

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**OF THE**  
**CITY OF FALCON HEIGHTS,**  
**MINNESOTA**

**For the Year Ended**

**December 31, 2023**

Prepared by

THE DEPARTMENT OF FINANCE  
AND ADMINISTRATION

*Jack Linehan, City Administrator*

*Roland Olson, Finance Director*

CITY OF FALCON HEIGHTS  
2077 W. Larpenteur Avenue  
Falcon Heights, Minnesota 55113

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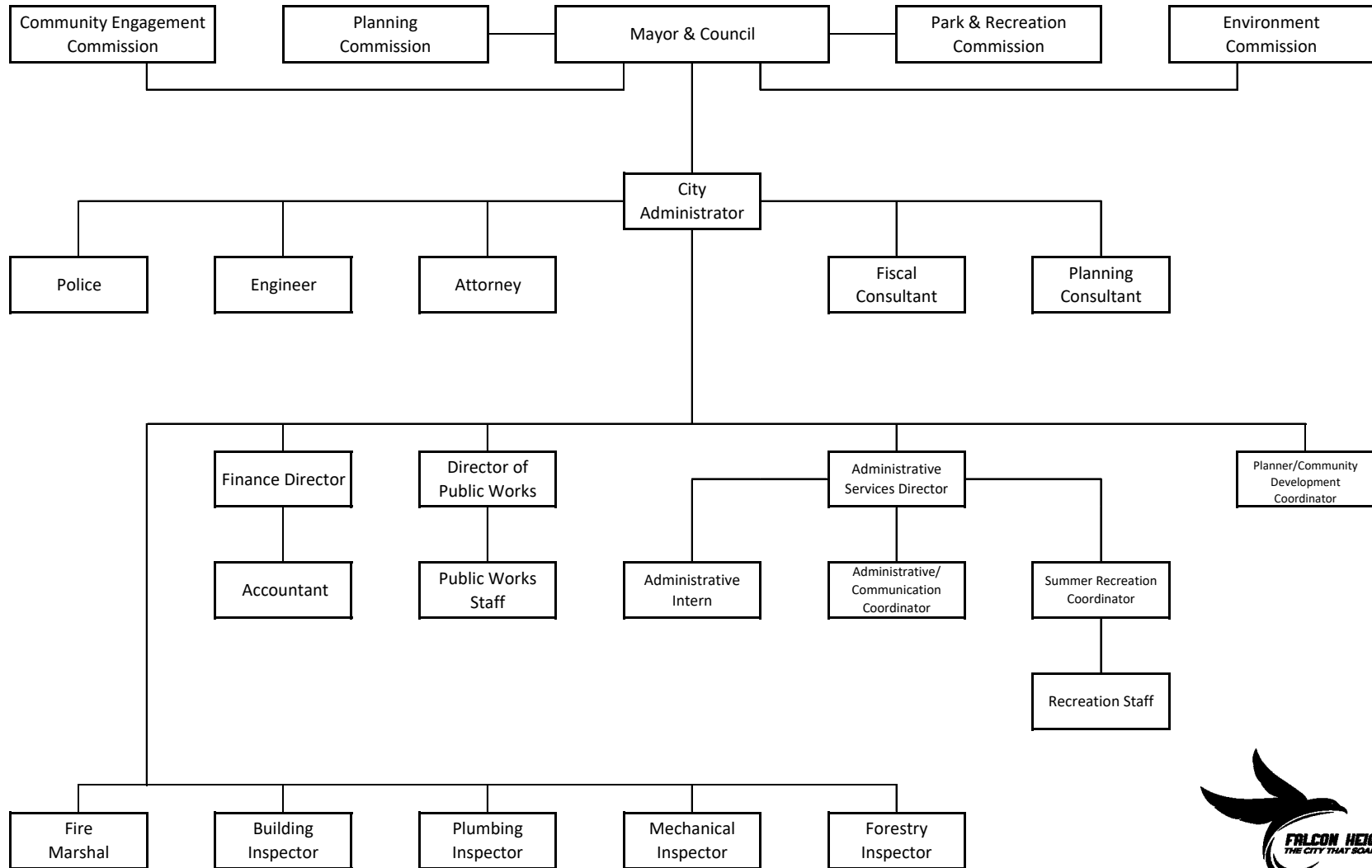
**City of Falcon Heights  
Elected Officials and Administration  
December 31, 2023**

| Elected Officials | Position       | Term Expires      |
|-------------------|----------------|-------------------|
| Randy Gustafson   | Mayor          | December 31, 2027 |
| Eric Meyer        | Council Member | December 31, 2025 |
| Melanie Leehy     | Council Member | December 31, 2025 |
| Jim Wassenberg    | Council Member | December 31, 2027 |
| Yakasah Wehyee    | Council Member | December 31, 2023 |

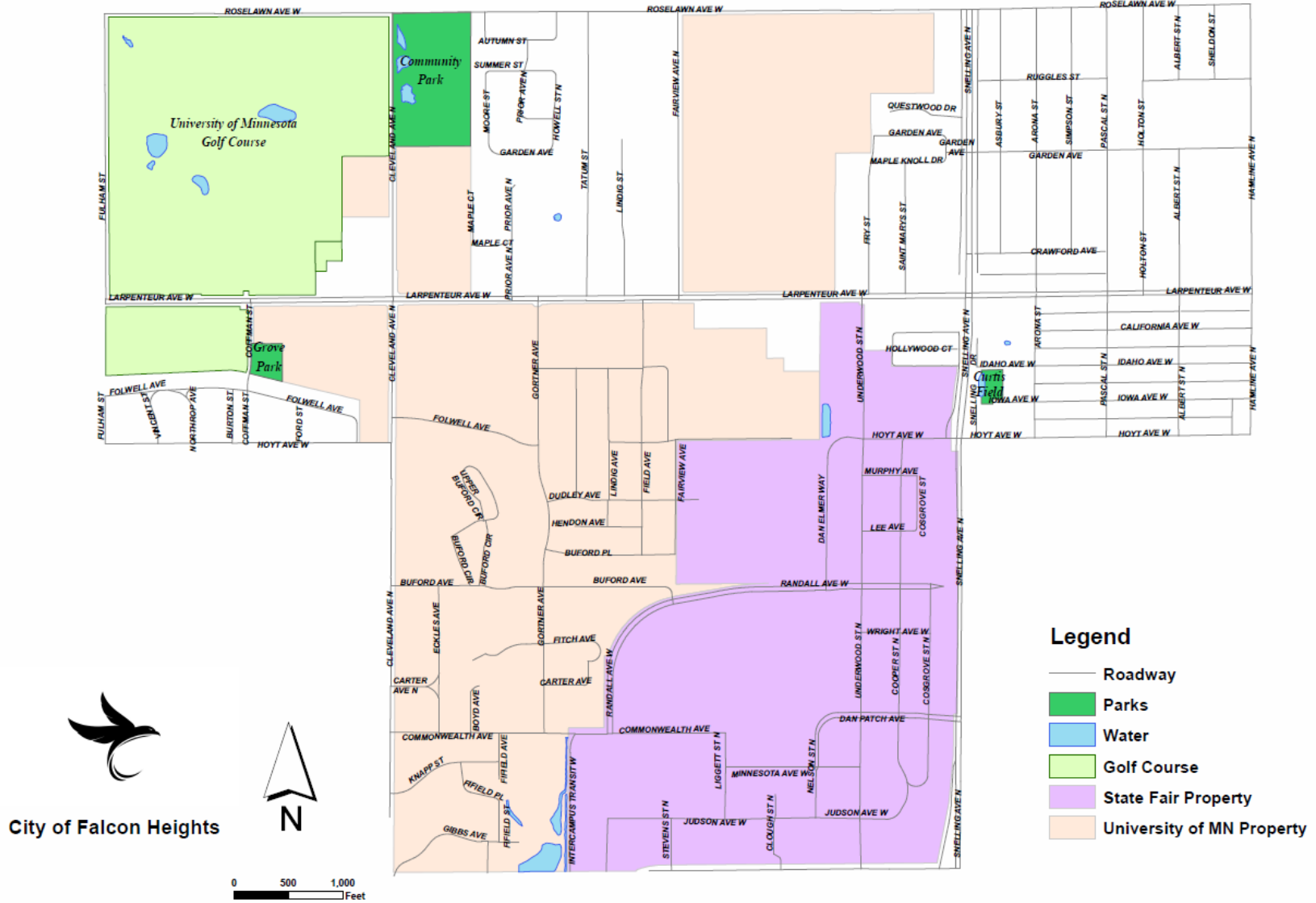
Administration

|                    |  |
|--------------------|--|
| Jack Linehan       | City Administrator                             |
| Roland Olson       | Finance Director                               |
| Colin Callahan     | Public Works Director                          |
| Kelly Nelson       | Administrative Services Director               |
| Hannah Lynch       | City Planner/Community Development Coordinator |
| Elke van der Werff | Administrative & Communications Coordinator    |
| Alyssa Landberg    | Accountant                                     |
| Adrian Neis        | Fire Inspector                                 |

# City of Falcon Heights Organization Chart December 31, 2023



# City of Falcon Heights City Map December 31, 2023





# **City of Falcon Heights**



April 23, 2024

To the Mayor, City Council Members, and Citizens of the City of Falcon Heights:

Minnesota statutes require that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2023.

Management assumes full responsibility for the completeness and propriety of the information contained in this report. The information herein is based upon a comprehensive framework of internal controls established for the summarization and disclosure of financial data. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BerganKDV, Ltd., a firm of licensed certified public accountants, has audited the City of Falcon Heights' financial statements. BerganKDV, Ltd. has issued an unmodified ("clean") opinion on the City of Falcon Heights' financial statements for the year ended December 31, 2023. 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. The MD&A complements the Letter of Transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City of Falcon Heights, incorporated in 1949, is located near the center of the Minneapolis and St. Paul metropolitan area. This area is considered the major population and economic growth area in Minnesota, and one of the top economic growth areas in the country. The City of Falcon Heights currently occupies a land area of 2.28 square miles and serves a population of 5,379. The City of Falcon Heights is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, Falcon Heights has never utilized this option to extend its borders.



## **Profile of the Government (Continued)**

Falcon Heights is a completely developed community. It has operated under the council/city administrator form of government since 1974. Policy-making and legislative authority are vested in a city council consisting of the mayor and four council members, all elected on a nonpartisan basis. The council appoints the city administrator, who in turn recommends the appointment of the heads of the various departments. The council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the city administrator. The city administrator is responsible for carrying out the policies and ordinances of the council and for overseeing the day-to-day operations of the city government. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is elected to serve a four-year term. The mayor and all four council members are elected at-large.

The City of Falcon Heights provides a range of services including construction and maintenance of highways, streets, and other infrastructure, sewer services, and recreational and cultural activities. St. Paul Regional Water Services provides the water services for the City. The Ramsey County Sheriff's Office provides police services, and the City of St. Paul provides fire protection and ambulance services.

The council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Falcon Heights' financial planning and control. All departments of the City of Falcon Heights are required to submit requests for appropriation to the city administrator during or before the second week in June each year. The city administrator uses these requests as the starting point for developing a proposed budget. By September of each year, the city staff submits to the city council a proposed operating budget for the fiscal year commencing the following January 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the City of Falcon Heights' fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Transfers of appropriations between funds require the special approval of the city council. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 36 as part of the basic financial statements for the governmental funds. For the Special Revenue funds, Debt Service funds, and Capital Project funds, this comparison is presented on pages 71-91.

Expenditures may not exceed budgeted appropriations at the fund level. No fund's budget can be increased without City Council approval. The City Council may authorize transfer of budgeted amounts between departments within any fund. Management may amend budgets within a department level, so long as the total department budget is not changed.

## **Local Economy**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Falcon Heights operates.

## **Local Economy (Continued)**

The City of Falcon Heights is primarily a bedroom, residential, inner ring suburban community situated near the center of the Minneapolis and St. Paul metropolitan area. The economy of the City consists of retail, commerce, agricultural-related businesses, and institutional landowners, such as the St. Paul campus of the University of Minnesota and the Minnesota State Fair. The St. Paul campus of the University of Minnesota has approximately 2,400 full time employees and a student population of approximately 6,300 students enrolled in the specific colleges located on the St. Paul Campus. The Minnesota State Fair, held over a 12-day period, is one of the nation's largest and best-attended entertainment events with approximately 2 million visitors each year. Also, additional "non-fair" events have attendance estimated at 100,000 visitors. One of these "non-fair" events is the Minnesota Street Rod Convention, which attracts over 60,000 visitors. Unfortunately, in 2020, due to Covid-19, neither the Minnesota State Fair or the Minnesota Street Rod Convention could be held. However, in 2021 and 2022 both the Minnesota State Fair and the Minnesota Street Rod convention were held. Attendance during the Minnesota State Fair increased approximately 30% in 2022 over the 2021 totals. Attendance in 2023 was consistent with the totals in 2022.

Because of its location in a region with a varied economic base, unemployment is relatively stable and tends to be less than the State of Minnesota and national rates. During the past ten years, the unemployment rate for Ramsey County, within which the City is located, was at a high of 12.5% in May 2020 and in December 2023, the unemployment rate was 2.3%. In 2023, the State of Minnesota's ending unemployment rate was 3.1% and the national ending unemployment rate was 3.7%. The average 2023 state of Minnesota's unemployment rate was 2.85% and the average 2023 national unemployment rate was 3.6%.

The City is at or near full development, with a 17.2% increase in the median market value of property during 2023. The City's economic conditions have remained relatively stable with the University of Minnesota agricultural campus, Blaze Credit Union, and the Minnesota State Fairgrounds providing a diversified economic employment base.

The City continues an aggressive plan of reconstruction and improvement of its streets. Ongoing maintenance activities will continue with yearly sealcoating, curb/gutter repairs, and sidewalk replacement as needed throughout the City. MSA street funds and assessments will be utilized for all street maintenance activities.

## **Long-Term Financial Planning**

The City of Falcon Heights updated its Comprehensive Plan with approval of the plan by the Metropolitan Council and adoption by the City Council in January 2020. As part of the plan, the City continues to look at alternative ways to increase the tax base of the City such as evaluating any re-development opportunities in our business district and increasing housing densities when appropriate.

The City continues to complete a ten-year capital improvement plan as part of its annual budget and uses a financial planning company to assist with any plans and bonding requirements.

## **Relevant Financial Policies**

The Mayor and council members continue to evaluate the level of reserves of the city with their desire to minimize property tax increases on the citizens while still maintaining high service levels. With tax revenues scheduled for receipt in the months of July and December, the City needs to maintain sufficient working capital to mitigate cash flow timing concerns. One important reason for maintaining a high fund balance in the General Fund is that it leads to increased investment income allocated to the General Fund since the investment income is allocated based upon levels of fund balance among all the funds. This helps to minimize any levy increases needed to support the general operating expenses of the city.

## **Major Initiatives**

2023 was an important year for the City of Falcon Heights. The City purchased 15.43 acres of land and buildings from the University of Minnesota for public park space. The City had previously leased this public park space referred to as “Community Park” from the University of Minnesota. The purchase price was \$1,092,164 and was completed without incurring any debt. Also, the City began the process of replacing the old park building on the property with the goal of building a new park building during 2024.

In addition in 2023, the City underwent the largest capital program in City history with the resurfacing of 1.4 miles of city streets and the complete reconstruction and reconfiguration of Garden Avenue. As part of the reconstruction, the City constructed a sidewalk on Garden Avenue as part of its trail system. The sidewalk was a necessary improvement to improve the safety of schoolchildren walking to and from school. Garden Avenue was also completely rebuilt to include new sidewalk, new curb and gutter, stormwater improvements, and sanitary sewer improvements.

In 2023, the City received a Critical Corridors grant from Ramsey County to complete a Larpenteur / Snelling corridor study to explore the existing and best future use of properties along the City’s primary economic base.

In 2019, 2020, 2021, and 2022, the City completed the relining of additional sections of the sanitary sewer system.

In 2021, the City completed the resurfacing of three miles of city streets.

In 2017 and 2018, one mile of city streets was improved with a reclaim and resurface. New water lines were also installed with improvements in stormwater catch basins and sanitary sewer basins.

In 2015, an underground storage and infiltration system was completed in our Curtiss Field Park to prevent flooding whenever a large rainfall occurred.

In 2014 and 2015, the City completed the relining of sanitary sewer lines in a residential section of the city. Also in 2015, approximately one mile of city streets was improved with mill and overlay resurfacing.

## Major Initiatives (Continued)

In 2013, the City completed two stormwater underground storage and infiltration systems in our stormwater system in an area of the city that had no stormwater sewer system.

The Northeast Connector Trail project was completed in 2012 after the city participated in a \$1,078,000 grant with the University of Minnesota and the neighboring city of Roseville to complete a three-mile pedestrian trail. This development project was a collaborative effort between the City of Roseville, the City of Falcon Heights, and the University of Minnesota to allow for residents of both cities and the university to enjoy walking or biking through Falcon Heights.

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Falcon Heights for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2022. This was the 33<sup>rd</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department, as well as the auditing personnel of BerganKDV, Ltd. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report, and to the auditing firm for its professional assistance in preparing the Annual Comprehensive Financial Report for 2023. Credit also must be given to the mayor and the city council for their resolute support for maintaining high standards of professionalism in the management of the City's finances.

Respectfully submitted,



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Jack Linehan  
City Administrator



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Roland Olson  
Finance Director

City of Falcon Heights  
Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Falcon Heights  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Falcon Heights  
Falcon Heights, Minnesota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Falcon Heights, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Falcon Heights, Minnesota, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 City of Falcon Heights, Minnesota, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

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 City of Falcon Heights' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 City of Falcon Heights' 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 City of Falcon Heights' ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Falcon Heights' basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Information**

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

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

*BerganKDV, Ltd.*

Minneapolis, Minnesota  
April 23, 2024





# **City of Falcon Heights**

## **City of Falcon Heights Management's Discussion and Analysis**

As management of the City of Falcon Heights (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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-9 of this report. All amounts, unless otherwise indicated, are expressed in dollars.

### **FINANCIAL HIGHLIGHTS**

- The assets & deferred inflows of resources of the City exceeded its liabilities & deferred inflows of resources at the close of the most recent fiscal year by \$20,899,651. Of this amount, \$9,117,369 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,718,784. Unrestricted net position increased by \$573,157.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,260,906 an increase of \$19,062 in comparison with the prior year. Debt principal payments of \$255,000 and interest payments of \$42,240 occurred in 2023. A positive change in fund balance in the general fund of \$273,742, along with a decrease of \$254,680 in the fund balances of other governmental funds resulted in a net increase of \$19,062 in total fund balance.
- Fund balance definitions must conform to the Government Accounting Standards Board (GASB) Statement No. 54 for the most current year-ended. GASB 54 requires governments to allocate fund balances pursuant to a new hierarchy; fund balances are defined as "Non-spendable," "Restricted," "Committed," "Assigned," and "Unassigned." The new hierarchy defines how a fund discloses its fund balance. Only the general fund maintains an unassigned residual fund balance. The fund balances maintained by all of the other funds are designated for a specific purpose. Restricted, committed, and assigned balances represent differing forms of legal constraint. The reservation of restricted fund balances is stipulated by a city charter, constitution, or grant contract. Committed fund balances have been reserved by the highest law-making body of the government. An assigned fund balance is reserved for the purpose of the fund; for example, the fund balance in the Future Improvements Fund is assigned for future improvements. The General Fund's unassigned fund balance of \$3,194,708 is approximately 39% of the total fund balance of all governmental funds.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$3,194,708, or 111%, of total General Fund expenditures at 2023 levels.
- For 2023, there was a 4.8% increase in the property tax levy. For 2022, there was a 4.9% increase in the property tax levy. For 2021, there was a 4.9% increase in the property tax levy. For 2020, there was a 7.9% increase in the property tax levy. For both 2019 and 2018, there was a 24% increase in the property tax levy. For 2017, there was an 8.9% increase in the property tax levy. For 2016, there was an 8.3% increase. In 2015 and 2014, there was no increase in the property tax levy.
- The City's total debt increased by \$265,000 during the current fiscal year. This represents payments of \$255,000 of the City's debt and addition of the 2023 bond of \$520,000. The principal of general obligation debt outstanding as of December 31, 2023 is \$1,310,000.

# **City of Falcon Heights Management's Discussion and Analysis**

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This management's discussion and analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include only the City itself (known as the primary government). The City has no component units.

The government-wide financial statements can be found on pages 30-31 of this report.

## **FUND FINANCIAL STATEMENTS**

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

## **City of Falcon Heights Management's Discussion and Analysis**

### **FUND FINANCIAL STATEMENTS (CONTINUED)**

#### **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 of the City'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.

Any fund experiencing financial change during the year is considered active. The City maintained 21 individual governmental funds during 2023. Of these funds, five are major 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, G.O. Improvement Bonds - Series 2023A, 2023 Street Project, Future Improvements, and Parks/PW Capital Improvement Fund. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. In addition, individual fund schedules are presented on pages 72-81 for all Special Revenue, Debt Service and Capital Projects Funds.

The City adopts an annual appropriated budget for its General Fund, Special Revenue Funds Debt Service Funds and Capital Project Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32-39 of this report.

#### **Proprietary Funds**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sanitary sewer and storm drainage activities.

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

The basic proprietary fund financial statements can be found on pages 40-42 of this report.

**City of Falcon Heights  
Management's Discussion and Analysis**

**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 can be found on pages 43-64 of this report.

**OTHER INFORMATION**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the Notes to the Required Supplementary Information section (pages 66-70). Combining and individual fund statements and schedules can be found on pages 72-104. Statistical tables can be found on pages 107-137 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a city's financial position. In the case of the City, assets & deferred outflows of resources exceeded liabilities & deferred inflows of resources by \$20,899,651 at the close of the most recent fiscal year.

Forty four percent (\$9,117,369) of the City's net position is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. About 5% (\$1,149,698) of the net position is restricted and represents resources that are subject to external restrictions on how they may be used. The remaining 51% (\$10,632,584) reflects the City's investment in capital assets (e.g., land, buildings, machinery, and equipment) offset by 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 extinguish these liabilities.

**City of Falcon Heights  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**City of Falcon Heights' Net Position**

|  | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|  | 2023                    | 2022                 | 2023                     | 2022                | 2023                 | 2022                 |
| <b>Assets</b>  |                         |                      |                          |                     |                      |                      |
| Current and other assets   | \$ 9,496,861            | \$ 11,808,098        | \$ 3,232,920             | \$ 2,783,915        | \$ 12,729,781        | \$ 14,592,013        |
| Capital assets   | 8,073,418               | 6,994,386            | 2,574,704                | 2,312,482           | 10,648,122           | 9,306,868            |
| Total assets   | <u>17,570,279</u>       | <u>18,802,484</u>    | <u>5,807,624</u>         | <u>5,096,397</u>    | <u>23,377,903</u>    | <u>23,898,881</u>    |
| Deferred outflows of resources - pensions                          | 102,148                 | 161,074              | 32,685                   | 59,778              | 134,833              | 220,852              |
| Total assets and deferred outflows of resources                    | <u>\$ 17,672,427</u>    | <u>\$ 18,963,558</u> | <u>\$ 5,840,309</u>      | <u>\$ 5,156,175</u> | <u>\$ 23,512,736</u> | <u>\$ 24,119,733</u> |
| <b>Liabilities</b>   |                         |                      |                          |                     |                      |                      |
| Long-term liabilities  |                         |                      |                          |                     |                      |                      |
| Outstanding  | \$ 1,514,783            | \$ 1,387,461         | \$ 140,249               | \$ 231,542          | \$ 1,655,032         | \$ 1,619,003         |
| Other liabilities  | 771,131                 | 3,113,458            | 29,713                   | 196,362             | 800,844              | 3,309,820            |
| Total liabilities  | <u>2,285,914</u>        | <u>4,500,919</u>     | <u>169,962</u>           | <u>427,904</u>      | <u>2,455,876</u>     | <u>4,928,823</u>     |
| Deferred inflows of resources - pensions                           | 119,100                 | 7,325                | 38,109                   | 2,718               | 157,209              | 10,043               |
| <b>Net Position</b>  |                         |                      |                          |                     |                      |                      |
| Net investment in capital assets                                   | 8,073,418               | 6,994,386            | 2,559,166                | 2,139,098           | 10,632,584           | 9,133,484            |
| Restricted   | 1,149,698               | 1,503,171            | -                        | -                   | 1,149,698            | 1,503,171            |
| Unrestricted   | 6,044,297               | 5,957,757            | 3,073,072                | 2,586,455           | 9,117,369            | 8,544,212            |
| Total net position   | <u>15,267,413</u>       | <u>14,455,314</u>    | <u>5,632,238</u>         | <u>4,725,553</u>    | <u>20,899,651</u>    | <u>19,180,867</u>    |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 17,672,427</u>    | <u>\$ 18,963,558</u> | <u>\$ 5,840,309</u>      | <u>\$ 5,156,175</u> | <u>\$ 23,512,736</u> | <u>\$ 24,119,733</u> |

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation holds true for the prior fiscal year.

**City of Falcon Heights  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**City of Falcon Heights' Changes in Net Position**

|   | Governmental Activities |               | Business-type Activities |              | Total         |               |
|---|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|   | 2023                    | 2022          | 2023                     | 2022         | 2023          | 2022          |
| <b>Revenues</b>                           |                         |               |                          |              |               |               |
| Program revenues                          |                         |               |                          |              |               |               |
| Charges for services                      | \$ 574,865              | \$ 446,856    | \$ 1,255,104             | \$ 1,230,016 | \$ 1,829,969  | \$ 1,676,872  |
| Operating grants and contributions        | 593,800                 | 1,344,686     | -                        | -            | 593,800       | 1,344,686     |
| Capital grants and contributions          | 656,320                 | 1,140,158     | -                        | -            | 656,320       | 1,140,158     |
| General revenues                          |                         |               |                          |              |               |               |
| Property taxes                            | 2,500,294               | 2,353,403     | -                        | -            | 2,500,294     | 2,353,403     |
| Other                                     | 1,172,651               | 1,145,160     | 604,112                  | -            | 1,776,763     | 1,145,160     |
| Investment earnings                       | 389,278                 | (17,852)      | 133,845                  | (6,479)      | 523,123       | (24,331)      |
| Total revenues                            | 5,887,208               | 6,412,411     | 1,993,061                | 1,223,537    | 7,880,269     | 7,635,948     |
| <b>Expenses</b>                           |                         |               |                          |              |               |               |
| General government                        | 1,010,706               | 821,349       | -                        | -            | 1,010,706     | 821,349       |
| Public safety                             | 1,581,505               | 1,374,452     | -                        | -            | 1,581,505     | 1,374,452     |
| Public works                              | 2,176,211               | 2,978,204     | -                        | -            | 2,176,211     | 2,978,204     |
| Park and recreation                       | 255,689                 | 243,927       | -                        | -            | 255,689       | 243,927       |
| Community development                     | 5,670                   | 758           | -                        | -            | 5,670         | 758           |
| Interest on long-term debt                | 45,328                  | 18,916        | -                        | -            | 45,328        | 18,916        |
| Sanitary sewer                            | -                       | -             | 933,620                  | 852,016      | 933,620       | 852,016       |
| Storm drainage                            | -                       | -             | 152,756                  | 171,265      | 152,756       | 171,265       |
| Total expenses                            | 5,075,109               | 5,437,606     | 1,086,376                | 1,023,281    | 6,161,485     | 6,460,887     |
| Increase in net position before transfers | 812,099                 | 974,805       | 906,685                  | 200,256      | 1,718,784     | 1,175,061     |
| Transfer                                  | -                       | -             | -                        | -            | -             | -             |
| Changes in net position                   | 812,099                 | 974,805       | 906,685                  | 200,256      | 1,718,784     | 1,175,061     |
| Net position – January 1                  | 14,455,314              | 13,480,509    | 4,725,553                | 4,525,297    | 19,180,867    | 18,005,806    |
| Net position - December 31                | \$ 15,267,413           | \$ 14,455,314 | \$ 5,632,238             | \$ 4,725,553 | \$ 20,899,651 | \$ 19,180,867 |

**GOVERNMENTAL ACTIVITIES**

Governmental activities increased the City's net position by \$812,099.

