council Members elected at-large. City elections are held in even numbered years, with the Mayor serving a two-year term and all Council Members serving four-year terms.

The City of St. Francis provides a full range of services. The general governmental functions include police and fire protection, street maintenance, engineering, planning and zoning, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: water, sewer and a municipal liquor store.

One of the most important activities undertaken each year by the City is the budget process. The quality of decisions made in the budget process conveys the City's long-range plans and policies for current and future services and programs. The budget is a financial, planning, and policy document which reflects the allocation of limited revenue among competing uses and serves as a guide for the various departments in implementing their goals and objectives.

Department heads receive preliminary budget guidance from the City Administrator, with direction from the Mayor and Council. Each department is responsible for submitting the proposed budgets for their respective programs in June. The City Administrator and Finance Director meet individually with each department head to discuss the department's budget submittal, and changes are made, either increases or decreases, to accommodate the overall budget picture. Following the individual meetings, budget workshops are held with the City Council. The submittal of the Proposed Budget is followed by a series of public presentations to the City Council that are designed to give the Council and citizens an overview of the Budget, and to prepare the Council in making informed budget decisions. The final document is adopted in December following the required public hearings.

Local Economy

The City of St. Francis is located in the northernmost section of Anoka County, 12 miles north of Anoka and approximately 30 miles northwest of Minneapolis. The community can be accessed in a north southerly direction by State Trunk Highway 47 and County Road 24 in an east westerly direction. The City occupies approximately 24 square miles, has an estimated population of 8,142 and approximately 2,877 households.

St. Francis is served by Independent School District #15. They serve the communities of St. Francis, East Bethel, Bethel, Oak Grove, Andover, Athens, Nowthen and Stanford. The school district offices as well as the bus garage and several of the school buildings are located within the City limits.

Anoka County has an annual average unemployment rate for 2021 of 4.5%. During the past ten years the unemployment rate was at a high in 2012 of 5.9% to 2019 being the low at 3.1%

The majority of the tax base in St. Francis is residential property. The City has designated sites through its comprehensive plan and recently purchased property on the main highway through the City for development of commercial and industrial sites. The Council continues to discuss water and sewer growth areas north along State Trunk Highway 47.

During the past ten years, the government's expenses have remaining relatively stable. During 2012 there was an increase due to the building of a new Police/Public Works Building.

During this same ten-year period, revenues generated by taxes and special assessments have increased the most not only in amount, but also as a percentage of total revenues. The revenue generated by taxes and assessments has risen from \$2,994,731 in 2012 to \$4,389,814 in 2021. Its percentage of total revenue in 2012 was 74% and in 2021 was 72%.

Long-term Financial Planning

Unreserved fund balance in the general fund (66.1% of total general fund expenditures) meets the state auditor recommended guidelines of 35%-50%. The goal of the City Council is to establish an unreserved fund balance in the General Fund that is equivalent to forty percent (45%) of general fund expenditures. The 2022 budget reflects current policy and is keeping the fund balance to 66.1% of expenditures.

Annually the City of St. Francis prepares a five-year capital improvement plan in an attempt to anticipate major capital expenditures in advance of the year in which they are budgeted. The purpose of the CIP is to a) identify capital expenditures which are anticipated to be requested over a five-year period; b) determine a source of funding for the requests; and c) provide an opportunity for long term planning.

Relevant Financial Policies

The City has established a comprehensive set of financial polices for use as a guideline during the budget process. One of the policies deals with unpredictable revenues. The City uses a conservation approach in making ongoing revenue assumptions by utilizing growth patterns and knowledge of the developing areas. The City shall budget unpredictable revenues lower than the revenue assumption or anticipated collection.

Major Initiatives for the Year

Below is a description of strategic goals, action plans/strategies for accomplishing these goals, priorities for the coming year, actions taken to address these priorities, and a description of the long-range financial plans and assumptions used. These goals/priorities and financial plans were developed through a series of meetings with the City Council and various work sessions over a number of years:

- 1) Provide high quality services to residents in a cost-effective manner.

The 2022 Budget provides an increased service level at nearly the same cost to the tax base of St. Francis as the 2021 Budget. The City was able to make administration and city services more available electronically. This includes but is not limited to: promoting electronic payments; processing documents electronically which is more efficient and cost effective; holding virtual meetings which provides greater opportunity for attendance; and enhancing community outreach electronically via platforms such as the website and electronic permitting.

2) Provide residents in St. Francis with high quality public safety services.

The 2022 Budget provides for an enhanced level of public safety. The Assistant Fire Chief has been given an expanded role through the City's partnership for Fire Management Services with the City of Nowthen. In addition, the City of St. Francis committed to filling policing vacancies created through retirement. The expanded Fire relationship with the City of Nowthen has created a more regional and expanded view of the Fire services in northern Anoka County. In addition, the department expanded policies to enhance the roles of the fire department for additional EMS responses has created more service calls and higher levels of training for fire fighters.

3) Manage responsible growth and promote the enhancement of commercial services to residents.

The 2022 Budget continues the city's commitment to responsible growth and managing the city's growth to reinvest in commercial areas within the city. Through the St. Francis Forward (re)Development Plan the City has identified both the Bridget Street Corridor and Highway 47 as strategic areas for reinvestment. The City has committed to contributing to the Building Capital Improvement Fund to start building funds for a new City Hall/Fire Station located on Bridge Street. This will enhance the usability of the area and provide for more concentration of people within that business district. In addition, the City has fully expanded and renovated the City owned liquor store on Highway 47. This enhancement to the liquor store will increase traffic and appeal to the area's primary commercial center on Highway 47.

The City has also committed to increasing the residential growth in the area. The city, through the Community Development Department of the City – has promoted and facilitated a number of residential developments that continue to grow the population of the City of St. Francis. These include the Meadows townhomes, Rivers Edge, Green Valley, Platinum development and projects around the Bridge Street corridor that include assisted living, multi-family and commercial projects.

4) Continue to review and analyze water/sewer rates within the City.

The City's commitment to growth, has a direct impact on the water/sewer rates by increasing the number of users, rates can effectively be reduced through WAC/SAC and additional monthly billings. The City continues to promote residential and commercial growth which has a direct impact on the rate users. In addition, the City began replacing all of the water meters in 2019 and this process was completed in 2021. The comprehensive water meter replacement will allow for the city to more accurately bill and track water usage per property. The city is also exploring partnerships with neighboring cities to have some of their developments connect to our city water and sewer system.

5) Provide residents with high levels of public park space and recreational activities.

The City has obtained and planned for a matching grant from the DNR to install a nearly \$480,000 park improvement in the in the Rivers Edge Development. This will help enhance the city's park system as well as provide recreational opportunities such as basketball and trails for the residents of St. Francis. This Park will be constructed in 2022. The City is also working to complete a comprehensive park system plan in 2022.

6) The City uses a variety of tools for long range financial planning:

A) Capital Purchasing Software – the City uses capital purchasing software to plan for and track upcoming capital acquisitions. The forecasted purchases include a nominal price adjustment for annual anticipated increases in pricing. The city contributes to the capital fund annually and reviews the contributions annually to determine an adequate level of contributions.

B) The City has a robust road inventory and assessment program that analyzes the street conditions every year to plan out 5 years for road improvements. This provides the city with long term planning for road projects and an annual nominal price adjustment is included in the estimates.

C) The City monitors the growing tax base every year. The City accounts for increases in development and property values to determine the appropriate amount to adjust the tax levy. This annual review allows the City to monitor the tax revenue in relation to the growing tax base and additional strains that new development has on the city. This also helps

the city adjust the levy appropriately for any cost of living adjustment costs that the city incurs.

D) The City has analyzed the cost of replacement and improvement to the City's building assets. The City has taken active steps to set aside portions of the property tax levy every year to ensure adequate funding for these city assets.

E) The City has also forecasted the amount of growth it can expect over the coming years. Between the Met Council estimates and the city's own land use inventory- a snapshot is provided of the amount of growth the city can expect in the mid to long term. This helps to plan financially on what the city can expect as far as future revenues and tax base increases.

Below are some additional descriptions and highlights of the 2022 Budget:

Development and Redevelopment: The City has adopted a comprehensive Development/Redevelopment plan for the two primary commercial corridors in the City. The St. Francis Forward Plan strategically analyzes the land use options and implementation for development/redevelopment in the Highway 47 and Bridge Street commercial corridors. The plan strongly focuses on these commercial areas located within the MUSA. Sequential steps to implement these development strategies are provided within the plan and the City will be working towards this implementation and documenting the progress.

Building Activity: The City has had a major increase in new residential home permitting over the last few years. The increased building activity has required the City to focus on proper infrastructure and workload management. This focus has allowed the City to properly accommodate the high level of development within the City.

Utility services: The City has also been closely examining the Municipal Urban Service Area (MUSA) in order to properly stage growth within the community. The City is working to complete the comprehensive planning process with clearly identified MUSA expansion.

Technological Upgrades: The increased building activity has also substantially increased the workload of processing city business. Staffing coupled with technological upgrades, has allowed the City to process this increased activity and accommodate the needs of and additional stresses development brings to city services. In addition

to processing city business, upgrades to the city's website has allowed for more citizen engagement and easier searching for residents who are seeking information.

Public Safety: The 2022 budget also illustrates the City's commitment to addressing Public Safety. The 2022 Budget has significant investments in the Police and Fire operations. These departments continue to see support for their operations in order to ensure the City of St. Francis is a safe community.

Major Initiatives for the Future

The City created the St. Francis Economic Development Authority in 2011. Utilizing the power of this Authority will give the city another tool to encourage economic growth. A community development director was hired in 2015.

The City is experiencing increased building activity and economic growth. The city has a number of development related activities that are in the foreseeable future. These development projects include but are not limited to:

- A major 220-unit residential subdivision on Rum River Boulevard is progressing through the approval process.
- A senior housing complex in addition to commercial development has received land use approvals for development in the core commercial area.
- The City continues to explore the redevelopment opportunities for the City's land located on Bridge Street along the Rum River.
- The City has conducted market studies to determine the viability of various commercial development within the City.
- The City has enhanced its developer outreach and marketing activity.

The City has completed an overhaul of the Street Maintenance Program. The Program will proactively track condition ratings of streets, schedule appropriate projects to maintain the streets, and fund these maintenance projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Francis for its comprehensive annual financial report for the year ended December 31, 2020. This was the 10th year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report (ACFR) meets the program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility.

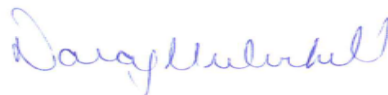
The City received the GFOA Award for the Distinguished Budget Presentation for the City budget for the fiscal year beginning January 1, 2021. It was the 12th consecutive year the City has received the award for the document.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance staff and cooperation of all city departments. We wish to express our appreciation to all city staff for their dedicated service and high level of professionalism. Credit also must be given to the Mayor and City Council Members for their continued support for maintaining the highest standards of professionalism in the management of the finances of the City of St. Francis.

Respectfully submitted,

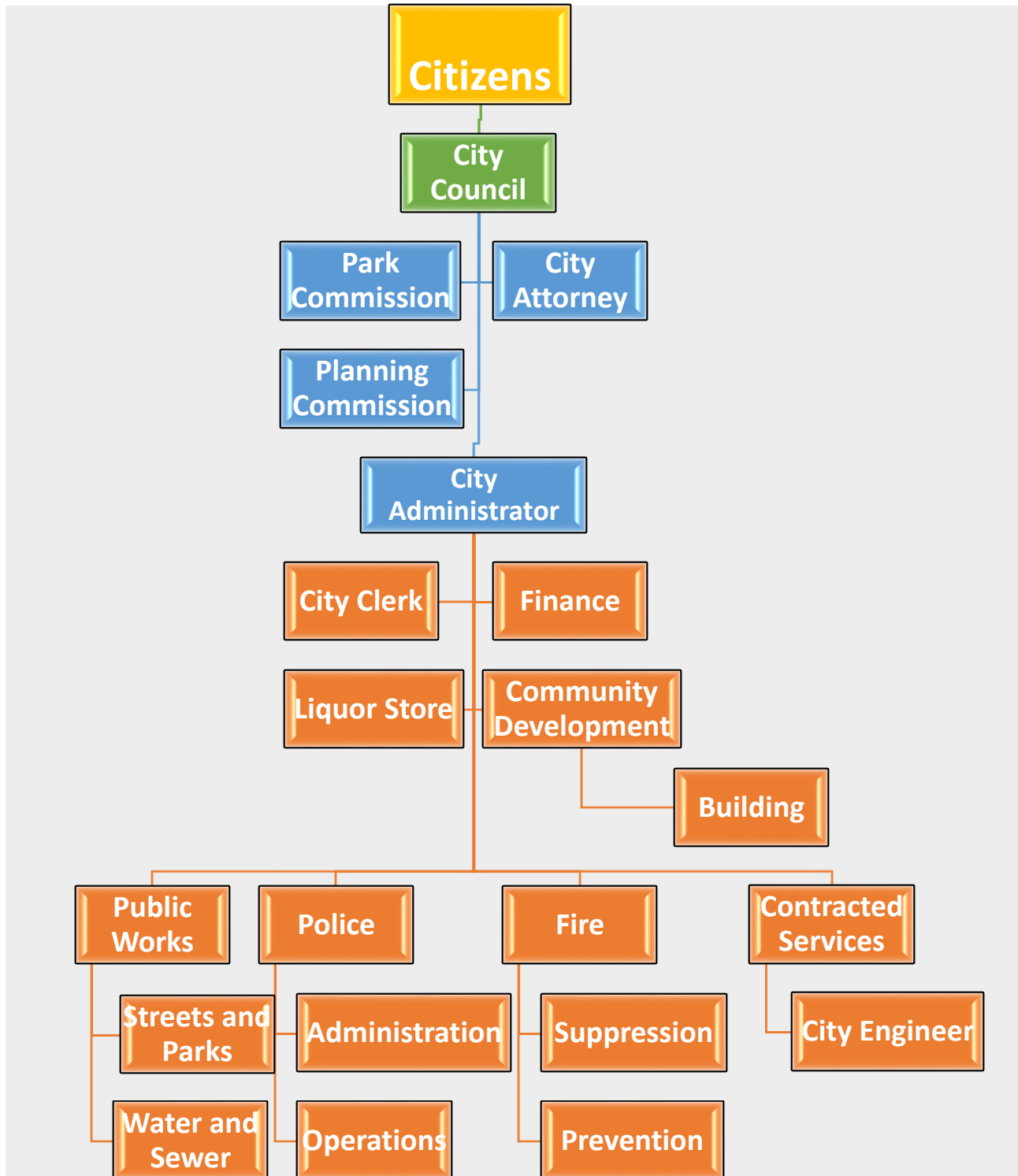


Kate Thunstrom
City Administrator



Darcy Mulvihill
Finance Director

ORGANIZATIONAL CHART



City of St. Francis, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2021

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Feldman	Mayor	12/31/2022
Kevin Robinson	Council Member	12/31/2022
Joe Muehlbauer	Council Member	12/31/2024
Sarah Udvig	Council Member	12/31/2022
Robert Bauer	Council Member	12/31/2024

APPOINTED

<u>Name</u>	<u>Title</u>
Joe Kohlmann	City Administrator
Jenni Wida	City Clerk
Darcy Mulvihill	Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of St. Francis
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION
CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

THIS PAGE IS LEFT
BLANK INTENTIONALLY

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of St. Francis, Minnesota

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of governmental activities, the business-type activities, discretely presented component unit, each major fund and the aggregate remaining fund information of the City of St. Francis, Minnesota (the City), as of and for the year ended December 31, 2021, 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, discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the 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 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'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.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 27 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related notes disclosures, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios starting on page 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical section, and 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.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2022, 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'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
May 3, 2022



THIS PAGE IS LEFT
BLANK INTENTIONALLY

Management's Discussion and Analysis

As management of the City of St. Francis, 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, 2021.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$45,191,057 (net position). Of this amount, \$12,730,905 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$1,931,227. Of the total, governmental activities increased \$1,101,202 and business-type activities increased \$830,025. The main reason for the increase was an excess of revenues over expenses and recognition of street maintenance revenue for future projects.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,862,499, an increase of \$422,215 in comparison with the prior year. Approximately 54.3 percent of this total amount, \$3,180,668 is unassigned and available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$3,180,668, or 67.1 percent of total 2021 General fund expenditures.
- The City's total debt decreased \$2,020,114 during the current fiscal year. This was mainly due to the refunding of bonds and regularly scheduled principal payments.

Overview of the Financial Statements

This discussion and analysis is 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 financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

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

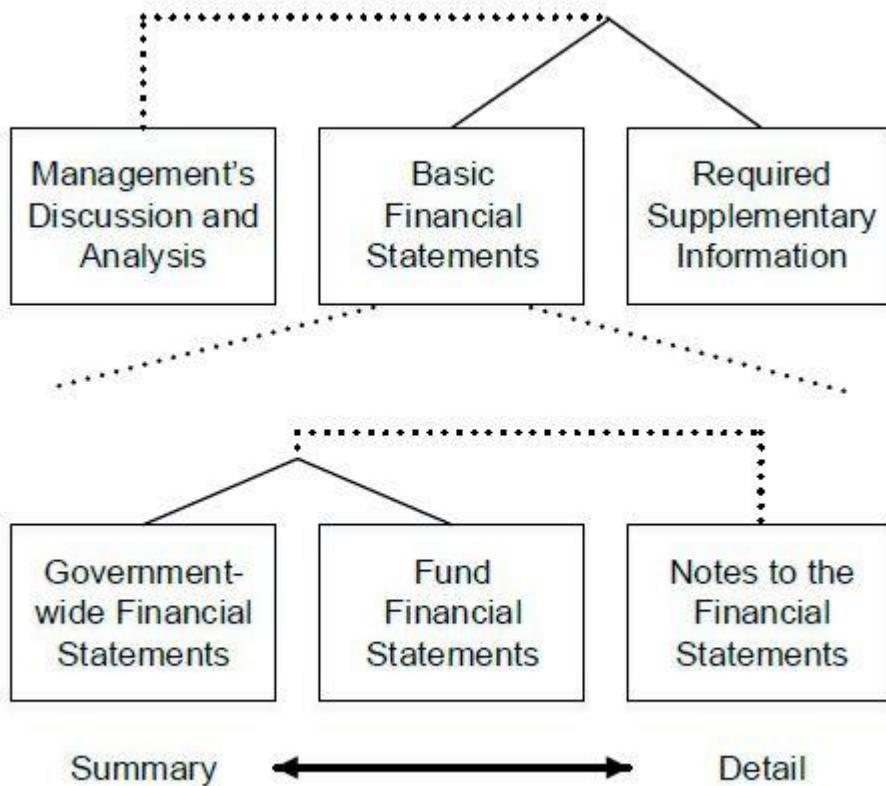


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
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
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"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements of Cash Flows
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
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
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
Type of in flow/out flow 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

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 revenue (*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 (streets and highways), culture and recreation, community development, miscellaneous and interest on long-term debt. The business-type activities of the City include water, sewer, and a municipal liquor store.

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 numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and Capital Equipment Fund, 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 or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 46 of this report.

Proprietary Funds. *Proprietary 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, and liquor store operations.

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 each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 52 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 59 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found starting on page 92 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 100 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,191,057 at the close of the most recent fiscal year.

The largest portion of the City's net position (69.7 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are 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 St. Francis's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2021	* 2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Assets						
Current and other assets	\$ 8,744,114	\$ 8,030,395	\$ 713,719	\$ 9,772,551	\$ 10,137,455	\$ (364,904)
Capital assets	17,038,404	16,908,729	129,675	43,016,249	43,345,762	(329,513)
Total Assets	<u>25,782,518</u>	<u>24,939,124</u>	<u>843,394</u>	<u>52,788,800</u>	<u>53,483,217</u>	<u>(694,417)</u>
Deferred Outflows of Resources						
Deferred pension resources	2,093,796	1,024,977	1,068,819	250,091	45,735	204,356
Deferred charge on refunding	233,757	251,072	(17,315)	-	-	-
Total Deferred Outflows	<u>2,327,553</u>	<u>1,276,049</u>	<u>1,051,504</u>	<u>250,091</u>	<u>45,735</u>	<u>204,356</u>
Liabilities						
Noncurrent liabilities outstanding	7,842,160	9,049,163	(1,207,003)	23,463,986	25,122,251	(1,658,265)
Other liabilities	1,284,212	741,928	542,284	515,811	471,844	43,967
Total Liabilities	<u>9,126,372</u>	<u>9,791,091</u>	<u>(664,719)</u>	<u>23,979,797</u>	<u>25,594,095</u>	<u>(1,614,298)</u>
Deferred Inflows of Resources						
Deferred pension resources	2,540,159	1,011,142	1,529,017	311,577	17,365	294,212
Net Position						
Net investment in capital assets	11,182,725	10,645,221	537,504	20,319,926	19,054,469	1,265,457
Restricted	713,596	664,078	49,518	243,905	180,370	63,535
Unrestricted	4,547,219	4,103,641	443,578	8,183,686	8,682,653	(498,967)
Total Net Position	<u>\$ 16,443,540</u>	<u>\$ 15,412,940</u>	<u>\$ 1,030,600</u>	<u>\$ 28,747,517</u>	<u>\$ 27,917,492</u>	<u>\$ 830,025</u>

* The 2020 ending net position does not agree to the prior years audited financial statements due to reclassification of the Economic Development (EDA) fund moving from blended to discrete presentation.

