

CITY OF CHASKA

STATE OF MINNESOTA



2023 ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

Annual Comprehensive Financial Report

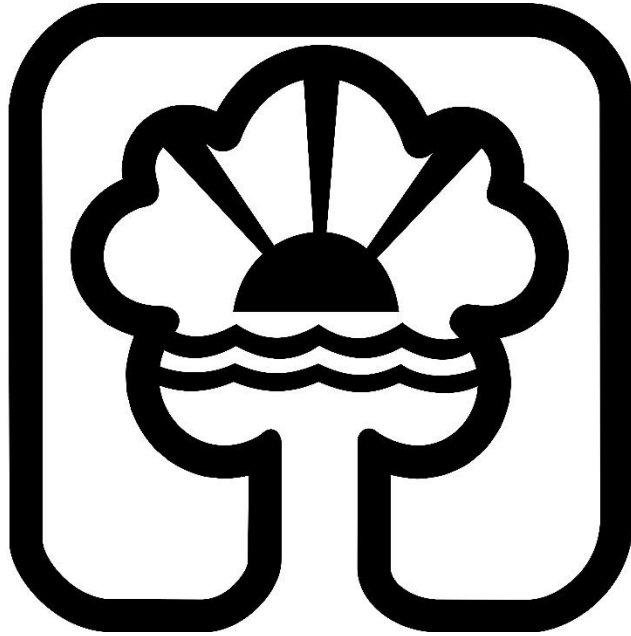
For the Fiscal Year Ended
December 31, 2023

Matthew Podhradsky, City Administrator

Report Prepared by
Administrative Services Department

Noel Graczyk, Administrative Services Director

Erica Mattice, Finance Division Director



Chaska

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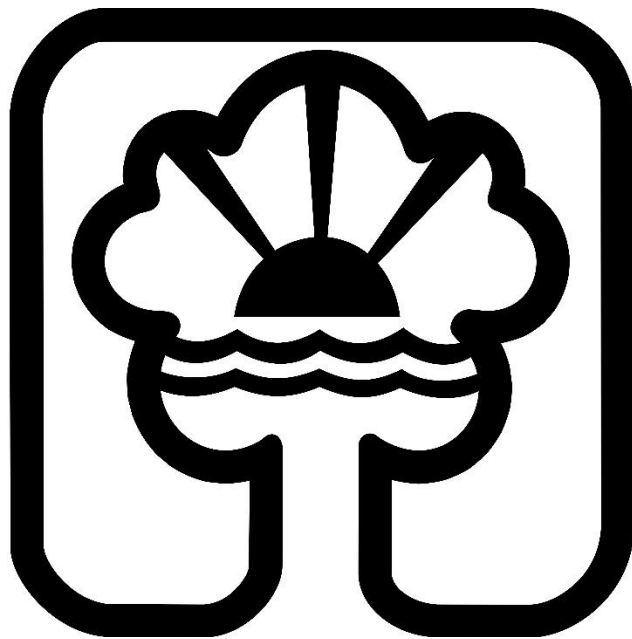
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Chaska



City of Chaska

June 12, 2024

**To the Citizens of the City of Chaska, Honorable Mayor and Council Members, and
Mr. Matt Podhradsky, City Administrator**

The Annual Comprehensive Financial Report of the City of Chaska, Minnesota, for the year ended December 31, 2023, is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and meets the requirements of the Minnesota State Auditor's Office.

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

The City's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. Based upon the audit, the independent auditor concluded that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first item in the financial section of this report.

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

City Profile

The City of Chaska was founded in 1851 and incorporated on March 3, 1891. The City is located in eastern Carver County, with the Minnesota River bordering the City to the south. It encompasses 17.8 square miles and has an estimated population of 28,170. The City operates under a Statutory Plan A form of government where policymaking and legislative authorities are vested in the City Council. The City Council consists of a mayor and four council members and is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees. The mayor is elected for a two-year term of office and four council members serve four-year staggered terms, with two council members elected every two years. Non-partisan elections are held on the Tuesday after the first Monday in November, of each even-numbered year.

The City Administrator is appointed by the City Council and also serves as the City Clerk. The City Administrator is responsible for carrying out policies and ordinances of the City Council and overseeing daily operations of the City. A City Attorney is retained and appointed by the Chaska City Council. The Administrative Services Director serves as City Treasurer.

The City of Chaska provides a full range of services, including police and fire protection; building inspections; construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; and general administrative services. The City also operates nine enterprises: electric, water, sewer, and storm water utilities, a community center, two golf courses, a turbine generator, and a curling and event center.

The City is also financially accountable for the Chaska Economic Development Authority (EDA), which is included in this report as a blended component unit. The Chaska City Council serves as the board of the EDA.

The primary focus of the City of Chaska is to enhance and maintain the high quality of life of its “shareholders”, the citizens of Chaska. Consistent with this focus, the City will strive to maintain its unique historical small-town image and sense of community while supporting well-planned, orderly growth. To achieve this focus, the City has established six ongoing core strategies:

- Enhance Chaska’s high quality of life
- Plan orderly community development
- Maintain a sense of community and small-town values
- Assure that quality basic municipal services are provided
- Maintain a commitment to excellence
- Develop and maintain partnerships

The annual budget serves as the foundation for the City of Chaska’s financial planning and control. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Chaska City Council. The activities of the General Fund and certain special revenue and capital project funds are included in the annual appropriated budget. Debt service budgetary control is established by bond sale resolution covenants. Project-length financial plans are adopted for capital project funds.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures for departments or divisions that exceed appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

The City maintains stable financial operations due to a history of conservative budgeting, maintenance of healthy reserves, and a lack of reliance on state aid.

Economic Condition and Outlook

Since 2000, the City of Chaska has seen a significant amount of population growth and expects to continue growth through 2040.

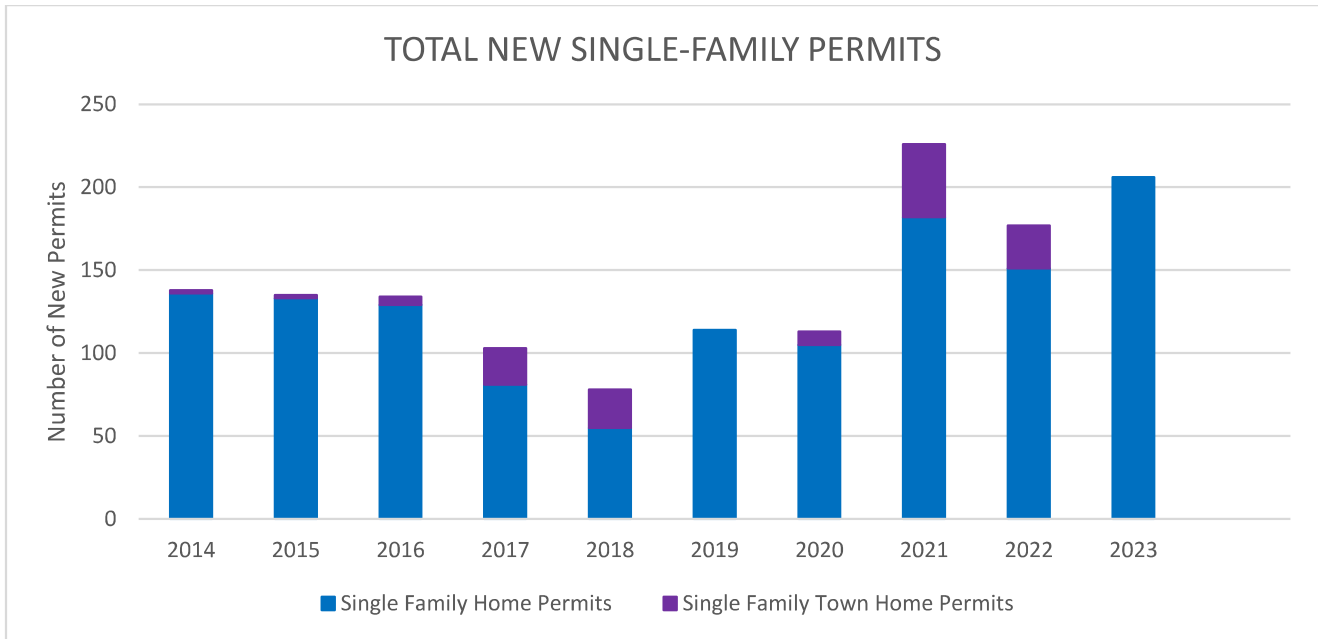
<i>Year</i>	<i>Population*</i>	<i>% Increase</i>
2000	17,603	
2010	23,770	35.0%
2020	27,810	17.0%
2023	28,170	1.3%
2030 Projected	32,000	13.6%
2040 Projected	36,600	14.4%

**Source of Projected Population: Metropolitan Council*

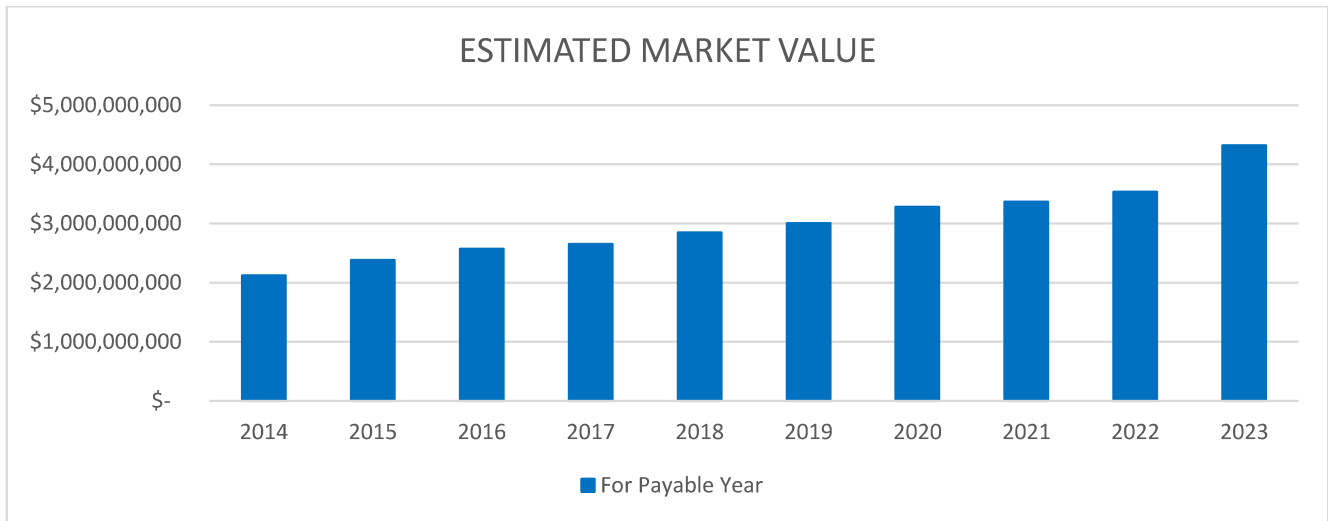
The increase in population between 2000 and 2010 is attributed to the addition of approximately 200 to 500 housing units (both single family and multifamily units) per year from 2002 through 2005, as well as the addition of a significant amount of commercial development in the community. This commercial development included both small boutique stores and large service centers such as Home Depot, Super Target and Kohl’s.

Chaska saw the majority of its industrial development growth in the late 1980s and early 1990s. Nearly 8,000 jobs were created, with over 13,000 jobs in total in the community. The industrial park was near full capacity in the 1990s, with the exception of a few remaining sites. National and international companies such as Entegris, TEL-FSI, Lake Region Manufacturing, and Beckman Coulter all offer several hundred jobs at each facility. Housing and commercial development occurring after 2000 resulted directly from both a strong housing market and employment opportunities available in Chaska.

As with other communities across the country, the City saw a drop in new housing development beginning in 2007. The number of new single family permits rebounded beginning in 2012. Between 2013 and 2021 the City averaged 130 new single family permits annually. With 182 new single-family permits in 2023, the city has seen new construction continue above the 10-year average for a third consecutive year.



With the rebound in housing, market value in the City has also continued to increase.



Other development opportunities within the City include the following:

Industrial Parks

There are two existing industrial parks located within Chaska with a combined capacity of 679 acres. Currently there are over one hundred enterprises occupying the parks, the largest of which include Lake Region Manufacturing, TEL-FSI International Inc., Beckman Coulter, Bailiwick and Lifecore Biomedical. There are a few remaining sites available within the industrial park.

Southwest Chaska Corporate and Industrial Development

The City has approximately 390 acres of corporate and industrial land that has started to develop along Highway 212. There is room for 5.5 million square feet of office and industrial space which will be marketed towards bioscience and high-tech companies. When complete, it is expected to add between \$300 and \$500 million of taxable market value as well as 4,000 to 6,000 quality jobs.

The first project in this new industrial area was United Health Group’s 250,000 square foot data center that began operations in 2012. The second project was Stream Data’s 115,000 square foot data center that completed construction in late 2014. The third project was the development of an approximately 100,000 square foot data center facility for US Bank National Association completed in 2017. The City continues to actively recruit other data centers to locate in the remaining parcels in this area.

Southwest Chaska Master Plan

Development of objectives outlined in the Southwest Chaska Master Plan began in 2017. The plan guides development and land use for an undeveloped two square mile area in southwest Chaska along Highway 212. While most of this area was originally determined to be residential, the new master plan allows for more corporate uses and allows the residential development to be more consistent with market conditions.

The City received approval in late 2011 for the addition of an interchange off of U.S. Highway 212 at Carver County Road 44. Substantial project completion occurred in 2020. This project enabled the City to expand industrial development rapidly.

To support access to the southwest Chaska area, the City began working on Creek Road. Creek Road is a major development in Chaska that began in 2017, with substantial completion expected in 2024. This \$14.2 million dollar project is anticipated to provide 5,000 new jobs over the next 5 years for the metro area.

In 2021, the City began working on a joint State, County, and City cooperative project to reconstruct Minnesota State Highway 41 and Carver County Road 61 through Chaska’s historic downtown area. This \$31 million reconstruction project is expected to take approximately 3 years, with substantial work done in 2023. The City, acting as the lead on the project, issued \$25.3 million of Temporary State Aid Street Bonds in 2022 to support project funding for the share of the project that is to be reimbursed to the City by the State of Minnesota Department of Transportation and Carver County. The City intends to issue permanent bonds when the line of credit expires in 2024. Due to project delays, the official start of construction did not occur until Spring of 2023.

Long-Term Financial Planning

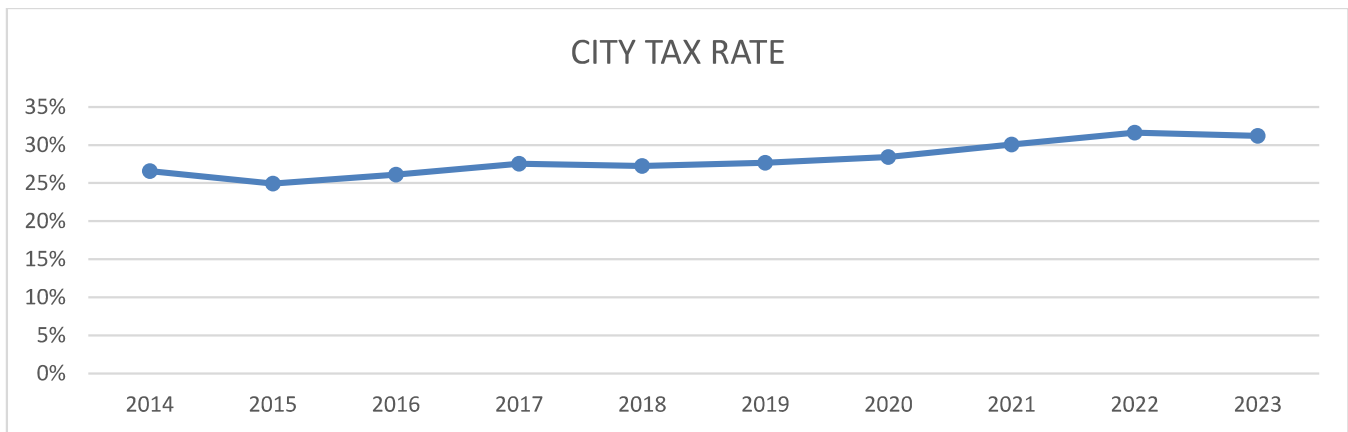
Each year the City develops a five-year financial forecast. The primary purpose of the forecast is to project available revenues and anticipated expenditures for all operating funds supported by property tax levies. The forecast is also used to establish the City’s maximum tax levy. In preparing the five-year forecast, every attempt is made to accurately and conservatively estimate revenues and expenditures. The 2023 budget and five-year forecast were both developed based on the following objectives:

1. Support budget programs that help Chaska strengthen its mission of being “The Best Small Town in Minnesota”.
2. Maintain existing high-quality service levels.
3. Limit tax levy growth to capture only new growth in the community and inflation. Only increasing levy beyond this point if new service levels and/or assets are added.
4. Fully fund maintenance and replacement of our vehicles, equipment, and physical assets on a regular schedule to ensure sustainability of investments already made.

5. Fund new programs only after existing, necessary programs are funded.
6. Budget utilizing a plan that avoids draw-down of the City’s General fund reserves and builds these reserves to a targeted level.
7. Fully fund levy needs of the Street Reconstruction Program.
8. Develop a budget plan that is sustainable from a resource perspective to support the service levels residents expect.

Key factors which impact both the costs of providing services and the City’s revenue resources are changes in Chaska’s population and households. The current 2023 – 2027 financial forecast strives to balance existing and future service level demands within the forecasted revenues while at the same time maintaining a low property tax rate.

The City’s tax rate decreased after the Great Recession in 2008 – 2009 due to declines in market values. Market values have recovered, allowing the City to implement a capital asset maintenance program while keeping property tax rates relatively constant. The tax rate is 31.2 percent in 2023.



In 2018, the City updated its Comprehensive Plan, which is a requirement from the Metropolitan Council to make local plans consistent with its updated Regional Development Framework. The 2040 Comprehensive Plan guides the direction of the City in several major areas: land use, transportation, environment, parks and trails, and public facilities. Each of these areas is examined in a comprehensive manner, in order to take advantage of opportunities, avoid problems, and work towards building a stronger community.

Major Initiatives

One of the City’s main initiatives has been the development and implementation of its Downtown Master Plan. Chaska has a historic downtown, with several commercial buildings and homes over 100 years old. A major focus of this initiative is to define how the City, businesses, and residents reinvest back into this unique area, to make it economically viable into the future.

Downtown redevelopment continues to be a priority. The City continues its multi-year program to reconstruct streets in the historic downtown core. This reconstruction has reinvigorated the coordination and planning efforts for the transformation of another downtown block, which will be called City Square West. The City is currently seeking additional funding for the enhancement of downtown.

Another major initiative for the City is the continuing capital asset maintenance plan. Key to this plan is \$1 million of levy annually dedicated to reinvest in parks, streets and trails.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chaska for its Annual Comprehensive Financial Report for fiscal year ended December 31, 2022.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. An Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Chaska has received a Certificate of Achievement every year since 1989. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

The preparation of this report was made possible by the dedicated service of the City staff, and in particular, members of the Administrative Services Department. Special recognition goes to Lisa Nelson, Controller and Erin Barnum, Assistant Controller. Their contributions were essential in the preparation and production of this report.

We would like to express appreciation to Matt Podhradsky, the City Administrator, and to the Honorable Mayor and Chaska City Council members for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,

Noel J. Graczyk
Administrative Services Director, Treasurer

Erica H. Mattice
Finance Division Director



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

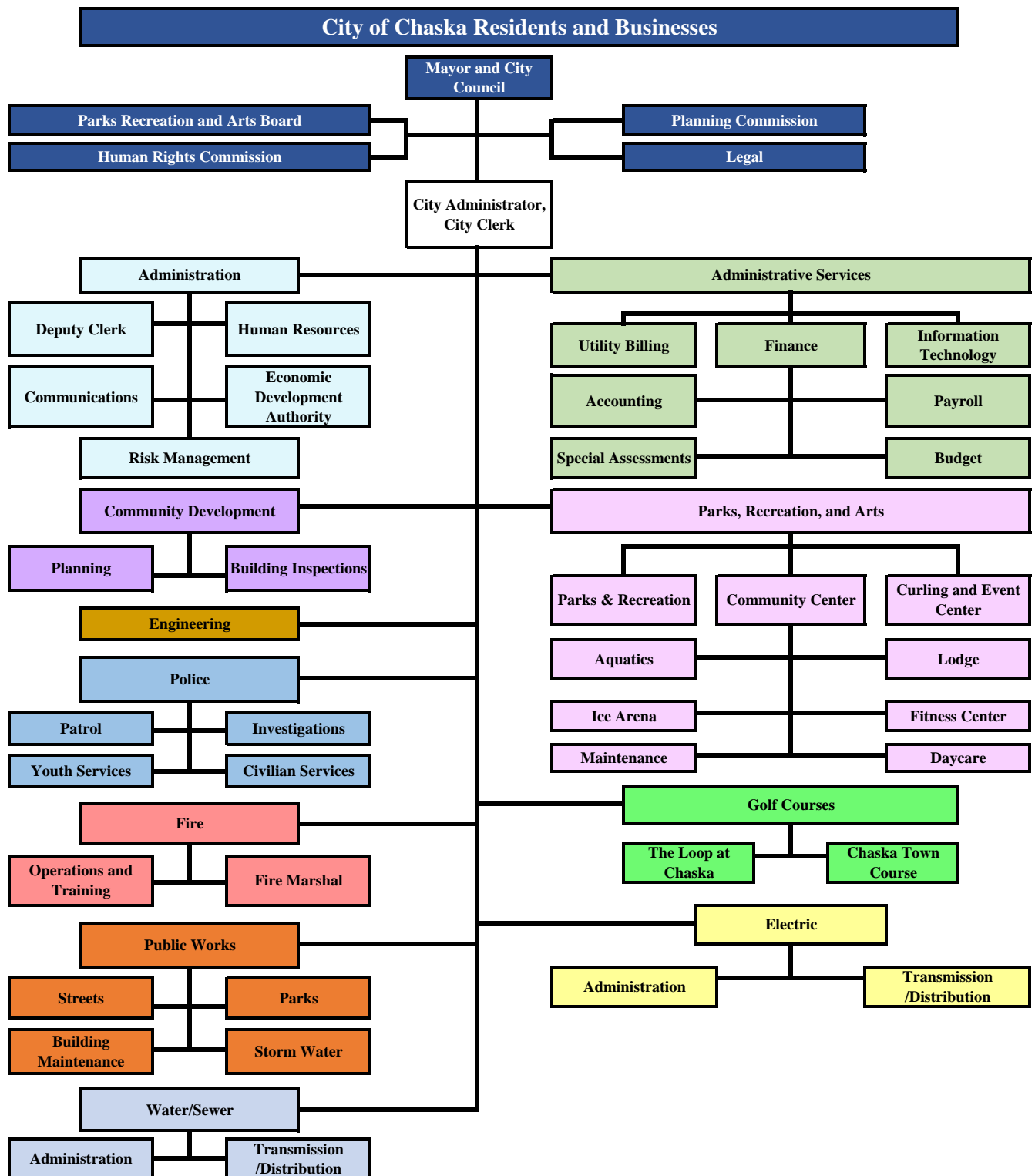
**City of Chaska
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



Elected Officials

Name	Title	Term Expires
Mark Windschitl	Mayor	December 31, 2024
Jon Grau	Council Member, Ward 1	December 31, 2026
Taylor Hubbard	Council Member, Ward 2	December 31, 2024
McKayla Hatfield	Council Member, Ward 3	December 31, 2026
Mike Huang	Council Member, Ward 4	December 31, 2024

Administrative Officials

City Staff:	
City Administrator/City Clerk	Matt Podhradsky
Assistant City Administrator	Elise Durbin
Administrator Services Director, Treasurer	Noel Graczyk
Community Development Director	Nate Kabat
City Engineer	Matt Clark
Chief of Police	Ryan Seibert
Fire Chief	Stephen Kraus
Public Works Director	Brian Jung
Parks and Recreation Director	Marshall Grange
Electric Director	Pete Wyffels
Water and Sewer Director	Matt Haefner
Golf Professional	John Kellin
Executive Director of Chaska Economic Development Authority (EDA)	Matt Podhradsky



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Chaska, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

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

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

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal year 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), 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 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 RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for the purpose 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 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 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.

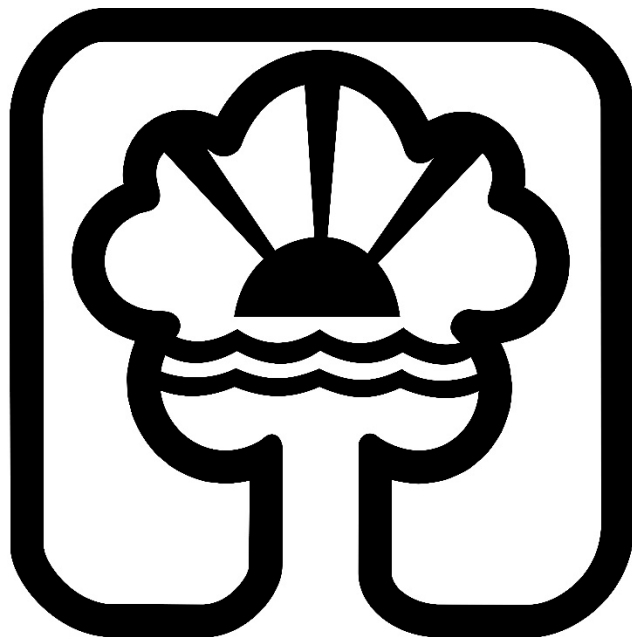
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or if the other information otherwise appears to be materially misstated.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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 12, 2024



Chaska

As management of the City of Chaska (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 year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, located earlier in the report, and the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$237,396,389 (*net position*). Of that amount, \$35,247,592 is restricted for specific purposes (*restricted net position*) and \$212,903,715 represents the net investment in capital assets.
- The City's governmental funds reported combined ending fund balances of \$37,842,327. This is an increase of \$13,823,176 from the prior year.
- At the end of the current fiscal year, the General fund had a fund balance of \$5,518,974. Although not legally restricted, the City has committed \$1,284,902 in fund balance, with \$984,902 committed for compensated absences and \$300,000 for a stabilization arrangement. The City has assigned \$1,056,678 in fund balance, with \$456,678 assigned for compensated absences and \$600,000 for a stabilization arrangement. The City has \$78,598 in non-spendable fund balance for prepaid expenditures, leaving \$3,098,796 in unassigned fund balance.
- Total bonds and premium payable increased \$5,977,583 during the year. At the end of the year, the City reported \$123,297,255 in bonds and premium payable. This increase is a result of the issuance of 2023A Bonds.
- As described in Note 1 of the notes to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *SBITAs*, during the fiscal year ended December 31, 2023. This standard changed the way subscription-based information technology arrangement transactions are reported by the City, but did not result in a restatement of net position in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements 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.

These financial statements include not only the City itself (known as the primary government), but also the Chaska Economic Development Authority (EDA). The EDA has been presented as a blended component unit of the City's financial statements in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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, Recreation and Arts, and Economic Development. The business-type activities of the City include Electric, Water, Sewer, and Storm Water utilities, along with the Community Center, The Loop at Chaska, Chaska Town Course, Turbine Generator, and Curling Center operations.

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. The City's funds are reported in two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the 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 the 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 government's near-term financing decisions. Both the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Public Improvement Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements or schedules elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Mount Pleasant Maintenance & Care Fund, Chaska EDA Fund, and Equipment Acquisition Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

Proprietary Funds – The City maintains two different types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Electric, Water, Sewer, and Storm Water utilities, along with the Community Center, The Loop at Chaska, Chaska Town Course, Turbine Generator, and Curling Center operations.
- *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City has one internal service fund that is used to account for the purchase of property, liability, and worker's compensation insurance. This internal service fund is included in the governmental activities in the government-wide financial statements. The internal service fund is presented in a single column in the proprietary funds financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the Electric, Water, Community Center, Turbine Generator, and Curling Center operations, all of which are considered to be major funds of the City. Data from the non-major enterprise funds are combined into a single, aggregated presentation.

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

Other Information - In addition to the basic financial statements, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules. These statements and schedules are presented immediately following the notes to the financial statements.

A statistical section has been included to facilitate additional analysis and it is the final section of the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$237,396,389 at the close of 2023.

By far, the largest portion of the City's net position (89.7%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, right to use leased assets, right to use subscription assets, and infrastructure), reduced by the outstanding balance of any long-term debt used to acquire those assets and the outstanding balance of any capital related payables, such as contracts and retainage payable. The City uses capital assets, including leased assets and subscription based 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to external restriction on how they may be used. The amount of restricted net position is \$35,247,592. After restrictions, the City is reporting an unrestricted net position deficit of \$10,754,918, a decrease of \$2,720,240 from the prior year.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 64,320,376	\$ 59,751,765	\$ 42,295,859	\$ 45,820,136	\$ 106,616,235	\$ 105,571,901
Capital Assets	205,483,478	198,671,549	91,122,292	85,538,546	296,605,770	284,210,095
Total Assets	<u>\$ 269,803,854</u>	<u>\$ 258,423,314</u>	<u>\$ 133,418,151</u>	<u>\$ 131,358,682</u>	<u>\$ 403,222,005</u>	<u>\$ 389,781,996</u>
Deferred Outflows of Resources						
Pension Plan Deferments	\$ 11,680,896	\$ 11,529,413	\$ 1,418,057	\$ 1,891,662	\$ 13,098,953	\$ 13,421,075
OPEB Plan Deferments	28,842	23,697	12,638	10,385	41,480	34,082
Total Deferred Outflows of Resources	<u>\$ 11,709,738</u>	<u>\$ 11,553,110</u>	<u>\$ 1,430,695</u>	<u>\$ 1,902,047</u>	<u>\$ 13,140,433</u>	<u>\$ 13,455,157</u>
Total Assets and Deferred Outflows	<u>\$ 281,513,592</u>	<u>\$ 269,976,424</u>	<u>\$ 134,848,846</u>	<u>\$ 133,260,729</u>	<u>\$ 416,362,438</u>	<u>\$ 403,237,153</u>
Liabilities						
Other Liabilities	\$ 11,988,074	\$ 20,828,929	\$ 6,300,223	\$ 6,502,604	\$ 18,288,297	\$ 27,331,533
Noncurrent Liabilities	87,458,654	82,124,988	57,552,979	64,161,458	145,011,633	146,286,446
Total Liabilities	<u>\$ 99,446,728</u>	<u>\$ 102,953,917</u>	<u>\$ 63,853,202</u>	<u>\$ 70,664,062</u>	<u>\$ 163,299,930</u>	<u>\$ 173,617,979</u>
Deferred Inflows of Resources						
Leases	\$ 1,993,848	\$ 2,120,325	\$ 1,738,820	\$ 2,080,022	\$ 3,732,668	\$ 4,200,347
Debt Refunding Deferments	-	-	259,182	296,208	259,182	296,208
Pension Plan Deferments	9,718,388	771,529	1,427,717	125,050	11,146,105	896,579
OPEB Plan Deferments	367,240	428,576	160,924	187,801	528,164	616,377
Total Deferred Inflows of Resources	<u>\$ 12,079,476</u>	<u>\$ 3,320,430</u>	<u>\$ 3,586,643</u>	<u>\$ 2,689,081</u>	<u>\$ 15,666,119</u>	<u>\$ 6,009,511</u>
Net Position						
Net Investment in Capital Assets	\$ 157,564,759	\$ 150,575,322	\$ 55,338,956	\$ 47,152,434	\$ 212,903,715	\$ 197,727,756
Restricted	19,906,018	18,560,127	15,341,574	15,356,458	35,247,592	33,916,585
Unrestricted	(7,483,389)	(5,433,372)	(3,271,529)	(2,601,306)	(10,754,918)	(8,034,678)
Total Net Position	<u>\$ 169,987,388</u>	<u>\$ 163,702,077</u>	<u>\$ 67,409,001</u>	<u>\$ 59,907,586</u>	<u>\$ 237,396,389</u>	<u>\$ 223,609,663</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 281,513,592</u>	<u>\$ 269,976,424</u>	<u>\$ 134,848,846</u>	<u>\$ 133,260,729</u>	<u>\$ 416,362,438</u>	<u>\$ 403,237,153</u>

Governmental activities – Total net position of the governmental activities increased \$6,285,311 to \$169,987,388. The change in net position is largely due to the increase in capital assets related to developer contributions of land and infrastructure, and construction for several new road projects. Net investment in capital assets increased \$6,989,437 due to these developer contributions and capital projects. Unrestricted net position decreased \$2,050,017 from the prior year. The decrease in unrestricted net position stems from construction projects with funding streams not yet received.

Business-type activities – Total net position of the business-type activities increased \$7,501,415 to \$67,409,001. Net investment in capital assets increased \$8,186,522 due to construction of electric, water, sewer, and storm water system assets, and golf course reconstruction. Unrestricted net position decreased \$670,223 from the prior year.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 17,943,329	\$ 16,940,761	\$ 79,244,925	\$ 75,537,845	\$ 97,188,254	\$ 92,478,606
Operating Grants & Contributions	6,175,382	976,529	13,796	66,775	6,189,178	1,043,304
Capital Grants & Contributions	16,128,935	13,399,011	1,316,894	1,523,889	17,445,829	14,922,900
General Revenues:						
Property Taxes	16,932,255	14,033,350	-	-	16,932,255	14,033,350
Franchise Taxes	783,615	770,755	-	-	783,615	770,755
Grants & Contributions Not Restricted	10,772	10,150	645	616	11,417	10,766
Investment Earnings	1,389,424	361,050	641,539	110,438	2,030,963	471,488
Other General Revenues	803,970	510,567	70,409	84,756	874,379	595,323
Total Revenues	<u>60,167,682</u>	<u>47,002,173</u>	<u>81,288,208</u>	<u>77,324,319</u>	<u>141,455,890</u>	<u>124,326,492</u>
Expenses						
General Government	7,828,871	7,582,962	-	-	7,828,871	7,582,962
Economic Development	2,488,535	1,863,279	-	-	2,488,535	1,863,279
Public Safety	13,449,171	11,018,862	-	-	13,449,171	11,018,862
Public Works	27,888,319	13,902,073	-	-	27,888,319	13,902,073
Parks, Recreation & Arts	4,110,717	4,005,037	-	-	4,110,717	4,005,037
Interest on Long-term Debt	1,845,976	1,676,423	-	-	1,845,976	1,676,423
Electric	-	-	47,812,178	47,590,197	47,812,178	47,590,197
Water	-	-	3,711,226	3,601,725	3,711,226	3,601,725
Sewer	-	-	5,775,590	5,154,941	5,775,590	5,154,941
Community Center	-	-	4,977,486	4,934,083	4,977,486	4,934,083
The Loop at Chaska	-	-	307,285	191,878	307,285	191,878
Chaska Town Course	-	-	2,803,226	3,065,247	2,803,226	3,065,247
Turbine Generator	-	-	788,095	832,886	788,095	832,886
Storm Water	-	-	1,577,772	1,716,611	1,577,772	1,716,611
Chaska Curling Center	-	-	2,304,717	2,378,347	2,304,717	2,378,347
Total Expenses	<u>57,611,589</u>	<u>40,048,636</u>	<u>70,057,575</u>	<u>69,465,915</u>	<u>127,669,164</u>	<u>109,514,551</u>
Excess Before Transfers	2,556,093	6,953,537	11,230,633	7,858,404	13,786,726	14,811,941
Transfers	<u>3,729,218</u>	<u>752,376</u>	<u>(3,729,218)</u>	<u>(752,376)</u>	<u>-</u>	<u>-</u>
Change in Net Position	6,285,311	7,705,913	7,501,415	7,106,028	13,786,726	14,811,941
Net Position - Beginning	<u>163,702,077</u>	<u>155,996,164</u>	<u>59,907,586</u>	<u>52,801,558</u>	<u>223,609,663</u>	<u>208,797,722</u>
Net Position - Ending	<u>\$ 169,987,388</u>	<u>\$ 163,702,077</u>	<u>\$ 67,409,001</u>	<u>\$ 59,907,586</u>	<u>\$ 237,396,389</u>	<u>\$ 223,609,663</u>

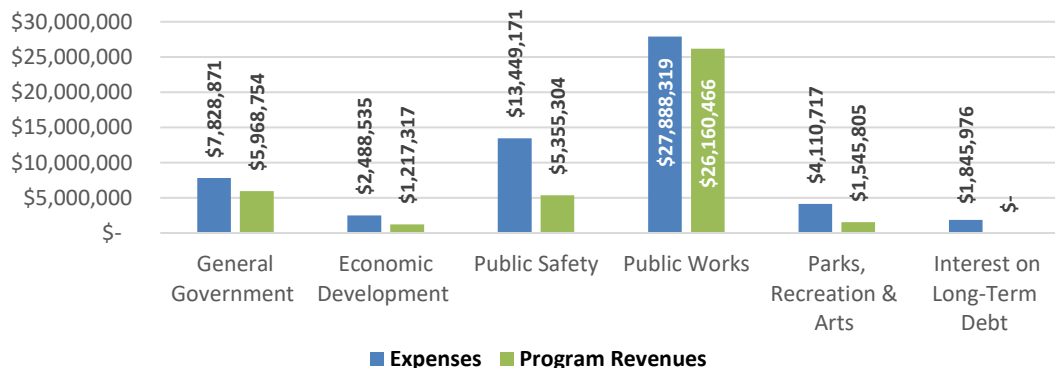
As a whole, the City had total revenues of \$141,455,890, for the year ended December 31, 2023. This is an increase of \$17,129,398 from the prior year.

The total cost of all programs and services was \$127,669,164, an increase of \$18,154,613 from the prior year. The City's expenses are predominantly related to providing services such as police, fire, building inspections, street maintenance, snow removal, purchasing power for electric service, and other utility operations for the citizens of Chaska. Recreation expenses include those related to the wide variety of opportunities offered through the Community Center, Curling Center, golf courses and Park and Recreation programs. Other expenses include economic development and interest on long-term debt.

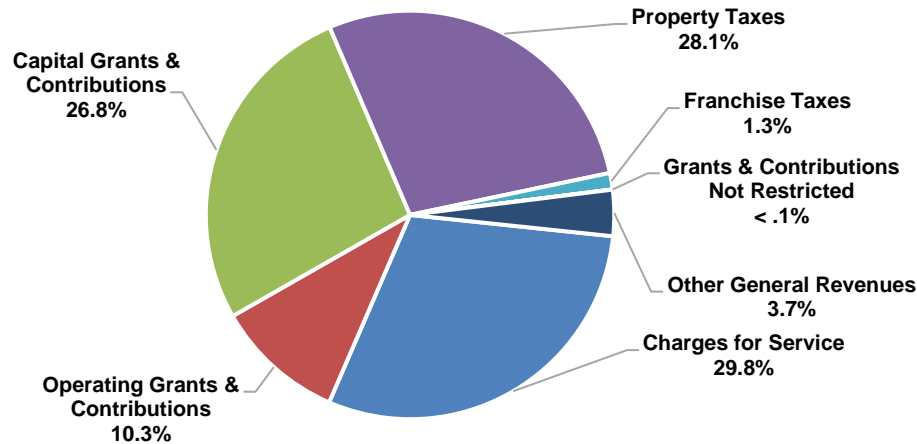
Governmental activities – Governmental Activities revenue increased \$13,165,509 from the prior year and expenses increased \$17,562,953. Significant components of revenue and expenses include:

- Property Taxes were the second largest source of revenue at \$16,932,255 or 28.1%. Property Taxes for 2023 were \$2,898,905 more than the prior year due to an increase in taxes levied based on growth, inflation, and enhanced services.
- Charges for Services made up 29.8% of total revenue, compared to 36.0% the prior year. Charges for services were \$1,002,568 more than the prior year. Administrative fees were \$514,587 higher than the prior year for services provided to City departments. Public Safety revenue was \$896,073 higher than the prior year related to increased building permit revenue. These increases were offset by a decrease in connection and acreage fees that were \$334,125 lower than last year.
- Operating Grants and Contributions for 2023 were \$5,198,853 higher than the prior year, due to one-time Public Safety Aid dollars from the State, as well as reimbursements from the County, State, and Federal Government for each agency’s share of public improvement projects.
- Capital Grants and Contributions were \$16,128,935, an increase of \$2,729,924 from the prior year. Special assessments, intergovernmental aid and grants, and developer donated assets make up the majority of this revenue.
- Total expenses for all programs and services were \$57,611,589, with street maintenance/construction making up 48.4% of this total. The Public Works function increased \$13,986,246 from the prior year, due to significant costs for several road projects; assets that are partially city-owned.
- The next largest expenses were in public safety and general government which account for 23.3% and 13.6% of the total, respectively. Public safety expenses were \$2,430,309 higher than the prior year due to increased wages and benefits as the departments added employees, and pension expense related to the fire relief and full-time employees of the police and fire departments. General government expenses were \$245,909 higher than the prior year due to increases in wages and benefits and higher legal fees related to assistance with, and review of, new developments and ongoing projects.
- Net transfers in 2023 include \$1,147,478 in capital asset transfers from governmental activities to business-type activities. Utility infrastructure projects that were reported as construction in progress in governmental activities last year, and completed in 2023, have been transferred to water utilities.
- Additional comparisons can be found in the accompanying graphs.

Expenses and Program Revenues - Governmental Activities



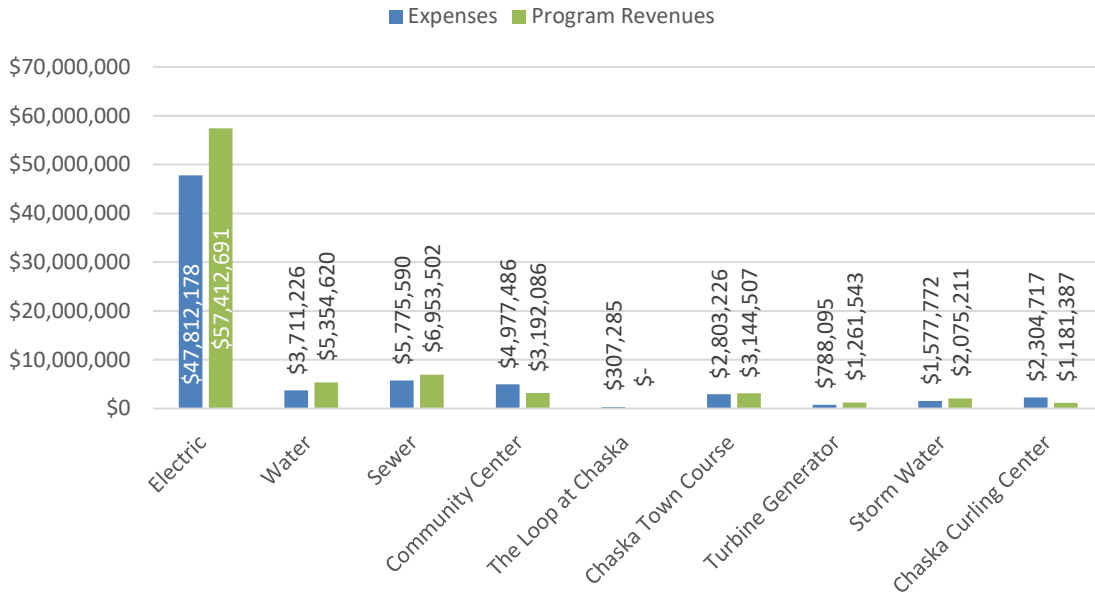
Revenues by Source - Governmental Activities



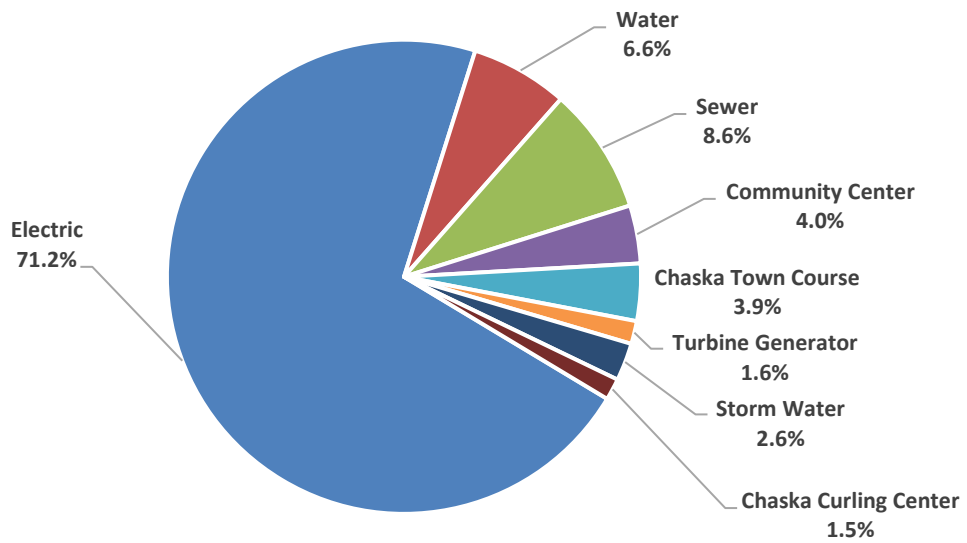
Business-type activities – Business-type Activities revenue increased \$3,963,889 from the prior year and expenses increased \$591,660. Significant components of revenue and expenses include:

- Charges for services for business-type activities includes charges for Electric, Water, Sewer, and Storm Water utilities. Also included in charges for services are Community Center, The Loop at Chaska golf course, Chaska Town Course golf course, Turbine Generator, and Curling Center operations. The Loop at Chaska was closed in 2023 for reconstruction. Rounds of golf played at the Chaska Town Course continued to be strong.
- The Electric operations comprise 71.2% of all business-type program revenue and 68.2% of all business-type expenses.
- Charges for services increased \$3,707,080, or 4.9% compared to the prior year, largely due to increased electric utility sales.
- Capital Grants and Contributions decreased \$206,995 due to fewer developer contributed assets during 2023.
- Electric charges for services were \$1,721,830 higher than last year due to growth in customer base and increased usage for some customer types.
- The Loop at Chaska (formerly Par 30 golf course) was closed for renovation in 2023 and is reporting minimal expenses of \$307,285 as the course transitioned from construction back to operations. The course will reopen as a barrier free course in 2024.
- Charges for Services at the Chaska Community Center increased \$392,947. The Community Center is striving to increase memberships and participation in classes, lessons, and programs after several years of decreases due to the pandemic.
- Additional comparisons can be found in the accompanying graphs.