For 2023, the City Council increased the tax levy by 4.8%. For 2022, the City Council increased the tax levy by 4.9%. In 2021, the City Council increased the tax levy by 4.9%. In 2020, the City increased the tax levy by 7.9%. In both 2019 and 2018, the City increased the tax levy by 24%. In 2017, the City increased the tax levy by 8.9%. In 2016, the City increased the tax levy by 8.4%. In 2015, the property tax levy increased by 3.63%. In 2014 there was a 3.4% decrease in property tax revenue due to a tax petition court case lowering the property taxes of one of the city's biggest taxpayers. The 2023 delinquencies in property tax collections increased a little bit as compared to previous years. However, the City's tax base continues to be very stable resulting in a low delinquency rate.

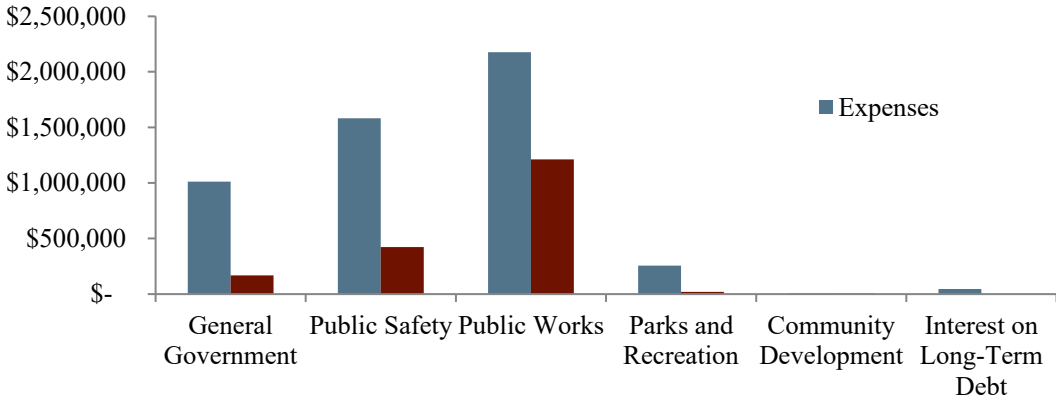
**City of Falcon Heights  
Management's Discussion and Analysis**

**GOVERNMENTAL ACTIVITIES (CONTINUED)**

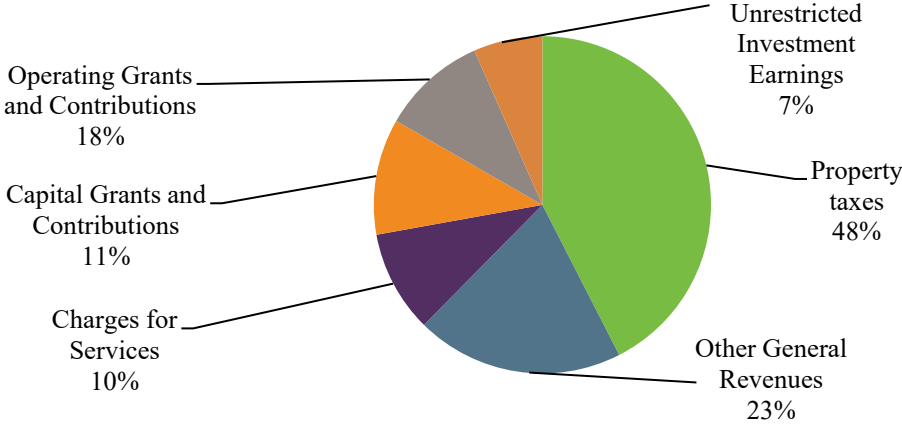
In the governmental activities section, overall, charges for services increased \$128,009 from the 2022 level. Comparing to 2022 levels, licenses and permits increased \$95,964 primarily due to the Falcon Heights elementary school improvements, plan check fees also increased \$12,258, and snow removal fees increased \$12,150. Operating Grants and Contributions decreased \$750,886 due primarily to the City receiving a \$962,200 TBRA grant from the Metropolitan Council for the Amber Union low income housing project and a \$102,096 DEED grant from the state of Minnesota in 2022. Capital Grants and Contributions decreased \$483,838 primarily due to the completion of the Cleveland Avenue project through the University of Minnesota in 2023 and less Minnesota state aid.

In regards to unrestricted state aid, Local Government Aid (LGA) to the City from the State of Minnesota increased \$22,088 in 2023. The LGA level in 2023 was \$743,050. The amount of LGA support from the State of Minnesota typically varies annually. In addition, governmental activities unrestricted investment revenues increased from a negative \$17,852 in 2022 to a positive \$389,278 in 2023 due to increased rates of return and the fair market value adjustments in 2023. On the following pages are specific graphs, which provide comparisons of the governmental activities' revenues and expenses.

**Expenses and Program Revenue – Governmental Activities**



**Revenues by Source – Governmental Activities**



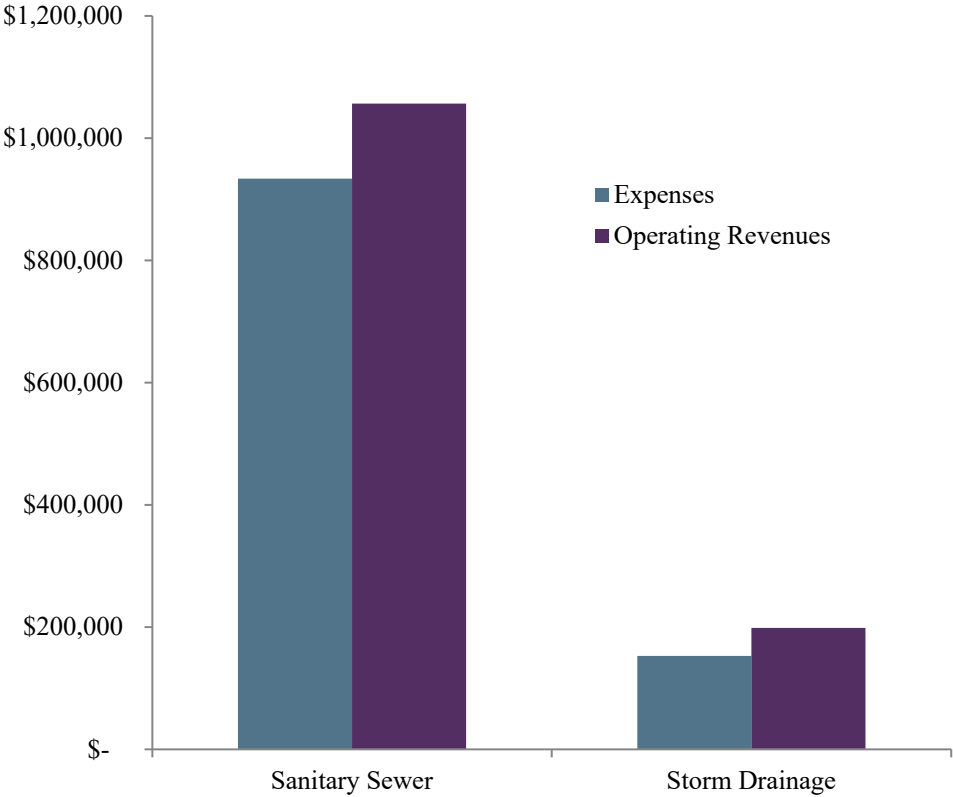


**City of Falcon Heights  
Management's Discussion and Analysis**

**BUSINESS-TYPE ACTIVITIES**

Business-type activities increased the City's net position by \$906,685. There was a 2.1% increase in sanitary sewer fees and a 2.9% increase in storm drainage fees for 2023. There was a 2.2% increase in sanitary sewer fees for 2022 and a 2.9% increase in storm drainage fees for 2023. There was a 2.2% increase in sanitary sewer fees and a 3% increase in fees for storm drainage for 2021. There was a 2.3% fee increase in sanitary sewer fees and a 3.0% increase in storm drainage fees in 2020 as compared to no fee increases in 2019 and 2018. In 2017, there was a 4.7% increase in sanitary sewer fees and a 6.8% increase in storm drainage fees. In 2016, there was a 10.4% increase in sanitary sewer fees and no increase in storm drainage fees. In 2015 and 2014, there was no price increase for either sanitary sewer or storm drainage fees. In 2013, the sanitary sewer fees raised 8.5% and an 11.4% increase of storm sewer fees. No price increases in 2012. In 2011, the City changed the method of billing the sanitary sewer fees. The City instituted a base fee plus a variable fee determined by water consumption, instead of the previous method of using a flat fee for residential property owners. This resulted in property owners having an incentive to use less water consumption to help lower their sanitary sewer charges. The commercial properties were raised the same percentage increase as the residential properties. With the environmental importance of clean storm water drainage flows being discharged into our neighboring lakes and ponds, the City will continue to be required to make future capital improvements to our storm water drainage system.

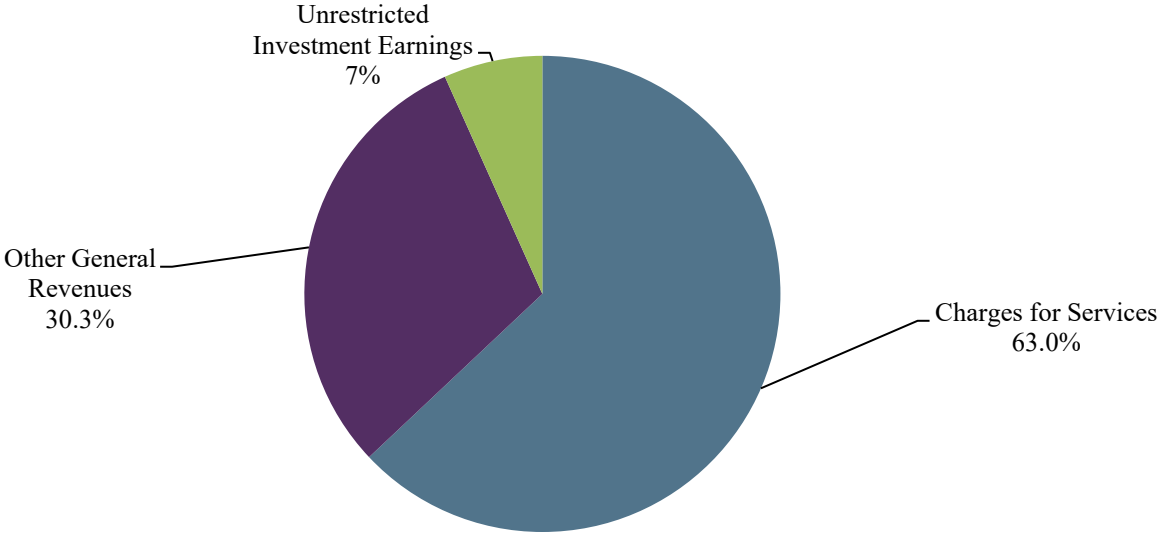
**Expenses and Operating Revenues – Business-Type Activities**



**City of Falcon Heights  
Management's Discussion and Analysis**

**BUSINESS-TYPE ACTIVITIES (CONTINUED)**

**Revenues 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, unreserved fund balance may serve as a useful measure of a city'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 \$8,260,906, an increase of \$19,062 in comparison with the prior year. Approximately 38% (\$3,193,202) of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. There is \$8,840 of the fund balance being non-spendable, which indicates that it is not available for new spending because it has been disbursed for various prepaid expenditures in the General Fund. Eleven percent (\$913,273) is restricted fund balance constrained to a specific purpose by outside legislation, external parties, or constitutional provisions. Seven percent (\$540,205) is committed fund balance constrained by the City Council for specific purposes. Forty four percent (\$3,605,386) is assigned fund balance intended for specific purposes by management as delegated authority by the City Council.

## **City of Falcon Heights Management's Discussion and Analysis**

### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,194,708, while total fund balance reached \$3,427,820. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 111% of total General Fund expenditures, while total fund balance represents 119% of that same amount. Years 2023 and 2022 were much more normal years for the City as compared to 2021. In comparison, 2020, was a very challenging year. In 2020, it was fortunate that the City received \$412,789 in COVID-19 federal/state funding due to the pandemic. Because of the pandemic, the City locked down in March of 2020 and suspended all recreational programs, cultural events, and city celebrations. In 2021 the City partially opened up the recreational programs, cultural events, and city celebrations. The City continued to place extra emphasis on conservative spending of the annual budget knowing that revenue shortfalls could occur due to the pandemic. In addition, the City strived to maintain its AAA bond rating by maintaining a large fund balance in the General Fund. In 2022 and 2021 property tax collections were not adversely affected. A bond rating of AAA has the effect of savings of thousands of dollars in interest costs when the City would go out for bonding for upcoming street projects in the next couple of years.

In 2023, the fund balance of the City's General Fund increased by \$273,742. Revenues were \$609,158 over budget. Expenditures were \$64,584 under budget. There were transfers out of \$576,000 resulting in the \$273,742 increase to the fund balance. Key factors for this fund balance change are:

#### Revenue Variances

- Property Tax revenue had a variance under budget of \$20,161. There was excess tax increment revenue totaling \$18,374. Property tax revenues are very stable for the City.
- Revenue from fees associated with licenses and permits was \$169,735 over budget primarily due to the Falcon Heights elementary school improvement project.
- Intergovernmental revenue was \$245,381 over budget. There was also an additional \$10,129 received in police support funds from Ramsey County, Public Safety Aid of \$224,272, and a county grant of \$8,575 for the Larpenteur/Snelling corridor study.
- Fines and forfeits revenue had a positive variance of \$2,962. Additional revenue was received from State Fair parking fines.
- Investment income was \$162,206 over budget for 2023. This includes a fair market value increase of \$28,028.
- Other revenues were over budget by \$16,467 primarily due to receiving an insurance refund from the city's worker's compensation and general liability and property insurance policies (\$5,553), snow removal fees (\$25,838), and the multi-city Monsanto PBC Settlement (\$17,414).

#### Expenditure Variances

- General Government was \$1,138 under budget. The city continues to use a conservative approach to spending. The departments within the general government contributing to this are as follows: The Legislative section was \$5,771 over budget due to an increase in cooperative legal services. The Administrative section recognized a \$2,433 expenditure variance under budget. The Finance section was \$10,230 under budget mostly due to a variance in part-time hours. Legal was \$13,567 over budget due to additional legal expenditures. The Communications section was \$1,065 over budget while the Planning and Inspection section was under budget by \$8,185 due to insurance coverage reductions.

**City of Falcon Heights  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

Expenditure Variances (Continued)

- The Public Safety section was \$9,126 under budget. The fire services contracted with the City of St Paul was \$5,209 under budget. The police services contracted with the Ramsey County Sherriff's office was \$146 over budget. Prosecution was \$1,315 under budget. The emergency preparedness compensation was \$2,748 under budget due to not needing part-time staffing.
- Expenditures for the Public Works buildings and grounds section was \$3,750 over budget due to increased city hall maintenance and an increase in insurance & bond coverage costs.
- Expenditures for the Streets department were \$26,113 under budget. Compensation was under budget by \$26,410 due to positions not being filled for the full year and lower needs for seasonal employment. Repairing equipment was \$2,322 over budget due to increased repairs on older trucks. Snow removal costs were \$2,985 under budget due to the City having two snow plow trucks so city staff could perform the snow removal.
- Expenditures for the City's Engineering department was \$5,585 under budget. Engineering expenses for the 2023 street project were expensed in a separate street capital fund.
- City's Tree Program was \$9,431 over budget but increased expenditures were approved by council for increased tree trimming.
- A \$26,902 expenditure variance under budget in total park and recreation expenditures was due to less maintenance and compensation expenses. Compensation was \$14,687 under budget due to a position not being filled for the full year and less seasonal employment needed. Other park maintenance expenditures were \$9,067 under budget due to Community Park being partially closed.
- A transfer of \$26,000 was made from the General Fund to the Parks Program Special Revenue Fund to help support future summer recreational sports programming activities. A transfer of \$30,000 was made from the General Fund to the Community Inclusion Special Revenue Fund to support community inclusion efforts. A transfer of \$520,000 was made from the General Fund to the Parks/Public Works Capital Fund for future Community Park improvements.
- The Future Improvements Fund, a major fund, is the fund the City uses to record the infrastructure capital improvements of the City that would not be associated with any of the City's tax increment financing districts. The City received \$53,354 in street and local government aid from the state of Minnesota. Additional income of \$277,923 was from the University of Minnesota for the Cleveland Avenue project. This \$277,923 was then paid to Ramsey County to fund the "right of way" purchases necessary for the Cleveland avenue project. Also, the City received \$137,132 in the form of franchise fees from Xcel Energy during 2023. In addition, there also was \$127,240 in Local Government Aid revenue from the State of Minnesota. This Future Improvement Fund holds \$1,862,437 in assigned fund balance for future capital improvement infrastructure projects.
- The Parks/PW and Facilities Capital Improvements Fund had minimal activity for the year although did receive a \$520,000 transfer from the General Fund as previously noted. The fund balance will be partially utilized for a community park building in 2024.

**Proprietary Funds**

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

**City of Falcon Heights  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

**Proprietary Funds (Continued)**

Unrestricted net position of the Sanitary Sewer Fund at the end of the year amounted to \$2,766,747 while unrestricted net position for the Storm Drainage Fund amounted to \$306,325.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, General Fund expenditures were \$64,584 less than the budgetary estimates. Revenues were \$609,158 more than the budgetary estimates. Also, \$26,000 was transferred from the General Fund to the Parks Program Special Revenue Fund to help support park programs in the City, \$30,000 was transferred from the General Fund to the Community Inclusion Special Revenue Fund, and \$520,000 was transferred from the General Fund to provide funding in the Parks/ Public Works Capital Fund for future park capital needs. In 2023, the net change in fund balance for the General Fund was a positive \$273,742.

**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, 2023 amounts to \$10,648,122 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and system, improvements other than buildings, and machinery and equipment.

The City has elected to use the "modified approach", as defined by GASB Statement No. 34, for infrastructure reporting of its streets and alleys.

The City implemented a pavement management program in 2001 to assist in maintaining and monitoring the performance of the paved street network. This is one of the City's largest investments and would have a significant dollar value if it were to be replaced today. The software program, MicroPAVER, developed by the Army Corps of Engineers, was used by the City in 2001 and 2004. For 2007, 2010, 2013, 2016, 2019 and 2022, the City used the software program ICON, which was developed and supported by Goodpointe Technology as a tool for pavement management. While the software is different, the methodology is the same. Both systems use field surveys to identify distresses and rate the current condition of the streets. Both systems use the segment and distress information to determine the current Pavement Condition Index (PCI) for each segment. However, ICON provides the City with the ability to determine future needs based on current and past maintenance strategies and prioritize the appropriate rehabilitation at optimum times.

Also, ICON has a geographic information system interface to enable easy development of maps showing the results of the analysis.

**City of Falcon Heights  
Management's Discussion and Analysis**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Capital Assets (Continued)**

ICON used the information gathered in the field to calculate a PCI rating for each pavement segment. A PCI rating of 100 would be indicative of a newly constructed street with no distress, while a rating of 0 would show a completely failed street. Segments then can be grouped into like categories of PCI ratings to help determine a schedule of maintenance, rehabilitation and reconstruction. The PCI groups set up for the City are as follows: 100 to 66 – Adequate; 65 to 36 – Marginal; and 35 to 0 – Poor. The City's minimum desired PCI rating is 70. For the year 2007, the City's PCI rating was 87. For the year 2010, the City's PCI rating was 76. For 2013, the City's PCI rating was 74. For 2016, the City's PCI rating was 77 and for 2019 the City's PCI rating was 72. The City's PCI rating was 69 for 2022. The City's lowest PCI rated street was Garden Avenue. The next street rating will take place in 2025.

In 2023 the City conducted a complete street rebuild to Garden Avenue to include sidewalk, new curb and gutter, stormwater basin improvements, and sanitary sewer improvements. In 2021, 2019, and 2017, the City conducted mill and overlay resurfacing. The 2021 resurfacing program included three neighborhood streets of the City. Also, during 2019, 2020, 2021, and 2022 the City relined a portion of the sanitary sewer line in one of the sections of the city.

**City of Falcon Heights' Capital Assets  
(Net of Depreciation)**

|   | Governmental Activities |                     | Business-Type Activities |                     | Total                |                     |
|---|-------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|
|   | 2023                    | 2022                | 2023                     | 2022                | 2023                 | 2022                |
| Land  | \$ 1,527,452            | \$ 419,707          | \$ -                     | \$ -                | \$ 1,527,452         | \$ 419,707          |
| Construction in progress                                    |                         |                     |                          |                     | -                    | -                   |
| Building and system<br>Improvements other<br>than buildings | 122,055                 | 129,299             | 2,574,704                | 2,312,482           | 2,696,759            | 2,441,781           |
| Machinery and<br>equipment                                  | 420,579                 | 468,281             | -                        | -                   | 420,579              | 468,281             |
| Infrastructure  | 253,549                 | 227,316             | -                        | -                   | 253,549              | 227,316             |
|   | <u>5,749,783</u>        | <u>5,749,783</u>    | <u>-</u>                 | <u>-</u>            | <u>5,749,783</u>     | <u>5,749,783</u>    |
| Total   | <u>\$ 8,073,418</u>     | <u>\$ 6,994,386</u> | <u>\$ 2,574,704</u>      | <u>\$ 2,312,482</u> | <u>\$ 10,648,122</u> | <u>\$ 9,306,868</u> |

Additional information on the City's capital assets can be found in Note 3 on pages 50-52 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,310,000. The debt service payments in 2023 were \$255,000.

**City of Falcon Heights  
Management's Discussion and Analysis**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Debt (Continued)**

**City of Falcon Heights' Outstanding Debt  
General Obligation (G.O.) and Revenue Bonds**

|            | Governmental Activities |             | Business-Type Activities |      | Total       |             |
|------------|-------------------------|-------------|--------------------------|------|-------------|-------------|
|            | 2023                    | 2022        | 2023                     | 2022 | 2023        | 2022        |
| G.O. Bonds | \$1,310,000             | \$1,045,000 | \$ -                     | \$ - | \$1,310,000 | \$1,045,000 |

The City earned a "AAA" rating from Standard and Poor's Rating Service on the debt issuance in 2017.

State statutes limit the amount of G.O. debt a governmental entity may issue to a percentage of its total assessed valuation. The current debt limitation for the City is \$11,938,788, which is in excess of the City's outstanding G.O. debt.

Additional information on the City's long-term debt can be found in Note 6 on pages 55-57 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The December 2023 unemployment rate for Ramsey County, in which the City resides, is currently 2.3%, as compared to the rate of 2.6% a year ago. This local unemployment rate compares favorably to the state's December 2023 unemployment rate of 3.2% and favorably to the national December 2023 rate of 3.6%.

Inflationary trends in the region compare favorably to national indices. For a basket of goods indexed at \$100 in 1984, a resident of the Midwest Region will pay approximately \$293. This compares favorably to the average US citizen who pays approximately \$294 for that same basket. The sources for this data are the Federal Reserve Bank of Minneapolis and the Federal Bureau of Labor and Statistics CPI inflation calculator.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

During the current fiscal year, the fund balance in the General Fund increased by \$273,742 to a total of \$3,427,820. The City has designated \$3,194,708 of this balance as unassigned fund balance available for spending at the City's discretion.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 2077 W. Larpentour Ave., City of Falcon Heights, Minnesota 55113.

## **BASIC FINANCIAL STATEMENTS**



**City of Falcon Heights  
Statement of Net Position  
December 31, 2023**

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|---|----------------------------|-----------------------------|----------------------|
| <b>Assets</b>   |                            |                             |                      |
| Cash and investments (including cash equivalents)                     | \$ 8,254,928               | \$ 2,788,609                | \$ 11,043,537        |
| Receivables   |                            |                             |                      |
| Taxes receivable  | 55,227                     | -                           | 55,227               |
| Special assessments   | 295,907                    | -                           | 295,907              |
| Accounts receivable   | 60,507                     | 182,425                     | 242,932              |
| Interest receivable   | 67,558                     | 33,521                      | 101,079              |
| Due from other governments  | 753,894                    | 165,027                     | 918,921              |
| Prepaid items   | 8,840                      | 63,338                      | 72,178               |
| Capital assets (net of accumulated depreciation)                      |                            |                             |                      |
| Land  | 1,527,452                  | -                           | 1,527,452            |
| Infrastructure  | 5,749,783                  | -                           | 5,749,783            |
| Buildings and system  | 122,055                    | 2,574,704                   | 2,696,759            |
| Improvements other than buildings                                     | 420,579                    | -                           | 420,579              |
| Machinery and equipment   | 253,549                    | -                           | 253,549              |
| Total assets  | <u>17,570,279</u>          | <u>5,807,624</u>            | <u>23,377,903</u>    |
| <b>Deferred Outflows of Resources</b>                                 |                            |                             |                      |
| Deferred outflows of resources related to pensions                    | 102,148                    | 32,685                      | 134,833              |
| Total assets and deferred outflows of resources                       | <u>\$ 17,672,427</u>       | <u>\$ 5,840,309</u>         | <u>\$ 23,512,736</u> |
| <b>Liabilities</b>  |                            |                             |                      |
| Accounts payable  | \$ 62,773                  | \$ 3,094                    | \$ 65,867            |
| Contracts payable   | 92,778                     | 15,538                      | 108,316              |
| Due to other governments  | 312,291                    | -                           | 312,291              |
| Salaries and benefits payable   | 257                        | 27                          | 284                  |
| Interest payable  | 25,907                     | -                           | 25,907               |
| Bond principal payable  |                            |                             |                      |
| Payable within one year   | 255,000                    | -                           | 255,000              |
| Payable after one year  | 1,076,430                  | -                           | 1,076,430            |
| Compensated absences payable  |                            |                             |                      |
| Payable within one year   | 22,125                     | 11,054                      | 33,179               |
| Payable after one year  | 61,319                     | 19,605                      | 80,924               |
| Net pension liability   |                            |                             |                      |
| Payable after one year  | 377,034                    | 120,644                     | 497,678              |
| Total liabilities   | <u>2,285,914</u>           | <u>169,962</u>              | <u>2,455,876</u>     |
| <b>Deferred Inflows of Resources</b>                                  |                            |                             |                      |
| Deferred inflows of resources related to pensions                     | 119,100                    | 38,109                      | 157,209              |
| <b>Net Position</b>   |                            |                             |                      |
| Net investment in capital assets                                      | 8,073,418                  | 2,559,166                   | 10,632,584           |
| Restricted for  |                            |                             |                      |
| Debt service  | 815,946                    | -                           | 815,946              |
| Tax increment   | 55,984                     | -                           | 55,984               |
| Public safety   | 224,272                    | -                           | 224,272              |
| Other purposes  | 53,496                     | -                           | 53,496               |
| Unrestricted  | 6,044,297                  | 3,073,072                   | 9,117,369            |
| Total net position  | <u>15,267,413</u>          | <u>5,632,238</u>            | <u>20,899,651</u>    |
| Total liabilities, deferred inflows of resources,<br>and net position | <u>\$ 17,672,427</u>       | <u>\$ 5,840,309</u>         | <u>\$ 23,512,736</u> |

See notes to basic financial statements.