An additional portion of the City's net position, \$957,501, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$12,730,905, may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole.

Governmental Activities. Governmental activities increased the City's net position by \$1,101,202. Key elements of the changes are as follows:

City of St. Francis's Changes in Net Position

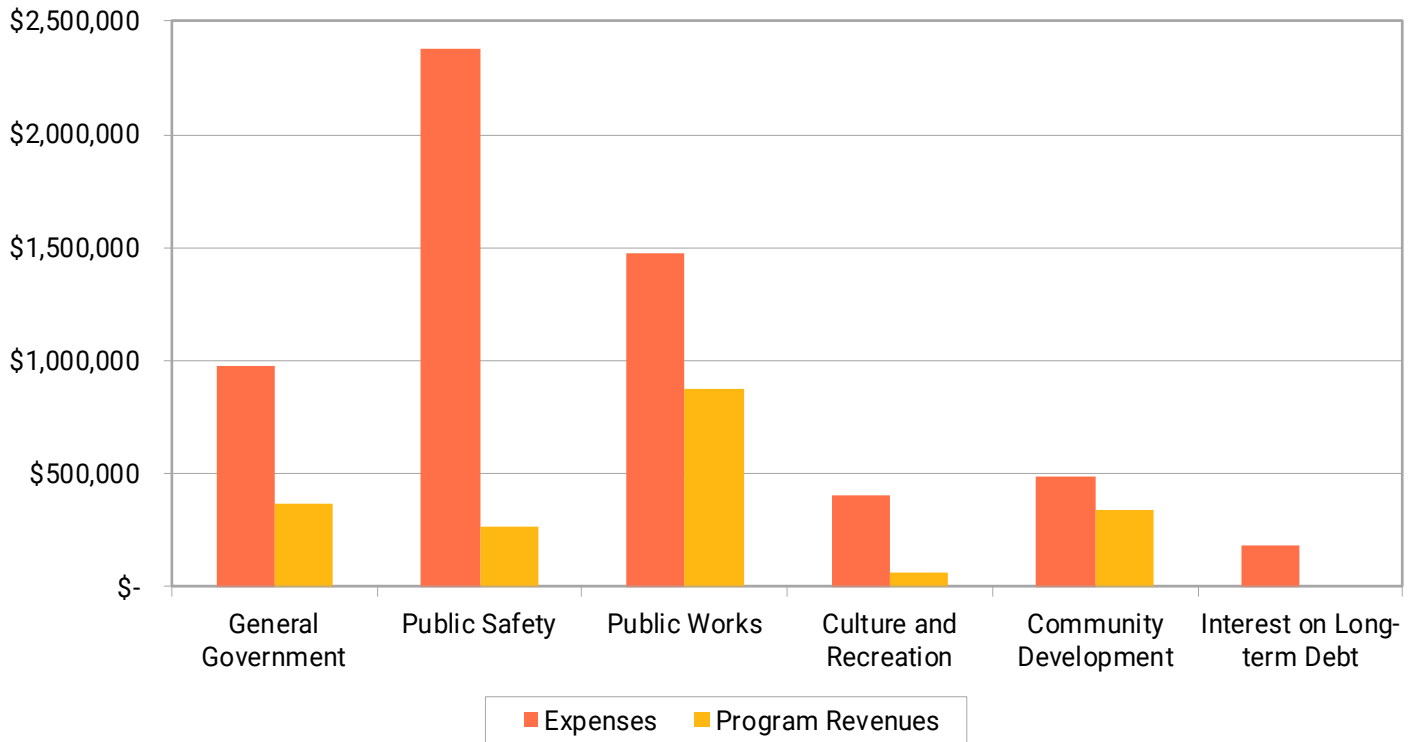
	Governmental Activities			Business-type Activities		
	2021	* 2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 758,380	\$ 762,194	\$ (3,814)	\$ 6,237,856	\$ 6,227,945	\$ 9,911
Operating grants and contributions	408,163	824,812	(416,649)	2,145	25,482	(23,337)
Capital grants and contributions	748,612	1,979,574	(1,230,962)	517,503	1,060,565	(543,062)
General Revenues						
Taxes						
Property taxes	4,245,519	3,997,032	248,487	-	-	-
Grants and contributions not restricted to specific programs	573,553	555,814	17,739	-	-	-
Unrestricted investment earnings	(41,044)	120,007	(161,051)	(34,892)	160,651	(195,543)
Gain on sale of capital assets	31,551	11,905	19,646	-	-	-
Total Revenues	<u>6,724,734</u>	<u>8,251,338</u>	<u>(1,526,604)</u>	<u>6,722,612</u>	<u>7,474,643</u>	<u>(752,031)</u>
Expenses						
General government	975,615	997,414	(21,799)	-	-	-
Public safety	2,378,478	2,630,451	(251,973)	-	-	-
Public works	1,475,039	1,537,431	(62,392)	-	-	-
Culture and recreation	406,609	376,361	30,248	-	-	-
Community development	491,488	488,633	2,855	-	-	-
Interest on long-term debt	181,183	191,290	(10,107)	-	-	-
Water	-	-	-	1,203,394	1,158,339	45,055
Sewer	-	-	-	1,900,337	1,884,716	15,621
Storm water	-	-	-	64,812	54,476	10,336
Liquor store	-	-	-	2,439,164	2,509,775	(70,611)
Total Expenses	<u>5,908,412</u>	<u>6,221,580</u>	<u>(313,168)</u>	<u>5,607,707</u>	<u>5,607,306</u>	<u>401</u>
Increase in Net Position Before Transfers	816,322	2,029,758	(1,213,436)	1,114,905	1,867,337	(752,432)
Transfers (Net)	<u>284,880</u>	<u>1,146,680</u>	<u>(861,800)</u>	<u>(284,880)</u>	<u>(1,146,680)</u>	<u>861,800</u>
Change in Net Position	1,101,202	3,176,438	(2,075,236)	830,025	720,657	109,368
Net Position, January 1	<u>15,342,338</u>	<u>12,236,502</u>	<u>3,105,836</u>	<u>27,917,492</u>	<u>27,196,835</u>	<u>720,657</u>
Net Position, December 31	<u>\$ 16,443,540</u>	<u>\$ 15,412,940</u>	<u>\$ 1,030,600</u>	<u>\$ 28,747,517</u>	<u>\$ 27,917,492</u>	<u>\$ 830,025</u>

* The 2020 ending net position does not agree to the prior years audited financial statements due to reclassification of the Economic Development (EDA) fund moving from blended to discrete presentation.

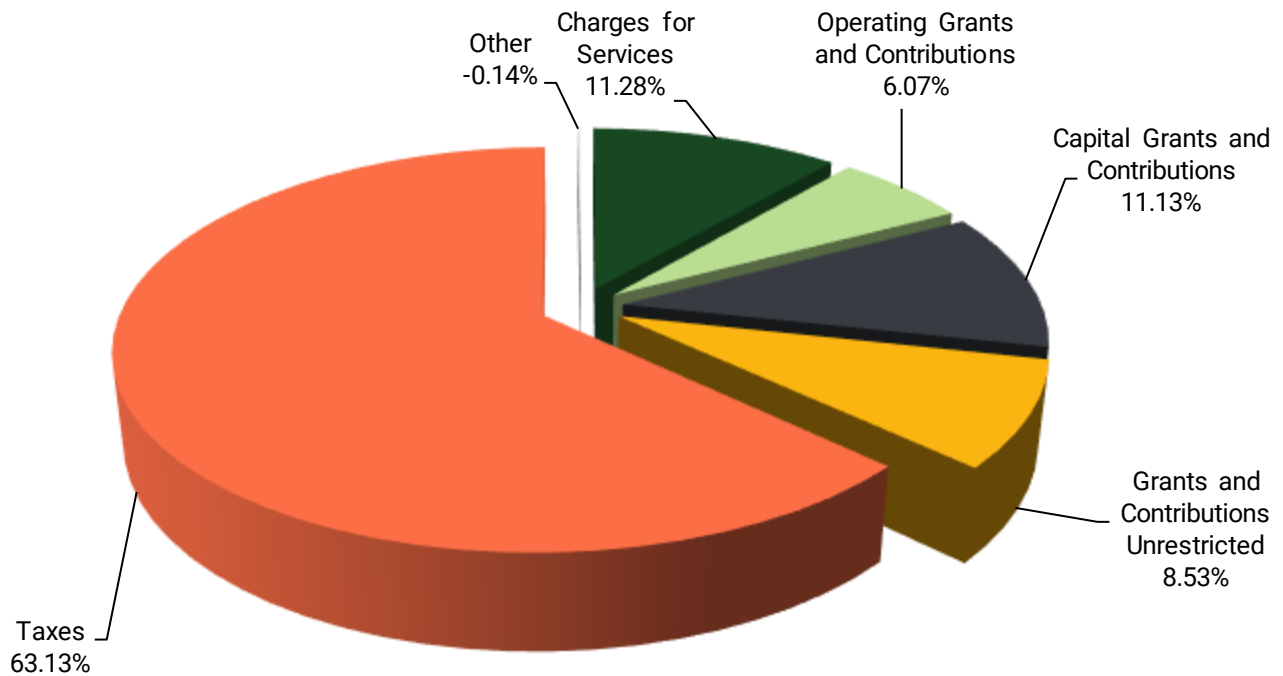
- Overall revenues decreased \$1,526,604 from the prior year. The main reason for the decrease was capital grants and contributions, which decreased \$1,230,962 due to grants received in 2020 for street improvements.
- Expenses decreased \$313,168 from the prior year. Public safety decreased \$251,973 due to greater capital related costs in 2020 related to the pandemic.

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenue - Governmental Activities



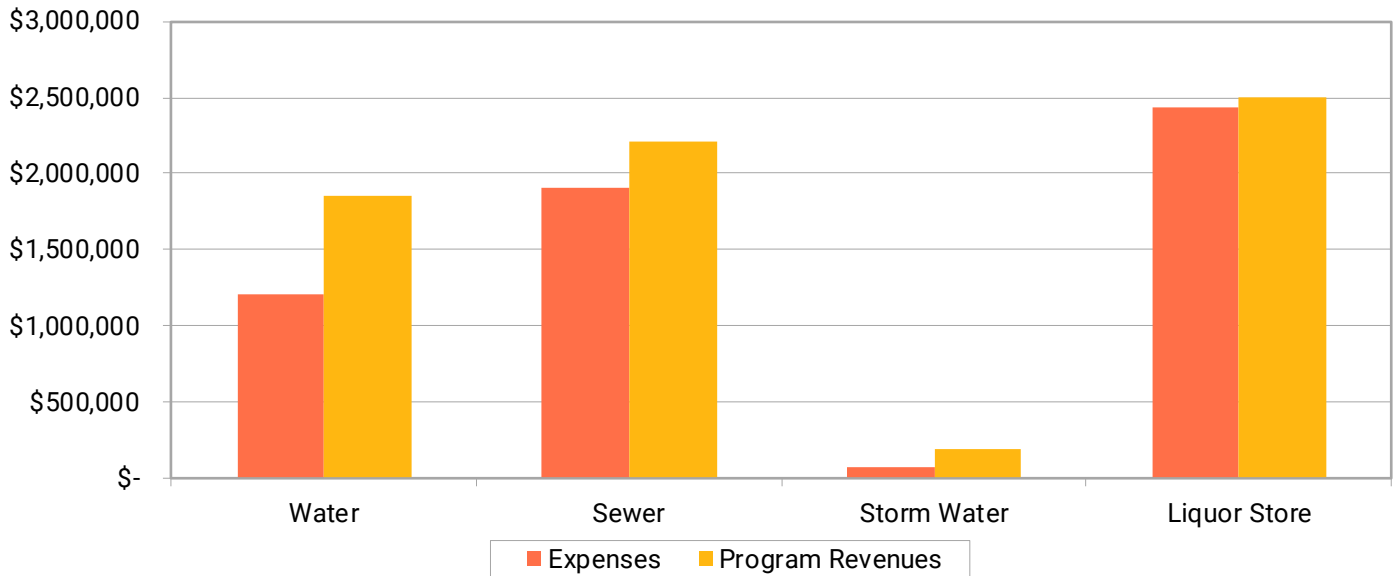
Revenue by Source - Governmental Activities



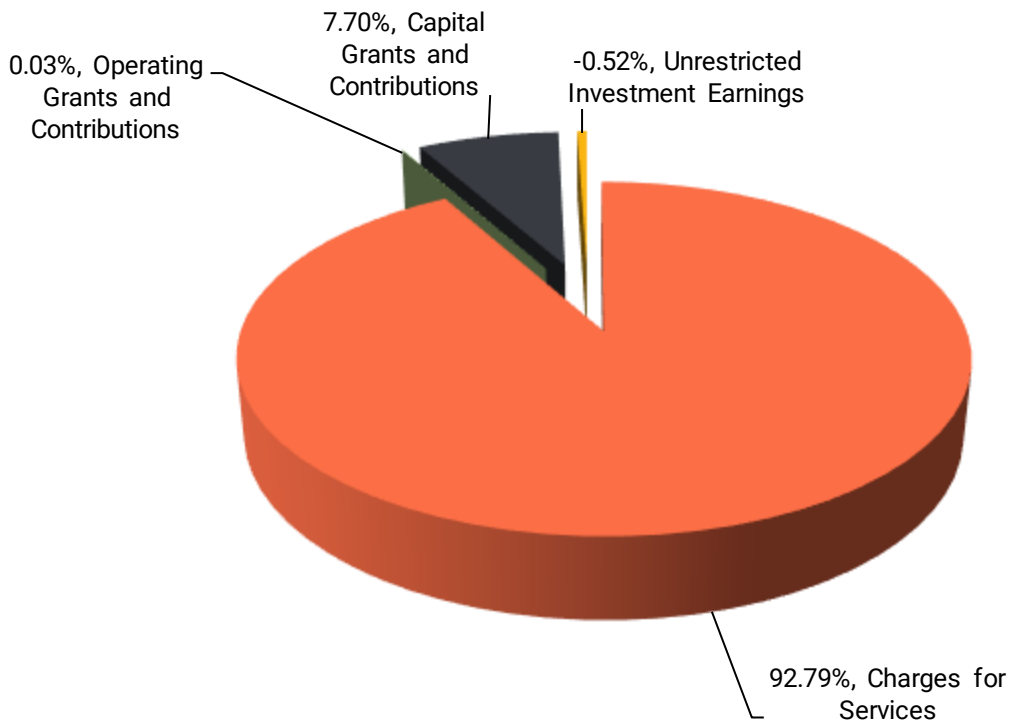
Business-type Activities. Business-type activities increased the City’s net position by \$830,025. Key elements of the changes are listed below:

- Overall revenues in the business-type activities decreased \$752,031 mainly due to a decrease in assessments received during the year and a decrease in sales due to construction in the liquor store.
- Overall expenses increased \$401 mainly due to increases in personal services in the Water Fund, offset with decreases in the cost of sales in the Liquor Store Fund.

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,862,499. Approximately 54.3 percent of this total amount, \$3,180,668, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The City also has nonspendable balance of \$41,579, restricted balance of \$742,141 and assigned balance of \$1,898,111.

The General fund is the chief operating fund of the City. The General fund decreased \$284,378 during the year. As a measure of the General fund's liquidity, it may be useful to compare fund balance to total fund expenditures and transfers out. Fund balance represents 67.9 percent of 2021 expenditures and transfers out. Of the fund balance, \$3,180,668 is unassigned and will be used for cash flow for general operations and will be used to support operations until funds are received in June from the first tax settlement. The decrease during the year can mainly be attributed to negative budget variances in public safety expenditures related to personal services and supplies.

The Capital Equipment fund decreased \$449,407 during the year mainly due to capital expenditures during the year. The fund has total expenditures of \$717,253 mainly spent on a new fire truck.

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$8,183,686. The change in net position for the funds was an increase of \$830,025. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's General fund budget was not amended during the year. The budget called for a balanced budget. Actual net change to the General fund balance was a decrease of \$284,378. Actual revenues were \$25,858 over budget due to a positive budget variance of \$31,891 in intergovernmental revenue mainly due additional police and fire aid received during the year. Expenditures were over budget by \$39,244 during the year. The largest negative expenditure variance was in public safety. The negative variance was \$111,675 mainly due to increased expenditures related to personal services and supplies.

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, 2021, amounts to \$58,613,245 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- Liquor Store addition/remodel
- Fire truck build was authorized
- 2 police vehicles
- Body cameras for police officers
- Public works truck

Additional information on the City's capital assets can be found in Note 3B starting on page 72 of this report.

City of St. Francis's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Land	\$ 1,628,251	\$ 1,427,736	\$ 200,515	\$ 2,359,187	\$ 2,359,187	\$ -
Construction in Progress	3,465,370	2,965,370	500,000	3,463,600	2,637,843	825,757
Land Improvements	26,026	34,765	(8,739)	-	-	-
Buildings	6,560,833	6,784,255	(223,422)	31,619,219	32,459,926	(840,707)
Infrastructure	4,195,183	4,432,263	(237,080)	4,958,298	5,246,678	(288,380)
Machinery and Equipment	1,162,741	1,264,340	(101,599)	615,945	642,128	(26,183)
Total	\$ 17,038,404	\$ 16,908,729	\$ 129,675	\$ 43,016,249	\$ 43,345,762	\$ (329,513)

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$33,857,000. 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 St. Francis's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
General Obligation Bonds	\$ 5,885,000	\$ 6,295,000	\$ (410,000)	\$ -	\$ -	\$ -
General Obligation Revenue Bonds	-	-	-	23,050,000	24,082,000	(1,032,000)
Lease Purchase	-	-	-	-	562,970	(562,970)
Bond Premium	204,436	219,580	(15,144)	-	-	-
Total	\$ 6,089,436	\$ 6,514,580	\$ (425,144)	\$ 23,050,000	\$ 24,644,970	\$ (1,594,970)

The City's total debt decreased \$2,020,114 during the current fiscal year. The reason for the decrease in debt was refunding of bonds and regularly scheduled debt principal payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City currently has no outstanding general obligation debt payable solely from ad valorem taxes.

Additional information on the City's long-term debt can be found in Note 3D starting on page 74 of this report.

Economic Factors and Next Year's Budgets and Rates

The City is anticipating building activity to stay the same. Woodhaven Mobile Home Park expanded in 2018 with new homes being added in 2019, 2020 and more in 2021. New home permits should stay about even. There were 43 new home permits pulled in 2021, 57 new home permits pulled in 2020, 57 new home permits in 2019, 66 new home permits pulled in 2017 with 38 new home permits pulled in 2016 and 28 new home permits pulled in 2015.

The City's Adopted 2022 Budget includes a property tax levy of \$4,669,590 or 10.27 percent increase over the 2021 Levy.