Expenses and Program Revenues - Business-type Activities



Program Revenues - Business-type Activities



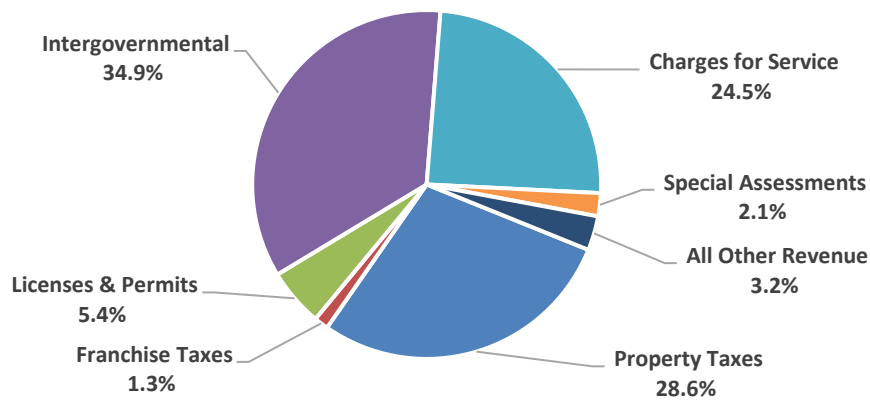
FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

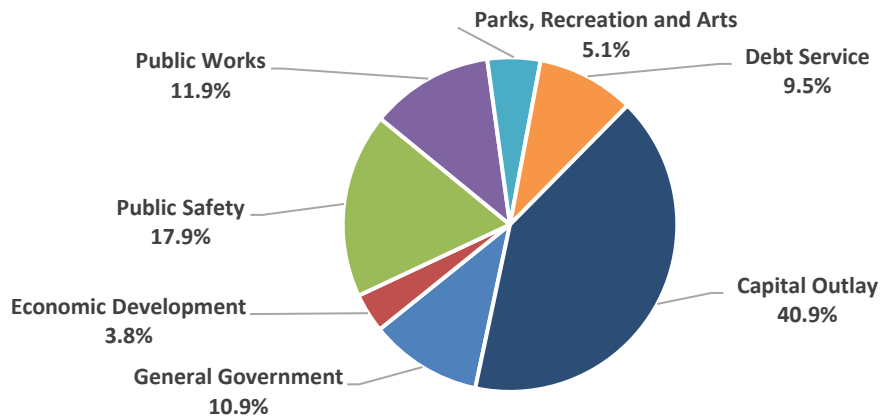
Governmental Funds - The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Chaska’s financing requirements. In particular, assigned and unassigned fund balance may serve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

At the end of the current fiscal year, the City’s governmental funds reported a combined fund balance of \$37,842,327. Revenues for the City’s governmental funds were \$59,188,770, while total expenditures were \$65,573,459.

Governmental Funds Revenues



Governmental Fund Expenditures



The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,098,796. Total fund balance increased \$1,865,719 to \$5,518,974 as of December 31, 2023.

- For the year, total revenues of \$22,524,295 and transfers in of \$4,870,595 less total expenditures of \$23,544,975 and transfers out of \$1,984,196, resulted in the \$1,865,719 increase in fund balance. Total revenues were \$1,020,680 less than total expenditures. Overall revenues were higher than the prior year due to significant increases in building permit revenue and tax revenue, and smaller increases in intergovernmental revenue and administrative fees.
- The City has committed \$984,902 in the general fund for compensated absences estimated to be used in the next year based on a three-year average. The remaining balance of compensated absences has been set aside as assigned. The remaining \$300,000 in committed fund balance is set aside for working capital and reserve needs.

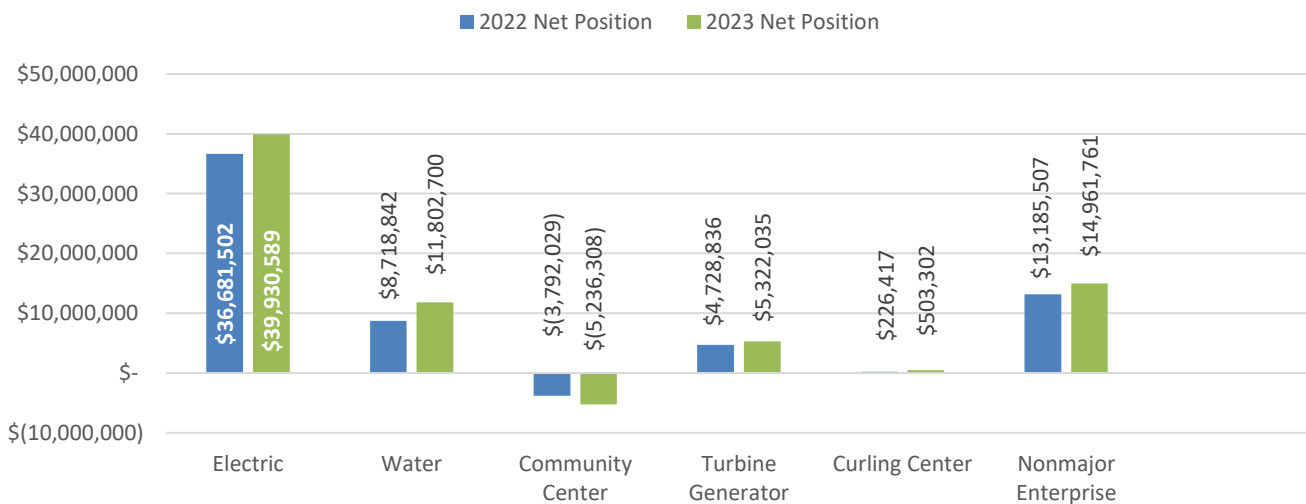
The **Public Improvement Projects Capital Project Fund** is used to account for the revenues and expenditures for public improvement projects. This fund received \$15,381,647 in Federal, State, and local governmental revenue for each agency’s share of major construction projects where the City is the lead agency.

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

The combined net position of all current year enterprise funds operations increased \$7,535,004 to \$67,284,079. Factors concerning the finances of these funds have been addressed in the discussion of the City’s business-type activities.

The following table shows net position changes in individual major funds and combined non-major funds between 2022 and 2023.

Net Position - Enterprise Funds



General Fund Budgetary Highlights

The final amended budget for the General fund includes the original adopted budget plus any additional supplemental appropriations that were approved by the City Council during the year. In 2023, the original budget was amended, increasing revenues by \$351,274 and increasing expenditures by \$351,274.

- Charges for services were amended to recognize a reporting change for parks and recreation. Recreation programs which had previously been Community Center revenue will now be General Fund Park and Recreation program revenue. Building permit revenue was amended with a final budget \$50,000 higher than the original budget.
- Park and Recreation expenditures were amended to recognize a reporting change in recreation programs that had previously been Community Center expenses and will now be General fund programs. Community Development expenditures were amended to increase the budget for contractual services for planning file retention.

The City's final budget for the General fund anticipated that revenues and other financing sources would be equal to expenditures and other financing uses. At year-end, revenues were \$2,541,806 higher than the final budget, and expenditures were \$538,486 more than the final budget. Other financing sources and uses were \$137,601 less than the budget. For the year, the net change in fund balance was an increase of \$1,865,719.

Budgetary variances – Revenues

- Total General Fund property taxes were \$10,565,683 which is \$24,705 lower than the final budget of \$10,590,388. Taxes for the 2023 levy had a collection rate of 99.7%, which is typical for the City.
- License and Permit revenue was \$1,844,682 more than the final budget. The City issued a high volume of commercial, industrial, and public agency permits in 2023. A total of 2,837 permits were issued compared to 2,587 in 2022.
- Investment earnings were \$214,614 more than the final budget due to favorable interest rates on cash deposits and general investments. A significant cash balance, along with higher interest rates, led to more interest allocated to the fund.
- Other revenue was \$189,867 over the final budget due to miscellaneous refunds and reimbursements which vary year to year, and are not predictable.

Budgetary variances – Expenditures

- General government expenditures were \$442,980 less than budgeted. Several open positions led to wages and benefits being under budget. The building maintenance department was under budget for repairs and professional services, and budgeted contingency was not used.
- Public Safety expenditures were \$704,196 higher than budgeted and are comprised of differences in the police department, fire department and building inspections. Police wages and benefits and costs for upfitting leased vehicles were over budget. Fire department professional services, education and training costs, and payments remitted to the fire relief were all over budget. Wages and benefits for building inspections were also higher due to staff needed to cover the increased permit activity.

- Public Works expenditures were \$77,644 under budget. Overages in snow removal costs were offset by expenditures under budget for street maintenance staff and other services and charges netting to a positive change compared to budget.
- Parks, Recreation and Arts expenditures were over budget by \$249,836 largely due to park maintenance spending on wages and benefits, fuel and utility costs, and repairs and equipment maintenance. Park maintenance employees allocate time between parks and storm water.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

As shown in the capital asset table below, at the end of 2023, the City had \$296,605,770 (net of depreciation and amortization) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads and highways, land, and utility infrastructure. Additional detailed information on the City of Chaska’s capital assets can be found in **Note 4** of the basic financial statements.

Capital Assets - Net of Depreciation and Amortization

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 58,982,146	\$ 58,694,536	\$ 1,557,984	\$ 1,557,984	\$ 60,540,130	\$ 60,252,520
Works of Art/Historical Treasures	105,027	105,027	-	-	105,027	105,027
Buildings	2,508,483	2,773,595	31,538,248	33,406,925	34,046,731	36,180,520
Other Improvements	12,670,248	13,242,154	1,774,135	1,118,759	14,444,383	14,360,913
Furniture & Equipment	3,514,997	3,566,602	6,037,498	4,925,825	9,552,495	8,492,427
Infrastructure	91,787,932	97,042,562	38,364,749	36,185,007	130,152,681	133,227,569
Leased Land Improvements	-	-	587,351	599,588	587,351	599,588
Leased Equipment	383,617	330,831	1,235	24,319	384,852	355,150
Subscriptions	120,111	-	47,122	-	167,233	-
Construction in Progress	35,410,917	22,916,242	11,213,970	7,720,139	46,624,887	30,636,381
Total Capital Assets, Net of Depreciation and Amortization	<u>\$ 205,483,478</u>	<u>\$ 198,671,549</u>	<u>\$ 91,122,292</u>	<u>\$ 85,538,546</u>	<u>\$ 296,605,770</u>	<u>\$ 284,210,095</u>

- In 2023, the City implemented GASB #96 for subscription-based information technology arrangements. At year-end, subscription assets in Governmental activities was \$120,111 and subscription assets in the Business-Type activities was \$47,122.
- The increase in construction in progress is due to several road and utility improvement projects, initial planning and construction costs for a new public safety campus, park development, and on-going construction of The Loop at Chaska golf course, club house, and maintenance building.

Long-Term Debt

At year-end, the City had \$118,041,871 in bonds, financed purchase payables, as well as subscription and lease liabilities outstanding, as shown in the following table. Additional detailed information about the City’s long-term liabilities is presented in **Note 7** to the financial statements.

Outstanding Long-Term Debt, Lease and Subscription Liabilities

(Does Not Include Premiums, Compensated Absences, Other Post-Employment Benefit or Net Pension Liabilities)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Equipment Certificates	\$ 10,700,000	\$ 2,345,000	\$ -	\$ -	\$ 10,700,000	\$ 2,345,000
General Obligation Bonds	340,000	665,000	14,215,000	15,420,000	14,555,000	16,085,000
General Obligation Tax Increment Bonds	2,880,000	2,950,000	-	-	2,880,000	2,950,000
General Obligation Abatement Bonds	500,000	540,000	-	-	500,000	540,000
General Obligation Improvement Bonds	25,375,000	26,200,000	-	-	25,375,000	26,200,000
General Obligation State Aid Street Bonds	12,877,000	8,970,000	-	-	12,877,000	8,970,000
General Obligation Revenue Bonds	335,000	420,000	-	-	335,000	420,000
Revenue Bonds		-	18,990,000	20,840,000	18,990,000	20,840,000
EDA Revenue Bonds	7,145,000	7,485,000	-	-	7,145,000	7,485,000
EDA Lease Revenue Bonds	8,095,000	8,400,000	11,960,000	13,380,000	20,055,000	21,780,000
Lease Purchase Bonds	-	-	3,299,000	3,429,000	3,299,000	3,429,000
Financed Purchase Payable	-	-	185,524	234,292	185,524	234,292
Lease Liability	391,737	333,398	601,755	627,906	993,492	961,304
Subscription Liability	106,642	-	45,213	-	151,855	-
Total	\$ 68,745,379	\$ 58,308,398	\$ 49,296,492	\$ 53,931,198	\$ 118,041,871	\$ 112,239,596

- The City implemented GASB #96 for SBITAs in 2023. At year-end, the liability for subscriptions in governmental activities was \$106,642 and business-type activities was \$45,213.
- During the year, the City made principal payments of \$8,495,000 on outstanding bonds, \$48,768 on financed purchase payable, \$113,596 on lease liabilities, and \$110,095 on subscription liabilities. Lease principal write-downs due to early termination were \$18,973.
- During the year, the City issued 2023A General Obligation equipment certificates and improvement bonds. The \$10,065,000 in bonds are comprised of \$1,250,000 for improvements, and \$8,815,000 for equipment certificates.
- In 2023, the City requested draws on the 2022A Temporary State Aid Street bonds which is structured in the form of a draw down line of credit. In 2023, draws totaled \$4,097,000 for a total outstanding of \$8,287,000 at year-end. The line of credit matures at the end of 2024, when permanent bonds will be issued.

The GO Bonds issued in 2023 carry an AA rating by Standard and Poor’s. The Chaska EDA Lease Revenue Bonds carry an AA- rating by Standard and Poor’s, as of last review. The City was rated A1 from Moody’s for Chaska Electric Revenue Bonds issued in 2017 and in 2022, Standard and Poor’s reaffirmed the City’s A rating for its 2020F Electric Revenue Bonds.

Under Minnesota State Statutes, the general obligation bonded debt issued by the City is subject to a legal debt limitation based on 3% of market value. On December 31, 2023, the City’s legal debt margin was \$88,045,925. The statutes provide that debt issues supported by tax increment, special assessment revenues or available dedicated reserves are excluded from the total limited debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

City operations at the Chaska Community Center and Chaska Curling and Event Center continue to rebound after the pandemic. In 2023 the Community Center began to see memberships improve from the initial 45% loss during the pandemic, to ending the year similar to pre-pandemic levels at just over 2,671 memberships. The Curling operations of the facility also have seen a recovery in memberships from the initial drop from 974 members to 755 at the peak of the pandemic, back to around 1,092 members at the end of 2023. Event Center operations were virtually all lost during the pandemic due to people needing to delay weddings and other major events. The Event Center ended the 2023 year with \$171,644 in rental revenue which is significantly higher than the pre-pandemic level revenue amount of \$121,975 that it produced in 2019.

With favorable economic conditions, the City Council implemented the first year of the multi-year Public Facility renovation funding. The City is dedicating \$1,125,000 in property tax levy to fund a series of four City building renovations over the next six years.

The City uses a five-year financial forecast model for its General fund, enterprise funds, and certain other funds to determine levels of service and to respond to short-term economic and financial changes to make decisions for the long-term. The City models some funds out ten to twenty years to plan for capital improvements.

The City adopted a tax levy policy in 2014. The tax levy is increased each year based on two factors: new construction in the community and inflationary increases in the market. The tax levy is only increased beyond this point if new services or assets are added.

The City's elected and appointed officials considered many factors when setting the fiscal year 2024 budget. Several issues were considered:

1. The City will continue to prioritize ensuring General Fund reserve balances are sufficient for cash flow and other needs, and to also maintain the City's bond rating. The General Fund fund balance is projected to increase \$300,000 by year-end 2024.
2. The City will continue to fully fund the established Capital Asset Maintenance Program. The City dedicates \$1,000,000 of tax levy each year for this purpose. In 2024, the City is dedicating \$500,000 for Street Sealcoat/Overlay, \$225,000 for Lions Park Replacement, \$215,000 for Bavaria Road Retaining Wall Replacement, and the balance for other projects.
3. Building permit revenue increased in 2023. The City expects levels of activity to stabilize in 2024 due to fewer planned commercial and industrial projects as well as residential housing.
4. The City plans to make strategic investments in the police budget to ensure high levels of service and improve community relations.
5. Electric revenue has continued to increase with continued economic development activity occurring in the last five years, including data center development and additions to existing industrial businesses, driving up this usage. This has had a positive impact on electric fund transfers to the General fund.

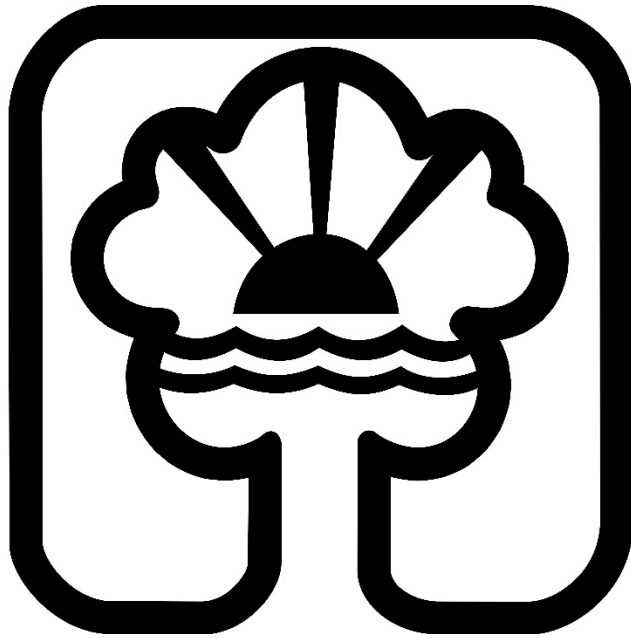
6. The City completed a staffing study in 2019 that identified a gap of 16 employees needed to sustainably provide services at expected levels. Due to the pandemic, the City delayed the program for one year, but in 2022 continued with the plan. The 2024 budget proposes filling the last of those positions.
7. In 2024 the City will start its second of four annual levy increases of \$1.125 million and \$400,000 transfers from the Enterprise Utility Funds to support the new construction and rehabilitation of the City's Public Safety Campus, Municipal Services Building, City Hall, and a new Library.

Market values across the community increased by an average of 6.6% for taxes payable 2024 to \$4,603,098,400. This rate of growth is significantly higher than the average growth of 6.0% over the last five years due to the housing climate in 2021, 2022, and 2023. Adjusted tax capacity for 2024 increased 6.6%.

The City property tax levy is increasing from \$15,019,839 for taxes payable in 2023 to \$17,941,393 for taxes payable in 2024, which, along with other property tax factors, results in an increase of the City tax rate from 31.2% to 35.9%. The Chaska EDA property tax levy is increasing from \$196,308 for taxes payable in 2023 to \$212,801 for taxes payable in 2024. The EDA tax rate will increase from 0.40% to 0.42%. Annual taxes on the median value home are projected to increase from \$1,171 in 2023 to \$1,372 in 2024.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, City of Chaska, One City Hall Plaza, Chaska, MN 55318.



Chaska

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash And Investments	\$ 32,633,012	\$ 8,077,679	\$ 40,710,691
Receivables:			
Taxes	205,102	-	205,102
Special Assessments	8,584,497	13,328	8,597,825
Accounts, Net Of Allowance	440,030	10,868,476	11,308,506
Interest	66,988	156,422	223,410
Notes	34,913	-	34,913
Internal Balances	11,426,073	(11,426,073)	-
Due From Other Governments	3,860,407	5,360	3,865,767
Supply Contract Receivable	-	1,383,614	1,383,614
Leases Receivable	114,692	327,860	442,552
Inventories	-	3,815,496	3,815,496
Prepaid Items	78,598	2,640	81,238
Restricted Assets:			
Cash And Investments For Operating And Maintenance	-	10,000,000	10,000,000
Cash And Investments For Debt Service	920,464	5,477,234	6,397,698
Cash And Investments Held For Developer	4,022,535	-	4,022,535
Supply Contract Receivable, Non-Current	-	12,122,588	12,122,588
Leases Receivable, Non-Current	1,933,065	1,471,235	3,404,300
Capital Assets:			
Not Depreciated Or Amortized	94,498,090	12,771,954	107,270,044
Net Of Depreciation And Amortization	110,985,388	78,350,338	189,335,726
TOTAL ASSETS	269,803,854	133,418,151	403,222,005
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan Deferments	11,680,896	1,418,057	13,098,953
OPEB Plan Deferments	28,842	12,638	41,480
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,709,738	1,430,695	13,140,433
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 281,513,592	\$ 134,848,846	\$ 416,362,438
LIABILITIES			
Accounts Payable	\$ 4,076,520	\$ 989,787	\$ 5,066,307
Salaries Payable	289,637	156,863	446,500
Deposits Payable	5,966,171	901,491	6,867,662
Accrued Interest Payable	656,607	496,507	1,153,114
Due To Other Governments	25,695	3,130,615	3,156,310
Unearned Revenue	973,444	624,960	1,598,404
Non-Current Liabilities:			
Due Within One Year	13,818,517	5,392,649	19,211,166
Due In More Than One Year	73,640,137	52,160,330	125,800,467
TOTAL LIABILITIES	99,446,728	63,853,202	163,299,930
DEFERRED INFLOWS OF RESOURCES			
Leases	1,993,848	1,738,820	3,732,668
Debt Refunding Deferments	-	259,182	259,182
Pension Plan Deferments	9,718,388	1,427,717	11,146,105
OPEB Plan Deferments	367,240	160,924	528,164
TOTAL DEFERRED INFLOWS OF RESOURCES	12,079,476	3,586,643	15,666,119
NET POSITION			
Net Investment in Capital Assets	157,564,759	55,338,956	212,903,715
Restricted for:			
Special Purposes	1,286,064	-	1,286,064
Capital Projects	14,385	-	14,385
Debt Service	14,845,826	15,341,574	30,187,400
Economic Development	3,759,743	-	3,759,743
Unrestricted	(7,483,389)	(3,271,529)	(10,754,918)
TOTAL NET POSITION	169,987,388	67,409,001	237,396,389
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 281,513,592	\$ 134,848,846	\$ 416,362,438

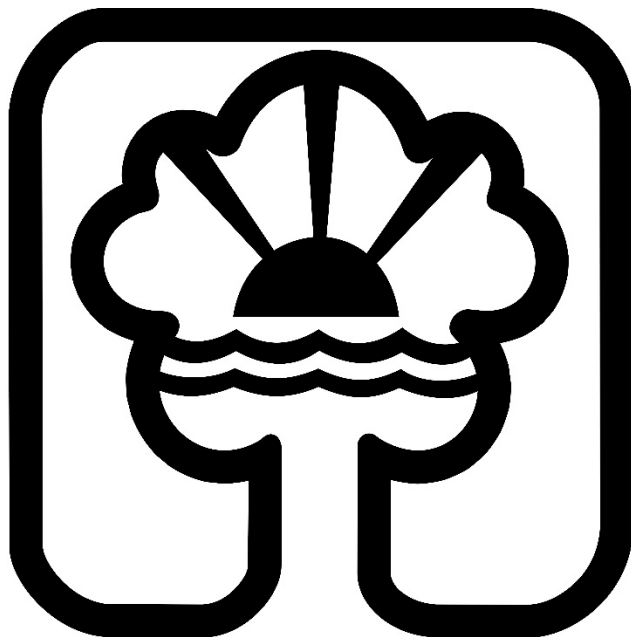
The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
General Government	\$ 7,828,871	\$ 5,859,612	\$ 109,142	\$ -	\$ (1,860,117)	\$ -	\$ (1,860,117)
Economic Development	2,488,535	295,886	744,956	176,475	(1,271,218)	-	(1,271,218)
Public Safety	13,449,171	3,166,453	2,063,025	125,826	(8,093,867)	-	(8,093,867)
Public Works	27,888,319	7,135,358	3,237,335	15,787,773	(1,727,853)	-	(1,727,853)
Parks, Recreation And Arts	4,110,717	1,486,020	20,924	38,861	(2,564,912)	-	(2,564,912)
Interest On Long-Term Debt	1,845,976	-	-	-	(1,845,976)	-	(1,845,976)
Total Governmental Activities	57,611,589	17,943,329	6,175,382	16,128,935	(17,363,943)	-	(17,363,943)
Business-type Activities:							
Electric	47,812,178	56,742,382	181	670,128	-	9,600,513	9,600,513
Water	3,711,226	5,194,001	9,311	151,308	-	1,643,394	1,643,394
Sewer	5,775,590	6,761,550	44	191,908	-	1,177,912	1,177,912
Chaska Community Center	4,977,486	3,183,967	124	7,995	-	(1,785,400)	(1,785,400)
The Loop at Chaska	307,285	-	-	-	-	(307,285)	(307,285)
Chaska Town Course	2,803,226	3,144,507	68	-	-	341,349	341,349
Turbine Generator	788,095	1,261,543	-	-	-	473,448	473,448
Storm Water	1,577,772	1,775,622	4,034	295,555	-	497,439	497,439
Chaska Curling Center	2,304,717	1,181,353	34	-	-	(1,123,330)	(1,123,330)
Total Business-type Activities	70,057,575	79,244,925	13,796	1,316,894	-	10,518,040	10,518,040
TOTAL	\$ 127,669,164	\$ 97,188,254	\$ 6,189,178	\$ 17,445,829	(17,363,943)	10,518,040	(6,845,903)
			General Revenues:				
			Property Taxes		16,932,255	-	16,932,255
			Franchise Taxes		783,615	-	783,615
			Grants & Contributions Not Restricted to Specific Functions		10,772	645	11,417
			Investment Earnings		1,389,424	641,539	2,030,963
			Other		803,970	70,409	874,379
			Transfers		4,876,696	(4,876,696)	-
			Transfers - Capital Assets		(1,147,478)	1,147,478	-
			Total General Revenues & Transfers		23,649,254	(3,016,625)	20,632,629
			Change in Net Position		6,285,311	7,501,415	13,786,726
			Net Position - Beginning		163,702,077	59,907,586	223,609,663
			Net Position - Ending		\$ 169,987,388	\$ 67,409,001	\$ 237,396,389

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



Chaska

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 7,397,532	\$ -	\$ 24,824,548	\$ 32,222,080
Cash With Escrow Agent	-	-	920,464	920,464
Restricted Cash And Investments	4,022,535	-	-	4,022,535
Receivables:				
Taxes	156,929	-	48,173	205,102
Special Assessments	-	1,423,418	7,161,079	8,584,497
Accounts, Net of Allowance	246,256	-	193,774	440,030
Interest	9,318	-	53,745	63,063
Notes	-	-	34,913	34,913
Due From Other Funds	-	-	12,917,187	12,917,187
Due From Other Governments	51,333	1,943,493	1,865,581	3,860,407
Interfund Receivable	-	-	1,306,364	1,306,364
Leases Receivable	-	-	2,047,757	2,047,757
Advance To Other Funds	-	-	5,291,718	5,291,718
Prepaid Items	78,598	-	-	78,598
TOTAL ASSETS	\$ 11,962,501	\$ 3,366,911	\$ 56,665,303	\$ 71,994,715
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 219,311	\$ 2,529,429	\$ 1,327,780	\$ 4,076,520
Salaries Payable	289,637	-	-	289,637
Deposits Payable	5,860,435	74,781	30,955	5,966,171
Due To Other Funds	-	6,652,220	2,399,805	9,052,025
Due To Other Governments	24,109	-	1,586	25,695
Interfund Payable	-	-	1,075,352	1,075,352
Advance From Other Funds	-	-	2,968,475	2,968,475
Unearned Revenue	297	-	973,147	973,444
TOTAL LIABILITIES	6,393,789	9,256,430	8,777,100	24,427,319
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	49,738	-	28,070	77,808
Unavailable Revenue - Special Assessments	-	1,423,418	6,212,671	7,636,089
Unavailable Revenue - Notes Receivable	-	-	17,324	17,324
Lease Revenue For Subsequent Years	-	-	1,993,848	1,993,848
TOTAL DEFERRED INFLOWS OF RESOURCES	49,738	1,423,418	8,251,913	9,725,069
FUND BALANCES:				
Nonspendable	78,598	-	53,909	132,507
Restricted	-	2,024,382	21,694,292	23,718,674
Committed	1,284,902	78,866	2,919,089	4,282,857
Assigned	1,056,678	186,991	20,777,258	22,020,927
Unassigned	3,098,796	(9,603,176)	(5,808,258)	(12,312,638)
TOTAL FUND BALANCES (DEFICITS)	5,518,974	(7,312,937)	39,636,290	37,842,327
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,962,501	\$ 3,366,911	\$ 56,665,303	\$ 71,994,715

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

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total fund balances - governmental funds \$ 37,842,327

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Cost of Capital Assets	331,823,411
Less: Accumulated Depreciation and Amortization	(126,339,933)

Due to availability, certain revenues are not recognized under the governmental fund statements until received; however, under full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received.

Delinquent Taxes	77,808
Special Assessments	7,636,089
Notes Receivable	17,324

Governmental funds do not report long-term amounts related to pensions and other post employment benefits that are included in governmental activities net position.

Deferred Outflows - Pension Plan Deferments	11,680,896
Deferred Inflows - Pension Plan Deferments	(9,718,388)
Deferred Outflows - OPEB Plan Deferments	28,842
Deferred Inflows - OPEB Plan Deferments	(367,240)

Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

5,546,435

Internal balances from business-type activities for internal service fund services.

(124,922)

Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.

(656,607)

Long-term liabilities, including bonds payable, leases, subscriptions, compensated absences, other post-employment benefits and net pension liabilities are not payable with current financial resources and, therefore, are not reported in governmental funds.

Due within one year	(13,818,517)
Due in more than one year	(73,640,137)

Net position of governmental activities

\$ 169,987,388

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Property	\$ 10,565,683	\$ -	\$ 6,343,142	\$ 16,908,825
Franchise	783,615	-	-	783,615
Licenses And Permits	3,171,358	-	-	3,171,358
Intergovernmental	939,684	15,381,647	4,342,005	20,663,336
Charges For Services	6,396,998	-	8,117,441	14,514,439
Fines And Forfeitures	50,110	-	-	50,110
Special Assessments	-	-	1,264,412	1,264,412
Investment Earnings (Charges)	239,614	(386,337)	1,336,408	1,189,685
Leases	-	-	153,020	153,020
Other Revenue	377,233	-	112,737	489,970
TOTAL REVENUES	22,524,295	14,995,310	21,669,165	59,188,770
EXPENDITURES				
CURRENT:				
General Government	7,079,127	-	62,260	7,141,387
Economic Development	-	-	2,488,335	2,488,335
Public Safety	10,142,417	-	1,594,676	11,737,093
Public Works	2,850,198	4,028,573	925,666	7,804,437
Parks, Recreation And Arts	3,251,755	16,816	87,732	3,356,303
DEBT SERVICE:				
Principal	196,146	-	3,890,000	4,086,146
Interest	25,332	-	1,911,678	1,937,010
Issuance Costs And Fiscal Agent Fees	-	-	177,726	177,726
CAPITAL OUTLAY	-	23,574,462	3,270,560	26,845,022
TOTAL EXPENDITURES	23,544,975	27,619,851	14,408,633	65,573,459
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,020,680)	(12,624,541)	7,260,532	(6,384,689)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,870,595	4,870,803	7,523,400	17,264,798
Transfers Out	(1,984,196)	(23,093)	(10,352,198)	(12,359,487)
Bonds Issued	-	4,097,000	10,065,000	14,162,000
Premium on Bonds Issued	-	-	950,373	950,373
Lease Proceeds	-	-	164,756	164,756
Sale Of Capital Assets	-	-	25,425	25,425
TOTAL OTHER FINANCING SOURCES (USES)	2,886,399	8,944,710	8,376,756	20,207,865
NET CHANGE IN FUND BALANCES	1,865,719	(3,679,831)	15,637,288	13,823,176
FUND BALANCES (DEFICITS), JANUARY 1	3,653,255	(3,633,106)	23,999,002	24,019,151
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 5,518,974	\$ (7,312,937)	\$ 39,636,290	\$ 37,842,327

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

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Total net change in fund balances - governmental funds \$ 13,823,176

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. Further detail on increases and decreases can be found in the note on capital assets. (Increases include donations of capital assets.)

Capital Outlay	15,600,017
Change in Accounting Principle for Subscription Assets	196,371
Less: Depreciation and Amortization Expense	(7,832,583)
Net Book Value of assets sold or disposed	(4,398)
Asset Transfers	(1,147,478)

Under modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period. Under the full accrual basis of accounting, these revenues are recognized when earned.

Delinquent Taxes	23,430
Special Assessments	(661,845)
Notes Receivable	17,324

Long-term debt and other long-term liabilities provide current financial resources to governmental funds, while the repayment of long-term debt and liabilities consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Further detail on the additions and reductions can be found in the note on long-term liabilities.

Additions to long-term liabilities	(25,288,645)
Reductions to long-term liabilities	19,954,979

Net pension and OPEB activity is not recognized in the governmental funds but recognized as the expense/revenue is incurred in the Statement of Activities.

Net Pension Asset	(388,899)
Deferred Outflows - Pension Plan Deferments	151,483
Deferred Inflows - Pension Plan Deferments	(8,946,859)
Deferred Outflows - OPEB Deferments	5,145
Deferred Inflows - OPEB Deferments	61,336

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 the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (17,598)

Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 706,766

Internal service fund loss allocated to business-type activities. 33,589

Change in net position - governmental activities \$ 6,285,311

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

CITY OF CHASKA, MINNESOTA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
Property	\$ 10,590,388	\$ 10,590,388	\$ 10,565,683	\$ (24,705)
Franchise	762,000	762,000	783,615	21,615
Licenses And Permits	1,276,676	1,326,676	3,171,358	1,844,682
Intergovernmental	757,857	757,857	939,684	181,827
Charges For Services	5,994,705	6,292,979	6,396,998	104,019
Fines And Forfeitures	40,223	40,223	50,110	9,887
Investment Earnings	25,000	25,000	239,614	214,614
Other Revenue	184,366	187,366	377,233	189,867
TOTAL REVENUES	19,631,215	19,982,489	22,524,295	2,541,806
EXPENDITURES:				
Current:				
General Government	7,472,107	7,522,107	7,079,127	442,980
Public Safety	9,438,221	9,438,221	10,142,417	(704,196)
Public Works	2,927,842	2,927,842	2,850,198	77,644
Parks, Recreation And Arts	2,700,645	3,001,919	3,251,755	(249,836)
Debt Service:				
Principal	90,600	90,600	196,146	(105,546)
Interest	25,800	25,800	25,332	468
TOTAL EXPENDITURES	22,655,215	23,006,489	23,544,975	(538,486)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,024,000)	(3,024,000)	(1,020,680)	2,003,320
OTHER FINANCING SOURCES (USES):				
Transfers In	5,004,000	5,004,000	4,870,595	(133,405)
Transfers Out	(1,980,000)	(1,980,000)	(1,984,196)	(4,196)
TOTAL OTHER FINANCING SOURCES (USES)	3,024,000	3,024,000	2,886,399	(137,601)
NET CHANGE IN FUND BALANCES	-	-	1,865,719	1,865,719
FUND BALANCES, January 1	3,653,255	3,653,255	3,653,255	-
FUND BALANCES, December 31	\$ 3,653,255	\$ 3,653,255	\$ 5,518,974	\$ 1,865,719

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

Proprietary Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2023

CITY OF CHASKA, MINNESOTA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE		
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts From Customers And Users	\$ 56,357,409	\$ 5,134,829	\$ 3,179,712	\$ 1,256,717	\$ 1,091,851	\$ 11,908,317	\$ 78,928,835	\$ 1,236,002
Payments To Suppliers	(44,301,065)	(2,090,387)	(1,561,464)	(340,117)	(707,570)	(6,880,826)	(55,881,429)	(1,257,280)
Payments To Employees	(2,672,777)	(804,578)	(2,425,195)	-	(660,802)	(2,800,973)	(9,364,325)	-
Miscellaneous Receipts	-	-	-	-	-	-	-	556,920
Net Cash Provided (Used) By Operating Activities	9,383,567	2,239,864	(806,947)	916,600	(276,521)	2,226,518	13,683,081	535,642
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
Transfers From Other Funds	-	400,000	700,420	-	1,584,506	207,870	2,892,796	-
Transfers To Other Funds	(7,128,690)	(255,797)	-	-	-	(629,005)	(8,013,492)	(28,615)
Due From Other Funds	-	(891,748)	-	-	-	(2,688,724)	(3,580,472)	(750,000)
Due To Other Funds	-	-	1,378,255	-	291,748	1,438,724	3,108,727	-
Interfund Loans To Other Funds	-	-	-	65,192	-	-	65,192	50,447
Interest Payments On Interfund Loans	-	-	-	39,027	-	-	39,027	-
Interest Payments On Leases	-	-	16,476	12,096	-	-	28,572	-
Payments	-	3,167	-	-	-	-	3,167	-
Intergovernmental	557	9,380	124	-	34	4,346	14,441	-
Net Cash Provided (Used) By Non-Capital Financing Activities	(7,128,133)	(734,998)	2,095,275	116,315	1,876,288	(1,666,789)	(5,442,042)	(728,168)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Capital Contributions	670,128	-	-	-	-	24,460	694,588	-
Principal Paid On Bonds	(450,000)	(796,236)	(335,000)	(1,400,000)	(1,085,000)	(538,764)	(4,605,000)	-
Principal Paid On Financed Purchase	-	-	(48,768)	-	-	-	(48,768)	-
Principal Paid On Leases	-	-	(2,627)	-	-	(4,551)	(7,178)	-
Principal Paid On Subscriptions	(18,144)	(1,111)	-	-	-	(1,111)	(20,366)	-
Interest And Fiscal Charges	(254,903)	(140,168)	(134,224)	(675,000)	(388,246)	(317,427)	(1,909,968)	-
Proceeds From Sale Of Capital Assets	-	-	-	-	-	161,942	161,942	-
Construction And Acquisition Of Capital Assets	(3,100,404)	(1,738,670)	(275,773)	-	-	(2,821,611)	(7,936,458)	-
Transfers From Other Funds	-	-	-	-	-	244,000	244,000	-
Supply Contract Payments Received	-	-	-	1,279,443	-	-	1,279,443	-
Interfund Loan Payments To Other Funds	(65,192)	1,284,063	(57,755)	-	-	2,791,980	3,953,096	-
Interest Payments On Interfund Loans	(39,027)	(4,016)	(45,452)	-	-	(68,023)	(156,518)	-
Net Cash Provided (Used) By Capital And Related Financing Activities	(3,257,542)	(1,396,138)	(899,599)	(795,557)	(1,473,246)	(529,105)	(8,351,187)	-
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest (Charges) On Investments	770,068	139,367	(386,149)	63,944	(186,874)	240,396	640,752	203,869
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(232,040)	248,095	2,580	301,302	(60,353)	271,020	530,604	11,343
CASH AND CASH EQUIVALENTS, January 1	14,879,377	655,958	235,008	4,354,257	1,386,130	1,513,579	23,024,309	399,589
CASH AND CASH EQUIVALENTS, December 31	\$ 14,647,337	\$ 904,053	\$ 237,588	\$ 4,655,559	\$ 1,325,777	\$ 1,784,599	\$ 23,554,913	\$ 410,932
CASH AND CASH EQUIVALENTS:								
Cash And Investments	\$ 3,785,421	\$ 904,053	\$ -	\$ 1,603,606	\$ -	\$ 1,784,599	\$ 8,077,679	\$ 410,932
Restricted Assets-Bonds:								
Cash And Investments For Operating And Maintenance	10,000,000	-	-	-	-	-	10,000,000	-
Cash And Investments For Debt Service	861,916	-	237,588	3,051,953	1,325,777	-	5,477,234	-
Total Cash And Cash Equivalents	\$ 14,647,337	\$ 904,053	\$ 237,588	\$ 4,655,559	\$ 1,325,777	\$ 1,784,599	\$ 23,554,913	\$ 410,932
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating Income (Loss)	\$ 9,178,376	\$ 1,618,478	\$ (1,651,991)	\$ 880,351	\$ (746,502)	\$ 1,412,861	\$ 10,691,573	\$ (21,278)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:								
Depreciation And Amortization Expense	1,645,519	854,301	882,469	27,217	632,900	746,920	4,789,326	-
Allowance For Uncollectible Accounts	6,482	2,245	529	-	1,327	4,291	14,874	-
Miscellaneous Receipts	-	-	-	-	-	-	-	556,920
(Increase) Decrease In Assets And Deferred Outflows:								
Special Assessments	(1,377)	(233)	-	-	-	(2,219)	(3,829)	-
Accounts Receivable	(205,626)	(125,150)	8,607	-	(88,493)	-	(429,526)	-
Due From Other Governments	29,485	81,640	100,000	-	-	41,000	252,125	-
Prepaid Expense	(2,640)	-	2,673	-	-	-	33	-
Leases Receivable	-	24,898	255,339	50,099	-	-	330,336	-
Inventory	(1,020,516)	63,527	-	-	-	(11,288)	(968,277)	-
Deferred Outflows	83,469	68,319	121,829	-	60,734	137,001	471,352	-
Increase (Decrease) In Liabilities And Deferred Inflows:								
Accounts Payable	(35,298)	(193,659)	(45,349)	-	(8,788)	(222,012)	(505,106)	-
Salaries Payable	1,110	604	370	-	(622)	14,127	15,589	-
Deposits Payable	(215,402)	(14,559)	(925)	-	10,007	30,326	(190,553)	-
Compensated Absences Payable	(4,533)	2,298	4,838	-	(3,277)	11,768	11,094	-
Net Pension Liability	(323,335)	(229,532)	(423,036)	-	(201,889)	(478,322)	(1,656,114)	-
Due To Other Governments	(200,872)	5,854	1,648	13,858	(620)	29,364	(150,768)	-
Unearned Revenue	1,465	244	(109,785)	-	(12,343)	172,104	51,685	-
Other Post Employment Benefits	14,100	1,763	3,109	-	925	4,782	24,679	-
Deferred Inflows - Leases	-	(28,257)	(258,020)	(54,925)	-	-	(341,202)	-
Deferred Inflows	433,160	107,083	300,748	-	80,120	354,679	1,275,790	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 9,383,567	\$ 2,239,864	\$ (806,947)	\$ 916,600	\$ (276,521)	\$ 2,226,518	\$ 13,683,081	\$ 535,642
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:								
Contributions of Capital Assets	\$ -	\$ 1,298,786	\$ 7,995	\$ -	\$ -	\$ 463,003	\$ 1,769,784	\$ -
Payment of Capital Assets on Account	\$ (12,267)	\$ (172,192)	\$ -	\$ -	\$ -	\$ (436,231)	\$ (620,690)	\$ -
Net Book Value of Capital Assets Disposed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 768	\$ 768	\$ -
Gain on Disposal of Leased Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635	\$ 635	\$ -
Amortization Of Bond Premiums	\$ 51,441	\$ 14,989	\$ 47,555	\$ 213,571	\$ -	\$ 25,876	\$ 353,432	\$ -
Amortization Of Gain On Refunding	\$ -	\$ -	\$ -	\$ 37,026	\$ -	\$ -	\$ 37,026	\$ -
Acquisition of Subscription Assets	\$ 63,357	\$ 1,111	\$ -	\$ -	\$ -	\$ 1,111	\$ 65,579	\$ -
Lease Revenue Over(Under) Lease Receivable Payments	\$ -	\$ 3,359	\$ 2,681	\$ 4,826	\$ -	\$ -	\$ 10,866	\$ -
Termination of Lease Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,973	\$ 18,973	\$ -

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

Note 1 Summary of Significant Accounting Policies

The City of Chaska (the City) operates under the Optional Plan A form of government pursuant to applicable Minnesota laws and statutes. The Plan A form of government prescribes an Administrator-Council form of organization. The Council consists of an elected mayor and four council members. The City provides services such as public safety, highways and streets, culture-recreation, public improvements, planning and zoning, and general administration. The City operates electric, water, sewer, and storm water utilities in addition to a community center, two golf courses, a gas turbine generator, and a curling and event center.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB). In order to enhance the usefulness of the financial statements to the reader the following is a summary of the City's significant accounting policies.