**City of Falcon Heights  
Statement of Activities  
Year Ended December 31, 2023**

| Functions/Programs   | Program Revenues    |                         |  |  | Net (Expense) Revenue<br>and Changes in Net Position |                             |                      |
|--|---------------------|-------------------------|--|--|--|-----------------------------|----------------------|
|  | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total                |
| <b>Governmental activities</b>                             |                     |                         |  |  |  |                             |                      |
| General government   | \$ 1,010,706        | \$ 150,729              | \$ 17,414                                | \$ -                                   | \$ (842,563)   | \$ -                        | \$ (842,563)         |
| Public safety  | 1,581,505           | 187,682                 | 234,401                                  | -                                      | (1,159,422)  | -                           | (1,159,422)          |
| Public works   | 2,176,211           | 213,677                 | 341,485                                  | 656,320                                | (964,729)  | -                           | (964,729)            |
| Park and recreation  | 255,689             | 18,502                  | 500                                      | -                                      | (236,687)  | -                           | (236,687)            |
| Community development                                      | 5,670               | 4,275                   | -  | -                                      | (1,395)  | -                           | (1,395)              |
| Interest on long-term debt                                 | 45,328              | -                       | -  | -                                      | (45,328)   | -                           | (45,328)             |
| Total governmental activities                              | <u>5,075,109</u>    | <u>574,865</u>          | <u>593,800</u>                           | <u>656,320</u>                         | <u>(3,250,124)</u>                                   | <u>-</u>                    | <u>(3,250,124)</u>   |
| <b>Business-type activities</b>                            |                     |                         |  |  |  |                             |                      |
| Sanitary sewer   | 933,620             | 1,056,397               | -  | -                                      | -  | 122,777                     | 122,777              |
| Storm sewer  | 152,756             | 198,707                 | -  | -                                      | -  | 45,951                      | 45,951               |
| Total business-type activities                             | <u>1,086,376</u>    | <u>1,255,104</u>        | <u>-</u>                                 | <u>-</u>                               | <u>-</u>   | <u>168,728</u>              | <u>168,728</u>       |
| <b>Total governmental and<br/>business-type activities</b> | <u>\$ 6,161,485</u> | <u>\$ 1,829,969</u>     | <u>\$ 593,800</u>                        | <u>\$ 656,320</u>                      | (3,250,124)  | 168,728                     | (3,081,396)          |
| <b>General revenues</b>                                    |                     |                         |  |  |  |                             |                      |
| Property taxes levied for general purposes                 |                     |                         |  |  | 2,310,608  | -                           | 2,310,608            |
| Property taxes levied for debt service                     |                     |                         |  |  | 189,686  | -                           | 189,686              |
| Franchise taxes  |                     |                         |  |  | 137,132  | -                           | 137,132              |
| Tax increments   |                     |                         |  |  | 389,504  | -                           | 389,504              |
| Unrestricted intergovernmental aids and grants             |                     |                         |  |  | 624,431  | 604,112                     | 1,228,543            |
| Other general revenue                                      |                     |                         |  |  | 21,584   | -                           | 21,584               |
| Unrestricted investment earnings                           |                     |                         |  |  | 389,278  | 133,845                     | 523,123              |
| Total general revenues                                     |                     |                         |  |  | <u>4,062,223</u>                                     | <u>737,957</u>              | <u>4,800,180</u>     |
| Change in net position                                     |                     |                         |  |  | 812,099  | 906,685                     | 1,718,784            |
| Net position - beginning                                   |                     |                         |  |  | 14,455,314   | 4,725,553                   | 19,180,867           |
| Net position - ending                                      |                     |                         |  |  | <u>\$ 15,267,413</u>                                 | <u>\$ 5,632,238</u>         | <u>\$ 20,899,651</u> |

See notes to basic financial statements.

**City of Falcon Heights**  
**Balance Sheet - Governmental Funds**  
**December 31, 2023**

|  | General             | Debt Service                                  | Capital Projects       |                        |
|--|---------------------|---|------------------------|------------------------|
|  |                     | G.O.<br>Improvement<br>Bonds, Series<br>2023A | 2023 Street<br>Project | Future<br>Improvements |
| <b>Assets</b>  |                     |   |                        |                        |
| Cash and investments   | \$ 3,352,279        | \$ -  | \$ 345,254             | \$ 1,804,443           |
| Taxes receivable - delinquent  | 55,227              | -   | -                      | -                      |
| Special assessment receivable -<br>deferred                                    | -                   | 203,039                                       | -                      | -                      |
| Accounts receivable  | -                   | -   | -                      | 34,066                 |
| Interest receivable  | 43,629              | -   | -                      | 23,929                 |
| Due from other funds   | 1,206               | -   | -                      | -                      |
| Due from other governments   | 45,206              | -   | -                      | 694,694                |
| Prepaid items  | 8,840               | -   | -                      | -                      |
| <b>Total assets</b>  | <b>\$ 3,506,387</b> | <b>\$ 203,039</b>                             | <b>\$ 345,254</b>      | <b>\$ 2,557,132</b>    |
| <b>Liabilities</b>   |                     |   |                        |                        |
| Accounts payable   | \$ 21,561           | \$ -  | \$ 422                 | \$ -                   |
| Contracts payable  | -                   | -   | 43,184                 | -                      |
| Due to other funds   | -                   | -   | -                      | -                      |
| Due to other governments   | 1,533               | -   | -                      | 277,973                |
| Salaries and benefits payable  | 246                 | -   | -                      | -                      |
| <b>Total liabilities</b>   | <b>23,340</b>       | <b>-</b>                                      | <b>43,606</b>          | <b>277,973</b>         |
| <b>Deferred Inflows of Resources</b>   |                     |   |                        |                        |
| Unavailable revenue - state shared taxes                                       | -                   | -   | -                      | 416,722                |
| Unavailable revenue - property tax   | 55,227              | -   | -                      | -                      |
| Unavailable revenue - special assessments                                      | -                   | 203,039                                       | -                      | -                      |
| <b>Total deferred inflows of resources</b>                                     | <b>55,227</b>       | <b>203,039</b>                                | <b>-</b>               | <b>416,722</b>         |
| <b>Fund Balances</b>   |                     |   |                        |                        |
| Nonspendable   | 8,840               | -   | -                      | -                      |
| Restricted   | 224,272             | -   | -                      | -                      |
| Committed  | -                   | -   | -                      | -                      |
| Assigned   | -                   | -   | 301,648                | 1,862,437              |
| Unassigned   | 3,194,708           | -   | -                      | -                      |
| <b>Total fund balances</b>   | <b>3,427,820</b>    | <b>-</b>                                      | <b>301,648</b>         | <b>1,862,437</b>       |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ 3,506,387</b> | <b>\$ 203,039</b>                             | <b>\$ 345,254</b>      | <b>\$ 2,557,132</b>    |

| Capital Projects                             |                          |                          |
|--|--------------------------|--------------------------|
| Parks/PW and Facilities Capital Improvements | Other Governmental Funds | Total Governmental Funds |
| \$ 856,659                                   | \$ 1,896,293             | \$ 8,254,928             |
| -  | -                        | 55,227                   |
| -  | 92,868                   | 295,907                  |
| -  | 26,441                   | 60,507                   |
| -  | -                        | 67,558                   |
| -  | -                        | 1,206                    |
| -  | 13,994                   | 753,894                  |
| -  | -                        | 8,840                    |
| <u>\$ 856,659</u>                            | <u>\$ 2,029,596</u>      | <u>\$ 9,498,067</u>      |
| \$ 27,535                                    | \$ 13,255                | \$ 62,773                |
| -  | 49,594                   | 92,778                   |
| -  | 1,206                    | 1,206                    |
| -  | 32,785                   | 312,291                  |
| -  | 11                       | 257                      |
| <u>27,535</u>                                | <u>96,851</u>            | <u>469,305</u>           |
| -  | -                        | 416,722                  |
| -  | -                        | 55,227                   |
| -  | 92,868                   | 295,907                  |
| -  | 92,868                   | 767,856                  |
| -  | -                        | 8,840                    |
| 33,575                                       | 655,426                  | 913,273                  |
| -  | 540,205                  | 540,205                  |
| 795,549                                      | 645,752                  | 3,605,386                |
| -  | (1,506)                  | 3,193,202                |
| <u>829,124</u>                               | <u>1,839,877</u>         | <u>8,260,906</u>         |
| <u>\$ 856,659</u>                            | <u>\$ 2,029,596</u>      | <u>\$ 9,498,067</u>      |



# **City of Falcon Heights**

City of Falcon Heights  
Reconciliation of the Balance Sheet to  
the Statement of Net Position - Governmental Funds  
December 31, 2023

|   |                             |
|---|-----------------------------|
| Total fund balances - governmental funds  | \$ 8,260,906                |
| Amounts reported for governmental activities in the Statement of Net Position are different because:  |                             |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.                                    |                             |
| Cost of capital assets  | 10,446,583                  |
| Less accumulated depreciation   | (2,373,165)                 |
| 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  | (1,310,000)                 |
| Bond premium  | (21,430)                    |
| Compensated absences payable  | (83,444)                    |
| Net pension liability   | (377,034)                   |
| Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.  |                             |
| Deferred inflows of resources related to pensions   | (119,100)                   |
| Deferred outflows of resources related to pensions  | 102,148                     |
| Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. |                             |
| Property taxes  | 55,227                      |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.  |                             |
| Deferred special assessments  | 295,907                     |
| State shared taxes  | 416,722                     |
| Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.  | <u>(25,907)</u>             |
| Total net position - governmental activities  | <u><u>\$ 15,267,413</u></u> |

**City of Falcon Heights**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2023**

|   | General             | Debt Service<br>G.O.<br>Improvement<br>Bonds, Series<br>2023A | Capital Projects<br>2023 Street<br>Project | Future<br>Improvements |
|---|---------------------|---|--|------------------------|
| <b>Revenues</b>                                 |                     |   |  |                        |
| Property taxes                                  | \$ 2,264,451        | \$ -  | \$ -                                       | \$ -                   |
| Tax increments                                  | 18,374              | -   | -  | -                      |
| Special assessments                             | -                   | -   | 171,388                                    | -                      |
| Licenses and permits                            | 252,485             | -   | -  | 137,132                |
| Intergovernmental                               | 891,191             | -   | 332,262                                    | 458,997                |
| Charges for services                            | 55,291              | -   | -  | -                      |
| Fines and forfeitures                           | 17,962              | -   | -  | -                      |
| Miscellaneous                                   |                     |   |  |                        |
| Investment income                               | 177,206             | -   | 10,197                                     | 92,321                 |
| Contributions and donations                     | -                   | -   | -  | -                      |
| Refunds and reimbursements                      | 5,553               | -   | -  | -                      |
| Other   | 17,967              | -   | 5,820                                      | 1,859                  |
| Total revenues                                  | <u>3,700,480</u>    | <u>-</u>  | <u>519,667</u>                             | <u>690,309</u>         |
| <b>Expenditures</b>                             |                     |   |  |                        |
| <b>Current</b>                                  |                     |   |  |                        |
| General government                              | 918,573             | -   | -  | -                      |
| Public safety                                   | 1,551,150           | -   | -  | -                      |
| Public works                                    | 324,627             | -   | 125,718                                    | 710                    |
| Park and recreation                             | 77,388              | -   | -  | -                      |
| Community development                           | -                   | -   | -  | -                      |
| Miscellaneous                                   | -                   | -   | -  | -                      |
| <b>Debt service</b>                             |                     |   |  |                        |
| Principal                                       | -                   | -   | -  | -                      |
| Interest and other charges                      | -                   | -   | 19,765                                     | -                      |
| <b>Capital outlay</b>                           |                     |   |  |                        |
| General government                              | -                   | -   | -  | -                      |
| Public safety                                   | -                   | -   | -  | -                      |
| Public works                                    | -                   | -   | 888,106                                    | 298,476                |
| Park and recreation                             | -                   | -   | -  | -                      |
| Total expenditures                              | <u>2,871,738</u>    | <u>-</u>  | <u>1,033,589</u>                           | <u>299,186</u>         |
| Excess of revenues over<br>(under) expenditures | 828,742             | -   | (513,922)                                  | 391,123                |
| <b>Other Financing Sources (Uses)</b>           |                     |   |  |                        |
| Proceeds from sale of capital assets            | -                   | -   | -  | -                      |
| Bond issuance                                   | -                   | -   | 520,000                                    | -                      |
| Transfers in                                    | 21,000              | -   | 287,000                                    | 30,000                 |
| Transfers out                                   | (576,000)           | -   | -  | (407,000)              |
| Total other financing sources (uses)            | <u>(555,000)</u>    | <u>-</u>  | <u>807,000</u>                             | <u>(377,000)</u>       |
| Net change in fund balances                     | 273,742             | -   | 293,078                                    | 14,123                 |
| <b>Fund Balances</b>                            |                     |   |  |                        |
| Beginning of year                               | <u>3,154,078</u>    | <u>-</u>  | <u>8,570</u>                               | <u>1,848,314</u>       |
| End of year                                     | <u>\$ 3,427,820</u> | <u>\$ -</u>   | <u>\$ 301,648</u>                          | <u>\$ 1,862,437</u>    |

See notes to basic financial statements.

| <u>Capital Projects</u>   |   |   |
|---|---|---|
| <u>Parks/PW and<br/>Facilities<br/>Capital<br/>Improvements</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
| \$ -  | \$ 189,686                              | \$ 2,454,137                            |
| -   | 371,130                                 | 389,504                                 |
| -   | 41,803                                  | 213,191                                 |
| -   | -                                       | 389,617                                 |
| -   | 15,661                                  | 1,698,111                               |
| -   | 206,341                                 | 261,632                                 |
| -   | -                                       | 17,962                                  |
| 36,576  | 72,978                                  | 389,278                                 |
| 500   | -                                       | 500                                     |
| -   | 4,961                                   | 10,514                                  |
| -   | 14,987                                  | 40,633                                  |
| <u>37,076</u>   | <u>917,547</u>                          | <u>5,865,079</u>                        |
| -   | 710                                     | 919,283                                 |
| -   | 17,170                                  | 1,568,320                               |
| -   | 174,980                                 | 626,035                                 |
| 1,832   | 32,792                                  | 112,012                                 |
| -   | 5,670                                   | 5,670                                   |
| -   | 2,430                                   | 2,430                                   |
| -   | 255,000                                 | 255,000                                 |
| -   | 22,475                                  | 42,240                                  |
| -   | 4,837                                   | 4,837                                   |
| -   | 8,601                                   | 8,601                                   |
| -   | 407,514                                 | 1,594,096                               |
| 1,231,493   | -                                       | 1,231,493                               |
| <u>1,233,325</u>  | <u>932,179</u>                          | <u>6,370,017</u>                        |
| (1,196,249)   | (14,632)                                | (504,938)                               |
| 4,000   | -                                       | 4,000                                   |
| -   | -                                       | 520,000                                 |
| 520,000   | 176,000                                 | 1,034,000                               |
| -   | (51,000)                                | (1,034,000)                             |
| <u>524,000</u>  | <u>125,000</u>                          | <u>524,000</u>                          |
| (672,249)   | 110,368                                 | 19,062                                  |
| <u>1,501,373</u>  | <u>1,729,509</u>                        | <u>8,241,844</u>                        |
| <u>\$ 829,124</u>   | <u>\$ 1,839,877</u>                     | <u>\$ 8,260,906</u>                     |



**City of Falcon Heights**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to**  
**the Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2023**

Net change in fund balances - governmental funds \$ 19,062

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

|                      |           |
|----------------------|-----------|
| Capital outlays      | 1,194,381 |
| Depreciation expense | (115,349) |

|   |       |
|---|-------|
| Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. | (572) |
|---|-------|

|  |          |
|--|----------|
| Governmental funds recognized pension contributions as expenditures at the time of payment in items related to pensions on a full accrual perspective. | (39,418) |
|--|----------|

|  |         |
|--|---------|
| Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net assets in the Statement of Activities. | 255,000 |
|--|---------|

|  |          |
|--|----------|
| Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. | (15,615) |
|--|----------|

|   |           |
|---|-----------|
| The issuance of long-term debt is recognized as an other financing source in the governmental funds but as a decrease in net position in the statement of activities. | (520,000) |
|---|-----------|

|   |        |
|---|--------|
| The governmental funds report the effect of bond premiums, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. |        |
| Amortization of bond premiums   | 12,527 |

|  |           |
|--|-----------|
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. |           |
| Special assessments  | 163,388   |
| State shared taxes   | (187,462) |

|   |        |
|---|--------|
| Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. | 46,157 |
|---|--------|

|  |            |
|--|------------|
| Change in net position - governmental activities | \$ 812,099 |
|--|------------|

**City of Falcon Heights**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2023**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Over (Under)</u> |
|---|-------------------------|--------------------|-----------------------|--|
|   | <u>Original</u>         | <u>Final</u>       |                       |  |
| <b>Revenues</b>                         |                         |                    |                       |  |
| Property taxes                          | \$ 2,284,612            | \$ 2,284,612       | \$ 2,264,451          | \$ (20,161)  |
| Tax increments                          | -                       | -                  | 18,374                | 18,374   |
| Licenses and permits                    | 82,750                  | 82,750             | 252,485               | 169,735  |
| Intergovernmental                       | 645,810                 | 645,810            | 891,191               | 245,381  |
| Charges for services                    | 46,650                  | 46,650             | 55,291                | 8,641  |
| Fines and forfeitures                   | 15,000                  | 15,000             | 17,962                | 2,962  |
| Miscellaneous revenues                  |                         |                    |                       |  |
| Investment income                       | 15,000                  | 15,000             | 177,206               | 162,206  |
| Refunds and reimbursements              | -                       | -                  | 5,553                 | 5,553  |
| Other                                   | 1,500                   | 1,500              | 17,967                | 16,467   |
| Total revenues                          | <u>3,091,322</u>        | <u>3,091,322</u>   | <u>3,700,480</u>      | <u>609,158</u>   |
| <b>Expenditures</b>                     |                         |                    |                       |  |
| <b>Current</b>                          |                         |                    |                       |  |
| General government                      | 898,711                 | 919,711            | 918,573               | (1,138)  |
| Public safety                           | 1,560,276               | 1,560,276          | 1,551,150             | (9,126)  |
| Public works                            | 352,045                 | 352,045            | 324,627               | (27,418)   |
| Park and recreation                     | 104,290                 | 104,290            | 77,388                | (26,902)   |
| Total expenditures                      | <u>2,915,322</u>        | <u>2,936,322</u>   | <u>2,871,738</u>      | <u>(64,584)</u>  |
| Excess of revenues<br>over expenditures | 176,000                 | 155,000            | 828,742               | 673,742  |
| <b>Other Financing Sources (Uses)</b>   |                         |                    |                       |  |
| Transfers In                            | -                       | -                  | 21,000                | 21,000   |
| Transfers out                           | (176,000)               | (176,000)          | (576,000)             | (400,000)  |
| Total other financing sources (uses)    | <u>(176,000)</u>        | <u>(176,000)</u>   | <u>(555,000)</u>      | <u>(379,000)</u>   |
| Net change in fund balance              | <u>\$ -</u>             | <u>\$ (21,000)</u> | 273,742               | <u>\$ 294,742</u>  |
| <b>Fund Balance</b>                     |                         |                    |                       |  |
| Beginning of year                       |                         |                    | <u>3,154,078</u>      |  |
| End of year                             |                         |                    | <u>\$ 3,427,820</u>   |  |

City of Falcon Heights  
Statement of Net Position - Proprietary Funds  
December 31, 2023

|   | Sanitary<br>Sewer   | Storm<br>Drainage   | Total               |
|---|---------------------|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |                     |
| <b>Current assets</b>   |                     |                     |                     |
| Cash and investments  | \$ 2,464,396        | \$ 324,213          | \$ 2,788,609        |
| Accounts receivable   | 150,170             | 32,255              | 182,425             |
| Interest receivable   | 33,521              | -                   | 33,521              |
| Due from other governments  | 165,027             | -                   | 165,027             |
| Prepaid items   | 63,338              | -                   | 63,338              |
| Total current assets  | <u>2,876,452</u>    | <u>356,468</u>      | <u>3,232,920</u>    |
| <b>Noncurrent assets</b>  |                     |                     |                     |
| <b>Capital assets</b>   |                     |                     |                     |
| Sewer system  | 2,127,197           | -                   | 2,127,197           |
| Storm drain   | -                   | 2,354,711           | 2,354,711           |
| Machinery and equipment   | 53,104              | 122,570             | 175,674             |
| Total capital assets  | <u>2,180,301</u>    | <u>2,477,281</u>    | <u>4,657,582</u>    |
| Less accumulated depreciation   | <u>(1,112,975)</u>  | <u>(969,903)</u>    | <u>(2,082,878)</u>  |
| Net capital assets  | <u>1,067,326</u>    | <u>1,507,378</u>    | <u>2,574,704</u>    |
| Total assets  | <u>3,943,778</u>    | <u>1,863,846</u>    | <u>5,807,624</u>    |
| <b>Deferred Outflows of Resources</b>                                 |                     |                     |                     |
| Deferred outflows of resources related to pensions                    | <u>22,468</u>       | <u>10,217</u>       | <u>32,685</u>       |
| Total assets and deferred outflows of resources                       | <u>\$ 3,966,246</u> | <u>\$ 1,874,063</u> | <u>\$ 5,840,309</u> |
| <b>Liabilities</b>  |                     |                     |                     |
| <b>Current liabilities</b>  |                     |                     |                     |
| Accounts payable  | \$ 1,085            | \$ 2,009            | \$ 3,094            |
| Contracts payable   | 2,230               | 13,308              | 15,538              |
| Salaries and benefits payable   | 19                  | 8                   | 27                  |
| Amount due within one year  | 7,119               | 3,935               | 11,054              |
| Total current liabilities   | <u>10,453</u>       | <u>19,260</u>       | <u>29,713</u>       |
| <b>Noncurrent liabilities</b>   |                     |                     |                     |
| Compensated absences  | 21,939              | 8,720               | 30,659              |
| Net pension liability   | 82,933              | 37,711              | 120,644             |
| Less amount due within one year                                       | <u>(7,119)</u>      | <u>(3,935)</u>      | <u>(11,054)</u>     |
| Total noncurrent liabilities  | <u>97,753</u>       | <u>42,496</u>       | <u>140,249</u>      |
| Total liabilities   | <u>108,206</u>      | <u>61,756</u>       | <u>169,962</u>      |
| <b>Deferred Inflows of Resources</b>                                  |                     |                     |                     |
| Deferred inflows of resources related to pensions                     | <u>26,197</u>       | <u>11,912</u>       | <u>38,109</u>       |
| <b>Net Position</b>   |                     |                     |                     |
| Net investment in capital assets                                      | 1,065,096           | 1,494,070           | 2,559,166           |
| Unrestricted  | <u>2,766,747</u>    | <u>306,325</u>      | <u>3,073,072</u>    |
| Total net position  | <u>3,831,843</u>    | <u>1,800,395</u>    | <u>5,632,238</u>    |
| Total liabilities, deferred inflows of resources,<br>and net position | <u>\$ 3,966,246</u> | <u>\$ 1,874,063</u> | <u>\$ 5,840,309</u> |

City of Falcon Heights  
Statement of Revenues, Expenses, and Changes  
in Fund Net Position - Proprietary Funds  
Year Ended December 31, 2023

|                                   | Sanitary<br>Sewer   | Storm<br>Drainage   | Total               |
|-----------------------------------|---------------------|---------------------|---------------------|
| <b>Operating revenues</b>         |                     |                     |                     |
| Charges for services              | \$ 1,056,397        | \$ 198,707          | \$ 1,255,104        |
| <b>Operating expenses</b>         |                     |                     |                     |
| Wages, salaries, and compensation | 165,250             | 75,426              | 240,676             |
| Materials and supplies            | 57                  | 2,772               | 2,829               |
| Professional services             | 2,635               | 1,000               | 3,635               |
| Maintenance                       | 30,049              | 10,150              | 40,199              |
| Repairs                           | 5,957               | 13,445              | 19,402              |
| Depreciation                      | 22,355              | 44,120              | 66,475              |
| Metro sewer charges               | 669,995             | -                   | 669,995             |
| Sac charges                       | 2,485               | -                   | 2,485               |
| Billing fees                      | 20,589              | 861                 | 21,450              |
| Insurance and bonds               | 5,863               | 2,514               | 8,377               |
| Miscellaneous                     | 8,385               | 2,468               | 10,853              |
| Total operating expenses          | <u>933,620</u>      | <u>152,756</u>      | <u>1,086,376</u>    |
| Operating income                  | 122,777             | 45,951              | 168,728             |
| <b>Nonoperating revenues</b>      |                     |                     |                     |
| Investment income                 | 118,214             | 15,631              | 133,845             |
| Intergovernmental                 | 604,112             | -                   | 604,112             |
| Total nonoperating revenues       | <u>722,326</u>      | <u>15,631</u>       | <u>737,957</u>      |
| Change in net position            | 845,103             | 61,582              | 906,685             |
| <b>Net position</b>               |                     |                     |                     |
| Beginning of year                 | <u>2,986,740</u>    | <u>1,738,813</u>    | <u>4,725,553</u>    |
| End of year                       | <u>\$ 3,831,843</u> | <u>\$ 1,800,395</u> | <u>\$ 5,632,238</u> |

**City of Falcon Heights**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2023**

|   | Sanitary<br>Sewer | Storm<br>Drainage | Total        |
|---|-------------------|-------------------|--------------|
| <b>Cash Flows - Operating Activities</b>  |                   |                   |              |
| Receipts from customers and users   | \$ 953,891        | \$ 197,819        | \$ 1,151,710 |
| Payments to suppliers   | (921,508)         | (17,353)          | (938,861)    |
| Payments to employees   | (189,515)         | (89,988)          | (279,503)    |
| Net cash flows - operating activities   | (157,132)         | 90,478            | (66,654)     |
| <br><b>Cash Flows - Noncapital Financing Activities</b>                                       |                   |                   |              |
| Intergovernmental revenue   | 604,112           | -                 | 604,112      |
| Net cash flows - noncapital financing activities  | 604,112           | -                 | 604,112      |
| <br><b>Cash Flows - Capital and Related Financing Activities</b>                              |                   |                   |              |
| Acquisition of capital assets   | (62,536)          | (266,161)         | (328,697)    |
| Net Cash Flows - Capital and Related Financing Activities                                     | (62,536)          | (266,161)         | (328,697)    |
| <br><b>Cash Flows - Investing Activities</b>  |                   |                   |              |
| Investment Income   | 87,371            | 15,631            | 103,002      |
| Net change in cash and cash equivalents   | 471,815           | (160,052)         | 311,763      |
| <br><b>Cash and Cash Equivalents</b>  |                   |                   |              |
| Beginning of year   | 1,992,581         | 484,265           | 2,476,846    |
| End of year   | \$ 2,464,396      | \$ 324,213        | \$ 2,788,609 |
| <br><b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b> |                   |                   |              |
| Operating income  | \$ 122,777        | \$ 45,951         | \$ 168,728   |
| Adjustments to reconcile operating income (loss) to net cash flows - operating activities     |                   |                   |              |
| Depreciation expense  | 22,355            | 44,120            | 66,475       |
| Accounts receivable   | 62,521            | (888)             | 61,633       |
| Due from other governments  | (165,027)         | -                 | (165,027)    |
| Prepaid items   | (5,005)           | 2,000             | (3,005)      |
| Pension expense   | (1,485)           | (4,032)           | (5,517)      |
| Accounts payable  | 666               | 549               | 1,215        |
| Contracts payable   | (171,154)         | 13,308            | (157,846)    |
| Salaries payable  | (2,392)           | (622)             | (3,014)      |
| Compensated absences payable  | (20,388)          | (9,908)           | (30,296)     |
| Total adjustments   | (279,909)         | 44,527            | (235,382)    |
| Net cash flows - operating activities   | \$ (157,132)      | \$ 90,478         | \$ (66,654)  |

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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 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 fees, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Description of Funds:**

**Major Governmental Funds:**

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

G.O. Improvement Bonds, Series 2023A Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on this bond issue.

2023 Street Project Capital Projects Fund - This fund accounts for costs associated with the 2023 Street Project.

Future Improvements Capital Projects Fund - This fund accounts for costs associated with replacement of the City's utility and road systems.