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 of St. Francis, 23340 Cree Street NW, St. Francis, Minnesota 55070.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of St. Francis, Minnesota

Statement of Net Position

December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	EDA
Assets				
Cash and temporary investments	\$ 6,921,846	\$ 8,267,426	\$ 15,189,272	\$ 41,870
Receivables				
Accrued interest	11,722	11,332	23,054	76
Taxes	29,344	-	29,344	-
Accounts	6,778	316,969	323,747	-
Special assessments	334,186	817,674	1,151,860	-
Due from other governments	681,344	29,118	710,462	-
Inventories	16,979	330,032	347,011	-
Pension asset	717,315	-	717,315	-
Land held for resale	24,600	-	24,600	-
Capital assets				
Land and construction in progress	5,093,621	5,822,786	10,916,407	-
Depreciable assets (net of accumulated depreciation)	11,944,783	37,193,463	49,138,246	-
Total Assets	<u>25,782,518</u>	<u>52,788,800</u>	<u>78,571,318</u>	<u>41,946</u>
Deferred Outflows of Resources				
Deferred pension resources	2,093,796	250,091	2,343,887	-
Deferred charge on refunding	233,757	-	233,757	-
Total Deferred Outflows of Resources	<u>2,327,553</u>	<u>250,091</u>	<u>2,577,644</u>	<u>-</u>
Liabilities				
Accounts payable	200,174	210,530	410,704	-
Contracts payable	120,484	151,345	271,829	-
Accrued salaries payable	106,597	21,060	127,657	-
Due to other governments	1,179	24,528	25,707	-
Accrued interest payable	73,889	108,348	182,237	-
Deposits payable	349,350	-	349,350	-
Unearned revenue	432,539	-	432,539	-
Noncurrent liabilities				
Due within one year				
Long-term liabilities	558,630	1,481,439	2,040,069	-
Due in more than one year				
Long-term liabilities	5,809,427	21,643,700	27,453,127	-
Net pension liability	1,474,103	338,847	1,812,950	-
Total Liabilities	<u>9,126,372</u>	<u>23,979,797</u>	<u>33,106,169</u>	<u>-</u>
Deferred Inflows of Resources				
Deferred pension resources	<u>2,540,159</u>	<u>311,577</u>	<u>2,851,736</u>	<u>-</u>
Net Position				
Net investment in capital assets	11,182,725	20,319,926	31,502,651	-
Restricted for				
Debt service	159,226	-	159,226	-
System replacement	-	243,905	243,905	-
Park improvements	420,242	-	420,242	-
Police expenses	1,275	-	1,275	-
Economic development projects	-	-	-	41,946
Capital purchases	132,853	-	132,853	-
Unrestricted	<u>4,547,219</u>	<u>8,183,686</u>	<u>12,730,905</u>	<u>-</u>
Total Net Position	<u>\$ 16,443,540</u>	<u>\$ 28,747,517</u>	<u>\$ 45,191,057</u>	<u>\$ 41,946</u>

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

City of St. Francis, Minnesota
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 975,615	\$ 337,360	\$ 29,471	\$ -
Public safety	2,378,478	77,299	186,375	-
Public works	1,475,039	2,196	192,167	680,464
Culture and recreation	406,609	1,635	150	64,732
Community development	491,488	339,890	-	3,416
Interest on long-term debt	181,183	-	-	-
Total Governmental Activities	<u>5,908,412</u>	<u>758,380</u>	<u>408,163</u>	<u>748,612</u>
Business-type Activities				
Water	1,203,394	1,591,308	258	260,231
Sewer	1,900,337	1,958,382	260	257,272
Storm water	64,812	186,334	1,314	-
Liquor store	2,439,164	2,501,832	313	-
Total Business-type Activities	<u>5,607,707</u>	<u>6,237,856</u>	<u>2,145</u>	<u>517,503</u>
Total Primary Government	<u>\$ 11,516,119</u>	<u>\$ 6,996,236</u>	<u>\$ 410,308</u>	<u>\$ 1,266,115</u>
Component Unit				
EDA	<u>\$ 28,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

State grants and contributions not restricted to specific programs

Unrestricted investment earnings (loss)

Gain on sale of capital assets

Transfers

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			Component Unit
Governmental Activities	Business-type Activities	Total	EDA
\$ (608,784)	\$ -	\$ (608,784)	\$ -
(2,114,804)	-	(2,114,804)	-
(600,212)	-	(600,212)	-
(340,092)	-	(340,092)	-
(148,182)	-	(148,182)	-
(181,183)	-	(181,183)	-
<u>(3,993,257)</u>	<u>-</u>	<u>(3,993,257)</u>	<u>-</u>
-	648,403	648,403	-
-	315,577	315,577	-
-	122,836	122,836	-
-	62,981	62,981	-
<u>-</u>	<u>1,149,797</u>	<u>1,149,797</u>	<u>-</u>
<u>(3,993,257)</u>	<u>1,149,797</u>	<u>(2,843,460)</u>	<u>-</u>
			<u>(28,050)</u>
3,874,129	-	3,874,129	-
371,390	-	371,390	-
573,553	-	573,553	-
(41,044)	(34,892)	(75,936)	(606)
31,551	-	31,551	-
284,880	(284,880)	-	-
<u>5,094,459</u>	<u>(319,772)</u>	<u>4,774,687</u>	<u>(606)</u>
1,101,202	830,025	1,931,227	(28,656)
<u>15,342,338</u>	<u>27,917,492</u>	<u>43,259,830</u>	<u>70,602</u>
<u>\$ 16,443,540</u>	<u>\$ 28,747,517</u>	<u>\$ 45,191,057</u>	<u>\$ 41,946</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

FUND FINANCIAL STATEMENTS

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

City of St. Francis, Minnesota

Balance Sheet

Governmental Funds

December 31, 2021

	101	402	Other	Total
	General	Capital Equipment	Governmental Funds	Governmental Funds
Assets				
Cash and temporary investments	\$ 4,143,325	\$ 635,131	\$ 2,143,390	\$ 6,921,846
Receivables				
Accrued interest	6,754	1,148	3,820	11,722
Taxes	26,944	-	2,400	29,344
Accounts	2,527	-	4,251	6,778
Special assessments	97,474	-	236,712	334,186
Due from other governments	83,128	-	598,216	681,344
Inventories	16,979	-	-	16,979
Land held for resale	24,600	-	-	24,600
	<u>4,401,731</u>	<u>636,279</u>	<u>2,988,789</u>	<u>8,026,799</u>
Total Assets	\$ 4,401,731	\$ 636,279	\$ 2,988,789	\$ 8,026,799
Liabilities				
Accounts payable	\$ 165,401	\$ 6,235	\$ 28,538	\$ 200,174
Contracts payable	-	-	120,484	120,484
Accrued salaries payable	106,597	-	-	106,597
Due to other governments	1,179	-	-	1,179
Deposits payable	349,350	-	-	349,350
Unearned revenue	432,539	-	-	432,539
	<u>1,055,066</u>	<u>6,235</u>	<u>149,022</u>	<u>1,210,323</u>
Total Liabilities	1,055,066	6,235	149,022	1,210,323
Deferred Inflows of Resources				
Unavailable revenues - taxes	26,944	-	2,400	29,344
Unavailable revenues - special assessments	97,474	-	236,713	334,187
Unavailable revenues - intergovernmental	-	-	590,446	590,446
	<u>124,418</u>	<u>-</u>	<u>829,559</u>	<u>953,977</u>
Total Deferred Inflows of Resources	124,418	-	829,559	953,977
Fund Balances				
Nonspendable	41,579	-	-	41,579
Restricted	-	-	742,141	742,141
Assigned	-	630,044	1,268,067	1,898,111
Unassigned	3,180,668	-	-	3,180,668
	<u>3,222,247</u>	<u>630,044</u>	<u>2,010,208</u>	<u>5,862,499</u>
Total Fund Balances	3,222,247	630,044	2,010,208	5,862,499
	<u>\$ 4,401,731</u>	<u>\$ 636,279</u>	<u>\$ 2,988,789</u>	<u>\$ 8,026,799</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,401,731	\$ 636,279	\$ 2,988,789	\$ 8,026,799

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

City of St. Francis, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2021

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

Total Fund Balances - Governmental	\$ 5,862,499
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	24,699,337
Less: accumulated depreciation	(7,660,933)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	
	717,315
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bond principal payable	(5,885,000)
Plus premium on bonds issued	(204,436)
Deferred charge on refunding	233,757
Compensated absences payable	(278,621)
Net pension liability	(1,474,103)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pensions resources	2,093,796
Deferred inflows of pension resources	(2,540,159)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Taxes receivable	29,344
Special assessments receivable	334,187
Intergovernmental	590,446
Governmental funds do not report a liability for accrued interest until due and payable.	(73,889)
Total Net Position - Governmental Activities	\$ 16,443,540

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

City of St. Francis, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	101 General	402 Capital Equipment	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 3,206,913	\$ 250,000	\$ 857,390	\$ 4,314,303
Licenses and permits	215,030	-	-	215,030
Intergovernmental	656,392	-	144,995	801,387
Charges for services	433,565	-	65,942	499,507
Fines and forfeitures	24,163	-	-	24,163
Special assessments	-	-	75,511	75,511
Interest on investments (loss)	(25,229)	(8,154)	(7,661)	(41,044)
Miscellaneous	158,094	6,000	58,236	222,330
Total Revenues	<u>4,668,928</u>	<u>247,846</u>	<u>1,194,413</u>	<u>6,111,187</u>
Expenditures				
Current				
General government	973,419	-	-	973,419
Public safety	2,377,975	-	23,898	2,401,873
Public works	584,159	-	-	584,159
Culture and recreation	297,504	-	28,274	325,778
Community development	462,939	-	-	462,939
Capital outlay				
General government	1,337	13,449	-	14,786
Public safety	-	643,614	-	643,614
Public works	-	60,190	503,746	563,936
Culture and recreation	-	-	216,933	216,933
Community development	44,981	-	-	44,981
Debt service				
Principal	-	-	410,000	410,000
Interest and other charges	-	-	182,890	182,890
Total Expenditures	<u>4,742,314</u>	<u>717,253</u>	<u>1,365,741</u>	<u>6,825,308</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,386)</u>	<u>(469,407)</u>	<u>(171,328)</u>	<u>(714,121)</u>
Other Financing Sources (Uses)				
Transfers in	60,000	20,000	482,898	562,898
Sale of capital assets	7,026	-	-	7,026
Bonds issued	-	-	190,000	190,000
Payment on refunding bonds	-	-	(190,000)	(190,000)
Transfers out	(278,018)	-	-	(278,018)
Total Other Financing Sources (Uses)	<u>(210,992)</u>	<u>20,000</u>	<u>482,898</u>	<u>291,906</u>
Net Change in Fund Balances	(284,378)	(449,407)	311,570	(422,215)
Fund Balances, January 1	<u>3,506,625</u>	<u>1,079,451</u>	<u>1,698,638</u>	<u>6,284,714</u>
Fund Balances, December 31	<u>\$ 3,222,247</u>	<u>\$ 630,044</u>	<u>\$ 2,010,208</u>	<u>\$ 5,862,499</u>

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

City of St. Francis, Minnesota
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2021

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

Total Net Change in Fund Balances - Governmental Funds	\$ (422,215)
<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>	
Capital outlays	858,951
Depreciation expense	(753,800)
<p>A gain or loss on the disposal of capital assets, including the difference between carrying value and any related sales proceeds, is included in net position. However, only the sales proceeds are included in the change in the change in fund balance.</p>	
	37,998
<p>Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities</p>	
Disposals	(274,010)
Depreciation on disposals	260,537
<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 deferred and amortized in the statement of activities.</p>	
Principal repayments	600,000
Debt issued	(190,000)
Current year amortization of bond premium	15,143
Current year amortization of deferred loss on refunding	(17,315)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus 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>	
	3,879
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	379,826
Pension revenue	16,356
<p>Certain revenues are recognized as soon as it is 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>	
Special assessments	14,507
Property taxes	(39,313)
Intergovernmental	590,446
<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	20,212
	20,212
Change in Net Position - Governmental Activities	\$ 1,101,202

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of St. Francis, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,169,609	\$ 3,169,609	\$ 3,206,913	\$ 37,304
Licenses and permits	244,470	244,470	215,030	(29,440)
Intergovernmental	624,501	624,501	656,392	31,891
Charges for services	408,910	408,910	433,565	24,655
Fines and forfeitures	23,130	23,130	24,163	1,033
Interest on investments	25,000	25,000	(25,229)	(50,229)
Miscellaneous	147,450	147,450	158,094	10,644
Total Revenues	<u>4,643,070</u>	<u>4,643,070</u>	<u>4,668,928</u>	<u>25,858</u>
Expenditures				
Current				
General government	1,006,020	1,006,020	973,419	32,601
Public safety	2,266,300	2,266,300	2,377,975	(111,675)
Public works	597,950	597,950	584,159	13,791
Culture and recreation	352,600	352,600	297,504	55,096
Community development	476,700	476,700	462,939	13,761
Capital outlay				
General government	2,500	2,500	1,337	1,163
Community development	1,000	1,000	44,981	(43,981)
Total Expenditures	<u>4,703,070</u>	<u>4,703,070</u>	<u>4,742,314</u>	<u>(39,244)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>(73,386)</u>	<u>(13,386)</u>
Other Financing Sources (Uses)				
Transfers in	60,000	60,000	60,000	-
Sale of capital assets	-	-	7,026	7,026
Transfers out	-	-	(278,018)	(278,018)
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>(210,992)</u>	<u>(270,992)</u>
Net Change in Fund Balances	-	-	(284,378)	(284,378)
Fund Balances, January 1	<u>3,506,625</u>	<u>3,506,625</u>	<u>3,506,625</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 3,506,625</u>	<u>\$ 3,506,625</u>	<u>\$ 3,222,247</u>	<u>\$ (284,378)</u>

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

City of St. Francis, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds				Totals
	601	602	609	Nonmajor	
				603	
	Water	Sewer	Liquor Store	Storm Water	
Assets					
Current Assets					
Cash and temporary investments	\$ 2,937,580	\$ 3,789,145	\$ 1,204,211	\$ 336,490	\$ 8,267,426
Receivables					
Accrued interest	5,348	3,426	2,262	296	11,332
Accounts	119,698	168,153	29,118	-	316,969
Special assessments	78,124	68,000	-	54,406	200,530
Due from other governments	9,651	17,077	-	2,390	29,118
Inventory	-	-	330,032	-	330,032
Total Current Assets	3,150,401	4,045,801	1,565,623	393,582	9,155,407
Noncurrent Assets					
Special assessments	390,468	41,097	-	185,579	617,144
Capital assets					
Land	18,115	2,337,838	3,234	-	2,359,187
Construction in progress	3,295	2,579,782	880,522	-	3,463,599
Buildings	9,014,915	31,175,575	666,446	-	40,856,936
Machinery and equipment	751,928	108,219	209,627	-	1,069,774
Infrastructure	5,013,059	3,192,605	-	606,214	8,811,878
Less accumulated depreciation	(5,041,466)	(7,790,241)	(673,004)	(40,414)	(13,545,125)
Net Capital Assets	9,759,846	31,603,778	1,086,825	565,800	43,016,249
Total Noncurrent Assets	10,150,314	31,644,875	1,086,825	751,379	43,633,393
Total Assets	13,300,715	35,690,676	2,652,448	1,144,961	52,788,800
Deferred Outflows of Resources					
Deferred pension resources	77,670	78,200	94,221	-	250,091

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

City of St. Francis, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds				Totals
	601	602	609	Nonmajor	
				603	
	Water	Sewer	Liquor Store	Storm Water	
Liabilities					
Current Liabilities					
Accounts payable	\$ 22,517	\$ 52,351	\$ 285,407	\$ 1,600	\$ 361,875
Accrued salaries payable	6,584	6,669	7,807	-	21,060
Due to other governments	627	-	23,901	-	24,528
Accrued interest payable	54,483	53,865	-	-	108,348
Compensated absences payable - current	7,153	7,153	17,133	-	31,439
Bonds payable - current	720,200	729,800	-	-	1,450,000
Total Current Liabilities	<u>811,564</u>	<u>849,838</u>	<u>334,248</u>	<u>1,600</u>	<u>1,997,250</u>
Noncurrent Liabilities					
Compensated absences payable	15,497	15,497	12,706	-	43,700
Net pension liability	105,234	105,953	127,660	-	338,847
Bonds payable	4,410,000	17,190,000	-	-	21,600,000
Total Noncurrent Liabilities	<u>4,530,731</u>	<u>17,311,450</u>	<u>140,366</u>	<u>-</u>	<u>21,982,547</u>
Total Liabilities	<u>5,342,295</u>	<u>18,161,288</u>	<u>474,614</u>	<u>1,600</u>	<u>23,979,797</u>
Deferred Inflows of Resources					
Deferred pension resources	96,765	97,426	117,386	-	311,577
Net Position					
Net investment in capital assets	4,868,798	13,798,503	1,086,825	565,800	20,319,926
Restricted for system replacement	-	243,905	-	-	243,905
Unrestricted	3,070,527	3,467,754	1,067,844	577,561	8,183,686
Total Net Position	<u>\$ 7,939,325</u>	<u>\$ 17,510,162</u>	<u>\$ 2,154,669</u>	<u>\$ 1,143,361</u>	<u>\$ 28,747,517</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of St. Francis, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				Totals
	601	602	609	Nonmajor 603	
	Water	Sewer	Liquor Store	Storm Water	
Operating Revenues					
Sales	\$ -	\$ -	\$ 2,501,792	\$ -	\$ 2,501,792
Cost of sales	-	-	(1,899,043)	-	(1,899,043)
Gross Profit	-	-	602,749	-	602,749
Charges for services	1,487,888	1,835,511	-	178,695	3,502,094
Total Operating Revenues	<u>1,487,888</u>	<u>1,835,511</u>	<u>602,749</u>	<u>178,695</u>	<u>4,104,843</u>
Operating Expenses					
Personal services	244,666	245,537	296,863	-	787,066
Supplies	90,984	79,849	19,614	-	190,447
Professional services	122,249	221,039	137,579	44,605	525,472
Communications	5,305	3,414	2,331	-	11,050
Insurance	24,288	34,920	26,196	-	85,404
Utilities	92,740	146,991	15,050	-	254,781
Repairs and maintenance	68,387	109,863	14,596	-	192,846
Depreciation	348,682	794,796	19,195	20,207	1,182,880
Other	30,087	14,377	8,697	-	53,161
Total Operating Expenses	<u>1,027,388</u>	<u>1,650,786</u>	<u>540,121</u>	<u>64,812</u>	<u>3,283,107</u>
Operating Income	<u>460,500</u>	<u>184,725</u>	<u>62,628</u>	<u>113,883</u>	<u>821,736</u>
Nonoperating Revenues (Expenses)					
Special assessments	10,026	1,022	-	7,639	18,687
Interest income (loss)	(10,790)	(14,303)	(10,873)	1,074	(34,892)
Miscellaneous	93,652	122,109	353	1,314	217,428
Interest and other expense	(176,006)	(249,551)	-	-	(425,557)
Total Nonoperating Revenues (Expenses)	<u>(83,118)</u>	<u>(140,723)</u>	<u>(10,520)</u>	<u>10,027</u>	<u>(224,334)</u>
Income (Loss) Before Transfers and Contributions	<u>377,382</u>	<u>44,002</u>	<u>52,108</u>	<u>123,910</u>	<u>597,402</u>
Transfers and Contributions					
Transfers in	37,058	-	-	-	37,058
Capital contributions	260,231	257,272	-	-	517,503
Transfers out	(111,080)	(150,858)	(60,000)	-	(321,938)
Total Transfers and Contributions	<u>186,209</u>	<u>106,414</u>	<u>(60,000)</u>	<u>-</u>	<u>232,623</u>
Change in Net Position	563,591	150,416	(7,892)	123,910	830,025
Net Position, January 1	<u>7,375,734</u>	<u>17,359,746</u>	<u>2,162,561</u>	<u>1,019,451</u>	<u>27,917,492</u>
Net Position, December 31	<u>\$ 7,939,325</u>	<u>\$ 17,510,162</u>	<u>\$ 2,154,669</u>	<u>\$ 1,143,361</u>	<u>\$ 28,747,517</u>

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

City of St. Francis, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				Totals
	601 Water	602 Sewer	609 Liquor Store	Nonmajor 603 Storm Water	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,546,273	\$ 1,839,629	\$ 2,497,563	\$ 180,328	\$ 6,063,793
Payments to suppliers	(444,756)	(580,765)	(2,092,192)	(52,896)	(3,170,609)
Payments to employees	(232,556)	(234,068)	(291,800)	-	(758,424)
Net Cash Provided by Operating Activities	<u>868,961</u>	<u>1,024,796</u>	<u>113,571</u>	<u>127,432</u>	<u>2,134,760</u>
Cash Flows from					
Noncapital Financing Activities					
Special assessments received	66,277	8,261	-	26,120	100,658
Transfers from other funds	37,058	-	-	-	37,058
Transfers to other funds	(111,080)	(150,858)	(60,000)	-	(321,938)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(7,745)</u>	<u>(142,597)</u>	<u>(60,000)</u>	<u>26,120</u>	<u>(184,222)</u>
Cash Flows from Capital Financing Activities					
Connection fees received	260,231	257,272	-	-	517,503
Acquisition of capital assets	(30,906)	-	(822,461)	(42,596)	(895,963)
Refunded bonds	(1,150,441)	(1,768,750)	-	-	(2,919,191)
Proceeds from bonds issued, net of issuance costs	1,176,721	1,792,838	-	-	2,969,559
Interest paid and other on bonds	(179,220)	(254,421)	-	-	(433,641)
Principal paid on bonds	(732,879)	(717,900)	-	-	(1,450,779)
Net Cash Used by Capital Financing Activities	<u>(656,494)</u>	<u>(690,961)</u>	<u>(822,461)</u>	<u>(42,596)</u>	<u>(2,212,512)</u>
Cash Flows from Investing Activities					
Interest received on investments (loss)	(11,150)	(14,508)	(9,556)	982	(34,232)
Net Increase (Decrease) in Cash and Cash Equivalents	193,572	176,730	(778,446)	111,938	(296,206)
Cash and Cash Equivalents, January 1	<u>2,744,008</u>	<u>3,612,415</u>	<u>1,982,657</u>	<u>224,552</u>	<u>8,563,632</u>
Cash and Cash Equivalents, December 31	<u>\$ 2,937,580</u>	<u>\$ 3,789,145</u>	<u>\$ 1,204,211</u>	<u>\$ 336,490</u>	<u>\$ 8,267,426</u>

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

City of St. Francis, Minnesota
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				Totals
	601 Water	602 Sewer	609 Liquor Store	Nonmajor 603 Storm Water	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income	\$ 460,500	\$ 184,725	\$ 62,628	\$ 113,883	\$ 821,736
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	348,682	794,796	19,195	20,207	1,182,880
Other income related to operations	14,931	6,271	353	1,314	22,869
(Increase) decrease in assets and deferred outflows of resources					
Accounts receivable	44,996	8	(4,582)	-	40,422
Due from other governments	(1,542)	(2,161)	-	319	(3,384)
Inventories	-	-	(50,971)	-	(50,971)
Pension resources	(63,638)	(63,982)	(76,736)	-	(204,356)
Increase (decrease) in liabilities and deferred inflows of resources					
Accounts payable	(10,707)	29,688	85,629	(8,291)	96,319
Due to other governments	(9)	-	(3,744)	-	(3,753)
Accrued salaries payable	1,026	1,111	(56)	-	2,081
Net pension liability	(22,159)	(23,132)	(31,085)	-	(76,376)
Compensated absences payable	5,444	5,444	2,193	-	13,081
Pension resources	91,437	92,028	110,747	-	294,212
 Net Cash Provided by Operating Activities	 <u>\$ 868,961</u>	 <u>\$ 1,024,796</u>	 <u>\$ 113,571</u>	 <u>\$ 127,432</u>	 <u>\$ 2,134,760</u>
Noncash Capital Financing and Investing Activities					
Capital assets acquired on account	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,624</u>	<u>\$ 9,624</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of St. Francis, Minnesota (the City) operates under its own "Home Rule Charter." Under this Charter, the government of the City is governed by the City Council composed of an elected Mayor and four elected City Council Members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The City has identified the following component unit using the above criteria.