A) **The Financial Reporting Entity**

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

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

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

Blended component unit – The Chaska Economic Development Authority (Chaska EDA) was established in 1987 by Resolution No. 87-25 of the Chaska City Council. The Chaska EDA is included in these financial statements because the Chaska EDA Board is comprised of City Council members. Activities of the Chaska EDA are financed by a tax levy of the City for that purpose. There are no other statements for the Chaska EDA other than those presented in this report.

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

The basic financial statements include both government-wide financial statements and fund financial statements. Government-wide financial statements (Statement of Net Position and Statement of Activities) report information based on the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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. Direct expenses also include allocated expenses to functional programs from centralized expenses reported in the Self Insurance fund. *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, 2) operating grants and contributions that are restricted to meet the operational requirements of a particular function and 3) capital grants and contributions (including special assessments) that are restricted to meeting the capital requirements of a particular function. Taxes and other internally directed revenues are reported as *general revenues*.

The accounts of the City are organized on the basis of funds and separate “Fund Financial Statements” are provided for Governmental funds and Proprietary funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. A fund is a separate accounting entity with self-balancing accounts that include assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements present information for individual major funds in separate columns. Nonmajor funds are presented aggregately in one column in the fund financial statements.

Major Funds

The City reports the following major governmental funds:

- **General Fund** – This fund is the City’s primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund.
- **Public Improvement Projects Capital Project Fund** – This fund accounts for the financing and construction of public improvement projects.

The City reports the following major proprietary funds:

- **Electric Fund** – This fund accounts for the activities of the City’s Electric Utility operations.
- **Water Fund** – This fund accounts for the activities of the City’s Water Utility operations.
- **Community Center Fund** – This fund accounts for activities of the City’s Community Center operations.
- **Turbine Generator Fund** – This fund accounts for the activities of the City’s Turbine Generator Utility operations.
- **Curling Center Fund** – This fund accounts for the activities of the City’s Curling and Event Center operations.

Additionally, the City reports the following fund type:

- **Internal Service Fund** – Internal service funds account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City has one Internal Service fund – the Self-Insurance fund. This fund is used to account for the purchase of property, liability, and workers’ compensation insurance for all City departments. Costs are allocated to individual departments.

C) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus aims to report all inflows, outflows, and balances affecting or reflecting an entity's net position. 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 in which they are levied. Grants and similar items are recognized as revenues 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities for 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 are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, principal and interest on long-term debt and other long-term obligations are recognized as expenditures to the extent they have matured.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative charges between the City's enterprise funds and other functions of the government. Elimination of these charges would misrepresent the direct costs and program revenues reported for the various functions concerned.

Proprietary funds are accounted for on a flow of *economic resources measurement focus* and *accrual basis of accounting*. This means that all assets, including capital assets, deferred outflows of resources, and all liabilities, including long-term liabilities and deferred inflows of resources associated with fund activity are included on the Statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 expenses for all the City's enterprise funds and internal service fund are cost of sales and services, administrative expense, depreciation of capital assets, and amortization of right to use leased and subscription assets. All other revenues and expenses are reported as non-operating items.

D) Budgetary Accounting

Budgets for the General fund, two Special Revenue funds and one Capital Project fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The non-major Special Revenue funds with budgets are the Mount Pleasant Maintenance & Care fund and the Chaska EDA fund.

The budgeted non-major capital project fund is the Equipment Acquisition fund. All annual appropriations lapse at fiscal year-end. Budget schedules for the budgeted non-major funds are included later in this financial report.

E) Cash and Investments

Cash balances from all funds are combined and invested to the extent available as authorized by Minnesota State Statutes. Earnings from such investments are allocated to the respective funds based on applicable cash balance participation by each fund. Investments are stated at fair value, except for investments in external investment pools, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three months or less. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent. Interest on escrow investments is allocated specifically to the related fund. Investment income is accrued at the balance sheet date.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America (GAAP). 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; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See **Note 3** for the City's recurring fair value measurements as of year-end.

F) Receivables

- **Property Tax**

Property tax levies are set by the City Council and must be levied on or before five business days after December 20 each year. Levied property taxes are certified to Carver County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over assessable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Property taxes are due from taxpayers in two equal installments, on May 15 and October 15. Minnesota counties typically provide tax settlements to cities and other local governments three times a year: in July, December, and January of the following year. However, cities can request that 70% of the July settlement be distributed three weeks early. The City has a standing request with the County for this, and thus receives the early settlement each June.

Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and have been offset by a deferred inflow of resources, because it is not known when they will be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

- **Special Assessments**

Special assessments are levied against benefiting properties for the assessable costs of special assessment improvement projects in accordance with state statutes. The City usually adopts assessment rolls before an

improvement contract is awarded. Annual installments (including interest) for special assessments are collected by the County in the same manner as property taxes.

The City recognizes special assessment revenue in the government-wide financial statements when the assessment rolls are levied. In the governmental fund financial statements, the City recognizes special assessment revenue when it becomes both measurable and available. Current assessments, which remain unpaid at December 31 are classified as delinquent receivables and together with deferred assessments are fully offset by unavailable revenue – special assessments, a deferred inflow of resources, because it is not known when they will be available to finance current expenditures. Delinquent special assessments receivable at December 31, 2023, totaled \$223,656.

- **Trade Receivables**

Utility and miscellaneous accounts receivable are shown net of an allowance for uncollectible accounts on the Statement of Net Position. On December 31, 2023, the allowance for uncollectible accounts is \$160,190.

- **Leases Receivable**

The City's leases receivable are measured at the present value of lease payments expected to be received during the leases' terms. Under the lease agreements, the City may receive variable lease payments that are dependent upon the lessee's revenue or other factors. The variable payments are recorded as an inflow of resources in the period the payment is received.

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

G) Short-Term and Long-Term Interfund Receivables/Payables

City operations include activity between individual funds for goods provided or services rendered. The current portions of lending/borrowing arrangements are classified as "interfund receivables/payables." The long-term portions of interfund receivables and payables are reported as "advance to other funds" and "advance from other funds."

H) Inventory

The original cost of materials and supplies are recorded as expenditures at the time of purchase for Governmental Funds. These funds do not maintain material amounts of inventories.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first in-first out (FIFO) method. Inventory is recorded as an expense when consumed.

I) Prepaid Items

Certain prepayments 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.

J) Restricted Assets

In the government-wide statement of net position and proprietary fund financial statements, unspent bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Investment earnings on these assets are allocated directly to the appropriate funds. The City has also restricted cash in the governmental funds. A deposit is being held and administered by the City on behalf of a developer for the sole purpose of funding construction-related expenses.

K) Capital Assets

Capital assets, which include property, buildings, improvements, equipment, right to use leased assets, right to use subscription assets, and infrastructure (e.g., roads, bridges, streets, sidewalks, drainage systems, and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Such assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are valued at their estimated acquisition value on the date of donation. Right to use leased assets are recorded at the value of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Right to use subscription assets are recorded at the value of the subscription liability, plus any payments made prior to commencement of the subscription term and any capitalizable implementation costs. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City uses the following capitalization policy:

Description	Capitalization Threshold
Land	\$25,000
Works of Art/Treasures	5,000
Buildings and Building Improvements	25,000
Other Improvements	25,000
Furniture and Equipment	5,000
Infrastructure	50,000

Depreciation and amortization of assets on the government-wide statements for the primary government (governmental and business-type activities) and in the proprietary funds financial statements is charged as an expense against operations using the straight-line method and the following estimated useful lives:

Description	Life
Buildings and Building Improvements	25 years
Other Improvements	25 - 50 years
Furniture and Equipment	3 - 25 years
Infrastructure	10 - 50 years

Right to use leased assets are amortized over the shorter of the useful life of the asset or the related lease term. Right to use subscription assets are amortized over the shorter of the useful life of the asset or the related subscription term. Capital assets not being depreciated or amortized include land, because land is believed to have an unlimited useful life; works of art/historical treasures, because these assets do not have a determinable useful life; and construction in progress, because construction on the asset has not been fully completed.

L) Compensated Absences

The City's policy permits employees to accumulate earned, but unused paid personal leave (PPL), vacation, sick leave, and compensatory time benefits. Employees are compensated upon termination for unused PPL, vacation, and compensatory time. Sick leave is accrued as used or when it becomes likely that it will be paid as termination pay, while PPL, vacation, and compensatory time is recorded as an expense and liability as the benefits accrue in the government-wide and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, due to employee resignations and retirements.

For the General Fund, the City commits a portion of fund balance for compensated absences equal to the three-year average of the percent of compensated absences expected to be used in the coming year. The remaining portion of compensated absences in the General Fund is set aside in Assigned Fund Balance at the discretion of the Administrative Services Director.

M) Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position will sometimes report separate sections for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) in the government-wide and enterprise funds Statements of Net Position. These deferred outflows and inflows result from the difference between expected and actual economic experience, changes in actuarial assumptions, net collective difference between projected and actual investment earnings, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The City reports deferred inflows of resources related to debt refunding in the government-wide and enterprise funds Statements of Net Position. This deferred inflow results from the differences between the resources required to refund debt and the net carrying amount of the refunded issue. These amounts are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The City also reports deferred inflows of resources for leases receivable in the government-wide and enterprise funds Statements of Net Position and governmental funds balance sheet. These deferred inflows are amortized on a straight-line basis over the term of the related leases.

Unavailable revenue arises only under the modified accrual basis of accounting and therefore is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues for taxes, special assessments and notes outstanding. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N) Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

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 are reported as expenditures.

O) Fund Balance Classifications

The difference between fund assets and deferred outflows of resources less liabilities and deferred inflows of resources is “fund balance” on the governmental fund statements. In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

- **Nonspendable** – consists of amounts that cannot be spent because it is not in spendable form, such as prepaid items, inventory, leases receivable net of deferred inflows, and other long-term assets.
- **Restricted** – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.
- **Committed** – consists of amounts related to internally imposed constraints that are established by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended use established by the governing body itself or by an official to which the governing body delegates authority. Pursuant to City Council Resolution, the City’s Administrative Services Director is authorized to establish assignments of fund balance.
- **Unassigned** – is the residual classification for the General fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first and then unrestricted as needed. When committed, assigned or unassigned funds are available for expenditure, it is the City’s policy to spend committed funds first, assigned funds second, and unassigned funds last.

P) Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net position is displayed in three components:

- **Net Investment in Capital Assets** - consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets and the outstanding balance of any capital related payables such as contracts and retainage payable.

- **Restricted Net Position** - consists of net position restricted by limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulation of other governments.
- **Unrestricted Net Position** – all other elements of net position that do not meet the definition of “restricted” or “net investment in capital assets” are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

Q) Interfund Transactions

Interfund services provided are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. In the ordinary course of business, transfers between funds are made to finance projects. Other interfund transactions are reported as transfers in/out. Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivable or payable between governmental and business-type activities.

R) Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

S) Pension Plans

For purposes of measuring the net pension liability (asset), 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. 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.

For purposes of measuring the net pension liability (asset), deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Chaska Fire Department Relief Association Pension Plan (CFDRAPP) and additions to/deductions from CFDRAPP’s fiduciary net position have been reported using a one-year look-back period. Investments are reported at fair value.

T) Change in Accounting Principle

During the year ended December 31, 2023, the City implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement included major changes in recognition of certain subscription assets and liabilities for software subscriptions that previously were classified as operating expenses. It establishes a single model for subscription accounting based on the foundational principle

that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. The implementation of this new GASB statement in the current year resulted in the City reporting new subscription liabilities and right-to-use subscription assets. Adjustments to capital assets and long-term liabilities were made but did not require a restatement of net position in the current year. See Note 4 and Note 7 for additional information on this change in the current year.

Note 2 Compliance and Accountability

A) Budget

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annually appropriated budgets are adopted for the General Fund, two Special Revenue Funds: Mount Pleasant Maintenance & Care Fund and Chaska EDA Fund, and one Capital Project Fund: Equipment Acquisition Fund. Budgeted amounts are as originally adopted and as amended by the City Council.

The City follows these procedures in establishing and monitoring the annual budget:

1. Prior to September 30 each year, the City Administrator submits to the City Council a proposed operating budget for the year commencing the following January 1.
2. Public hearings are held to obtain public comments.
3. The budget is legally enacted by resolution after obtaining public comments.
4. The legal level of budgetary control is at the fund level. Budgetary control is maintained by department heads for all assigned divisions. Department heads may reallocate budget appropriations between divisions within the same fund, but not reallocate between funds or functions. The City Administrator may reallocate budget appropriations between functions within the same fund.
5. During the year, expenditures in various categories (i.e., personal services, operating supplies, other services and charges, capital outlay, and other financing uses) may exceed the level of appropriation if additional revenues or reduced expenditures in another account are identified and available to offset the additional expenditures.
6. Unused budgeted expenditure appropriations lapse at year-end.
7. Annual appropriated budgets are not adopted for Debt Service Funds because budgetary control is achieved through bond indenture provisions. Budgetary control for other Capital Project Funds is accomplished through project controls, so budgets are not adopted.

B) Excess of Expenditures Over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations in the General fund by \$538,486, Mount Pleasant Maintenance & Care Special Revenue fund by \$239, Chaska EDA Special Revenue fund by \$982,163, and the Equipment Acquisition Capital Project fund by \$25,853. Variances in the General fund and Mount Pleasant Special Revenue fund were offset by revenues greater than expected in each fund. The Chaska EDA fund variance was offset by revenue greater than budget and fund balance. The Equipment Acquisition fund variance was offset by other financing sources.

C) Nonmajor Funds with Negative Equity

The following nonmajor funds maintained a deficit fund balance at December 31, 2023:

Special Revenue Fund	
Chaska EDA	\$ 1,199,343
Capital Project Funds	
Abatement Program	\$ 685,415
Creek Road Phase II Improvements	124,464
Minnesota River Bluffs Regional Trail	400,794
Engler Boulevard	13,530
TIF Dist #14 - Downtown Redevelopment	2,266,385
TIF Dist #20 - Brewery Project	25,220
TIF Dist #21 - Hot Spot Project	88,898
TIF Dist #22 - Ernst House Project	89,051
TIF Dist #23 - City Square West Project	882,110

The deficit in the Chaska EDA fund is due to various economic development projects, some of which have not received final funding. Ongoing activities of the Chaska EDA fund will eliminate this deficit.

The deficits in the Capital Project funds relate to capital projects that have incurred expenditures and have not received final financing. The Abatement Program and TIF District deficits are due to project costs for the districts. Abatement and tax increment revenue collected in future years will eliminate these deficits. All funds are expected to recover their deficits.

Note 3 Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide statement of net position as "cash and investments."

Deposits, investments, petty cash and change funds are reported on the City's financial statements as follows:

Statement of Net Position - Government-Wide	
Cash and Investments	\$40,710,691
Restricted Cash and Investments	<u>20,420,233</u>
Total Cash and Investments	<u><u>\$61,130,924</u></u>

A) Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of bank failure, the City’s deposits may be lost and not recovered.

Minnesota Statutes require that federal deposit insurance, corporate surety bond or collateral protect all deposits. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes the legal investments described below under “credit risk”, as well as certain first mortgage notes and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. The City’s investment policies do not further address limiting exposure to custodial credit risk for deposits.

At year-end, the carrying amount of the City’s deposits was \$11,460,926, while the balance on the bank records was \$11,911,259. Total bank deposits include a developer’s escrow with an account balance of \$4,022,535. These funds are being held and administered by the City on behalf of the developer for the sole purpose of funding construction-related expenses. At December 31, 2023, all deposits were insured, or collateralized by securities held by the City’s agent in the City’s name.

B) Investments

The City has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years		Total	
	Rating	Agency		Less Than 1	1 to 5		
U.S. Government Agencies	AAA	Moody	Level 2	\$ -	\$ 1,161,408	\$ 1,161,408	
U.S. Government Agencies	AA	S&P	Level 2	4,566,850	7,162,347	11,729,197	
State and Local Bonds	AA	S&P	Level 2	270,000	2,425,665	2,695,665	
Negotiable CDs	N/R	N/R	Level 2	-	716,860	716,860	
Investments in Mutual Funds & Money Markets							
First American Government Obligations	AAAm	S&P	Level 1	N/A	N/A	2,483,830	
100% Treasury MM Fund	AAAm	S&P	Level 1	N/A	N/A	3,419,510	
Minnesota Municipal MM Fund	N/R	N/R	Amortized Cost	N/A	N/A	27,463,528	
Total Investments:				<u>\$ 4,836,850</u>	<u>\$ 11,466,280</u>	49,669,998	
						Total Deposits	11,456,537
						Petty Cash and Change Funds	4,389
						Total Deposits and Investments	<u>\$ 61,130,924</u>

N/A - Not Applicable

N/R - Not Rated

The Minnesota Municipal Money Market Fund (the 4M Fund) is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is a customized cash management program for Minnesota public funds. It is also sponsored and governed by the League of Minnesota Cities since 1987. Allowable under Minnesota Statutes, the 4M Fund is comprised of top quality, highly rated investments.

The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC. The reported value of the pool is the same as the fair value of the pool share. The City's investment in this fund is measured at amortized cost. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the Liquid Class; the redemption notice period is 14 days for the Plus Class.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would 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 policies do not address limiting exposure to custodial credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City's investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the City's investment (considered 5.0% or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy does not limit the concentration of investments.

At year-end, the City had more than 5.0 percent of its investments in the following:

<u>Issuer</u>	<u>Percent</u>	<u>Amount</u>
Federal Home Loan Banks	13.68%	\$6,795,538
Federal Home Loan Mortgage Corp	10.28%	\$5,107,528

Interest Rate Risk - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policy does not limit the duration of investments.

Note 4 Capital Assets

Capital asset activity for Governmental and Business-Type activities for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Change in Accounting Principle*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass & Transfers</u>	<u>Ending Balance</u>
Governmental Activities						
Capital assets, not depreciated/amortized:						
Land	\$ 58,694,536	\$ -	\$ 201,578	\$ -	\$ 86,032	\$ 58,982,146
Works of Art/Treasures	105,027	-	-	-	-	105,027
Construction In Progress	22,916,242	-	13,876,436	-	(1,381,761)	35,410,917
Total capital assets, not depreciated/amortized:	<u>81,715,805</u>	<u>-</u>	<u>14,078,014</u>	<u>-</u>	<u>(1,295,729)</u>	<u>94,498,090</u>
Capital assets, depreciated and amortized:						
Buildings and Building Improvements	11,344,771	-	-	-	-	11,344,771
Other Improvements	24,775,409	-	-	-	148,251	24,923,660
Furniture & Equipment	12,926,552	-	736,773	(148,511)	-	13,514,814
Infrastructure	186,185,695	-	616,463	-	-	186,802,158
Leased Assets/Intangible Right-to-Use Assets						
Leased Equipment	378,265	-	168,767	(3,485)	-	543,547
Subscriptions	-	196,371	-	-	-	196,371
Total capital assets, depreciated and amortized:	<u>235,610,692</u>	<u>196,371</u>	<u>1,522,003</u>	<u>(151,996)</u>	<u>148,251</u>	<u>237,325,321</u>
Less accumulated depreciation and amortization for:						
Buildings and Building Improvements	(8,571,176)	-	(265,112)	-	-	(8,836,288)
Other Improvements	(11,533,255)	-	(720,157)	-	-	(12,253,412)
Furniture & Equipment	(9,359,950)	-	(783,980)	144,113	-	(9,999,817)
Infrastructure	(89,143,133)	-	(5,871,093)	-	-	(95,014,226)
Leased Assets/Intangible Right-to-Use Assets						
Leased Equipment	(47,434)	-	(115,981)	3,485	-	(159,930)
Subscriptions	-	-	(76,260)	-	-	(76,260)
Total accumulated depreciation and amortization:	<u>(118,654,948)</u>	<u>-</u>	<u>(7,832,583)</u>	<u>147,598</u>	<u>-</u>	<u>(126,339,933)</u>
Net capital assets, depreciated and amortized:	<u>116,955,744</u>	<u>196,371</u>	<u>(6,310,580)</u>	<u>(4,398)</u>	<u>148,251</u>	<u>110,985,388</u>
Governmental activities capital assets, net:	<u>\$ 198,671,549</u>	<u>\$ 196,371</u>	<u>\$ 7,767,434</u>	<u>\$ (4,398)</u>	<u>\$ (1,147,478)</u>	<u>\$ 205,483,478</u>

* Change in Accounting Principle is due to implementation of GASB 96 in 2023.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2023

	Beginning Balance	Change in Accounting Principle*	Increases	Decreases	Reclass & Transfers	Ending Balance
Business-Type Activities						
Capital assets, not depreciated/amortized:						
Land	\$ 1,557,984	\$ -	\$ -	\$ -	\$ -	\$ 1,557,984
Construction In Progress	7,720,139	-	5,929,206	-	(2,435,375)	11,213,970
Total capital assets, not depreciated/amortized:	9,278,123	-	5,929,206	-	(2,435,375)	12,771,954
Capital assets, depreciated and amortized:						
Buildings and Building Improvements	78,974,168	-	234,457	(10,891)	-	79,197,734
Other Improvements	2,807,912	-	203,940	-	553,343	3,565,195
Furniture & Equipment	12,613,599	-	1,678,045	(292,773)	173,586	14,172,457
Infrastructure	57,799,307	-	1,133,806	-	2,855,924	61,789,037
Leased Assets/Intangible Right-to-Use Assets						
Leased Land Improvements	611,824	-	-	-	-	611,824
Leased Equipment	28,072	-	-	(21,729)	-	6,343
Subscriptions	-	4,444	61,135	-	-	65,579
Total capital assets, depreciated and amortized:	152,834,882	4,444	3,311,383	(325,393)	3,582,853	159,408,169
Less accumulated depreciation and amortization for:						
Buildings and Building Improvements	(45,567,243)	-	(2,102,801)	10,558	-	(47,659,486)
Other Improvements	(1,689,153)	-	(101,907)	-	-	(1,791,060)
Furniture & Equipment	(7,687,774)	-	(739,190)	292,005	-	(8,134,959)
Infrastructure	(21,614,300)	-	(1,809,988)	-	-	(23,424,288)
Leased Assets/Intangible Right-to-Use Assets						
Leased Land Improvements	(12,236)	-	(12,237)	-	-	(24,473)
Leased Equipment	(3,753)	-	(4,746)	3,391	-	(5,108)
Subscriptions	-	-	(18,457)	-	-	(18,457)
Total accumulated depreciation and amortization:	(76,574,459)	-	(4,789,326)	305,954	-	(81,057,831)
Net capital assets, depreciated and amortized:	76,260,423	4,444	(1,477,943)	(19,439)	3,582,853	78,350,338
Business-type activities capital assets, net:	\$ 85,538,546	\$ 4,444	\$ 4,451,263	\$ (19,439)	\$ 1,147,478	\$ 91,122,292

* Change in Accounting Principle is due to implementation of GASB 96 in 2023.

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities		Business-Type Activities	
General Government	\$ 315,908	Electric	\$ 1,645,519
Public Safety	549,423	Water	854,301
Public Works	6,242,087	Sewer	219,978
Parks, Recreation and Arts	725,165	Chaska Community Center	882,469
Total Depreciation and Amortization Expense - Governmental Activities:	<u>\$ 7,832,583</u>	The Loop at Chaska	15,689
		Chaska Town Course	193,372
		Turbine	27,217
		Storm Water	317,881
		Chaska Curling Center	632,900
		Total Depreciation and Amortization Expense - Business-Type Activities:	<u>\$ 4,789,326</u>

Note 5 Supply Contract Receivable**Turbine Generator Agreement**

The City entered into a Power Supply Contract Receivable Agreement with the Minnesota Municipal Power Agency (MMPA) in which the City agrees to sell MMPA the peaking power and peaking power capacity of the City's gas turbine generator for a thirty-year period, commencing May 1, 2001. MMPA receives the sole right to operate the facility and to use the power generated from such operation for the term of the agreement. MMPA is responsible for all expenses of operating and maintaining the facility for this period, with the exception of insurance, which is to be purchased by the City. Under the agreement, MMPA will pay the City an amount representing the total cost to the City of constructing the facility plus a predetermined rate of return and interest. The payments are to be made in equal monthly installments over the thirty-year term of the agreement. The total project cost to the City for constructing the facility was \$29,144,986. The total principal after adjusting for issuance costs and interest earnings is \$28,468,092.

Under the agreement, the City retains ownership of the facility. In the event the facility is destroyed or damaged to the point of being unusable before the end of the agreement, the City would be indemnified by MMPA for any costs in excess of insurance of retiring any remaining debt incurred to build the facility.

A second agreement between the two parties gives MMPA the annual option to continue this agreement for an additional twenty-year period, commencing May 1, 2031. The agreement calls for annual payments of \$500,000 to be made in equal monthly installments. MMPA will have the annual option to cancel the agreement for any of the twenty additional years by giving the City ninety days written notice in advance of May 1 of the year the option will not be exercised.

Annual power supply contract payments through April 1, 2031, are as follows:

Year Ending December 31	Supply Contract Receivable	
	Principal	Interest
2024	\$ 1,383,614	\$ 1,102,570
2025	1,506,795	979,389
2026	1,640,947	845,237
2027	1,787,041	699,143
2028	1,946,139	540,045
2029 - 2031	5,241,666	559,434
Total:	<u>\$ 13,506,202</u>	<u>\$ 4,725,818</u>

Note 6 Leases Receivable Agreements

Leases receivable activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
T-Mobile Cell Tower Site A1P757E	\$ 177,203	\$ -	\$ (5,022)	\$ 172,181
T-Mobile Cell Tower Site A1P0152A	12,815	-	(12,815)	-
T-Mobile Cell Tower Site A1P0059A	793,181	-	(21,911)	771,270
Verizon Cell Tower	683,165	-	(20,696)	662,469
Sprint Cell Tower MS70XC498-A/A1P032	271,674	26,543	(32,528)	265,689
Northstar Regional Building Space	204,994	-	(28,846)	176,148
Governmental Activities				
Leases Receivable:	<u>\$ 2,143,032</u>	<u>\$ 26,543</u>	<u>\$ (121,818)</u>	<u>\$ 2,047,757</u>
<u>Business-type Activities</u>				
Bountiful Baskets Office Space	\$ 258,225	\$ -	\$ (24,898)	\$ 233,327
St. Francis Gym Space	1,162,597	-	(200,183)	962,414
Carver County Arts Consortium Building Space	9,532	-	(9,532)	-
MMPA MRS Breaker Station	462,716	-	(50,099)	412,617
Alphabet Junction Daycare Building Space	236,361	-	(45,624)	190,737
Business-type Activities				
Leases Receivable:	<u>\$ 2,129,431</u>	<u>\$ -</u>	<u>\$ (330,336)</u>	<u>\$ 1,799,095</u>

Lease activity reported in deferred inflows of resources for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
T-Mobile Cell Tower Site A1P757E	\$ 170,014	\$ -	\$ (8,572)	\$ 161,442
T-Mobile Cell Tower Site A1P0152A	11,834	-	(11,834)	-
T-Mobile Cell Tower Site A1P0059A	801,071	-	(28,610)	772,461
Verizon Cell Tower	668,686	-	(34,888)	633,798
Sprint Cell Tower MS70XC498-A/A1P032	266,052	26,543	(37,116)	255,479
Northstar Regional Building Space	202,668	-	(32,000)	170,668
Governmental Activities				
Deferred Inflows - Leases:	<u>\$ 2,120,325</u>	<u>\$ 26,543</u>	<u>\$ (153,020)</u>	<u>\$ 1,993,848</u>
<u>Business-type Activities</u>				
Bountiful Baskets Office Space	\$ 254,305	\$ -	\$ (28,257)	\$ 226,048
St. Francis Gym Space	1,123,746	-	(198,308)	925,438
Carver County Arts Consortium Building Space	9,378	-	(9,378)	-
MMPA MRS Breaker Station	457,704	-	(54,925)	402,779
Alphabet Junction Daycare Building Space	234,889	-	(50,334)	184,555
Business-type Activities				
Deferred Inflows - Leases:	<u>\$ 2,080,022</u>	<u>\$ -</u>	<u>\$ (341,202)</u>	<u>\$ 1,738,820</u>

- The City entered into a 250-month lease as Lessor for the use of a water/cell tower by T-Mobile at Site A1P757E. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$181,586. As of December 31, 2023, the value of the lease receivable is \$172,181. The lessee is required to make monthly fixed payments of \$585, with an increase in year two of 13.30% and a 3.00% annual increase through the remainder of the lease term. The lease has an interest rate of 1.70%. As of December 31, 2023, the value of the deferred inflow of resources is \$161,442, and the City recognized lease revenue of \$8,572 during the fiscal year. A lease incentive of \$3,000 paid at commencement of the lease was not included in the present value calculation of deferred inflows, but was included in the present value of the lease receivable. The lessee has 4 extension options, each for 60 months.
- The City entered into a 195-month lease as Lessor for the use of a water/cell tower by T-Mobile at Site A1P0152A. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$693,137. During 2022, the Lessee elected not to exercise their renewal option and a termination notice was provided to the City with a lease term date of April 20, 2023. The Lessee's decision to terminate the lease resulted in a remeasured initial value of the lease receivable and deferred inflow of resources of \$50,565 each. As of December 31, 2023, the value of the lease receivable is \$0. The lessee was required to make monthly fixed payments of \$3,120. The lease had an interest rate of 1.52%. As of December 31, 2023, the value of the deferred inflow of resources is \$0, and the City recognized lease revenue of \$11,834 during the fiscal year.
- The City entered into a 348-month lease as Lessor for the use of a water/cell tower by T-Mobile at Site A1P0059A. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$829,681. As of December 31, 2023, the value of the lease receivable is \$771,270. The lessee is required to make annual fixed principal payments of \$36,500, along with additional variable payments based on the current Consumer Price Index. The variable amount paid in 2023 was \$5,152. The lease has an interest rate of 1.84%. As of December 31, 2023, the value of the deferred inflow of resources is \$772,461, and the City recognized lease revenue of \$28,610 during the fiscal year. The lessee has 5 extension options, each for 60 months.
- The City entered into a 242-month lease as Lessor for the use of a water/cell tower by Verizon at 113995 Hundertmark Road. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$703,574. As of December 31, 2023, the value of the lease receivable is \$662,469. The lessee is required to make monthly fixed payments of \$2,518, with a 3.00% annual increase. The lease has an interest rate of 1.66%. As of December 31, 2023, the value of the deferred inflow of resources is \$633,798, and the City recognized lease revenue of \$34,888 during the fiscal year. The lessee has 4 extension options, each for 60 months.
- The City entered into a 104-month lease as Lessor for the use of a water/cell tower by Sprint LLC at Site MS70XC498-A/A1P032. An initial lease receivable was recorded in the amount of \$300,754. During 2023, an amendment was made to the payment terms of the initial lease and a remeasurement was required. As a result, an additional \$26,543 was recorded for both the lease receivable and deferred inflows. As of December 31, 2023, the value of the lease receivable is \$265,689. The lessee is required to make monthly fixed payments of \$3,091, with a 3% annual increase. The lease has an interest rate of 1.52%. As of December 31, 2023, the value of the deferred inflow of resources is \$255,479, and the City recognized lease revenue of \$37,116 during the fiscal year. The lessee has 1 extension option for an additional 44 months.

- On May 1, 2022 the City entered into a 84-month lease as Lessor for the use of building space by Northstar Regional. An initial lease receivable was recorded in the amount of \$224,001. As of December 31, 2023, the value of the lease receivable is \$176,148. The lessee is required to make monthly fixed payments of \$2,755. The lease has an interest rate of 2.43%. As of December 31, 2023, the value of the deferred inflow of resources is \$170,668, and the City recognized lease revenue of \$32,000 during the fiscal year. The lessee has 1 extension option, for an additional 24 months.
- The City entered into a 120-month lease as Lessor for the use of office space by Bountiful Basket at the former water treatment plant. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$282,561. As of December 31, 2023, the value of the lease receivable is \$233,327. The lessee is required to make monthly fixed payments of \$2,297, with a 2.00% annual increase. Additionally, there are monthly other reasonably certain payments of \$300 per month. The lease has an interest rate of 1.31%. As of December 31, 2023, the value of the deferred inflow of resources is \$226,048, and the City recognized lease revenue of \$28,257 during the fiscal year. The lessee has 2 extension options, each for 60 months.
- The City entered into a 80-month lease as Lessor for the use of building space by St Francis Regional Medical Center at the Chaska Community Center. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$1,322,054. As of December 31, 2023, the value of the lease receivable is \$962,414. The lessee is required to make monthly fixed payments of \$14,282, with annual step increases for the duration of the lease term. The lease has an interest rate of 1.05%. As of December 31, 2023, the value of the deferred inflow of resources is \$925,438, and the City recognized lease revenue of \$198,308 during the fiscal year. The lessee has 1 extension option for an additional 60 months.
- The City entered into a 24-month lease as Lessor for the use of building space by Carver County Arts Consortium at the Chaska Community Center. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$18,756. As of December 31, 2023, the value of the lease receivable is \$0. The lessee was required to make monthly fixed payments of \$773. The lease had an interest rate of 0.38%. As of December 31, 2023, the value of the deferred inflow of resources was \$0, and the City recognized lease revenue of \$9,378 during the fiscal year.
- The City entered into a 112-month lease as Lessor for the use of an electric breaker by MMPA at the MN River Breaker Station. An initial lease receivable was recorded as of January 1, 2022, in the amount of \$512,628. As of December 31, 2023, the value of the lease receivable is \$412,617. The lessee is required to make monthly fixed payments of \$5,183. The lease has an interest rate of 2.75%. As of December 31, 2023, the value of the deferred inflow of resources is \$402,779, and City recognized lease revenue of \$54,925 during the fiscal year.
- On September 1, 2022, the City entered into a 60-month lease as Lessor for the use of building space by Alphabet Junction Childcare Center at the Chaska Community Center. An initial lease receivable was recorded in the amount of \$251,667. As of December 31, 2023, the value of the lease receivable is \$190,737. The lessee is required to make monthly fixed payments of \$4,196, with annual step increases for the duration of the lease term. The lease has an interest rate of 2.43%. As of December 31, 2023, the value of the deferred inflow of resources is \$184,555, and the City recognized lease revenue of \$50,334 during the fiscal year.

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Annual payment requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 114,692	\$ 35,649	\$ 327,860	\$ 26,805
2025	119,935	33,480	335,114	21,696
2026	125,361	31,212	342,569	16,445
2027	130,496	28,846	330,715	11,105
2028	135,562	26,393	227,454	6,722
2029-2033	416,883	105,540	235,383	6,654
2034-2038	402,643	72,983	-	-
2039-2043	364,492	36,550	-	-
2044-2048	166,659	15,841	-	-
2049-2050	71,034	1,966	-	-
Total:	<u>\$ 2,047,757</u>	<u>\$ 388,460</u>	<u>\$ 1,799,095</u>	<u>\$ 89,427</u>

Note 7 Long-Term Liabilities

Long-term liabilities for the year ended December 31, 2023, are as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Change in Accounting Principle*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:						
General Obligation Bonds:						
Equipment Certificates	\$ 2,345,000	\$ -	\$ 8,815,000	\$ (460,000)	\$ 10,700,000	\$ 360,000
General Obligation Bonds	665,000	-	-	(325,000)	340,000	340,000
Tax Increment Bonds	2,950,000	-	-	(70,000)	2,880,000	115,000
Taxable Abatement Bonds	540,000	-	-	(40,000)	500,000	35,000
Improvement Bonds	26,200,000	-	1,250,000	(2,075,000)	25,375,000	2,480,000
State Aid Street Bonds	8,970,000	-	4,097,000	(190,000)	12,877,000	8,487,000
Revenue Bonds	420,000	-	-	(85,000)	335,000	75,000
EDA Revenue Bonds	7,485,000	-	-	(340,000)	7,145,000	345,000
EDA Lease Revenue Bonds	8,400,000	-	-	(305,000)	8,095,000	315,000
Plus: Premium	3,058,945	-	950,373	(286,358)	3,722,960	-
Total Bonds Payable:	<u>61,033,945</u>	<u>-</u>	<u>15,112,373</u>	<u>(4,176,358)</u>	<u>71,969,960</u>	<u>12,552,000</u>
Lease Liability	333,398	-	164,756	(106,417)	391,737	116,811
Subscription Liability	-	196,371	-	(89,729)	106,642	17,437
Compensated Absences	1,452,451	-	1,056,335	(1,067,206)	1,441,580	1,112,208
Total OPEB Liability	672,320	-	69,046	(12,721)	728,645	20,061
Net Pension Liability	18,632,874	-	8,689,764	(14,502,548)	12,820,090	-
Governmental Activities						
Long-term Liabilities:	<u>\$ 82,124,988</u>	<u>\$ 196,371</u>	<u>\$ 25,092,274</u>	<u>\$ (19,954,979)</u>	<u>\$ 87,458,654</u>	<u>\$ 13,818,517</u>

* Change in Accounting Principle is due to implementation of GASB 96 in 2023.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Business-type Activities	Beginning Balance	Change in Accounting Principle*	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:						
General Obligation Revenue Bonds	\$ 15,420,000	\$ -	\$ -	\$ (1,205,000)	\$ 14,215,000	\$ 1,250,000
Revenue Bonds	20,840,000	-	-	(1,850,000)	18,990,000	1,950,000
EDA Lease Revenue Bonds	13,380,000	-	-	(1,420,000)	11,960,000	1,460,000
Lease Purchase Bonds	3,429,000	-	-	(130,000)	3,299,000	135,000
Plus: Premium	3,216,727	-	-	(353,432)	2,863,295	-
Total Bonds Payable:	<u>56,285,727</u>	<u>-</u>	<u>-</u>	<u>(4,958,432)</u>	<u>51,327,295</u>	<u>4,795,000</u>
Financed Purchase Payable	234,292	-	-	(48,768)	185,524	51,365
Lease Liability	627,906	-	-	(26,151)	601,755	4,980
Subscription Liability	-	4,444	61,135	(20,366)	45,213	14,657
Compensated absences	770,978	-	513,804	(502,710)	782,072	517,856
Total OPEB Liability	294,611	-	30,254	(5,575)	319,290	8,791
Net Pension Liability	<u>5,947,944</u>	<u>-</u>	<u>836,117</u>	<u>(2,492,231)</u>	<u>4,291,830</u>	<u>-</u>
Business-type Activities Long-term Liabilities:	<u>\$ 64,161,458</u>	<u>\$ 4,444</u>	<u>\$ 1,441,310</u>	<u>\$ (8,054,233)</u>	<u>\$ 57,552,979</u>	<u>\$ 5,392,649</u>

* Change in Accounting Principle is due to implementation of GASB 96 in 2023.

For the Governmental Activities, lease liabilities, subscription liabilities, compensated absences, other post-employment benefits, and net pension liabilities are generally liquidated by the General fund. In business-type activities, financed purchase payable, lease liabilities, subscription liabilities, compensated absences, other post-employment benefits, and net pension liabilities are liquidated within the respective Enterprise fund.

Bonds Payable:

The City issues general obligation bonds to provide funds for the construction of capital projects and acquisition of equipment. General obligation bonds have been issued for both governmental and business-type activities.

General obligation debt is supported by the “full faith and credit” of the City including tax increment and improvement bond issues. Bonds in the governmental activities will be repaid by future property tax levies, tax increments or special assessments accumulated in the specific debt service funds. Bonds in the business-type activities will be repaid with the net revenues of the utility issuing the bonds. For both governmental and business-type activities, in the event a deficiency exists at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available.

The City and the Chaska EDA also issue revenue bonds. Revenue bonds are supported by specific fee revenues to pay for debt service.