Parks/PW and Facilities Capital Improvements Capital Projects Fund - This fund accounts for capital outlay within the departments stated in its name.

**Major Proprietary Funds:**

Sanitary Sewer Enterprise Fund - This fund accounts for the operations of the City's sanitary sewer utility.

Storm Drainage Enterprise Fund - This fund accounts for the activities of the City's storm drainage operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions 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 Sanitary Sewer and the Storm Drainage 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.

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. Further, the City applies unrestricted funds in this order if various levels of unrestricted fund balances exist: committed, assigned, and unassigned.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**1. Deposits and Investments**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

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.

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

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

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14 day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

**2. Receivables and Payables**

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Ramsey County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.



**City of Falcon Heights**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Receivables and Payables (Continued)**

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent tax receivable.

**3. Prepaid Items and Inventory**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**4. Capital Assets (Continued)**

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

| <u>Assets</u>               | <u>Years</u> |
|-----------------------------|--------------|
| Buildings                   | 40           |
| Park Buildings              | 30           |
| Building Improvements       | 15           |
| Furniture and Equipment     | 5            |
| Light Vehicles              | 5            |
| Machinery and Equipment     | 5-7          |
| Fire Trucks                 | 20           |
| Utility Distribution System | 50           |

The City uses the modified approach in accounting for its street and alley infrastructure assets. Under this method, depreciation expense is not recognized. A pavement condition policy has been established and all costs of maintaining the assets at this level are expensed.

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City presents deferred outflows of resources on the Statements of Net Position for deferred outflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statements of Net Position for deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**6. Compensated Absences**

City employees earn vacation time based on years of City service with a maximum at twice their annual vacation leave. At least one week of vacation must be used per calendar year. Upon termination, employees will receive compensation for unused vacation time. Sick leave is accumulated for all regular full-time employees at the rate of one day per calendar month to a maximum of 120 days. The City compensates employees who leave municipal service at the rate of 50% of unused sick leave. Vacation and sick leave benefits are recorded as expenditures in governmental funds when paid. Compensated absences payable are reported in governmental funds only if they have matured as a result of employee resignations and retirements. Vacation and sick benefits are recorded as expenses in proprietary funds when earned.

**7. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

**8. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and 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.

**9. Fund Equity**

**a. Classification**

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

- ◆ Nonspendable Fund Balance - These are amounts that cannot be spent because they are not in spendable form.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Fund Equity (Continued)**

**a. Classification (Continued)**

- ◆ Restricted Fund Balance - These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through enabling legislation.
- ◆ Committed Fund Balance - These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.
- ◆ Assigned Fund Balance - These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Based on authorization provided by the City's fund balance policy, assignments are made by the City Administrator based on the City Council's direction.
- ◆ Unassigned Fund Balance - These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

**b. Minimum Fund Balance**

The City will strive to maintain a minimum unassigned fund balance in the General Fund of 45% of the subsequent year's budgeted expenditures.

**10. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build, or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**E. Use of Estimates**

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

**City of Falcon Heights**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgetary Information**

1. In August of each year, City staff submits to the City Council, a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments.
4. Budgets for the General, Special Revenue, Capital Projects, Debt Service, and Enterprise Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. There was no budget established for the G.O. Improvement Bonds, Series 2023A Debt Service Fund.
5. Expenditures may not legally exceed budgeted appropriations at the fund level. No fund's budget can be increased without City Council approval. The City Council may authorize transfer of budgeted amounts between departments within any fund. Management may amend budgets within a department level, so long as the total department budget is not changed.
6. Annual appropriated budgets are adopted during the year for the General, Special Revenue, Capital Projects, Debt Service, and Enterprise Funds.
7. Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original amounts budgeted. Budgeted expenditure appropriations lapse at year-end.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Deficit Fund Balances**

The TIF District No. 1-4 nonmajor capital project fund had a deficit fund balance at December 31, 2023 of \$1,506.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and cash equivalents" or "investments". For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized as follows.

**A. Deposits**

**Custodial Credit Risk - Deposits:** This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy that requires the District's deposits be collateralized as required by *Minnesota Statutes* for an amount exceeding FDIC, SAIF, BIF, or FCUA coverage. As of December 31, 2023, the City's bank balance of \$0 was not exposed to custodial credit risk because it was fully insured through the FDIC.

The book balance as of December 31, 2023, was \$0 for deposits.

As of December 31, 2023, the City had a petty cash balance of \$250.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments**

| Investment Type                  | Fair Value          | Investment Maturity |              |             |              | Rating |
|----------------------------------|---------------------|---------------------|--------------|-------------|--------------|--------|
|                                  |                     | Less than 1 Year    | 1 to 3 Years | 3 - 5 Years | Over 5 Years |        |
| Brokered Certificates of Deposit | \$ 6,098,036        | \$ 2,850,916        | \$ 3,247,120 | \$ -        | \$ -         | NR     |
| 4M Term Series                   | 2,000,000           | 2,000,000           | -            | -           | -            | NR     |
| 4M Fund and 4M Fund Plus         | 2,691,915           | -                   | -            | -           | -            | NR     |
| Brokered Money Markets           | <u>253,336</u>      | -                   | -            | -           | -            | NR     |
| Total investments                | <u>\$11,043,287</u> |                     |              |             |              |        |

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy states the City shall set the goal that no one issuer represents 5% or more of total investments with the exception of U.S. Treasuries and U.S. government agencies that are either implicitly or explicitly guaranteed by the federal government.

**Interest Rate Risk:** This is the risk that fair values of securities in a portfolio would decrease due to changes in market interest rates. The City's investment policy states the City will invest in approximately 10% to 25% of its available funds in liquid instruments, such as commercial paper and money market accounts. This is to ensure the City's funds could be available should unexpected large bills be presented for payment. The policy goes on to state once the liquidity needs have been met, the remaining investments shall be placed with institutions offering the highest rate of return consistent with the maturities determined by the City.

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to be in the top two ratings issued by nationally recognized statistical rating obligations. The policy lists the authorized investments to comply with the requirements of *Minnesota Statutes* §§ 118A.04, 118A.05, and 118A.06, examples include commercial paper rated as A-1, P-1 and F-1 with maturities of 270 days or less, U.S. government obligations, obligations of the State of Minnesota, irrevocable letter of credit and interest bearing deposits.

**Custodial Credit Risk - Investments:** This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy states investments are to be fully insured or collateralized and/or registered in the name of the City with safekeeping for the security provided by the City's broker/financial institution or trust department. The financial institution is also required to be a member of the Securities Investor Protection Corporation (SIPC) to protect the securities in the City's account. All certificates of deposit up to \$250,000 principal and interest will be protected by the FDIC. In the event the City purchases a certificate of deposit from a broker/financial institution that does not provide safekeeping, the City may provide safekeeping in a secured location at the City.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

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

- ◆ \$6,098,004 of investments (all brokered certificates of deposit) are significant other observable inputs (Level 2 inputs) using closing market prices.

Summary of cash deposits and investments as of December 31, 2023, were as follows:

|                                |                             |
|--------------------------------|-----------------------------|
| Deposits                       | \$ -                        |
| Petty cash                     | 250                         |
| Investments (Note 2.B.)        | <u>11,043,287</u>           |
| Total deposits and investments | <u><u>\$ 11,043,537</u></u> |

**C. Cash and Investments**

Deposits and investments are presented in the December 31, 2023, basic financial statements as follows:

|   |                             |
|---|-----------------------------|
| Statement of Net Position                       |                             |
| Cash and investments - governmental activities  | \$ 8,254,928                |
| Cash and investments - business-type activities | <u>2,788,609</u>            |
| Total   | <u><u>\$ 11,043,537</u></u> |

**City of Falcon Heights**  
**Notes to Basic Financial Statements**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, was as follows:

|  | Beginning<br>Balance | Increases           | Decreases     | Ending<br>Balance   |
|--|----------------------|---------------------|---------------|---------------------|
| Governmental activities                        |                      |                     |               |                     |
| Capital assets not being depreciated           |                      |                     |               |                     |
| Land   | \$ 419,707           | \$ 1,107,745        | \$ -          | \$ 1,527,452        |
| Infrastructure                                 | 5,749,783            | -                   | -             | 5,749,783           |
| Total capital assets not<br>being depreciated  | <u>6,169,490</u>     | <u>1,107,745</u>    | <u>-</u>      | <u>7,277,235</u>    |
| Capital assets being depreciated               |                      |                     |               |                     |
| Buildings                                      | 1,360,310            | -                   | -             | 1,360,310           |
| Improvements other than buildings              | 994,816              | -                   | -             | 994,816             |
| Machinery and equipment                        | 823,607              | 86,636              | 96,021        | 814,222             |
| Total capital assets<br>being depreciated      | <u>3,178,733</u>     | <u>86,636</u>       | <u>96,021</u> | <u>3,169,348</u>    |
| Less accumulated depreciation for              |                      |                     |               |                     |
| Buildings                                      | 1,231,011            | 7,244               | -             | 1,238,255           |
| Improvements other than buildings              | 526,535              | 47,702              | -             | 574,237             |
| Machinery and equipment                        | 596,291              | 60,403              | 96,021        | 560,673             |
| Total accumulated<br>depreciation              | <u>2,353,837</u>     | <u>115,349</u>      | <u>96,021</u> | <u>2,373,165</u>    |
| Total capital assets being<br>depreciated, net | <u>824,896</u>       | <u>(28,713)</u>     | <u>-</u>      | <u>796,183</u>      |
| Governmental activities capital<br>assets, net | <u>\$ 6,994,386</u>  | <u>\$ 1,079,032</u> | <u>\$ -</u>   | <u>\$ 8,073,418</u> |



**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|-------------------|------------------|---------------------------|
| Business-type activities                        |                              |                   |                  |                           |
| Capital assets being depreciated                |                              |                   |                  |                           |
| Buildings and system                            | \$ 4,153,211                 | \$ 328,697        | \$ -             | \$ 4,481,908              |
| Machinery and equipment                         | 175,674                      | -                 | -                | 175,674                   |
| Total capital assets<br>being depreciated       | <u>4,328,885</u>             | <u>328,697</u>    | <u>-</u>         | <u>4,657,582</u>          |
| Less accumulated depreciation for               |                              |                   |                  |                           |
| Buildings and system                            | 1,840,729                    | 66,475            | -                | 1,907,204                 |
| Machinery and equipment                         | 175,674                      | -                 | -                | 175,674                   |
| Total accumulated<br>depreciation               | <u>2,016,403</u>             | <u>66,475</u>     | <u>-</u>         | <u>2,082,878</u>          |
| Total capital assets being<br>depreciated, net  | <u>2,312,482</u>             | <u>262,222</u>    | <u>-</u>         | <u>2,574,704</u>          |
| Business-type activities capital<br>assets, net | <u>\$ 2,312,482</u>          | <u>\$ 262,222</u> | <u>\$ -</u>      | <u>\$ 2,574,704</u>       |

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

|   |                   |
|---|-------------------|
| Governmental activities                               |                   |
| General government                                    | \$ 40,512         |
| Public safety   | 16,872            |
| Public works  | 41,562            |
| Culture and recreation                                | 16,403            |
| Total depreciation expense - governmental activities  | <u>\$ 115,349</u> |
| Business-type activities                              |                   |
| Sanitary sewer  | \$ 22,355         |
| Storm drainage  | 44,120            |
| Total depreciation expense - business-type activities | <u>\$ 66,475</u>  |

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 5 - INTERFUND BALANCES AND TRANSFERS**

**A. Interfund Balances**

There was an interfund balance of \$1,206 due to the General Fund and due from other nonmajor funds for negative cash balances.

**B. Transfers**

Transfers during the year ended December 31, 2023, were as follows:

| Transfers In            | Transfers Out     |                     |                  | Total               |
|-------------------------|-------------------|---------------------|------------------|---------------------|
|                         | General Fund      | Future Improvements | Other Non-Major  |                     |
| 2023 Street Project     | \$ -              | \$ 287,000          | \$ -             | \$ 287,000          |
| General Fund            | -                 | -                   | 21,000           | 21,000              |
| Future Improvements     | -                 | -                   | 30,000           | 30,000              |
| Parks/PW and facilities | 520,000           | -                   | -                | 520,000             |
| Other non-major         | 56,000            | 120,000             | -                | 176,000             |
| Total                   | <u>\$ 576,000</u> | <u>\$ 407,000</u>   | <u>\$ 51,000</u> | <u>\$ 1,034,000</u> |

The transfer from the General Fund to the Other Governmental Funds were to assist with park programs and community inclusion. All other transfers were to provide resources for capital expenditures.

**NOTE 6 - LONG-TERM DEBT**

**A. G.O. Debt**

The City issues G.O. bonds to provide for financing of street improvements. Debt service is funded by special assessments against benefited properties with any shortfalls being paid from general taxes.

G.O. bonds are direct obligations and pledge the full faith and credit of the City.

|                                      | Original Issue | Interest Rates | Principal Outstanding |
|--------------------------------------|----------------|----------------|-----------------------|
| Long-term liabilities                |                |                |                       |
| Governmental activities              |                |                |                       |
| G.O. Improvement Bonds, Series 2017A | \$ 845,000     | 3.00%          | \$ 255,000            |
| G.O. Improvement Bonds, Series 2021A | 665,000        | 2.00%          | 535,000               |
| G.O. Improvement Bonds, Series 2023A | 520,000        | 4.41%          | 520,000               |

**City of Falcon Heights**  
**Notes to Basic Financial Statements**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**A. G.O. Debt (Continued)**

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

| <u>Year Ending<br/>December 31,</u> | <u>G.O. Improvement Bonds</u> |                   |
|-------------------------------------|-------------------------------|-------------------|
|                                     | <u>Principal</u>              | <u>Interest</u>   |
| 2024                                | \$ 255,000                    | \$ 37,088         |
| 2025                                | 357,000                       | 29,603            |
| 2026                                | 239,000                       | 20,632            |
| 2027                                | 241,000                       | 13,301            |
| 2028                                | 108,000                       | 7,232             |
| 2029                                | 110,000                       | 2,426             |
| Total                               | <u>\$ 1,310,000</u>           | <u>\$ 110,282</u> |

**B. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2023, was as follows:

|                               | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|-------------------------------|------------------------------|-------------------|-------------------|---------------------------|--------------------------------|
| Governmental activities       |                              |                   |                   |                           |                                |
| Bonds payable                 |                              |                   |                   |                           |                                |
| G.O. Improvement Bonds        | \$ 1,045,000                 | \$ 520,000        | \$ 255,000        | \$ 1,310,000              | \$ 255,000                     |
| Unamortized Bond Premium      | 33,957                       | -                 | 12,527            | 21,430                    | -                              |
| Compensated absences          | 82,872                       | 43,997            | 43,425            | 83,444                    | 22,125                         |
| Total governmental activities | <u>1,161,829</u>             | <u>563,997</u>    | <u>310,952</u>    | <u>1,414,874</u>          | <u>277,125</u>                 |
| Business-type activities      |                              |                   |                   |                           |                                |
| Compensated absences          | 60,955                       | 15,300            | 45,596            | 30,659                    | 11,054                         |
| Total long-term liabilities   | <u>\$ 1,222,784</u>          | <u>\$ 579,297</u> | <u>\$ 356,548</u> | <u>\$ 1,445,533</u>       | <u>\$ 288,179</u>              |

The General Fund typically liquidates the liability related to compensated absences, as well as pensions.

**C. Conduit Debt**

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

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**C. Conduit Debt (Continued)**

As of December 31, 2023, the following issues were outstanding:

| Name   | Date of Issue | Original<br>Amount<br>of Issue | Balance<br>Outstanding<br>as of 12/31/23 |
|--|---------------|--------------------------------|--|
| Pines of Hutchinson, LLC                                       | 2013          | \$ 4,400,000                   | \$ 2,916,109                             |
| Mounds Park Academy  | 2014          | 7,707,444                      | 5,201,473                                |
| St Paul Academy and Summit School Project Series               | 2017          | 7,375,000                      | 5,716,290                                |
| Senior Housing and Health Care Revenue Note 2018A              | 2018          | 3,000,000                      | 2,692,708                                |
| Senior Housing and Health Care Revenue Refunding 2018B         | 2018          | 1,523,889                      | 1,055,016                                |
| New Harmony Project Senior Housing and Healthcare Revenue Note | 2021          | 7,000,000                      | 6,274,365                                |
| Amber Union Project 2021 Multifamily Housing Revenue Refunding | 2021          | <u>26,976,188</u>              | <u>26,948,601</u>                        |
| Total  |               | <u>\$ 57,982,521</u>           | <u>\$ 50,804,562</u>                     |

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 7 - FUND BALANCE DETAIL**

At December 31, 2023, fund balance was comprised of the following components:

|  | General             | 2023 Street<br>Project | Future<br>Improvements | Parks/PW and<br>Facilities<br>Capital | Other<br>Governmental<br>Fund | Total               |
|--|---------------------|------------------------|------------------------|---------------------------------------|-------------------------------|---------------------|
| Nonspendable                                 |                     |                        |                        |                                       |                               |                     |
| Prepaid items                                | \$ 8,840            | \$ -                   | \$ -                   | \$ -                                  | \$ -                          | \$ 8,840            |
| Restricted                                   |                     |                        |                        |                                       |                               |                     |
| Tax increment capital<br>projects            | -                   | -                      | -                      | -                                     | 55,984                        | 55,984              |
| Debt service                                 | -                   | -                      | -                      | -                                     | 545,946                       | 545,946             |
| Grants                                       | -                   | -                      | -                      | -                                     | 53,496                        | 53,496              |
| Park dedication                              | -                   | -                      | -                      | 33,575                                | -                             | 33,575              |
| Public safety                                | 224,272             | -                      | -                      | -                                     | -                             | 224,272             |
| Committed                                    |                     |                        |                        |                                       |                               |                     |
| Recreation costs                             | -                   | -                      | -                      | -                                     | 71,478                        | 71,478              |
| Hydrant and fire truck costs                 | -                   | -                      | -                      | -                                     | 297,385                       | 297,385             |
| Recycling and environmental<br>activities    | -                   | -                      | -                      | -                                     | 104,445                       | 104,445             |
| Activities promoting<br>economic development | -                   | -                      | -                      | -                                     | 19,568                        | 19,568              |
| Lighting costs                               | -                   | -                      | -                      | -                                     | 41,279                        | 41,279              |
| Garden costs                                 | -                   | -                      | -                      | -                                     | 6,050                         | 6,050               |
| Assigned                                     |                     |                        |                        |                                       |                               |                     |
| Capital projects                             | -                   | 301,648                | 1,862,437              | 795,549                               | 645,752                       | 3,605,386           |
| Unassigned                                   | 3,194,708           | -                      | -                      | -                                     | (1,506)                       | 3,193,202           |
| <b>Total</b>                                 | <b>\$ 3,427,820</b> | <b>\$ 301,648</b>      | <b>\$ 1,862,437</b>    | <b>\$ 829,124</b>                     | <b>\$ 1,839,877</b>           | <b>\$ 8,260,906</b> |

**NOTE 8 - RISK MANAGEMENT**

The City purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with other cities in the state which is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

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

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2023 was estimated to be immaterial based on workers' compensation rates and salaries for the year.

At December 31, 2023, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**City of Falcon Heights**  
**Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2023, was \$88,294. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the liability related to the pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

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

**General Employees Retirement Plan**

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

**B. Benefits Provided**

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

**General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any 5 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 a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**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 6.5% of their annual covered salary in fiscal year 2023, and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were \$54,333. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

**General Employees Fund Pension Costs**

At December 31, 2023, the City reported a liability of \$497,678 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 \$13,651. The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0089% at the end of the measurement period and 0.0088% for the beginning of the period.

|  |            |
|--|------------|
| City's proportionate share of the net pension liability  | \$ 497,678 |
| State of Minnesota's proportionate share of the net pension liability associated with the City | 13,651     |
| Total  | \$ 511,329 |

For the year ended December 31, 2023, the City recognized pension expense of \$99,478 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$61 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

At December 31, 2023, the City reported its proportionate share of General Employee Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and<br>and actual economic experience | \$ 16,301                            | \$ 3,351                            |
| Changes in actuarial assumptions                                   | 78,792                               | 136,410                             |
| Net difference between projected<br>and actual investment earnings | -                                    | 17,448                              |
| Changes in proportion  | 12,573                               | -                                   |
| Contributions paid to PERA subsequent<br>to the measurement date   | 27,167                               | -                                   |
| Total  | \$ 134,833                           | \$ 157,209                          |

The \$27,167 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>December 31, | Pension<br>Expense<br>Amount |
|-----------------------------|------------------------------|
| 2024                        | \$ 18,650                    |
| 2025                        | (70,281)                     |
| 2026                        | 12,884                       |
| 2027                        | (10,796)                     |
| Total                       | \$ (49,543)                  |



**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**E. Actuarial Assumptions**

**Long-Term Expected Return on Investment**

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

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Expected Real</u> |
|----------------------|--------------------------|----------------------|
| Domestic equity      | 33.5 %                   | 5.10 %               |
| International equity | 16.5                     | 5.30                 |
| Fixed income         | 25.0                     | 0.75                 |
| Private markets      | 25.0                     | 5.90                 |
| Total                | <u>100.0 %</u>           |                      |

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2023, 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 7.0%. 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 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service and 6.0% per year thereafter.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation.

**City of Falcon Heights  
Notes to Basic Financial Statements**

**NOTE 9 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

The following changes in actuarial assumptions and plan provisions occurred in 2023:

**General Employees Fund**

**Changes in Actuarial Assumptions**

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

**Changes in Plan Provisions**

- ◆ An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- ◆ The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- ◆ The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- ◆ A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2023 was 7.0%. 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 positions of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**H. Pension Liability Sensitivity**

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

|  | 1% Decrease in<br>Discount Rate<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase in<br>Discount Rate<br>(8.0%) |
|--|---|------------------------------------|---|
| City's proportionate share of<br>the General Employees Fund<br>net pension liability | \$ 880,432                                | \$ 497,678                         | \$ 182,848                                |

**I. Pension Plan Fiduciary Net Position**

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

**City of Falcon Heights**  
**Notes to Basic Financial Statements**

**NOTE 10 - TAX INCREMENT FINANCING**

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

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

During the year ended December 31, 2023, the City generated \$371,130 in tax increment revenue and made \$393,930 in payments to developers.

**NOTE 11 - COMMITMENT**

The City has an outstanding construction commitment of \$75,499 related to the 2023 street project that are expected to be paid from the 2023 Street Project Capital Project Fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

| For Fiscal Year<br>Ended June 30, | City's<br>Proportionate<br>Share<br>(Percentage) of<br>the Net<br>Pension<br>Liability<br>(Asset) | City's<br>Proportionate<br>Share (Amount)<br>of the Net<br>Pension<br>Liability<br>(Asset) | State's<br>Proportionate<br>Share (Amount)<br>of the Net<br>Pension<br>Liability<br>Associated<br>with the City | City's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability and<br>the State's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>Associated<br>with the City | City's Covered<br>Payroll | City's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) as a<br>Percentage of<br>its Covered<br>Payroll | Plan Fiduciary<br>Net Position<br>as a<br>Percentage of<br>the Total<br>Pension<br>Liability |
|-----------------------------------|---|--|---|--|---------------------------|--|--|
| 2023                              | 0.0089%   | \$ 497,678   | \$ 13,651   | \$ 511,329   | \$ 706,587                | 70.43%   | 83.10%   |
| 2022                              | 0.0088%   | 696,962  | 20,528  | 717,490  | 660,880                   | 105.46%  | 76.67%   |
| 2021                              | 0.0087%   | 371,529  | 11,389  | 382,918  | 625,853                   | 59.36%   | 87.00%   |
| 2020                              | 0.0084%   | 503,618  | 15,603  | 519,221  | 600,693                   | 83.84%   | 79.06%   |
| 2019                              | 0.0079%   | 436,773  | 13,666  | 450,439  | 561,133                   | 77.84%   | 80.23%   |
| 2018                              | 0.0086%   | 477,093  | 15,681  | 492,774  | 580,440                   | 82.20%   | 79.53%   |
| 2017                              | 0.0088%   | 561,786  | 7,039   | 568,825  | 564,907                   | 99.45%   | 75.90%   |
| 2016                              | 0.0084%   | 682,038  | 9,002   | 691,040  | 524,187                   | 130.11%  | 68.91%   |

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

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

| Fiscal Year<br>Ending<br>December 31, | Statutorily<br>Required<br>Contribution | Contributions<br>in Relation to<br>the Statutorily<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | City's Covered<br>Payroll | Contributions<br>as a<br>Percentage of<br>Covered<br>Payroll |
|---------------------------------------|---|---|--|---------------------------|--|
| 2023                                  | \$ 54,333                               | \$ 54,333   | \$ -                                   | \$ 724,440                | 7.50%  |
| 2022                                  | 52,097                                  | 52,097  | -                                      | 694,627                   | 7.50%  |
| 2021                                  | 46,939                                  | 46,939  | -                                      | 625,853                   | 7.50%  |
| 2020                                  | 45,483                                  | 45,483  | -                                      | 606,440                   | 7.50%  |
| 2019                                  | 44,191                                  | 44,191  | -                                      | 589,213                   | 7.50%  |
| 2018                                  | 43,247                                  | 43,247  | -                                      | 576,627                   | 7.50%  |
| 2017                                  | 43,937                                  | 43,937  | -                                      | 585,827                   | 7.50%  |
| 2016                                  | 40,580                                  | 40,580  | -                                      | 541,067                   | 7.50%  |

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

**City of Falcon Heights  
Required Supplementary Information and  
Notes to Required Supplementary Information**

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH**

|                    | 2019             | 2020        | 2021                | 2022             | 2023              |
|--------------------|------------------|-------------|---------------------|------------------|-------------------|
| Streets and alleys |                  |             |                     |                  |                   |
| Estimated          | \$ 37,000        | \$ -        | \$ 997,000          | \$ 60,000        | \$ 1,227,000      |
| Actual             | -                | -           | 1,819,330           | 38,524           | 874,473           |
|                    | <u>\$ 37,000</u> | <u>\$ -</u> | <u>\$ (822,330)</u> | <u>\$ 21,476</u> | <u>\$ 352,527</u> |

**CONDITION RATING OF THE CITY'S STREET SYSTEMS**

|                    | 2016      | 2019      | 2022      |
|--------------------|-----------|-----------|-----------|
| Streets and alleys | <u>77</u> | <u>71</u> | <u>69</u> |

The City implemented a pavement management program in 2001 to assist in maintaining and monitoring the performance of the paved street network. This is one of the City's largest investments and would have a significant dollar value if it were to be replaced today. The software program MircoPAVER, developed by the Army Corps of Engineers, was used by the City in 2001 and 2004. For 2007, 2010, 2013, 2016, 2019, and 2022 the City used the software program ICON, which was developed and supported by Goodpointe Technology, as a tool for pavement management. While the software is different, the methodology is the same. Both systems use field surveys to identify distresses and rate the current condition of the streets. Both systems use the segment and distress information to determine the current Pavement Condition Index (PCI) for each segment. However, ICON provides the City with the ability to determine future needs based on current and past maintenance strategies and prioritize the appropriate rehabilitation at optimum times. Also, ICON has a geographic information system interface to enable easy development of maps showing the results of the analysis.

ICON used the information gathered in the field to calculate a PCI rating for each pavement segment. A PCI rating of 100 would be indicative of a newly constructed street with no distress, while a rating of 0 would show a completely failed street. Segments then can be grouped into like categories of PCI ratings to help determine a schedule of maintenance, rehabilitation, and reconstruction. The PCI groups set up for the City are as follows: 100 to 66 - Adequate; 65 to 36 - Marginal; 35 to 0 - Poor. The City's minimum desired PCI rating is 70. For the year 2022, the City's PCI rating was 69. This was the seventh analysis of the City's streets and alleys. The next rating will be completed in 2025.