Discrete Component Unit

The Economic Development Authority (EDA) of the City was created pursuant to Minnesota statutes 469.090 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. The five-member Board consists of two City Council members and three other City Council approved members.

A component unit is a legally separate entity, so there is a basic assumption it should be presented separately (discretely) from the primary government. The governing body does not have substantively the same board as the City and no longer has outstanding debt issued through the City. Thus, the EDA will be reported as a discretely presented component unit. The EDA does not prepare separate financial statements, the financial statements for the EDA are included in the report starting on page 121.

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 City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. 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 segments 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, proprietary funds, and the fiduciary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

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 funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 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, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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 *Capital Equipment fund* accounts for the accumulation of financial resources for the future purchases of capital outlay.

The City reports the following major proprietary funds:

The *Water fund* accounts for costs associated with the City's water system and insure that user charges are sufficient to pay for those costs.

The *Sewer fund* accounts for the costs associated with the City's sewer system and insure that user charges are sufficient to pay for those costs.

The *Liquor Store fund* accounts for the costs associated with the City's liquor operations.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are other charges between the City's water and sewer function and various other functions 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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

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 statement of cash flows.

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

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

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
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.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2021:

- US government securities of \$807,115 are valued using quoted market prices (Level 1 inputs)
- State and local government securities of \$2,818,826 are valued using quoted market prices (Level 1 inputs)
- Negotiable Certificates of Deposits of \$4,000,324 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market fund and broker money market investment pools operate in accordance with appropriate State laws and regulations. The 4M 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 and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool share. Financial statements of the 4M fund can be obtained by contracting RBC Global Asset Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Property Taxes

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

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

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2021. The City annually certifies delinquent water and sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established for utility receivables.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables 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.

Land Held for Resale

The City acquires properties for redevelopment purposes. These properties are reported at their net realizable value in the financial statements. Any costs incurred that are above a property's net realizable value are reported as expenditures of the current period.

Inventories

The inventories are valued using the consumption method and stated at cost, which approximates market using the first-in, first-out (FIFO) method.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Land Improvements	15
Buildings and Improvements	15 to 40
Infrastructure	20 to 50
Machinery and Equipment	3 to 20

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Accordingly, the deferred pension resources and deferred charge on refunding, are reported only in the statements of net position. These items result from actuarial calculations and current year pension contributions made subsequent to the measurement date and a deferred loss on refunding bond activity.

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, which is paid to the employee upon separation. A portion of unused sick leave may also be paid upon separation from City service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General fund is typically used to liquidate the governmental compensated absences liability.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Postemployment Benefits Other Than Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the City's fiscal year 2018. Statement No. 75 requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. The City has no plans that would result in an OPEB liability and, therefore, the City anticipates it will not incur any future explicit or implicit OPEB costs for its employees and, therefore, no liability will be recorded.

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 amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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.

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.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by the St. Francis Fire Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

The total pension expense for the General Employee Plan (GERP), Police and Fire Plan (PEFP), DCP plan, and St. Francis Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)		DCP	Fire Relief Association	Total All Plans
	GERP	PEFP			
Pension Expense	\$ 70,010	\$ (9,799)	\$ 120	\$ (85,990)	\$ (25,659)

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, intergovernmental and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

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. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by the Finance Director 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 Finance Director.

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

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when 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 unassigned fund balance of 45 percent of budgeted operating expenditures for cash-flow timing needs.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide financial statements, 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 - Consist 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 balances 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.

Comparative Data/Reclassifications

The City is no longer reporting the Economic Development Authority (EDA) as a blended component unit and instead will be showing as a discretely presented component unit. This results in a minor difference in total governmental fund balances from the prior year. The total combined beginning fund balance of the primary government and component unit together was unchanged.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, Street Improvement fund, Police Forfeiture fund, Charitable Gambling fund, Debt Service funds, Park Improvements, Building Improvements and Capital Equipment fund. The City does not adopt a formal budget for the Economic Development fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

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

The appropriated budget is prepared by fund, function and department. The City's department heads, with the approval of the City Administrator, may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is at the department level

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2021 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General Fund	\$ 4,703,070	\$ 4,742,314	\$ 39,244
Street Improvement	362,863	487,674	124,811
Police Forfeiture	17,230	23,898	6,668
Park Improvements	-	245,207	245,207
Building Improvements	-	16,072	16,072
G.O Bonds 2021A	100,106	100,359	253

The excess expenditures were funded by revenues in excess of expectations, available fund balance and/or future revenue sources.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

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

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

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

Authorized collateral in lieu of a corporate surety bond includes:

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

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

At year end, the City's carrying amount of deposits was \$392,824 and the bank balance was \$435,006. The bank balance was partially covered by federal depository insurance while the remaining balance was covered by collateral held by the City's agent in the City's name.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2021, 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/ Rating (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using	
				Level 1	Level 2
Pooled Investments at Amortized Costs					
Minnesota Municipal Money Market	N/A	less than 1 year	\$ 7,208,159	\$ -	\$ -
Broker Money Market	N/A	less than 1 year	3,894	-	-
Non-pooled Investments at Fair Value					
Negotiable Certificates of Deposits	N/A	less than 1 year	1,517,295	-	1,517,295
Negotiable Certificates of Deposits	N/A	1 year to 5 years	2,008,513	-	2,008,513
Negotiable Certificates of Deposits	N/A	more than 5 years	474,516	-	474,516
State and Local Government Securities	AA	1 year to 5 years	787,888	787,888	-
State and Local Government Securities	AA	more than 5 years	876,678	876,678	-
State and Local Government Securities	AAA	1 year to 5 years	1,154,260	1,154,260	-
U.S. Government Securities	AAA	more than 5 years	268,134	268,134	-
U.S. Government Securities	AA+	1 year to 5 years	538,981	538,981	-
Total Investments			\$ 14,838,318	\$ 3,625,941	\$ 4,000,324

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

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

N/A Indicates not applicable or available.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

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

- *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 on page 62 of the notes. In accordance with its investment policy, the City will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the 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 investment policy does not address custodial credit risk.
- *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. In accordance with its investment policy, the investment portfolio should be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific issuer, maturity or class of securities. Extended maturities may be utilized to take advantage of higher yields; however, no more than 10 percent of the total investments should extend beyond five (5) years and in no circumstance should any extend beyond 10 years.
- *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 will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio.

Cash and Investments Summary

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

Carrying Amount of Deposits	\$	392,824
Investments		14,838,318
Total	\$	15,231,142
Primary Government		
Cash and temporary investments	\$	15,189,272
Component Unit		
Cash and temporary investments		41,870
Cas Total	\$	15,231,142

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 1,427,736	\$ 200,515	\$ -	\$ 1,628,251
Construction in progress	2,965,370	500,000	-	3,465,370
	<u>4,393,106</u>	<u>700,515</u>	<u>-</u>	<u>5,093,621</u>
Total Capital Assets not being Depreciated				
Capital Assets, being Depreciated				
Land improvements	174,771	-	-	174,771
Buildings	8,862,306	-	-	8,862,306
Infrastructure	6,750,421	-	-	6,750,421
Machinery and equipment	3,895,795	196,433	(274,010)	3,818,218
	<u>19,683,293</u>	<u>196,433</u>	<u>(274,010)</u>	<u>19,605,716</u>
Total Capital Assets being Depreciated				
Less Accumulated Depreciation for				
Land improvements	(140,006)	(8,739)	-	(148,745)
Buildings	(2,078,051)	(223,422)	-	(2,301,473)
Infrastructure	(2,318,158)	(237,080)	-	(2,555,238)
Machinery and equipment	(2,631,455)	(284,559)	260,537	(2,655,477)
	<u>(7,167,670)</u>	<u>(753,800)</u>	<u>260,537</u>	<u>(7,660,933)</u>
Total Accumulated Depreciation				
Total Capital Assets being Depreciated, Net	<u>12,515,623</u>	<u>(557,367)</u>	<u>(13,473)</u>	<u>11,944,783</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,908,729</u>	<u>\$ 143,148</u>	<u>\$ (13,473)</u>	<u>\$ 17,038,404</u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not being Depreciated				
Land	\$ 2,359,187	\$ -	\$ -	\$ 2,359,187
Construction in progress	2,637,843	825,757	-	3,463,600
Total Capital Assets not being Depreciated	<u>4,997,030</u>	<u>825,757</u>	<u>-</u>	<u>5,822,787</u>
Capital Assets being Depreciated				
Buildings	40,836,255	20,680	-	40,856,935
Infrastructure	8,811,878	-	-	8,811,878
Machinery and equipment	1,092,183	6,930	(29,340)	1,069,773
Total Capital Assets being Depreciated	<u>50,740,316</u>	<u>27,610</u>	<u>(29,340)</u>	<u>50,738,586</u>
Less Accumulated Depreciation for				
Buildings	(8,376,329)	(861,387)	-	(9,237,716)
Infrastructure	(3,565,200)	(288,380)	-	(3,853,580)
Machinery and equipment	(450,055)	(33,113)	29,340	(453,828)
Total Accumulated Depreciation	<u>(12,391,584)</u>	<u>(1,182,880)</u>	<u>29,340</u>	<u>(13,545,124)</u>
Total Capital Assets being Depreciated, Net	<u>38,348,732</u>	<u>(1,155,270)</u>	<u>-</u>	<u>37,193,462</u>
Business-type Activities Capital Assets, Net	<u>\$ 43,345,762</u>	<u>\$ (329,513)</u>	<u>\$ -</u>	<u>\$ 43,016,249</u>

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

Governmental Activities		
General government		\$ 24,830
Public safety		248,375
Public works		405,528
Culture and recreation		75,067
Total Depreciation Expense - Governmental Activities		<u>\$ 753,800</u>
Business-type Activities		
Water		\$ 348,682
Sewer		794,796
Storm		20,207
Liquor store		19,195
Total Depreciation Expense - Business-type Activities		<u>\$ 1,182,880</u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

C. Interfund Receivables, Payables and Transfers

The City made transfers during the fiscal year 2021 as shown and described below:

Fund	Transfer in				Total
	General	Capital Equipment	Nonmajor Governmental	Water	
Transfer out					
General	\$ -	\$ -	\$ 278,018	\$ -	\$ 278,018
Water	-	10,000	101,080	-	111,080
Sewer	-	10,000	103,800	37,058	150,858
Liquor Store	60,000	-	-	-	60,000
Total	\$ 60,000	\$ 20,000	\$ 482,898	\$ 37,058	\$ 599,956

During the year the City made multiple interfund transfers, some of which were budgeted. The City annually budgets transfers to 1) move revenues from the fund with collection authorization to the Debt Service fund as debt service principal and interest payments become due, 2) transfer Liquor Store fund resources to fund annual operations, 3) transfer funds as part of the capital improvement plans. The City made the following unbudgeted transfers during 2021:

- Unbudgeted transfers made from the General fund to the Park Improvement fund totaling \$278,018. The transfers consist of \$76,500 for the Comprehensive Park System Plan and \$201,518 for the purchase of land for future parks.

D. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for proprietary activities. These bonds are reported in the proprietary funds as they are expected to be repaid from proprietary fund revenues. In addition, bonds have been issued to refund general obligation bonds.

General Obligation Improvement Bonds

The following bond was issued to finance various improvement projects throughout the City. It will be retired through a combination of transfers from enterprise funds, generated through utility revenues, future tax levies and special assessments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds					
Series 2021A	\$ 190,000	3.00 %	08/12/21	02/01/23	\$ 190,000
G.O. Improvement Bonds					
Series 2015A	265,000	2.00 - 3.00	10/26/15	02/01/26	140,000
G.O. Capital Improvement Bonds					
Series 2017A	6,705,000	3.00 - 3.25	08/10/17	02/01/36	5,555,000
Total General Obligation Improvement Bonds					\$ 5,885,000

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 420,000	\$ 170,081	\$ 590,081
2023	430,000	158,531	588,531
2024	350,000	147,431	497,431
2025	355,000	136,856	491,856
2026	365,000	126,056	491,056
2027 - 2031	1,835,000	468,731	2,303,731
2032 - 2036	2,130,000	169,128	2,299,128
Total	<u>\$ 5,885,000</u>	<u>\$ 1,376,814</u>	<u>\$ 7,261,814</u>

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be retired from net revenues of the enterprise funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
MPFA - Water Revenue Bonds Series 2008	\$ 9,013,468	2.56 %	12/18/07	08/20/27	\$ 3,830,000
G.O. Bonds Series 2015A	690,000	2.00 - 3.10	11/01/15	02/01/31	490,000
G.O. Revenue Bonds Series 2016A	1,930,000	1.00	06/30/16	02/01/37	1,615,000
G.O. Sewer Revenue Bonds Series 2016B	16,010,544	1.00	10/20/16	08/20/46	14,340,000
G.O. Bonds Series 2021A	2,775,000				<u>2,775,000</u>
Total G.O. Revenue Bonds					<u>\$ 23,050,000</u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

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

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2022	\$ 1,450,000	\$ 368,865	\$ 1,818,865
2023	1,513,000	339,871	1,852,871
2024	1,549,000	306,644	1,855,644
2025	1,590,000	271,958	1,861,958
2026	1,634,000	236,710	1,870,710
2027 - 2031	5,164,000	771,285	5,935,285
2032 - 2036	3,390,000	478,940	3,868,940
2037 - 2041	3,239,000	273,620	3,512,620
2042 - 2046	3,521,000	105,230	3,626,230
 Total	 <u>\$ 23,050,000</u>	 <u>\$ 3,153,123</u>	 <u>\$ 26,203,123</u>

Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Water	Sewer
Net Operating Revenues	\$ 1,069,413	\$ 1,236,793
Principal and Interest	912,099	971,371
Percentage of Revenues	85 %	79 %

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

Refunding Bonds

On August 12, 2021 the City issued \$2,965,000 of G.O. Refunding Bonds, Series 2021A. The bonds bear an average coupon rate of 2.639 percent and were used to call \$985,000 of the outstanding principal of the G.O. Sewer Revenue Bonds, Series 2010A, \$1,425,000 of the outstanding principal of the G.O. Crossover Refunding Bonds, Series 2013A, and \$509,191 of the outstanding payments of the 2019 Utility Lease. As a result of the refunding issue, the City will save a combined \$200,475 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of \$191,549.

Changes in Long-term Liabilities

Noncurrent liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 6,295,000	\$ 190,000	\$ (600,000)	\$ 5,885,000	\$ 420,000
Bond Premium	219,580	-	(15,144)	204,436	-
Compensated Absences Payable	298,833	132,651	(152,863)	278,621	138,630
Governmental Activity Long-term Liabilities	<u>\$ 6,813,413</u>	<u>\$ 322,651</u>	<u>\$ (768,007)</u>	<u>\$ 6,368,057</u>	<u>\$ 558,630</u>
Business-type Activities					
General Obligation Revenue Bonds	\$ 24,082,000	\$ 2,775,000	\$ (3,807,000)	\$ 23,050,000	\$ 1,450,000
Lease Purchase	562,970	-	(562,970)	-	-
Compensated Absences Payable	62,058	55,121	(42,040)	75,139	31,439
Business-type Activity Long-term Liabilities	<u>\$ 24,707,028</u>	<u>\$ 2,830,121</u>	<u>\$ (4,412,010)</u>	<u>\$ 23,125,139</u>	<u>\$ 1,481,439</u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 3: Detailed Notes on All Funds (Continued)

E. Fund Balance Classification

At December 31, 2021, a summary of the governmental fund balance classifications are as follows:

	General	Capital Equipment	Other Governmental Funds	Total
Nonspendable				
Inventories	\$ 16,979	\$ -	\$ -	\$ 16,979
Land held for resale	24,600	-	-	24,600
Total Nonspendable	<u>\$ 41,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,579</u>
Restricted for				
Debt service	\$ -	\$ -	\$ 187,771	\$ 187,771
Police expenditures	-	-	1,275	1,275
Park improvements	-	-	420,242	420,242
Capital purchases	-	-	132,853	132,853
Total Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742,141</u>	<u>\$ 742,141</u>
Assigned to				
Capital projects	<u>\$ -</u>	<u>\$ 630,044</u>	<u>\$ 1,268,067</u>	<u>\$ 1,898,111</u>

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

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

General Employees Retirement Plan

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.

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

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 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 3-0 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.

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 2021 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 years ending December 31, 2021, 2020 and 2019 were \$137,060, \$131,311 and \$127,379, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

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

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, 2021, 2020 and 2019 were \$202,676, \$190,524 and \$165,990, respectively. The City's contributions were equal to the required contributions for each year as set by Minnesota statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2021, the City reported a liability of \$1,080,423 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 \$32,902. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021 relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 0.0253 percent which was an increase of 0.0012 percent from its proportion measured as of June 30, 2020.

City's Proportionate Share of the Net Pension Liability	\$ 1,080,423
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>32,902</u>
Total	<u><u>\$ 1,113,325</u></u>

For the year ended December 31, 2021, the City recognized pension expense of \$67,355 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$2,655 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, 2021, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Economic Experience	\$ 6,139	\$ 32,883
Changes in Actuarial Assumptions	659,684	22,556
Net Difference between Projected and Actual Earnings on Plan Investments	-	938,035
Changes in Proportion	63,909	-
Contributions Paid to PERA Subsequent to the Measurement Date	<u>67,688</u>	<u>-</u>
Total	<u><u>\$ 797,420</u></u>	<u><u>\$ 993,474</u></u>

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

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

The \$67,688 reported as deferred outflows of resources related to pensions resulting from the City's contributions to subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (9,563)
2023	11,188
2024	(10,154)
2025	(255,213)

Police and Fire Fund Pension Costs

At December 31, 2021, the City reported a liability of \$732,527 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0949 percent which is an increase of 0.0034 percent from its proportionate share measured as of June 30, 2020.

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. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the 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, 2021, the City recognized negative pension expense of \$15,792 for its proportionate share of the Police and Fire Plan's pension expense. The City also recognized \$5,993 for the year ended December 31, 2021 as pension expense (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.

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 \$8,541 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.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

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

At December 31, 2021, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 138,245	\$ 17,252
Changes in Actuarial Assumptions	1,124,308	379,789
Net Difference between Projected and Actual Earnings on Plan Investments	-	-
Changes in Proportion	178,143	1,397,494
Contributions Paid to PERA Subsequent to the Measurement Date	-	-
	100,922	-
Total	\$ 1,541,618	\$ 1,826,730

The \$100,922 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (406,667)
2023	(52,110)
2024	(44,288)
2025	(118,664)
2026	235,695

E. Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method. 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.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter. 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.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

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

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, 2021 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.