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Bonds outstanding for the year ended December 31, 2023, are as follows:

Governmental Activities	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2023
Bonds Payable					
General Obligation Bonds					
Equipment Certificates					
G.O. Equipment Certificates, Series 2017B	11/29/17	02/01/27	5.00%	\$ 1,960,000	\$ 990,000
G.O. Equipment Certificates, Series 2019B	11/06/19	02/01/29	4.00-5.00%	1,240,000	895,000
G.O. Equipment Certificates, Series 2023A	12/28/23	02/01/43	3.75-5.00%	8,815,000	8,815,000
Total Equipment Certificates				<u>12,015,000</u>	<u>10,700,000</u>
General Obligation Bonds					
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/24	0.70-3.00%	2,705,000	340,000
Tax Increment Bonds					
G.O. Taxable Cross-over Refunding Bonds, Series 2017D	12/27/17	02/01/31	3.00-3.50%	460,000	320,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	1,670,000	1,635,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	260,000	260,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	670,000	665,000
Total Tax Increment Bonds				<u>3,060,000</u>	<u>2,880,000</u>
Taxable Abatement Bonds					
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/39	1.80-3.45%	245,000	205,000
G.O. Taxable Advance Refunding Bonds, Series 2020D	09/02/20	12/01/32	0.15-1.50%	375,000	295,000
Total Taxable Abatement Bonds				<u>620,000</u>	<u>500,000</u>
Improvement Bonds					
G.O. Improvement Bonds, Series 2012A	08/15/12	02/01/28	2.00-2.40%	2,430,000	855,000
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	3,295,000	850,000
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/30	0.70-3.00%	3,080,000	1,570,000
G.O. Improvement Bonds, Series 2015B	08/19/15	02/01/31	3.00-5.00%	5,940,000	3,710,000
G.O. Improvement Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	6,875,000	6,060,000
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/33	1.70-3.45%	1,790,000	1,150,000
G.O. Cross-over Refunding, Series 2017E	12/27/17	02/01/29	2.01-2.87%	995,000	620,000
G.O. Improvement Bonds, Series 2019B	11/06/19	02/01/39	2.13-5.00%	4,440,000	3,810,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/35	2.55-3.00%	1,165,000	960,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/29	2.55-3.00%	85,000	60,000
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/33	3.00-5.00%	1,180,000	810,000
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/31	4.00-5.00%	560,000	350,000
G.O. Improvement Bonds, Series 2020C	09/02/20	02/01/37	2.00-5.00%	1,725,000	1,600,000
G.O. Taxable Advance Refunding Bonds, Series 2020D	09/02/20	12/01/34	0.20-1.70%	2,205,000	1,720,000
G.O. Improvement Bonds, Series 2023A	12/28/23	02/01/38	5.00%	1,250,000	1,250,000
Total Improvement Bonds				<u>37,015,000</u>	<u>25,375,000</u>
G.O. State Aid Bonds					
G.O. State Aid Street Bonds, Series 2021A	01/14/21	04/01/41	1.00-4.00%	4,940,000	4,590,000
G.O. Temporary State Aid Street Bonds, Series 2022A	09/15/22	12/31/24	3.67%	8,287,000	8,287,000
Total State Aid Street Bonds				<u>13,227,000</u>	<u>12,877,000</u>
G.O. Revenue Bonds					
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	1,380,000	335,000

(Continued)

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2023

(Continued)

<u>Governmental Activities</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding 12/31/2023</u>
EDA Revenue Bonds					
EDA Taxable Installment Purchase Revenue Bonds, Series 2020A	03/09/20	12/01/40	1.75-3.08%	6,285,000	5,740,000
EDA Taxable Installment Purchase Revenue Bonds, Series 2020B	07/08/20	12/01/40	1.47-3.40%	1,530,000	1,405,000
Total EDA Revenue Bonds				<u>7,815,000</u>	<u>7,145,000</u>
EDA Lease Revenue Bonds					
Lease Revenue Bonds, Series 2015B	04/15/15	02/01/35	2.00-4.00%	9,000,000	7,735,000
Lease Revenue Bonds, Series 2015D	12/30/15	02/01/26	2.00-4.00%	1,085,000	360,000
Total EDA Lease Revenue Bonds				<u>10,085,000</u>	<u>8,095,000</u>
Premium				5,462,455	3,722,960
Total Bonds Payable - Governmental Activities:				<u>\$93,384,455</u>	<u>\$71,969,960</u>
<u>Business-type Activities</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Outstanding 12/31/2023</u>
Bonds Payable					
General Obligation Revenue Bonds					
G.O. Utility Revenue Bonds, Series 2015C	12/30/15	02/01/36	2.00-4.00%	\$ 5,170,000	\$ 3,655,000
G.O. Utility Revenue Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	735,000	615,000
G.O. Utility Revenue Bonds, Series 2019C	11/06/19	02/01/35	2.00-3.00%	2,135,000	1,780,000
G.O. Utility Revenue Bonds, Series 2019D	12/04/19	02/01/30	2.55-3.00%	780,000	570,000
G.O. Utility Revenue Bonds, Series 2020C	09/02/20	02/01/31	4.00-5.00%	1,215,000	1,035,000
G.O. Taxable Crossover Advance Refunding Bonds, Series 2020D	09/02/20	12/01/32	0.20-1.50%	7,845,000	6,560,000
Total General Obligation Revenue Bonds				<u>17,880,000</u>	<u>14,215,000</u>
Revenue Bonds					
Electric Revenue Refunding Bonds, Series 2015A	10/01/15	10/01/30	2.00-5.00%	21,760,000	12,010,000
Electric Utility Revenue Bonds, Series 2017A	09/06/17	10/01/37	2.25-4.00%	7,220,000	5,575,000
Electric Utility Revenue Refunding Bonds, Series 2020F	12/29/20	10/01/31	4.00%	1,830,000	1,405,000
Total Revenue Bonds				<u>30,810,000</u>	<u>18,990,000</u>
EDA Lease Revenue Bonds					
Taxable Lease Revenue Bonds, Series 2015A	04/15/15	02/01/35	1.22-4.40%	12,855,000	7,180,000
Taxable Lease Revenue Bonds, Series 2015C	12/30/15	02/01/31	1.53-4.57%	3,410,000	2,040,000
Lease Revenue Refunding Bonds, Series 2017A	12/27/17	12/01/27	2.00-4.00%	1,880,000	830,000
EDA Lease Revenue & Limited Tax Refunding Bonds, Series 2020E	09/02/20	12/01/33	4.00-5.00%	2,310,000	1,910,000
Total EDA Lease Revenue Bonds				<u>20,455,000</u>	<u>11,960,000</u>
Lease Purchase Bonds					
Lease-Purchase Agreement, Series 2021	12/28/21	12/01/41	3.47%	3,560,000	3,299,000
Premium				5,109,034	2,863,295
Total Bonds Payable - Business-type Activities:				<u>\$77,814,034</u>	<u>\$51,327,295</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2023

General Obligation Bonds:

The City issues the following types of general obligation bonds:

- Equipment certificates and GO bonds provide funding for the acquisition of equipment and vehicles for various departments.
- Tax Increment bonds provide financing for the construction of streets and utilities and the acquisition of property for business development.
- Taxable abatement bonds provide financing for the City's Housing Improvement Areas and Tax Abatement programs.
- Improvement bonds provide financing for construction projects such as streets, infrastructure, and utilities.
- State Aid Street bonds provide funding for road construction.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities					
	G.O. Equipment Certificates		G.O. Bonds		G.O. Tax Increment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 360,000	\$ 323,848	\$ 340,000	\$ 4,250	\$ 115,000	\$ 84,520
2025	635,000	464,813	-	-	120,000	80,995
2026	705,000	431,312	-	-	125,000	77,220
2027	735,000	395,312	-	-	125,000	73,282
2028	500,000	364,438	-	-	135,000	69,195
2029 - 2033	2,130,000	1,493,337	-	-	705,000	284,050
2034 - 2038	2,505,000	934,563	-	-	735,000	183,368
2039 - 2043	3,130,000	309,319	-	-	820,000	32,178
Total:	<u>\$ 10,700,000</u>	<u>\$ 4,716,942</u>	<u>\$ 340,000</u>	<u>\$ 4,250</u>	<u>\$ 2,880,000</u>	<u>\$ 884,808</u>

Year Ending December 31	Governmental Activities					
	G.O. Abatement Bonds		G.O. Improvement Bonds		G.O. State Aid Street Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 35,000	\$ 9,575	\$ 2,480,000	\$ 792,818	\$ 8,487,000	\$ 1,229,580
2025	35,000	9,228	2,595,000	726,582	205,000	91,385
2026	40,000	8,827	2,665,000	632,310	215,000	82,985
2027	40,000	8,342	2,775,000	534,865	220,000	74,285
2028	45,000	7,773	2,640,000	436,428	230,000	65,285
2029 - 2033	215,000	26,804	9,760,000	1,046,051	1,275,000	213,500
2034 - 2038	75,000	9,056	2,415,000	158,419	1,375,000	122,510
2039 - 2043	15,000	259	45,000	562	870,000	22,212
Total:	<u>\$ 500,000</u>	<u>\$ 79,864</u>	<u>\$ 25,375,000</u>	<u>\$ 4,328,035</u>	<u>\$ 12,877,000</u>	<u>\$ 1,901,742</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2023

General Obligation Revenue Bonds:

G.O. Revenue bonds are issued by the City to construct or expand utility systems. Bonds will be repaid with the net revenues of the Water, Sewer, and Storm Water Utilities.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	G.O. Revenue Bonds		G.O. Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 75,000	\$ 6,475	\$ 1,250,000	\$ 307,491
2025	85,000	4,833	1,275,000	284,281
2026	85,000	3,005	1,320,000	259,241
2027	90,000	1,035	1,345,000	232,252
2028	-	-	1,375,000	201,579
2029 - 2033	-	-	6,170,000	540,736
2034 - 2038	-	-	1,480,000	71,281
Total:	<u>\$ 335,000</u>	<u>\$ 15,348</u>	<u>\$ 14,215,000</u>	<u>\$ 1,896,861</u>

Revenue Bonds:

Revenue bonds issued by the City are supported by income derived from specific fee revenues to pay for debt service. These Electric Revenue Bonds in the Electric fund and Turbine Generator fund will be repaid with net revenues of each fund.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2024	\$ 1,950,000	\$ 834,675
2025	2,035,000	741,925
2026	2,130,000	645,025
2027	2,240,000	543,575
2028	2,345,000	436,825
2029 - 2033	6,450,000	799,150
2034 - 2037	1,840,000	139,950
Total:	<u>\$ 18,990,000</u>	<u>\$ 4,141,125</u>

City of Chaska, Minnesota

For the Year Ended December 31, 2023

EDA Revenue and EDA Lease Revenue Bonds:

Revenue bonds issued by the Chaska EDA are supported by income derived from specific fee revenues to pay for debt service. These bonds have been issued to construct or improve community parks and community facilities.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities				Business-type Activities	
	EDA Revenue Bonds		EDA Lease Revenue Bonds		EDA Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 345,000	\$ 192,977	\$ 315,000	\$ 316,500	\$ 1,460,000	\$ 454,051
2025	350,000	186,651	325,000	304,700	1,530,000	401,875
2026	355,000	179,628	735,000	283,500	1,075,000	354,320
2027	365,000	172,220	635,000	256,100	1,110,000	314,237
2028	370,000	164,294	660,000	230,200	925,000	271,320
2029 - 2033	2,010,000	680,939	3,720,000	724,800	4,605,000	763,373
2034 - 2038	2,325,000	380,922	1,705,000	68,900	1,255,000	55,770
2039 - 2040	1,025,000	48,578	-	-	-	-
Total:	<u>\$ 7,145,000</u>	<u>\$ 2,006,209</u>	<u>\$ 8,095,000</u>	<u>\$ 2,184,700</u>	<u>\$11,960,000</u>	<u>\$ 2,614,946</u>

Lease Purchase Bonds:

Lease-Purchase Agreement bonds issued by the City are supported by income derived from specific fee revenues to pay for debt service. This Lease-Purchase Agreement has been issued to reconstruct and improve the City's Par 30 golf course which is now known as The Loop at Chaska.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Principal	Interest
2024	\$ 135,000	\$ 114,475
2025	140,000	109,791
2026	145,000	104,933
2027	150,000	99,901
2028	155,000	94,697
2029 - 2033	858,000	389,091
2034 - 2038	1,017,000	229,575
2039 - 2041	699,000	49,066
Total:	<u>\$ 3,299,000</u>	<u>\$ 1,191,529</u>

Revenue Pledged:

Future revenue pledged for the payment of long-term debt (revenue bonds) is as follows:

Bond Issue - Revenue Bonds	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal Paid	Pledged Revenue Received
<u>G.O. Water Revenue Bonds:</u>	<u>Water Treatment Plant and Water Systems</u>						\$ 5,194,001
Advance Refunding Bonds	Refund 2011A Bonds	Utility Charges	100%	2020 - 2032	\$ 6,970,100	\$ 719,697	
<u>G.O. Utility Revenue Bonds:</u>	<u>Water, Sanitary Sewer and Storm Water</u>						13,731,173
Series 2015C	Utility System Improvements	Utility Charges	100%	2015 - 2036	4,445,650	341,138	
Series 2017B	Utility System Improvements	Utility Charges	100%	2017 - 2038	779,381	47,938	
Series 2019C	Utility System Improvements	Utility Charges	100%	2019 - 2035	2,046,391	174,031	
Series 2019D	Utility System Improvements	Utility Charges	100%	2019 - 2030	627,214	92,437	
Series 2020C	Utility System Improvements	Utility Charges	100%	2020 - 2031	1,243,125	157,875	
<u>Electric Revenue Bonds:</u>	<u>Electric Utility Systems and Generating Facilities</u>						1,261,543
Series 2015A Refunding Bonds	Refund 2000 & 2005 Bonds - Turbine Generator	Lease Revenue	100%	2015 - 2030	14,527,500	2,070,500	
Electric Utility Revenue Bonds							56,742,382
Series 2017A	Electric System Improvements	Utility Charges	100%	2017 - 2037	6,933,025	495,175	
Series 2020F	Electric System Improvements	Utility Charges	100%	2020 - 2031	1,670,600	207,000	
<u>EDA Revenue Bonds:</u>							
Taxable Installment Purchase Revenue Bonds							
Series 2020A	Southwest Park Development	Revenue	100%	2020 - 2040	7,311,013	431,342	425,867
Series 2020B	NE Collector Phase II - Land	Revenue	100%	2020 - 2040	1,840,196	107,550	105,689
<u>EDA Lease Revenue Bonds:</u>	<u>Community Center Additions and Improvements</u>						3,183,967
Series 2017A Refunding Bonds	Refund 2007A Bonds	Lease Revenue	100%	2017 - 2027	893,900	222,500	
Series 2020E Refunding Bonds	Refund 2013A Bonds	Lease Revenue	100%	2020 - 2033	2,360,700	231,900	
Taxable Lease Revenue Bonds	<u>Curling Center, Event Center and Restaurant</u>						1,181,353
Series 2015A	Building Construction	Lease Revenue	100%	2015 - 2035	8,901,197	1,164,670	
Series 2015C	Furniture, Fixtures & Equipment	Lease Revenue	100%	2015 - 2031	2,419,149	304,994	
Lease Revenue Bonds	<u>Firemen's Park Improvements</u>						599,692
Series 2015B	Park Construction	Lease Revenue	100%	2015 - 2035	9,897,700	505,325	
Series 2015D	Fixtures and Equipment	Lease Revenue	100%	2015 - 2026	382,000	126,600	
<u>Lease Purchase Bonds:</u>							
Lease-Purchase Agreement Bonds							-
Series 2021	Golf Course Improvements	Lease Revenue	100%	2021 - 2041	4,490,529	248,986	

Arbitrage Rebate:

The Tax Reform Act of 1986 requires governmental entities to pay the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. In the opinion of management, any obligation would be immaterial.

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Lease Liability:

Lease liabilities outstanding for the year ended December 31, 2023, are as follows:

	Issue Date	Final Maturity Date	Interest Rates	Outstanding 12/31/2023
<u>Governmental Activities</u>				
Life Fitness Gym Equipment	02/19/19	02/18/24	0.38%	\$ 285
US Bank Copier	06/25/19	06/24/24	0.38%	1,098
Enterprise Fleet Ford Interceptor 25KF7M	01/25/22	01/31/26	4.35%	17,367
Enterprise Fleet Chevrolet Tahoe 25XJSB	06/16/22	06/30/26	5.81%	21,262
Enterprise Fleet Ford Edge 25MCFR	06/21/22	06/30/27	6.35%	24,299
Enterprise Fleet Ford Edge 25MCGV	06/21/22	06/30/27	6.35%	24,299
Enterprise Fleet Ford Edge 25KQ96	06/23/22	06/30/27	6.35%	24,206
Enterprise Fleet Ford Edge 25MCR8	06/23/22	06/30/27	6.35%	24,299
Enterprise Fleet Ford Edge 25MCGS	06/29/22	06/30/27	6.13%	24,230
Enterprise Fleet Ford Edge 25MCGT	06/29/22	06/30/27	6.13%	24,230
Enterprise Fleet Ford Explorer 25KQBX	08/31/22	08/31/26	6.40%	21,457
Enterprise Fleet Ford Explorer 25KQCX	08/31/22	08/31/26	6.40%	19,904
Enterprise Fleet Ford Interceptor 25KQDS	10/07/22	10/31/26	7.25%	25,721
Enterprise Fleet Ford Interceptor 25KT49	02/07/23	02/28/27	6.90%	29,326
Enterprise Fleet Ford Interceptor 25KT93	02/18/23	02/28/27	7.19%	29,380
Enterprise Fleet Ford Interceptor 26ZPWK	06/05/23	06/30/27	7.04%	35,916
Enterprise Fleet Ford Interceptor 26ZQ6L	06/05/23	06/30/27	7.04%	35,992
Pitney Bowes Postage Machine	10/30/23	10/29/28	3.65%	8,466
Governmental Activities Total Lease Liabilities:				<u>\$ 391,737</u>
<u>Business-type Activities</u>				
US Bank Copier	06/25/19	06/24/24	0.38%	\$ 1,098
Hazeltine Gates Parking Lot	12/06/21	12/31/71	1.85%	600,657
Business-type Activities Total Lease Liabilities:				<u>\$ 601,755</u>

- The City entered into a 23-month lease as Lessee with Pitney Bowes for the use of a Postage Machine. An initial lease liability was recorded as of January 1, 2022, in the amount of \$3,485. As of December 31, 2023, the value of the lease liability is \$0. The City was required to make quarterly fixed payments of \$499. The lease had an interest rate of 0.28%. As of December 31, 2023, the value of the right to use asset of \$3,485 with accumulated amortization of \$3,485 was removed from Leased Equipment for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 25-month lease as Lessee with TCF Equipment Finance (Huntington Bank) for the use of Life Fitness Gym Equipment. An initial lease liability was recorded as of January 1, 2022, in the amount of \$7,095. As of December 31, 2023, the value of the lease liability is \$285. The City is required

to make monthly fixed payments of \$285. The lease has an interest rate of 0.38%. The value of the right to use asset as of December 31, 2023, of \$7,095 with accumulated amortization of \$6,652 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The City has the option to purchase the Equipment for \$1.

- The City entered into a 29-month lease as Lessee with US Bank Equipment Finance for the use of a Copier. The lease is shared equally between the General Fund and Community Center Fund, with each fund being allocated half of both the lease liability and lease asset. An initial lease liability was recorded as of January 1, 2022, in the amount of \$12,687. As of December 31, 2023, the value of the lease liability is \$2,196. The City is required to make monthly fixed payments of \$440. The lease has an interest rate of 0.38%. The value of the right to use asset as of December 31, 2023, of \$12,687 with accumulated amortization of \$10,218 is included with Leased Equipment for both Governmental and Business-type Activities on Note 4 Capital Assets.
- On January 25, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2021 Ford Interceptor (#25KF7M). An initial lease liability was recorded in the amount of \$32,273. As of December 31, 2023, the value of the lease liability is \$17,367. The City is required to make monthly fixed payments of \$728. The lease has an interest rate of 4.35%. The value of the right to use asset as of December 31, 2023, of \$32,273 with accumulated amortization of \$15,534 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$7,340.
- On June 16, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Chevrolet Tahoe (#25XJSB). An initial lease liability was recorded in the amount of \$33,078. As of December 31, 2023, the value of the lease liability is \$21,262. The City is required to make monthly fixed payments of \$763. The lease has an interest rate of 5.81%. The value of the right to use asset as of December 31, 2023, of \$33,431 with accumulated amortization of \$12,752 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. At lease inception, the City paid initial direct costs of \$353 that were not included in the present value calculation of the lease liability but were included in the present value of the lease asset. The lease has a guaranteed residual value payment of \$10,501.
- On June 21, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCFR). An initial lease liability was recorded in the amount of \$33,503. As of December 31, 2023, the value of the lease liability is \$24,299. The City is required to make monthly fixed payments of \$647. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2023, of \$33,503 with accumulated amortization of \$10,180 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,581.
- On June 21, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCGV). An initial lease liability was recorded in the amount of \$33,503. As of December 31, 2023, the value of the lease liability is \$24,299. The City is required to make monthly fixed payments of \$647. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2023, of \$33,503 with accumulated amortization of \$10,180 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,581.

- On June 23, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25KQ96). An initial lease liability was recorded in the amount of \$33,345. As of December 31, 2023, the value of the lease liability is \$24,206. The City is required to make monthly fixed payments of \$644. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2023, of \$33,345 with accumulated amortization of \$10,107 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,593.
- On June 23, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCR8). An initial lease liability was recorded in the amount of \$33,472. As of December 31, 2023, the value of the lease liability is \$24,299. The City is required to make monthly fixed payments of \$647. The lease has an interest rate of 6.35%. The value of the right to use asset as of December 31, 2023, of \$33,472 with accumulated amortization of \$10,146 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,620.
- On June 29, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCGS). An initial lease liability was recorded in the amount of \$33,329. As of December 31, 2023, the value of the lease liability is \$24,230. The City is required to make monthly fixed payments of \$642. The lease has an interest rate of 6.13%. The value of the right to use asset as of December 31, 2023, of \$33,329 with accumulated amortization of \$10,025 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,617.
- On June 29, 2022, the City entered into a 60-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Edge (#25MCGT). An initial lease liability was recorded in the amount of \$33,329. As of December 31, 2023, the value of the lease liability is \$24,230. The City is required to make monthly fixed payments of \$642. The lease has an interest rate of 6.13%. The value of the right to use asset as of December 31, 2023, of \$33,329 with accumulated amortization of \$10,025 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$6,617.
- On August 31, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Explorer (#25KQBX). An initial lease liability was recorded in the amount of \$30,969. As of December 31, 2023, the value of the lease liability is \$21,457. The City is required to make monthly fixed payments of \$731. The lease has an interest rate of 6.40%. The value of the right to use asset as of December 31, 2023, of \$30,969 with accumulated amortization of \$10,337 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$10,192.43.
- On August 31, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Explorer (#25KQCX). An initial lease liability was recorded in the amount of \$28,728. As of December 31, 2023, the value of the lease liability is \$19,904. The City is required to make monthly fixed payments of \$678. The lease has an interest rate of 6.40%. The value of the right to use asset as of December 31, 2023, of \$28,728 with accumulated amortization of \$9,589 is included with Leased

Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$9,459.

- On October 7, 2022, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Interceptor (#25KQDS). An initial lease liability was recorded in the amount of \$35,460. As of December 31, 2023, the value of the lease liability is \$25,721. The City is required to make monthly fixed payments of \$839. The lease has an interest rate of 7.25%. The value of the right to use asset as of December 31, 2023, of \$35,460 with accumulated amortization of \$10,754 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. The lease has a guaranteed residual value payment of \$7,446.
- On February 7, 2023, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Interceptor (#25KT49). An initial lease liability was recorded in the amount of \$36,757. As of December 31, 2023, the value of the lease liability is \$29,326. The City is required to make monthly fixed payments of \$861. The lease has an interest rate of 6.90%. The value of the right to use asset as of December 31, 2023, of \$37,210 with accumulated amortization of \$8,235 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. At lease inception, the City paid initial direct costs of \$453 that were not included in the present value calculation of the lease liability but were included in the present value of the lease asset. The lease has a guaranteed residual value payment of \$5,581.
- On February 18, 2023, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2022 Ford Interceptor (#25KT93). An initial lease liability was recorded in the amount of \$36,528. As of December 31, 2023, the value of the lease liability is \$29,380. The City is required to make monthly fixed payments of \$867. The lease has an interest rate of 7.19%. The value of the right to use asset as of December 31, 2023, of \$36,981 with accumulated amortization of \$7,966 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. At lease inception, the City paid initial direct costs of \$453 that were not included in the present value calculation of the lease liability but were included in the present value of the lease asset. The lease has a guaranteed residual value payment of \$5,922.
- On June 5, 2023, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2023 Ford Interceptor (#26ZPWK). An initial lease liability was recorded in the amount of \$41,234. As of December 31, 2023, the value of the lease liability is \$35,916. The City is required to make monthly fixed payments of \$967. The lease has an interest rate of 7.04%. The value of the right to use asset as of December 31, 2023, of \$42,786 with accumulated amortization of \$6,012 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. At lease inception, the City paid initial direct costs of \$1,552 that were not included in the present value calculation of the lease liability but were included in the present value of the lease asset. The lease has a guaranteed residual value payment of \$12,543.
- On June 5, 2023, the City entered into a 48-month lease as Lessee with Enterprise Fleet Management for the use of a 2023 Ford Interceptor (#26ZQ6L). An initial lease liability was recorded in the amount of \$41,321. As of December 31, 2023, the value of the lease liability is \$35,992. The City is required to make monthly fixed payments of \$969. The lease has an interest rate of 7.04%. The value of the right to use asset as of December 31, 2023, of \$42,874 with accumulated amortization of \$6,025 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets. At lease inception, the City paid initial direct costs of \$1,553 that were not included in the present value calculation of the lease liability but were

included in the present value of the lease asset. The lease has a guaranteed residual value payment of \$12,570.

- On October 30, 2023, the City entered into a 60-month lease as Lessee with Pitney Bowes for the use of a Postage Machine. An initial lease liability was recorded in the amount of \$8,916. As of December 31, 2023, the value of the lease liability is \$8,466. The City is required to make quarterly fixed payments of \$487. The lease has an interest rate of 3.65%. The value of the right to use asset as of December 31, 2023, of \$8,916 with accumulated amortization of \$302 is included with Leased Equipment for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 600-month lease as Lessee with Hazeltine Gates for the use of Parking Spaces. An initial lease liability was recorded as of January 1, 2022, in the amount of \$611,824. As of December 31, 2023, the value of the lease liability is \$600,657. The City is required to make annual fixed payments of \$14,000. The lease has an interest rate of 1.85%. The value of the right to use asset as of December 31, 2023, of \$611,824 with accumulated amortization of \$24,472 is included with Leased Land Improvements for Business-type Activities on Note 4 Capital Assets. The City has 9 extension option(s), each for 60 months.
- On September 22, 2022, the City entered into a 60-month lease as Lessee with Shamrock Group for the use of an Ice Machine. An initial lease liability was recorded in the amount of \$21,729. During 2023, the lease was terminated early due to equipment failure. A gain on termination was recorded in the amount of \$635. As of December 31, 2023, the value of the lease liability is \$0. The City was required to make monthly fixed payments of \$385. The lease had an interest rate of 2.43%. The value of the right to use asset of \$21,729 with accumulated amortization of \$3,391 was removed from Leased Equipment for Business-type Activities on Note 4 Capital Assets.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 116,811	\$ 21,808	\$ 4,980	\$ 11,119
2025	123,033	14,201	3,954	11,046
2026	110,994	6,340	4,027	10,973
2027	39,463	779	5,101	10,899
2028	1,436	26	5,196	10,804
2029 - 2033	-	-	29,476	52,524
2034 - 2038	-	-	37,496	49,504
2039 - 2043	-	-	46,286	45,714
2044 - 2048	-	-	55,919	41,081
2049 - 2053	-	-	66,478	35,522
2054 - 2058	-	-	78,052	28,948
2059 - 2063	-	-	90,736	21,264
2064 - 2068	-	-	104,639	12,361
2069 - 2071	-	-	69,415	2,585
Total:	<u>\$ 391,737</u>	<u>\$ 43,154</u>	<u>\$ 601,755</u>	<u>\$ 344,344</u>

Subscription Liabilities:

Subscription liabilities outstanding for the year ended December 31, 2023, are as follows:

<u>Governmental Activities</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Outstanding 12/31/2023</u>
Axon Interview Room	03/01/20	04/30/25	2.85%	\$ 2,278
PlanSource Software	12/01/20	11/30/26	2.82%	39,863
DebtBook Platform	08/31/21	12/31/28	2.93%	64,501
Governmental Activities Total Subscription Liabilities:				<u>\$ 106,642</u>
<u>Business-type Activities</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Outstanding 12/31/2023</u>
GIS Software License	03/31/23	03/31/26	2.80%	\$ 45,213
Business-type Activities Total Subscription Liabilities:				<u>\$ 45,213</u>

- The City entered into a 15-month subscription with CivicPlus for the use of CivicClerk Management Software. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$4,319. As of December 31, 2023, the value of the subscription liability is \$0. The City was required to make annual fixed payments of \$4,360. The subscription had an interest rate of 3.00%. The value of the right to use asset as of December 31, 2023, of \$4,319 with accumulated amortization of \$3,280 is included with Subscriptions for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 16-month subscription for the use of Axon Fleet 2 Unlimited Software. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$19,321. As of December 31, 2023, the value of the subscription liability is \$0. The City was required to make annual fixed payments of \$19,514. The subscription had an interest rate of 3.00%. The value of the right to use asset as of December 31, 2023, of \$19,321 with accumulated amortization of \$14,491 is included with Subscriptions for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 17-month subscription with Axon Enterprise, Inc. for the use of OSP 7 Tasers and Body Cameras. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$45,572. As of December 31, 2023, the value of the subscription liability is \$0. The City was required to make annual fixed payments of \$46,237. The subscription had an interest rate of 3.00%. The value of the right to use asset as of December 31, 2023, of \$45,572 with accumulated amortization of \$30,665 is included with Subscriptions for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 17-month subscription with Axon Enterprise, Inc. for the use of Axon Auto Tagging Software. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$2,663. As of December 31, 2023, the value of the subscription liability is \$0. The City was required to make annual fixed payments of \$2,700. The subscription had an interest rate of 3.00%. The value of the right to use asset

as of December 31, 2023, of \$2,663 with accumulated amortization of \$1,823 is included with Subscriptions for Governmental Activities on Note 4 Capital Assets.

- The City entered into a 28-month subscription with Axon Enterprise, Inc. for the use of Axon Interview Room Data Storage. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$3,450. As of December 31, 2023, the value of the subscription liability is \$2,278. The City is required to make annual fixed subscription payments of \$1,138 and annual maintenance payments of \$350. The subscription has an interest rate of 2.85%. The value of the right to use asset as of December 31, 2023, of \$3,450 with accumulated amortization of \$1,478 is included with Subscriptions for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 47-month subscription with PlanSource Benefits Administration for the use of PlanSource Benefits Software. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$49,046. As of December 31, 2023, the value of the subscription liability is \$39,863. The City is required to make annual fixed payments of \$9,183. The subscription has an interest rate of 2.82%. The value of the right to use asset as of December 31, 2023, of \$49,046 with accumulated amortization of \$12,523 is included with Subscriptions for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 72-month subscription with Debtbook for the use of the DebtBook Platform. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$72,000. As of December 31, 2023, the value of the subscription liability is \$64,501. The City is required to make annual fixed payments of \$7,500, with annual step increases through the remaining subscription term. The subscription has an interest rate of 2.93%. The value of the right to use asset as of December 31, 2023, of \$72,000 with accumulated amortization of \$12,000 is included with Subscriptions for Governmental Activities on Note 4 Capital Assets.
- The City entered into a 17-month subscription with KorTerra, Inc. for the use of Korwebb Mapping Software. An initial subscription liability was recorded as of January 1, 2023, in the amount of \$4,444. The subscription is shared between the Electric, Water and Sewer funds. As of December 31, 2023, the value of the subscription liability is \$0. The City was required to make annual fixed payments of \$4,500. The subscription had an interest rate of 3.00%. The value of the right to use asset as of December 31, 2023, of \$4,444 with accumulated amortization of \$3,131 is included with Subscriptions for Business-type Activities on Note 4 Capital Assets.
- The City entered into a 37-month subscription with Carver County for the use of GIS Software. An initial subscription liability was recorded as of March 31, 2023, in the amount of \$61,135. As of December 31, 2023, the value of the subscription liability is \$45,213. The City is required to make annual fixed payments of \$15,922. The subscription has an interest rate of 2.80%. The value of the right to use asset as of December 31, 2023, of \$61,135 with accumulated amortization of \$15,326 is included with Subscriptions for Business-type Activities on Note 4 Capital Assets.

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 17,437	\$ 3,077	\$ 14,657	\$ 1,264
2025	20,624	2,577	15,067	854
2026	34,145	1,985	15,489	433
2027	15,491	1,009	-	-
2028	18,945	555	-	-
Total:	<u>\$ 106,642</u>	<u>\$ 9,203</u>	<u>\$ 45,213</u>	<u>\$ 2,551</u>

Financed Purchase Payable:

The City has the following financed purchase payable for the acquisition of fitness equipment:

- In 2021, the Chaska Community Center entered into a financed purchase agreement for the acquisition of fitness equipment. This agreement qualifies as a financed purchase agreement and was recorded at the present value of the minimum required payments. The equipment was capitalized by the City. The purchase agreement matures in December 2026 and carries an interest rate of 5.20%. In the event of default, Municipal Asset Management, Inc., may exercise one or more of the following remedies: (1) terminate the agreement and any or all of the City's rights to the property; (2) proceed by court action to take possession from the City of any or all property; (3) proceed by court action to enforce performance by the City of its obligations or to recover damages for the breach or pursue any other remedy available to Municipal Asset Management, Inc.; (4) declare all unpaid purchase agreement payments and other sums payable to be immediately due and payable.

Financed purchase payable outstanding for the year ended December 31, 2023, is as follows:

<u>Business-type Activities</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding 12/31/2023</u>
Financed Purchase Payable	12/13/21	12/13/26	5.20%	<u>\$ 280,594</u>	<u>\$ 185,524</u>

The future minimum obligation and the net present value of these minimum payments are as follows:

<u>Year Ending December 31</u>	<u>Business-type Activities</u>
2024	\$ 59,800
2025	59,800
2026	<u>82,875</u>
Total Minimum Payments	202,475
Less: Amount Representing Interest	<u>(16,951)</u>
Present Value of Minimum Payments	<u>\$ 185,524</u>

2023 Activity:

In 2022, the City approved the issuance and sale of temporary financing for the Highway 41 and CSAH 61 reconstruction project. The General Obligation Temporary State Aid Street Bonds, Series 2022A are structured in the form of a draw down line of credit and cannot exceed \$25,300,000. The City requested \$4,097,000 on the line of credit in 2023 bringing the total outstanding as of year-end to \$8,287,000. No principal payments were made in 2023. Interest is paid quarterly on the amount outstanding at an annual percentage rate of 3.67%. The bonds mature December 31, 2024. The City intends to issue permanent bonds at that time.

On December 28, 2023, the City issued \$10,065,000 in General Obligation Bonds, Series 2023A, which includes \$1,250,000 in Improvement Bonds and \$8,815,000 in Equipment Certificates. The true interest cost is 3.51% (coupons range from 3.75% to 5.00%). The final maturity date is February 1, 2043. The Improvement Bonds will be used to finance certain street improvement projects in the City. The Equipment Certificates will be used to finance various capital equipment for fire, public works, water and sewer, golf and storm water departments. These bonds will be repaid from property taxes and special assessments on properties receiving improvements.

Tax Abatements:

The City implemented a Business Incentive Policy (in accordance with Minnesota Statutes, Sections 116J.993 to 116J.995) to assist developers with solutions that increase employment opportunities, improve and develop facilities in the City and increase the availability of essential services. Under this policy, the City provides tax abatements (in accordance with Minnesota Statutes, Section 469.1813, subdivision 8) for up to three times a new developer's total property taxes. The City has eight agreements that could be considered tax abatements under GASB #77 as of December 31, 2023.

- In 2013, the City entered into a development agreement with Ridgeview Two Twelve North Addition, LLC to aid with the construction of an expansion to an existing medical building. The expansion creates employment opportunities, increases resident access to vital services, and increases the tax base of the City. The City assistance helped cover reimbursable costs, including soil correction, architectural enhancement, and fire safety. The maximum assistance is \$777,926. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$777,926 in tax abatement payments. The City has rebated a total of \$242,516, including \$34,257 in 2023.
- In 2013, the City entered into a development agreement with IP Stream Minneapolis, LLC to aid with the construction of a data center. This new construction developed an underutilized site, creates employment opportunities, and increases the tax base of the City. The City assistance helped cover reimbursable costs, including site acquisition and site improvements. The maximum assistance is \$1,228,500. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$1,228,500 in tax abatement payments. The City has rebated a total of \$174,768, including \$35,132 in 2023.
- In 2014, the City entered into a development agreement with Lucrum Properties, LLC to aid with the expansion of an existing manufacturing facility. The expansion of this high-quality business creates employment opportunities and increases the tax base of the City. The City assistance will help cover reimbursable costs, including storm water and grading improvements, permit fees, development charges, and parking lot improvements. The maximum assistance is \$144,699. The City's obligation is terminated

the earlier of after 20 years of payments or once the Developer has been paid \$144,699 in tax abatement payments. The City has rebated a total of \$73,638 including \$17,479 in 2023.

- In 2015, the City entered into a development agreement with Lifecore Biomedical, LLC to aid with the expansion of their existing facilities. The expansion of this high-quality business maximized the use of an underutilized site and increases the tax base of the City. The City assistance will help cover reimbursable costs, including site preparation and grading. The maximum assistance is \$144,623. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$144,623 in tax abatement payments. The City has rebated a total of \$67,395, including \$16,924 in 2023.
- In 2016, the City entered into a development agreement with U.S. Bank National Association, to aid with the construction of a new data center. This new construction developed an underutilized site, creates employment opportunities, and increases the tax base, generating substantial revenue for the City. The City assistance will help cover reimbursable costs, including a portion of the construction costs. The maximum assistance is \$548,000. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$548,000 in tax abatement payments. The City has rebated a total of \$162,831, including \$46,455 in 2023.
- In 2017, the City entered into a development agreement with MSP/Chaska Medical, LLC to aid with construction of a medical office building. This new construction increases the City's tax base, creates employment opportunities, and encourages economic development in its vicinity. The City agreed to reimburse the Developer for eligible construction costs from the proceeds of an interfund loan to the Developer in an amount not to exceed \$280,000 with interest at 3.50% per annum. Tax abatement on the property will be used to repay the loan. The loan will terminate the earlier of December 31, 2039, or when the City has received tax abatements sufficient to repay the principal amount of the loan plus accrued interest. The City advanced \$280,000 to MSP/Chaska Medical, LLC in 2018. Tax abatement payments began in 2019. The interfund loan balance at the end of 2023 was \$216,537.
- In 2018, the City entered into a development agreement with 3919 Bavaria Road, LLC to aid with construction of a facility for weddings, events, and recreational activities. This new construction increases the City's tax base, creates employment opportunities, and encourages economic development. The City agreed to reimburse the Developer for eligible construction costs. The City assistance will help cover reimbursable costs, including a portion of the construction costs. The maximum assistance is \$656,670. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$656,670 in tax abatement payments. The developer did not reach the minimum requirements to start receiving payments in 2023.
- In 2022, the City entered into a development agreement with RCS-RCA Oak Ridge, LLC to aid with construction of a roundabout on Minnesota Trunk Highway 41 to accommodate the traffic needs of a new retail and residential development. The new construction will increase the City's tax base as well as create employment opportunities. The City assistance will help cover eligible construction costs. The City has deferred \$1,147,601 of area and trail charges for the development at an interest rate of 4.00% per annum and provided \$700,000 of up-front assistance for construction costs to the Developer in 2022. The deferred charges and upfront assistance are to be reimbursed to the City with 70.00% of the abatement revenues received by the City annually. The maximum assistance the Developer is eligible for is \$492,399 at a 0.00% interest rate with 30.00% of the abatement revenue received by the City annually. The City's obligation is

terminated the earlier of after 20 years of payments or once the Developer has been paid \$492,399. The first tax abatement payment is scheduled to be made in 2025.

Tax Increment Pay-As-You-Go Financing Revenue Notes:

The Chaska EDA has entered into private development agreements to facilitate the financing of certain projects established by the Chaska Housing and Redevelopment Authority (pursuant to Minnesota Statutes, Sections 469.001 to 469.047). The costs of these projects are financed using tax increment generated from established tax increment financing districts (pursuant to Minnesota Statutes, Sections 469.174 to 469.179).

As of December 31, 2023, the Chaska Economic Development Authority has entered into five agreements considered Tax Increment Pay-As-You-Go Financing Revenue Notes under GASB #77. The agreements are not general obligations of the EDA or the City and are payable solely from available tax increment. Each note will be cancelled at the end of the agreement term, whether it has been fully repaid or not. Accordingly, the amounts have not been included in long-term debt because the nature of the notes is that repayment is required only if sufficient tax increments are received. The City's position is that these are obligations to assign future and uncertain revenue sources and as such, is not actual debt in substance.

The five agreements were to assist the developer with the financing of certain costs of a project constructed within the Development District and are as follows:

- In 2002, the Chaska EDA issued a pay-as-you-go note to Chaska Place Apartments in the principal sum of \$992,221 with an interest rate of 6.50% per annum and payments due each February 1 and August 1, commencing August 1, 2005, and paid through February 1, 2024. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100.00% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$31,750 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$202,790. On December 31, 2023, the amount outstanding on the note was \$731,809.
- In 2007, the Chaska EDA issued a pay-as-you-go note to Clover Field Sinclair Limited Partnership in the principal sum of \$3,100,000 with an interest rate of 5.65% per annum and payments due each February 1 and August 1, commencing August 1, 2008, and paid through February 1, 2030. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 95.00% of the tax increment received in the prior six months, less the administrative fees charged by the County. The current year abatement (TIF note payments) totaled \$174,335. On December 31, 2023, the amount outstanding on the note was \$4,216,318.
- In 2015, the Chaska EDA issued a pay-as-you-go note to Chaska Heights Senior Living in the principal sum of \$2,874,667 with an interest rate of 3.25% per annum and payments due each February 1 and August 1, commencing August 1, 2018, and paid through February 1, 2044. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100.00% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$34,500 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$208,902. On December 31, 2023, the amount outstanding on the note was \$2,555,273.

- In 2016, the Chaska EDA issued a pay-as-you-go note to Creeks Run Phase II, LLC in the principal sum of \$242,500 with an interest rate of 4.50% per annum and payments due each February 1 and August 1, commencing August 1, 2018, and paid through February 1, 2036. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100.00% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$9,000 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$16,523. On December 31, 2023, the amount outstanding on the note was \$246,085.
- In 2021, the Chaska EDA issued a pay-as-you-go note to Oppidan, Incorporated in the principal sum of \$1,304,000 between two building sites (Building One: \$994,000, Building Two: \$310,000) with an interest rate of 4.00% per annum and payments due each February 1 and August 1, commencing August 1, 2023, and paid through February 1, 2032. Payments are payable solely from available tax increment derived from the redevelopment project area and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 95.00% of the tax increment received in the prior six months, less the administrative fees charged by the County. The current year abatement (TIF note payments) towards Building One totaled \$52,809. On December 31, 2023, the amount outstanding on the note for Building One was \$941,191 and the amount outstanding on the note for Building Two was \$310,000. The City will start making payments towards the note relating to Building Two in 2024.

Conduit Debt:

From time to time, the City has issued Industrial Revenue Bonds (IRBs) and Housing Revenue Bonds (HRBs) (collectively the "Revenue Bonds") to provide financial assistance to private-sector entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The Revenue Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Revenue Bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds, excluding the bonds mentioned below. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2023, there were five series of IRBs outstanding. The aggregate principal amount payable for the two series issued after July 1, 1995, was \$21,628,662. The aggregate principal amount payable for the three series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$9,625,000. As of December 31, 2023, there were five series of HRBs outstanding. The aggregate principal amounts payable for the three series issued after July 1, 1995, was \$5,480,000. The aggregate principal amount payable for the two series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$6,260,000.

The outstanding HRB balance includes one issue that is backed by the full faith and credit of the City. In 2020, the Carver County Housing and Redevelopment Authority issued \$2,200,000 in Housing Development Revenue Bonds. (These bonds refunded the \$2,850,000 Housing Revenue Bonds of 2010). This issue is secured by housing revenues and, if not so paid, by a tax levy. The bonds are secured by a general obligation pledge of the City.

Note 8 Interfund Receivables, Payables and Transfers

Interfund receivables and payables as of December 31, 2023, are as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
Water	Community Center	\$ 1,000,000
Water	Curling Center	2,446,748
Internal Service	Community Center	2,500,000
Nonmajor Governmental	Public Improvement Projects	6,652,220
Nonmajor Governmental	Community Center	3,865,162
Nonmajor Governmental	Nonmajor Governmental	2,399,805
Nonmajor Enterprise	Community Center	2,000,000
Nonmajor Enterprise	Curling Center	3,000,000
Nonmajor Enterprise	Nonmajor Enterprise	1,438,724
Total:		<u>\$ 25,302,659</u>

Interfund borrowing is utilized for cash flow purposes to eliminate temporary cash balance deficits.

Interfund Receivables/Payables And Advances To/From Other Funds					
Receivable Fund	Payable Fund	Interfund Receivables/ Payables	Advances To/From	Total	Purpose
Electric	Nonmajor Governmental	\$ -	\$ 1,191,884	\$ 1,191,884	1
Turbine Generator	Electric	69,130	511,818	580,948	2
Internal Service	Community Center	24,884	261,652	286,536	3
Internal Service	Nonmajor Governmental	-	1,776,591	1,776,591	1, 4
Internal Service	Nonmajor Enterprise	49,366	519,085	568,451	5
Nonmajor Governmental	Water	16,798	1,355,563	1,372,361	6
Nonmajor Governmental	Community Center	36,046	479,169	515,215	7
Nonmajor Governmental	Nonmajor Governmental	1,075,352	-	1,075,352	8
Nonmajor Governmental	Nonmajor Enterprise	178,168	3,456,986	3,635,154	6, 9
Total:		<u>\$ 1,449,744</u>	<u>\$ 9,552,748</u>	<u>\$ 11,002,492</u>	

Explanation of Interfund Receivables/Payables and Advances To/From Other Funds:

- (1) This 2007 loan from the Electric fund and Internal Service fund provides interim financing for TIF District #14 project costs. The outstanding balance of \$2,268,475 will be repaid from tax increment generated by the district as it becomes available.
- (2) This interfund loan from the Turbine Generator fund to the Electric fund was made in 2001 to finance a substation. Of the \$580,948 due at year end, \$69,130 is due in one year.

- (3) This 2022 loan from the Internal Service fund to the Community Center fund provides financing for equipment and repairs. Of the \$286,536 due at year end, \$24,884 is due in one year.
- (4) This 2022 loan from the Internal Service fund to to the Abatement Program fund provides interim financing for a roundabout and access into a new abatement district. The outstanding balance of \$700,000 will be repaid from abatement revenue generated by the district or from permanent financing for the project.
- (5) This 2022 loan from the Internal Service fund to the Town Course golf fund provides financing for cart path improvements. Of the \$568,451 due at year end, \$49,366 is due in one year.
- (6) These interfund loans from the Equipment Acquisition fund to the Water fund and Sewer fund are for shared water/sewer equipment purchases. Of the \$2,744,722 due at year end, \$33,596 is due in one year.
- (7) These interfund loans to the Community Center for locker room improvements are from the following funds:
 - Public Facilities Fund - \$80,165 loan balance with \$5,609 due in one year.
 - Improvement Revolving Fund - \$435,050 loan balance with \$30,437 due in one year.
- (8) These loans eliminate what would have been negative cash in TIF District funds. The outstanding balance of \$1,075,352 will be repaid from tax increment generated by the districts as it becomes available.
- (9) These interfund loans are from the Equipment Acquisition fund to the following funds:
 - The Loop at Chaska - \$51,000 loan balance for golf equipment purchases with payments starting in 2025.
 - Town Course - \$1,449,457 loan balance for golf equipment purchases with \$99,034 due in one year.
 - Storm Water - \$762,336 loan balance for equipment purchases with \$62,336 due in one year.