## City of Falcon Heights Notes to Required Supplementary Information

### General Employees Fund

#### 2023 Changes

##### Changes in Actuarial Assumptions

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

##### Changes in Plan Provisions

- ◆ An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- ◆ The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- ◆ The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- ◆ A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

#### 2022 Changes

##### Changes in Actuarial Assumptions

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

##### Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

#### 2021 Changes

##### Changes in Actuarial Assumptions

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

##### Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

#### 2020 Changes

##### Changes in Actuarial Assumptions

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

## City of Falcon Heights Notes to Required Supplementary Information

### General Employees Fund (Continued)

#### 2020 Changes (Continued)

##### Changes in Actuarial Assumptions (Continued)

- ◆ The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

##### Changes in Plan Provisions

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

#### 2019 Changes

##### Changes in Actuarial Assumptions

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

##### Changes in Plan Provisions

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

#### 2018 Changes

##### Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2015 to MP-2017.
- ◆ The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

##### Changes in Plan Provisions

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

#### 2017 Changes

##### Changes in Actuarial Assumptions

- ◆ The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.



**City of Falcon Heights**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- ◆ The assumed annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

**2016 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

City of Falcon Heights  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2023

|  | Special Revenue  |                   |                   |                       |
|--|------------------|-------------------|-------------------|-----------------------|
|  | Park Programs    | Water             | Solid Waste       | Community Development |
| <b>Assets</b>  |                  |                   |                   |                       |
| Cash and investments   | \$ 71,478        | \$ 291,479        | \$ 88,637         | \$ 19,568             |
| Special assessment receivable deferred                                     | -                | -                 | -                 | -                     |
| Accounts receivable  | -                | 5,906             | 15,188            | -                     |
| Due from other governments   | -                | -                 | 9,084             | -                     |
| <b>Total assets</b>  | <u>\$ 71,478</u> | <u>\$ 297,385</u> | <u>\$ 112,909</u> | <u>\$ 19,568</u>      |
| <b>Liabilities</b>   |                  |                   |                   |                       |
| Accounts payable   | \$ -             | \$ -              | \$ 8,453          | \$ -                  |
| Contracts payable  | -                | -                 | -                 | -                     |
| Due to other funds   | -                | -                 | -                 | -                     |
| Due to other governments   | -                | -                 | -                 | -                     |
| Salaries and benefits payable  | -                | -                 | 11                | -                     |
| <b>Total liabilities</b>   | <u>-</u>         | <u>-</u>          | <u>8,464</u>      | <u>-</u>              |
| <b>Deferred inflows of resources</b>                                       |                  |                   |                   |                       |
| Unavailable revenue - special assessments                                  | -                | -                 | -                 | -                     |
| <b>Total deferred inflows of resources</b>                                 | <u>-</u>         | <u>-</u>          | <u>-</u>          | <u>-</u>              |
| <b>Fund Balances</b>   |                  |                   |                   |                       |
| Restricted   | -                | -                 | -                 | -                     |
| Committed  | 71,478           | 297,385           | 104,445           | 19,568                |
| Assigned   | -                | -                 | -                 | -                     |
| Unassigned   | -                | -                 | -                 | -                     |
| <b>Total fund balances</b>   | <u>71,478</u>    | <u>297,385</u>    | <u>104,445</u>    | <u>19,568</u>         |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <u>\$ 71,478</u> | <u>\$ 297,385</u> | <u>\$ 112,909</u> | <u>\$ 19,568</u>      |

| Special Revenue  |                  |                     |                     |                   | Debt Service                         |
|------------------|------------------|---------------------|---------------------|-------------------|--------------------------------------|
| Street Lighting  | Community Garden | Community Inclusion | Charitable Gambling | Total             | G.O. Improvement Bonds, Series 2017A |
| \$ 38,671        | \$ 6,050         | \$ 53,496           | \$ -                | \$ 569,379        | \$ 452,211                           |
| -                | -                | -                   | -                   | -                 | 3,866                                |
| 5,347            | -                | -                   | -                   | 26,441            | -                                    |
| -                | -                | -                   | -                   | 9,084             | 922                                  |
| <u>\$ 44,018</u> | <u>\$ 6,050</u>  | <u>\$ 53,496</u>    | <u>\$ -</u>         | <u>\$ 604,904</u> | <u>\$ 456,999</u>                    |
| \$ 2,739         | \$ -             | \$ -                | \$ -                | \$ 11,192         | \$ -                                 |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | 11                | -                                    |
| <u>2,739</u>     | <u>-</u>         | <u>-</u>            | <u>-</u>            | <u>11,203</u>     | <u>-</u>                             |
| -                | -                | -                   | -                   | -                 | 3,866                                |
| -                | -                | -                   | -                   | -                 | 3,866                                |
| -                | -                | 53,496              | -                   | 53,496            | 453,133                              |
| 41,279           | 6,050            | -                   | -                   | 540,205           | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| <u>41,279</u>    | <u>6,050</u>     | <u>53,496</u>       | <u>-</u>            | <u>593,701</u>    | <u>453,133</u>                       |
| <u>\$ 44,018</u> | <u>\$ 6,050</u>  | <u>\$ 53,496</u>    | <u>\$ -</u>         | <u>\$ 604,904</u> | <u>\$ 456,999</u>                    |

City of Falcon Heights  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2023

|  | Debt Service                                  |            |
|--|---|------------|
|  | G.O.<br>Improvement<br>Bonds, Series<br>2021A | Total      |
| <b>Assets</b>  |   |            |
| Cash and investments   | \$ 91,447                                     | \$ 543,658 |
| Special assessment receivable<br>deferred                              | 89,002  | 92,868     |
| Accounts receivable  | -   | -          |
| Due from other governments   | 1,366   | 2,288      |
| Total assets   | \$ 181,815                                    | \$ 638,814 |
| <b>Liabilities</b>   |   |            |
| Accounts payable   | \$ -  | \$ -       |
| Contracts payable  | -   | -          |
| Due to other funds   | -   | -          |
| Due to other governments   | -   | -          |
| Salaries and benefits payable  | -   | -          |
| Total liabilities  | -   | -          |
| <b>Deferred inflows of resources</b>                                   |   |            |
| Unavailable revenue - special assessments                              | 89,002  | 92,868     |
| Total deferred inflows of resources                                    | 89,002  | 92,868     |
| <b>Fund Balances</b>   |   |            |
| Restricted   | 92,813  | 545,946    |
| Committed  | -   | -          |
| Assigned   | -   | -          |
| Unassigned   | -   | -          |
| Total fund balances  | 92,813  | 545,946    |
| Total liabilities, deferred inflows of<br>resources, and fund balances | \$ 181,815                                    | \$ 638,814 |

Capital Projects

| General Capital<br>Improvements | Amber Union      | 2021 Street<br>Project | Tax Increment<br>No. 1-3 | TIF District No.<br>1-4 |
|---------------------------------|------------------|------------------------|--------------------------|-------------------------|
| \$ 442,943                      | \$ 46,888        | \$ 178,827             | \$ 90,324                | \$ -                    |
| -                               | -                | -                      | -                        | -                       |
| -                               | -                | -                      | -                        | -                       |
| 2,622                           | -                | -                      | -                        | -                       |
| <u>\$ 445,565</u>               | <u>\$ 46,888</u> | <u>\$ 178,827</u>      | <u>\$ 90,324</u>         | <u>\$ -</u>             |
| \$ -                            | \$ -             | \$ 208                 | \$ 1,555                 | \$ 300                  |
| -                               | -                | 49,594                 | -                        | -                       |
| -                               | -                | -                      | -                        | 1,206                   |
| -                               | -                | -                      | 32,785                   | -                       |
| -                               | -                | -                      | -                        | -                       |
| <u>-</u>                        | <u>-</u>         | <u>49,802</u>          | <u>34,340</u>            | <u>1,506</u>            |
| <u>-</u>                        | <u>-</u>         | <u>-</u>               | <u>-</u>                 | <u>-</u>                |
| <u>-</u>                        | <u>-</u>         | <u>-</u>               | <u>-</u>                 | <u>-</u>                |
| -                               | -                | -                      | 55,984                   | -                       |
| -                               | -                | -                      | -                        | -                       |
| 445,565                         | 46,888           | 129,025                | -                        | -                       |
| -                               | -                | -                      | -                        | (1,506)                 |
| <u>445,565</u>                  | <u>46,888</u>    | <u>129,025</u>         | <u>55,984</u>            | <u>(1,506)</u>          |
| <u>\$ 445,565</u>               | <u>\$ 46,888</u> | <u>\$ 178,827</u>      | <u>\$ 90,324</u>         | <u>\$ -</u>             |



# **City of Falcon Heights**

**City of Falcon Heights  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2023**

|  | <u>Capital Projects</u>                           |                   |   |
|--|---|-------------------|---|
|  | <u>Public Safety<br/>Capital<br/>Improvements</u> | <u>Total</u>      | <u>Total Other<br/>Governmental<br/>Funds</u> |
| <b>Assets</b>  |   |                   |   |
| Cash and investments   | \$ 24,274   | \$ 783,256        | \$ 1,896,293                                  |
| Special assessment receivable<br>deferred                              | -   | -                 | 92,868  |
| Accounts receivable  | -   | -                 | 26,441  |
| Due from other governments   | -   | 2,622             | 13,994  |
|  | <u>          </u>                                 | <u>          </u> | <u>          </u>                             |
| Total assets   | <u>\$ 24,274</u>                                  | <u>\$ 785,878</u> | <u>\$ 2,029,596</u>                           |
| <b>Liabilities</b>   |   |                   |   |
| Accounts payable   | \$ -  | \$ 2,063          | \$ 13,255                                     |
| Contracts payable  | -   | 49,594            | 49,594  |
| Due to other funds   | -   | 1,206             | 1,206   |
| Due to other governments   | -   | 32,785            | 32,785  |
| Salaries and benefits payable  | -   | -                 | 11  |
|  | <u>          </u>                                 | <u>          </u> | <u>          </u>                             |
| Total liabilities  | <u>-</u>  | <u>85,648</u>     | <u>96,851</u>                                 |
| <b>Deferred inflows of resources</b>                                   |   |                   |   |
| Unavailable revenue - special assessments                              | -   | -                 | 92,868  |
|  | <u>          </u>                                 | <u>          </u> | <u>          </u>                             |
| Total deferred inflows of resources                                    | <u>-</u>  | <u>-</u>          | <u>92,868</u>                                 |
| <b>Fund Balances</b>   |   |                   |   |
| Restricted   | -   | 55,984            | 655,426                                       |
| Committed  | -   | -                 | 540,205                                       |
| Assigned   | 24,274  | 645,752           | 645,752                                       |
| Unassigned   | -   | (1,506)           | (1,506)                                       |
|  | <u>          </u>                                 | <u>          </u> | <u>          </u>                             |
| Total fund balances  | <u>24,274</u>                                     | <u>700,230</u>    | <u>1,839,877</u>                              |
|  |   |                   |   |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 24,274</u>                                  | <u>\$ 785,878</u> | <u>\$ 2,029,596</u>                           |



City of Falcon Heights  
 Ramsey County, Minnesota  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Nonmajor Governmental Funds  
 Year Ended December 31, 2023

|   | Special Revenue  |                   |                   |                       |
|---|------------------|-------------------|-------------------|-----------------------|
|   | Park Programs    | Water             | Solid Waste       | Community Development |
| <b>Revenues</b>                                 |                  |                   |                   |                       |
| Property taxes                                  | \$ -             | \$ -              | \$ -              | \$ -                  |
| Tax increments                                  | -                | -                 | -                 | -                     |
| Special assessments                             | -                | -                 | -                 | -                     |
| Intergovernmental                               | -                | -                 | 15,661            | -                     |
| Charges for services                            | 17,552           | 44,243            | 101,699           | -                     |
| Miscellaneous                                   |                  |                   |                   |                       |
| Investment income                               | 2,922            | 10,747            | 3,467             | 727                   |
| Refunds and reimbursements                      | -                | -                 | -                 | -                     |
| Other   | -                | -                 | -                 | 4,184                 |
| Total revenues                                  | <u>20,474</u>    | <u>54,990</u>     | <u>120,827</u>    | <u>4,911</u>          |
| <b>Expenditures</b>                             |                  |                   |                   |                       |
| Current   |                  |                   |                   |                       |
| General government                              | -                | -                 | -                 | -                     |
| Public safety                                   | -                | -                 | -                 | -                     |
| Public works                                    | -                | 13,415            | 117,425           | -                     |
| Park and recreation                             | 32,712           | -                 | -                 | -                     |
| Community development                           | -                | -                 | -                 | 5,670                 |
| Miscellaneous                                   | -                | -                 | -                 | -                     |
| Debt service                                    |                  |                   |                   |                       |
| Principal                                       | -                | -                 | -                 | -                     |
| Interest and other charges                      | -                | -                 | -                 | -                     |
| Capital outlay                                  |                  |                   |                   |                       |
| General government                              | -                | -                 | -                 | -                     |
| Public safety                                   | -                | -                 | -                 | -                     |
| Public works                                    | -                | -                 | -                 | -                     |
| Total expenditures                              | <u>32,712</u>    | <u>13,415</u>     | <u>117,425</u>    | <u>5,670</u>          |
| Excess of revenues over<br>(under) expenditures | (12,238)         | 41,575            | 3,402             | (759)                 |
| <b>Other Financing Sources (Uses)</b>           |                  |                   |                   |                       |
| Transfers in                                    | 26,000           | -                 | -                 | -                     |
| Transfers out                                   | -                | -                 | -                 | -                     |
| Total other financing sources (uses)            | <u>26,000</u>    | <u>-</u>          | <u>-</u>          | <u>-</u>              |
| Net change in fund balances                     | 13,762           | 41,575            | 3,402             | (759)                 |
| <b>Fund Balances</b>                            |                  |                   |                   |                       |
| Beginning of year                               | <u>57,716</u>    | <u>255,810</u>    | <u>101,043</u>    | <u>20,327</u>         |
| End of year                                     | <u>\$ 71,478</u> | <u>\$ 297,385</u> | <u>\$ 104,445</u> | <u>\$ 19,568</u>      |

| Special Revenue  |                  |                     |                     |                   | Debt Service                         |
|------------------|------------------|---------------------|---------------------|-------------------|--------------------------------------|
| Street Lighting  | Community Garden | Community Inclusion | Charitable Gambling | Total             | G.O. Improvement Bonds, Series 2017A |
| \$ -             | \$ -             | \$ -                | \$ -                | \$ -              | \$ 112,080                           |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | -                 | 3,917                                |
| -                | -                | -                   | -                   | 15,661            | -                                    |
| 41,897           | 950              | -                   | -                   | 206,341           | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| 1,482            | 241              | 2,190               | 41                  | 21,817            | 15,512                               |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | 4,184             | -                                    |
| <u>43,379</u>    | <u>1,191</u>     | <u>2,190</u>        | <u>41</u>           | <u>248,003</u>    | <u>131,509</u>                       |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | 16,460              | -                   | 16,460            | -                                    |
| 34,362           | -                | -                   | -                   | 165,202           | 710                                  |
| -                | 80               | -                   | -                   | 32,792            | -                                    |
| -                | -                | -                   | -                   | 5,670             | -                                    |
| -                | -                | -                   | 1,720               | 1,720             | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | -                 | 125,000                              |
| -                | -                | -                   | -                   | -                 | 10,000                               |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| -                | -                | -                   | -                   | -                 | -                                    |
| <u>34,362</u>    | <u>80</u>        | <u>16,460</u>       | <u>1,720</u>        | <u>221,844</u>    | <u>135,710</u>                       |
| 9,017            | 1,111            | (14,270)            | (1,679)             | 26,159            | (4,201)                              |
| -                | -                | 30,000              | -                   | 56,000            | -                                    |
| (30,000)         | -                | -                   | -                   | (30,000)          | -                                    |
| <u>(30,000)</u>  | <u>-</u>         | <u>30,000</u>       | <u>-</u>            | <u>26,000</u>     | <u>-</u>                             |
| (20,983)         | 1,111            | 15,730              | (1,679)             | 52,159            | (4,201)                              |
| 62,262           | 4,939            | 37,766              | 1,679               | 541,542           | 457,334                              |
| <u>\$ 41,279</u> | <u>\$ 6,050</u>  | <u>\$ 53,496</u>    | <u>\$ -</u>         | <u>\$ 593,701</u> | <u>\$ 453,133</u>                    |

City of Falcon Heights  
 Ramsey County, Minnesota  
 Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Nonmajor Governmental Funds  
 Year Ended December 31, 2023

|   | Debt Service                                  |                   | Capital Projects                |                  |
|---|---|-------------------|---------------------------------|------------------|
|   | G.O.<br>Improvement<br>Bonds, Series<br>2021A | Total             | General Capital<br>Improvements | Amber Union      |
|   |   |                   |                                 |                  |
| <b>Revenues</b>                                 |   |                   |                                 |                  |
| Property taxes                                  | \$ 77,606                                     | \$ 189,686        | \$ -                            | \$ -             |
| Tax increments                                  | -   | -                 | -                               | -                |
| Special assessments                             | 37,886  | 41,803            | -                               | -                |
| Intergovernmental                               | -   | -                 | -                               | -                |
| Charges for services                            | -   | -                 | -                               | -                |
| Miscellaneous                                   | -   | -                 | -                               | -                |
| Investment income                               | 1,481   | 16,993            | 17,185                          | 5,779            |
| Refunds and reimbursements                      | -   | -                 | -                               | 4,961            |
| Other   | -   | -                 | 10,803                          | -                |
| Total revenues                                  | <u>116,973</u>                                | <u>248,482</u>    | <u>27,988</u>                   | <u>10,740</u>    |
| <b>Expenditures</b>                             |   |                   |                                 |                  |
| <b>Current</b>                                  |   |                   |                                 |                  |
| General government                              | -   | -                 | 710                             | -                |
| Public safety                                   | -   | -                 | -                               | -                |
| Public works                                    | -   | 710               | -                               | 1,489            |
| Park and recreation                             | -   | -                 | -                               | -                |
| Community development                           | -   | -                 | -                               | -                |
| Miscellaneous                                   | 710   | 710               | -                               | -                |
| <b>Debt service</b>                             |   |                   |                                 |                  |
| Principal                                       | 130,000                                       | 255,000           | -                               | -                |
| Interest and other charges                      | 12,475  | 22,475            | -                               | -                |
| <b>Capital outlay</b>                           |   |                   |                                 |                  |
| General government                              | -   | -                 | 4,837                           | -                |
| Public safety                                   | -   | -                 | -                               | -                |
| Public works                                    | -   | -                 | -                               | -                |
| Total expenditures                              | <u>143,185</u>                                | <u>278,895</u>    | <u>5,547</u>                    | <u>1,489</u>     |
| Excess of revenues over<br>(under) expenditures | (26,212)                                      | (30,413)          | 22,441                          | 9,251            |
| <b>Other Financing Sources (Uses)</b>           |   |                   |                                 |                  |
| Transfers in                                    | -   | -                 | -                               | -                |
| Transfers out                                   | -   | -                 | -                               | (21,000)         |
| Total other financing sources (uses)            | <u>-</u>                                      | <u>-</u>          | <u>-</u>                        | <u>(21,000)</u>  |
| Net change in fund balances                     | (26,212)                                      | (30,413)          | 22,441                          | (11,749)         |
| <b>Fund Balances</b>                            |   |                   |                                 |                  |
| Beginning of year                               | <u>119,025</u>                                | <u>576,359</u>    | <u>423,124</u>                  | <u>58,637</u>    |
| End of year                                     | <u>\$ 92,813</u>                              | <u>\$ 545,946</u> | <u>\$ 445,565</u>               | <u>\$ 46,888</u> |

Capital Projects

| 2021 Street<br>Project | Tax Increment<br>No. 1-3 | TIF District No.<br>1-4 | Public Safety<br>Capital<br>Improvements | Total             | Total<br>Other<br>Governmental<br>Funds |
|------------------------|--------------------------|-------------------------|--|-------------------|---|
| \$ -                   | \$ -                     | \$ -                    | \$ -                                     | \$ -              | \$ 189,686                              |
| -                      | 356,109                  | 15,021                  | -  | 371,130           | 371,130                                 |
| -                      | -                        | -                       | -  | -                 | 41,803                                  |
| -                      | -                        | -                       | -  | -                 | 15,661                                  |
| -                      | -                        | -                       | -  | -                 | 206,341                                 |
| 6,565                  | 3,530                    | (49)                    | 1,158                                    | 34,168            | 72,978                                  |
| -                      | -                        | -                       | -  | 4,961             | 4,961                                   |
| -                      | -                        | -                       | -  | 10,803            | 14,987                                  |
| <u>6,565</u>           | <u>359,639</u>           | <u>14,972</u>           | <u>1,158</u>                             | <u>421,062</u>    | <u>917,547</u>                          |
| -                      | -                        | -                       | -  | 710               | 710                                     |
| -                      | -                        | -                       | 710                                      | 710               | 17,170                                  |
| 6,159                  | 710                      | 710                     | -  | 9,068             | 174,980                                 |
| -                      | -                        | -                       | -  | -                 | 32,792                                  |
| -                      | -                        | -                       | -  | -                 | 5,670                                   |
| -                      | -                        | -                       | -  | -                 | 2,430                                   |
| -                      | -                        | -                       | -  | -                 | 255,000                                 |
| -                      | -                        | -                       | -  | -                 | 22,475                                  |
| -                      | -                        | -                       | -  | 4,837             | 4,837                                   |
| -                      | -                        | -                       | 8,601                                    | 8,601             | 8,601                                   |
| 5,519                  | 386,227                  | 15,768                  | -  | 407,514           | 407,514                                 |
| <u>11,678</u>          | <u>386,937</u>           | <u>16,478</u>           | <u>9,311</u>                             | <u>431,440</u>    | <u>932,179</u>                          |
| (5,113)                | (27,298)                 | (1,506)                 | (8,153)                                  | (10,378)          | (14,632)                                |
| 120,000                | -                        | -                       | -  | 120,000           | 176,000                                 |
| -                      | -                        | -                       | -  | (21,000)          | (51,000)                                |
| <u>120,000</u>         | <u>-</u>                 | <u>-</u>                | <u>-</u>                                 | <u>99,000</u>     | <u>125,000</u>                          |
| 114,887                | (27,298)                 | (1,506)                 | (8,153)                                  | 88,622            | 110,368                                 |
| <u>14,138</u>          | <u>83,282</u>            | <u>-</u>                | <u>32,427</u>                            | <u>611,608</u>    | <u>1,729,509</u>                        |
| <u>\$ 129,025</u>      | <u>\$ 55,984</u>         | <u>\$ (1,506)</u>       | <u>\$ 24,274</u>                         | <u>\$ 700,230</u> | <u>\$ 1,839,877</u>                     |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund - Detailed**  
**Year Ended December 31, 2023**

|                                   | <u>Budgeted Amounts</u> |                  | <u>Actual Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Over (Under)</u> |
|-----------------------------------|-------------------------|------------------|-----------------------|--|
|                                   | <u>Original</u>         | <u>Final</u>     |                       |  |
| <b>Revenues</b>                   |                         |                  |                       |  |
| Property taxes                    | \$ 2,284,612            | \$ 2,284,612     | \$ 2,264,451          | \$ (20,161)  |
| Tax increments                    | -                       | -                | 18,374                | 18,374   |
| Licenses and permits              | 82,750                  | 82,750           | 252,485               | 169,735  |
| Intergovernmental revenue         |                         |                  |                       |  |
| Local government aid              | 615,810                 | 615,810          | 615,810               | -  |
| Cable television franchise fees   | 30,000                  | 30,000           | 32,405                | 2,405  |
| Public safety aid                 | -                       | -                | 234,401               | 234,401  |
| Total intergovernmental revenue   | <u>645,810</u>          | <u>645,810</u>   | <u>891,191</u>        | <u>245,381</u>   |
| Charges for services              |                         |                  |                       |  |
| Plan check fees                   | 10,000                  | 10,000           | 17,775                | 7,775  |
| Other                             | 12,350                  | 12,350           | 11,678                | (672)  |
| Snow removal                      | 24,300                  | 24,300           | 25,838                | 1,538  |
| Total charges for services        | <u>46,650</u>           | <u>46,650</u>    | <u>55,291</u>         | <u>8,641</u>   |
| Fines and forfeitures             | 15,000                  | 15,000           | 17,962                | 2,962  |
| Miscellaneous revenue             |                         |                  |                       |  |
| Investment income                 | 15,000                  | 15,000           | 177,206               | 162,206  |
| Refunds and reimbursements        | -                       | -                | 5,553                 | 5,553  |
| Other                             | 1,500                   | 1,500            | 17,967                | 16,467   |
| Total miscellaneous revenue       | <u>16,500</u>           | <u>16,500</u>    | <u>200,726</u>        | <u>184,226</u>   |
| Total revenues                    | <u>3,091,322</u>        | <u>3,091,322</u> | <u>3,700,480</u>      | <u>609,158</u>   |
| <b>Expenditures</b>               |                         |                  |                       |  |
| General government                |                         |                  |                       |  |
| Legislative                       |                         |                  |                       |  |
| Wages, salaries, and compensation | 22,125                  | 22,125           | 22,305                | 180  |
| Materials and supplies            | 1,600                   | 1,600            | 2,297                 | 697  |
| Other                             | 24,336                  | 24,336           | 29,230                | 4,894  |
| Administration                    |                         |                  |                       |  |
| Wages, salaries, and compensation | 208,760                 | 208,760          | 215,048               | 6,288  |
| Materials and supplies            | 9,900                   | 9,900            | 6,049                 | (3,851)  |
| Other                             | 62,000                  | 83,000           | 78,130                | (4,870)  |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund - Detailed**  
**Year Ended December 31, 2023**

|                                   | Budgeted Amounts |                              | Actual Amounts   | Variance with<br>Final Budget -<br>Over (Under) |
|-----------------------------------|------------------|------------------------------|------------------|---|
|                                   | Original         | Original and<br>Final Budget |                  |   |
| <b>Expenditures (Continued)</b>   |                  |                              |                  |   |
| General government (Continued)    |                  |                              |                  |   |
| Finance                           |                  |                              |                  |   |
| Wages, salaries, and compensation | \$ 177,090       | \$ 177,090                   | \$ 166,818       | \$ (10,272)                                     |
| Materials and supplies            | 400              | 400                          | 189              | (211)   |
| Other                             | 24,190           | 24,190                       | 24,443           | 253   |
| Legal                             | 16,000           | 16,000                       | 29,567           | 13,567  |
| Elections                         |                  |                              |                  |   |
| Materials and supplies            | 1,000            | 1,000                        | 471              | (529)   |
| Other                             | 24,230           | 24,230                       | 24,066           | (164)   |
| Communications                    |                  |                              |                  |   |
| Wages, salaries, and compensation | 57,030           | 57,030                       | 59,131           | 2,101   |
| Materials and supplies            | 7,000            | 7,000                        | 9,130            | 2,130   |
| Other                             | 76,750           | 76,750                       | 73,584           | (3,166)   |
| Planning and inspections          |                  |                              |                  |   |
| Wages, salaries, and compensation | 93,870           | 93,870                       | 81,087           | (12,783)  |
| Materials and supplies            | 50               | 50                           | -                | (50)  |
| Other                             | 92,380           | 92,380                       | 97,028           | 4,648   |
| Total general government          | <u>898,711</u>   | <u>919,711</u>               | <u>918,573</u>   | <u>(1,138)</u>                                  |
| Public safety                     |                  |                              |                  |   |
| Emergency preparedness            |                  |                              |                  |   |
| Wages, salaries, and compensation | 5,876            | 5,876                        | 2,896            | (2,980)   |
| Materials and supplies            | 100              | 100                          | -                | (100)   |
| Other                             | 260              | 260                          | 592              | 332   |
| Police services                   | 1,345,322        | 1,345,322                    | 1,345,468        | 146   |
| Legal                             | 31,000           | 31,000                       | 29,685           | (1,315)   |
| Fire fighting                     |                  |                              |                  |   |
| Other                             | 177,718          | 177,718                      | 172,509          | (5,209)   |
| Total public safety               | <u>1,560,276</u> | <u>1,560,276</u>             | <u>1,551,150</u> | <u>(9,126)</u>                                  |
| Public works                      |                  |                              |                  |   |
| Buildings and grounds             |                  |                              |                  |   |
| Wages, salaries, and compensation | 34,930           | 34,930                       | 28,178           | (6,752)   |
| Materials and supplies            | 9,000            | 9,000                        | 11,488           | 2,488   |
| Other                             | 52,500           | 52,500                       | 60,514           | 8,014   |