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

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

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

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

F. Discount Rate

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

G. Pension Liability 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:

	<u>1 Percent Decrease (5.50%)</u>	<u>Current (6.50%)</u>	<u>1 Percent Increase (7.50%)</u>
General Employees Fund	\$ 2,203,512	\$ 1,080,423	\$ 158,860
Police and Fire Fund	2,325,651	732,527	(573,439)

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.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 5: Defined Benefit Pension Plan - Fire Relief Association

A. Plan Description

All members of the St. Francis Fire Department (the Department) are covered by a defined benefit plan administered by the St. Francis Fire Relief Association (the Association). As of December 31, 2021, the plan covered 25 active firefighters and 6 vested terminated firefighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

B. Benefits Provided

A fire fighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

C. Contribution

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 \$46,341 in fire state aid to the plan on behalf of the St. Francis Fire Department for the year ended December 31, 2021, which was recorded as a revenue. The City had no statutorily-required contributions had to the plan for the year ended December 31, 2021. The City's voluntary contributions were \$12,000 during the year.

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 5: Defined Benefit Pension Plan - Fire Relief Association (Continued)

D. Pension Costs

At December 31, 2021, the City reported a net pension asset of \$717,315 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2021. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the Department. The following table presents the changes in 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	\$ 404,400	\$ 1,026,982	\$ (622,582)
Changes for the Year			
Service cost	31,555	-	31,555
Interest on pension liability (asset)	26,157	-	26,157
Actuarial experience (gains)/losses	6,061	-	6,061
Projected investment earnings	-	61,619	(61,619)
Contributions (employer)	-	12,000	(12,000)
Contributions (State)	-	46,341	(46,341)
Asset (gain)/loss	-	39,415	(39,415)
Administrative costs	-	(869)	869
Total Net Changes	63,773	158,506	(94,733)
Ending Balance December 31, 2021	\$ 468,173	\$ 1,185,488	\$ (717,315)

For the year ended December 31, 2021, the Fire Department recognized negative pension expense of \$85,990.

December 31, 2021, the City reported deferred inflows and outflows of resources, 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	\$ -	\$ 31,532
Net Difference between Projected and Actual Earnings on Plan Investments	4,849	-
Total	\$ 4,849	\$ 31,532

Other amounts reported as deferred outflows related to the plan will be recognized in pension expense as follows:

2022	\$ (6,671)
2023	(6,671)
2024	(6,671)
2025	(6,670)

City of St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 5: Defined Benefit Pension Plan - Fire Relief Association (Continued)

E. Actuarial Assumptions

The total pension liability at December 31, 2021 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement Eligibility at the later of Age 50 or 20 years of service	
Inflation Rate	3.00%
Investment Rate of Return	6.00%

There were no changes in actuarial assumptions in 2021.

F. Investment Policy

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the governor (who is designated as chair of the Board), state auditor, secretary of state and state attorney general.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in Minnesota statutes, chapter 11a and chapter 353g.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investments policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

G. Asset Allocation

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the Statewide Volunteer Firefighter Retirement Plan (VOLP) that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	35.00 %	5.10 %
Fixed Income	15.00	5.30
Cash	45.00	0.75
Other	<u>5.00</u>	-
Total	<u><u>100.00 %</u></u>	

H. Discount Rate

The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund 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 St. Francis, Minnesota
Notes to the Financial Statements
December 31, 2021

Note 5: Defined Benefit Pension Plan - Fire Relief Association (Continued)

I. Pension Liability Sensitivity

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

	1 Percent Decrease (5.00%)	Current (6.00%)	1 Percent Increase (7.00%)
Defined Benefit Plan	\$ (697,463)	\$ (717,315)	\$ (736,402)

J. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the St. Francis Fire Department Relief Association, 3740 Bridge Street NW, St. Francis MN, 55070.

Note 6: Public Employees Defined Contribution Plan (Defined Contribution Plan)

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

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.

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 120	\$ 120	5.00%	5.00%	5.00%

Note 7: Other Information

A. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increment. The City has no debt subject to the limit.

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

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

C. Tax Increment Financing Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Note 8: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the City cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City's financial condition, liquidity, and future results of its revenue collections is uncertain.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

City of St. Francis, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2021

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
6/30/21	0.0253 %	\$ 1,080,423	\$ 32,902	\$ 1,113,325	\$ 1,818,227	59.4 %	87.0 %
6/30/20	0.0241	1,444,905	44,658	1,489,563	1,720,328	84.0	79.0
6/30/19	0.0234	1,293,734	40,165	1,333,899	1,655,440	78.2	80.2
6/30/18	0.0230	1,275,946	41,934	1,317,880	1,548,473	82.4	79.5
6/30/17	0.0229	1,461,921	18,392	1,480,313	1,476,032	99.0	75.9
6/30/16	0.0224	1,818,769	23,762	1,842,531	1,392,886	130.6	68.9
6/30/15	0.0186	963,949	-	963,949	1,095,456	88.0	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)
12/31/21	\$ 137,060	\$ 137,060	\$ -	\$ 1,827,467	7.5 %
12/31/20	131,311	131,311	-	1,750,813	7.5
12/31/19	127,379	127,379	-	1,698,387	7.5
12/31/18	123,228	123,228	-	1,643,040	7.5
12/31/17	110,789	110,789	-	1,477,187	7.5
12/31/16	107,200	107,200	-	1,429,333	7.5
12/31/15	93,328	93,328	-	1,244,373	7.5

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

City of St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

Notes to the Required Supplementary Information - General Employees Fund

Changes in Actuarial Assumptions

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 St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

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

Changes in Plan Provisions

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 St. Francis, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2021

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
06/30/21	0.0949 %	\$ 732,527	\$ 32,910	\$ 765,437	\$ 1,121,017	65.3 %	93.7 %
06/30/20	0.0915	1,206,068	28,426	1,234,494	1,032,550	116.8	87.2
06/30/19	0.0849	903,846	-	903,846	893,836	101.1	89.3
06/30/18	0.0768	818,609	-	818,609	809,466	101.1	88.8
06/30/17	0.0760	1,026,090	-	1,026,090	776,950	132.1	85.4
06/30/16	0.0870	3,491,461	-	3,491,461	838,998	416.1	63.9
06/30/15	0.0870	988,524	-	988,524	796,699	124.1	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 Covered Payroll (b/c)
12/31/21	\$ 202,676	\$ 202,676	\$ -	\$ 1,145,062	17.70 %
12/31/20	190,524	190,524	-	1,076,407	17.70
12/31/19	165,990	165,990	-	1,024,627	16.20
12/31/18	134,584	134,584	-	830,765	16.20
12/31/17	128,689	128,689	-	794,377	16.20
12/31/16	127,740	127,740	-	788,519	16.20
12/31/15	137,113	137,113	-	846,377	16.20

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

City of St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

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.

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 St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

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

Changes in Plan Provisions

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.

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.

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

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 St. Francis, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2021

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

	2021 (Fire Relief Report Date 2021)	2020 (Fire Relief Report Date 2020)	2019 (Fire Relief Report Date 2019)	2018 (Fire Relief Report Date 2018)	2017 (Fire Relief Report Date 2017)*	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
Total Pension Liability							
Service cost	\$ 31,555	\$ 25,017	\$ 29,845	\$ 29,053	\$ 23,782	\$ 16,867	\$ 16,456
Interest	26,157	22,434	26,142	25,889	26,773	14,927	18,114
Changes of benefit terms	-	-	-	(4,837)	(24,359)	-	-
Plan changes	-	-	-	-	-	85,421	-
Actual experience (gains)/losses	6,061	51,352	-	-	-	85,421	-
Changes of assumptions	-	-	(69,168)	(17,091)	-	-	-
Benefit payments, including refunds of employee contributions	-	(86,564)	(1,000)	-	-	(17,815)	(115,925)
Net Change in Total Pension Liability	63,773	12,239	(14,181)	33,014	26,196	99,400	(81,355)
Total Pension Liability - January 1	404,400	392,161	406,342	373,328	347,132	247,732	329,087
Total Pension Liability - December 31 (a)	\$ 468,173	\$ 404,400	\$ 392,161	\$ 406,342	\$ 373,328	\$ 347,132	\$ 247,732
Plan Fiduciary Net Position							
Contributions - employer	\$ 46,341	\$ 42,022	\$ 41,643	\$ 11,500	\$ 9,000	\$ 36,251	\$ 35,927
Contributions - employee	12,000	10,500	10,500	-	-	-	-
Net investment income	61,619	129,714	138,248	47,002	90,515	(18,720)	37,617
Benefit payments, including refunds of employee contributions	-	(86,564)	(1,000)	-	-	(17,815)	(115,925)
Asset (gains)/losses	39,415	-	-	-	-	-	-
Administrative expense	(869)	(952)	(977)	(6,743)	(819)	(5,600)	(5,584)
Net Change in Plan Fiduciary Net Position	158,506	94,720	188,414	51,759	98,696	(5,884)	(47,965)
Plan Fiduciary Net Position - January 1	1,026,982	932,262	743,848	710,834	685,791	623,519	671,484
Change in pension plan and measurement date*	-	-	-	(1,654)	(75,307)	-	-
Plan Fiduciary Net Position - December 31 (b)	\$ 1,185,488	\$ 1,026,982	\$ 932,262	\$ 760,939	\$ 709,180	\$ 617,635	\$ 623,519
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	\$ (717,315)	\$ (622,582)	\$ (540,101)	\$ (354,597)	\$ (335,852)	\$ (270,503)	\$ (375,787)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	253.22%	253.95%	237.72%	187.27%	189.96%	177.93%	251.69%
Covered-employee Payroll	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-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/21	\$ -	\$ 12,000	\$ (12,000)
12/31/20	-	10,500	(10,500)
12/31/19	-	10,500	(10,500)
12/31/18	-	11,500	(11,500)
12/31/17	-	9,000	(9,000)
12/31/16	35,592	35,592	-
12/31/15	37,251	37,251	-

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

City of St. Francis, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2021

	Special Revenue			
	Police Forfeiture	Capital Projects	Debt Service	Total
Assets				
Cash and temporary investments	\$ 13,283	\$ 1,950,222	\$ 179,885	\$ 2,143,390
Receivables				
Accrued interest	-	3,628	192	3,820
Taxes	-	-	2,400	2,400
Accounts	-	4,251	-	4,251
Special assessments	-	193,768	42,944	236,712
Due from other governments	-	590,522	7,694	598,216
Total Assets	\$ 13,283	\$ 2,742,391	\$ 233,115	\$ 2,988,789
Liabilities				
Accounts payable	\$ 12,008	\$ 16,530	\$ -	\$ 28,538
Contracts payable	-	120,484	-	120,484
Total Liabilities	12,008	137,014	-	149,022
Deferred Inflows of Resources				
Unavailable revenues - taxes	-	-	2,400	2,400
Unavailable revenues - special assessments	-	193,769	42,944	236,713
Unavailable revenues - intergovernmental	-	590,446	-	590,446
Total Deferred Inflows of Resources	-	784,215	45,344	829,559
Fund Balances				
Restricted	1,275	553,095	187,771	742,141
Assigned	-	1,268,067	-	1,268,067
Total Fund Balances	1,275	1,821,162	187,771	2,010,208
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,283	\$ 2,742,391	\$ 233,115	\$ 2,988,789

City of St. Francis, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2021

	Special Revenue			Total
	Police Forfeiture	Capital Projects	Debt Service	
Revenues				
Taxes	\$ -	\$ 486,000	\$ 371,390	\$ 857,390
Intergovernmental	-	144,995	-	144,995
Charges for services	-	65,942	-	65,942
Special assessments	-	44,638	30,873	75,511
Interest on investments (loss)	-	(6,892)	(769)	(7,661)
Miscellaneous	8,210	47,490	2,536	58,236
Total Revenues	<u>8,210</u>	<u>782,173</u>	<u>404,030</u>	<u>1,194,413</u>
Expenditures				
Current				
Public safety	23,898	-	-	23,898
Culture and recreation	-	28,274	-	28,274
Capital outlay				
Public works	-	503,746	-	503,746
Culture and recreation	-	216,933	-	216,933
Debt service				
Principal	-	-	410,000	410,000
Interest and other charges	-	-	182,890	182,890
Total Expenditures	<u>23,898</u>	<u>748,953</u>	<u>592,890</u>	<u>1,365,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,688)</u>	<u>33,220</u>	<u>(188,860)</u>	<u>(171,328)</u>
Other Financing Sources (Uses)				
Transfers in	-	278,018	204,880	482,898
Bonds issued	-	-	190,000	190,000
Payment on refunding bonds	-	-	(190,000)	(190,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>278,018</u>	<u>204,880</u>	<u>482,898</u>
Net Change in Fund Balances	(15,688)	311,238	16,020	311,570
Fund Balances, January 1	<u>16,963</u>	<u>1,509,924</u>	<u>171,751</u>	<u>1,698,638</u>
Fund Balances, December 31	<u>\$ 1,275</u>	<u>\$ 1,821,162</u>	<u>\$ 187,771</u>	<u>\$ 2,010,208</u>

City of St. Francis, Minnesota
Police Forfeiture Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2021
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Miscellaneous	\$ -	\$ -	\$ 8,210	\$ 8,210	\$ 8,420
Expenditures					
Current					
Public safety	17,230	17,230	23,898	(6,668)	4,783
Net Change in Fund Balances	(17,230)	(17,230)	(15,688)	1,542	3,637
Fund Balances, January 1	16,963	16,963	16,963	-	13,326
Fund Balances, December 31	<u>\$ (267)</u>	<u>\$ (267)</u>	<u>\$ 1,275</u>	<u>\$ 1,542</u>	<u>\$ 16,963</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

Charitable Gambling - accounts for accumulation of resources to finance future police and fire capital expenditures.

Park Improvements - for the development of new City parks and improvement of existing parks. Revenue is primarily from park development fees.

Street Improvement - accounts for the accumulation of resources for future street improvement capital outlay.

Building Improvement - accounts for the accumulation of resources for future building improvement capital outlay.

City of St. Francis, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2021

	210 Charitable Gambling	225 Park Improvements	404 Building Improvement	405 Street Improvement	Total
Assets					
Cash and temporary investments	\$ 128,370	\$ 448,614	\$ 306,512	\$ 1,066,726	\$ 1,950,222
Accrued interest receivable	232	836	554	2,006	3,628
Accounts	4,251	-	-	-	4,251
Special assessments	-	-	-	193,768	193,768
Due from other governments	-	-	-	590,522	590,522
Total Assets	\$ 132,853	\$ 449,450	\$ 307,066	\$ 1,853,022	\$ 2,742,391
Liabilities					
Accounts payable	\$ -	\$ 3,933	\$ -	\$ 12,597	\$ 16,530
Contracts payable	-	-	-	120,484	120,484
Total Liabilities	-	3,933	-	133,081	137,014
Deferred Inflows of Resources					
Unavailable revenues - special assessments	-	-	-	193,769	193,769
Unavailable revenues - intergovernmental	-	-	-	590,446	590,446
Total Deferred Inflows of Resources	-	-	-	784,215	784,215
Fund Balances					
Restricted for					
Park improvements	-	420,242	-	-	420,242
Capital purchases	132,853	-	-	-	132,853
Assigned for					
Capital projects	-	25,275	307,066	935,726	1,268,067
Total Fund Balances	132,853	445,517	307,066	935,726	1,821,162
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 132,853	\$ 449,450	\$ 307,066	\$ 1,853,022	\$ 2,742,391

City of St. Francis, Minnesota
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2021

	210 Charitable Gambling	225 Park Improvements	404 Building Improvement	405 Street Improvement	Total
Revenues					
Property taxes	\$ -	\$ -	\$ 246,000	\$ 240,000	\$ 486,000
Intergovernmental	-	-	-	144,995	144,995
Charges for services	-	65,942	-	-	65,942
Special assessments	-	-	-	44,638	44,638
Interest on investments (loss)	(150)	(1,127)	579	(6,194)	(6,892)
Miscellaneous	47,340	150	-	-	47,490
Total Revenues	<u>47,190</u>	<u>64,965</u>	<u>246,579</u>	<u>423,439</u>	<u>782,173</u>
Expenditures					
Culture and recreation	-	28,274	-	-	28,274
Capital outlay					
Public works	-	-	16,072	487,674	503,746
Culture and recreation	-	216,933	-	-	216,933
Total Expenditures	<u>-</u>	<u>245,207</u>	<u>16,072</u>	<u>487,674</u>	<u>748,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,190	(180,242)	230,507	(64,235)	33,220
Other Financing Sources (Uses)					
Transfers in	-	278,018	-	-	278,018
Net Change in Fund Balances	47,190	97,776	230,507	(64,235)	311,238
Fund Balances, January 1	<u>85,663</u>	<u>347,741</u>	<u>76,559</u>	<u>999,961</u>	<u>1,509,924</u>
Fund Balances, December 31	<u>\$ 132,853</u>	<u>\$ 445,517</u>	<u>\$ 307,066</u>	<u>\$ 935,726</u>	<u>\$ 1,821,162</u>

City of St. Francis, Minnesota
Capital Equipment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property tax	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 240,000
Interest on investments (loss)	15,000	15,000	(8,154)	(23,154)	20,000
Miscellaneous	-	-	6,000	6,000	174
Total Revenues	<u>265,000</u>	<u>265,000</u>	<u>247,846</u>	<u>(17,154)</u>	<u>260,174</u>
Expenditures					
Capital outlay					
General government	58,931	58,931	13,449	45,482	3,425
Public safety	750,600	750,600	643,614	106,986	102,959
Public works	-	112,625	60,190	52,435	54,339
Total Expenditures	<u>809,531</u>	<u>922,156</u>	<u>717,253</u>	<u>204,903</u>	<u>160,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(544,531)</u>	<u>(657,156)</u>	<u>(469,407)</u>	<u>187,749</u>	<u>99,451</u>
Other Financing Sources (Uses)					
Transfers in	20,000	20,000	20,000	-	20,000
Sale of capital assets	-	-	-	-	1,237
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>21,237</u>
Net Change in Fund Balances	(524,531)	(637,156)	(449,407)	187,749	120,688
Fund Balances, January 1	<u>1,079,451</u>	<u>1,079,451</u>	<u>1,079,451</u>	<u>-</u>	<u>958,763</u>
Fund Balances, December 31	<u>\$ 554,920</u>	<u>\$ 442,295</u>	<u>\$ 630,044</u>	<u>\$ 187,749</u>	<u>\$ 1,079,451</u>

City of St. Francis, Minnesota
 Charitable Gambling Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2021
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Charges for services	\$ 20,000	\$ 20,000	\$ 47,340	\$ 27,340	\$ 28,451
Investment earnings (loss)	800	800	(150)	(950)	1,827
Total Revenues	<u>20,800</u>	<u>20,800</u>	<u>47,190</u>	<u>26,390</u>	<u>30,278</u>
Expenditures					
Capital outlay					
Public safety	-	-	-	-	25,740
Net Change in Fund Balances	20,800	20,800	47,190	26,390	4,538
Fund Balances, January 1	<u>85,663</u>	<u>85,663</u>	<u>85,663</u>	<u>-</u>	<u>81,125</u>
Fund Balances, December 31	<u>\$ 106,463</u>	<u>\$ 106,463</u>	<u>\$ 132,853</u>	<u>\$ 26,390</u>	<u>\$ 85,663</u>

City of St. Francis, Minnesota
Park Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Charges for services	\$ 1,000	\$ 1,000	\$ 65,942	\$ 64,942	\$ 30,465
Interest on investments (loss)	700	700	(1,127)	(1,827)	6,661
Miscellaneous	-	-	150	150	-
Total Revenues	<u>1,700</u>	<u>1,700</u>	<u>64,965</u>	<u>63,265</u>	<u>37,126</u>
Expenditures					
Current					
Culture and recreation	-	-	28,274	(28,274)	-
Capital outlay					
Culture and recreation	-	-	216,933	(216,933)	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>245,207</u>	<u>(245,207)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,700	1,700	(180,242)	(181,942)	37,126
Other Financing Sources (Uses)					
Transfers in	-	-	278,018	278,018	-
Net Change in Fund Balances	1,700	1,700	97,776	96,076	37,126
Fund Balances, January 1	<u>347,741</u>	<u>347,741</u>	<u>347,741</u>	<u>-</u>	<u>310,615</u>
Fund Balances, December 31	<u>\$ 349,441</u>	<u>\$ 349,441</u>	<u>\$ 445,517</u>	<u>\$ 96,076</u>	<u>\$ 347,741</u>