Transfers In/Out for 2023 are as follows:

Transfers Out	Transfers In							
	Governmental Funds			Enterprise Funds				
	General	Public Improvement Projects	Nonmajor	Water	Community Center	Curling Center	Nonmajor	Total
General	\$ -	\$ 4,196	\$ 1,980,000	\$ -	\$ -	\$ -	\$ -	\$ 1,984,196
Public Improvement								
Projects	-	-	23,093	-	-	-	-	23,093
Electric	4,741,980	-	1,556,000	-	586,710	-	244,000	7,128,690
Water	40,000	-	158,942	-	56,855	-	-	255,797
Internal Service	28,615	-	-	-	-	-	-	28,615
Nonmajor Governmental	-	4,866,607	3,293,215	400,000	-	1,584,506	207,870	10,352,198
Nonmajor Enterprise	60,000	-	512,150	-	56,855	-	-	629,005
Total:	<u>\$ 4,870,595</u>	<u>\$ 4,870,803</u>	<u>\$ 7,523,400</u>	<u>\$ 400,000</u>	<u>\$ 700,420</u>	<u>\$ 1,584,506</u>	<u>\$ 451,870</u>	<u>\$ 20,401,594</u>

Explanation of Transfers:

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the government-wide financial statements, transfers in/out include capital assets transferred from governmental activities to business-type activities in the amount of \$1,147,478. Those transfers are not included in the table above.

Note 9 Fund Balance and Net Position

A summary of the governmental fund balance classifications as of December 31, 2023, are as follows:

	<u>General</u>	<u>Public Improvement Projects</u>	<u>Nonmajor Governmental</u>	<u>Totals</u>
<u>Nonspendable:</u>				
Prepaid Items	\$ 78,598	\$ -	\$ -	\$ 78,598
Leases	-	-	53,909	53,909
Total Nonspendable Balances	<u>78,598</u>	<u>-</u>	<u>53,909</u>	<u>132,507</u>
<u>Restricted for:</u>				
Housing Loan Program	-	-	13,183	13,183
Police Forfeitures & Evidence	-	-	6,181	6,181
Public Safety	-	-	1,227,000	1,227,000
Debt Requirements	-	-	10,714,523	10,714,523
Economic Development	-	-	3,754,739	3,754,739
Capital Equipment	-	-	5,964,281	5,964,281
Road Construction	-	2,024,382	-	2,024,382
Abatement Program	-	-	14,385	14,385
Total Restricted Fund Balances	<u>-</u>	<u>2,024,382</u>	<u>21,694,292</u>	<u>23,718,674</u>
<u>Committed to:</u>				
Compensated Absences	984,902	-	-	984,902
Stabilization Arrangement	300,000	-	-	300,000
Mt. Pleasant Cemetery Care	-	-	255,144	255,144
Economic Development	-	-	81,177	81,177
Road Construction	-	78,866	-	78,866
Community Fund Projects	-	-	93,117	93,117
Street Improvement Program	-	-	2,489,651	2,489,651
Total Committed Fund Balances	<u>1,284,902</u>	<u>78,866</u>	<u>2,919,089</u>	<u>4,282,857</u>
<u>Assigned to:</u>				
Compensated Absences	456,678	-	-	456,678
Stabilization Arrangement	600,000	-	-	600,000
Mt. Pleasant Cemetery Care	-	-	11,975	11,975
Police Forfeitures	-	-	3,857	3,857
Road Construction	-	186,991	869,218	1,056,209
Capital Equipment	-	-	2,284,895	2,284,895
Public Facility Improvements	-	-	477,076	477,076
Fire Protection Improvements	-	-	78,065	78,065
Park Improvements	-	-	2,364,259	2,364,259
Southwest Chaska Improvements	-	-	1,035,447	1,035,447
Community Fund Projects	-	-	87,888	87,888
Street Improvement Program	-	-	114,802	114,802
Capital Improvements	-	-	13,449,776	13,449,776
Total Assigned Fund Balances	<u>1,056,678</u>	<u>186,991</u>	<u>20,777,258</u>	<u>22,020,927</u>
<u>Unassigned</u>				
	<u>3,098,796</u>	<u>(9,603,176)</u>	<u>(5,808,258)</u>	<u>(12,312,638)</u>
Total Fund Balances:	<u>\$ 5,518,974</u>	<u>\$ (7,312,937)</u>	<u>\$ 39,636,290</u>	<u>\$ 37,842,327</u>

The following table provides further detail of the calculation of Net Investment in Capital Assets reported as part of the Net Position in the Government-wide financial statements as of December 31, 2023:

	Governmental Activities	Business-Type Activities
Total capital assets	\$ 331,823,411	\$ 172,180,123
Less: Accumulated depreciation and amortization	126,339,933	81,057,831
Net carrying value of capital assets	<u>205,483,478</u>	<u>91,122,292</u>
Less:		
Outstanding principal of capital-related borrowings related to the City's own capital assets	39,051,296	30,726,491
Outstanding principal of debt and other borrowing used to refund capital-related borrowings	3,525,000	6,560,000
Outstanding principal balance of any other capital related liabilities	1,619,463	620,690
Unamortized original issue premiums on outstanding capital debt	<u>3,722,960</u>	<u>1,368,298</u>
	47,918,719	39,275,479
Plus:		
Other additions:		
Outstanding principal of debt for assets not reported in business-type activities	-	3,410,000
Unamortized original issue premium for assets not reported in business-type activities	-	82,143
	<u>-</u>	<u>3,492,143</u>
Total Net Investment in Capital Assets	<u>\$ 157,564,759</u>	<u>\$ 55,338,956</u>

Note 10 Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT.

The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various

amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusion from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including life, disability, dental, and health insurance. 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 Self Insurance fund, an internal service fund which charges its costs to user departments, accounts for the risk management activities of the City. The fund is designed to build up a reserve, which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

Note 11 Commitments and Contingencies

A) Construction Commitments

At December 31, 2023, the City had the following construction commitments outstanding:

<u>Project</u>	<u>Contractor</u>	<u>Commitment</u>
The Loop at Chaska Golf Course Improvements	Mid-America Golf and Landscape Inc	\$ 48,868
Creek Road Utility and Street Improvements	Eureka Construction Co	463,405
2022 Downtown Street Reconstruction	GMH Asphalt Corp	299,932
Hundertmark Water Tower Rehab	Viking Industrial Painting	5,300
TH 41/CSAH 61 Highway Improvements	SM Hentges and Sons	3,750,305
Creek Road Utility and Street/Trail Improvements	Kusske Construction Company	1,132,594
Hill Tower Demolition	Veit & Company	26,491
Well 5 Rehabilitation	Keys Well Drilling Company	119,295
	Total	<u>\$ 5,846,190</u>

B) Federal and State Funding

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C) Legal Claims

In connection with the normal conduct of its affairs, the City is involved in various claims litigation and judgments. It is expected that the final settlement of those matters will not materially affect the financial statements of the City.

Note 12 Jointly Governed Organizations

The City, in conjunction with 11 other municipalities that provide distribution of electric services, comprises the Minnesota Municipal Power Agency (MMPA). MMPA began operations on July 1, 1995. MMPA purchases power that is purchased and distributed by the 12 municipalities that operate electric distribution systems. MMPA's board of directors is comprised of one member from each participating entity. Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's purchases of power from MMPA for the year ended December 31, 2023, was \$38,018,782. MMPA issues an annual financial report that may be obtained by writing MMPA, 220 S. 6th Street, Suite 1300, Minneapolis, MN 55402, by calling (612) 349-6868, or on the Internet at www.mmpa.org.

Note 13 Defined Benefit Pension Plans

Employees of the City participate in three defined benefit pension plans. Two of the plans are state-wide cost-sharing, multiple employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA): the General Employees Retirement fund and the Public Employees Police and Fire fund. The third is a single-employer defined benefit pension plan administered through the Chaska Fire Department Relief Association (CFDRA). The details of the City's participation in each of these plans are presented later in these notes. The following table summarizes the impact of these plans on the City's government-wide financial statements.

	PERA Pension Plans			Chaska Fire Department Relief Association	Total All Plans
	General Employees Retirement Fund	Public Employees Police & Fire Fund	Total		
	Deferred Outflows	\$ 3,017,141	\$ 8,812,923		
Net Pension Liability	9,131,553	5,529,438	14,660,991	2,450,929	17,111,920
Deferred Inflows	3,037,695	8,024,321	11,062,016	84,089	11,146,105
Pension Revenue	1,131	15,403	16,534	202,042	218,576
Pension Expense	1,761,022	1,711,107	3,472,129	2,189,970	5,662,099

Note 14 Defined Benefit Pension Plans – State-wide**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.

1. 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.

2. Public Employees Police and Fire Plan

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

B) Benefits Provided

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

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.20% for each of the first 10 years of service and 1.70% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% 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.

2. Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

In 2023, the Legislature allocated funding for a one-time lump-sum payment to the General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

C) Contributions

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

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were \$969,708. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$767,453. The City's contributions were equal to the required contributions as set by state statute.

D) Pension Costs**1. General Employees Fund Pension Costs**

At December 31, 2023, the City reported a liability of \$9,131,553 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 \$251,723.

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 .1633% at the end of the measurement period and .1502% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 9,131,553
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>251,723</u>
Total:	<u><u>\$ 9,383,276</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$1,759,891 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$1,131 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 294,106	\$ 58,746
Changes in actuarial assumptions	1,379,673	2,502,881
Net difference between projected and actual investment earnings	-	426,958
Changes in proportion	842,594	49,110
Contributions paid to PERA subsequent to the measurement date	500,768	-
Total:	<u>\$ 3,017,141</u>	<u>\$ 3,037,695</u>

The \$500,768 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2024	\$ 421,924
2025	(1,123,904)
2026	378,754
2027	(198,096)
Total:	<u>\$ (521,322)</u>

2. Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$5,529,438 for its proportionate share of the Police and Fire Fund's net pension liability. 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 .3202% at the end of the measurement period and .2915% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million is supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$222,731.

City's proportionate share of the net pension liability	\$ 5,529,438
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>222,731</u>
Total:	<u><u>\$ 5,752,169</u></u>

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$1,724,522 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$13,415 as a reduction of grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$28,818 for the year ended December 31, 2023, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,460,602	\$ -
Changes in actuarial assumptions	5,790,295	7,770,005
Net difference between projected and actual investment earnings	-	243,657
Changes in proportion	1,139,400	10,659
Contributions paid to PERA subsequent to the measurement date	<u>422,626</u>	<u>-</u>
Total:	<u><u>\$ 8,812,923</u></u>	<u><u>\$ 8,024,321</u></u>

The \$422,626 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

City of Chaska, Minnesota

For the Year Ended December 31, 2023

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2024	\$ 345,366
2025	147,976
2026	1,291,882
2027	(255,513)
2028	(1,163,735)
Total:	<u>\$ 365,976</u>

E) Long-Term Expected Return on Investment

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.5%	5.10%
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%. 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 investment return rates deemed to be reasonable by the actuary. An investment return of 7% 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 and the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are 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. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020 and were adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

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

1. 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 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2. Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition related to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

G) Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity Analysis
Net Pension Liability at Different Discount Rates

	General Employees Fund		Police and Fire Fund	
1% Lower	6.00%	\$ 16,154,451	6.00%	\$ 10,971,064
Current Discount Rate	7.00%	\$ 9,131,553	7.00%	\$ 5,529,438
1% Higher	8.00%	\$ 3,354,953	8.00%	\$ 1,055,693

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.

Note 15 Defined Contribution Plan – PERA

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5.0% of salary which is matched by the elected official’s employer. For ambulance services personnel, employer contributions are determined by the employer and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member’s account annually.

Total contributions made by the City during fiscal year 2023 were:

Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$475	\$475	5.00%	5.00%	5.00%

Note 16 Defined Benefit Pension Plans – Fire Relief Association**A) General Information about the Pension Plan**

Plan Description - All members of the Chaska Fire Department (CFD) are covered by a defined benefit pension plan, Chaska Fire Department Relief Association Pension Plan (CFDRAPP), administered by the Chaska Fire Department Relief Association (CFDRA). CFDRAPP is a single-employer defined benefit pension plan. Minnesota Statutes, Chapter 69 grants the authority to the CFDRA Board to establish and amend benefit terms with consenting approval by the Chaska City Council. CFDRA issues a publicly available financial report that can be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by phone (952) 448-9200.

Benefits Provided - The plan provides retirement and disability benefits to plan members and beneficiaries.

- Monthly Service Pension: \$3,400 per month of service. The maximum number of months is 360 months. The benefit is reduced 8% for each year of service less than 15 years. This benefit is available to members hired prior to November 4, 2013.
- Lump Sum Service Pension: \$9,304 per year of service (up to 25 years) plus a Supplemental Benefit of 10% of the lump sum distribution, but not more than \$1,000. The benefit is reduced 8% for each year of service less than 15 years.
- Deferred Service Pension: with termination prior to age 50 and at least ten years of service, a deferred pension is payable at age 50 and reduced 8% for each year of service less than 15 years.
- Survivor Benefits: If hired before November 14, 2013, spouse and children receive 100% of the member's monthly pension for life. The surviving spouse may elect the lump sum benefit, plus a Supplemental Benefit of 20% of the regular lump sum distribution, but not more than \$2,000. If hired after November 4, 2013, the spouse, children, or estate will receive 100% of the lump sum benefit plus a Supplemental Benefit of 20% of the regular lump sum distribution, but not more than \$2,000.
- Disability Benefit: A disabled member will receive the amount of their monthly service pension based on credited service as of the date eligible.

Members covered by benefit terms - At December 31, 2021, pension plan membership consisted of the following as used to determine Net Pension Liability (Asset) as of December 31, 2023:

Inactive Members Currently Receiving Benefits	41
Inactive Members Currently Receiving Disability Benefits	2
Beneficiaries Currently Receiving Benefits	12
Inactive Members Entitled to But Not Yet Receiving Benefits	3
Active Members	45
Total members:	<u>103</u>

Contributions - Minnesota Statutes, Chapter 424 and 424A, authorize pension benefits for volunteer fire relief associations. The CFDRAPP is funded by fire state aid, investment earnings, and, if necessary, employer contributions as specified in Minnesota Statutes and voluntary City contributions. The State of Minnesota contributed \$228,706 in fire state aid to the CFDRAPP on behalf of the CFD for the year ended December 31, 2023, which was recorded as revenue. Required City contributions are calculated annually based on statutory provisions. The City made all required contributions and additional voluntary contributions to the plan for the year ended

December 31, 2023, totaling \$214,427. The City's contributions exceed the required contributions as set by State Statutes. Members of the CFD have no obligation to contribute to the plan.

B) Net Pension Liability (Asset)

The CFDRAPP's net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions - The total pension liability in the December 31, 2021, actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Not applicable as plan members are paid on call volunteers
Investment Rate of Return	5.00% net of pension plan investment expense, including inflation
20-Year Municipal Bond Yield	1.84%

Mortality rates were based on the following:

- Healthy Pre-retirement - Pub-2010 Public Safety Employee mortality tables with projected mortality improvement scale MP-2020.
- Healthy Post-retirement - Pub-2010 Healthy Retired Public Safety mortality tables with projected mortality improvement scale MP-2020. Male rates are adjusted by a factor of 0.98.
- Disabled - Pub-2010 Public Safety Disabled Retiree mortality tables with projected mortality improvement scale MP-2020. Male rates are adjusted by a factor of 1.05.

The demographic actuarial assumptions used in the December 31, 2021, valuation were based on the same assumptions used in the July 1, 2021, PERA Police and Fire actuarial valuation. The economic actuarial assumptions are reviewed annually as part of the fire relief's annual valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. All results are then rounded to the nearest quarter percentage point.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	4.42%
International Equity	20%	4.91%
Fixed Income	10%	1.00%
Multi-Class and Commodities	10%	3.98%
Cash and Equivalents	25%	-0.33%
Total:	100%	

City of Chaska, Minnesota

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Discount Rate - The discount rate used to measure the total pension liability was 5%. The projected cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in Minnesota Statutes. Based on those assumptions and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

C) Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance - January 1, 2023	\$ 7,496,550	\$ 7,885,449	\$ (388,899)
Changes For The Year:			
Service Cost	174,457	-	174,457
Interest	370,992	-	370,992
Change in Benefits Terms	1,645,932	-	1,645,932
Contribution - Employer	-	347,654	(347,654)
Net Investment Income	-	(921,285)	921,285
Benefit Payments, Including Member Contribution Refunds	(502,337)	(502,337)	-
Administrative Costs	-	(74,816)	74,816
Total Net Changes	<u>1,689,044</u>	<u>(1,150,784)</u>	<u>2,839,828</u>
Ending Balance - December 31, 2023	<u>\$ 9,185,594</u>	<u>\$ 6,734,665</u>	<u>\$ 2,450,929</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of the CFDRAPP, calculated using the discount rate of 5.00%, as well as what the CFDRAPP's net pension liability (asset) would be if it were calculated using a discount rate 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current discount rate:

	<u>Net Pension Liability (Asset)</u>
1% Decrease in Discount Rate (4.0%)	\$ 3,420,796
Current Discount Rate (5.0%)	2,450,929
1% Increase in Discount Rate (6.0%)	1,635,938

Pension Plan Fiduciary Net Position - Detailed information about the CFDRAPP's fiduciary net position is available in the separately issued CFDR financial report.

City of Chaska, Minnesota

For the Year Ended December 31, 2023

D) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the CFDRAPP recognized pension expense of \$2,189,970. At December 31, 2023, the CFDRAPP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Liability	\$ 39	\$ 84,089
Change in Actuarial Assumptions	374,618	-
Differences Between Projected and Actual Investment Earnings	679,805	-
City Contribution Subsequent to the Measurement Date	214,427	-
Total:	<u>\$ 1,268,889</u>	<u>\$ 84,089</u>

Deferred outflows of resources totaling \$214,427 related to pensions resulting from City contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2024	\$ 151,521
2025	273,047
2026	272,417
2027	273,388
Total:	<u>\$ 970,373</u>

Note 17 Other Post-Employment Benefits (OPEB) Plan**A) Plan Description**

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible employees. The plan offers group health insurance benefits. Medical coverage is administered by Blue Cross Blue Shield. It is the City's policy to periodically review its group health insurance plans and to obtain requests for proposals in order to provide the most favorable benefits and premiums for the City's employees and retirees. No assets are accumulated in a trust.

B) Benefits Provided

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

Retirees are required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C) Contributions

The required contributions are based on projected pay-as-you-go financing requirements. For the current year, the City's required pay-as-you go finance benefits totaled \$28,852.

D) Members

Membership in the plan consisted of the following as of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	3
Active employees	<u>151</u>
Total employees and beneficiaries:	<u><u>154</u></u>

E) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the entry age, level percentage of pay method. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.00%
20-year Municipal Bond Yield	2.00%
Salary Increases	Service graded table - Rates vary based on service and employee classification
Inflation Rate	2.00%
Medical Trend Rate	6.50% as of January 1, 2022 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Mortality Assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale

F) Changes in the Total OPEB Liability

The City's total OPEB liability of \$1,047,935 was measured as of January 1, 2023, and was determined by an actuarial valuation as of January 1, 2022.

	Total OPEB Liability
Beginning Balance - January 1, 2023	\$ 966,931
Changes for the Year	
Service Cost	78,572
Interest	20,728
Benefit Payments	(18,296)
Net Changes	<u>81,004</u>
Ending Balance - December 31, 2023	<u>\$ 1,047,935</u>

G) OPEB Liability Sensitivity

The following presents the total OPEB Liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percent lower and one percent higher than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB Discount Rate	1.00%	2.00%	3.00%
Total OPEB Liability	\$1,135,944	\$1,047,935	\$965,189

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or one percent higher than current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
OPEB Healthcare Trend Rate	5.25% decreasing to 4.00% then 3.00%	6.25% decreasing to 5.00% then 4.00%	7.25% decreasing to 6.00% then 5.00%
Total OPEB Liability	\$915,357	\$1,047,935	\$1,206,107

City of Chaska, Minnesota

For the Year Ended December 31, 2023

H) OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$14,245. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 12,628	\$ 335,777
Changes in actuarial assumptions	-	192,387
Contributions subsequent to the measurement date	28,852	-
Total:	<u>\$ 41,480</u>	<u>\$ 528,164</u>

A total of \$28,852 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	<u>OPEB Expense Amount</u>
2024	\$ (85,055)
2025	(85,055)
2026	(85,055)
2027	(85,058)
2028	(87,661)
Thereafter	(87,652)
Total:	<u>\$ (515,536)</u>

PERA – General Employees Retirement Fund Schedule of City’s and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.13%	\$ 6,504,061	\$ -	\$ 6,504,061	\$ 7,374,827	88.19%	78.19%
12/31/2016	06/30/2016	0.13%	10,441,682	136,394	10,578,076	7,962,313	131.14%	68.90%
12/31/2017	06/30/2017	0.13%	8,439,559	106,148	8,545,707	8,515,662	99.11%	75.90%
12/31/2018	06/30/2018	0.13%	7,350,557	241,206	7,591,763	8,829,904	83.25%	79.50%
12/31/2019	06/30/2019	0.13%	7,441,732	231,323	7,673,055	9,526,900	78.11%	80.20%
12/31/2020	06/30/2020	0.15%	8,885,267	273,865	9,159,132	10,567,372	84.08%	79.10%
12/31/2021	06/30/2021	0.15%	6,512,433	198,804	6,711,237	10,976,594	59.33%	87.00%
12/31/2022	06/30/2022	0.15%	11,895,889	348,744	12,244,633	11,255,867	105.69%	76.70%
12/31/2023	06/30/2023	0.16%	9,131,553	251,723	9,383,276	12,989,740	70.30%	83.10%

PERA – General Employees Retirement Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 573,571	\$ 573,571	\$ -	\$ 7,647,695	7.50%
12/31/2016	622,514	622,514	-	8,301,166	7.50%
12/31/2017	645,781	645,781	-	8,613,210	7.50%
12/31/2018	684,782	684,782	-	9,130,403	7.50%
12/31/2019	761,477	761,477	-	10,153,003	7.50%
12/31/2020	845,631	845,631	-	11,275,134	7.50%
12/31/2021	823,612	823,612	-	10,981,495	7.50%
12/31/2022	899,431	899,431	-	11,995,296	7.50%
12/31/2023	969,708	969,708	-	12,929,953	7.50%

Schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

PERA – Public Employees Police and Fire Fund Schedule of City’s and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.26%	\$ 2,908,759	\$ -	\$ 2,908,759	\$ 2,345,969	123.99%	86.60%
12/31/2016	06/30/2016	0.25%	9,992,803	-	9,992,803	2,397,786	416.75%	63.90%
12/31/2017	06/30/2017	0.26%	3,564,313	-	3,564,313	2,707,514	131.65%	85.40%
12/31/2018	06/30/2018	0.26%	2,788,387	-	2,788,387	2,761,686	100.97%	88.80%
12/31/2019	06/30/2019	0.28%	3,022,404	-	3,022,404	2,996,128	100.88%	89.30%
12/31/2020	06/30/2020	0.28%	3,702,563	87,251	3,789,814	3,174,551	116.63%	87.20%
12/31/2021	06/30/2021	0.28%	2,192,180	98,565	2,290,745	3,356,413	65.31%	93.70%
12/31/2022	06/30/2022	0.29%	12,684,929	554,268	13,239,197	3,541,637	358.17%	70.50%
12/31/2023	06/30/2023	0.32%	5,529,438	222,731	5,752,169	4,210,926	131.31%	86.50%

PERA – Public Employees Police and Fire Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 384,775	\$ 384,775	\$ -	\$ 2,375,153	16.20%
12/31/2016	421,074	421,074	-	2,600,914	16.20%
12/31/2017	431,127	431,127	-	2,665,551	16.20%
12/31/2018	471,427	471,427	-	2,910,044	16.20%
12/31/2019	531,854	531,854	-	3,137,782	16.95%
12/31/2020	593,739	593,739	-	3,354,460	17.70%
12/31/2021	602,008	602,008	-	3,401,174	17.70%
12/31/2022	689,171	689,171	-	3,899,479	17.67%
12/31/2023	767,453	767,453	-	4,335,892	17.70%

Schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

City Fiscal Year-end Date Measurement Date	December 31,									
	2014	2015	2016	2017	2018	2019 (1)	2020	2021	2022	2023
	2014	2015	2016	2017	2018	2018	2019	2020	2021	2022
Total Pension Liability										
Service Cost	\$ 74,610	\$ 76,662	\$ 74,777	\$ 76,833	\$ 97,600	\$ 97,600	\$ 100,284	\$ 129,712	\$ 132,955	\$ 174,457
Interest	324,731	323,774	318,368	307,707	323,454	323,454	326,559	349,372	349,928	370,992
Changes of Benefits Terms	248,676	-	-	229,268	-	-	642,398	-	917,120	1,645,932
Differences Between Expected & Actual Experience	-	(42,040)	-	23,511	-	-	(58,684)	-	(106,649)	-
Changes of Assumptions	-	-	-	68,838	-	-	250,267	-	480,755	-
Benefit Payments, Including Refunds of Member Contributions	(318,551)	(517,365)	(451,119)	(595,443)	(354,522)	(354,522)	(393,593)	(484,702)	(460,621)	(502,337)
Net Change in Total Pension Liability	329,466	(158,969)	(57,974)	110,714	66,532	66,532	867,231	(5,618)	1,313,488	1,689,044
Total Pension Liability - Beginning	5,031,680	5,361,146	5,202,177	5,144,203	5,254,917	5,254,917	5,321,449	6,188,680	6,183,062	7,496,550
Total Pension Liability - Ending (a)	\$ 5,361,146	\$ 5,202,177	\$ 5,144,203	\$ 5,254,917	\$ 5,321,449	\$ 5,321,449	\$ 6,188,680	\$ 6,183,062	\$ 7,496,550	\$ 9,185,594
Plan Fiduciary Net Position										
Contributions - Employer	\$ 361,296	\$ 401,321	\$ 427,285	\$ 443,793	\$ 465,022	\$ 465,022	\$ 488,466	\$ 531,985	\$ 549,155	\$ 347,654
Net Investment Income	232,061	(220,343)	408,073	819,964	(342,294)	(342,294)	974,719	512,197	712,670	(921,285)
Other Additions	-	-	-	-	-	-	-	289	4,454	-
Benefit payments, Including Refunds of Member Contributions	(318,551)	(517,365)	(451,119)	(595,443)	(354,522)	(354,522)	(393,593)	(484,702)	(460,621)	(502,337)
Administrative Expense	(9,463)	(4,226)	(11,561)	(10,295)	(14,407)	(14,407)	(9,862)	(52,987)	(50,600)	(74,816)
Net Change in Plan Fiduciary Net Position	265,343	(340,613)	372,678	658,019	(246,201)	(246,201)	1,059,730	506,782	755,058	(1,150,784)
Plan Fiduciary Net Position - Beginning	4,854,653	5,119,996	4,779,383	5,152,061	5,810,080	5,810,080	5,563,879	6,623,609	7,130,391	7,885,449
Plan Fiduciary Net Position - Ending (b)	\$ 5,119,996	\$ 4,779,383	\$ 5,152,061	\$ 5,810,080	\$ 5,563,879	\$ 5,563,879	\$ 6,623,609	\$ 7,130,391	\$ 7,885,449	\$ 6,734,665
City's Net Pension Liability (Asset) - Ending (a) - (b)	\$ 241,150	\$ 422,794	\$ (7,858)	\$ (555,163)	\$ (242,430)	\$ (242,430)	\$ (434,929)	\$ (947,329)	\$ (388,899)	\$ 2,450,929
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.50%	91.87%	100.15%	110.56%	104.56%	104.56%	107.03%	115.32%	105.19%	73.32%

(1) The City made a change in accounting principle to utilize the look-back period as of the measurement date. This is an accepted practice and allows the City to complete its Annual Comprehensive Financial Report in a more timely manner. This change required the use of the same actuary study and pension report for the 2018 and 2019 fiscal years.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of City Contributions

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially Determined Contribution(ADC) (1)	\$ 267,302	\$ 267,302	\$ 265,347	\$ 265,347	\$ 165,134	\$ 165,134	\$ 208,493	\$ 208,493	\$ 207,338	\$ 371,785
Contributions in Relation to the ADC	361,296	401,321	427,285	436,793	465,022	488,466	531,985	549,155	347,654	443,133
Contribution Deficiency (Excess)	\$ (93,994)	\$(134,019)	\$(161,938)	\$(171,446)	\$(299,888)	\$(323,332)	\$(323,492)	\$(340,662)	\$(140,316)	\$ (71,348)

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, either two or three years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal actuarial level dollar cost method
Amortization Method	Actuarial Losses - Amortize loss over 10 years per Minnesota Statutes 69.773, Subd 4. (d)(3)(i). Plan Changes - Amortize over 20 years per Minnesota Statutes 69.773, Subd 4. (d)(3)(v).
Remaining Amortization Period	0 years as of December 31, 2023
Asset Valuation Method	Fair Value
Inflation	2.50%
Salary Increases	0.00%, including inflation
Investment Rate of Return	5.00% as per Minnesota State Statutes Chapter 356.215, Subdivision 8
Retirement Age	The latest of age 50 or after 15 years of service
Mortality	Pub-2010 Public Safety Employee Mortality Table with projected mortality improvements based on scale MP-2021

Other Information:

On November 4, 2013, benefit terms were modified to add a \$6,000 per year of service lump sum benefit option for individuals who became members before November 4, 2013. Individuals that became members after November 4, 2013, are only entitled to a lump sum service pension.

On May 5, 2014, benefit terms were modified to increase the monthly benefit from \$1.975 to \$2.085 per month of service and to increase the lump sum benefit from \$6,000 to \$6,255 per year of service effective as of June 1, 2014.

On November 7, 2016, benefit terms were modified to increase the monthly benefit from \$2.085 to \$2.185 per month of service and to increase the lump sum benefit from \$6,255 to \$6,486 per year of service as of January 1, 2017.

On October 15, 2018, benefit terms were modified to increase the monthly benefit from \$2.185 to \$2.4525 per month of service and to increase the lump sum benefit from \$6,486 to \$7,100 per year of service effective January 1, 2019.

On August 2, 2021, benefit terms were modified to increase the monthly benefit from \$2.4525 to \$2.8025 per month of service and to increase the lump sum benefit from \$7,100 to \$7,901 per year of service effective September 1, 2021.

On June 1, 2022, benefit terms were modified to increase the monthly benefit from \$2.8025 to \$3.400 per month of service and to increase the lump sum benefit from \$7,901 to \$9,304 per year of service effective as of June 1, 2022.

Notes to Schedule 1 ADC amounts are equal to statutory requirements under Minnesota Statutes 424A.092 and 69.773. The CFDRAPP is comprised of paid on-call fire fighters paid through the City payroll. There is no covered payroll of the Fire Relief to report.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year Ended December 31,					
	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service Cost	\$ 73,812	\$ 76,026	\$ 117,461	\$ 121,278	\$ 76,283	\$ 78,572
Interest	39,586	42,360	46,644	45,450	47,764	20,728
Assumption Changes	-	-	(4,415)	-	(253,574)	-
Differences Between Expected & Actual Experience	-	-	25,260	-	(447,705)	-
Benefit Payments	(41,413)	(21,491)	(38,657)	(31,247)	(52,783)	(18,296)
Net Change in Total OPEB Liability	<u>71,985</u>	<u>96,895</u>	<u>146,293</u>	<u>135,481</u>	<u>(630,015)</u>	<u>81,004</u>
Total OPEB Liability - Beginning of Year	<u>1,146,292</u>	<u>1,218,277</u>	<u>1,315,172</u>	<u>1,461,465</u>	<u>1,596,946</u>	<u>966,931</u>
Total OPEB Liability - End of Year	<u>\$ 1,218,277</u>	<u>\$ 1,315,172</u>	<u>\$ 1,461,465</u>	<u>\$ 1,596,946</u>	<u>\$ 966,931</u>	<u>\$ 1,047,935</u>
Covered Employee Payroll	<u>\$ 10,383,422</u>	<u>\$ 10,694,925</u>	<u>\$ 13,076,715</u>	<u>\$ 13,501,708</u>	<u>\$ 13,389,467</u>	<u>\$ 13,791,151</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	11.7%	12.3%	11.2%	11.8%	7.2%	7.6%

Note 1: The City implemented GASB Statement No. 75 in fiscal year 2018. This schedule is intended to present 10-year trend information. Additional years will be displayed as they become available.

Note 2: No assets are accumulated in a trust to pay related benefits.

PERA – GENERAL EMPLOYEES RETIREMENT FUND**2023 Changes in Actuarial Assumptions:**

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

2023 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.

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 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% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

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

2019 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 in Actuarial Assumptions:

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

2018 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% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1% 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 in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0% for active member liability, 15% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00% per year for all years, to 1.00% per year through 2044, and 2.50% per year thereafter.

2017 Changes in Plan Provisions:

- The state’s contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state’s contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2035, and 2.50% per year thereafter, to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25%, to 3.25% for payroll growth, and 2.50% for inflation.

2015 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2030, and 2.50% per year thereafter, to 1.00% per year through 2035, and 2.50% per year thereafter.

2015 Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement 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, was due September 2015.

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND**2023 Changes in Actuarial Assumptions:**

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

2023 Changes in Plan Provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.00% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

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

2019 Changes in Actuarial Assumptions:

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

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 Changes in Plan Provisions:

- Post-retirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100% funding, July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00% percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

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

2016 Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2037, and 2.50% thereafter, to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.

- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth, and 2.50% for inflation.

2015 Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00% per year through 2030, and 2.50% per year thereafter, to 1.00% per year through 2037, and 2.50% per year thereafter.

2015 Changes in Plan Provisions:

- The annual benefit increase to be paid after attainment of the 90.00% funding threshold was changed, from inflation up to 2.50%, to a fixed rate of 2.50%.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2022 Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The retiree plan participation percentage was reduced from 65% to 50%.
- The percentage of married retirees electing post-employment spouse medical coverage was reduced from 60% for police and fire retirees and 40% for all other retirees to 30% for all.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.90% to 2.00%.
- These changes decreased the liability \$253,574.

2020 Changes in Actuarial Assumptions:

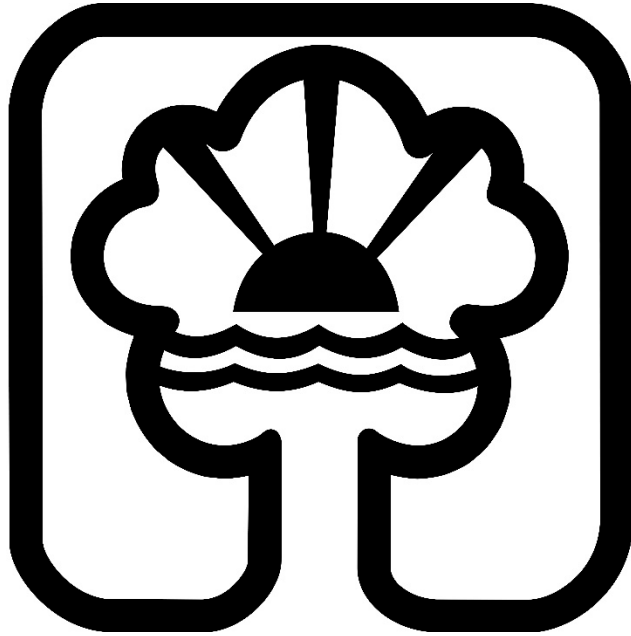
- The medical trend rate was changed from 6.25% grading to 5.00% over 5 years to 6.50% grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and employee classification.
- The discount rate was changed from 3.30% to 2.90%.

2019 Changes in Actuarial Assumptions:

- The medical trend rate was changed from 6.50% grading to 5.00% over 6 years to 6.25% grading to 5.00% over 5 years.

2018 Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generation Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for all employees were updated.
- The discount rate was changed from 3.50% to 3.30%.
- The actuarial cost method was changed from project unit credit to entry age as prescribed by GASB 75.



Chaska

**Combining and Individual Fund Statements and Schedules
Nonmajor Governmental Funds**

City of Chaska, Minnesota

For the Year Ended December 31, 2023

CITY OF CHASKA, MINNESOTA

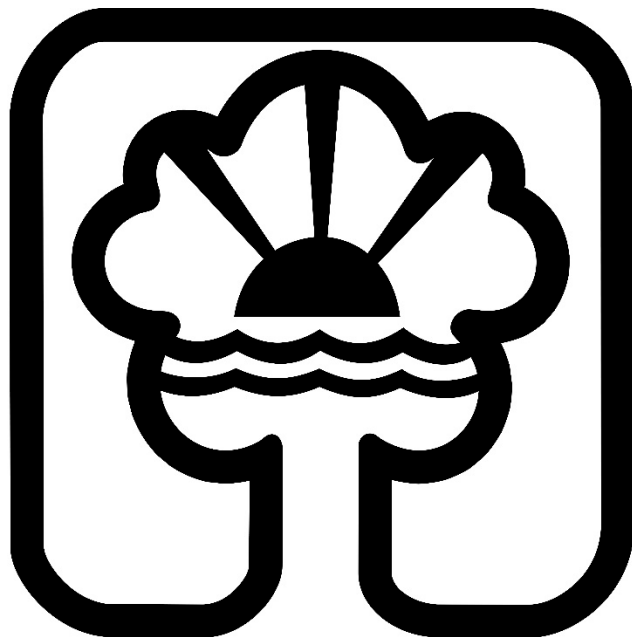
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash And Investments	\$ 1,592,451	\$ 9,793,638	\$ 13,438,459	\$ 24,824,548
Cash With Escrow Agent	-	920,464	-	920,464
Receivables:				
Taxes	2,758	2,945	42,470	48,173
Special Assessments	58,559	5,706,954	1,395,566	7,161,079
Accounts	300	-	193,474	193,774
Interest	356	-	53,389	53,745
Notes	34,913	-	-	34,913
Due From Other Funds	-	-	12,917,187	12,917,187
Due From Other Governments	500,000	-	1,365,581	1,865,581
Interfund Receivable	-	-	1,306,364	1,306,364
Leases Receivable	176,148	-	1,871,609	2,047,757
Advance To Other Funds	-	-	5,291,718	5,291,718
TOTAL ASSETS	\$ 2,365,485	\$ 16,424,001	\$ 37,875,817	\$ 56,665,303
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts Payable	\$ 500,178	\$ 2,918	\$ 824,684	\$ 1,327,780
Deposits Payable	9,641	-	21,314	30,955
Due To Other Funds	1,204,526	-	1,195,279	2,399,805
Due To Other Governments	-	-	1,586	1,586
Interfund Payable	-	-	1,075,352	1,075,352
Advance From Other Funds	-	-	2,968,475	2,968,475
Unearned Revenue	37,457	923,565	12,125	973,147
TOTAL LIABILITIES	1,751,802	926,483	6,098,815	8,777,100
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	1,146	1,624	25,300	28,070
Unavailable Revenue - Special Assessments	38,554	4,781,371	1,392,746	6,212,671
Unavailable Revenue - Notes Receivable	17,324	-	-	17,324
Lease Revenue For Subsequent Years	170,668	-	1,823,180	1,993,848
TOTAL DEFERRED INFLOWS OF RESOURCES	227,692	4,782,995	3,241,226	8,251,913
FUND BALANCES:				
Nonspendable	5,480	-	48,429	53,909
Restricted	1,246,364	10,714,523	9,733,405	21,694,292
Committed	336,321	-	2,582,768	2,919,089
Assigned	15,832	-	20,761,426	20,777,258
Unassigned	(1,218,006)	-	(4,590,252)	(5,808,258)
TOTAL FUND BALANCES	385,991	10,714,523	28,535,776	39,636,290
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,365,485	\$ 16,424,001	\$ 37,875,817	\$ 56,665,303

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 202,291	\$ 2,693,241	\$ 1,743,344	\$ 4,638,876
Tax Increment	-	-	1,704,266	1,704,266
Intergovernmental	1,939,799	-	2,402,206	4,342,005
Charges For Services	268,186	-	7,849,255	8,117,441
Special Assessments	47,728	865,089	351,595	1,264,412
Investment Earnings (Charges)	(27,307)	357,366	1,006,349	1,336,408
Leases	32,000	-	121,020	153,020
Other Revenue	15,604	-	97,133	112,737
	<u>2,478,301</u>	<u>3,915,696</u>	<u>15,275,168</u>	<u>21,669,165</u>
TOTAL REVENUES				
<u>EXPENDITURES</u>				
CURRENT:				
General Government	-	12,400	49,860	62,260
Economic Development	1,546,254	-	942,081	2,488,335
Public Safety	4,190	-	1,590,486	1,594,676
Public Works	13,739	-	911,927	925,666
Parks, Recreation And Arts	-	-	87,732	87,732
DEBT SERVICE:				
Principal	-	3,890,000	-	3,890,000
Interest	-	1,810,477	101,201	1,911,678
Issuance Costs And Fiscal Agent Fees	-	14,617	163,109	177,726
CAPITAL OUTLAY	-	-	3,270,560	3,270,560
	<u>1,564,183</u>	<u>5,727,494</u>	<u>7,116,956</u>	<u>14,408,633</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>914,118</u>	<u>(1,811,798)</u>	<u>8,158,212</u>	<u>7,260,532</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	2,074,215	5,449,185	7,523,400
Transfers Out	(59,000)	-	(10,293,198)	(10,352,198)
Bonds Issued	-	-	10,065,000	10,065,000
Premium on Bonds Issued	-	-	950,373	950,373
Lease Proceeds	-	-	164,756	164,756
Sale Of Capital Assets	-	-	25,425	25,425
	<u>(59,000)</u>	<u>2,074,215</u>	<u>6,361,541</u>	<u>8,376,756</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCES	855,118	262,417	14,519,753	15,637,288
FUND BALANCES (DEFICITS), JANUARY 1	<u>(469,127)</u>	<u>10,452,106</u>	<u>14,016,023</u>	<u>23,999,002</u>
FUND BALANCES, DECEMBER 31	<u>\$ 385,991</u>	<u>\$ 10,714,523</u>	<u>\$ 28,535,776</u>	<u>\$ 39,636,290</u>



Chaska

Nonmajor Special Revenue Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Nonmajor Special Revenue funds are used to account for specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The City reports the following funds.

- **Mount Pleasant Maintenance & Care Fund:**
This fund is used to account for property tax levies and lot sales that are legally restricted or committed for the maintenance of the cemetery and principal amounts received and related interest income for the care of Mount Pleasant Cemetery.
- **Chaska EDA Fund:**
This fund is used to report administrative activities associated with the Chaska Economic Development Authority. The Authority is authorized to levy ad valorem taxes to provide funds for its operations.
- **Police Forfeitures and Evidence Fund:**
This fund is used to report activities related to DUI and drug forfeitures. DUI forfeitures are administered in accordance with State Statute 169A.63. This fund is also used to account for evidence in the form of cash deposits, which will either be forfeited or returned to owners.
- **Commercial Revolving Loan Fund:**
This fund is used to provide commercial grants and loans, and to account for the payment proceeds.
- **Public Safety Aid Fund:**
This fund is used to report the receipt of one-time public safety aid distributed to cities across the State of Minnesota in 2023. These funds are required to be used for providing public safety.