# **City of Falcon Heights**

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund - Detailed**  
**Year Ended December 31, 2023**

|   | Budgeted Amounts |                              | Actual Amounts      | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------|------------------------------|---------------------|---|
|   | Original         | Original and<br>Final Budget |                     |   |
| <b>Expenditures (Continued)</b>         |                  |                              |                     |   |
| Public works (Continued)                |                  |                              |                     |   |
| Streets                                 |                  |                              |                     |   |
| Wages, salaries, and compensation       | \$ 95,045        | \$ 95,045                    | \$ 68,635           | \$ (26,410)                                     |
| Materials and supplies                  | 23,100           | 23,100                       | 27,021              | 3,921   |
| Other                                   | 34,000           | 34,000                       | 30,376              | (3,624)   |
| Engineering                             | 12,000           | 12,000                       | 6,415               | (5,585)   |
| Tree program                            |                  |                              |                     |   |
| Wages, salaries and compensation        | 16,070           | 16,070                       | 8,862               | (7,208)   |
| Materials and supplies                  | 2,000            | 2,000                        | 897                 | (1,103)   |
| Tree maintenance                        | 61,000           | 61,000                       | 70,431              | 9,431   |
| Other                                   | 12,400           | 12,400                       | 11,810              | (590)   |
| Total public works                      | <u>352,045</u>   | <u>352,045</u>               | <u>324,627</u>      | <u>(27,418)</u>                                 |
| Park and recreation                     |                  |                              |                     |   |
| Park maintenance                        |                  |                              |                     |   |
| Wages, salaries, and compensation       | 72,990           | 72,990                       | 58,303              | (14,687)  |
| Materials and supplies                  | 6,000            | 6,000                        | 2,852               | (3,148)   |
| Other                                   | 25,300           | 25,300                       | 16,233              | (9,067)   |
| Total parks and recreation              | <u>104,290</u>   | <u>104,290</u>               | <u>77,388</u>       | <u>(26,902)</u>                                 |
| Total expenditures                      | <u>2,915,322</u> | <u>2,936,322</u>             | <u>2,871,738</u>    | <u>(64,584)</u>                                 |
| Excess of revenues<br>over expenditures | 176,000          | 155,000                      | 828,742             | 673,742   |
| <b>Other Financing Sources (Uses)</b>   |                  |                              |                     |   |
| Transfers In                            | -                | -                            | 21,000              | 21,000  |
| Transfers out                           | (176,000)        | (176,000)                    | (576,000)           | (400,000)                                       |
| Total other financing sources (uses)    | <u>(176,000)</u> | <u>(176,000)</u>             | <u>(555,000)</u>    | <u>(379,000)</u>                                |
| Net change in fund balance              | <u>\$ -</u>      | <u>\$ (21,000)</u>           | 273,742             | <u>\$ 294,742</u>                               |
| <b>Fund Balance</b>                     |                  |                              |                     |   |
| Beginning of year                       |                  |                              | <u>3,154,078</u>    |   |
| End of year                             |                  |                              | <u>\$ 3,427,820</u> |   |



City of Falcon Heights  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual -  
Park Programs Fund - Special Revenue Fund  
Year Ended December 31, 2023

|   | Original and<br>Final Budget | Actual Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|----------------|---|
| <b>Revenues</b>                                 |                              |                |   |
| Charges for services                            | \$ 9,000                     | \$ 17,552      | \$ 8,552  |
| Miscellaneous revenues                          |                              |                |   |
| Investment income                               | 150                          | 2,922          | 2,772   |
| Total revenues                                  | 9,150                        | 20,474         | 11,324  |
| <b>Expenditures</b>                             |                              |                |   |
| Park and recreation                             |                              |                |   |
| Current   |                              |                |   |
| Wages, salaries, and compensation               | 28,660                       | 19,974         | (8,686)   |
| Materials and supplies                          | 2,650                        | 376            | (2,274)   |
| Other   | 6,800                        | 12,362         | 5,562   |
| Total expenditures                              | 38,110                       | 32,712         | (5,398)   |
| Excess of revenues over<br>(under) expenditures | (28,960)                     | (12,238)       | 16,722  |
| <b>Other Financing Sources</b>                  |                              |                |   |
| Transfers in                                    | 26,000                       | 26,000         | -   |
| Net change in fund balance                      | \$ (2,960)                   | 13,762         | \$ 16,722                                       |
| <b>Fund Balance</b>                             |                              |                |   |
| Beginning of year                               |                              | 57,716         |   |
| End of year                                     |                              | \$ 71,478      |   |

City of Falcon Heights  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual -  
Water Fund - Special Revenue Fund  
Year Ended December 31, 2023

|   | Original and<br>Final Budget | Actual Amounts | Variance with<br>Final Budget-<br>Over (Under) |
|---|------------------------------|----------------|--|
| <b>Revenues</b>                         |                              |                |  |
| Charges for services                    | \$ 36,000                    | \$ 44,243      | \$ 8,243                                       |
| Miscellaneous revenues                  |                              |                |  |
| Investment income                       | 1,000                        | 10,747         | 9,747  |
| Total revenues                          | 37,000                       | 54,990         | 17,990   |
| <b>Expenditures</b>                     |                              |                |  |
| Public works                            |                              |                |  |
| Wages, salaries, and compensation       | 13,052                       | 11,571         | (1,481)  |
| Other                                   | 6,200                        | 1,844          | (4,356)  |
| Total expenditures                      | 19,252                       | 13,415         | (5,837)  |
| Excess of revenues<br>over expenditures | \$ 17,748                    | 41,575         | \$ 23,827                                      |
| <b>Fund Balance</b>                     |                              |                |  |
| Beginning of year                       |                              | 255,810        |  |
| End of year                             |                              | \$ 297,385     |  |

City of Falcon Heights  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual -  
Solid Waste Fund - Special Revenue Fund  
Year Ended December 31, 2023

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Recycling grant                                 | \$ 16,000                    | \$ 15,661         | \$ (339)                                      |
| Charges for services                            | 100,780                      | 101,699           | 919   |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | 400                          | 3,467             | 3,067   |
| Total revenues                                  | 117,180                      | 120,827           | 3,647   |
| <b>Expenditures</b>                             |                              |                   |   |
| Public works                                    |                              |                   |   |
| Wages, salaries, and compensation               | 18,366                       | 13,038            | (5,328)                                       |
| Materials and supplies                          | 900                          | 688               | (212)   |
| Recycling contract                              | 95,000                       | 101,439           | 6,439   |
| Other   | 3,550                        | 2,260             | (1,290)                                       |
| Total expenditures                              | 117,816                      | 117,425           | (391)   |
| Excess of revenues over<br>(under) expenditures | \$ (636)                     | 3,402             | \$ 4,038                                      |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | 101,043           |   |
| End of year                                     |                              | \$ 104,445        |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Community Development Fund - Special Revenue Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | \$ 120                       | \$ 727            | \$ 607  |
| Other   | 1,895                        | 4,184             | 2,289   |
| Total revenues                                  | 2,015                        | 4,911             | 2,896   |
| <b>Expenditures</b>                             |                              |                   |   |
| Community development                           |                              |                   |   |
| Other   | 9,100                        | 5,670             | (3,430)   |
| Excess of revenues over<br>(under) expenditures | \$ (7,085)                   | (759)             | \$ 6,326  |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | 20,327            |   |
| End of year                                     |                              | \$ 19,568         |   |

City of Falcon Heights  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual -  
Street Lighting Fund - Special Revenue Fund  
Year Ended December 31, 2023

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget-<br>Over (Under) |
|---|------------------------------|-------------------|--|
| <b>Revenues</b>                         |                              |                   |  |
| Charges for services                    | \$ 42,000                    | \$ 41,897         | \$ (103)                                       |
| Miscellaneous revenues                  |                              |                   |  |
| Investment income                       | 200                          | 1,482             | 1,282  |
| Total revenues                          | 42,200                       | 43,379            | 1,179  |
| <b>Expenditures</b>                     |                              |                   |  |
| Public works                            |                              |                   |  |
| Other                                   | 39,950                       | 34,362            | (5,588)  |
| Excess of revenues<br>over expenditures | 2,250                        | 9,017             | 6,767  |
| <b>Other Financing Sources</b>          |                              |                   |  |
| Transfers out                           | (30,000)                     | (30,000)          | -  |
| Net change in fund balance              | \$ (27,750)                  | (20,983)          | \$ 6,767                                       |
| <b>Fund Balance</b>                     |                              |                   |  |
| Beginning of year                       |                              | 62,262            |  |
| End of year                             |                              | \$ 41,279         |  |

City of Falcon Heights  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual -  
Community Garden Fund - Special Revenue Fund  
Year Ended December 31, 2023

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Charges for services                            |                              |                   |   |
| Park and recreation                             | \$ 950                       | \$ 950            | \$ -  |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | 40                           | 241               | 201   |
| Total revenues                                  | 990                          | 1,191             | 201   |
| <b>Expenditures</b>                             |                              |                   |   |
| Park and recreation                             |                              |                   |   |
| Other   | 1,000                        | 80                | (920)   |
| Excess of revenues over<br>(under) expenditures | \$ (10)                      | 1,111             | \$ 1,121  |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | 4,939             |   |
| End of year                                     |                              | \$ 6,050          |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Community Inclusion Fund - Special Revenue Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | \$ 200                       | \$ 2,190          | \$ 1,990  |
| Contributions and donations                     | -                            | -                 | -   |
| Total miscellaneous revenues                    | <u>200</u>                   | <u>2,190</u>      | <u>1,990</u>                                    |
| <b>Expenditures</b>                             |                              |                   |   |
| Public Safety                                   |                              |                   |   |
| Wages, salaries and compensation                | <u>39,000</u>                | <u>16,460</u>     | <u>(22,540)</u>                                 |
| Excess of revenues over<br>(under) expenditures | (38,800)                     | (14,270)          | 24,530  |
| <b>Other Financing Sources</b>                  |                              |                   |   |
| Transfers in                                    | <u>30,000</u>                | <u>30,000</u>     | <u>-</u>  |
| Net change in fund balances                     | <u>\$ (8,800)</u>            | 15,730            | <u>\$ 24,530</u>                                |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | <u>37,766</u>     |   |
| End of year                                     |                              | <u>\$ 53,496</u>  |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Charitable Gambling Fund - Special Revenue Fund**  
**Year Ended December 31, 2023**

|  | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|--|------------------------------|-------------------|---|
| <b>Revenues</b>                                  |                              |                   |   |
| Miscellaneous revenues                           |                              |                   |   |
| Investment income                                | \$ 10                        | \$ 41             | \$ 31   |
| <b>Expenditures</b>                              |                              |                   |   |
| Other  | 1,000                        | 1,720             | (720)   |
| Contingency                                      |                              |                   |   |
| Excess of revenues under<br>(under) expenditures | \$ (990)                     | (1,679)           | \$ (689)  |
| <b>Fund Balance</b>                              |                              |                   |   |
| Beginning of year                                |                              | 1,679             |   |
| End of year                                      |                              | \$ -              |   |



**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**G.O. Improvement Bonds, Series 2017A - Debt Service Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Property Taxes                                  | \$ 112,080                   | \$ 112,080        | \$ -  |
| Special assessments                             | 3,000                        | 3,917             | 917   |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | 1,200                        | 15,512            | 14,312  |
| Total revenues                                  | 116,280                      | 131,509           | 15,229  |
| <b>Expenditures</b>                             |                              |                   |   |
| Public works                                    |                              |                   |   |
| Wages, salaries and compensation                | 800                          | 710               | (90)  |
| Debt service                                    |                              |                   |   |
| Principal                                       | 125,000                      | 125,000           | -   |
| Interest and other charges                      | 14,525                       | 10,000            | (4,525)   |
| Total expenditures                              | 140,325                      | 135,710           | (4,615)   |
| Excess of revenues over<br>(under) expenditures | \$ (24,045)                  | (4,201)           | \$ 19,844                                       |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | 457,334           |   |
| End of year                                     |                              | \$ 453,133        |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**G.O. Improvement Bonds, Series 2021A - Debt Service Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Property Taxes                                  | \$ 77,605                    | \$ 77,606         | \$ 1  |
| Special assessments                             | 70,100                       | 37,886            | (32,214)  |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | 100                          | 1,481             | 1,381   |
| Total revenues                                  | 147,805                      | 116,973           | (30,832)  |
| <b>Expenditures</b>                             |                              |                   |   |
| Other   | 800                          | 710               | (90)  |
| Debt service                                    |                              |                   |   |
| Principal                                       | 130,000                      | 130,000           | -   |
| Interest and other charges                      | 17,000                       | 12,475            | (4,525)   |
| Total expenditures                              | 147,800                      | 143,185           | (4,615)   |
| Excess of revenues over<br>(under) expenditures | \$ 5                         | (26,212)          | \$ (26,217)                                     |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | 119,025           |   |
| End of year                                     |                              | \$ 92,813         |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**General Capital Improvements - Capital Projects Fund**  
**Year Ended December 31, 2023**

|                            | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|----------------------------|------------------------------|-------------------|---|
| <b>Revenues</b>            |                              |                   |   |
| Miscellaneous revenues     |                              |                   |   |
| Investment income          | \$ 500                       | \$ 17,185         | \$ 16,685                                       |
| Other                      | 11,000                       | 10,803            | (197)   |
| Total revenues             | <u>11,500</u>                | <u>27,988</u>     | <u>16,488</u>                                   |
| <b>Expenditures</b>        |                              |                   |   |
| General government         |                              |                   |   |
| Current                    |                              |                   |   |
| Other                      | 800                          | 710               | (90)  |
| Capital outlay             | 8,500                        | 4,837             | (3,663)   |
| Total expenditures         | <u>9,300</u>                 | <u>5,547</u>      | <u>(3,753)</u>                                  |
| Net change in fund balance | <u>\$ 2,200</u>              | 22,441            | <u>\$ 20,241</u>                                |
| <b>Fund Balance</b>        |                              |                   |   |
| Beginning of year          |                              | <u>423,124</u>    |   |
| End of year                |                              | <u>\$ 445,565</u> |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**2023 Street Project - Capital Projects Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Special Assessments                             | \$ 120,000                   | \$ 171,388        | \$ 51,388                                       |
| Intergovernmental revenue:                      |                              |                   |   |
| Other Grants and Aids                           | 586,000                      | 332,262           | (253,738)                                       |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | 100                          | 10,197            | 10,097  |
| Other   | -                            | 5,820             | 5,820   |
| Total revenues                                  | <u>706,100</u>               | <u>519,667</u>    | <u>(186,433)</u>                                |
| <b>Expenditures</b>                             |                              |                   |   |
| Public works                                    |                              |                   |   |
| Current   | 50,800                       | 125,718           | 74,918  |
| Capital outlay                                  | 1,406,000                    | 888,106           | (517,894)                                       |
| Total public works                              | <u>1,456,800</u>             | <u>1,013,824</u>  | <u>(442,976)</u>                                |
| Debt service                                    |                              |                   |   |
| Interest and other charges                      | -                            | 19,765            | 19,765  |
| Total debt service                              | <u>-</u>                     | <u>19,765</u>     | <u>19,765</u>                                   |
| Total expenditures                              | <u>1,456,800</u>             | <u>1,033,589</u>  | <u>(423,211)</u>                                |
| Excess of revenues over<br>(under) expenditures | <u>(750,700)</u>             | <u>(513,922)</u>  | <u>236,778</u>                                  |
| <b>Other financing sources</b>                  |                              |                   |   |
| Bond issuance                                   | 675,000                      | 520,000           | (155,000)                                       |
| Transfers in                                    | 287,000                      | 287,000           | -   |
| Total Other Financing Sources                   | <u>962,000</u>               | <u>807,000</u>    | <u>(155,000)</u>                                |
| Net change in fund balance                      | <u>\$ 211,300</u>            | 293,078           | <u>\$ 81,778</u>                                |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | <u>8,570</u>      |   |
| End of year                                     |                              | <u>\$ 301,648</u> |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**2021 Street Project - Capital Projects Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Miscellaneous revenues                          |                              |                   |   |
| Investment income                               | \$ 200                       | \$ 6,565          | \$ 6,365  |
| Total miscellaneous                             | <u>200</u>                   | <u>6,565</u>      | <u>6,365</u>                                    |
| Total revenues                                  | <u>200</u>                   | <u>6,565</u>      | <u>6,365</u>                                    |
| <b>Expenditures</b>                             |                              |                   |   |
| Public works                                    |                              |                   |   |
| Current   |                              |                   |   |
| Other   | 800                          | 6,159             | 5,359   |
| Capital outlay                                  | 120,000                      | 5,519             | (114,481)                                       |
| Total expenditures                              | <u>120,800</u>               | <u>11,678</u>     | <u>(109,122)</u>                                |
| Excess of revenues over<br>(under) expenditures | (120,600)                    | (5,113)           | 115,487   |
| <b>Other Financing Sources</b>                  |                              |                   |   |
| Transfers in                                    | <u>120,000</u>               | <u>120,000</u>    | <u>-</u>  |
| Net change in fund balance                      | <u>\$ (600)</u>              | 114,887           | <u>\$ 115,487</u>                               |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | <u>14,138</u>     |   |
| End of year                                     |                              | <u>\$ 129,025</u> |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Tax Increment No. 1-3 - Capital Projects Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Tax increments                                  | \$ 480,000                   | \$ 356,109        | \$ (123,891)                                    |
| Miscellaneous revenue                           |                              |                   |   |
| Investment income                               | 500                          | 3,530             | 3,030   |
| Total revenues                                  | 480,500                      | 359,639           | (120,861)                                       |
| <br><b>Expenditures</b>                         |                              |                   |   |
| Public works                                    |                              |                   |   |
| Current   |                              |                   |   |
| Other   | 800                          | 710               | (90)  |
| Capital outlay                                  | 556,800                      | 386,227           | (170,573)                                       |
| Total expenditures                              | 557,600                      | 386,937           | (170,663)                                       |
| Excess of revenues over<br>(under) expenditures | \$ (77,100)                  | (27,298)          | \$ 49,802                                       |
| <br><b>Fund Balance</b>                         |                              |                   |   |
| Beginning of year                               |                              | 83,282            |   |
| End of year                                     |                              | \$ 55,984         |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Tax Increment No. 1-4 - Capital Projects Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Tax increments                                  | \$ 48,000                    | \$ 15,021         | \$ (32,979)                                     |
| Miscellaneous revenue                           |                              |                   |   |
| Investment income                               | 300                          | (49)              | (349)   |
| Total revenues                                  | 48,300                       | 14,972            | (33,328)  |
| <b>Expenditures</b>                             |                              |                   |   |
| Public works                                    |                              |                   |   |
| Current   |                              |                   |   |
| Other   | 800                          | 710               | (90)  |
| Capital outlay                                  | 46,100                       | 15,768            | (30,332)  |
| Total expenditures                              | 46,900                       | 16,478            | (30,422)  |
| Excess of revenues over<br>(under) expenditures | \$ 1,400                     | (1,506)           | \$ (2,906)                                      |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | -                 |   |
| End of year                                     |                              | \$ (1,506)        |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Public Safety Capital Improvements - Capital Projects Fund**  
**Year Ended December 31, 2023**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Over (Under)</u> |
|---|-------------------------|-------------------|---------------------------|--|
|   | <u>Original</u>         | <u>Final</u>      |                           |  |
| <b>Revenues</b>                                 |                         |                   |                           |  |
| Miscellaneous revenues                          |                         |                   |                           |  |
| Investment income                               | \$ 20                   | \$ 20             | \$ 1,158                  | \$ 1,138   |
| <b>Expenditures</b>                             |                         |                   |                           |  |
| <b>Public safety</b>                            |                         |                   |                           |  |
| <b>Current</b>                                  |                         |                   |                           |  |
| Other   | 800                     | 800               | 710                       | (90)   |
| Capital outlay                                  | -                       | 10,000            | 8,601                     | (1,399)  |
| Total expenditures                              | <u>800</u>              | <u>10,800</u>     | <u>9,311</u>              | <u>(1,489)</u>   |
| Excess of revenues over<br>(under) expenditures | <u>(780)</u>            | <u>(10,780)</u>   | <u>(8,153)</u>            | <u>2,627</u>   |
| <b>Other Financing Sources</b>                  |                         |                   |                           |  |
| Proceeds from sale of capital assets            | <u>7,500</u>            | <u>7,500</u>      | -                         | <u>(7,500)</u>   |
| Net change in fund balance                      | <u>\$ 6,720</u>         | <u>\$ (3,280)</u> | (8,153)                   | <u>\$ (4,873)</u>  |
| <b>Fund Balance</b>                             |                         |                   |                           |  |
| Beginning of year                               |                         |                   | <u>32,427</u>             |  |
| End of year                                     |                         |                   | <u>\$ 24,274</u>          |  |



**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Amber Union - Capital Projects Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                                 |                              |                   |   |
| Miscellaneous revenue                           |                              |                   |   |
| Investment income                               | \$ 200                       | \$ 5,779          | \$ 5,579  |
| Ties payment                                    | -                            | 4,961             | 4,961   |
| Total revenues                                  | 200                          | 10,740            | 10,540  |
| <b>Expenditures</b>                             |                              |                   |   |
| Public works                                    |                              |                   |   |
| Current   |                              |                   |   |
| Other   | 800                          | 1,489             | 689   |
| Excess of revenues over<br>(under) expenditures | (600)                        | 9,251             | 9,851   |
| <b>Other financing uses</b>                     |                              |                   |   |
| Transfers out                                   | -                            | (21,000)          | (21,000)  |
|   | \$ (600)                     | (11,749)          | \$ (11,149)                                     |
| <b>Fund Balance</b>                             |                              |                   |   |
| Beginning of year                               |                              | 58,637            |   |
| End of year                                     |                              | \$ 46,888         |   |

**City of Falcon Heights**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual -**  
**Future Improvements - Capital Projects Fund**  
**Year Ended December 31, 2023**

|   | Original and<br>Final Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---|------------------------------|-------------------|---|
| <b>Revenues</b>                         |                              |                   |   |
| Licenses and permits                    | \$ 135,000                   | \$ 137,132        | \$ 2,132  |
| Intergovernmental                       |                              |                   |   |
| Other grants and aids                   | 172,430                      | 458,997           | 286,567   |
| Miscellaneous revenues                  |                              |                   |   |
| Investment income                       | 10,000                       | 92,321            | 82,321  |
| Other                                   | -                            | 1,859             | 1,859   |
| Total revenues                          | 317,430                      | 690,309           | 372,879   |
| <b>Expenditures</b>                     |                              |                   |   |
| Public works                            |                              |                   |   |
| Current                                 |                              |                   |   |
| Other                                   | 2,800                        | 710               | (2,090)   |
| Capital outlay                          | 231,000                      | 298,476           | 67,476  |
| Total expenditures                      | 233,800                      | 299,186           | 65,386  |
| Excess of revenues<br>over expenditures | 83,630                       | 391,123           | 307,493   |
| <b>Other Financing Sources (Uses)</b>   |                              |                   |   |
| Transfers in                            | 30,000                       | 30,000            | -   |
| Transfers out                           | (407,000)                    | (407,000)         | -   |
| Total other financing sources (uses)    | (377,000)                    | (377,000)         | -   |
| Net change in fund balance              | \$ (293,370)                 | 14,123            | \$ 307,493                                      |
| <b>Fund Balance</b>                     |                              |                   |   |
| Beginning of year                       |                              | 1,848,314         |   |
| End of year                             |                              | \$ 1,862,437      |   |

City of Falcon Heights  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual - Parks/PW  
and Facilities Capital Improvements - Capital Projects Fund  
Year Ended December 31, 2023

|  | Original Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|--|--------------------------|-------------------|---|
| <b>Revenues</b>                          |                          |                   |   |
| Miscellaneous revenues                   |                          |                   |   |
| Investment income                        | \$ 2,000                 | \$ 36,576         | \$ 36,576                                       |
| Contributions and Donations              | -                        | 500               | 500   |
| Total Miscellaneous                      | 2,000                    | 37,076            | 37,076  |
| <b>Expenditures</b>                      |                          |                   |   |
| Parks and recreation                     |                          |                   |   |
| Current                                  |                          |                   |   |
| Other                                    | 800                      | 1,832             | 1,832   |
| Capital outlay                           | 1,646,100                | 1,231,493         | 1,231,493                                       |
| Total expenditures                       | 1,646,900                | 1,233,325         | 1,233,325                                       |
| Excess of revenues<br>under expenditures | (1,644,900)              | (1,196,249)       | (1,196,249)                                     |
| <b>Other Financing Sources</b>           |                          |                   |   |
| Proceeds from sale of capital assets     | -                        | 4,000             | 4,000   |
| Transfers in                             | 120,000                  | 520,000           | 520,000   |
| Total other financing sources            | 120,000                  | 524,000           | 524,000   |
| Total                                    | \$ (1,524,900)           | (672,249)         | \$ (672,249)                                    |
| <b>Fund Balance</b>                      |                          |                   |   |
| Beginning of year                        |                          | 1,501,373         |   |
| End of year                              |                          | \$ 829,124        |   |

**STATISTICAL SECTION**



# **City of Falcon Heights**

## City of Falcon Heights Statistical Section

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

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#### **Financial Trends**

The tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Tables 1-5

#### **Revenue Capacity**

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

Tables 6-10

#### **Debt Capacity**

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

Tables 11-15

#### **Demographic and Economic Information**

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

Tables 16-17

#### **Operating Information**

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

Tables 18-20

**City of Falcon Heights  
Net Position by Component  
Last Ten Fiscal Years**

|                                       | Fiscal Year          |                      |                      |                      |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                       | 2014                 | 2015                 | 2016                 | 2017                 |
| <b>Governmental Activities</b>        |                      |                      |                      |                      |
| Net investment in capital assets      | \$ 7,257,327         | \$ 7,205,699         | \$ 7,139,185         | \$ 7,073,360         |
| Restricted                            | 610,535              | 477,094              | 484,867              | 613,084              |
| Unrestricted                          | <u>2,545,364</u>     | <u>2,302,829</u>     | <u>2,421,877</u>     | <u>2,534,275</u>     |
| Total Governmental Activities         | <u>\$ 10,413,226</u> | <u>\$ 9,985,622</u>  | <u>\$ 10,045,929</u> | <u>\$ 10,220,719</u> |
| <b>Business-Type Activities</b>       |                      |                      |                      |                      |
| Net investment in capital assets      | \$ 1,223,115         | \$ 1,535,176         | \$ 1,487,989         | \$ 1,675,687         |
| Unrestricted                          | <u>2,656,683</u>     | <u>2,398,677</u>     | <u>2,524,097</u>     | <u>2,139,335</u>     |
| Total Business-Type Activities        | <u>\$ 3,879,798</u>  | <u>\$ 3,933,853</u>  | <u>\$ 4,012,086</u>  | <u>\$ 3,815,022</u>  |
| <b>Primary Government</b>             |                      |                      |                      |                      |
| Net investment in capital assets      | \$ 8,480,442         | \$ 8,740,875         | \$ 8,627,174         | \$ 8,749,047         |
| Restricted                            | 610,535              | 477,094              | 484,867              | 613,084              |
| Unrestricted                          | <u>5,202,047</u>     | <u>4,701,506</u>     | <u>4,945,974</u>     | <u>4,673,610</u>     |
| Total Primary Government Net Position | <u>\$ 14,293,024</u> | <u>\$ 13,919,475</u> | <u>\$ 14,058,015</u> | <u>\$ 14,035,741</u> |