City of St. Francis, Minnesota
 Building Improvement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2021
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property tax	\$ 246,000	\$ 246,000	\$ 246,000	\$ -	\$ 60,000
Interest on investments	-	-	579	579	1,356
Total Revenues	<u>246,000</u>	<u>246,000</u>	<u>246,579</u>	<u>579</u>	<u>61,356</u>
Expenditures					
Capital outlay					
Public works	-	-	16,072	(16,072)	665
Net Change in Fund Balances	246,000	246,000	230,507	(15,493)	60,691
Fund Balances, January 1	<u>76,559</u>	<u>76,559</u>	<u>76,559</u>	<u>-</u>	<u>15,868</u>
Fund Balances, December 31	<u><u>\$ 322,559</u></u>	<u><u>\$ 322,559</u></u>	<u><u>\$ 307,066</u></u>	<u><u>\$ (15,493)</u></u>	<u><u>\$ 76,559</u></u>

City of St. Francis, Minnesota
Street Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property tax	\$ 240,000	\$ 240,000	\$ 240,000	\$ -	\$ 180,000
Intergovernmental	107,580	107,580	144,995	37,415	1,919,125
Special assessments	-	-	44,638	44,638	45,397
Interest on investments (loss)	2,000	2,000	(6,194)	(8,194)	25,196
Miscellaneous	39,000	39,000	-	(39,000)	2,780
Total Revenues	<u>388,580</u>	<u>388,580</u>	<u>423,439</u>	<u>34,859</u>	<u>2,172,498</u>
Expenditures					
Capital outlay					
Public works	<u>362,863</u>	<u>362,863</u>	<u>487,674</u>	<u>(124,811)</u>	<u>3,161,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,717	25,717	(64,235)	(89,952)	(989,302)
Other Financing Sources (Uses)					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>861,800</u>
Net Change in Fund Balances	25,717	25,717	(64,235)	(89,952)	(127,502)
Fund Balances, January 1	<u>999,961</u>	<u>999,961</u>	<u>999,961</u>	<u>-</u>	<u>1,127,463</u>
Fund Balances, December 31	<u>\$ 1,025,678</u>	<u>\$ 1,025,678</u>	<u>\$ 935,726</u>	<u>\$ (89,952)</u>	<u>\$ 999,961</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 3,136,729	\$ 3,136,729	\$ 3,177,442	\$ 40,713	\$ 3,149,362
Franchise fees	32,880	32,880	29,471	(3,409)	30,770
Total taxes	<u>3,169,609</u>	<u>3,169,609</u>	<u>3,206,913</u>	<u>37,304</u>	<u>3,180,132</u>
Licenses and permits					
Business	25,560	25,560	25,540	(20)	20,095
Nonbusiness	218,910	218,910	189,490	(29,420)	244,803
Total licenses and permits	<u>244,470</u>	<u>244,470</u>	<u>215,030</u>	<u>(29,440)</u>	<u>264,898</u>
Intergovernmental					
Federal					
Other	-	-	-	-	593,079
State					
Local government aid	510,060	510,060	510,060	-	480,224
Property tax credits	-	-	4,622	4,622	4,953
Police and fire aid	112,470	112,470	138,294	25,824	132,390
Other	1,971	1,971	-	(1,971)	-
County			3,416	3,416	21,204
Local			-	-	7,472
Total intergovernmental	<u>624,501</u>	<u>624,501</u>	<u>656,392</u>	<u>31,891</u>	<u>1,239,322</u>
Charges for services					
General government	325,250	325,250	305,614	(19,636)	313,903
Public safety	75,630	75,630	120,530	44,900	52,240
Public works	3,030	3,030	2,196	(834)	1,061
Community development	5,000	5,000	5,225	225	6,895
Total charges for services	<u>408,910</u>	<u>408,910</u>	<u>433,565</u>	<u>24,655</u>	<u>374,099</u>
Fines and forfeitures	<u>23,130</u>	<u>23,130</u>	<u>24,163</u>	<u>1,033</u>	<u>38,158</u>
Interest on investments	<u>25,000</u>	<u>25,000</u>	<u>(25,229)</u>	<u>(50,229)</u>	<u>61,504</u>
Miscellaneous					
Rents and leases	55,500	55,500	60,587	5,087	56,358
Recycling and landfill abatement	40,000	40,000	38,636	(1,364)	29,565
Donations and other	51,950	51,950	58,871	6,921	70,463
Total miscellaneous	<u>147,450</u>	<u>147,450</u>	<u>158,094</u>	<u>10,644</u>	<u>156,386</u>
Total Revenues	<u>4,643,070</u>	<u>4,643,070</u>	<u>4,668,928</u>	<u>25,858</u>	<u>5,314,499</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personal services	\$ 29,580	\$ 29,580	\$ 27,070	\$ 2,510	\$ 27,070
Other services and charges	12,880	12,880	10,800	2,080	8,261
Total mayor and city council	<u>42,460</u>	<u>42,460</u>	<u>37,870</u>	<u>4,590</u>	<u>35,331</u>
City administration					
Personal services	382,300	382,300	381,204	1,096	360,598
Supplies	10,100	10,100	11,213	(1,113)	9,159
Other services and charges	56,710	56,710	75,292	(18,582)	59,780
Total city administration	<u>449,110</u>	<u>449,110</u>	<u>467,709</u>	<u>(18,599)</u>	<u>429,537</u>
Elections					
Personal services	-	-	8	(8)	6,011
Supplies	-	-	-	-	129
Other services and charges	100	100	70	30	1,723
Total elections	<u>100</u>	<u>100</u>	<u>78</u>	<u>22</u>	<u>7,863</u>
Financial administration					
Personal services	248,200	248,200	226,757	21,443	237,781
Supplies	1,300	1,300	2,234	(934)	1,999
Other services and charges	4,550	4,550	4,791	(241)	4,088
Total financial administration	<u>254,050</u>	<u>254,050</u>	<u>233,782</u>	<u>20,268</u>	<u>243,868</u>
Assessor					
Other services and charges	35,000	35,000	35,422	(422)	33,794
Legal and accounting					
Other services and charges	205,100	205,100	173,366	31,734	176,817
Municipal building					
Supplies	1,000	1,000	2,909	(1,909)	1,706
Other services and charges	16,200	16,200	17,978	(1,778)	11,513
Rent for offices	3,000	3,000	4,305	(1,305)	2,599
Total municipal building	<u>20,200</u>	<u>20,200</u>	<u>25,192</u>	<u>(4,992)</u>	<u>15,818</u>
Total general government	<u>1,006,020</u>	<u>1,006,020</u>	<u>973,419</u>	<u>32,601</u>	<u>943,028</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Expenditures (Continued)					
Current (continued)					
Public safety					
Police					
Personal services	\$ 1,639,000	\$ 1,639,000	\$ 1,650,814	\$ (11,814)	\$ 1,436,012
Supplies	81,800	81,800	89,505	(7,705)	83,509
Other services and charges	193,000	193,000	211,505	(18,505)	187,178
Total police	<u>1,913,800</u>	<u>1,913,800</u>	<u>1,951,824</u>	<u>(38,024)</u>	<u>1,706,699</u>
Fire					
Personal services	233,200	233,200	284,205	(51,005)	210,380
Supplies	47,700	47,700	70,505	(22,805)	51,389
Other services and charges	69,600	69,600	71,366	(1,766)	69,909
Total fire	<u>350,500</u>	<u>350,500</u>	<u>426,076</u>	<u>(75,576)</u>	<u>331,678</u>
Pandemic					
Other services and charges	-	-	-	-	593,079
Animal control					
Other services and charges	2,000	2,000	75	1,925	330
Total public safety	<u>2,266,300</u>	<u>2,266,300</u>	<u>2,377,975</u>	<u>(111,675)</u>	<u>2,631,786</u>
Public works					
Streets and highways					
Personal services	304,000	304,000	319,829	(15,829)	284,324
Supplies	52,650	52,650	45,935	6,715	41,161
Other services and charges	160,000	160,000	141,577	18,423	177,604
Total streets and highways	<u>516,650</u>	<u>516,650</u>	<u>507,341</u>	<u>9,309</u>	<u>503,089</u>
Recycling					
Personal services	39,000	39,000	41,816	(2,816)	37,123
Supplies	4,550	4,550	3,162	1,388	4,748
Other services and charges	30,250	30,250	23,139	7,111	20,516
Total recycling	<u>73,800</u>	<u>73,800</u>	<u>68,117</u>	<u>5,683</u>	<u>62,387</u>
Miscellaneous					
Other services and charges	7,500	7,500	8,701	(1,201)	9,818
Total public works	<u>597,950</u>	<u>597,950</u>	<u>584,159</u>	<u>13,791</u>	<u>575,294</u>

City of St. Francis, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation					
Parks and recreation					
Personal services	\$ 175,500	\$ 175,500	\$ 176,221	\$ (721)	\$ 154,450
Supplies	58,250	58,250	32,838	25,412	39,231
Other services and charges	108,850	108,850	88,445	20,405	100,353
Total parks and recreation	<u>342,600</u>	<u>342,600</u>	<u>297,504</u>	<u>45,096</u>	<u>294,034</u>
Pioneer days					
Other services and charges	10,000	10,000	-	10,000	-
Total culture and recreation	<u>352,600</u>	<u>352,600</u>	<u>297,504</u>	<u>55,096</u>	<u>294,034</u>
Community development					
Planning and zoning					
Personal services	229,350	229,350	230,490	(1,140)	220,352
Supplies	1,450	1,450	1,104	346	943
Other services and charges	69,500	69,500	77,630	(8,130)	89,125
Total planning and zoning	<u>300,300</u>	<u>300,300</u>	<u>309,224</u>	<u>(8,924)</u>	<u>310,420</u>
Building inspection					
Personal services	128,300	128,300	121,344	6,956	117,370
Supplies	5,800	5,800	2,134	3,666	2,989
Other services and charges	42,300	42,300	30,237	12,063	45,562
Total building inspection	<u>176,400</u>	<u>176,400</u>	<u>153,715</u>	<u>22,685</u>	<u>165,921</u>
Total community development	<u>476,700</u>	<u>476,700</u>	<u>462,939</u>	<u>13,761</u>	<u>476,341</u>
Total current	<u>4,699,570</u>	<u>4,699,570</u>	<u>4,695,996</u>	<u>3,574</u>	<u>4,920,483</u>
Capital outlay					
General government	2,500	2,500	1,337	1,163	1,484
Community development	1,000	1,000	44,981	(43,981)	11,379
Total capital outlay	<u>3,500</u>	<u>3,500</u>	<u>46,318</u>	<u>(42,818)</u>	<u>12,863</u>
Total Expenditures	<u>4,703,070</u>	<u>4,703,070</u>	<u>4,742,314</u>	<u>(39,244)</u>	<u>4,933,346</u>

City of St. Francis, Minnesota
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual (Continued)
 For the Year Ended December 31, 2021
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (60,000)	\$ (60,000)	\$ (73,386)	\$ (13,386)	\$ 381,153
Other Financing Sources (Uses)					
Transfers in	60,000	60,000	60,000	-	60,000
Sale of capital assets	-	-	7,026	7,026	17,872
Transfers out	-	-	(278,018)	(278,018)	(187,000)
Total Other Financing Sources (Uses)	60,000	60,000	(210,992)	(270,992)	(109,128)
Net Change in Fund Balances	-	-	(284,378)	(284,378)	272,025
Fund Balances, January 1	3,506,625	3,506,625	3,506,625	-	3,234,600
Fund Balances, December 31	<u>\$ 3,506,625</u>	<u>\$ 3,506,625</u>	<u>\$ 3,222,247</u>	<u>\$ (284,378)</u>	<u>\$ 3,506,625</u>

City of St. Francis, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2021

	311 G.O. Bonds 2021A	327 G.O. Bonds 2015A	330 G.O. Bonds 2017A	Total
Assets				
Cash and temporary investments	\$ 23,538	\$ 84,923	\$ 71,424	\$ 179,885
Receivables				
Accrued interest	38	154	-	192
Taxes	-	-	2,400	2,400
Special assessments	18,646	24,298	-	42,944
Due from other governments	2,274	322	5,098	7,694
Total Assets	<u>\$ 44,496</u>	<u>\$ 109,697</u>	<u>\$ 78,922</u>	<u>\$ 233,115</u>
Deferred Inflows of Resources				
Unavailable revenues - taxes	\$ -	\$ -	\$ 2,400	\$ 2,400
Unavailable revenues - special assessments	18,646	24,298	-	42,944
Total Deferred Inflows of Resources	<u>18,646</u>	<u>24,298</u>	<u>2,400</u>	<u>45,344</u>
Fund Balances				
Restricted for debt service	<u>25,850</u>	<u>85,399</u>	<u>76,522</u>	<u>187,771</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 44,496</u>	<u>\$ 109,697</u>	<u>\$ 78,922</u>	<u>\$ 233,115</u>

City of St. Francis, Minnesota
Debt Service Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2021

	311 G.O. Bonds 2021A	327 G.O. Bonds 2015A	330 G.O Bonds 2017A	Total
Revenues				
Taxes	\$ 21,157	\$ 20,778	\$ 329,455	\$ 371,390
Special assessments	22,026	8,847	-	30,873
Interest on investments (loss)	(273)	(496)	-	(769)
Miscellaneous	2,536	-	-	2,536
Total Revenues	<u>45,446</u>	<u>29,129</u>	<u>329,455</u>	<u>404,030</u>
Expenditures				
Debt service				
Principal	95,000	25,000	290,000	410,000
Interest and other charges	5,359	4,425	173,106	182,890
Total Expenditures	<u>100,359</u>	<u>29,425</u>	<u>463,106</u>	<u>592,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54,913)</u>	<u>(296)</u>	<u>(133,651)</u>	<u>(188,860)</u>
Other Financing Sources (Uses)				
Transfers in	39,880	-	165,000	204,880
Bonds issued	190,000	-	-	190,000
Payment on refunding bonds	(190,000)	-	-	(190,000)
Total Other Financing Sources (Uses)	<u>39,880</u>	<u>-</u>	<u>165,000</u>	<u>204,880</u>
Net Change in Fund Balances	(15,033)	(296)	31,349	16,020
Fund Balances, January 1	<u>40,883</u>	<u>85,695</u>	<u>45,173</u>	<u>171,751</u>
Fund Balances, December 31	<u>\$ 25,850</u>	<u>\$ 85,399</u>	<u>\$ 76,522</u>	<u>\$ 187,771</u>

City of St. Francis, Minnesota
Debt Service Fund G.O. Bonds 2021A
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 20,900	\$ 20,900	\$ 21,157	\$ 257	\$ 21,019
Special assessments	16,000	16,000	22,026	6,026	31,888
Investment earnings	100	100	(273)	(373)	-
Miscellaneous	-	-	2,536	2,536	-
Total Revenues	<u>37,000</u>	<u>37,000</u>	<u>45,446</u>	<u>8,446</u>	<u>52,907</u>
Expenditures					
Debt service					
Principal	95,000	95,000	95,000	-	95,000
Interest and other charges	5,106	5,106	5,359	(253)	6,735
Total Expenditures	<u>100,106</u>	<u>100,106</u>	<u>100,359</u>	<u>(253)</u>	<u>101,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(63,106)</u>	<u>(63,106)</u>	<u>(54,913)</u>	<u>8,193</u>	<u>(48,828)</u>
Other Financing Sources (Uses)					
Transfers in	39,880	39,880	39,880	-	39,880
Bonds issued	-	-	190,000	190,000	-
Payment on refunding bonds	-	-	(190,000)	(190,000)	-
Total Other Financing Sources (Uses)	<u>39,880</u>	<u>39,880</u>	<u>39,880</u>	<u>-</u>	<u>39,880</u>
Net Change in Fund Balances	(23,226)	(23,226)	(15,033)	8,193	(8,948)
Fund Balances, January 1	<u>40,883</u>	<u>40,883</u>	<u>40,883</u>	<u>-</u>	<u>49,831</u>
Fund Balances, December 31	<u>\$ 17,657</u>	<u>\$ 17,657</u>	<u>\$ 25,850</u>	<u>\$ 8,193</u>	<u>\$ 40,883</u>

City of St. Francis, Minnesota
 Debt Service Fund G.O. Bonds 2015A
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 For the Year Ended December 31, 2021
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 20,470	\$ 20,470	\$ 20,778	\$ 308	\$ 20,635
Special assessments	8,000	8,000	8,847	847	9,159
Investment earnings	100	100	(496)	(596)	1,364
Total Revenues	<u>28,570</u>	<u>28,570</u>	<u>29,129</u>	<u>559</u>	<u>31,158</u>
Expenditures					
Debt service					
Principal	25,000	25,000	25,000	-	25,000
Interest and other charges	4,525	4,525	4,425	100	5,013
Total Expenditures	<u>29,525</u>	<u>29,525</u>	<u>29,425</u>	<u>100</u>	<u>30,013</u>
Net Change in Fund Balances	(955)	(955)	(296)	659	1,145
Fund Balances, January 1	<u>85,695</u>	<u>85,695</u>	<u>85,695</u>	<u>-</u>	<u>84,550</u>
Fund Balances, December 31	<u>\$ 84,740</u>	<u>\$ 84,740</u>	<u>\$ 85,399</u>	<u>\$ 659</u>	<u>\$ 85,695</u>

City of St. Francis, Minnesota
Debt Service Fund G.O. Bonds 2017A
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budget Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 327,220	\$ 327,220	\$ 329,455	\$ 2,235	\$ 327,549
Investment earnings	1,000	1,000	-	(1,000)	-
Total Revenues	<u>328,220</u>	<u>328,220</u>	<u>329,455</u>	<u>1,235</u>	<u>327,549</u>
Expenditures					
Debt service					
Principal	290,000	290,000	290,000	-	285,000
Interest and other charges	173,106	173,106	173,106	-	181,732
Total Expenditures	<u>463,106</u>	<u>463,106</u>	<u>463,106</u>	<u>-</u>	<u>466,732</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(134,886)	(134,886)	(133,651)	1,235	(139,183)
Other Financing Sources (Uses)					
Transfers in	165,000	165,000	165,000	-	165,000
Net Change in Fund Balances	30,114	30,114	31,349	1,235	25,817
Fund Balances, January 1	<u>45,173</u>	<u>45,173</u>	<u>45,173</u>	<u>-</u>	<u>19,356</u>
Fund Balances, December 31	<u>\$ 75,287</u>	<u>\$ 75,287</u>	<u>\$ 76,522</u>	<u>\$ 1,235</u>	<u>\$ 45,173</u>

City of St. Francis, Minnesota
 Economic Development Authority (EDA)
 (Discretely Presented Component Unit)
 Balance Sheet
 December 31, 2021

	240
	<u>EDA</u>
Assets	
Cash and temporary investments	\$ 41,870
Accrued interest	<u>76</u>
Total Assets	<u><u>\$ 41,946</u></u>
Fund Balances	
Restricted for	
Economic development projects	<u><u>\$ 41,946</u></u>

City of St. Francis, Minnesota
 Economic Development Authority (EDA)
 (Discretely Presented Component Unit)
 Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2021

	240
	<u>EDA</u>
Revenues	
Interest on investments	\$ (606)
Expenditures	
Current	
Economic development	<u>28,050</u>
Net Change in Fund Balances	(28,656)
Fund Balances, January 1	<u>70,602</u>
Fund Balances, December 31	<u><u>\$ 41,946</u></u>

City of St. Francis, Minnesota
 Summary Financial Report
 Governmental Funds
 Revenues and Expenditures For General Operations
 For the Years Ended December 31, 2021 and 2020

	Total		Percent Increase (Decrease)
	2021	2020	
Revenues			
Taxes	\$ 4,314,303	\$ 3,998,565	7.90 %
Licenses and permits	215,030	264,898	(18.83)
Intergovernmental	801,387	3,158,447	(74.63)
Charges for services	499,507	433,015	15.36
Fines and forfeits	24,163	38,158	(36.68)
Special assessments	75,511	86,444	(12.65)
Interest on investments	(41,044)	120,007	(134.20)
Miscellaneous	222,330	198,530	11.99
	<u>\$ 6,111,187</u>	<u>\$ 8,298,064</u>	(26.35) %
Total Revenues	<u>\$ 6,111,187</u>	<u>\$ 8,298,064</u>	(26.35) %
Per Capita	\$ 751	\$ 1,031	(27.23) %
Expenditures			
Current			
General government	\$ 973,419	\$ 943,028	3.22 %
Public safety	2,401,873	2,636,569	(8.90)
Public works	584,159	575,294	1.54
Culture and recreation	325,778	294,034	10.80
Community development	462,939	840,471	(44.92)
Capital outlay			
General government	14,786	4,909	201.20
Public safety	643,614	128,699	400.09
Public works	563,936	3,216,804	(82.47)
Culture and recreation	216,933	-	100.00
Community development	44,981	11,379	295.30
Debt service			
Principal	410,000	405,000	1.23
Interest and other charges	182,890	193,480	(5.47)
	<u>\$ 6,825,308</u>	<u>\$ 9,249,667</u>	(26.21) %
Total Expenditures	<u>\$ 6,825,308</u>	<u>\$ 9,249,667</u>	(26.21) %
Per Capita	\$ 838	\$ 1,150	(27.09) %
Total Long-term Indebtedness	\$ 5,885,000	\$ 6,295,000	(6.51) %
Per Capita	723	782	
General Fund Balance - December 31	\$ 3,222,247	\$ 3,506,625	(8.11) %
Per Capita	396	436	

The purpose of this report is to provide a summary of financial information concerning the City of St. Francis to interested citizens. The complete financial statements may be examined at City Hall, 23340 Cree Street NW, St. Francis, MN 55070. Questions about this report should be directed to Darcy Mulvihill, Finance Director at (763) 753-

THIS PAGE IS LEFT
BLANK INTENTIONALLY

STATISTICAL SECTION (UNAUDITED)

CITY OF ST. FRANCIS
ST. FRANCIS, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

THIS PAGE IS LEFT
BLANK INTENTIONALLY

STATISTICAL SECTION (UNAUDITED)

This part of the City of St. Francis' 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 out-standing 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 relates to the services the government provides and the activities it performs.