CITY OF CHASKA, MINNESOTA

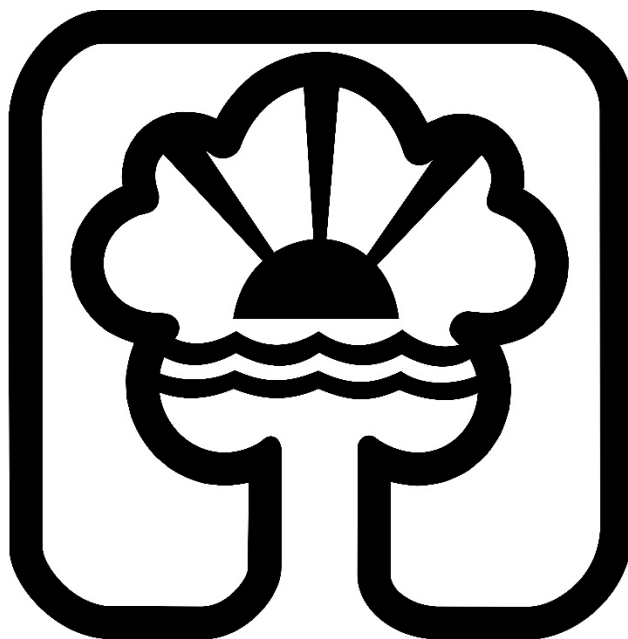
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	202 & 801	251	206	210	215	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	COMMERCIAL REVOLVING LOAN	PUBLIC SAFETY AID	TOTALS
ASSETS						
Cash And Investments	\$ 266,795	\$ -	\$ 17,479	\$ 81,177	\$ 1,227,000	\$ 1,592,451
Receivables:						
Taxes	56	2,702	-	-	-	2,758
Special Assessments:						
Unremitted	-	137	-	-	-	137
Delinquent	-	322	-	-	-	322
Deferred:						
Certified To County	-	38,232	-	-	-	38,232
City Owned	-	19,868	-	-	-	19,868
Accounts	300	-	-	-	-	300
Interest	-	356	-	-	-	356
Notes	-	-	-	34,913	-	34,913
Due From Other Governments	-	500,000	-	-	-	500,000
Leases Receivable	-	176,148	-	-	-	176,148
TOTAL ASSETS	\$ 267,151	\$ 737,765	\$ 17,479	\$ 116,090	\$ 1,227,000	\$ 2,365,485
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$ -	\$ 500,178	\$ -	\$ -	\$ -	\$ 500,178
Deposits Payable	-	2,200	7,441	-	-	9,641
Due To Other Funds	-	1,204,526	-	-	-	1,204,526
Unearned Revenue	-	19,868	-	17,589	-	37,457
TOTAL LIABILITIES	-	1,726,772	7,441	17,589	-	1,751,802
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Taxes	32	1,114	-	-	-	1,146
Unavailable Revenue - Special Assessments	-	38,554	-	-	-	38,554
Unavailable Revenue - Notes Receivable	-	-	-	17,324	-	17,324
Lease Revenue For Subsequent Years	-	170,668	-	-	-	170,668
TOTAL DEFERRED INFLOWS OF RESOURCES	32	210,336	-	17,324	-	227,692
FUND BALANCES:						
Nonspendable	-	5,480	-	-	-	5,480
Restricted	-	13,183	6,181	-	1,227,000	1,246,364
Committed	255,144	-	-	81,177	-	336,321
Assigned	11,975	-	3,857	-	-	15,832
Unassigned	-	(1,218,006)	-	-	-	(1,218,006)
TOTAL FUND BALANCES (DEFICITS)	267,119	(1,199,343)	10,038	81,177	1,227,000	385,991
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 267,151	\$ 737,765	\$ 17,479	\$ 116,090	\$ 1,227,000	\$ 2,365,485

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	202 & 801	251	206	210	215	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	COMMERCIAL REVOLVING LOAN	PUBLIC SAFETY AID	TOTALS
REVENUES:						
Taxes:						
Property	\$ 5,995	\$ 196,296	\$ -	\$ -	\$ -	\$ 202,291
Intergovernmental:						
State:						
Market Value Credit	1	29	-	-	-	30
Economic Development Grant	-	210,000	-	-	-	210,000
State Aid	-	-	-	-	1,222,269	1,222,269
County:						
Grants	-	7,500	-	-	-	7,500
Regional:						
Metropolitan Council	-	500,000	-	-	-	500,000
Charges For Services	4,300	263,886	-	-	-	268,186
Special Assessments	-	47,728	-	-	-	47,728
Investment Earnings (Charges)	11,932	(51,966)	3,332	4,664	4,731	(27,307)
Leases	-	32,000	-	-	-	32,000
Other Revenues	-	15,280	-	324	-	15,604
TOTAL REVENUES	22,228	1,220,753	3,332	4,988	1,227,000	2,478,301
EXPENDITURES:						
Current:						
Economic Development	-	1,509,357	-	36,897	-	1,546,254
Public Safety	-	-	4,190	-	-	4,190
Public Works	13,739	-	-	-	-	13,739
TOTAL EXPENDITURES	13,739	1,509,357	4,190	36,897	-	1,564,183
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,489	(288,604)	(858)	(31,909)	1,227,000	914,118
OTHER FINANCING SOURCES (USES):						
Transfers Out	-	-	(59,000)	-	-	(59,000)
NET CHANGE IN FUND BALANCES	8,489	(288,604)	(59,858)	(31,909)	1,227,000	855,118
FUND BALANCES (DEFICITS), JANUARY 1	258,630	(910,739)	69,896	113,086	-	(469,127)
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 267,119	\$ (1,199,343)	\$ 10,038	\$ 81,177	\$ 1,227,000	\$ 385,991



Chaska

Nonmajor debt service funds are used to account for the accumulation of resources and for the payment of principal, interest, and related costs on long-term debt of governmental funds. The individual nonmajor debt service funds are presented to distinguish between the various bond issues. The City reports the following bond types.

- **Improvement Bond Funds:**
These funds service debt on the improvement bonds issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to have benefited from such improvements.
- **Tax Increment Bond Funds:**
These funds service debt on the tax increment bonds issued to finance economic development and redevelopment projects.
- **Equipment Certificate Funds:**
These funds service debt on the general obligation equipment certificates issued to finance equipment purchases.
- **Revenue Bond Funds:**
These funds service debt on bonds that are supported by revenue pledged for repayment, such as specific fee revenue.
- **Tax Abatement Bond Funds:**
These funds service debt from the City's housing improvement areas and tax abatement programs.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2023

	314	317	318	320	322	323	324	325	326	327
	\$405,000 TAXABLE GO TA BONDS 2010	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A	\$9,000,000/ \$1,085,000 EDA LEASE REVENUE BONDS 2015B/2015D	\$5,940,000 GO IMP BONDS 2015B	\$9,570,000 GO IMP BONDS 2017B	\$2,035,000 TAXABLE GO BONDS 2017C
ASSETS										
Cash And Investments	\$ 323,615	\$ 253,580	\$ 384,457	\$ 306,838	\$ -	\$ 600,652	\$ 483,053	\$ 838,023	\$ 3,307,914	\$ 998,858
Cash With Escrow Agent	-	-	-	-	-	-	919,940	-	-	-
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	-
Special Assessments:										
Unremitted	-	-	-	-	-	-	-	609	769	-
Delinquent	-	-	14	-	-	-	-	1,517	11,338	719
Deferred:										
Certified To County	-	49,212	3,693	789,318	-	72,455	-	202,417	521,717	555,133
City Owned	-	109,656	-	181,361	-	-	-	330,855	-	-
TOTAL ASSETS	\$ 323,615	\$ 412,448	\$ 388,164	\$ 1,277,517	\$ -	\$ 673,107	\$ 1,402,993	\$ 1,373,421	\$ 3,841,738	\$ 1,554,710
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
LIABILITIES:										
Accounts Payable	\$ -	\$ 191	\$ 191	\$ 192	\$ -	\$ 192	\$ 383	\$ 191	\$ 191	\$ 191
Unearned Revenue	-	109,656	-	181,361	-	-	-	330,855	-	-
TOTAL LIABILITIES	-	109,847	191	181,553	-	192	383	331,046	191	191
DEFERRED INFLOWS OF RESOURCES:										
Unavailable Revenue - Taxes	-	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	49,212	3,707	789,318	-	72,455	-	203,934	533,055	555,852
TOTAL DEFERRED INFLOWS OF RESOURCES	-	49,212	3,707	789,318	-	72,455	-	203,934	533,055	555,852
FUND BALANCES:										
Restricted	323,615	253,389	384,266	306,646	-	600,460	1,402,610	838,441	3,308,492	998,667
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 323,615	\$ 412,448	\$ 388,164	\$ 1,277,517	\$ -	\$ 673,107	\$ 1,402,993	\$ 1,373,421	\$ 3,841,738	\$ 1,554,710

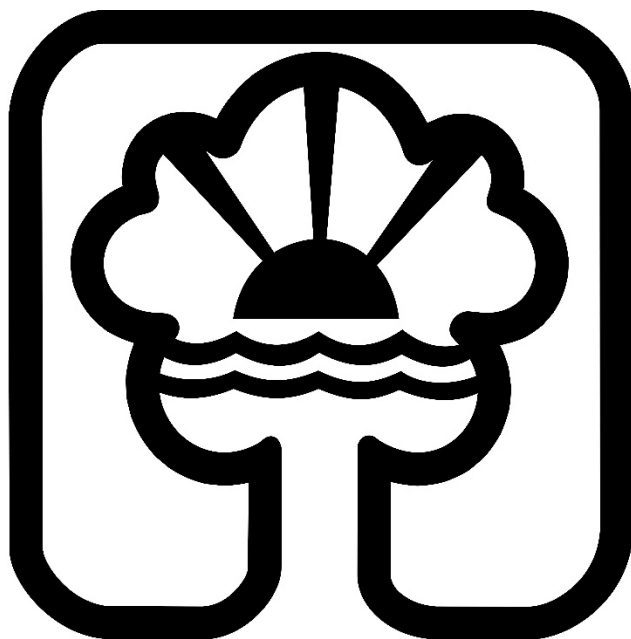
328	329	330	331	332	333, 334, 335	336	337	338	339	340	341	TOTALS
\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	\$4,940,000 TEMPORARY STATE AID STREET BONDS 2021A	\$5,680,000 GO IMP BONDS 2019B	\$1,250,000 TAXABLE GO IMP BONDS 2019D	\$2,600,000 TAXABLE GO TIF BONDS 2019D	\$1,740,000 GO IMP REF BONDS 2019E	\$6,285,000 TAXABLE REVENUE BONDS 2020A	\$1,530,000 TAXABLE REVENUE BONDS 2020B	\$1,725,000 GO IMP BONDS 2020C	\$8,287,000 GO TEMPORARY STATE AID STREET BONDS 2022A	\$10,065,000 GO IMP BONDS 2023A	
\$ 41,085	\$ 192,377	\$ 313,990	\$ 609,660	\$ 343,561	\$ 122,713	\$ 155,019	\$ 31,218	\$ 20,254	\$ 342,609	\$ 59,931	\$ 64,231	\$ 9,793,638
-	-	-	-	-	-	-	421	103	-	-	-	920,464
-	-	-	-	-	-	2,945	-	-	-	-	-	2,945
-	-	-	398	-	-	-	-	-	242	-	-	2,018
-	-	-	3,098	69,732	-	-	-	-	1,088	-	-	87,506
-	18,972	-	834,369	809,554	-	505,750	-	-	124,237	-	207,038	4,693,865
-	-	-	301,693	-	-	-	-	-	-	-	-	923,565
<u>\$ 41,085</u>	<u>\$ 211,349</u>	<u>\$ 313,990</u>	<u>\$ 1,749,218</u>	<u>\$ 1,222,847</u>	<u>\$ 122,713</u>	<u>\$ 663,714</u>	<u>\$ 31,639</u>	<u>\$ 20,357</u>	<u>\$ 468,176</u>	<u>\$ 59,931</u>	<u>\$ 271,269</u>	<u>\$ 16,424,001</u>
\$ -	\$ -	\$ 191	\$ 191	\$ 64	\$ 128	\$ 191	\$ 191	\$ 192	\$ 48	\$ -	\$ -	\$ 2,918
-	-	-	301,693	-	-	-	-	-	-	-	-	923,565
-	-	191	301,884	64	128	191	191	192	48	-	-	926,483
-	-	-	-	-	-	1,624	-	-	-	-	-	1,624
-	18,972	-	837,467	879,286	-	505,750	-	-	125,325	-	207,038	4,781,371
-	18,972	-	837,467	879,286	-	507,374	-	-	125,325	-	207,038	4,782,995
41,085	192,377	313,799	609,867	343,497	122,585	156,149	31,448	20,165	342,803	59,931	64,231	10,714,523
<u>\$ 41,085</u>	<u>\$ 211,349</u>	<u>\$ 313,990</u>	<u>\$ 1,749,218</u>	<u>\$ 1,222,847</u>	<u>\$ 122,713</u>	<u>\$ 663,714</u>	<u>\$ 31,639</u>	<u>\$ 20,357</u>	<u>\$ 468,176</u>	<u>\$ 59,931</u>	<u>\$ 271,269</u>	<u>\$ 16,424,001</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	314	317	318	320	322	323	324	325	326	327
	\$405,000 TAXABLE GO TA BONDS 2010	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A	\$9,000,000/ \$1,085,000 EDA LEASE REVENUE BONDS 2015B/2015D	\$5,940,000 GO IMP BONDS 2015B	\$9,570,000 GO IMP BONDS 2017B	\$2,035,000 TAXABLE GO BONDS 2017C
REVENUES:										
Taxes:										
Property	\$ 36,350	\$ 163,000	\$ 101,000	\$ 185,000	\$ -	\$ 465,000	\$ -	\$ 490,000	\$ 454,000	\$ -
Special Assessments	-	16,105	12,273	117,652	-	19,059	-	33,432	237,275	100,385
Investment Earnings	14,499	6,221	12,317	15,445	-	12,572	44,692	23,221	132,056	41,330
TOTAL REVENUES	50,849	185,326	125,590	318,097	-	496,631	44,692	546,653	823,331	141,715
EXPENDITURES:										
Current:										
General Government	-	1,550	1,550	-	3,100	-	-	-	3,100	-
Debt Service:										
Principal	30,000	155,000	215,000	240,000	115,000	530,000	305,000	380,000	405,000	145,000
Interest	3,243	20,580	27,685	16,275	1,783	60,325	326,925	148,744	299,850	40,829
Issuance Costs And Fiscal Agent Fees	20	715	191	297	-	192	3,582	191	691	691
TOTAL EXPENDITURES	33,263	177,845	244,426	256,572	119,883	590,517	635,507	528,935	708,641	186,520
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,586	7,481	(118,836)	61,525	(119,883)	(93,886)	(590,815)	17,718	114,690	(44,805)
OTHER FINANCING SOURCES:										
Transfers In	-	-	60,000	31,000	3,382	80,791	555,000	-	86,369	20,466
NET CHANGE IN FUND BALANCES	17,586	7,481	(58,836)	92,525	(116,501)	(13,095)	(35,815)	17,718	201,059	(24,339)
FUND BALANCES, JANUARY 1	306,029	245,908	443,102	214,121	116,501	613,555	1,438,425	820,723	3,107,433	1,023,006
FUND BALANCES, DECEMBER 31	\$ 323,615	\$ 253,389	\$ 384,266	\$ 306,646	\$ -	\$ 600,460	\$ 1,402,610	\$ 838,441	\$ 3,308,492	\$ 998,667

328	329	330	331	332	333, 334, 335	336	337	338	339	340	341	TOTALS
\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	\$4,940,000 TEMPORARY STATE AID STREET BONDS 2021A	\$5,680,000 GO IMP BONDS 2019B	\$1,250,000 TAXABLE GO IMP BONDS 2019D	\$2,600,000 TAXABLE GO TIF BONDS 2019D	\$1,740,000 GO IMP REF BONDS 2019E	\$6,285,000 TAXABLE REVENUE BONDS 2020A	\$1,530,000 TAXABLE REVENUE BONDS 2020B	\$1,725,000 GO IMP BONDS 2020C	\$8,287,000 GO TEMPORARY STATE AID STREET BONDS 2022A	\$10,065,000 GO IMP BONDS 2023A	
\$ -	\$ 113,000	\$ -	\$ 458,000	\$ -	\$ -	\$ 117,891	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ 2,693,241
-	4,504	-	86,501	63,784	-	89,511	-	-	20,625	-	63,983	865,089
172	5,282	5,081	12,683	13,567	526	1,360	867	689	14,216	322	248	357,366
172	122,786	5,081	557,184	77,351	526	208,762	867	689	144,841	322	64,231	3,915,696
-	3,100	-	-	-	-	-	-	-	-	-	-	12,400
35,000	95,000	190,000	360,000	80,000	35,000	155,000	275,000	65,000	80,000	-	-	3,890,000
11,350	17,590	107,285	191,468	30,247	75,945	54,525	156,342	42,550	57,400	119,536	-	1,810,477
500	500	691	742	314	428	742	1,891	1,891	348	-	-	14,617
46,850	116,190	297,976	552,210	110,561	111,373	210,267	433,233	109,441	137,748	119,536	-	5,727,494
(46,678)	6,596	(292,895)	4,974	(33,210)	(110,847)	(1,505)	(432,366)	(108,752)	7,093	(119,214)	64,231	(1,811,798)
47,000	-	300,000	48,142	-	169,805	-	425,000	105,000	-	142,260	-	2,074,215
322	6,596	7,105	53,116	(33,210)	58,958	(1,505)	(7,366)	(3,752)	7,093	23,046	64,231	262,417
40,763	185,781	306,694	556,751	376,707	63,627	157,654	38,814	23,917	335,710	36,885	-	10,452,106
\$ 41,085	\$ 192,377	\$ 313,799	\$ 609,867	\$ 343,497	\$ 122,585	\$ 156,149	\$ 31,448	\$ 20,165	\$ 342,803	\$ 59,931	\$ 64,231	\$ 10,714,523



Chaska

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

- **Tax Increment Funds:**
These funds receive revenue from general property taxes in the form of tax increment. Revenues are used by the Chaska Economic Development Authority (EDA) to promote affordable housing and development by providing financing aids to developers.
- **Major Road Construction Fund:**
This fund collects Minnesota State Aid (MSA) revenue designated for road construction.
- **Permanent Improvement Revolving Funds:**
These funds are used to collect development fees charged for the purpose of construction of the City's utility systems. Three separate funds are shown: the Water trunk fund, the Sewer trunk fund and the Storm Water trunk fund.
- **Public Facilities Capital Improvement Fund:**
This fund is used to account for sources to be used to finance future capital facility construction and improvements to existing City facilities.
- **Fire Protection Systems Fund:**
This fund is used to account for receipts and expenditures for the fire protection systems.
- **Improvement Revolving Fund:**
This fund is used to collect special assessments for bonds that have matured and provide funding for projects.
- **Equipment Acquisition Fund:**
This fund is used to collect property tax levies appropriated by budget for capital equipment acquisition.
- **Park Development Fund:**
This fund is used to collect park dedication fees for construction of City parks.
- **Southwest Chaska Transportation Fund:**
This fund is used to account for fees charged to developers for the expansion of transportation projects in the southwest Chaska area.
- **Community Fund:**
This fund is used to account for resources to support current and future improvement projects.
- **Abatement Program Fund:**
This fund is used to account for the City and EDA's Tax Abatement program.
- **Annual Street Replacement Fund:**
This fund is used for the City's annual street reconstruction program.
- **Creek Road Phase II Improvement Fund:**
This fund is used to account for the Creek Road utility improvements and funding sources.
- **Minnesota River Bluffs Regional Trail Fund:**
This fund is used to account for receipts and expenditures related to extending the Minnesota River Bluffs Regional Trail into Chaska.
- **Engler Boulevard Fund:**
This fund is used to account for capital improvements and reconstruction of a section of Engler Boulevard.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2023

	401	402	403	404	407	444	445	
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	PUBLIC FACILITIES CAPITAL IMPROVEMENT	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING
ASSETS								
Cash And Investments	\$ 3,751,374	\$ 366,913	\$ 780,995	\$ 528,820	\$ 69,239	\$ 517,227	\$ 78,065	\$ 742,737
Receivables:								
Taxes	5,925	-	-	-	-	-	-	-
Special Assessments:								
Unremitted	-	-	-	237	391	-	-	1,616
Delinquent	-	-	47	63	57	-	-	32,861
Deferred:								
Certified To County	-	-	21,742	29,163	14,778	-	121,815	523,586
Accounts	12,125	-	14,763	19,813	71,232	-	-	-
Interest	4,534	2,305	10,201	10,737	-	865	-	1,211
Due From Other Funds	-	500,000	5,000,000	4,688,062	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	962,548	-	5,609	-	143,241
Leases Receivable	-	-	-	-	-	-	-	-
Advance To Other Funds	-	-	-	-	-	74,556	-	404,613
TOTAL ASSETS	\$ 3,773,958	\$ 869,218	\$ 5,827,748	\$ 6,239,443	\$ 155,697	\$ 598,257	\$ 199,880	\$ 1,849,865
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES:								
Accounts Payable	\$ 8,613	\$ -	\$ 227	\$ 226	\$ 227	\$ 121,181	\$ -	\$ -
Deposits Payable	1,314	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-	-	-
Due To Other Governments	-	-	-	-	-	-	-	-
Interfund Payable	1,075,352	-	-	-	-	-	-	-
Advance From Other Funds	2,268,475	-	-	-	-	-	-	-
Unearned Revenue	12,125	-	-	-	-	-	-	-
TOTAL LIABILITIES	3,365,879	-	227	226	227	121,181	-	-
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - Taxes	5,004	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	21,789	29,226	14,835	-	121,815	556,447
Lease Revenue For Subsequent Years	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	5,004	-	21,789	29,226	14,835	-	121,815	556,447
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,754,739	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	869,218	5,805,732	6,209,991	140,635	477,076	78,065	1,293,418
Unassigned	(3,351,664)	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	403,075	869,218	5,805,732	6,209,991	140,635	477,076	78,065	1,293,418
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,773,958	\$ 869,218	\$ 5,827,748	\$ 6,239,443	\$ 155,697	\$ 598,257	\$ 199,880	\$ 1,849,865

	448	449	450	451	453	524	533	534	535	
	EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	CREEK ROAD PHASE II IMPROVEMENTS	MINNESOTA RIVER BLUFFS REGIONAL TRAIL	ENGLER BOULEVARD	TOTALS
\$	3,224,635	\$ 1,110,373	\$ 1,033,897	\$ 180,550	\$ 14,585	\$ 1,039,049	\$ -	\$ -	\$ -	\$ 13,438,459
	36,545	-	-	-	-	-	-	-	-	42,470
	-	576	-	-	-	-	-	-	-	2,820
	-	210	34,917	-	-	-	-	-	-	68,155
	-	172,433	233,766	-	-	207,308	-	-	-	1,324,591
	4,330	71,211	-	-	-	-	-	-	-	193,474
	15,684	3,706	1,550	455	-	2,141	-	-	-	53,389
	-	1,204,526	-	-	-	1,524,599	-	-	-	12,917,187
	194,966	-	-	-	-	155,545	1,210,036	-	-	1,365,581
	1,871,609	-	-	-	-	-	-	-	-	1,306,364
	4,812,549	-	-	-	-	-	-	-	-	1,871,609
										5,291,718
\$	<u>10,160,318</u>	<u>\$ 2,563,035</u>	<u>\$ 1,304,130</u>	<u>\$ 181,005</u>	<u>\$ 14,585</u>	<u>\$ 2,928,642</u>	<u>\$ 1,210,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,875,817</u>
\$	19,237	\$ 6,133	\$ -	\$ -	\$ -	\$ 116,881	\$ 510,014	\$ 28,415	\$ 13,530	\$ 824,684
	-	20,000	-	-	-	-	-	-	-	21,314
	-	-	-	-	-	-	822,900	372,379	-	1,195,279
	-	-	-	-	-	-	1,586	-	-	1,586
	-	-	-	-	-	-	-	-	-	1,075,352
	-	-	-	-	700,000	-	-	-	-	2,968,475
	-	-	-	-	-	-	-	-	-	12,125
	<u>19,237</u>	<u>26,133</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>116,881</u>	<u>1,334,500</u>	<u>400,794</u>	<u>13,530</u>	<u>6,098,815</u>
	20,296	-	-	-	-	-	-	-	-	25,300
	-	172,643	268,683	-	-	207,308	-	-	-	1,392,746
	<u>1,823,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,823,180</u>
	<u>1,843,476</u>	<u>172,643</u>	<u>268,683</u>	<u>-</u>	<u>-</u>	<u>207,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,241,226</u>
	48,429	-	-	-	-	-	-	-	-	48,429
	5,964,281	-	-	-	14,385	-	-	-	-	9,733,405
	-	-	-	93,117	-	2,489,651	-	-	-	2,582,768
	2,284,895	2,364,259	1,035,447	87,888	-	114,802	-	-	-	20,761,426
	-	-	-	-	(699,800)	-	(124,464)	(400,794)	(13,530)	(4,590,252)
	<u>8,297,605</u>	<u>2,364,259</u>	<u>1,035,447</u>	<u>181,005</u>	<u>(685,415)</u>	<u>2,604,453</u>	<u>(124,464)</u>	<u>(400,794)</u>	<u>(13,530)</u>	<u>28,535,776</u>
\$	<u>10,160,318</u>	<u>\$ 2,563,035</u>	<u>\$ 1,304,130</u>	<u>\$ 181,005</u>	<u>\$ 14,585</u>	<u>\$ 2,928,642</u>	<u>\$ 1,210,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,875,817</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	401	402	403	404	407	444	445	
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	PUBLIC FACILITIES CAPITAL IMPROVEMENT	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING
REVENUES:								
Taxes:								
General Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Increment	1,704,266	-	-	-	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	1,191,657	-	-	-	-	-	-
Charges For Services:								
Connection Charges	-	-	3,152,143	2,587,553	-	-	-	-
Acreage Charges	-	-	186,548	190,742	316,691	-	-	-
Other Charges for Services	-	-	-	-	-	51,726	-	-
Special Assessments	83,954	-	50,081	16,932	12,881	-	-	12,206
Investment Earnings (Charges)	134,535	57,083	265,468	324,724	7,595	27,138	3,465	59,214
Leases	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-
TOTAL REVENUES	1,922,755	1,248,740	3,654,240	3,119,951	337,167	78,864	3,465	71,420
EXPENDITURES:								
Current:								
General Government	13,050	-	-	-	-	13,839	-	-
Economic Development	788,045	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	1,578,864	-	-
Public Works	-	-	56,565	27,221	29,708	-	-	-
Parks, Recreation And Arts	-	-	-	-	-	-	-	-
Debt Service:								
Interest	101,201	-	-	-	-	-	-	-
Issuance Costs And Fiscal Agent Fees	-	-	-	-	-	-	-	-
Capital Outlay:								
Land	-	-	-	-	-	-	-	-
Furniture And Equipment	-	-	-	-	-	-	-	-
System Improvements:								
Water	-	-	-	-	-	-	-	-
Sanitary Sewer	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Storm Sewer	-	-	-	-	-	-	-	-
Other Improvements	-	-	-	-	-	-	-	-
Leased Equipment	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	902,296	-	56,565	27,221	29,708	1,592,703	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,020,459	1,248,740	3,597,675	3,092,730	307,459	(1,513,839)	3,465	71,420
OTHER FINANCING SOURCES (USES):								
Transfers In	-	23,093	-	-	-	1,525,000	-	-
Transfers Out	(216,805)	(2,029,524)	(1,708,376)	(2,411,151)	(216,870)	-	-	-
Bonds Issued	-	-	-	-	-	-	-	-
Premium On Bonds Issued	-	-	-	-	-	-	-	-
Lease Proceeds	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(216,805)	(2,006,431)	(1,708,376)	(2,411,151)	(216,870)	1,525,000	-	-
NET CHANGE IN FUND BALANCES	803,654	(757,691)	1,889,299	681,579	90,589	11,161	3,465	71,420
FUND BALANCES (DEFICITS), JANUARY 1	(400,579)	1,626,909	3,916,433	5,528,412	50,046	465,915	74,600	1,221,998
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 403,075	\$ 869,218	\$ 5,805,732	\$ 6,209,991	\$ 140,635	\$ 477,076	\$ 78,065	\$ 1,293,418

448	449	450	451	453	524	533	534	535	
EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	CREEK ROAD PHASE II IMPROVEMENTS	MINNESOTA RIVER BLUFFS REGIONAL TRAIL	ENGLER BOULEVARD	TOTALS
\$ 1,563,958	\$ -	\$ -	\$ -	\$ 179,386	\$ -	\$ -	\$ -	\$ -	\$ 1,743,344
-	-	-	-	-	-	-	-	-	1,704,266
-	-	-	-	-	-	1,210,036	-	-	1,210,036
513	-	-	-	-	-	-	-	-	1,192,170
-	-	-	-	-	-	-	-	-	5,739,696
-	807,011	534,726	-	-	-	-	-	-	2,035,718
18,111	-	-	-	4,004	-	-	-	-	73,841
-	65,819	86,811	-	-	22,911	-	-	-	351,595
(65,159)	95,594	40,110	12,089	2,308	51,165	(1,135)	(7,845)	-	1,006,349
121,020	-	-	-	-	-	-	-	-	121,020
70,019	27,114	-	-	-	-	-	-	-	97,133
<u>1,708,462</u>	<u>995,538</u>	<u>661,647</u>	<u>12,089</u>	<u>185,698</u>	<u>74,076</u>	<u>1,208,901</u>	<u>(7,845)</u>	<u>-</u>	<u>15,275,168</u>
22,971	-	-	-	-	-	-	-	-	49,860
-	-	-	-	154,036	-	-	-	-	942,081
11,622	-	-	-	-	-	-	-	-	1,590,486
-	-	-	-	-	175,475	216,479	392,949	13,530	911,927
-	87,732	-	-	-	-	-	-	-	87,732
-	-	-	-	-	-	-	-	-	101,201
142,454	-	-	-	-	20,655	-	-	-	163,109
-	-	-	-	-	90	-	-	-	90
734,539	-	-	-	-	-	-	-	-	734,539
-	-	-	-	-	-	76,896	-	-	76,896
-	-	-	-	-	23,305	760,906	-	-	784,211
-	-	-	-	-	508,369	449,130	-	-	957,499
-	-	-	-	-	6,823	204,954	-	-	211,777
-	336,781	-	-	-	-	-	-	-	336,781
168,767	-	-	-	-	-	-	-	-	168,767
<u>1,080,353</u>	<u>424,513</u>	<u>-</u>	<u>-</u>	<u>154,036</u>	<u>734,717</u>	<u>1,708,365</u>	<u>392,949</u>	<u>13,530</u>	<u>7,116,956</u>
628,109	571,025	661,647	12,089	31,662	(660,641)	(499,464)	(400,794)	(13,530)	8,158,212
161,092	500,000	-	2,130,000	-	735,000	375,000	-	-	5,449,185
(1,003,684)	(441,816)	(105,000)	(2,139,506)	(20,466)	-	-	-	-	(10,293,198)
8,815,000	-	-	-	-	1,250,000	-	-	-	10,065,000
787,292	-	-	-	-	163,081	-	-	-	950,373
164,756	-	-	-	-	-	-	-	-	164,756
25,425	-	-	-	-	-	-	-	-	25,425
<u>8,949,881</u>	<u>58,184</u>	<u>(105,000)</u>	<u>(9,506)</u>	<u>(20,466)</u>	<u>2,148,081</u>	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>6,361,541</u>
9,577,990	629,209	556,647	2,583	11,196	1,487,440	(124,464)	(400,794)	(13,530)	14,519,753
(1,280,385)	1,735,050	478,800	178,422	(696,611)	1,117,013	-	-	-	14,016,023
<u>\$ 8,297,605</u>	<u>\$ 2,364,259</u>	<u>\$ 1,035,447</u>	<u>\$ 181,005</u>	<u>\$ (685,415)</u>	<u>\$ 2,604,453</u>	<u>\$ (124,464)</u>	<u>\$ (400,794)</u>	<u>\$ (13,530)</u>	<u>\$ 28,535,776</u>

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - TAX INCREMENT
DECEMBER 31, 2023

	426	427	428	429	431	432
	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	DIST #17 CHASKA PRESERVE	DIST #18 CHASKA BUILDING CENTER
ASSETS						
Cash And Investments	\$ 614,848	\$ 191,302	\$ 2,090	\$ -	\$ 100,893	\$ 296,956
Receivables:						
Taxes	5,925	-	-	-	-	-
Accounts	-	-	-	-	-	12,125
Interest	-	-	-	-	-	489
TOTAL ASSETS	\$ 620,773	\$ 191,302	\$ 2,090	\$ -	\$ 100,893	\$ 309,570
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits Payable	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-
Advance From Other Funds	-	-	2,268,475	-	-	-
Unearned Revenue	-	-	-	-	-	12,125
TOTAL LIABILITIES	-	-	2,268,475	-	-	12,125
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Taxes	5,004	-	-	-	-	-
FUND BALANCES:						
Restricted	615,769	191,302	-	-	100,893	297,445
Unassigned	-	-	(2,266,385)	-	-	-
TOTAL FUND BALANCES (DEFICITS)	615,769	191,302	(2,266,385)	-	100,893	297,445
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 620,773	\$ 191,302	\$ 2,090	\$ -	\$ 100,893	\$ 309,570

433	434	435	436	437	438	439	
DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	DIST #23 CITY SQUARE WEST PROJECT	DIST #24 CHASKA CREEK INDUSTRIAL PROJECT	TEMPORARY TRANSFER AUTHORITY	TOTALS
\$ 201,733	\$ -	\$ -	\$ -	\$ -	\$ 13,736	\$ 2,329,816	\$ 3,751,374
-	-	-	-	-	-	-	5,925
-	-	-	-	-	-	-	12,125
-	-	-	-	-	-	4,045	4,534
<u>\$ 201,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,736</u>	<u>\$ 2,333,861</u>	<u>\$ 3,773,958</u>
\$ -	\$ -	\$ -	\$ 8,613	\$ -	\$ -	\$ -	\$ 8,613
-	-	1,314	-	-	-	-	1,314
-	25,220	87,584	80,438	882,110	-	-	1,075,352
-	-	-	-	-	-	-	2,268,475
-	-	-	-	-	-	-	12,125
-	25,220	88,898	89,051	882,110	-	-	3,365,879
-	-	-	-	-	-	-	5,004
201,733	-	-	-	-	13,736	2,333,861	3,754,739
-	(25,220)	(88,898)	(89,051)	(882,110)	-	-	(3,351,664)
<u>201,733</u>	<u>(25,220)</u>	<u>(88,898)</u>	<u>(89,051)</u>	<u>(882,110)</u>	<u>13,736</u>	<u>2,333,861</u>	<u>403,075</u>
<u>\$ 201,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,736</u>	<u>\$ 2,333,861</u>	<u>\$ 3,773,958</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECT FUNDS - TAX INCREMENT
 FOR THE YEAR ENDED DECEMBER 31, 2023

	426	427	428	429	431	432
	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	DIST #17 CHASKA PRESERVE	DIST #18 CHASKA BUILDING CENTER
REVENUES:						
Taxes:						
Tax Increment	\$ 680,067	\$ 265,591	\$ 129,404	\$ 13,613	\$ 80,732	\$ 96,640
Special Assessments	-	-	-	-	-	83,954
Investment Earnings	5,999	2,198	1,171	15	2,198	12,381
TOTAL REVENUES	686,066	267,789	130,575	13,628	82,930	192,975
EXPENDITURES:						
Current:						
General Government	1,450	1,450	1,450	1,450	1,450	1,450
Economic Development	187,385	203,090	700	16,306	16,973	16,613
Debt Service:						
Interest	-	-	101,201	-	-	-
TOTAL EXPENDITURES	188,835	204,540	103,351	17,756	18,423	18,063
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	497,231	63,249	27,224	(4,128)	64,507	174,912
OTHER FINANCING SOURCES (USES):						
Transfers Out	-	-	(47,000)	-	-	(124,200)
NET CHANGE IN FUND BALANCES	497,231	63,249	(19,776)	(4,128)	64,507	50,712
FUND BALANCES (DEFICITS), JANUARY 1	118,538	128,053	(2,246,609)	4,128	36,386	246,733
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 615,769	\$ 191,302	\$ (2,266,385)	\$ -	\$ 100,893	\$ 297,445

433	434	435	436	437	438	439	
DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	DIST #23 CITY SQUARE WEST PROJECT	DIST #24 CHASKA CREEK INDUSTRIAL PROJECT	TEMPORARY TRANSFER AUTHORITY	TOTALS
\$ 288,017	\$ 10,651	\$ 27,260	\$ -	\$ -	\$ 112,291	\$ -	\$ 1,704,266
-	-	-	-	-	-	-	83,954
2,098	-	-	-	-	1,015	107,460	134,535
<u>290,115</u>	<u>10,651</u>	<u>27,260</u>	<u>-</u>	<u>-</u>	<u>113,306</u>	<u>107,460</u>	<u>1,922,755</u>
1,450	1,450	1,450	-	-	-	-	13,050
209,203	1,504	4,463	24,812	51,000	55,996	-	788,045
-	-	-	-	-	-	-	101,201
<u>210,653</u>	<u>2,954</u>	<u>5,913</u>	<u>24,812</u>	<u>51,000</u>	<u>55,996</u>	<u>-</u>	<u>902,296</u>
<u>79,462</u>	<u>7,697</u>	<u>21,347</u>	<u>(24,812)</u>	<u>(51,000)</u>	<u>57,310</u>	<u>107,460</u>	<u>1,020,459</u>
-	(12,350)	(33,255)	-	-	-	-	(216,805)
79,462	(4,653)	(11,908)	(24,812)	(51,000)	57,310	107,460	803,654
<u>122,271</u>	<u>(20,567)</u>	<u>(76,990)</u>	<u>(64,239)</u>	<u>(831,110)</u>	<u>(43,574)</u>	<u>2,226,401</u>	<u>(400,579)</u>
<u>\$ 201,733</u>	<u>\$ (25,220)</u>	<u>\$ (88,898)</u>	<u>\$ (89,051)</u>	<u>\$ (882,110)</u>	<u>\$ 13,736</u>	<u>\$ 2,333,861</u>	<u>\$ 403,075</u>

Nonmajor Budgeted Special Revenue and Capital Project Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2023

The City adopts budgets for the following two nonmajor special revenue funds and one nonmajor capital project fund:

- **Mount Pleasant Maintenance & Care Fund – Special Revenue**
- **Chaska EDA Fund – Special Revenue**
- **Equipment Acquisition Fund – Capital Project**

CITY OF CHASKA, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MOUNT PLEASANT MAINTENANCE & CARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<u>REVENUES:</u>			
Taxes:			
Property	\$ 6,000	\$ 5,995	\$ (5)
Intergovernmental:			
State:			
Market Value Credit	-	1	1
Charges For Services	2,400	4,300	1,900
Investment Earnings	300	11,932	11,632
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	8,700	22,228	13,528
<u>EXPENDITURES:</u>			
Current:			
Public Works:			
Other Services And Charges	13,500	13,739	(239)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(4,800)	8,489	13,289
FUND BALANCES, JANUARY 1	258,630	258,630	-
	<hr/>	<hr/>	<hr/>
FUND BALANCES, DECEMBER 31	\$ 253,830	\$ 267,119	\$ 13,289
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CHASKA, MINNESOTA

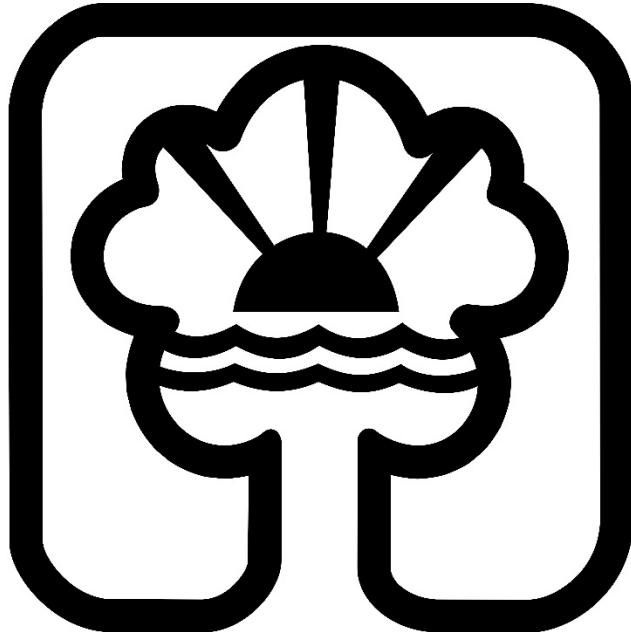
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHASKA EDA SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 196,308	\$ 196,296	\$ (12)
Intergovernmental:			
State:			
Market Value Credit	-	29	29
Economic Development Grant	-	210,000	210,000
County:			
Grants	-	7,500	7,500
Regional:			
Metropolitan Council	-	500,000	500,000
Charges For Services	263,886	263,886	-
Special Assessments	40,000	47,728	7,728
Investment Earnings (Charges)	(5,400)	(51,966)	(46,566)
Leases	32,400	32,000	(400)
Other:			
Payments	-	15,280	15,280
TOTAL REVENUES	527,194	1,220,753	693,559
<u>EXPENDITURES:</u>			
Current:			
Economic Development:			
Other Services And Charges	507,494	1,509,357	(1,001,863)
Debt Service:			
Principal	16,800	-	16,800
Interest	2,900	-	2,900
TOTAL EXPENDITURES	527,194	1,509,357	(982,163)
EXCESS OF REVENUES OVER EXPENDITURES	-	(288,604)	(288,604)
NET CHANGE IN FUND BALANCES	-	(288,604)	(288,604)
FUND BALANCES (DEFICITS), JANUARY 1	(910,739)	(910,739)	-
FUND BALANCES (DEFICITS), DECEMBER 31	\$ (910,739)	\$ (1,199,343)	\$ (288,604)

CITY OF CHASKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 EQUIPMENT ACQUISITION CAPITAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
Property	\$ 4,106,500	\$ 4,106,500	\$ 1,563,958	\$ (2,542,542)
Intergovernmental:				
State:				
Market Value Credit	-	-	513	513
Charges For Services	30,500	30,500	18,111	(12,389)
Investment Earnings (Charges)	-	-	(65,159)	(65,159)
Leases	109,000	109,000	121,020	12,020
Other Revenue	-	-	70,019	70,019
TOTAL REVENUES	4,246,000	4,246,000	1,708,462	(2,537,538)
EXPENDITURES:				
Current:				
General Government	10,000	10,000	22,971	(12,971)
Public Safety	-	-	11,622	(11,622)
Debt Service:				
Issuance Costs And Fiscal Agent Fees	93,000	93,000	142,454	(49,454)
Capital Outlay:				
Furniture And Equipment:				
General Government	300,500	300,500	484,780	(184,280)
Public Safety	250,000	310,000	119,556	190,444
Public Works	341,000	341,000	66,542	274,458
Parks, Recreation and Arts	-	-	63,661	(63,661)
Leased Equipment:				
General Government	-	-	8,916	(8,916)
Public Safety	-	-	159,851	(159,851)
TOTAL EXPENDITURES	994,500	1,054,500	1,080,353	(25,853)
EXCESS OF REVENUES OVER EXPENDITURES	3,251,500	3,191,500	628,109	(2,563,391)
OTHER FINANCING SOURCES (USES):				
Transfers In	32,000	92,000	161,092	69,092
Transfers Out	(3,686,000)	(3,686,000)	(1,003,684)	2,682,316
Bonds Issued	402,500	402,500	8,815,000	8,412,500
Premium On Bonds Issued	-	-	787,292	787,292
Lease Proceeds	-	-	164,756	164,756
Sale of Capital Assets	-	-	25,425	25,425
TOTAL OTHER FINANCING SOURCES (USES)	(3,251,500)	(3,191,500)	8,949,881	12,141,381
NET CHANGE IN FUND BALANCES	-	-	9,577,990	9,577,990
FUND BALANCES (DEFICITS), JANUARY 1	(1,280,385)	(1,280,385)	(1,280,385)	-
FUND BALANCES (DEFICITS), DECEMBER 31	\$ (1,280,385)	\$ (1,280,385)	\$ 8,297,605	\$ 9,577,990



Chaska

Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise. It is the intent of the City Council that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. This type of fund is also used where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The City has four nonmajor enterprise funds.

- **Sewer Fund:**
This fund is used to account for the operation of the City's Sewer Utility.
- **The Loop at Chaska Fund:**
This fund is used to account for the operation of the City's 9-hole barrier-free public golf course.
- **Chaska Town Course Fund:**
This fund is used to account for the operation of the City's 18-hole public golf course.
- **Storm Water Fund:**
This fund is used to account for the operation of the City's Storm Water Utility.