Table 1

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
| \$ 7,136,755         | \$ 7,256,270         | \$ 7,390,580         | \$ 7,006,594         | \$ 7,114,386         | \$ 8,073,418         |
| 528,460              | 913,108              | 866,475              | 778,435              | 1,503,171            | 1,149,698            |
| 2,754,612            | 3,135,756            | 4,380,322            | 5,695,480            | 5,837,757            | 6,044,297            |
| <u>\$ 10,419,827</u> | <u>\$ 11,305,134</u> | <u>\$ 12,637,377</u> | <u>\$ 13,480,509</u> | <u>\$ 14,455,314</u> | <u>\$ 15,267,413</u> |
| \$ 1,620,358         | \$ 1,727,018         | \$ 1,939,341         | \$ 2,201,504         | \$ 2,312,482         | \$ 2,559,166         |
| 2,252,575            | 2,389,482            | 2,232,118            | 2,323,793            | 2,413,071            | 3,073,072            |
| <u>\$ 3,872,933</u>  | <u>\$ 4,116,500</u>  | <u>\$ 4,171,459</u>  | <u>\$ 4,525,297</u>  | <u>\$ 4,725,553</u>  | <u>\$ 5,632,238</u>  |
| \$ 8,757,113         | \$ 8,983,288         | \$ 9,329,921         | \$ 9,208,098         | \$ 9,426,868         | \$ 10,632,584        |
| 528,460              | 913,108              | 866,475              | 778,435              | 1,503,171            | 1,149,698            |
| 5,007,187            | 5,525,238            | 6,612,440            | 8,019,273            | 8,250,828            | 9,117,369            |
| <u>\$ 14,292,760</u> | <u>\$ 15,421,634</u> | <u>\$ 16,808,836</u> | <u>\$ 18,005,806</u> | <u>\$ 19,180,867</u> | <u>\$ 20,899,651</u> |



**City of Falcon Heights  
Changes in Net Position  
Last Ten Fiscal Years**

|   | Fiscal Year         |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2014                | 2015                | 2016                | 2017                |
| <b>Expenses</b>                                 |                     |                     |                     |                     |
| Governmental activities                         |                     |                     |                     |                     |
| General Government                              | \$ 665,388          | \$ 634,328          | \$ 696,194          | \$ 752,640          |
| Public Safety                                   | 956,694             | 1,009,561           | 1,073,268           | 1,072,905           |
| Public Works                                    | 643,323             | 1,068,292           | 648,892             | 1,775,574           |
| Park and Recreation                             | 253,333             | 300,800             | 162,958             | 174,392             |
| Community Development                           | 2,187               | 10,967              | 1,789               | 3,726               |
| Interest on Long-Term Debt                      | -                   | 19,695              | 18,363              | 28,612              |
| Total Governmental Activities Expenses          | <u>2,520,925</u>    | <u>3,043,643</u>    | <u>2,601,464</u>    | <u>3,807,849</u>    |
| Business-type activities                        |                     |                     |                     |                     |
| Sanitary Sewer                                  | 629,452             | 613,868             | 760,415             | 723,236             |
| Storm Sewer                                     | 116,201             | 136,551             | 122,303             | 142,494             |
| Total Business-Type Activities Expenses         | <u>745,653</u>      | <u>750,419</u>      | <u>882,718</u>      | <u>865,730</u>      |
| Total Primary Government Expenses               | <u>\$ 3,266,578</u> | <u>\$ 3,794,062</u> | <u>\$ 3,484,182</u> | <u>\$ 4,673,579</u> |
| <b>Program Revenues</b>                         |                     |                     |                     |                     |
| Governmental activities                         |                     |                     |                     |                     |
| Charges for Services                            |                     |                     |                     |                     |
| General Government                              | \$ 132,811          | \$ 158,077          | \$ 167,214          | \$ 145,060          |
| Public Safety                                   | 137,377             | 145,952             | 125,161             | 127,160             |
| Public Works                                    | 147,014             | 149,152             | 152,128             | 151,229             |
| Park and Recreation                             | 43,209              | 25,232              | 15,170              | 11,476              |
| Community Development                           | 1,716               | 1,716               | 1,716               | 1,895               |
| Operating Grants and Contributions              | 193,236             | 473,143             | 151,536             | 154,211             |
| Capital Grants and Contributions                | 13,967              | 196,337             | 11,490              | 953,653             |
| Total Governmental Activities Program Revenues  | <u>669,330</u>      | <u>1,149,609</u>    | <u>624,415</u>      | <u>1,544,684</u>    |
| Business-type activities                        |                     |                     |                     |                     |
| Charges for Services                            |                     |                     |                     |                     |
| Sanitary Sewer                                  | 780,844             | 756,539             | 829,339             | 879,391             |
| Storm Sewer                                     | 155,116             | 154,984             | 157,067             | 169,957             |
| Operating Grants and Contributions              | -                   | -                   | 701                 | -                   |
| Capital Grants and Contributions                | -                   | -                   | -                   | -                   |
| Total Business-Type Activities Program Revenues | <u>935,960</u>      | <u>911,523</u>      | <u>987,107</u>      | <u>1,049,348</u>    |
| Total Primary Government Program Revenues       | <u>\$ 1,605,290</u> | <u>\$ 2,061,132</u> | <u>\$ 1,611,522</u> | <u>\$ 2,594,032</u> |

Table 2

| Fiscal Year         |                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2018                | 2019                | 2020                | 2021                | 2022                | 2023                |
| \$ 743,238          | \$ 777,949          | \$ 765,683          | \$ 834,064          | \$ 821,349          | \$ 1,010,706        |
| 1,473,021           | 1,528,097           | 1,604,140           | 1,596,239           | 1,374,452           | 1,581,505           |
| 897,796             | 614,411             | 680,429             | 2,006,502           | 2,978,204           | 2,176,211           |
| 139,967             | 145,442             | 131,580             | 114,604             | 243,927             | 255,689             |
| 33,944              | 8,080               | 747                 | 723                 | 758                 | 5,670               |
| 35,301              | 32,222              | 25,644              | 48,811              | 18,916              | 45,328              |
| <u>3,323,267</u>    | <u>3,106,201</u>    | <u>3,208,223</u>    | <u>4,600,943</u>    | <u>5,437,606</u>    | <u>5,075,109</u>    |
| 708,321             | 901,784             | 867,393             | 960,715             | 852,016             | 933,620             |
| 156,170             | 155,634             | 145,903             | 158,873             | 171,265             | 152,756             |
| 864,491             | 1,057,418           | 1,013,296           | 1,119,588           | 1,023,281           | 1,086,376           |
| <u>\$ 4,187,758</u> | <u>\$ 4,163,619</u> | <u>\$ 4,221,519</u> | <u>\$ 5,720,531</u> | <u>\$ 6,460,887</u> | <u>\$ 6,161,485</u> |
| <br>                |                     |                     |                     |                     |                     |
| \$ 118,265          | \$ 188,726          | \$ 129,162          | \$ 235,187          | \$ 109,321          | \$ 150,729          |
| 107,026             | 155,035             | 76,079              | 190,431             | 147,861             | 187,682             |
| 160,774             | 146,301             | 154,959             | 164,379             | 178,430             | 213,677             |
| 11,047              | 8,986               | 1,500               | 6,374               | 11,244              | 18,502              |
| -                   | 3,790               | -                   | 3,790               | -                   | 4,275               |
| 226,881             | 381,001             | 807,921             | 730,258             | 1,344,686           | 593,800             |
| 35,938              | 10,163              | 55,253              | 388,902             | 1,140,158           | 656,320             |
| <u>659,931</u>      | <u>894,002</u>      | <u>1,224,874</u>    | <u>1,719,321</u>    | <u>2,931,700</u>    | <u>1,824,985</u>    |
| <br>                |                     |                     |                     |                     |                     |
| 945,893             | 1,070,459           | 852,185             | 1,153,186           | 1,038,379           | 1,056,397           |
| 169,172             | 174,608             | 179,662             | 188,125             | 191,637             | 198,707             |
| -                   | -                   | -                   | 129,239             | -                   | -                   |
| -                   | -                   | -                   | -                   | -                   | -                   |
| <u>1,115,065</u>    | <u>1,245,067</u>    | <u>1,031,847</u>    | <u>1,470,550</u>    | <u>1,230,016</u>    | <u>1,255,104</u>    |
| <br>                |                     |                     |                     |                     |                     |
| <u>\$ 1,774,996</u> | <u>\$ 2,139,069</u> | <u>\$ 2,256,721</u> | <u>\$ 3,189,871</u> | <u>\$ 4,161,716</u> | <u>\$ 3,080,089</u> |

**City of Falcon Heights  
Changes in Net Position  
Last Ten Fiscal Years**

|   | Fiscal Year           |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2014                  | 2015                  | 2016                  | 2017                  |
| <b>Net (Expense)/Revenue</b>                              |                       |                       |                       |                       |
| Governmental Activities                                   | \$ (1,851,595)        | \$ (1,894,034)        | \$ (1,977,049)        | \$ (2,263,165)        |
| Business-Type Activities                                  | 190,307               | 161,104               | 104,389               | 183,618               |
| <b>Total Primary Government Net (Expense)/Revenue</b>     | <u>\$ (1,661,288)</u> | <u>\$ (1,732,930)</u> | <u>\$ (1,872,660)</u> | <u>\$ (2,079,547)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                       |                       |                       |
| Governmental Activities                                   |                       |                       |                       |                       |
| Taxes   |                       |                       |                       |                       |
| Property Taxes  | \$ 1,043,863          | \$ 1,081,384          | \$ 1,181,336          | 1,271,602             |
| Franchise Fees  | -                     | -                     | -                     | -                     |
| Tax Increments  | 202,372               | 156,606               | 251,476               | 172,018               |
| Unrestricted State Aids                                   | 505,414               | 533,015               | 542,320               | 546,524               |
| Other General Revenue                                     | 38,602                | 15,000                | -                     | 18,437                |
| Unrestricted Investment Income                            | 26,324                | 14,783                | 22,163                | 29,149                |
| Gain on Sale of Assets                                    | 34,060                | 270                   | 61                    | 225                   |
| Transfers   | (167,106)             | -                     | 40,000                | 400,000               |
| <b>Total Governmental Activities</b>                      | <u>1,683,529</u>      | <u>1,801,058</u>      | <u>2,037,356</u>      | <u>2,437,955</u>      |
| Business-Type Activities                                  |                       |                       |                       |                       |
| Other General Revenue                                     | -                     | -                     | -                     | -                     |
| Unrestricted Intergovernmental aids and grants            |                       |                       |                       |                       |
| Unrestricted Investment Income                            | 23,087                | 13,091                | 13,844                | 19,318                |
| Proceeds Sale of Assets                                   | -                     | -                     | -                     | -                     |
| Transfers   | 167,106               | -                     | (40,000)              | (400,000)             |
| <b>Total Business-Type Activities</b>                     | <u>190,193</u>        | <u>13,091</u>         | <u>(26,156)</u>       | <u>(380,682)</u>      |
| <b>Total Primary Government</b>                           | <u>\$ 1,873,722</u>   | <u>\$ 1,814,149</u>   | <u>\$ 2,011,200</u>   | <u>\$ 2,057,273</u>   |
| <b>Changes in Net Position</b>                            |                       |                       |                       |                       |
| Governmental Activities                                   | \$ (168,066)          | \$ (92,976)           | \$ 60,307             | \$ 174,790            |
| Business-Type Activities                                  | 380,500               | 174,195               | 78,233                | (197,064)             |
| <b>Total Primary Government</b>                           | <u>\$ 212,434</u>     | <u>\$ 81,219</u>      | <u>\$ 138,540</u>     | <u>\$ (22,274)</u>    |

\* Governmental Accounting Standards Board Statement NO. 68 required implementation for fiscal year 2015.

Table 2 (Continued)

| Fiscal Year           |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
| \$ (2,663,336)        | \$ (2,212,199)        | \$ (1,983,349)        | \$ (2,881,622)        | \$ (2,505,906)        | \$ (3,250,124)        |
| 250,574               | 187,649               | 18,551                | 350,962               | 206,735               | 168,728               |
| <u>\$ (2,412,762)</u> | <u>\$ (2,024,550)</u> | <u>\$ (1,964,798)</u> | <u>\$ (2,530,660)</u> | <u>\$ (2,299,171)</u> | <u>\$ (3,081,396)</u> |
| 1,600,552             | 1,997,743             | 2,159,635             | 2,251,745             | 2,353,403             | 2,500,294             |
| 22,179                | 131,659               | 138,243               | 132,896               | 136,421               | 137,132               |
| 294,506               | 229,181               | 271,247               | 333,729               | 371,807               | 389,504               |
| 604,943               | 605,967               | 604,477               | 892,919               | 611,055               | 624,431               |
| 31,975                | 11,333                | 52,308                | 103,564               | 25,877                | 21,584                |
| 78,289                | 121,623               | 89,682                | 9,901                 | (17,852)              | 389,278               |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 230,000               | -                     | -                     | -                     | -                     | -                     |
| <u>2,862,444</u>      | <u>3,097,506</u>      | <u>3,315,592</u>      | <u>3,724,754</u>      | <u>3,480,711</u>      | <u>4,062,223</u>      |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 37,337                | 55,918                | 36,408                | 2,876                 | (6,479)               | 604,112               |
| (230,000)             |                       |                       |                       |                       | 133,845               |
| <u>(192,663)</u>      | <u>55,918</u>         | <u>36,408</u>         | <u>2,876</u>          | <u>(6,479)</u>        | <u>737,957</u>        |
| <u>\$ 2,669,781</u>   | <u>\$ 3,153,424</u>   | <u>\$ 3,352,000</u>   | <u>\$ 3,727,630</u>   | <u>\$ 3,474,232</u>   | <u>\$ 4,800,180</u>   |
| \$ 199,108            | \$ 885,307            | \$ 1,332,243          | \$ 843,132            | \$ 974,805            | \$ 812,099            |
| 57,911                | 243,567               | 54,959                | 353,838               | 200,256               | 906,685               |
| <u>\$ 257,019</u>     | <u>\$ 1,128,874</u>   | <u>\$ 1,387,202</u>   | <u>\$ 1,196,970</u>   | <u>\$ 1,175,061</u>   | <u>\$ 1,718,784</u>   |



# **City of Falcon Heights**

**City of Falcon Heights  
Governmental Activities Tax Revenues by Source  
Last Ten Fiscal Years**

**Table 3**

| Fiscal<br>Year | Property<br>Tax | Tax<br>Increment | Franchise<br>Tax | Total        |
|----------------|-----------------|------------------|------------------|--------------|
| 2014           | \$ 1,043,863    | \$ 202,372       | \$ -             | \$ 1,246,235 |
| 2015           | 1,081,384       | 156,606          | -                | 1,237,990    |
| 2016           | 1,181,336       | 251,476          | -                | 1,432,812    |
| 2017           | 1,271,602       | 172,018          | -                | 1,443,620    |
| 2018           | 1,600,552       | 294,506          | 22,179           | 1,917,237    |
| 2019           | 1,997,743       | 229,181          | 131,659          | 2,358,583    |
| 2020           | 2,159,635       | 271,247          | 138,243          | 2,569,125    |
| 2021           | 2,251,745       | 333,729          | 132,896          | 2,718,370    |
| 2022           | 2,353,403       | 371,807          | 136,421          | 2,861,631    |
| 2023           | 2,500,294       | 389,504          | 137,132          | 3,026,930    |

**City of Falcon Heights**  
**Fund Balances of Governmental Funds**  
**Last 10 Fiscal Years**

|                                       | Fiscal Year         |                     |                     |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 2014                | 2015                | 2016                | 2017                |
| <b>General Fund</b>                   |                     |                     |                     |                     |
| Nonspendable                          | \$ 89,222           | \$ 85,535           | \$ 71,138           | \$ 37,201           |
| Restricted                            | -                   | -                   | -                   | -                   |
| Committed                             | -                   | -                   | -                   | -                   |
| Assigned                              | -                   | -                   | -                   | -                   |
| Unassigned                            | 1,326,645           | 1,334,716           | 1,504,383           | 1,676,621           |
| Total general fund                    | <u>\$ 1,415,867</u> | <u>\$ 1,420,251</u> | <u>\$ 1,575,521</u> | <u>\$ 1,713,822</u> |
| <b>All Other Governmental Funds</b>   |                     |                     |                     |                     |
| Nonspendable                          | \$ -                | \$ -                | \$ -                | \$ -                |
| Restricted                            | 411,590             | 318,141             | 337,506             | 498,308             |
| Committed                             | 251,368             | 263,384             | 308,915             | 321,089             |
| Assigned                              | 919,832             | 803,442             | 799,450             | 1,642,422           |
| Unassigned                            | -                   | -                   | (43,120)            | -                   |
| Total all other<br>governmental funds | <u>\$ 1,582,790</u> | <u>\$ 1,384,967</u> | <u>\$ 1,402,751</u> | <u>\$ 2,461,819</u> |

Governmental Accounting Standards Board Statement NO. 54 required implementation for fiscal year 2011.

Table 4

| Fiscal Year         |                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2018                | 2019                | 2020                | 2021                | 2022                | 2023                |
| \$ 40,800           | \$ 17,737           | \$ 53,084           | \$ -                | \$ 35,967           | \$ 8,840            |
| -                   | -                   | -                   | -                   | -                   | 224,272             |
| -                   | -                   | -                   | -                   | -                   | -                   |
| -                   | -                   | -                   | -                   | -                   | -                   |
| 1,828,155           | 2,007,462           | 2,515,136           | 3,245,298           | 3,118,111           | 3,194,708           |
| <u>\$ 1,868,955</u> | <u>\$ 2,025,199</u> | <u>\$ 2,568,220</u> | <u>\$ 3,245,298</u> | <u>\$ 3,154,078</u> | <u>\$ 3,427,820</u> |
| \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 450,561             | 868,901             | 857,959             | 649,927             | 732,661             | 689,001             |
| 333,318             | 377,003             | 426,849             | 471,616             | 502,097             | 540,205             |
| 1,659,242           | 1,404,348           | 1,775,983           | 3,109,890           | 3,853,008           | 3,605,386           |
| -                   | -                   | -                   | -                   | -                   | (1,506)             |
| <u>\$ 2,443,121</u> | <u>\$ 2,650,252</u> | <u>\$ 3,060,791</u> | <u>\$ 4,231,433</u> | <u>\$ 5,087,766</u> | <u>\$ 4,833,086</u> |



**City of Falcon Heights**  
**Changes in Fund Balances of Governmental Funds**  
**Last 10 Fiscal Years**

|  | Fiscal Year         |                    |                   |                     |
|--|---------------------|--------------------|-------------------|---------------------|
|  | 2014                | 2015               | 2016              | 2017                |
| <b>Revenues</b>  |                     |                    |                   |                     |
| Taxes  | \$ 1,254,073        | \$ 1,229,405       | \$ 1,435,717      | \$ 1,443,823        |
| Special assessments  | 62,977              | 76,673             | 54,579            | 210,956             |
| Licenses and permits                                       | 68,253              | 80,864             | 73,339            | 93,344              |
| Intergovernmental  | 755,281             | 1,142,257          | 792,070           | 1,478,994           |
| Charges for services                                       | 253,357             | 238,876            | 225,347           | 235,928             |
| Fines and forfeitures                                      | 67,638              | 80,415             | 73,901            | 45,806              |
| Investment income  | 26,324              | 14,783             | 22,163            | 29,149              |
| Miscellaneous  | 54,850              | 50,185             | 35,435            | 46,047              |
| Total revenues   | <u>2,542,753</u>    | <u>2,913,458</u>   | <u>2,712,551</u>  | <u>3,584,047</u>    |
| <b>Expenditures</b>  |                     |                    |                   |                     |
| General government   | \$ 593,735          | \$ 580,026         | \$ 593,485        | \$ 662,544          |
| Public safety  | 867,779             | 885,969            | 939,029           | 957,329             |
| Public works   | 363,027             | 351,541            | 322,322           | 351,470             |
| Park and recreation  | 180,126             | 218,807            | 110,393           | 124,396             |
| Community development                                      | 2,187               | 10,967             | 1,789             | 3,726               |
| Miscellaneous  | -                   | -                  | -                 | -                   |
| Capital outlay   | 1,097,652           | 796,133            | 364,916           | 1,477,627           |
| Debt service   |                     |                    |                   |                     |
| Principal  | 70,000              | 125,000            | 140,000           | 150,000             |
| Interest and other charges                                 | 19,966              | 20,248             | 18,813            | 20,980              |
| Total expenditures   | <u>3,194,472</u>    | <u>2,988,691</u>   | <u>2,490,747</u>  | <u>3,748,072</u>    |
| Excess of revenues<br>under expenditures                   | (651,719)           | (75,233)           | 221,804           | (164,025)           |
| <b>Other Financing Sources (Uses)</b>                      |                     |                    |                   |                     |
| Transfers In   | \$ 241,685          | \$ 24,716          | \$ 62,000         | \$ 442,000          |
| Transfers Out  | (101,685)           | (24,716)           | (22,000)          | (42,000)            |
| Proceeds Sale of Capital Assets                            | 34,060              | 270                | 61                | 225                 |
| Bonds Issued   | -                   | -                  | -                 | 845,000             |
| Bond premium   | -                   | -                  | -                 | -                   |
| Total Other Financing<br>Sources (Uses)                    | <u>174,060</u>      | <u>270</u>         | <u>40,061</u>     | <u>1,245,225</u>    |
| Net Change in Fund<br>Balances                             | <u>\$ (477,659)</u> | <u>\$ (74,963)</u> | <u>\$ 261,865</u> | <u>\$ 1,081,200</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures | 3.10%               | 5.98%              | 9.33%             | 4.68%               |

Table 5

| Fiscal Year       |                   |                     |                     |                   |                  |
|-------------------|-------------------|---------------------|---------------------|-------------------|------------------|
| 2018              | 2019              | 2020                | 2021                | 2022              | 2023             |
| \$ 1,897,392      | \$ 2,223,631      | \$ 2,435,870        | \$ 2,576,318        | \$ 2,739,439      | \$ 2,843,641     |
| 51,510            | 45,029            | 45,900              | 184,268             | 57,233            | 213,191          |
| 94,519            | 290,690           | 214,568             | 385,304             | 292,942           | 389,617          |
| 843,652           | 1,025,523         | 1,485,632           | 1,267,770           | 2,953,789         | 1,698,111        |
| 237,908           | 265,620           | 215,778             | 345,082             | 208,593           | 261,632          |
| 35,719            | 28,191            | 15,109              | 19,511              | 18,385            | 17,962           |
| 78,289            | 121,623           | 89,682              | 9,901               | (17,852)          | 389,278          |
| 95,207            | 24,274            | 80,280              | 51,209              | 56,351            | 51,647           |
| <u>3,334,196</u>  | <u>4,024,581</u>  | <u>4,582,819</u>    | <u>4,839,363</u>    | <u>6,308,880</u>  | <u>5,865,079</u> |
| \$ 661,557        | \$ 672,880        | \$ 672,321          | \$ 748,953          | \$ 808,935        | \$ 919,283       |
| 1,321,072         | 1,432,158         | 1,509,034           | 1,541,474           | 1,391,181         | 1,568,320        |
| 380,343           | 366,734           | 393,428             | 638,436             | 1,570,165         | 626,035          |
| 112,641           | 111,737           | 89,144              | 96,937              | 116,430           | 112,012          |
| 33,944            | 8,080             | 747                 | 723                 | 758               | 5,670            |
| -                 | -                 | 1,414               | 592                 | 758               | 2,430            |
| 693,758           | 437,505           | 497,043             | 1,369,067           | 1,534,594         | 2,839,027        |
| 150,000           | 265,000           | 265,000             | 445,000             | 120,000           | 255,000          |
| 46,673            | 38,746            | 35,249              | 56,875              | 36,422            | 42,240           |
| <u>3,399,988</u>  | <u>3,332,840</u>  | <u>3,463,380</u>    | <u>4,898,057</u>    | <u>5,579,243</u>  | <u>6,370,017</u> |
| (65,792)          | 691,741           | 1,119,439           | (58,694)            | 729,637           | (504,938)        |
| \$ 291,770        | \$ 479,912        | \$ 158,000          | \$ 650,120          | \$ 720,000        | \$ 1,034,000     |
| (61,770)          | (479,912)         | (158,000)           | (650,120)           | (720,000)         | (1,034,000)      |
| -                 | -                 | -                   | 537,349             | 35,476            | 4,000            |
| -                 | -                 | -                   | 665,000             | -                 | 520,000          |
| -                 | -                 | -                   | 30,512              | -                 | -                |
| <u>230,000</u>    | <u>-</u>          | <u>-</u>            | <u>1,232,861</u>    | <u>35,476</u>     | <u>524,000</u>   |
| <u>\$ 164,208</u> | <u>\$ 691,741</u> | <u>\$ 1,119,439</u> | <u>\$ 1,174,167</u> | <u>\$ 765,113</u> | <u>\$ 19,062</u> |
| 5.83%             | 9.25%             | 8.94%               | 10.63%              | 2.85%             | 5.74%            |

**City of Falcon Heights  
General Governmental Tax Revenues by Source  
Last 10 Fiscal Years**

**Table 6**

| Fiscal<br>Year | Property<br>Tax | Tax<br>Increment | Franchise<br>Tax | Total        |
|----------------|-----------------|------------------|------------------|--------------|
| 2014           | \$ 1,051,636    | \$ 202,437       | \$ -             | \$ 1,254,073 |
| 2015           | 1,072,799       | 156,606          | -                | 1,229,405    |
| 2016           | 1,184,241       | 251,476          | -                | 1,435,717    |
| 2017           | 1,271,805       | 172,018          | -                | 1,443,823    |
| 2018           | 1,602,886       | 294,506          | 22,179           | 1,919,571    |
| 2019           | 1,994,450       | 229,181          | 131,659          | 2,355,290    |
| 2020           | 2,164,623       | 271,247          | 138,243          | 2,574,113    |
| 2021           | 2,242,589       | 333,729          | 132,896          | 2,709,214    |
| 2022           | 2,367,632       | 371,807          | 136,421          | 2,875,860    |
| 2023           | 2,454,137       | 389,504          | 137,132          | 2,980,773    |

**City of Falcon Heights**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last 10 Fiscal Years**

**Table 7**

| Year<br>Ended<br>December 31, | Real Property (1)       |                        | Personal Property (1) |           | Less<br>Tax Exempt<br>Real Property (1) | Total Taxable<br>Assessed<br>Value (1) | Total<br>Direct<br>Tax<br>Rate | Estimated<br>Actual<br>Taxable<br>Market Value | Assesed<br>(Tax Capacity)<br>Value <sup>(1)</sup> as a<br>Percentage of<br>Taxable Market<br>Value |
|-------------------------------|-------------------------|------------------------|-----------------------|-----------|---|--|--------------------------------|--|--|
|                               | Residential<br>Property | Commercial<br>Property | Motor<br>Vehicles     | Other     |   |  |                                |  |  |
| 2014                          | \$ 3,776,860            | NA                     | NA                    | \$ 59,934 | NA                                      | \$ 3,836,794                           | 24.819                         | \$ 369,585,000                                 | 1.04%  |
| 2015                          | 4,111,429               | NA                     | NA                    | 61,664    | NA                                      | 4,173,093                              | 23.470                         | 385,888,200                                    | 1.08%  |
| 2016                          | 4,100,084               | NA                     | NA                    | 64,788    | NA                                      | 4,164,872                              | 25.855                         | 384,679,900                                    | 1.08%  |
| 2017                          | 4,327,797               | NA                     | NA                    | 68,082    | NA                                      | 4,395,879                              | 26.342                         | 403,438,700                                    | 1.09%  |
| 2018                          | 4,602,900               | NA                     | NA                    | 72,140    | NA                                      | 4,675,040                              | 31.780                         | 426,967,700                                    | 1.09%  |
| 2019                          | 4,821,090               | NA                     | NA                    | 68,604    | NA                                      | 4,889,694                              | 37.356                         | 464,013,600                                    | 1.05%  |
| 2020                          | 5,290,593               | NA                     | NA                    | 70,696    | NA                                      | 5,361,289                              | 36.635                         | 502,720,300                                    | 1.07%  |
| 2021                          | 5,596,770               | NA                     | NA                    | 78,544    | NA                                      | 5,675,314                              | 36.348                         | 527,577,000                                    | 1.08%  |
| 2022                          | 5,519,656               | NA                     | NA                    | 31,868    | NA                                      | 5,551,524                              | 38.783                         | 520,933,700                                    | 1.07%  |
| 2023                          | 5,881,851               | NA                     | NA                    | 33,096    | NA                                      | 5,914,947                              | 35.174                         | 596,939,400                                    | 0.99%  |

(1) Assessed values replaced by Gross Tax Capacity (GTC) by state statutes.  
Assessed values of commercial property, motor vehicles and tax exempt properties are not provided by Ramsey County.