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

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year			
	2021	2020	2019	2018
Governmental Activities				
Net investment in capital assets	\$ 11,182,725	\$ 10,645,221	\$ 7,822,639	\$ 7,197,173
Restricted	713,596	664,078	815,170	682,100
Unrestricted	4,547,219	4,103,641	3,598,693	3,454,837
Total Governmental Activities Net Position	<u>\$ 16,443,540</u>	<u>\$ 15,412,940</u>	<u>\$ 12,236,502</u>	<u>\$ 11,334,110</u>
Business-type Activities				
Net investment in capital assets	\$ 20,319,926	\$ 19,054,469	\$ 18,804,562	\$ 19,032,537
Restricted	243,905	180,370	118,170	57,865
Unrestricted	8,183,686	8,682,653	8,274,103	7,237,698
Total Business-type Activities Net Position	<u>\$ 28,747,517</u>	<u>\$ 27,917,492</u>	<u>\$ 27,196,835</u>	<u>\$ 26,328,100</u>
Primary Government				
Net investment in capital assets	\$ 31,502,651	\$ 29,699,690	\$ 26,627,201	\$ 26,229,710
Restricted	957,501	844,448	933,340	739,965
Unrestricted	12,730,905	12,786,294	11,872,796	10,692,535
Total Primary Government Net Position	<u>\$ 45,191,057</u>	<u>\$ 43,330,432</u>	<u>\$ 39,433,337</u>	<u>\$ 37,662,210</u>

Table 1

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 7,196,658	\$ 6,861,667	\$ 6,344,949	\$ 6,471,404	\$ 6,491,164	\$ 6,292,733
507,871	1,010,138	940,821	997,754	1,066,566	1,080,107
2,941,748	2,538,153	2,269,512	3,371,139	2,345,374	1,999,789
<u>\$ 10,646,277</u>	<u>\$ 10,409,958</u>	<u>\$ 9,555,282</u>	<u>\$ 10,840,297</u>	<u>\$ 9,903,104</u>	<u>\$ 9,372,629</u>
\$ 19,003,781	\$ 13,019,826	\$ 9,103,334	\$ 8,824,440	\$ 8,073,272	\$ 7,773,435
-	-	-	-	-	-
5,826,703	5,789,331	5,306,618	5,488,087	6,973,367	7,303,907
<u>\$ 24,830,484</u>	<u>\$ 18,809,157</u>	<u>\$ 14,409,952</u>	<u>\$ 14,312,527</u>	<u>\$ 15,046,639</u>	<u>\$ 15,077,342</u>
\$ 26,200,439	\$ 19,881,493	\$ 15,448,283	\$ 15,295,844	\$ 14,564,436	\$ 14,066,168
507,871	1,010,138	940,821	997,754	1,066,566	1,080,107
8,768,451	8,327,484	7,576,130	8,859,226	9,318,741	9,303,696
<u>\$ 35,476,761</u>	<u>\$ 29,219,115</u>	<u>\$ 23,965,234</u>	<u>\$ 25,152,824</u>	<u>\$ 24,949,743</u>	<u>\$ 24,449,971</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2021	2020	2019	2018
Expenses				
Governmental Activities				
General government	\$ 975,615	\$ 997,414	\$ 976,132	\$ 917,976
Public safety	2,378,478	2,630,451	2,288,796	1,822,687
Public works	1,475,039	1,537,431	1,204,645	1,406,804
Culture and recreation	406,609	376,361	377,685	403,747
Community development	491,488	488,633	910,312	731,427
Interest on long-term debt	181,183	191,290	201,696	210,612
Total Governmental Activities Expenses	5,908,412	6,221,580	5,959,266	5,493,253
Business-type Activities				
Water	1,203,394	1,158,339	1,129,380	1,076,288
Sewer	1,900,337	1,884,716	1,807,212	1,856,264
Storm water	64,812	54,476	25,800	29,538
Liquor store	2,439,164	2,509,775	2,344,537	2,164,820
Total Business-type Activities Expenses	5,607,707	5,607,306	5,306,929	5,126,910
Total Primary Government Expenses	\$ 11,516,119	\$ 11,828,886	\$ 11,266,195	\$ 10,620,163
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 337,360	\$ 249,186	\$ 290,747	\$ 435,914
Public safety	77,299	98,787	148,675	177,641
Public works	2,196	1,061	2,878	2,612
Culture and recreation	1,635	1,345	1,870	2,170
Community development	339,890	411,815	709,992	178,218
Operating grants and contributions	408,163	824,812	263,037	257,868
Capital grants and contributions	748,612	1,979,574	256,058	725,120
Total Governmental Activities Program Revenues	1,915,155	3,566,580	1,673,257	1,779,543
Business-type Activities				
Charges for services				
Water	1,591,308	1,501,234	1,262,447	1,595,533
Sewer	1,958,382	1,773,962	1,652,322	1,778,971
Strom Water	186,334	173,812	174,543	176,850
Liquor store	2,501,832	2,778,937	2,428,757	2,313,806
Operating grants and contributions	2,145	25,482	7,014	3,059
Capital grants and contributions	517,503	1,060,565	903,951	924,503
Total Business-type Activities Program Revenues	6,757,504	7,313,992	6,429,034	6,792,722
Total Primary Government Program Revenues	\$ 8,672,659	\$ 10,880,572	\$ 8,102,291	\$ 8,572,265

Table 2

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 874,683	\$ 888,099	\$ 789,269	\$ 869,752	\$ 684,752	\$ 700,606
2,132,904	2,334,480	2,207,108	1,787,394	1,742,193	1,689,773
969,437	925,873	860,847	1,205,771	1,103,653	717,531
389,408	468,326	118,667	371,104	362,829	378,696
598,366	427,300	324,235	242,227	268,789	155,770
400,157	357,173	359,316	365,306	376,293	541,676
<u>5,364,955</u>	<u>5,401,251</u>	<u>4,659,442</u>	<u>4,841,554</u>	<u>4,538,509</u>	<u>4,184,052</u>
1,064,443	1,057,465	1,167,893	1,121,532	1,156,583	1,136,619
1,345,198	1,184,441	1,049,262	941,358	972,980	858,682
33,435	55,385	-	-	-	-
<u>2,130,722</u>	<u>2,008,390</u>	<u>1,986,813</u>	<u>1,948,432</u>	<u>1,899,467</u>	<u>1,883,145</u>
<u>4,573,798</u>	<u>4,305,681</u>	<u>4,203,968</u>	<u>4,011,322</u>	<u>4,029,030</u>	<u>3,878,446</u>
<u>\$ 9,938,753</u>	<u>\$ 9,706,932</u>	<u>\$ 8,863,410</u>	<u>\$ 8,852,876</u>	<u>\$ 8,567,539</u>	<u>\$ 8,062,498</u>
\$ 440,529	\$ 298,140	\$ 304,092	\$ 270,718	\$ 246,588	\$ 195,491
163,362	184,994	181,458	190,140	105,181	147,531
3,599	2,868	3,689	2,172	4,361	3,767
2,385	3,030	1,590	1,460	1,345	1,955
181,565	243,640	205,289	184,877	130,917	120,685
236,903	371,047	275,631	282,057	274,161	200,543
422,985	1,186,137	242,557	382,286	957,583	291,558
<u>1,451,328</u>	<u>2,289,856</u>	<u>1,214,306</u>	<u>1,313,710</u>	<u>1,720,136</u>	<u>961,530</u>
1,682,412	1,390,364	1,193,195	1,134,332	1,132,206	1,147,518
1,867,070	1,361,064	999,664	930,651	906,182	898,292
171,867	169,020	-	-	-	-
2,236,569	2,133,575	2,157,348	2,109,850	2,058,662	2,096,011
3,669	3,800	-	-	-	6,500
4,969,830	3,849,842	186,264	108,000	129,000	66,000
<u>10,931,417</u>	<u>8,907,665</u>	<u>4,536,471</u>	<u>4,282,833</u>	<u>4,226,050</u>	<u>4,214,321</u>
<u>\$ 12,382,745</u>	<u>\$ 11,197,521</u>	<u>\$ 5,750,777</u>	<u>\$ 5,596,543</u>	<u>\$ 5,946,186</u>	<u>\$ 5,175,851</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2021	2020	2019	2018
Net Revenues (Expenses)				
Governmental activities	\$ (3,993,257)	\$ (2,655,000)	\$ (4,286,009)	\$ (3,713,710)
Business-type activities	1,149,797	1,706,686	1,122,105	1,665,812
Total Primary Government Net Revenues (Expenses)	<u>\$ (2,843,460)</u>	<u>\$ (948,314)</u>	<u>\$ (3,163,904)</u>	<u>\$ (2,047,898)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 4,245,519	\$ 3,997,032	\$ 3,817,876	\$ 3,514,249
Tax increments	-	-	-	-
Grants and contributions not restricted to specific programs	573,553	555,814	465,589	494,318
Gain on sale of capital assets	31,551	11,905	219,358	39,123
Unrestricted investment earnings	(41,044)	120,007	175,698	68,973
Transfers - capital assets	-	-	-	-
Transfers	284,880	1,146,680	509,880	284,880
Total Governmental Activities	<u>5,094,459</u>	<u>5,831,438</u>	<u>5,188,401</u>	<u>4,401,543</u>
Business-type Activities				
Interest on investments	(34,892)	160,651	-	113,434
Gain on sale of capital assets	-	-	256,510	3,250
Transfers - capital assets	-	-	-	-
Transfers	(284,880)	(1,146,680)	-	(284,880)
Total Business-type Activities	<u>(319,772)</u>	<u>(1,495,909)</u>	<u>256,510</u>	<u>(168,196)</u>
Total Primary Government	<u>\$ 4,774,687</u>	<u>\$ 4,335,529</u>	<u>\$ 5,444,911</u>	<u>\$ 4,233,347</u>
Change in Net Position				
Governmental activities	\$ 1,101,202	\$ 3,176,438	\$ 902,392	\$ 687,833
Business-type activities	830,025	210,777	1,378,615	1,497,616
Total Primary Government	<u>\$ 1,931,227</u>	<u>\$ 3,387,215</u>	<u>\$ 2,281,007</u>	<u>\$ 2,185,449</u>

Table 2

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ (3,913,627)	\$ (3,111,395)	\$ (3,445,136)	\$ (3,527,844)	\$ (2,818,373)	\$ (3,222,522)
6,357,619	4,601,984	332,503	271,511	197,020	335,875
<u>\$ 2,443,992</u>	<u>\$ 1,490,589</u>	<u>\$ (3,112,633)</u>	<u>\$ (3,256,333)</u>	<u>\$ (2,621,353)</u>	<u>\$ (2,886,647)</u>
\$ 3,249,599	\$ 3,277,360	\$ 3,175,224	\$ 3,017,872	\$ 3,001,538	\$ 2,890,203
-	7,512	14,393	14,260	14,270	15,144
365,831	362,359	353,353	318,445	85,992	87,294
80,867	-	963	4,521	-	5,529
29,655	33,960	21,200	34,894	(17,832)	61,301
-	-	(323,039)	-	-	-
423,994	284,880	264,880	1,075,036	264,880	60,000
<u>4,149,946</u>	<u>3,966,071</u>	<u>3,506,974</u>	<u>4,465,028</u>	<u>3,348,848</u>	<u>3,119,471</u>
87,702	82,101	40,832	69,413	37,157	64,903
-	-	-	-	-	-
-	-	323,039	-	-	-
(423,994)	(284,880)	(264,880)	(1,075,036)	(264,880)	(60,000)
<u>(336,292)</u>	<u>(202,779)</u>	<u>98,991</u>	<u>(1,005,623)</u>	<u>(227,723)</u>	<u>4,903</u>
<u>\$ 3,813,654</u>	<u>\$ 3,763,292</u>	<u>\$ 3,605,965</u>	<u>\$ 3,459,405</u>	<u>\$ 3,121,125</u>	<u>\$ 3,124,374</u>
\$ 236,319	\$ 854,676	\$ 61,838	\$ 937,184	\$ 530,475	\$ (103,051)
6,021,327	4,399,205	431,494	(734,112)	(30,703)	340,778
<u>\$ 6,257,646</u>	<u>\$ 5,253,881</u>	<u>\$ 493,332</u>	<u>\$ 203,072</u>	<u>\$ 499,772</u>	<u>\$ 237,727</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2021	2020	2019	2018
General Fund				
Nonspendable	\$ 41,579	\$ 61,674	\$ 54,139	\$ 13,318
Assigned	-	-	-	-
Unassigned	<u>3,180,668</u>	<u>3,444,951</u>	<u>3,180,461</u>	<u>2,760,914</u>
Total General Fund	<u>\$ 3,222,247</u>	<u>\$ 3,506,625</u>	<u>\$ 3,234,600</u>	<u>\$ 2,774,232</u>
All other Governmental Funds				
Restricted	\$ 742,141	\$ 666,468	\$ 784,845	\$ 619,149
Assigned	1,898,111	2,182,223	2,121,685	2,366,151
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other Governmental Funds	<u>\$ 2,640,252</u>	<u>\$ 2,848,691</u>	<u>\$ 2,906,530</u>	<u>\$ 2,985,300</u>

Table 3

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 18,844	\$ 40,816	\$ 8,580	\$ 16,682	\$ 15,079	\$ 9,861
-	-	-	-	8,174	8,174
3,865,169	3,325,693	2,755,704	2,572,375	2,225,913	2,053,454
<u>\$ 3,884,013</u>	<u>\$ 3,366,509</u>	<u>\$ 2,764,284</u>	<u>\$ 2,589,057</u>	<u>\$ 2,249,166</u>	<u>\$ 2,071,489</u>
\$ 429,069	\$ 1,559,175	\$ 1,450,454	\$ 1,519,299	\$ 1,781,010	\$ 1,448,156
1,219,879	1,158,547	787,069	770,866	500,910	481,981
(270,282)	(321,979)	(663,590)	(860,053)	(1,494,602)	(1,022,799)
<u>\$ 1,378,666</u>	<u>\$ 2,395,743</u>	<u>\$ 1,573,933</u>	<u>\$ 1,430,112</u>	<u>\$ 787,318</u>	<u>\$ 907,338</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2021	2020	2019	2018
Revenues				
Taxes				
General property tax	\$ 4,314,303	\$ 3,998,565	\$ 3,806,521	\$ 3,511,347
Tax increments	-	-	-	-
Special assessments	75,511	86,444	104,511	74,966
Licenses and permits	215,030	264,898	450,529	228,153
Intergovernmental	801,387	3,158,447	851,229	989,920
Charges for services	499,507	433,015	617,622	623,033
Fines and forfeitures	24,163	38,158	29,400	36,854
Interest on investments	(41,044)	120,007	175,698	68,973
Miscellaneous	222,330	198,530	204,232	289,556
Total Revenues	<u>6,111,187</u>	<u>8,298,064</u>	<u>6,239,742</u>	<u>5,822,802</u>
Expenditures				
Current				
General government	973,419	943,028	919,599	875,337
Public safety	2,401,873	2,636,569	2,019,852	1,793,598
Public works	584,159	575,294	601,663	701,696
Culture and recreation	325,778	294,034	316,672	298,290
Community development	462,939	840,471	682,422	726,750
Capital outlay				
General government	14,786	4,909	8,620	2,065
Public safety	643,614	128,699	207,569	105,900
Public works	563,936	3,216,804	943,298	482,312
Culture and recreation	216,933	-	-	7,165
Community development	44,981	11,379	220,217	-
Debt service				
Principal	410,000	405,000	390,000	415,000
Interest and other charges	182,890	193,480	203,638	208,550
Total Expenditures	<u>6,825,308</u>	<u>9,249,667</u>	<u>6,513,550</u>	<u>5,616,663</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>(714,121)</u>	<u>(951,603)</u>	<u>(273,808)</u>	<u>206,139</u>
Other Financing Sources (Uses)				
Transfers in	562,898	1,333,680	509,880	1,843,280
Transfers out	(278,018)	(187,000)	-	(1,558,400)
Bond issued	190,000	-	-	-
Payment on refunding bonds	(190,000)	-	-	-
Payment to escrow agent	-	-	-	-
Premium on bonds issued	-	-	-	-
Land sales	-	-	139,025	-
Sale of capital assets	7,026	19,109	6,501	5,834
Total Other Financing Sources (Uses)	<u>291,906</u>	<u>1,165,789</u>	<u>655,406</u>	<u>290,714</u>
Net Change in Fund Balance	<u>\$ (422,215)</u>	<u>\$ 214,186</u>	<u>\$ 381,598</u>	<u>\$ 496,853</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>9.94 %</u>	<u>9.85 %</u>	<u>10.53 %</u>	<u>11.63 %</u>

Table 4

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 3,257,514	\$ 3,271,277	\$ 3,170,208	\$ 3,058,619	\$ 3,007,177	\$ 2,914,638
-	7,512	14,393	14,260	14,270	15,144
85,984	1,284,161	263,123	196,257	51,141	64,949
214,855	145,980	126,862	94,205	87,298	89,300
855,400	741,398	611,364	567,935	449,284	434,324
457,882	593,857	486,490	460,737	326,599	302,731
25,631	30,836	39,909	49,635	33,927	35,166
29,655	33,960	21,200	34,894	(17,832)	61,301
188,986	285,467	195,832	195,635	193,875	136,182
<u>5,115,907</u>	<u>6,394,448</u>	<u>4,929,381</u>	<u>4,672,177</u>	<u>4,145,739</u>	<u>4,053,735</u>
824,154	774,871	731,292	843,302	654,631	656,188
1,693,408	1,649,746	1,670,971	1,556,675	1,533,049	1,486,294
622,009	497,261	547,069	595,967	691,772	523,482
277,528	295,925	291,477	259,049	247,542	277,255
583,379	397,237	323,342	239,745	264,659	155,770
8,142	27,283	10,781	8,178	3,164	6,534
272,964	66,091	480,177	132,601	86,291	130,560
100,524	805,651	274,465	369,510	651,780	7,028,857
46	73,234	165,143	92,695	120,194	208,043
-	-	-	-	26,470	-
870,000	310,000	316,022	325,499	288,549	91,723
459,093	357,994	362,849	371,828	372,182	407,665
<u>5,711,247</u>	<u>5,255,293</u>	<u>5,173,588</u>	<u>4,795,049</u>	<u>4,940,283</u>	<u>10,972,371</u>
<u>(595,340)</u>	<u>1,139,155</u>	<u>(244,207)</u>	<u>(122,872)</u>	<u>(794,544)</u>	<u>(6,918,636)</u>
783,994	644,880	1,531,604	1,465,036	604,880	981,795
(360,000)	(360,000)	(1,266,724)	(390,000)	(340,000)	(921,795)
6,705,000	-	265,000	-	560,000	8,200,000
-	-	-	-	-	-
(7,386,676)	-	-	-	-	-
272,582	-	-	-	-	-
-	-	-	-	-	-
80,867	-	33,375	30,521	27,321	30,041
<u>95,767</u>	<u>284,880</u>	<u>563,255</u>	<u>1,105,557</u>	<u>852,201</u>	<u>8,290,041</u>
<u>\$ (499,573)</u>	<u>\$ 1,424,035</u>	<u>\$ 319,048</u>	<u>\$ 982,685</u>	<u>\$ 57,657</u>	<u>\$ 1,371,405</u>
<u>24.62 %</u>	<u>15.37 %</u>	<u>15.52 %</u>	<u>16.32 %</u>	<u>16.04 %</u>	<u>13.45 %</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Shown By Year of Tax Collectability)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Estimated Market Value				
Real property	\$ 685,649,800	\$ 637,525,800	\$ 580,370,400	\$ 525,321,000
Personal property	<u>7,762,200</u>	<u>7,459,600</u>	<u>7,740,700</u>	<u>7,565,000</u>
 Total Estimated Market Value	 <u>\$ 693,412,000</u>	 <u>\$ 644,985,400</u>	 <u>\$ 588,111,100</u>	 <u>\$ 532,886,000</u>
Tax Capacity				
Residential property	\$ 5,516,622	\$ 5,206,235	\$ 4,716,185	\$ 4,377,814
Commercial / industrial property	814,511	685,757	621,584	586,633
Other	503,472	443,635	262,865	237,868
Contribution to Fiscal Disparities Pool	(315,965)	(307,139)	(291,793)	(276,717)
Receivable From Fiscal Disparities Pool	1,765,135	1,765,135	1,636,528	1,521,933
Tax Increment	<u>-</u>	<u>(2,032)</u>	<u>-</u>	<u>-</u>
 Net Tax Capacity	 <u>\$ 8,283,775</u>	 <u>\$ 7,791,591</u>	 <u>\$ 6,945,369</u>	 <u>\$ 6,447,531</u>
Net Tax Capacity as a Percentage of Estimated Market Value	 <u>1.195 %</u>	 <u>1.208 %</u>	 <u>1.181 %</u>	 <u>1.210 %</u>
Gross Tax Levy	<u>\$ 4,234,590</u>	<u>\$ 3,984,590</u>	<u>\$ 3,793,590</u>	<u>\$ 3,488,791</u>
Tax Capacity Rate	<u>50.589 %</u>	<u>50.218 %</u>	<u>53.177 %</u>	<u>53.997 %</u>

Source: Anoka County Property Records and Taxation Department.
Note: Property in the County is reassessed annually.