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023

	SEWER	THE LOOP AT CHASKA	CHASKA TOWN COURSE	STORM WATER	TOTALS
ASSETS					
Current Assets:					
Cash And Investments	\$ 822,480	\$ -	\$ 335,657	\$ 626,462	\$ 1,784,599
Receivables:					
Special Assessments	1,888	-	-	3,364	5,252
Accounts					
Current	576,446	-	6,494	183,885	766,825
Unbilled	604,193	-	-	-	604,193
Allowance For Uncollectible Accounts	(17,072)	-	-	(5,407)	(22,479)
Interest	2,244	-	3,174	4,596	10,014
Due From Other Funds	2,000,000	-	1,438,724	3,000,000	6,438,724
Due From Other Governments	-	-	-	4,000	4,000
Inventories	5,428	-	66,492	-	71,920
Total Current Assets	3,995,607	-	1,850,541	3,816,900	9,663,048
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	466,545	466,545
Construction In Progress	-	5,249,072	-	301,337	5,550,409
Buildings	255,000	-	8,248,353	604,308	9,107,661
Other Improvements	-	84,079	1,121,526	132,172	1,337,777
Furniture And Equipment	1,201,533	121,432	2,899,864	481,156	4,703,985
Infrastructure	6,939,037	-	-	8,564,831	15,503,868
Leased Land Improvements	-	611,824	-	-	611,824
Subscriptions	1,111	-	-	-	1,111
Less: Accumulated Depreciation and Amortization	(2,226,335)	(103,935)	(9,772,334)	(1,639,088)	(13,741,692)
Total Net Capital Assets	6,170,346	5,962,472	2,497,409	8,911,261	23,541,488
TOTAL ASSETS	10,165,953	5,962,472	4,347,950	12,728,161	33,204,536
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan Deferments	120,686	-	181,028	90,514	392,228
OPEB Plan Deferments	903	-	1,335	211	2,449
TOTAL DEFERRED OUTFLOWS OF RESOURCES	121,589	-	182,363	90,725	394,677
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 10,287,542	\$ 5,962,472	\$ 4,530,313	\$ 12,818,886	\$ 33,599,213
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 65,478	\$ 386,249	\$ 1,078	\$ 19,375	\$ 472,180
Salaries Payable	11,939	1,369	16,957	11,177	41,442
Deposits Payable	-	-	364,723	-	364,723
Compensated Absences	54,754	1,344	86,415	13,155	155,668
Accrued Interest Payable	45,712	15,099	-	30,614	91,425
Due To Other Funds	-	1,438,724	-	-	1,438,724
Due To Other Governments	27,717	22,225	2,704	4,867	57,513
Interfund Payable	16,798	-	148,400	62,336	227,534
Revenue Bonds Payable	265,766	135,000	-	161,626	562,392
Lease Liability	-	3,882	-	-	3,882
Other Post Employment Benefits	629	-	926	147	1,702
Unearned Revenue	1,888	-	-	201,084	202,972
Total Current Liabilities	490,681	2,003,892	621,203	504,381	3,620,157
Noncurrent Liabilities:					
Compensated Absences	13,275	126	47,045	8,452	68,898
Advance From Other Funds	1,355,563	51,000	1,869,508	700,000	3,976,071
Revenue Bonds Payable	3,342,763	3,164,000	-	2,195,431	8,702,194
Lease Liability	-	596,775	-	-	596,775
Other Post Employment Benefits	22,182	-	32,800	5,188	60,170
Net Pension Liability	365,262	-	547,893	273,947	1,187,102
Total Noncurrent Liabilities	5,099,045	3,811,901	2,497,246	3,183,018	14,591,210
TOTAL LIABILITIES	5,589,726	5,815,793	3,118,449	3,687,399	18,211,367
DEFERRED INFLOWS OF RESOURCES					
Pension Plan Deferments	121,508	-	182,262	91,131	394,901
OPEB Plan Deferments	11,497	-	16,998	2,689	31,184
TOTAL DEFERRED INFLOWS OF RESOURCES	133,005	-	199,260	93,820	426,085
NET POSITION					
Net Investment In Capital Assets	4,612,431	1,676,566	2,497,409	7,140,305	15,926,711
Unrestricted	(47,620)	(1,529,887)	(1,284,805)	1,897,362	(964,950)
TOTAL NET POSITION	4,564,811	146,679	1,212,604	9,037,667	14,961,761
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 10,287,542	\$ 5,962,472	\$ 4,530,313	\$ 12,818,886	\$ 33,599,213

CITY OF CHASKA, MINNESOTA

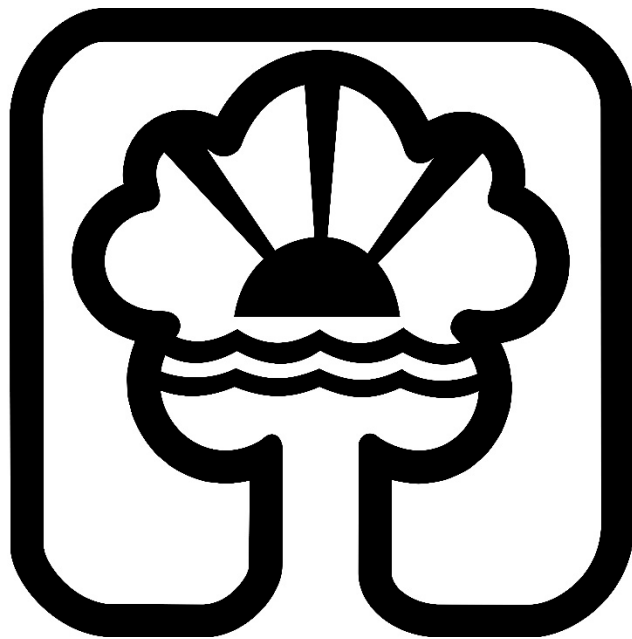
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	SEWER	THE LOOP AT CHASKA	CHASKA TOWN COURSE	STORM WATER	TOTALS
OPERATING REVENUES:					
Sales	\$ 6,761,550	\$ -	\$ 3,144,507	\$ 1,775,622	\$ 11,681,679
OPERATING EXPENSES:					
Production	3,733,739	-	-	-	3,733,739
Distribution / Collections	797,640	-	-	426,691	1,224,331
Administration	920,280	161,508	2,711,236	770,804	4,563,828
Depreciation And Amortization	219,978	15,689	193,372	317,881	746,920
TOTAL OPERATING EXPENSES	5,671,637	177,197	2,904,608	1,515,376	10,268,818
OPERATING INCOME (LOSS)	1,089,913	(177,197)	239,899	260,246	1,412,861
NON-OPERATING REVENUES:					
Investment Earnings (Charges)	58,140	(15,658)	81,797	117,224	241,503
Intergovernmental	244	-	68	4,034	4,346
Gain on Sale Of Capital Assets	-	-	161,809	-	161,809
TOTAL NON-OPERATING REVENUES	58,384	(15,658)	243,674	121,258	407,658
NON-OPERATING EXPENSES:					
Interest	99,739	129,755	58,562	64,899	352,955
Fiscal Agent Fees	745	-	-	560	1,305
Loss On Sale of Capital Assets	-	333	-	-	333
TOTAL NON-OPERATING EXPENSES	100,484	130,088	58,562	65,459	354,593
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,047,813	(322,943)	425,011	316,045	1,465,926
CAPITAL CONTRIBUTIONS	191,908	-	-	295,555	487,463
TRANSFERS IN (OUT)					
Transfers In	-	244,000	-	207,870	451,870
Transfers Out	(348,798)	(822)	(16,109)	(263,276)	(629,005)
TOTAL TRANSFERS IN (OUT)	(348,798)	243,178	(16,109)	(55,406)	(177,135)
CHANGE IN NET POSITION	890,923	(79,765)	408,902	556,194	1,776,254
NET POSITION, JANUARY 1	3,673,888	226,444	803,702	8,481,473	13,185,507
NET POSITION, DECEMBER 31	\$ 4,564,811	\$ 146,679	\$ 1,212,604	\$ 9,037,667	\$ 14,961,761

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	SEWER	THE LOOP AT CHASKA	CHASKA TOWN COURSE	STORM WATER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts From Customers and Users	\$ 6,602,963	\$ -	\$ 3,168,585	\$ 2,136,769	\$ 11,908,317
Payments to Suppliers	(4,797,793)	(190,785)	(1,214,099)	(678,149)	(6,880,826)
Payments to Employees	(800,307)	(52,870)	(1,458,524)	(489,272)	(2,800,973)
Net Cash Provided (Used) By Operating Activities	1,004,863	(243,655)	495,962	969,348	2,226,518
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers From Other Funds	-	-	-	207,870	207,870
Transfers To Other Funds	(348,798)	(822)	(16,109)	(263,276)	(629,005)
Due From Other Funds	(1,250,000)	-	(188,724)	(1,250,000)	(2,688,724)
Due To Other Funds	-	1,438,724	-	-	1,438,724
Intergovernmental	244	-	68	4,034	4,346
Net Cash Provided (Used) By Non-Capital Financing Activities	(1,598,554)	1,437,902	(204,765)	(1,301,372)	(1,666,789)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Contributions	24,460	-	-	-	24,460
Principal Paid On Bonds	(255,913)	(130,000)	-	(152,851)	(538,764)
Principal Paid On Leases	-	(2,830)	(1,721)	-	(4,551)
Principal Paid On Subscriptions	(1,111)	-	-	-	(1,111)
Interest And Fiscal Charges	(114,081)	(130,157)	(202)	(72,987)	(317,427)
Proceeds From Sale Of Capital Assets	-	-	161,942	-	161,942
Construction And Acquisition of Capital Assets	(9,202)	(1,328,396)	(1,446,263)	(37,750)	(2,821,611)
Transfers From Other Funds	-	244,000	-	-	244,000
Interfund Loan Payments To Other Funds	1,284,063	51,000	814,250	642,667	2,791,980
Interest Payments On Interfund Loans	(4,016)	-	(58,382)	(5,625)	(68,023)
Net Cash Provided (Used) By Capital And Related Financing Activities	924,200	(1,296,383)	(530,376)	373,454	(529,105)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest (Charges) On Investments	57,375	(15,658)	81,161	117,518	240,396
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	387,884	(117,794)	(158,018)	158,948	271,020
CASH AND CASH EQUIVALENTS, January 1	434,596	117,794	493,675	467,514	1,513,579
CASH AND CASH EQUIVALENTS, December 31	\$ 822,480	\$ -	\$ 335,657	\$ 626,462	\$ 1,784,599
CASH AND CASH EQUIVALENTS:					
Cash And Investments	\$ 822,480	\$ -	\$ 335,657	\$ 626,462	\$ 1,784,599
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 1,089,913	\$ (177,197)	\$ 239,899	\$ 260,246	\$ 1,412,861
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities:					
Depreciation And Amortization Expense	219,978	15,689	193,372	317,881	746,920
Allowance For Uncollectible Accounts	3,887	-	-	404	4,291
(Increase) Decrease In Assets And Deferred Outflows:					
Special Assessments	198	-	-	(2,417)	(2,219)
Accounts Receivable	(162,489)	-	(6,248)	149,873	(18,864)
Due From Other Governments	-	-	-	41,000	41,000
Inventory	(320)	-	(10,968)	-	(11,288)
Deferred Outflows	68,319	-	45,733	22,949	137,001
Increase (Decrease) In Liabilities And Deferred Inflows:					
Accounts Payable	(103,112)	(107,206)	(7,201)	(4,493)	(222,012)
Salaries Payable	403	1,369	4,623	7,732	14,127
Deposits Payable	-	-	30,326	-	30,326
Compensated Absences Payable	2,298	1,470	4,438	3,562	11,768
Net Pension Liability	(229,532)	-	(165,860)	(82,930)	(478,322)
Due To Other Governments	6,657	22,220	824	(337)	29,364
Unearned Revenue	(183)	-	-	172,287	172,104
Other Post Employment Benefits	1,763	-	2,607	412	4,782
Deferred Inflows	107,083	-	164,417	83,179	354,679
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,004,863	\$ (243,655)	\$ 495,962	\$ 969,348	\$ 2,226,518
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Transfers Of Capital Assets	\$ -	\$ 18,719	\$ (18,719)	\$ -	\$ -
Contributions of Capital Assets	\$ 167,448	\$ -	\$ -	\$ 295,555	\$ 463,003
Payment of Capital Assets on Account	\$ (47,139)	\$ (386,249)	\$ -	\$ (2,843)	\$ (436,231)
Net Book Value of Capital Assets Disposed	\$ -	\$ -	\$ 768	\$ -	\$ 768
Gain on Disposal of Leased Asset	\$ -	\$ -	\$ 635	\$ -	\$ 635
Amortization Of Bond Premiums	\$ 14,602	\$ -	\$ -	\$ 11,274	\$ 25,876
Acquisition of Subscription Assets	\$ 1,111	\$ -	\$ -	\$ -	\$ 1,111
Termination of Lease Liability	\$ -	\$ -	\$ 18,793	\$ -	\$ 18,793



Chaska

This part of the City of Chaska's Annual Comprehensive Financial Report represents detailed information as a context for understanding this year's financial statements, note disclosures and supplementary information. This information has not been audited by the independent auditor.

Content

- **Financial Trends:**

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

Table 1 – Net Position by Component

Table 2 – Changes in Net Position

Table 3 – Governmental Activities Tax Revenues by Source

Table 4 – Fund Balances of Governmental Funds

Table 5 – Changes in Fund Balances of Governmental Funds

Table 6 – General Governmental Tax Revenues by Source

- **Revenue Capacity:**

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

Table 7 – Tax Capacity Value and Estimated Actual Value of Real and Personal Property

Table 8 – Property Tax Rates – Direct and Overlapping Governments

Table 9 – Principal Property Taxpayers

Table 10 – Property Tax Levies and Collections

- **Debt Capacity:**

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

Table 11 – Ratios of Outstanding Debt by Type

Table 12 – Ratios of General Bonded Debt Outstanding to Estimated Actual Taxable Value

Table 13 – Direct and Overlapping Governmental Activities Debt

Table 14 – Legal Debt Margin Information

Table 15 – Pledged Revenue Coverage

- **Demographic and Economic Information:**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activity takes place.

Table 16 – Demographic and Economic Statistics

Table 17 – Principal Employers

- **Operating Information:**

These schedules 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 that it performs.

Table 18 – Full-Time Equivalent City Government Employees by Function/Program

Table 19 – Operating Indicators by Function/Program

Table 20 – Capital Asset Statistics by Function/Program

- **Sources:**

Unless otherwise noted, the information in these schedules derives from the Annual Comprehensive Financial Report for the relevant year(s).

CITY OF CHASKA, MINNESOTA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2014	2015 (1)	2016	2017
Governmental Activities				
Net Investment In Capital Assets	\$ 125,511,881	\$ 127,278,758	\$ 132,552,673	\$ 137,122,192
Restricted	24,001,479	14,955,015	14,175,353	19,807,677
Unrestricted	<u>(3,712,091)</u>	<u>(20,840)</u>	<u>(640,332)</u>	<u>(2,060,473)</u>
Total Governmental Activities Net Position:	<u>\$ 145,801,269</u>	<u>\$ 142,212,933</u>	<u>\$ 146,087,694</u>	<u>\$ 154,869,396</u>
Business-Type Activities				
Net Investment In Capital Assets	\$ 27,939,635	\$ 33,274,260	\$ 31,821,470	\$ 30,523,279
Restricted	4,030,287	5,190,437	5,609,821	17,986,742
Unrestricted	<u>13,818,352</u>	<u>(919,545)</u>	<u>1,918,324</u>	<u>(7,433,427)</u>
Total Business-Type Activities Net Position:	<u>\$ 45,788,274</u>	<u>\$ 37,545,152</u>	<u>\$ 39,349,615</u>	<u>\$ 41,076,594</u>
Primary Government				
Net Investment In Capital Assets	\$ 153,451,516	\$ 160,553,018	\$ 164,374,143	\$ 167,645,471
Restricted	28,031,766	20,145,452	19,785,174	37,794,419
Unrestricted	<u>10,106,261</u>	<u>(940,385)</u>	<u>1,277,992</u>	<u>(9,493,900)</u>
Total Primary Government Net Position:	<u>\$ 191,589,543</u>	<u>\$ 179,758,085</u>	<u>\$ 185,437,309</u>	<u>\$ 195,945,990</u>

(1) The City implemented GASB Statement No. 68 in 2015. Net position for previous years have not been restated.

(2) The City implemented GASB Statement No. 75 in 2018. Net position for previous years have not been restated.

(3) The City implemented GASB Statement No. 87 in 2022. Net position for previous years have not been restated.

(4) The City implemented GASB Statement No. 96 in 2023. Net position for previous years have not been restated.

Table 1

FISCAL YEAR					
2018 (2)	2019	2020	2021	2022 (3)	2023 (4)
\$ 146,659,763	\$ 143,383,394	\$ 134,205,413	\$ 141,167,187	\$ 150,575,322	\$ 157,564,759
20,434,329	16,956,396	16,683,713	19,532,032	18,560,127	19,906,018
<u>(11,503,698)</u>	<u>(9,838,641)</u>	<u>(3,239,169)</u>	<u>(4,703,055)</u>	<u>(5,433,372)</u>	<u>(7,483,389)</u>
<u>\$ 155,590,394</u>	<u>\$ 150,501,149</u>	<u>\$ 147,649,957</u>	<u>\$ 155,996,164</u>	<u>\$ 163,702,077</u>	<u>\$ 169,987,388</u>
\$ 33,206,537	\$ 32,618,078	\$ 37,138,756	\$ 40,160,983	\$ 47,152,434	\$ 55,338,956
16,111,606	16,407,157	16,866,244	16,714,615	15,356,458	15,341,574
<u>(7,147,929)</u>	<u>(8,973,291)</u>	<u>(10,744,178)</u>	<u>(4,074,040)</u>	<u>(2,601,306)</u>	<u>(3,271,529)</u>
<u>\$ 42,170,214</u>	<u>\$ 40,051,944</u>	<u>\$ 43,260,822</u>	<u>\$ 52,801,558</u>	<u>\$ 59,907,586</u>	<u>\$ 67,409,001</u>
\$ 179,866,300	\$ 176,001,472	\$ 171,344,169	\$ 181,328,170	\$ 197,727,756	\$ 212,903,715
36,545,935	33,363,553	33,549,957	36,246,647	33,916,585	35,247,592
<u>(18,651,627)</u>	<u>(18,811,932)</u>	<u>(13,983,347)</u>	<u>(8,777,095)</u>	<u>(8,034,678)</u>	<u>(10,754,918)</u>
<u>\$ 197,760,608</u>	<u>\$ 190,553,093</u>	<u>\$ 190,910,779</u>	<u>\$ 208,797,722</u>	<u>\$ 223,609,663</u>	<u>\$ 237,396,389</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2014	2015 (1)(2)	2016	2017	2018 (3)	2019	2020	2021	2022 (6)	2023 (8)
EXPENSES										
Governmental Activities										
General Government	\$ 4,960,161	\$ 5,627,642	\$ 5,975,566	\$ 6,603,240	\$ 6,025,119	\$ 6,466,463	\$ 6,404,435	\$ 6,308,239	\$ 7,582,962	\$ 7,828,871
Economic Development	1,853,189	8,778,959	1,078,389	2,005,808	4,352,049	1,682,326	1,353,266	1,184,162	1,863,279	2,488,535
Public Safety	4,977,668	4,764,269	6,878,111	6,063,781	6,169,888	6,805,386	8,940,448	7,542,110	11,018,862	13,449,171
Public Works	8,850,036	8,488,231	8,566,838	9,042,167	10,088,913	26,781,348	16,348,045	14,663,395	13,902,073	27,888,319
Parks, Recreation And Arts	765,955	1,210,234	1,067,514	1,286,155	1,526,003	1,636,562	1,622,431	1,761,967	4,005,037	4,110,717
Interest On Long-Term Debt	1,037,857	1,330,444	1,424,886	1,264,604	1,550,437	1,522,276	1,812,949	1,709,519	1,676,423	1,845,976
Total Governmental Activities Expenses:	22,444,866	30,199,779	24,991,104	26,265,755	29,732,409	44,894,361	36,481,564	33,169,392	40,048,636	57,611,589
Business-type Activities										
Electric	32,528,332	33,417,358	35,236,356	35,744,098	38,896,423	35,599,483	36,587,314	41,793,193	47,590,197	47,812,178
Water	2,817,249	2,785,714	2,859,401	2,883,350	3,015,694	3,391,370	3,680,044	3,605,735	3,601,725	3,711,226
Sewer	3,104,992	3,150,447	3,254,994	3,494,259	3,801,595	4,091,831	4,560,553	4,676,438	5,154,941	5,775,590
Chaska Community Center	3,816,200	4,077,426	4,419,881	4,536,723	4,752,021	4,716,992	4,822,493	4,381,300	4,934,083	4,977,486
The Loop at Chaska (7)	163,112	183,136	240,407	193,856	189,814	187,568	177,696	23,721	191,878	307,285
Chaska Town Course	2,193,635	2,310,651	2,433,909	2,512,410	2,452,056	2,505,095	2,485,892	2,765,627	3,065,247	2,803,226
Turbine Generator	1,623,074	1,730,079	1,057,383	1,019,671	1,016,539	1,023,865	921,659	867,361	832,886	788,095
Internet Service Provider (4)	488,728	293,951	168,783	184,840	159,357	-	-	-	-	-
Storm Water	536,364	760,340	993,816	980,334	1,072,424	1,173,012	1,268,421	1,308,391	1,716,611	1,577,772
Chaska Curling Center (2)	3,391	835,012	1,516,260	2,330,918	2,635,334	2,419,331	2,200,635	2,715,831	2,378,347	2,304,717
Total Business-type Activities Expenses:	47,275,077	49,544,114	52,180,830	53,880,459	57,991,257	55,108,547	56,704,707	61,637,697	69,465,915	70,057,575
Total Primary Government Expenses:	\$ 69,719,943	\$ 79,743,893	\$ 77,171,934	\$ 80,146,214	\$ 87,723,666	\$ 100,002,908	\$ 93,186,271	\$ 94,806,989	\$ 109,514,551	\$ 127,669,164
PROGRAM REVENUES										
Governmental Activities										
Charges For Services										
General Government	\$ 2,548,055	\$ 3,440,547	\$ 3,381,482	\$ 3,716,746	\$ 4,235,869	\$ 4,522,047	\$ 4,775,856	\$ 4,988,367	\$ 5,560,975	\$ 5,859,612
Economic Development	167,000	70,340	77,421	76,000	80,000	85,000	85,000	177,435	203,833	295,886
Public Safety	271,613	219,590	180,603	263,033	331,251	240,462	907,268	1,823,406	2,270,380	3,166,453
Public Works	1,328,059	1,876,750	2,516,820	1,882,531	2,178,832	1,794,876	1,877,244	2,927,311	6,447,527	7,135,368
Parks, Recreation And Arts	281,805	132,621	317,749	182,462	429,577	652,394	655,261	559,749	2,458,046	1,486,020
Operating Grants And Contributions	854,330	667,025	628,278	1,477,224	777,833	10,909,953	7,010,170	3,729,076	976,529	6,175,382
Capital Grants And Contributions	4,968,378	6,737,538	8,226,427	14,086,637	7,951,347	2,644,120	2,296,609	11,685,438	13,359,011	16,128,935
Total Governmental Activities Program Revenues:	10,419,240	13,144,411	15,328,780	21,684,633	15,984,709	20,848,852	17,607,408	25,890,782	31,316,301	40,247,646
Business-type Activities										
Charges For Services										
Electric	34,673,309	35,565,149	37,500,384	37,542,385	41,193,202	41,203,336	43,028,104	49,019,072	55,020,552	56,742,382
Water	2,409,274	2,534,074	2,714,932	2,768,225	2,861,416	2,921,859	3,372,280	4,004,847	4,319,046	5,194,001
Sewer	3,177,511	3,267,600	3,423,610	3,601,281	3,789,275	4,136,124	4,612,317	4,986,322	5,666,239	6,761,550
Chaska Community Center	3,081,500	3,246,108	2,735,432	3,163,971	3,085,972	3,264,746	1,830,242	2,163,808	2,791,020	3,183,967
The Loop at Chaska (7)	151,454	192,164	170,732	167,266	154,621	136,903	204,789	59	-	-
Chaska Town Course	1,807,559	2,089,861	2,137,035	2,133,510	1,966,812	2,105,154	2,536,210	3,006,247	3,016,808	3,144,507
Turbine Generator	2,014,655	1,842,662	1,781,846	1,719,136	1,650,846	1,576,477	1,495,484	1,422,057	1,366,151	1,261,543
Internet Service Provider (4)	397,692	173,816	103,569	117,718	100,033	-	-	-	-	-
Storm Water	840,052	912,936	969,248	1,097,344	1,581,812	1,688,118	1,756,180	2,131,730	1,954,589	1,775,622
Chaska Curling Center (2)	-	65,022	1,173,795	1,221,472	1,299,997	1,240,291	641,658	915,179	1,403,440	1,181,353
Operating Grants And Contributions	-	-	100,379	1,626	99,052	142,669	41,351	145,088	66,775	13,796
Capital Grants And Contributions	693,238	181,839	647,918	704,759	198,433	678,369	881,172	4,712,247	1,523,889	1,316,894
Total Business-type Activities Program Revenues:	49,246,244	50,071,231	53,548,880	54,239,153	57,981,471	59,094,046	60,399,787	72,506,656	77,128,509	80,575,615
Total Primary Government Program Revenues:	\$ 59,665,484	\$ 63,215,642	\$ 68,787,660	\$ 75,923,786	\$ 73,966,180	\$ 79,942,898	\$ 78,007,195	\$ 98,397,438	\$ 108,444,810	\$ 120,823,261
NET EXPENSE / REVENUE										
Governmental Activities	\$ (12,025,626)	\$ (17,055,368)	\$ (9,662,324)	\$ (4,581,122)	\$ (13,747,700)	\$ (24,045,509)	\$ (18,874,156)	\$ (7,278,610)	\$ (8,732,335)	\$ (17,363,943)
Business-type Activities	1,971,167	527,117	1,278,050	358,694	(9,786)	3,985,499	3,695,080	10,869,059	7,662,594	10,518,040
Total Primary Government Net Expense:	\$ (10,054,459)	\$ (16,528,251)	\$ (8,384,274)	\$ (4,222,428)	\$ (13,757,486)	\$ (20,060,010)	\$ (15,179,076)	\$ 3,590,449	\$ (1,069,741)	\$ (6,845,903)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	\$ 10,703,248	\$ 9,063,743	\$ 8,189,403	\$ 9,089,057	\$ 10,129,998	\$ 10,805,084	\$ 11,731,744	\$ 12,625,690	\$ 14,033,350	\$ 16,933,255
Franchise Taxes	3,656,724	4,079,404	4,224,548	4,300,526	4,576,985	752,914	763,101	768,243	770,755	783,615
Unrestricted Grants and Contributions	491,545	530,868	585,679	310,188	26,334	42,379	2,110,628	129,545	10,150	10,772
Investment Earnings	429,177	284,180	247,978	253,578	400,814	428,710	189,473	136,732	361,050	1,389,424
Other	365,919	545,596	510,860	416,642	386,702	277,822	428,225	475,224	510,567	803,970
Transfers	466,155	5,086,416	(221,383)	(1,007,167)	(769,471)	6,649,355	4,927,249	4,081,951	3,921,201	4,876,696
Transfers - Capital Assets (5)	-	-	-	-	-	-	(4,127,456)	(2,592,568)	(3,168,825)	(1,147,478)
Total Governmental Activities:	16,112,768	19,570,207	13,537,085	13,362,824	14,731,362	18,956,264	16,022,964	15,624,817	16,438,248	23,649,254
Business-type Activities										
Unrestricted Grants and Contributions	-	-	-	41,184	211	283	165	689	616	645
Investment Earnings	550,131	455,526	241,753	260,708	362,111	407,297	134,799	57,955	110,438	641,539
Other	84,301	63,440	63,277	82,257	82,857	138,006	178,627	102,416	84,756	70,409
Transfers	(466,155)	(5,086,416)	221,383	1,007,167	769,471	(6,649,355)	(4,927,249)	(4,081,951)	(3,921,201)	(4,876,696)
Transfers - Capital Assets (5)	-	-	-	-	-	-	4,127,456	2,592,568	3,168,825	1,147,478
Total Business-type Activities:	168,277	(4,567,450)	526,413	1,368,285	1,214,650	(6,103,769)	(486,202)	(1,328,323)	(556,566)	(3,016,625)
Total Primary Government:	\$ 16,281,045	\$ 15,002,757	\$ 14,063,498	\$ 14,731,109	\$ 15,946,012	\$ 12,852,495	\$ 15,536,762	\$ 14,296,494	\$ 15,881,682	\$ 20,632,629
CHANGE IN NET POSITION										
Governmental Activities	\$ 4,087,142	\$ 2,514,839	\$ 3,874,761	\$ 8,781,702	\$ 983,662	\$ (5,089,245)	\$ (2,851,192)	\$ 8,346,207	\$ 7,705,913	\$ 6,285,311
Business-type Activities	2,139,444	(4,040,333)	1,804,463	1,726,979	1,204,864	(2,118,270)	3,208,878	9,540,736	7,106,028	7,501,415
Total Primary Government:	\$ 6,226,586	\$ (1,525,494)	\$ 5,679,224	\$ 10,508,681	\$ 2,188,526	\$ (7,207,515)	\$ 357,686	\$ 17,886,943	\$ 14,811,941	\$ 13,786,726

Change in Net Position is explained in the Management's Discussion & Analysis.

- (1) The City implemented GASB Statement No. 68 in 2015. Change in Net Position for previous years have not been restated.
- (2) Chaska Curling Center fund was established in 2015.
- (3) The City implemented GASB Statement No. 75 in 2018. Change in Net Position for previous years have not been restated.
- (4) The Internet Service Provider fund closed in 2018.
- (5) Starting in 2020, Transfers of Capital Assets will be shown separately from Operating Transfers.
- (6) The City implemented GASB Statement No. 87 in 2022. Change in Net Position for previous years have not been restated.
- (7) Par 30 golf course has been renamed The Loop at Chaska.
- (8) The City implemented GASB Statement No. 96 in 2023. Change in Net Position for previous years have not been restated.

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES			TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC (1)	CABLE	GAS	
2014	\$ 5,250,479	\$ 5,452,769	\$ 3,210,070	\$ 265,415	\$ 181,239	\$ 14,359,972
2015	8,501,586	562,157	3,339,440	284,886	455,078	13,143,147
2016	7,559,289	630,114	3,458,900	304,017	461,631	12,413,951
2017	8,367,604	721,453	3,521,540	321,423	457,563	13,389,583
2018	9,091,373	1,038,625	3,820,670	306,860	449,455	14,706,983
2019 (2)	9,702,004	1,103,080	-	302,522	450,392	11,557,998
2020	10,546,479	1,185,265	-	300,269	462,832	12,494,845
2021	11,318,040	1,307,650	-	311,830	456,413	13,393,933
2022	12,716,108	1,317,242	-	307,061	463,694	14,804,105
2023	15,227,989	1,704,266	-	291,424	492,191	17,715,870

(1) Beginning in 2019, the City did not assess a franchise fee on the City-owned electric.

CITY OF CHASKA, MINNESOTA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	891,416	852,664	924,378	908,494
Assigned	-	-	-	-
Unassigned	<u>1,644,738</u>	<u>2,232,766</u>	<u>1,615,179</u>	<u>1,103,421</u>
Total General Fund:	<u>\$ 2,536,154</u>	<u>\$ 3,085,430</u>	<u>\$ 2,539,557</u>	<u>\$ 2,011,915</u>
General Fund % Change	-6.25%	21.66%	-17.69%	-20.78%
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	19,114,183	11,557,173	8,022,515	11,726,442
Committed	1,912,764	3,368,508	2,456,381	2,889,920
Assigned	5,529,159	6,845,131	6,646,255	8,571,632
Unassigned, Reported In:				
Special Revenue Funds	(1,242,278)	(1,451,333)	(701,789)	(793,665)
Capital Project Funds	<u>(11,708,398)</u>	<u>(6,914,737)</u>	<u>(5,224,315)</u>	<u>(5,637,984)</u>
Total All Other Governmental Funds:	<u>\$ 13,605,430</u>	<u>\$ 13,404,742</u>	<u>\$ 11,199,047</u>	<u>\$ 16,756,345</u>
All Other Governmental Funds % Change	-3.19%	-1.48%	-16.45%	49.62%
Total Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	19,114,183	11,557,173	8,022,515	11,726,442
Committed	2,804,180	4,221,172	3,380,759	3,798,414
Assigned	5,529,159	6,845,131	6,646,255	8,571,632
Unassigned	<u>(11,305,938)</u>	<u>(6,133,304)</u>	<u>(4,310,925)</u>	<u>(5,328,228)</u>
Total Governmental Funds:	<u>\$ 16,141,584</u>	<u>\$ 16,490,172</u>	<u>\$ 13,738,604</u>	<u>\$ 18,768,260</u>
Total Governmental Funds % Change	-3.69%	2.16%	-16.69%	36.61%

Table 4

FISCAL YEAR					
2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ 53,268	\$ 54,866	\$ 119,345	\$ 78,598
1,010,606	1,133,435	970,088	1,204,624	1,277,890	1,284,902
-	-	448,864	447,206	474,561	1,056,678
<u>1,078,348</u>	<u>777,426</u>	<u>460,243</u>	<u>1,324,228</u>	<u>1,781,459</u>	<u>3,098,796</u>
<u>\$ 2,088,954</u>	<u>\$ 1,910,861</u>	<u>\$ 1,932,463</u>	<u>\$ 3,030,924</u>	<u>\$ 3,653,255</u>	<u>\$ 5,518,974</u>
3.83%	-8.53%	1.13%	56.84%	20.53%	51.07%
\$ -	\$ -	\$ -	\$ -	\$ 22,707	\$ 53,909
10,712,645	13,546,921	13,411,432	12,986,899	17,462,282	23,718,674
3,746,951	4,487,945	5,353,884	3,489,302	1,622,817	2,997,955
8,011,826	8,511,304	9,235,585	10,039,314	15,330,498	20,964,249
(1,096,949)	(1,008,180)	(985,110)	(1,002,310)	(926,248)	(1,218,006)
<u>(15,082,217)</u>	<u>(8,565,055)</u>	<u>(3,325,670)</u>	<u>(7,012,273)</u>	<u>(13,146,160)</u>	<u>(14,193,428)</u>
<u>\$ 6,292,256</u>	<u>\$ 16,972,935</u>	<u>\$ 23,690,121</u>	<u>\$ 18,500,932</u>	<u>\$ 20,365,896</u>	<u>\$ 32,323,353</u>
-62.45%	169.74%	39.58%	-21.90%	10.08%	58.71%
\$ -	\$ -	\$ 53,268	\$ 54,866	\$ 142,052	\$ 132,507
10,712,645	13,546,921	13,411,432	12,986,899	17,462,282	23,718,674
4,757,557	5,621,380	6,323,972	4,693,926	2,900,707	4,282,857
8,011,826	8,511,304	9,684,449	10,486,520	15,805,059	22,020,927
<u>(15,100,818)</u>	<u>(8,795,809)</u>	<u>(3,850,537)</u>	<u>(6,690,355)</u>	<u>(12,290,949)</u>	<u>(12,312,638)</u>
<u>\$ 8,381,210</u>	<u>\$ 18,883,796</u>	<u>\$ 25,622,584</u>	<u>\$ 21,531,856</u>	<u>\$ 24,019,151</u>	<u>\$ 37,842,327</u>
-55.34%	125.31%	35.69%	-15.97%	11.55%	57.55%

CITY OF CHASKA, MINNESOTA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

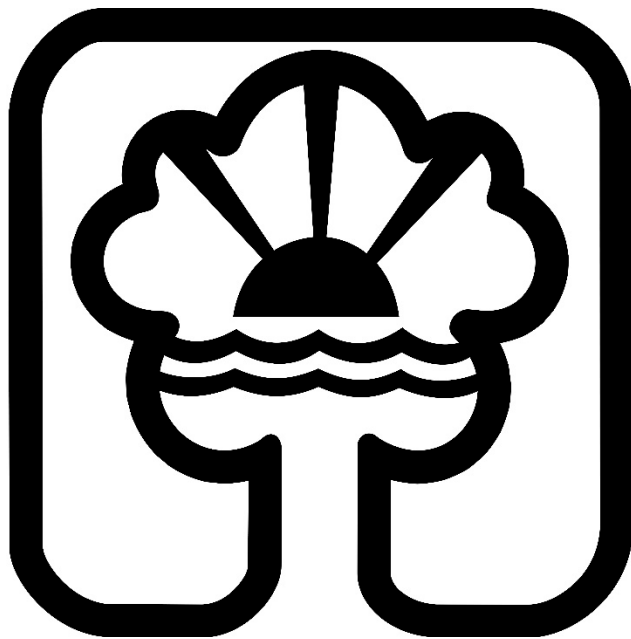
	FISCAL YEAR			
	2014	2015	2016	2017
REVENUES				
Taxes	\$ 14,386,746	\$ 13,150,434	\$ 12,470,764	\$ 13,420,767
Licenses and Permits	995,263	1,259,621	1,033,383	1,302,593
Intergovernmental	2,568,108	2,678,760	2,772,705	2,653,945
Charges for Services	3,470,471	4,387,691	5,316,461	5,717,156
Fines and Forfeitures	128,966	95,736	104,226	113,158
Special Assessments	2,867,959	2,076,637	2,121,412	2,835,792
Other Revenue	794,135	1,103,179	600,089	659,861
Total Revenue	25,211,648	24,752,058	24,419,040	26,703,272
EXPENDITURES				
General Government	4,361,531	4,889,132	5,228,459	5,630,604
Economic Development	1,899,514	8,766,389	1,070,364	1,919,188
Public Safety	4,513,886	4,837,862	5,270,617	5,738,341
Public Works	7,269,352	6,686,444	4,537,040	5,213,582
Parks, Recreation and Arts	837,886	1,086,472	828,065	1,140,929
Debt Service:				
Principal	4,948,206	5,398,720	3,013,768	3,061,302
Interest	1,109,996	1,115,857	1,429,478	1,380,700
Issuance Costs & Fiscal Agent Fees	95,788	353,521	4,725	250,271
Capital Outlay	7,367,993	13,778,776	5,633,034	9,808,124
Total Expenditures	32,404,152	46,913,173	27,015,550	34,143,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,192,504)	(22,161,115)	(2,596,510)	(7,439,769)
OTHER FINANCING SOURCES (USES)				
Transfers In	6,622,433	14,212,528	6,242,220	4,624,645
Transfers Out	(6,156,278)	(8,968,112)	(6,423,134)	(5,617,190)
Bonds Issued	5,785,000	16,025,000	-	10,870,000
Refunding Bonds Issued	-	-	-	1,455,000
Premium on Bonds Issued	317,245	1,156,342	-	1,125,229
Capital Lease Issued (2)	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-
Lease Proceeds	-	-	-	-
Sale of Capital Assets	6,164	83,945	25,856	11,741
Total Other Financing Sources (Uses)	6,574,564	22,509,703	(155,058)	12,469,425
NET CHANGE IN FUND BALANCES	\$ (617,940)	\$ 348,588	\$ (2,751,568)	\$ 5,029,656
Expenditures for Capitalized Assets (1)	\$ 12,451,676	\$ 19,782,837	\$ 12,340,550	\$ 16,094,547
Debt Service as a Percentage of Noncapital Expenditures	30.36%	24.01%	30.28%	24.61%

(1) Expenditures for capitalized assets per the Reconciliation of The Statement of Revenues, Expenditures And Changes In Fund Balances of Governmental Funds to The Statement of Activities.

(2) Capital Lease Issued for Fire department equipment prior to GASB 87.

Table 5

FISCAL YEAR						
2018	2019	2020	2021	2022	2023	
\$ 14,709,783	\$ 11,550,747	\$ 12,501,723	\$ 13,381,311	\$ 14,818,067	\$ 17,692,440	
928,825	910,342	943,410	1,836,260	2,284,612	3,171,358	
1,726,502	11,747,098	10,254,538	5,185,714	9,407,131	20,663,336	
6,220,296	6,299,265	7,213,755	8,571,378	14,418,565	14,514,439	
109,319	72,456	55,563	49,047	49,224	50,110	
2,350,349	2,535,593	1,970,086	4,100,056	2,039,491	1,264,412	
1,151,947	1,165,778	796,000	699,768	1,054,551	1,832,675	
<u>27,197,021</u>	<u>34,281,279</u>	<u>33,735,075</u>	<u>33,823,534</u>	<u>44,071,641</u>	<u>59,188,770</u>	
5,696,448	5,986,973	5,941,684	6,052,154	7,123,734	7,141,387	
3,183,480	1,590,071	1,332,462	1,200,386	1,863,194	2,488,335	
6,193,049	6,498,679	8,215,497	8,342,505	9,258,613	11,737,093	
7,699,681	6,922,693	6,188,270	9,007,484	7,219,707	7,804,437	
1,062,569	1,052,775	935,834	1,285,840	3,233,202	3,356,303	
2,901,859	3,323,855	6,200,609	8,373,410	3,747,070	4,086,146	
1,618,919	1,718,079	2,026,111	2,084,534	1,949,607	1,937,010	
11,850	319,028	286,253	104,030	60,153	177,726	
8,295,131	20,187,457	12,731,606	8,681,661	15,715,603	26,845,022	
<u>36,662,986</u>	<u>47,599,610</u>	<u>43,858,326</u>	<u>45,132,004</u>	<u>50,170,883</u>	<u>65,573,459</u>	
(9,465,965)	(13,318,331)	(10,123,251)	(11,308,470)	(6,099,242)	(6,384,689)	
4,297,144	17,758,206	14,860,764	10,351,559	13,146,149	17,264,798	
(5,252,205)	(10,082,386)	(9,923,825)	(6,240,450)	(9,142,602)	(12,359,487)	
-	14,735,000	11,290,000	4,940,000	4,190,000	14,162,000	
-	1,740,000	2,580,000	-	-	-	
-	1,015,807	320,429	319,635	-	950,373	
-	14,290	-	-	-	-	
-	(1,360,000)	(2,280,000)	(2,180,000)	-	-	
-	-	-	-	360,990	164,756	
33,976	-	14,671	26,998	32,000	25,425	
<u>(921,085)</u>	<u>23,820,917</u>	<u>16,862,039</u>	<u>7,217,742</u>	<u>8,586,537</u>	<u>20,207,865</u>	
\$ (10,387,050)	\$ 10,502,586	\$ 6,738,788	\$ (4,090,728)	\$ 2,487,295	\$ 13,823,176	
\$ 16,582,006	\$ 6,758,755	\$ 9,230,118	\$ 16,651,724	\$ 17,848,607	\$ 15,600,017	
22.51%	12.35%	23.76%	36.72%	17.62%	12.05%	



Chaska

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES			TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC (3)	CABLE	GAS	
2014	\$ 5,276,218	\$ 5,453,804	\$ 3,210,070	\$ 265,415	\$ 181,239	\$ 14,386,746
2015	8,479,872 (1)	591,158 (2)	3,339,440	284,886	455,078	13,150,434
2016	7,573,635	672,581	3,458,900	304,017	461,631	12,470,764
2017	8,395,597	724,644	3,521,540	321,423	457,563	13,420,767
2018	9,091,839	1,040,959	3,820,670	306,860	449,455	14,709,783
2019 (3)	9,694,753	1,103,080	-	302,522	450,392	11,550,747
2020	10,553,357	1,185,265	-	300,269	462,832	12,501,723
2021	11,305,418	1,307,650	-	311,830	456,413	13,381,311
2022	12,730,070	1,317,242	-	307,061	463,694	14,818,067
2023	15,204,559	1,704,266	-	291,424	492,191	17,692,440

(1) Includes \$1,532,865 in tax increment that was returned to the General fund after a TIF district decertification and after the City's payment to the County.

(2) There were three (3) TIF districts decertified in 2014.

(3) Beginning in 2019, the City did not assess a franchise fee on the City-owned electric.