**City of Falcon Heights  
Property Tax Rates  
Direct and Overlapping (1) Governments  
Last 10 Fiscal Years**

**Table 8**

| Fiscal Year | City of Falcon Heights |                   |                 | Overlapping Rates      |                    |                              |                        | Total Direct and Overlapping Rates |
|-------------|------------------------|-------------------|-----------------|------------------------|--------------------|------------------------------|------------------------|------------------------------------|
|             | Operating Rate (3)     | Debt Service Rate | Total City Rate | Technical College Rate | Ramsey County Rate | School District No. 623 Rate | Special Districts Rate |                                    |
| 2014        | 24.819                 | 0.000             | 24.819          | 0.000                  | 63.735             | 16.251                       | 9.037                  | 113.842                            |
| 2015        | 23.470                 | 0.000             | 23.470          | 0.000                  | 58.922             | 17.18                        | 8.647                  | 108.219                            |
| 2016        | 25.855                 | 0.000             | 25.855          | 0.000                  | 58.885             | 20.958                       | 9.052                  | 114.750                            |
| 2017        | 26.342                 | 0.000             | 26.342          | 0.000                  | 55.850             | 18.894                       | 8.669                  | 109.755                            |
| 2018        | 31.780                 | 0.000             | 31.780          | 0.000                  | 53.962             | 34.396                       | 9.086                  | 129.223                            |
| 2019        | 37.356                 | 0.000             | 37.356          | 0.000                  | 52.879             | 31.687                       | 8.891                  | 130.903                            |
| 2020        | 35.635                 | 0.000             | 35.635          | 0.000                  | 52.302             | 30.668                       | 9.270                  | 127.875                            |
| 2021        | 36.348                 | 0.000             | 36.348          | 0.000                  | 47.760             | 31.25                        | 8.588                  | 123.947                            |
| 2022        | 38.783                 | 0.000             | 38.783          | 0.000                  | 48.034             | 26.776                       | 10.924                 | 124.517                            |
| 2023        | 35.174                 | 0.000             | 35.174          | 0.000                  | 44.901             | 25.533                       | 9.767                  | 115.375                            |

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

(2) Tax capacity rates are used by state statute instead of millage rates.

(3) Does not include tax increments.

City of Falcon Heights  
Principal Property Taxpayers  
December 31, 2023

Table 9

| Taxpayer                            | 2023                       |      |  | 2014                   |      |  |
|-------------------------------------|----------------------------|------|--|------------------------|------|--|
|                                     | Taxable Assessed Value (1) | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Tilden FP Falcon Heights Apartments | \$ 352,332                 | 1    | 5.96 %                                     | 136,880                | 2    | 3.57 %                                     |
| Larpenteur Manor LLC                | 294,404                    | 2    | 4.98                                       | 98,360                 | 3    | 2.56                                       |
| PC Hendrikson LLC                   | 227,716                    | 3    |  | -                      | 0    | -  |
| Twin Cities CO Ops Fed Cr Union     | 222,486                    | 4    | 3.76                                       | 137,250                | 1    | 3.58                                       |
| Tilden FP Falcon Heights SR Apts    | 178,410                    | 5    | 3.02                                       | 65,009                 | 4    | 1.69                                       |
| Falcon Crossing, LLC                | 104,710                    | 6    | 1.77                                       | 48,512                 | 6    | 1.26                                       |
| Warner Properties of MN, LLP        | 103,022                    | 7    | 1.74                                       | 38,862                 | 7    | 1.01                                       |
| Anna Spiegler                       | 94,020                     | 8    | 1.59                                       | 36,579                 | 8    | 0.95                                       |
| Xerxes Ave LLC                      | 79,728                     | 9    | 1.35                                       | -                      | -    | -  |
| Buhl GTA LP                         | 73,222                     | 10   | 1.24                                       | -                      |      | -  |
| Total                               | <u>\$ 1,730,050</u>        |      | <u>25.40 %</u>                             | <u>\$ 561,452</u>      |      | <u>14.63 %</u>                             |

(1) Assessed values replaced by Gross Tax Capacities (GTC) by state statute.

**City of Falcon Heights  
Property Tax Levies and Collections <sup>(1)</sup>  
Last 10 Fiscal Years**

**Table 10**

| Fiscal Year | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy |                    | Collections in Subsequent Years | Total Collections to Date |                    |
|-------------|--------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|
|             |                                | Amount                                       | Percentage of Levy |                                 | Amount                    | Percentage of Levy |
| 2014        | \$ 1,083,850                   | \$ 1,044,751                                 | 96.4%              | \$ 3,873                        | \$ 1,048,624              | 96.75%             |
| 2015        | 1,083,850                      | 1,072,033                                    | 98.9%              | 11,280                          | 1,083,313                 | 99.95%             |
| 2016        | 1,173,447                      | 1,171,208                                    | 99.8%              | 2,239                           | 1,173,447                 | 100.00%            |
| 2017        | 1,278,231                      | 1,271,805                                    | 99.5%              | 4,574                           | 1,276,379                 | 99.86%             |
| 2018        | 1,487,059                      | 1,480,385                                    | 99.6%              | 4,085                           | 1,487,059                 | 100.00%            |
| 2019        | 1,980,918                      | 1,975,542                                    | 99.7%              | 5,376                           | 1,980,918                 | 100.00%            |
| 2020        | 2,137,524                      | 2,131,339                                    | 99.7%              | 3,700                           | 2,137,628                 | 100.00%            |
| 2021        | 2,249,275                      | 2,242,589                                    | 99.7%              | 3,539                           | 2,248,717                 | 99.98%             |
| 2022        | 2,360,444                      | 2,360,226                                    | 100.0%             | 218                             | 2,360,444                 | 100.00%            |
| 2023        | 2,474,298                      | 2,454,137                                    | 99.2%              |                                 | 2,456,726                 | 99.29%             |

**City of Falcon Heights  
Ratios of Outstanding Debt by Type  
Last 10 Fiscal Years**

**Table 11**

| Fiscal<br>Year | Governmental<br>Activities |    | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income <sup>(1)</sup> | Per<br>Capita <sup>(1)</sup> |
|----------------|----------------------------|----|--------------------------------|--|------------------------------|
|                | G.O.<br>Bonds              |    |                                |  |                              |
| 2014           | \$ 1,195,000               | \$ | 1,195,000                      | 0.72%  | \$ 218                       |
| 2015           | 1,070,000                  |    | 1,070,000                      | 0.65%  | 196                          |
| 2016           | 930,000                    |    | 930,000                        | 0.54%  | 170                          |
| 2017           | 1,625,000                  |    | 1,625,000                      | 0.95%  | 298                          |
| 2018           | 1,475,000                  |    | 1,475,000                      | 0.75%  | 271                          |
| 2019           | 1,210,000                  |    | 1,210,000                      | 0.61%  | 220                          |
| 2020           | 973,499                    |    | 973,499                        | 0.50%  | 174                          |
| 2021           | 1,211,484                  |    | 1,211,484                      | 0.59%  | 216                          |
| 2022           | 1,078,957                  |    | 1,078,957                      | 0.48%  | 200                          |
| 2023           | 1,331,430                  |    | 1,331,430                      | 0.52%  | 248                          |

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

<sup>(1)</sup> See the Schedule of Demographic and Economic Statistics (Table 16) for personal income and population data.





# **City of Falcon Heights**

**City of Falcon Heights  
Ratios of General Bonded Debt Outstanding  
Last 10 Fiscal Years**

**Table 12**

| Fiscal Year | G.O. Bonds   | Less Amounts Available in Debt Service Fund | Total      | Percentage of Estimated Actual Taxable Value <sup>(1)</sup> of Property | Per Capita <sup>(2)</sup> |
|-------------|--------------|---|------------|---|---------------------------|
| 2014        | \$ 1,195,000 | \$ 260,990                                  | \$ 934,010 | 0.25%   | \$ 170                    |
| 2015        | 1,070,000    | 234,341                                     | 835,659    | 0.22%   | 153                       |
| 2016        | 930,000      | 247,198                                     | 682,802    | 0.18%   | 125                       |
| 2017        | 1,070,000    | 404,754                                     | 665,246    | 0.16%   | 122                       |
| 2018        | 1,475,000    | 351,141                                     | 1,123,859  | 0.26%   | 206                       |
| 2019        | 1,210,000    | 729,333                                     | 480,667    | 0.10%   | 87                        |
| 2020        | 973,499      | 704,542                                     | 268,957    | 0.05%   | 48                        |
| 2021        | 1,211,484    | 486,550                                     | 724,934    | 0.14%   | 129                       |
| 2022        | 1,078,957    | 576,359                                     | 502,598    | 0.10%   | 93                        |
| 2023        | 1,331,430    | 545,946                                     | 785,484    | 0.13%   | 145                       |

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

<sup>(1)</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (Table 7) for property value data.

<sup>(2)</sup> Population data can be found in the Schedule of Demographic and Economic Statistics (Table 16)

**City of Falcon Heights**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2023**

Table 13

| Governmental Unit                       | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable <sup>(1)</sup> | Estimated<br>Share of<br>Overlapping<br>Debt |
|---|---------------------|--|--|
| Debt repaid with property taxes: County | \$ 2,078,894,601    | 0.7%   | \$ 13,908,465                                |
| Subtotal, overlapping debt              |                     |  | <u>13,908,465</u>                            |
| City of Falcon Heights direct debt      |                     |  | 1,310,000                                    |
| Unamortized bond premium direct debt    |                     |  | <u>21,430</u>                                |
| Subtotal direct debt                    |                     |  | 1,331,430                                    |
| Total direct and overlapping debt       |                     |  | <u><u>\$ 15,239,895</u></u>                  |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the 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.

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's total taxable assessed value.

*Sources: Assessed value data used to estimate applicable percentages provided by the County, Board of Education, and Assessment. Debt outstanding data provided by the County.*

**City of Falcon Heights**  
**Computation of Direct and Overlapping Bonded Debt**  
**December 31, 2023**

Table 13 (Continued)

| Governmental Unit                 | Gross Debt <sup>(1)</sup> | Sinking Funds         | Net Debt                | City's Share |                      |
|-----------------------------------|---------------------------|-----------------------|-------------------------|--------------|----------------------|
|                                   |                           |                       |                         | Percent      | Amount               |
| <b>Direct</b>                     |                           |                       |                         |              |                      |
| City of Falcon Heights            | \$ 1,331,430              | \$ 545,946            | \$ 785,484              | 100.00 %     | \$ 785,484           |
| <b>Overlapping</b>                |                           |                       |                         |              |                      |
| School Districts                  |                           |                       |                         |              |                      |
| ISD No. 623                       | 149,705,000               | 891,204               | 148,813,796             | 7.05         | 10,495,943           |
| Ramsey County                     |                           |                       |                         |              |                      |
| Ramsey County                     | 182,587,000               | 58,039,213            | 124,547,787             | 0.85         | 1,059,405            |
| County Library                    | 18,680,000                | 569,973               | 18,110,027              | 1.68         | 303,890              |
| Metro Watershed (Capital Region)  | 9,405,000                 | -                     | 9,405,000               | 1.97         | 185,310              |
| <b>Metropolitan Agencies</b>      |                           |                       |                         |              |                      |
| Metro Council                     | 1,717,186,171             | 135,460,603           | 1,581,725,568           | 0.12         | 1,863,917            |
| Metro Airports<br>Commission      | -                         | -                     |                         |              |                      |
| Total                             |                           |                       |                         |              |                      |
| Overlapping<br>Debt               | <u>2,077,563,171</u>      | <u>194,960,993</u>    | <u>1,882,602,178</u>    |              | <u>13,908,465</u>    |
| Total direct and overlapping debt | <u>\$ 2,078,894,601</u>   | <u>\$ 195,506,939</u> | <u>\$ 1,883,387,662</u> |              | <u>\$ 14,693,949</u> |

<sup>(1)</sup> Gross debt totals include bonds which are financed by ad valorem tax levy, G.O. Revenue financing and special assessments.

**City of Falcon Heights  
Legal Debt Margin Information  
Last 10 Fiscal Years**

|   | Fiscal Year         |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2014                | 2015                | 2016                | 1 2017              |
| Debt limit  | \$ 6,991,052        | \$ 7,717,764        | \$ 7,693,598        | \$ 8,068,774        |
| Total net debt applicable to limit                                      | -                   | -                   | -                   | -                   |
| Legal debt margin   | <u>\$ 6,991,052</u> | <u>\$ 7,717,764</u> | <u>\$ 7,693,598</u> | <u>\$ 8,068,774</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0.00%               | 0.00%               | 0.00%               | 0.00%               |

Note: Under state finance law, the City's G.O. debt should not exceed 2% of total assessed tax capacity. By law, the G.O. debt subject to the limitation may be offset by amounts set aside for repaying G.O. bonds.

Table 14

| Fiscal Year         |   |                     |   |                      |   |                      |                      |                      |
|---------------------|---|---------------------|---|----------------------|---|----------------------|----------------------|----------------------|
| 2018                | 3 | 2019                | 4 | 2020                 | 5 | 2021                 | 2022                 | 2023                 |
| \$ 8,539,354        |   | \$ 9,280,272        |   | \$ 10,054,406        |   | \$ 10,551,540        | \$ 10,418,674        | \$ 11,938,788        |
| -                   |   | -                   |   | -                    |   | -                    | -                    | -                    |
| <u>\$ 8,539,354</u> |   | <u>\$ 9,280,272</u> |   | <u>\$ 10,054,406</u> |   | <u>\$ 10,551,540</u> | <u>\$ 10,418,674</u> | <u>\$ 11,938,788</u> |
| 0.00%               |   | 0.00%               |   | 0.00%                |   | 0.00%                | 0.00%                | 0.00%                |

Legal Debt  
Margin  
Calculation for  
Fiscal Year 2023

|  |                      |
|--|----------------------|
| Assessed value                                   | \$ 596,939,400       |
| Add back exempt real property                    | -                    |
| Total assessed value                             | <u>596,939,400</u>   |
| Debt limit (2% of total assessed value)          | 11,938,788           |
| Debt applicable to limit                         |                      |
| G.O. Bonds                                       | -                    |
| Less amount set aside for repayment of G.O. Debt | -                    |
| Total net debt applicable to limit               | <u>-</u>             |
| Legal debt margin                                | <u>\$ 11,938,788</u> |

**City of Falcon Heights  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**Table 15**

| Fiscal<br>Year | Special Assessment Bonds             |              |          |       | Coverage |
|----------------|--------------------------------------|--------------|----------|-------|----------|
|                | Special<br>Assessment<br>Collections | Debt Service |          |       |          |
|                |                                      | Principal    | Interest |       |          |
| 2014           | \$ 58,007                            | \$ -         | \$ 6,701 | 0.0%  |          |
| 2015           | 50,145                               | 60,000       | 6,870    | 75.0% |          |
| 2016           | 45,371                               | 60,000       | 6,345    | 68.4% |          |
| 2017           | 39,328                               | 65,000       | 5,606    | 55.7% |          |
| 2018           | 43,579                               | 65,000       | 30,772   | 45.5% |          |
| 2019           | 41,048                               | 180,000      | 27,151   | 19.8% |          |
| 2020           | 41,393                               | 180,000      | 22,418   | 20.4% |          |
| 2021           | 8,847                                | 180,000      | 21,110   | 4.4%  |          |
| 2022           | 53,585                               | 120,000      | 30,674   | 35.6% |          |
| 2023           | 41,803                               | 255,000      | 21,525   | 15.1% |          |

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

**City of Falcon Heights  
Demographic and Economic Statistics  
Last 10 Fiscal Years**

**Table 16**

| Fiscal Year | Population <sup>(1)</sup> | Total Personal Income | Per Capita Personal Income <sup>(2)</sup> | Median Age <sup>(3)</sup> | Education Level in Years of Formal Schooling <sup>(3)</sup> | School Enrollment <sup>(4)</sup> | Unemployment Rate <sup>(5)</sup> |
|-------------|---------------------------|-----------------------|---|---------------------------|---|----------------------------------|----------------------------------|
| 2014        | 5,490                     | \$ 165,117,240        | \$ 30,076                                 | NA                        | 14.8  | 7,436                            | 3.2                              |
| 2015        | 5,450                     | 165,314,850           | 30,333                                    | NA                        | 14.8  | 7,507                            | 3.1                              |
| 2016        | 5,460                     | 170,657,760           | 31,256                                    | NA                        | 14.8  | 7,590                            | 4.1                              |
| 2017        | 5,450                     | 170,345,200           | 36,156                                    | NA                        | 14.8  | 7,592                            | 3.2                              |
| 2018        | 5,450                     | 197,535,250           | 36,245                                    | NA                        | 14.8  | 7,519                            | 2.9                              |
| 2019        | 5,500                     | 199,347,500           | 36,245                                    | NA                        | 14.8  | 7,329                            | 3.2                              |
| 2020        | 5,600                     | 196,072,800           | 35,013                                    | NA                        | 14.8  | 7,294                            | 4.7                              |
| 2021        | 5,600                     | 204,948,800           | 36,598                                    | NA                        | 14.8  | 7,192                            | 2.7                              |
| 2022        | 5,400                     | 226,249,200           | 41,898                                    | NA                        | 14.8  | 7,379                            | 2.6                              |
| 2023        | 5,379                     | 255,099,075           | 47,425                                    | NA                        | 14.8  | 7,210                            | 2.3                              |

**Data sources**

<sup>(1)</sup> Bureau of the Census/Metropolitan Council

<sup>(2)</sup> State of Minnesota Demography Department - Ramsey County data and US Census data

<sup>(3)</sup> Census Data for 2020

<sup>(4)</sup> School District

<sup>(5)</sup> State Department of Labor

\* Revenue Information for Ramsey County not available

Note: Population, median age and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.



**City of Falcon Heights  
Principal Employers  
Current Year and Nine Years Ago**

**Table 17**

| Taxpayer                                      | 2023         |      |                                     | 2014         |      |                                     |
|---|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|   | Employees    | Rank | Percentage of Total City Employment | Employees    | Rank | Percentage of Total City Employment |
| University of Minnesota (1)                   | 2,000        | 1    | 55.56 %                             | 2,700        | 1    | 77.14 %                             |
| Blaze Credit Union                            | 380          | 2    | 10.56                               | 94           | 4    | 2.69                                |
| Minnesota State Fair (2)                      | 80           | 3    | 2.22                                | 75           | 5    | 2.14                                |
| Twin Cities Laboratories                      | 65           | 4    | 1.81                                | 125          | 3    | 3.57                                |
| Falcon Heights Elementary                     | 60           | 5    | 1.67                                |              |      |                                     |
| Estimated total city employees all businesses | <u>3,600</u> |      | <u>71.81 %</u>                      | <u>3,500</u> |      | <u>89.11 %</u>                      |

(1) The University of Minnesota Saint Paul Campus employs an additional 400 part time people during the year.

(2) During the Minnesota State Fair held each fall, there are an additional 2,600 people contingently employed.

**City of Falcon Heights**  
**Full-Time Equivalent City Government Employees by Function**  
**Last 10 Fiscal Years**

Table 18

| Function                  | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                           | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
| <b>General Government</b> | 4.51         | 4.26         | 4.26         | 4.61         | 5.21         | 5.21         | 5.21         | 5.18         | 5.41         | 5.36         |
| Public safety             |              |              |              |              |              |              |              |              |              |              |
| Police (1)                |              |              |              |              |              |              |              |              |              |              |
| Officers                  | NA           | NA           | NA           | NA           | NA           | NA           | NA           | NA           | NA           | NA           |
| Fire                      |              |              |              |              |              |              |              |              |              |              |
| Firefighters and officers | 3.02         | 3.02         | 3.02         | 2.77         | 2.77         | 2.77         | 2.77         | 0.35         | 0            | 0            |
| Highways and streets      |              |              |              |              |              |              |              |              |              |              |
| Engineering (2)           |              |              |              |              |              |              |              |              |              |              |
| Maintenance               | 1.13         | 1.13         | 1.13         | 1.10         | 1.11         | 1.11         | 1.11         | 1.11         | 1.13         | 1.06         |
| Park and recreation       | 2.49         | 2.49         | 2.49         | 2.44         | 2.49         | 2.49         | 2.49         | 1.64         | 2.49         | 2.05         |
| Sewer                     | 2.19         | 2.19         | 2.19         | 2.32         | 2.32         | 2.32         | 2.32         | 2.33         | 2.19         | 2.58         |
| <b>Total</b>              | <u>13.34</u> | <u>13.09</u> | <u>13.09</u> | <u>13.24</u> | <u>13.90</u> | <u>13.90</u> | <u>13.90</u> | <u>10.61</u> | <u>11.22</u> | <u>11.05</u> |

(1) The City contracts with Ramsey County for police services.

(2) The City contracts with outside entities for engineering services.

**City of Falcon Heights  
Operating Indicators by Function  
Last 10 Fiscal Years**

**Table 19**

| Function   | Fiscal Year |       |       |       |      |      |      |      |      |      |
|--|-------------|-------|-------|-------|------|------|------|------|------|------|
|  | 2014        | 2015  | 2016  | 2017  | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| <b>Police</b>  |             |       |       |       |      |      |      |      |      |      |
| Physical arrests   | 620         | 700   | 539   | 311   | 59   | 37   | 30   | 67   | 30   | 52   |
| Parking violations   | 427         | 313   | 303   | 155   | 304  | 410  | 88   | 135  | 274  | 363  |
| Traffic violations   | 1,496       | 1,987 | 1,344 | 1,653 | 270  | 299  | 73   | 207  | 288  | 169  |
| <b>Fire</b>  |             |       |       |       |      |      |      |      |      |      |
| Number of calls answered   | 117         | 108   | 120   | 119   | 143  | 200  | 106  | 171  | 190  | 206  |
| Inspections  | 86          | 67    | 77    | 105   | 146  | 99   | 70   | 2    | 98   | 93   |
| <b>Highways and Streets</b>                                      |             |       |       |       |      |      |      |      |      |      |
| Streets resurfacing (miles)                                      | -           | -     | -     | -     | 1    | -    | -    | 3    | -    | -    |
| Potholes repaired  | 185         | 80    | 70    | 68    | 29   | 55   | 100  | 20   | 30   | 35   |
| <b>Sanitation</b>  |             |       |       |       |      |      |      |      |      |      |
| Refuse collected (tons/day) (1)                                  | NA          | NA    | NA    | NA    | NA   | NA   | NA   | NA   | NA   | NA   |
| Recyclables collected (tons/day) (2)                             | 9.6         | 8.9   | 9.0   | 8.9   | 8.6  | 8.0  | 9.3  | 9.3  | 8.4  | 8.3  |
| <b>Park and Recreation</b>                                       |             |       |       |       |      |      |      |      |      |      |
| Athletic field permits issued                                    | 3           | 3     | 3     | 83    | 87   | 93   | 0    | 0    | 0    | 3    |
| Community centers admissions (3)                                 | NA          | NA    | NA    | NA    | NA   | NA   | NA   | NA   | NA   | NA   |
| <b>Water</b>   |             |       |       |       |      |      |      |      |      |      |
| New connections  | -           | -     | -     | 3     | 2    | -    | -    | -    | -    | -    |
| Water mains breaks   | 1           | -     | -     | 1     | 1    | 1    | 7    | 3    | 2    | 3    |
| Average daily consumption<br>(thousands of gallons)              | 707         | 728   | 716   | 723   | 769  | 742  | 574  | 708  | 820  | 823  |
| <b>Wastewater</b>  |             |       |       |       |      |      |      |      |      |      |
| Average daily sewage treatment<br>(thousands of gallons per day) | 562         | 561   | 574   | 538   | 629  | 638  | 500  | 572  | 602  | 577  |

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

- (1) Individual property owners contract privately with refuse collectors to provide this service.
- (2) The City of Falcon Heights contracts with a recycling collector to collect recyclables. Starting 2011, recyclables were picked up every week during the year instead of twice a month.
- (3) The City of Falcon Heights has no community center, but does have park buildings to use when parks are rented.

**City of Falcon Heights  
Capital Asset Statistics by Function  
Last 10 Fiscal Years**

**Table 20**

| Function   | Fiscal Year |         |         |         |         |         |         |         |         |         |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2014        | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    |
| <b>Public Safety</b>   |             |         |         |         |         |         |         |         |         |         |
| Police (1)   |             |         |         |         |         |         |         |         |         |         |
| Stations   | -           | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Patrol units   | -           | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Fire stations (2)  | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | -       | -       |
| <b>Highways and Streets</b>                                    |             |         |         |         |         |         |         |         |         |         |
| Streets (miles)  | 24.3        | 24.3    | 24.3    | 24.3    | 24.3    | 24.3    | 24.3    | 24.3    | 24.3    | 24.3    |
| Streetlights   | 210         | 210     | 210     | 210     | 210     | 210     | 210     | 210     | 210     | 210     |
| Traffic signals  | 9           | 9       | 9       | 9       | 9       | 9       | 9       | 9       | 9       | 9       |
| <b>Park and Recreation</b>                                     |             |         |         |         |         |         |         |         |         |         |
| Parks acreage  | 18.07       | 18.07   | 18.07   | 18.07   | 18.07   | 18.07   | 18.07   | 18.07   | 18.07   | 18.07   |
| Parks  | 3           | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       |
| Tennis courts  | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |
| <b>Water</b>   |             |         |         |         |         |         |         |         |         |         |
| Water mains (miles)  | 14.5        | 14.5    | 14.5    | 14.5    | 14.5    | 14.5    | 14.5    | 14.5    | 14.5    | 14.5    |
| Fire hydrants  | 146         | 146     | 146     | 146     | 146     | 146     | 146     | 146     | 146     | 146     |
| Maximum daily capacity<br>(Thousands of gallons)               | 2,000       | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   |
| <b>Sewer</b>   |             |         |         |         |         |         |         |         |         |         |
| Sanitary sewers (miles)  | 14.7        | 14.7    | 14.7    | 14.7    | 14.7    | 14.7    | 14.7    | 14.7    | 14.7    | 14.7    |
| Storm sewers (miles)   | 4           | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       |
| Maximum daily treatment capacity (3)<br>(thousands of gallons) | 339,000     | 339,000 | 339,000 | 339,000 | 339,000 | 339,000 | 339,000 | 339,000 | 339,000 | 339,000 |

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

- (1) Falcon Heights contracts with the Ramsay County Sherriff's Department for 24 hour police coverage
- (2) The fire service was disbanded in January 2021. Contract for fire services with City of St Paul.
- (3) Falcon Heights is part of the Metropolitan Council Environmental Services metro area wide treatment facility.  
This number represents total system daily plant capacity authorized by permit for the area including the City.