Table 5

2017	2016	2015	2014	2013	2012
\$ 474,776,600	\$ 451,592,700	\$ 441,346,300	\$ 392,686,000	\$ 405,703,000	\$ 456,064,600
<u>7,013,300</u>	<u>6,691,100</u>	<u>5,971,100</u>	<u>6,124,000</u>	<u>6,496,600</u>	<u>6,573,500</u>
<u>\$ 481,789,900</u>	<u>\$ 458,283,800</u>	<u>\$ 447,317,400</u>	<u>\$ 398,810,000</u>	<u>\$ 412,199,600</u>	<u>\$ 462,638,100</u>
\$ 3,865,537	\$ 3,651,698	\$ 3,546,894	\$ 3,037,063	\$ 3,153,799	\$ 3,586,358
582,609	539,921	520,655	516,209	563,227	655,422
225,462	224,223	220,816	222,735	221,807	244,970
(263,268)	(225,976)	(251,537)	(274,535)	(310,154)	(323,392)
1,462,769	1,364,588	1,358,498	1,434,712	1,320,087	1,383,468
<u>-</u>	<u>(12,522)</u>	<u>(12,002)</u>	<u>(11,891)</u>	<u>(11,899)</u>	<u>(12,628)</u>
<u>\$ 5,873,109</u>	<u>\$ 5,541,932</u>	<u>\$ 5,383,324</u>	<u>\$ 4,924,293</u>	<u>\$ 4,936,867</u>	<u>\$ 5,534,198</u>
<u>1.219 %</u>	<u>1.209 %</u>	<u>1.203 %</u>	<u>1.235 %</u>	<u>1.198 %</u>	<u>1.196 %</u>
<u>\$ 3,244,573</u>	<u>\$ 3,244,573</u>	<u>\$ 3,180,953</u>	<u>\$ 2,988,086</u>	<u>\$ 2,988,086</u>	<u>\$ 2,873,160</u>
<u>54.117 %</u>	<u>58.428 %</u>	<u>58.909 %</u>	<u>59.629 %</u>	<u>63.026 %</u>	<u>53.406 %</u>

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Property Tax Capacity Rates - Direct and Overlapping Governments
 Last Ten Fiscal Years

Table 6

Year Taxes Payable	City			Overlapping Rates				Totals	
	General	Debt Service	Total	Anoka County	School District No. 15	School District No. 728	Special Districts	No. 15	No. 728
	2021	46.186 %	4.403 %	50.589 %	31.086 %	21.957 %	31.717 %	3.470 %	107.102 %
2020	45.847	4.371	50.218	33.078	22.200	34.371	3.406	108.902	121.073
2019	48.614	4.563	53.177	34.473	24.858	32.865	3.666	116.174	124.181
2018	46.729	7.268	53.997	35.334	26.962	36.137	4.026	120.319	129.494
2017	53.467	0.650	54.117	36.841	24.625	33.208	3.912	96.421	105.004
2016	57.562	0.866	58.428	38.894	29.371	39.266	4.430	131.123	141.018
2015	58.390	0.519	58.909	38.123	29.449	42.483	4.117	130.598	143.632
2014	59.209	0.420	59.629	43.239	33.635	51.286	4.542	141.045	158.696
2013	62.591	0.435	63.026	44.761	33.707	50.058	4.094	145.588	161.939
2012	53.015	0.391	53.406	41.615	32.835	45.548	3.875	131.731	144.444

Source: Anoka County Property Records and Taxation Department.

Note: Overlapping rates are those of local and County governments that apply to property owners within the City. Not all overlapping rates apply to all City 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).

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Principal Property Taxpayers
 Current Year and 10 Years Ago

Table 7

Taxpayer	2021			2012		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Alliant Techsystems	\$ 283,241	1	4.48 %	\$ 206,370	1	3.34 %
St. Francis Realty LLC	140,250	2	2.22	107,486	2	1.74
King Exchange LLC	124,671	3	1.97	70,402	5	1.14
ALS Properties Woodhaven LLC	123,567	4	1.95	101,571	3	1.64
Minnegasco Inc.	116,270	5	1.84	48,552	6	0.79
Connexus Energy	116,263	6	1.84	71,536	4	1.16
Kwik Trip	64,245	7	1.02	-	-	-
Northern Capital Investments	54,680	8	0.86	-	-	-
Village Bank	47,200	9	0.75	27,341	10	0.44
Abbey Field LTD Partnership	35,814	10	0.57	-	-	-
Jensen Family LP	-	-	-	30,594	8	0.50
Central Bank	-	-	-	38,437	7	0.62
Kerry Street LLC	-	-	-	28,955	9	0.47
Total	\$ 1,106,201		17.50 %	\$ 731,244		11.84 %

Source: Anoka County Property Records and Taxation Department.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Table 8

Fiscal Year	Original Gross Levy	Net Levy	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy	Total Collections	Percentage of Total Collections to Levy
2021	\$ 4,234,590	\$ 4,234,590	\$ 4,234,590	100.00 %	\$ -	\$ 4,234,590	100.00 %
2020	3,984,590	3,984,590	3,774,658	94.73	3,791	3,778,449	94.83
2019	3,793,590	3,488,791	3,485,000	99.89	3,791	3,488,791	100.00
2018	3,488,791	3,244,573	3,238,987	99.83	5,586	3,244,573	100.00
2017	3,244,573	3,244,573	3,239,514	99.84	5,059	3,244,573	100.00
2016	3,244,573	3,180,953	3,171,773	99.71	9,134	3,180,907	100.00
2015	3,180,953	2,988,086	2,985,995	99.93	2,091	2,988,086	100.00
2014	2,988,086	2,988,086	2,972,920	99.49	15,166	2,988,086	100.00
2013	2,988,086	2,873,160	2,847,168	99.10	20,638	2,867,806	99.81
2012	2,873,160	2,704,618	2,665,913	98.57	38,705	2,704,618	100.00

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities	
	General Obligation Bonds	Lease Revenue Bonds	Capital Leases	Contract for Deed	General Obligation Revenue Bonds	Lease Purchase
2021	\$ 6,089,436	\$ -	\$ -	\$ -	\$ 23,050,000	\$ -
2020	6,514,580	-	-	-	24,082,000	562,970
2019	6,934,723	-	-	-	25,436,000	614,813
2018	7,339,867	-	-	-	26,767,000	-
2017	7,770,010	-	-	-	27,891,000	-
2016	1,430,000	7,315,000	-	-	36,711,544	-
2015	1,505,000	7,550,000	-	-	30,268,000	-
2014	1,310,000	7,780,000	16,022	-	14,406,000	-
2013	1,380,000	8,005,000	46,521	-	15,406,000	-
2012	885,000	8,200,000	75,070	-	14,204,000	-

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Demographic Statistics table on page 151 for personal income and population data.

* - Personal income and population data were not available for the current year, therefore these calculations were not possible.

Table 9

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 29,139,436	8.25 %	\$ 3,579
31,159,550	8.92	3,873
32,985,536	11.16	4,192
34,106,867	12.18	4,523
35,661,010	12.73	4,729
45,456,544	16.23	6,028
39,323,000	14.42	5,314
23,512,022	7.91	3,248
24,837,521	8.80	3,413
23,364,070	8.05	3,220

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Market Value of Taxable Property	Per Capita
2021	\$ 29,139,436	\$ 159,226	\$ 28,980,210	4.18 %	\$ 3,559
2020	30,596,580	169,361	30,427,219	4.72	3,782
2019	32,370,723	153,737	32,216,986	5.48	4,095
2018	34,106,867	124,340	33,982,527	6.38	4,506
2017	35,661,010	112,802	35,548,208	7.38	4,804
2016	38,141,544	613,035	37,528,509	8.19	5,122
2015	31,773,000	626,991	31,146,009	6.96	4,269
2014	15,716,000	654,800	15,061,200	3.78	2,080
2013	16,786,000	681,165	16,104,835	3.91	2,213
2012	15,089,000	145,274	14,943,726	3.23	2,060

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 See Assessed Value and Estimated Actual Value of Taxable Property on page 138 - 139 for property value data.
 See the Demographic Statistics on page 151 for population data.

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Computation of Direct and Overlapping Debt
 December 31, 2021

Table 11

	Net Debt	Percentage Applicable to City	Amount Applicable to City of St. Francis Share of Debt
Direct Debt			
City of St. Francis	\$ 6,089,436	100.00 %	\$ 6,089,436
Overlapping Debt			
Anoka County	49,145,000	1.84	906,283
Isanti County	7,160,000	0.03	1,797
School District 15	85,080,000	20.50	17,439,613
School District 728	302,775,000	0.00	6,661
Metropolitan Council	187,200,000	0.17	320,486
Anoka County HRA	8,815,000	6.08	546,697
Anoka County RR Authority	18,860,000	1.82	347,797
Total Overlapping Debt	659,035,000		19,569,336
Total Direct and Overlapping Debt	\$ 665,124,436		\$ 25,658,772

Sources : Market value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

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 recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable market property values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the county's total taxable market value.

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2021	2020	2019	2018
Estimated Market Value of Taxable Property	\$ 693,412,000	\$ 644,985,000	\$ 588,111,100	\$ 532,886,000
Statutory Percentage	3.0%	3.0%	3.0%	3.0%
Statutory Debt Limit	20,802,360	19,349,550	17,643,333	15,986,580
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 20,802,360</u>	<u>\$ 19,349,550</u>	<u>\$ 17,643,333</u>	<u>\$ 15,986,580</u>
Legal Debt Margin Calculation for Fiscal Year 2019				
Estimated Market Value of Taxable Property	\$ 693,412,000			
Statutory Percentage	3.0%			
Statutory Debt Limit	<u>\$ 20,802,360</u>			
Total Bonds Outstanding	\$ 29,139,436			
Less: Special Assessment Bonds	(6,089,436)			
Less: Utility Revenue Bonds	<u>(23,050,000)</u>			
Debt Applicable to Limit	<u>\$ -</u>			
Legal Debt Margin	<u>\$ 20,802,360</u>			

Table 12

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 481,789,900	\$ 458,283,800	\$ 447,317,400	\$ 398,810,000	\$ 412,199,600	\$ 462,638,100
3.0%	3.0%	3.0%	3.0%	2.0%	2.0%
14,453,697	13,748,514	13,419,522	11,964,300	8,243,992	9,252,762
-	-	-	-	-	-
<u>\$ 14,453,697</u>	<u>\$ 13,748,514</u>	<u>\$ 13,419,522</u>	<u>\$ 11,964,300</u>	<u>\$ 8,243,992</u>	<u>\$ 9,252,762</u>

City of St. Francis, Minnesota
Statistical Section (Unaudited)
Pledged - Revenue Coverage
Last Ten Fiscal Years

Table 13

Fiscal Year	G.O. Special Assessment Bonds							Coverage
	Property Taxes	Special Assessments	Revenue Available	Debt Service		Total		
				Principal	Interest			
2021	\$ 41,935	\$ 30,873	\$ 72,808	\$ 120,000	\$ 9,784	\$ 129,784	0.561 %	
2020	41,654	41,047	82,701	120,000	11,748	131,748	0.628	
2019	41,661	46,658	88,319	115,000	13,507	128,507	0.687	
2018	41,678	26,978	68,656	115,000	14,889	129,889	0.529	
2017	41,543	34,153	75,696	630,000	28,152	658,152	0.115	
2016	41,486	52,856	94,342	75,000	41,726	116,726	0.808	
2015	20,819	22,335	43,154	70,000	38,736	108,736	0.397	
2014	21,307	22,180	43,487	70,000	45,223	115,223	0.377	
2013	20,984	24,024	45,008	65,000	35,317	100,317	0.449	
2012	21,098	32,359	53,457	65,000	38,328	103,328	0.517	

Fiscal Year	G.O. Revenue Bonds							Coverage
	Operating Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service		Total		
				Principal (3)	Interest			
2021	\$ 3,840,902	\$ 1,534,696	\$ 2,306,206	\$ 1,450,779	\$ 433,641	\$ 1,884,420	122.383 %	
2020	4,171,479	1,472,497	2,698,982	1,405,843	431,905	1,837,748	146.864	
2019	3,494,127	1,376,831	2,117,296	1,331,000	444,384	1,775,384	119.258	
2018	3,557,284	1,355,133	2,202,151	1,124,000	456,355	1,580,355	139.345	
2017	3,845,952	1,209,624	2,636,328	4,470,544	610,805	5,081,349	51.882	
2016	3,261,442	992,279	2,269,163	17,297,000	539,674	17,836,674	12.722	
2015	2,364,011	1,120,195	1,243,816	1,043,000	400,791	1,443,791	86.149	
2014	2,140,792	1,120,195	1,020,597	1,000,000	452,516	1,452,516	70.264	
2013	2,139,806	1,008,043	1,131,763	968,000	428,117	1,396,117	81.065	
2012	2,079,464	963,799	1,115,665	695,000	453,680	1,148,680	97.126	

- (1) Operating revenues includes connection fees.
- (2) Excluding depreciation.
- (3) Net of crossover refunding.

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Demographic Statistics
 Last Ten Fiscal Years

Table 14

Year	(1) Population	(2) Personal Income	(3) Per Capita Personal Income	(4) Unemployment Rate
2021	8,142	\$ 353,403,510	\$ 43,405	4.5 %
2020	8,045	349,193,225	43,405	4.3
2019	7,868	295,640,100	37,575	3.1
2018	7,541	280,074,920	37,140	3.3
2017	7,400	272,754,400	36,859	4.0
2016	7,327	301,337,529	41,127	3.5
2015	7,296	300,062,592	41,127	3.5
2014	7,240	297,404,720	41,078	5.1
2013	7,277	282,303,938	38,794	5.6
2012	7,255	290,098,430	39,986	5.9

(1) Metropolitan Council

(2) Estimates by the City. Calculated by multiplying per capita personal income and the population.

(3) Metropolitan Council

(4) Minnesota Department of Employment and Economic Development

* Information not available at time of publication

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Principal Employers
 Current Year and Ten Years Ago

Table 15

Employer	2021			2012		
	Employees	Rank	Percent of City Employment	Employees	Rank	Percent of City Employment
Independent School District #15 (includes Bus Garage)	700	1	49.68 %	455	1	36.28 %
County Market	60	2	4.26	90	2	7.18
Commercial Drywall, Inc.	60	3	4.26	-	-	-
McDonald's	58	4	4.12	58	3	5
Temperature Specialists, Inc.	50	5	3.55	33	7	2.63
Northland Screw Products	40	6	2.84	30	8	2.39
Kwik Trip	40	7	2.84	-	-	-
City of St. Francis	36	8	2.56	36	5	3
Rum River Inn	30	9	2.13	-	-	-
Beef O' Bradys	25	10	1.77	35	6	2.79
Kid's Country	-		-	27	9	2.15
ISD #15 Bus Garage	-		-	12	10	0.96
The Ponds Golf Course & Restraunt	-		-	48	4	3.83
Total	<u>1,099</u>		<u>78.01 %</u>	<u>824</u>		<u>65.71 %</u>

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Table 16

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government	8	8	8	8	8	8	6	6	6	5
Public Safety										
Police	16	16	14	14	14	14	14	13	12	12
Public Works	3	3	3	3	3	3	2	2	3	3
Culture and Recreation	2	2	2	2	2	2	2	2	2	3
Water	3	3	3	3	3	2	2	2	2	2
Sewer	2	2	2	2	2	2	2	2	2	2
Municipal Liquor Store	2	2	2	2	2	2	4	4	4	4
Total	36	36	34	34	34	33	32	31	31	31

Source: various city departments

City of St. Francis, Minnesota
Operating Indicators by Function
Last Ten Fiscal Years

Table 17

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Ordinances and resolutions adopted	83	63	52	58	60	52	82	56	54	66
Administration - Licenses processed	24	27	30	27	34	30	30	30	29	34
Finance - Payroll checks issued	1,418	1,385	1,396	1,333	1,237	1,274	1,275	1,153	1,230	1,245
Finance - Invoices paid	2,728	3,161	3,081	3,354	3,080	3,100	3,010	3,048	5,304	3,276
Police										
Chargeable offenses (Parts 1 & 2)	811	734	325	325	335	611	602	780	700	997
Miscellaneous offenses (Parts 3 & 4)	3,934	4,052	828	813	522	3,140	4,309	4,372	4,290	4,378
Public safety calls for service	6,521	6,246	3,962	3,663	3,912	3,751	4,911	5,152	4,990	5,375
Traffic citations issued	659	631	4,790	4,476	4,434	368	432	698	640	899
Fire										
Number of calls answered	659	541	484	377	323	251	254	328	368	415
Code Enforcement										
Building permits issued	565	621	621	487	374	318	333	279	303	428
Highways and Streets										
Asphalt streets maintained	37	36	36	36	36	36	36	36	36	36
Gravel maintenance (miles)	8	8	11	11	11	11	11	11	12	12
Gravel usage (Tons)	-	-	-	-	-	1,778	62	199	872	4,200
Sand/salt usage (tons)	413	277	350	441	366	371	210	357	189	223
Water										
Water pumped (million gallons)	211	201	172	185	168	177	173	175	188	195
Water main breaks repaired	-	-	-	-	-	1	1	-	-	1
Wastewater										
Gallons of wastewater treated (millions)	127	127	121	116	120	130	113	125	119	116
Miles of sewer mains cleaned	5	5	5	5	5	3	1	1	3	4

Sources: Various government departments.

City of St. Francis, Minnesota
 Statistical Section (Unaudited)
 Miscellaneous Statistics
 December 31, 2021

Table 18

Year of Incorporation	1974
Area of City	23.70 square miles
Miles of Roadways	
City	47.0
State / County	26.9
Private	4.5
Water System	
Number of hydrants	
City	269
Private	68
Number of wells	3
Miles of water mains	
City	24.7
Private	7.4
Raw	0.6
Abandoned	0.2
Sewer System	
Lift stations	
City	12
Private	2
Miles of sewer mains	
City	20.6
Private	5.7
Number of manholes	
City	504
Private	142
Fire Protection	
Number of stations	1
Number of employees	21
Police Protection	
Number of stations	1
Number of employees	16
Parks	
Number	14
Acres	83.0
Elections	
Registered voters last election	4,833
Number of votes cast last election	4,410
Percentage of registered voters voting	92.78%

Sources: Various government departments.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of St. Francis, Minnesota
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 19

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	7	7	7	7	6
Fire stations										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Highways and streets										
Streets (miles)	47	47	47	47	47	47	47	47	47	47
Street lights	279	273	270	270	270	270	259	259	252	234
Traffic signals	0	0	0	0	0	0	1	1	1	1
Culture and Recreation										
Parks division										
Parks	14	14	14	14	14	14	14	14	14	14
Parks acreage	83	83	83	83	83	83	83	83	83	83
Utilities										
Water										
Miles of water main	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7
Consumers	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380
Maximum daily capacity (gallons)	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000
Sewer										
Miles of sanitary sewer	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
Lift stations	12	12	12	12	12	12	12	12	12	12
Maximum daily treatment capacity (gallons)	814,000	814,000	814,000	814,000	814,000	540,000	540,000	540,000	540,000	540,000
Storm sewer										
Miles of storm sewer	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7

Source: City of St. Francis, Minnesota

Note: No capital asset indicators are available for the general government function.