CITY OF CHASKA, MINNESOTA

**TAX CAPACITY VALUE AND ESTIMATED ACTUAL VALUE OF REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	REAL PROPERTY - TAX CAPACITY VALUE			PERSONAL PROPERTY TAX CAPACITY VALUE	FISCAL DISPARITIES	
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	OTHER REAL PROPERTY		CONTRIBUTION	DISTRIBUTION
2014	\$ 16,020,027	\$ 7,116,774	\$ 351,263	\$ 222,966	\$ (2,756,785)	\$ 2,881,368
2015	18,484,795	7,492,534	345,751	242,162	(2,660,168)	2,956,196
2016	20,127,637	7,990,194	340,891	278,734	(3,014,532)	3,061,538
2017	20,776,485	8,161,059	356,694	375,132	(3,226,831)	3,313,011
2018	22,608,652	8,613,755	367,741	401,546	(3,096,739)	3,595,500
2019	24,058,344	9,060,705	395,846	428,354	(3,523,591)	3,946,302
2020	26,467,511	9,696,784	496,454	437,324	(3,698,495)	4,336,565
2021	27,243,413	10,004,871	527,544	511,600	(3,959,880)	4,521,556
2022	28,838,975	10,314,040	554,959	530,046	(4,068,054)	4,920,087
2023	36,530,698	11,667,392	702,432	599,048	(4,155,626)	4,605,652

Source: Carver County Auditor

Table 7

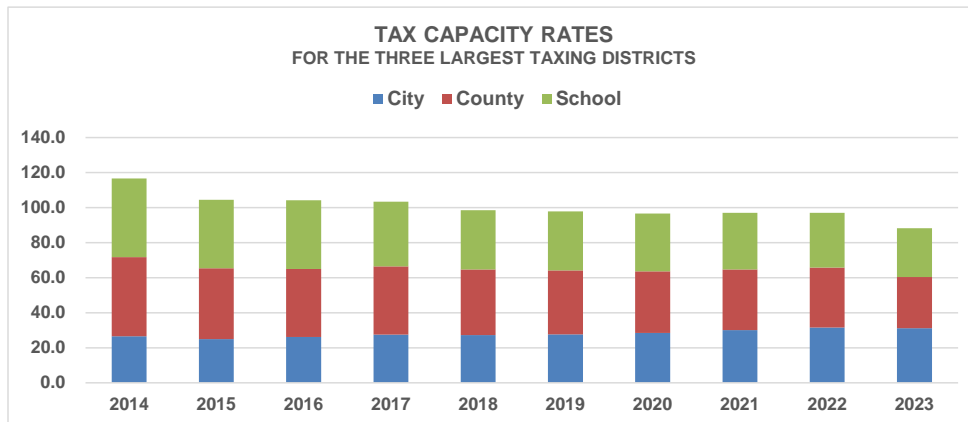
<u>TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE</u>	<u>ADJUSTED TAX CAPACITY VALUE</u>	<u>CITY TOTAL DIRECT TAX RATE</u>	<u>EDA TOTAL DIRECT TAX RATE</u>	<u>ESTIMATED ACTUAL MARKET VALUE REAL & PERSONAL</u>	<u>ADJ TAX CAPACITY VALUE AS A PERCENTAGE OF ACTUAL VALUE</u>
\$ (4,464,026)	\$ 19,371,587	26.586	0.391	\$ 2,121,003,200	0.91%
(535,631)	26,325,639	24.928	1.574	2,380,806,300	1.11%
(572,333)	28,212,129	26.118	1.519	2,573,342,000	1.10%
(658,411)	29,097,139	27.564	1.557	2,652,305,300	1.10%
(973,689)	31,516,766	27.234	1.503	2,847,274,600	1.11%
(1,052,097)	33,313,863	27.678	1.497	3,007,913,300	1.11%
(1,209,027)	36,527,116	28.425	0.313	3,281,441,700	1.11%
(1,215,297)	37,633,807	30.068	0.475	3,368,610,400	1.12%
(1,355,539)	39,734,514	31.625	0.458	3,536,714,700	1.12%
(1,850,631)	48,098,965	31.185	0.403	4,319,497,500	1.11%

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

TAXES PAYABLE YEAR	DIRECT RATES			OVERLAPPING RATES (2)				TOTAL DIRECT AND OVERLAPPING RATES (1)
	CITY URBAN OPERATING	RURAL (1)	CITY ECONOMIC DEVELOPMENT AUTHORITY	COUNTY	COUNTY COMMUNITY DEVELOPMENT AUTHORITY	INDEPENDENT SCHOOL DISTRICT #112	SPECIAL DISTRICTS (3)	
2014	26.586	13.293	0.391	45.211	1.759	44.917	4.072	122.936
2015	24.928	14.957	1.574	40.488	1.589	39.120	3.422	111.122
2016	26.118	18.283	1.519	38.880	1.701	39.245	3.614	111.077
2017	27.564	22.051	1.557	38.851	1.731	37.005	3.615	110.323
2018	27.234	24.511	1.503	37.436	1.640	33.837	3.347	104.997
2019	27.678	27.678	1.497	36.488	1.626	33.631	3.300	104.220
2020	28.425	28.425	0.313	35.179	1.598	33.006	3.061	101.584
2021	30.068	30.068	0.475	34.634	1.664	32.327	2.876	102.045
2022	31.625	31.625	0.458	34.170	1.635	31.220	2.753	101.861
2023	31.185	31.185	0.403	29.267	1.396	27.747	2.400	92.398

Source: Carver County Auditor

- (1) Total direct and overlapping rate excludes the City Rural rate. In 2005, as part of the annexation of Chaska Township, a rural rate of 50 percent of the City "urban" rate was established for ten years for the annexed properties. Starting in 2015, the rural rate increased 10 percent each year. Beginning in 2019, the annexed area is taxed at the City "urban" rate.
- (2) Overlapping rates are those of other governments that apply to property owners within the City. Not all overlapping rates apply to all property owners (e.g., the rates for special districts apply only to property owners whose property is located within the geographic boundaries of the special district).
- (3) Special Districts include: Metropolitan Council, Regional Transit District, Lower Minnesota Watershed #1, Mosquito Control, and Carver County Rail Authority.



PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	ASSESSED 2022 - PAYABLE 2023				ASSESSED 2013 - PAYABLE 2014			
	ESTIMATED ACTUAL VALUE (1)	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY ADJUSTED TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY ADJUSTED TAX CAPACITY VALUE
United Healthcare Services Inc.	\$ 25,361,400	\$ 505,728	1	1.05%	\$ 22,420,900	\$ 446,918	1	2.31%
CenterPoint Energy Minnegasco	22,845,600	456,162	2	0.95%	7,871,100	156,645	10	0.81%
Aurora Investments LLC	22,920,700	437,417	3	0.91%	17,026,000	326,532	2	1.69%
Flexential LLC	17,978,400	358,818	4	0.75%	*	*	*	*
Chaska Heights Senior Living LLC	25,794,100	322,426	5	0.67%	*	*	*	*
Arrow Hazeltine Shores LLC	24,844,300	310,555	6	0.65%	*	*	*	*
Ridgebrook Investments LLLP	24,305,900	303,824	7	0.63%	*	*	*	*
Aurora-Chaska Medical LLC	33,310,800	292,384	8	0.61%	24,646,500	216,138	6	1.12%
SB Chaska Partners LLC	23,178,600	289,733	9	0.60%	*	*	*	*
Northern Star Co.	14,137,400	281,998	10	0.59%	8,451,800	168,286	7	0.87%
Hazeltine National Golf Club	*	*	*	*	15,656,100	279,938	3	1.45%
Ameriprise Financial Inc.	*	*	*	*	14,061,100	252,911	4	1.31%
Target Corp	*	*	*	*	12,534,100	249,932	5	1.29%
Home Depot USA Inc	*	*	*	*	8,278,700	164,824	8	0.85%
FSI International Inc.	*	*	*	*	8,278,400	164,818	9	0.85%
	<u>\$ 234,677,200</u>	<u>\$ 3,559,045</u>		<u>7.41%</u>	<u>\$ 139,224,700</u>	<u>\$ 2,426,942</u>		<u>12.53%</u>

Source: Carver County Auditor

(1) Assessed 2023 values are determined as of January 2, 2022

Ranked in order of Estimated Net Tax Capacity.

* Denotes taxpayer was not a principal taxpayer for the year reported.

CITY OF CHASKA, MINNESOTA

**PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	LEVY FOR CALCULATION OF TAX RATE			LEVY ADJUSTMENT AFTER RATE CALCULATION	COUNTY ADJUSTED NET TAX LEVY
	CERTIFIED LEVY	CREDITS AND ADJUSTMENTS	COUNTY ADJUSTED TAX LEVY		
2014	\$ 5,222,224	\$ (802)	\$ 5,221,422	\$ (5,276)	\$ 5,216,146
2015	6,951,262	(1,390)	6,949,872	(1,590)	6,948,282
2016	7,728,287	(1,462)	7,726,825	(35,220)	7,691,605
2017	8,396,405	(1,611)	8,394,794	(20,108)	8,374,686
2018	9,057,344	(1,614)	9,055,730	21,726	9,077,456
2019	9,700,652	(1,655)	9,698,997	(28,286)	9,670,711
2020	10,516,131	(1,679)	10,514,452	47,705	10,562,157
2021	11,412,924	(1,632)	11,411,292	(26,381)	11,384,911
2022	12,672,429	(1,716)	12,670,713	12,408	12,683,121
2023	15,216,146	(1,864)	15,214,282	(22,374)	15,191,908

Source: Carver County Auditor

(1) Collections do not include tax increment or mobile home.

Table 10

COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS AND ABATEMENTS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
\$ 5,179,682	99.30%	\$ 36,149	\$ 5,215,831	99.99%
6,889,114	99.15%	53,268	6,942,382	99.92%
7,649,215	99.45%	39,291	7,688,506	99.96%
8,348,563	99.69%	26,121	8,374,684	100.00%
9,053,269	99.73%	24,093	9,077,362	100.00%
9,642,349	99.71%	5,039	9,647,388	99.76%
10,539,422	99.78%	22,437	10,561,859	100.00%
11,353,727	99.73%	30,449	11,384,176	99.99%
12,659,037	99.81%	17,920	12,676,957	99.95%
15,149,485	99.72%	-	15,149,485	99.72%

CITY OF CHASKA, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

GOVERNMENTAL ACTIVITIES												
FISCAL YEAR	GENERAL OBLIGATION EQUIPMENT CERTIFICATES	OTHER GENERAL OBLIGATION BONDS (2)	GENERAL OBLIGATION TAX INCREMENT BONDS	GENERAL OBLIGATION ABATEMENT BONDS	GENERAL OBLIGATION IMPROVEMENT BONDS	GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	NOTES PAYABLE	LEASES	SUBSCRIPTIONS	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL GOVERNMENTAL ACTIVITIES DEBT
2014	\$ 1,190,000	\$ 2,755,000	\$ 3,835,000	\$ 405,000	\$ 23,610,000	\$ -	\$ -	\$ 136,788	\$ -	\$ -	\$ 842,462	\$ 32,774,250
2015	975,000	2,315,000	945,000	405,000	27,705,000	-	10,085,000	128,068	-	-	1,908,544	44,466,612
2016	740,000	1,835,000	850,000	405,000	25,510,000	-	10,085,000	119,300	-	-	1,783,175	41,327,475
2017	2,605,000	1,635,000	1,220,000	2,430,000	30,995,000	-	9,815,000	107,998	-	-	2,785,053	51,593,051
2018	2,505,000	1,880,000	1,125,000	630,000	29,405,000	720,000	9,545,000	96,139	-	-	2,587,041	48,493,180
2019	3,480,000	6,795,000	3,210,000	620,000	33,595,000	645,000	9,270,000	83,696	12,878	-	3,400,438	61,112,012
2020	3,185,000	6,440,000	3,100,000	610,000	32,310,000	570,000	16,805,000	70,652	10,313	-	3,428,009	66,528,974
2021	2,780,000	5,920,000	2,990,000	575,000	28,205,000	495,000	16,515,000	-	7,555	-	3,345,308	60,832,863
2022	2,345,000	9,635,000	2,950,000	540,000	26,200,000	420,000	15,885,000	-	333,398 (3)	-	3,058,945	61,367,343
2023	10,700,000	13,217,000	2,880,000	500,000	25,375,000	335,000	15,240,000	-	391,737	106,642 (4)	3,722,960	72,468,339

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

- (1) See the Schedule of Demographics and Economic Statistics for personal income and population data.
- (2) Governmental Activities Other General Obligation Bonds include both permanent and temporary GO State Aid Street Bonds issued in 2021, 2022 and 2023.
- (3) City implemented GASB 87 for Leases in 2022.
- (4) City implemented GASB 96 for Subscriptions in 2023.

BUSINESS-TYPE ACTIVITIES

GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	LEASE PURCHASE BONDS	FINANCED PURCHASE PAYABLE	LEASES	SUBSCRIPTIONS	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL BUSINESS-TYPE ACTIVITIES DEBT	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (1)	PER CAPITA (1)
\$ 11,370,000	\$ 35,625,000	\$ -	\$ -	\$ -	\$ -	\$ 840,869	\$ 47,835,869	\$ 80,610,119	5.09%	3,190
16,170,000	46,970,000	-	-	-	-	3,524,126	66,664,126	111,130,738	6.69%	4,340
15,745,000	45,435,000	-	-	-	-	3,289,591	64,469,591	105,797,066	6.10%	4,002
15,820,000	52,015,000	-	-	-	-	3,572,665	71,407,665	123,000,716	6.67%	4,566
15,100,000	47,050,000	-	145,571	-	-	3,305,892	65,601,463	114,094,643	5.80%	4,131
17,220,000	44,125,000	-	101,541	-	-	3,169,083	64,615,624	125,727,636	6.15%	4,540
25,450,000	42,540,000	-	54,528	-	-	4,058,492	72,103,020	138,631,994	6.55%	4,985
16,720,000	37,360,000	3,560,000	280,594	-	-	3,575,299	61,495,893	122,328,756	5.44%	4,380
15,420,000	34,220,000	3,429,000	234,292	627,906 (3)	-	3,216,727	57,147,925	118,515,268	4.83%	4,207
14,215,000	30,950,000	3,299,000	185,524	601,755	45,213 (4)	2,863,295	52,159,787	124,628,126	5.08%	4,424

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TO ESTIMATED ACTUAL TAXABLE VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		LESS AMOUNT RESTRICTED TO DEBT SERVICE (2)	NET GENERAL OBLIGATION DEBT	PERCENTAGE OF ESTIMATED ACTUAL MARKET VALUE OF PROPERTY (3)	PER CAPITA (4)
	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)				
2014	\$ 31,795,000	\$ 842,462	\$ 11,370,000	\$ 209,294	\$ 8,117,087	\$ 36,099,669	1.70%	\$ 1,429
2015	32,345,000	1,291,364	16,170,000	283,655	5,994,522	44,095,497	1.85%	1,722
2016	29,340,000	1,199,669	15,745,000	264,948	5,897,191	40,652,426	1.58%	1,538
2017	38,885,000	2,235,225	15,820,000	302,416	7,042,822	50,199,819	1.89%	1,863
2018	36,265,000	2,070,891	15,100,000	281,020	7,634,833	46,082,078	1.62%	1,668
2019	48,345,000	2,917,966	17,220,000	387,246	8,319,472	60,550,740	2.01%	2,192
2020	46,215,000	2,927,265	25,450,000	666,467	8,661,721	66,597,011	2.03%	2,395
2021	40,965,000	2,930,192	16,720,000	508,354	9,020,876	52,102,670	1.55%	1,865
2022	42,090,000	2,677,507	15,420,000	462,349	9,013,681	51,636,175	1.46%	1,833
2023	53,007,000	3,375,200	14,215,000	421,484	9,260,300	61,758,384	1.43%	2,192

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

(1) Includes all general obligation bonds, including general obligation equipment certificates, general obligation tax increment bonds, general obligation taxable abatement bonds, general obligation improvement bonds, general obligation state aid street bonds, and general obligation revenue bonds.

(2) Amount restricted for repayment of general obligation bonds.

(3) See the Schedule of Tax Capacity Value and Estimated Actual Market Value of Real and Personal Property for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2023
 (UNAUDITED)

	DEBT OUTSTANDING	PERCENT OF DEBT APPLICABLE TO CITY	AMOUNT OF DEBT APPLICABLE TO CITY
DIRECT DEBT			
City of Chaska and Chaska EDA	\$ 72,468,339 (1)	100.00%	\$ 72,468,339
OVERLAPPING DEBT			
Carver County	15,004,473	21.72%	3,258,972
Carver County CDA	24,230,000 (2)	-	-
Independent School District 112	149,098,000	37.16%	55,404,817
Metropolitan Council	1,694,829,000 (3)	0.78%	13,219,666
Total Overlapping Debt	1,883,161,473		71,883,455
Total Direct and Overlapping Debt	\$ 1,955,629,812		\$ 144,351,794

Source: Carver County Auditor

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 of Chaska. This process recognizes that, when considering the City'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.

- (1) Excludes general obligation, lease purchase, and revenue bonds reported in the enterprise funds.
 Includes premium related to governmental activities general obligation bonds and notes payable.
 Includes GASB 87 lease liabilities and GASB 96 subscription liabilities related to governmental activities.
- (2) No percentage of the Carver County CDA bonds is applicable because the bonds will be repaid primarily from housing revenues.
- (3) Excludes general obligation debt supported by wastewater revenues and housing rental payments.
 Includes certificates of participation, governmental activities general obligation bonds, and notes payable.

CITY OF CHASKA, MINNESOTA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2014	2015	2016	2017
Market Value	\$ 2,121,003,200	\$ 2,380,806,300	\$ 2,573,342,000	\$ 2,652,305,300
Debt Limit - 3% of Market Value (A)	63,630,096	71,424,189	77,200,260	79,569,159
Amount of Debt Applicable to Debt Limit:				
GO Improvement Bonds and Equipment Certificates	3,895,000	3,680,000	3,180,000	4,765,000
Capital Improvement Plan Refunding	750,000	295,000	-	-
Lease Obligations issued by the EDA	6,315,000	32,360,000	32,045,000	32,390,000
Installment Purchase Revenue Debt	-	-	-	-
Lease Purchase Bonds	-	-	-	-
Total Debt Applicable to Debt Limit	10,960,000	36,335,000	35,225,000	37,155,000
Legal Debt Margin	\$ 52,670,096	\$ 35,089,189	\$ 41,975,260	\$ 42,414,159
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (B)	17.22%	50.87%	45.63%	46.70%

Source: Carver County Auditor (Market Value)

(A) Sec. 475.53 MN Statutes - Generally. Except as otherwise provided in sections 475.51 to 475.74, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the taxable property in the municipality.

(B) Sec. 475.51 MN Statutes - Definitions: Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt the aggregate of the principal of the following:

- (1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
- (2) Warrants or orders having no definite or fixed maturity.
- (3) Obligations payable wholly from the income from revenue producing conveniences.
- (4) Obligations issued to create or maintain a permanent improvement revolving fund.
- (5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
- (6) Debt service loans and capital loans made to a school district under the provisions of sections 126C.68 and 126C.69.
- (7) Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.
- (8) Obligations to repay loans made under section 216C.37.
- (9) Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.
- (10) Obligations issued to pay pension fund or other postemployment benefit liabilities under section 475.52, subdivision 6, or any charter authority.
- (11) Obligations issued to pay judgments against the municipality under section 475.52, subdivision 6, or any charter authority.
- (12) All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Table 14

2018	2019	2020	2021	2022	2023
\$ 2,847,274,600	\$ 3,007,913,300	\$ 3,281,441,700	\$ 3,368,610,400	\$ 3,536,714,700	\$ 4,319,497,500
85,418,238	90,237,399	98,443,251	101,058,312	106,101,441	129,584,925
4,385,000	5,070,000	4,475,000	3,760,000	3,010,000	11,040,000
-	-	-	-	-	-
28,690,000	27,105,000	25,060,000	23,450,000	21,780,000	20,055,000
-	-	7,815,000.00	7,815,000	7,485,000	7,145,000
-	-	-	3,560,000	3,429,000	3,299,000
33,075,000	32,175,000	37,350,000	38,585,000	35,704,000	41,539,000
\$ 52,343,238	\$ 58,062,399	\$ 61,093,251	\$ 62,473,312	\$ 70,397,441	\$ 88,045,925
38.72%	35.66%	37.94%	38.18%	33.65%	32.06%

CITY OF CHASKA, MINNESOTA

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	OPERATING REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
DEBT SERVICE FUNDS - REVENUE BONDS: LAST TEN FISCAL YEARS							
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2015	112	-	112	-	99,640	99,640	0.00
2016	932	1,600	(668)	-	358,474	358,474	(0.00)
2017	1,799	3,200	(1,401)	270,000	369,950	639,950	(0.00)
2018	2,563	3,200	(637)	270,000	364,550	634,550	(0.00)
2019	2,546	3,200	(654)	275,000	359,100	634,100	(0.00)
2020	1,080,081 (6)	9,400	1,070,681	280,000	470,271	750,271	1.43
2021	1,017,433	7,746	1,009,687	290,000	567,152	857,152	1.18
2022	746,625	7,626	738,999	630,000	541,050	1,171,050	0.63
2023	1,131,248	7,364	1,123,884	645,000	525,817	1,170,817	0.96
ELECTRIC ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2014	\$ 35,013,104	\$ 31,617,219	\$ 3,395,885	\$ 145,000	\$ 87,707	\$ 232,707	14.59
2015	35,859,710	32,487,115	3,372,595	140,000	84,832	224,832	15.00
2016	37,703,918	34,201,984	3,501,934	150,000	83,870	233,870	14.97
2017	37,751,011	34,381,108	3,369,903	145,000	80,870	225,870	14.92
2018	41,513,669	37,413,217	4,100,452	395,000	336,161	731,161	5.61
2019	41,565,560	34,058,548	7,507,012	420,000	309,145	729,145	10.30
2020	43,028,104	34,972,958	8,055,146	430,000	295,545	725,545	11.10
2021	49,019,072	39,995,030	9,024,042	425,000 (7)	291,138	716,138	12.60
2022	55,020,552	45,758,924	9,261,628	430,000	269,375	699,375	13.24
2023	56,742,382	45,918,487	10,823,895	450,000	252,175	702,175	15.41
WATER ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2014	\$ 2,419,202	\$ 1,707,247	\$ 711,955	\$ 330,000	\$ 367,008	\$ 697,008	1.02
2015	2,551,958	1,703,500	848,458	370,000	359,789	729,789	1.16
2016	2,735,781	1,760,515	975,266	425,000	376,418	801,418	1.22
2017	2,787,654	1,768,636	1,019,018	482,000	359,051	841,051	1.21
2018	2,908,068	1,860,948	1,047,120	529,000	361,505	890,505	1.18
2019	2,999,645	2,181,688	817,957	594,000	362,430	956,430	0.86
2020	3,372,280	2,353,522	1,018,758	625,000	381,098	1,006,098	1.01
2021	4,004,847	2,441,121	1,563,726	740,440 (8)	443,557	1,183,997	1.32
2022	4,319,046	2,577,302	1,741,744	918,035	150,150	1,068,185	1.63
2023	5,194,001	2,721,222	2,472,779	796,235	139,067	935,302	2.64
SEWER ENTERPRISE FUND: NINE FISCAL YEARS							
2015 (1)	\$ 3,275,998	\$ 3,062,822	\$ 213,176	\$ -	\$ -	\$ -	-
2016	3,433,187	3,110,423	322,764	-	45,259	45,259	7.13
2017	3,612,296	3,340,582	271,714	104,000	73,473	177,473	1.53
2018	3,809,359	3,610,519	198,840	116,000	73,973	189,973	1.05
2019	4,158,322	3,838,809	319,513	121,000	76,644	197,644	1.62
2020	4,612,317	4,300,056	312,261	125,000	99,796	224,796	1.39
2021	4,986,322	4,406,445	579,877	203,561	124,337	327,898	1.77
2022	5,666,239	4,849,788	816,451	239,365	120,226	359,591	2.27
2023	6,761,550	5,451,659	1,309,891	255,914	113,322	369,236	3.55
COMMUNITY CENTER ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2014	\$ 3,098,390	\$ 2,949,046	\$ 149,344	\$ 295,000	\$ 233,923	\$ 528,923	0.28
2015	3,250,759	3,101,196	149,563	305,000	225,594	530,594	0.28
2016	2,737,031	3,470,538	(733,507)	315,000	217,870	532,870	(1.38)
2017	3,165,224	3,570,939	(405,715)	325,000	204,528	529,528	(0.77)
2018	3,069,710	3,834,757	(765,047)	2,465,000	185,834	2,650,834	(0.29)
2019	3,215,817	3,786,406	(570,589)	330,000	160,795	490,795	(1.16)
2020	1,830,242	3,737,706	(1,907,464)	3,075,000	154,030	3,229,030	(0.59)
2021	2,163,808	3,455,882	(1,292,074)	295,000	171,186	466,186	(2.77)
2022	2,791,020	3,933,413	(1,142,393)	320,000	133,600	453,600	(2.52)
2023	3,183,967	3,953,489	(769,522)	335,000	119,400	454,400	(1.69)

FISCAL YEAR	OPERATING REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
THE LOOP AT CHASKA ENTERPRISE FUND: THREE FISCAL YEARS							
2021 (1)	\$ 59 (9)	\$ (43,856) (9)	\$ 43,915	\$ -	\$ -	\$ -	-
2022	- (9)	42,940	(42,940)	131,000	114,953	245,953	(0.17)
2023	- (9)	161,508	(161,508)	130,000	118,986	248,986	(0.65)
TURBINE GENERATOR ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2014	\$ 2,185,282	\$ 284,255	\$ 1,901,027	\$ 1,060,000	\$ 1,336,069	\$ 2,396,069	0.79
2015	1,969,875	220,558	1,749,317	1,100,000 (5)	1,223,907	2,323,907	0.75
2016	1,786,037	304,332	1,481,705	1,070,000	1,007,850	2,077,850	0.71
2017	1,734,137	309,043	1,425,094	1,110,000	706,128	1,816,128	0.78
2018	1,712,581	342,286	1,370,295	1,140,000	931,750	2,071,750	0.66
2019	1,657,288	389,787	1,267,501	1,195,000	886,150	2,081,150	0.61
2020	1,495,484	320,756	1,174,728	1,220,000	862,250	2,082,250	0.56
2021	1,422,057	328,146	1,093,911	1,275,000	801,250	2,076,250	0.53
2022	1,366,151	331,016	1,035,135	1,340,000	737,500	2,077,500	0.50
2023	1,261,543	353,975	907,568	1,400,000	670,500	2,070,500	0.44
STORM WATER ENTERPRISE FUND: NINE FISCAL YEARS							
2015 (1)	\$ 913,884	\$ 698,036	\$ 215,848	\$ -	\$ 7,502	\$ 7,502	28.77
2016	969,639	802,266	167,373	-	29,770	29,770	5.62
2017	1,099,143	752,510	346,633	74,000	59,766	133,766	2.59
2018	1,587,676	841,372	746,304	75,000	48,572	123,572	6.04
2019	1,714,251	911,156	803,095	80,000	47,076	127,076	6.32
2020	1,756,180	1,004,334	751,846	80,000	64,226	144,226	5.21
2021	2,131,730	1,014,679	1,117,051	115,999	82,028	198,027	5.64
2022	1,954,589	1,370,635	583,954	142,600	80,011	222,611	2.62
2023	1,775,622	1,197,495	578,127	152,851	75,727	228,578	2.53
CURLING CENTER ENTERPRISE FUND: NINE FISCAL YEARS							
2015 (1)	\$ 65,663	\$ 208,181	\$ (142,518)	\$ -	\$ 290,781	\$ 290,781	(0.49)
2016	1,175,144	925,311	249,833	-	484,225	484,225	0.52
2017	1,224,086	1,177,073	47,013	940,000	523,917	1,463,917	0.03
2018	1,223,657	1,497,227	(273,570)	965,000	514,389	1,479,389	(0.18)
2019	1,133,372	1,295,609	(162,237)	980,000	495,446	1,475,446	(0.11)
2020	641,658	1,105,354	(463,696)	1,000,000	472,636	1,472,636	(0.31)
2021	915,179	1,150,177	(234,998)	1,025,000	446,260	1,471,260	(0.16)
2022	1,403,440	1,342,839	60,601	1,050,000	416,850	1,466,850	0.04
2023	1,181,353	1,294,955	(113,602)	1,085,000	384,664	1,469,664	(0.08)

Note: Bonds in the Electric, Water and Storm Water Enterprise funds are supported by charges for services; The Loop at Chaska, Turbine Generator, Community Center and Curling Center Enterprise funds are supported by specific fee revenue. Debt Service funds are supported by specific fee revenue.

- (1) First year shown is first year of issuance.
- (2) Includes interest revenue for years 2014 - 2019. For 2020 and future years, interest revenue is not included.
- (3) Does not include depreciation or transfers to other funds.
- (4) Includes principal and interest payment of revenue bonds only.
- (5) 2015 principal payment does not include \$100,000 or \$25,035,000 paid from refunding bond investments to refund the 2000 Electric Revenue bonds or the 2005 Electric Revenue Refunding Bonds respectively.
- (6) In 2020, Transfers were included to be consistent with Note 7 - Long Term Liabilities, Revenue Pledged
- (7) 2021 principal payment does not include \$2,160,000 paid from refunding bond investments to refund the 2011 Electric Utility Revenue Bonds.
- (8) 2021 principal payment does not include \$7,670,000 paid from refunding bond investments to refund the 2011 GO Water Revenue Bonds.
- (9) The Loop at Chaska (formerly known as Par 30 Golf Course) was closed for construction 2021 through 2023, resulting in minimal operating revenues. The negative operating expense is due to negative pension expense of \$78,504 offsetting other operating expenses of \$34,648.

DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FISCAL YEAR	POPULATION (1)	NUMBER OF HOUSEHOLDS (1)	ESTIMATED PERSONAL INCOME (2)	PER CAPITA INCOME (2)	MEDIAN AGE (3)	K-12 SCHOOL ENROLLMENT (4)	UNEMPLOYMENT RATE (5)
2014	25,270	9,278	\$ 1,584,075,220	\$ 62,686	35.6	5,797	3.70%
2015	25,607	9,492	1,661,330,946	64,878	35.7	5,854	3.20%
2016	26,439	9,823	1,733,473,035	65,565	36.2	5,700	3.30%
2017	26,941	10,012	1,845,323,795	68,495	36.1	5,662	3.00%
2018	27,622	10,136	1,967,459,816	71,228	36.0	5,561	2.50%
2019	27,692	10,228	2,043,254,220	73,785	36.2	5,725	2.80%
2020	27,810 (3)	10,438 (3)	2,117,369,970	76,137	36.2	5,769	5.20%
2021	27,931	10,508	2,250,177,222	80,562	36.2	5,700 (6)	3.00%
2022	28,170	10,660	2,453,466,150	87,095	37.4	5,687	2.10%
2023	28,170 (7)	10,660 (7)	2,453,466,150 (7)	87,095 (7)	37.2 (8)	5,628	2.40%

- (1) Source: Metropolitan Council annual estimate as of April 1st of the previous year.
- (2) Source: Minnesota State Demographer, using U.S. Department of Commerce, Bureau of Economic Analysis (BEA), Carver County personal income and per capita income (City personal income as a ratio of Carver County personal income).
- (3) Source: US Census Bureau, Chaska City, MN.
- (4) Source: Minnesota Department of Education for Independent School District #112, includes private school data for St. John's Lutheran, Guardian Angels Catholic, Southwest Christian High School, Jonathan Mont. and Step/Step Enrollment excludes K-12 District #112 buildings not located within the City.
- (5) Source: Minnesota Department of Employment and Economic Development Average Annual Unemployment Rate for Carver County (not seasonally adjusted). (Number of people estimated by place of residence).
- (6) Guardian Angels School permanently closed in 2020. Enrollment that year was 64 students.
- (7) 2023 data is not available at this time. Data is from 2022, and will be updated as it becomes available.
- (8) United States Census (source: 2022 American Community Survey 5-year estimates)

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2023			2014		
	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (1)	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
ISD #112/Eastern Carver County	1,210	1	9.11%	1,100	1	8.90%
Lake Region Manufacturing Co., Inc.	740	2	5.57%	745	5	6.03%
City of Chaska (2)	580	3	4.36%	*	*	*
Carver County	551	4	4.15%	850	3	6.88%
Entegris, Inc.	455	5	3.42%	350	8	2.83%
Apex International, MFG	400	6	3.01%	*	*	*
Old National Bank (3)	400	6	3.01%	*	*	*
Beckman-Coulter, Inc.	359	8	2.70%	900	2	7.28%
TEL-FSI, Inc (4)	290	9	2.18%	850	3	6.88%
Import Specialties, Inc.	250	10	1.88%	*	*	*
The Bernard Group	*	*	*	425	6	3.44%
Sanofi Diagnostics Pasteur, Inc	*	*	*	415	7	3.36%
Century Link	*	*	*	210	9	1.70%
Lifecore Biomedical	*	*	*	200	10	1.62%
Total:	<u>5,235</u>		<u>39.40%</u>	<u>6,045</u>		<u>48.92%</u>

Sources: Minnesota Department of Employment and Economic Development, Baker Tilly survey

(1) Total City Employment based on the most recent Metropolitan Council estimate as of 2022.

(2) Includes seasonal and part-time employees

(3) Formerly known as Klein Financial, Inc

(4) Formerly known as FSI International.

* Denotes employer was not a principal employer for the year reported.

CITY OF CHASKA, MINNESOTA

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31			
	2014	2015	2016	2017
General Government (1)	29.4	30.2	31.2	29.7
Public Safety				
Police Department	30.0	30.0	31.9	31.5
Fire Department	8.8	11.5	11.1	12.3
Building Inspections (4)	0.0	0.0	0.0	0.0
Public Works	20.3	19.5	20.9	22.1
Parks, Recreation and Arts	5.6	4.6	7.2	7.0
Electric	17.0	17.6	17.6	17.4
Water	7.4	7.6	7.1	7.1
Sewer	7.2	7.0	6.9	7.1
Chaska Community Center	37.1	37.7	38.8	39.0
The Loop at Chaska (5)	2.3	2.6	2.7	2.6
Chaska Town Course	17.9	18.6	19.3	18.5
Internet Service Provider (2)	1.0	0.0 (2)	0.0	0.0
Storm Water	2.6	2.7	3.1	3.2
Chaska Curling/Event Center (3)	N/A	1.0	6.0	8.6
Total	186.4	190.6	203.5	206.0

Source: City of Chaska Payroll.

- (1) Even numbered election years include election judges which increases General Government totals by 1 - 1.2 full-time equivalent employees.
- (2) Residential internet service ended in 2015. One Chaska.Net employee was reassigned to General Government.
- (3) The Curling/Event Center opened in 2015.
- (4) Building Inspectors were previously included in General Government.
- (5) Par 30 closed at the end of the 2020 season for reconstruction. Construction continued 2021-2023. When it re-opens, it will be known as The Loop at Chaska.
- (6) Park maintenance was moved from the Public Works function to Parks, Recreation and Arts.

Table 18

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31						
2018	2019	2020	2021	2022	2023	
32.2	32.2	31.9	29.9	32.6	33.5	
32.7	35.1	35.8	35.7	37.3	39.8	
14.1	16.1	16.3	16.3	18.2	18.8	
0.0	0.0	5.6	(4) 6.6	6.9	8.1	
24.6	25.0	25.2	24.7	12.0	(6) 11.7	
7.7	9.4	8.2	8.2	22.3	(6) 26.2	
16.0	17.2	19.3	17.5	19.2	21.8	
6.8	6.8	6.8	6.4	6.3	6.6	
6.9	6.8	6.8	6.4	6.3	6.5	
38.1	39.1	35.4	31.8	35.3	35.3	
2.4	2.5	2.3	0.0	(5) 0.0	(5) 0.6	(5)
18.4	18.7	18.0	20.2	19.4	19.2	
0.0	0.0	0.0	0.0	0.0	0.0	
2.9	2.9	2.9	2.4	3.9	4.1	
9.2	9.6	8.2	7.4	8.2	8.1	
<u>211.9</u>	<u>221.5</u>	<u>222.6</u>	<u>213.4</u>	<u>227.9</u>	<u>240.3</u>	

CITY OF CHASKA, MINNESOTA

OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR			
	2014	2015	2016	2017
Electric				
Number of Connections (Billed)	10,054	9,912	10,002	10,240
Purchased KWH Power Wholesale				
From MMPA	360,570,327	360,908,813	367,267,226	364,637,712
Total kWh Sales	347,410,769	350,780,886	355,853,340	354,994,175
Total kWh Received (8)	-	-	-	1,267
Peak kW Demand	72,641	70,061	77,637	73,472
Water				
Number of Connections (Billed)	6,613	6,797	6,912	7,063
Total Water Pumped (Gallons)	1,036,324,000	1,030,518,000	1,040,547,000	1,071,455,000
Total Water Sold (Gallons)	972,503,000	991,284,000	1,016,915,000	1,029,698,000
Average Daily Usage (Gallons Per Day)	2,664,392	2,715,847	2,786,000	2,821,000
System Peak Day (Gallons Per Day)	6,429,000	6,007,000	7,047,000	6,554,000
Sewer (10)				
Number of Connections (Billed)	6,545	6,710	6,827	6,916
Total Gallons Treated (Gallons)	930,431,000	931,203,000	924,965,000	912,076,000
Storm Water				
Number of Utility Customers (Billed)	8,051	8,153	8,292	8,364
Internet Service Provider (5)				
Number of Connections (Billed)	730	2	2	2
Golf Courses				
Town Course Rounds / Golfers	31,199	34,253	33,403	32,642
The Loop at Chaska (Par 30) Rounds / Golfers (9)	14,907	15,560	14,810	14,130
Par 30 Rounds / Foot Golf (4)	-	1,925	1,108	681
Public Safety / Building Inspections Department				
Building Permits And Market Value				
Commercial, Industrial And Public (1)				
Permits	51	43	38	45
Market Value (7)	\$ 11,117,620	\$ 26,204,786	\$ 14,769,385	\$ 69,759,098
Single Family Homes And Townhomes (2)				
Permits	138	135	134	103
Market Value	\$ 35,216,150	\$ 35,690,048	\$ 34,199,578	\$ 24,339,375
Condos, Apartments And Multi-Family Homes (2)				
Permits	6	1	10	-
Market Value	\$ 5,005,291	\$ 17,000,000	\$ 6,303,563	\$ -
Misc. Residential And Other Bldgs (3)				
Permits	591	658	1,234	678
Market Value (6)	\$ 6,642,933	\$ 8,275,817	\$ 15,058,650	\$ 11,310,594
Total Building Permits:	786	837	1,416	826
Total Market Value:	\$ 57,981,994	\$ 87,170,651	\$ 70,331,176	\$ 105,409,067

Source: City Utility, Golf Courses and Building Departments.

- (1) Includes new construction and additions/alterations.
- (2) Includes new construction only.
- (3) Includes additions, alterations, garages, accessory structures, pools and commercial re-roofing.
- (4) Par 30 Golf Course introduced Foot Golf in 2015 which was offered through the 2019 season.
- (5) Residential internet service ended in 2015. 2018 was last year of billed service to outside customers.
- (6) 2016 Miscellaneous residential and other buildings includes 1,138 residential single family alterations/additions valued at \$12,102,429. 2021 was a record year for miscellaneous residential permits for alterations/additions.
- (7) 2017 increase in the market value of commercial, industrial and public permits is due to several large projects including a new Data Center valued at \$32.3 million.
- (8) In 2017 started tracking annual kWh Sales Received on a Gross basis rather than a Net basis.
- (9) Par 30 closed for construction at the end of the 2020 season. The course will re-open in 2024 as The Loop at Chaska.
- (10) Sewer Service through Metropolitan Council Environmental Services.

Table 19

FISCAL YEAR						
2018	2019	2020	2021	2022	2023	
10,296	10,488	10,618	10,739	11,000	11,259	
383,993,272	388,005,113	399,816,088	415,067,637	419,512,809	422,929,725	
371,631,841	374,349,964	383,968,650	403,721,262	408,983,778	413,497,938	
29,118	38,945	94,676	232,636	449,364	646,597	
78,428	77,413	80,485	85,839	86,662	88,815	
7,151	7,260	7,362	7,487	7,720	7,935	
1,037,845,000	1,030,142,000	1,100,289,000	1,232,289,000	1,223,274,000	1,257,973,000	
981,943,000	986,551,000	1,056,638,979	1,177,971,910	1,166,580,000	1,319,385,000	
2,843,411	2,822,000	2,895,000	3,227,320	3,196,109	3,614,753	
6,579,000	5,939,000	6,589,000	7,376,000	7,824,000	7,312,000	
6,999	7,093	7,186	7,304	7,545	7,757	
845,848,000	870,838,000	882,570,979	909,148,000	895,871,000	900,378,000	
8,438	8,517	8,615	8,728	9,152	9,198	
2	-	-	-	-	-	
30,157	29,374	38,550	42,715	39,094	37,728	
13,206	13,020	20,488	- (9)	- (9)	- (9)	
647	380	-	-	-	-	
49	34	47	44	344	226	
\$ 14,207,139	\$ 6,587,100	\$ 8,694,470	\$ 22,041,285	\$ 76,853,099	\$ 93,306,229	
78	114	113	226	177	206	
\$ 18,788,936	\$ 31,901,390	\$ 28,362,364	\$ 74,768,560	\$ 57,411,144	\$ 75,389,667	
1	-	-	-	3	16	
\$ 17,500,000	\$ -	\$ -	\$ -	\$ 25,407,216	\$ 70,491,398	
570	636	917	1,363	2,063	2,389	
\$ 7,125,660	\$ 7,365,467	\$ 14,342,105	\$ 23,491,778	\$ 19,902,467	\$ 18,234,096	
698	784	1,077	1,633	2,587	2,837	
\$ 57,621,735	\$ 45,853,957	\$ 51,398,939	\$ 120,301,623	\$ 179,573,926	\$ 257,421,390	

CITY OF CHASKA, MINNESOTA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

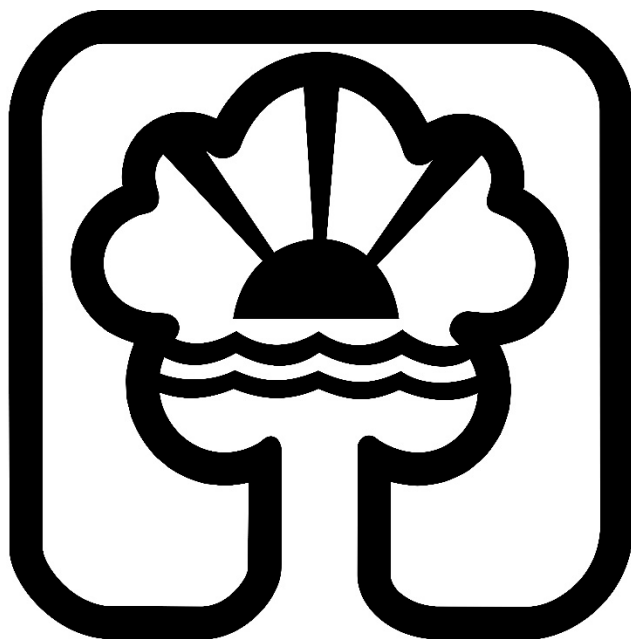
FUNCTION/PROGRAM	FISCAL YEAR			
	2014	2015	2016	2017
Public Safety				
Police:				
Stations	1	1	1	1
Fire:				
Stations	1	1	1	1
Number of Fire Hydrants (Private)	414	416	422	494
Number of Fire Hydrants (Public)	1,371	1,390	1,393	1,393
Public Works				
Miles of Streets:				
City / Local	76.81	77.78	78.36	79.17
City MSA	20.95	20.95	20.94	20.94
Parks, Recreation and Arts				
Number of Parks	26	26	26	26
Acres of Parks	970	970	973	973
Miles of Trails	66	67	67	68
Golf Courses	2	2	2	2
Electric				
Number of Substations	4	3 (1)	3	3
Water				
Water Mains (Miles)	153	154	155	155
Number of Wells	6	6	6	6
Total Pumping Capacity (Gallons Per Day)	13,400,000	13,400,000	13,400,000	13,400,000
Filtration Capacity (Gallons Per Day)	12,600,000	12,600,000	12,600,000	12,600,000
Total Storage Capacity (Gallons)	4,800,000	4,800,000	4,800,000	4,800,000

Source: City Departments

(1) Closed the Chaska Downtown Substation to convert it into a switching station.

Table 20

FISCAL YEAR						
2018	2019	2020	2021	2022	2023	
1	1	1	1	1	1	1
1	1	1	1	1	1	1
517	518	521	526	525	541	
1,431	1,450	1,504	1,521	1,531	1,577	
79.36	80.71	81.70	83.65	86.50	87.12	
20.79	20.79	22.92	22.98	22.98	22.45	
26	28	28	28	29	29	
973	985	985	985	992	999	
68	69	70.5	70.5	71.0	71.5	
2	2	2	2	2	2	
4	4	4	4	4	4	
160	163	169	172	174	180	
6	6	6	6	6	6	
13,400,000	13,400,000	13,400,000	13,400,000	13,400,000	13,400,000	
12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	
4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,500,000	



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