
2022

Annual Comprehensive Financial Report



**City of Champlin
For the Year Ended
December 31, 2022**



- This page intentionally left blank -

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2022**

CITY OF CHAMPLIN, MINNESOTA

PREPARED BY: FINANCE DEPARTMENT

- This page intentionally left blank -

CITY OF CHAMPLIN, MINNESOTA
 TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
I. INTRODUCTORY SECTION		
Letter of Transmittal		3
Certificate of Achievement for Excellence in Financial Reporting		9
Organizational Chart		10
List of Elected and Appointed Officials		11
II. FINANCIAL SECTION		
Independent Auditor's Report		15
Management's Discussion and Analysis		21
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	33
Statement of Activities	Statement 2	34
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	36
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Statement 5	40
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	Statement 6	41
Statement of Net Position - Proprietary Funds	Statement 7	42
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Statement 8	43
Statement of Cash Flows - Proprietary Funds	Statement 9	44
Notes to Financial Statements		45
Required Supplementary Information:		
Schedule of Changes in the Total OPEB Liability and Related Ratios	Statement 10	82
Schedule of Pension Contributions - Public Employees General Retirement Fund Pension Plan	Statement 11	83
Schedule of Proportionate Share of Pension Liability - Public Employees General Retirement Fund Pension Plan	Statement 12	84
Schedule of Pension Contributions - Public Employees Police and Fire Fund Pension Plan	Statement 13	85
Schedule of Proportionate Share of Pension Liability - Public Employees General Police and Fire Fund Pension Plan	Statement 14	86
Notes to RSI		87

- This page intentionally left blank -

CITY OF CHAMPLIN, MINNESOTA
TABLE OF CONTENTS

Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 15	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -		
Nonmajor Governmental Funds	Statement 16	98
Schedules of Revenues, Expenditures and Changes in		
Fund Balance - Budget and Actual		
Economic Development Authority	Statement 17	100
Technology	Statement 18	101
Ice forum	Statement 19	102
Combining Statement of Net Position - Internal Service Funds	Statement 20	103
Combining Statement of Revenues, Expenses and Changes in Fund		
Net Position - Internal Service Funds	Statement 21	104
Combining Statement of Cash Flows - Internal Service Funds	Statement 22	105

III. STATISTICAL SECTION (UNAUDITED)

Financial Trends:		
Net Positions	Table 1	110
Changes in Net Position	Table 2	112
Governmental Activities Tax Revenue by Source	Table 3	117
Fund Balances - Governmental Funds	Table 4	118
Changes in Fund Balances - Governmental Funds	Table 5	120
Revenue Capacity:		
Tax Capacity and Estimated Actual Value of All Taxable Property	Table 6	122
Property Tax Rates - Direct and Overlapping Governments	Table 7	123
Principal Property Taxpayers	Table 8	124
Property Tax Levies and Collections	Table 9	125
Debt Capacity:		
Ratios of Outstanding Debt by Type	Table 10	126
Ratios of General Bonded Debt Outstanding	Table 11	128
Direct and Overlapping Governmental Activities Debt	Table 12	131
Legal Debt Margin Information	Table 13	132
Pledged Revenue Coverage	Table 14	134
Demographic and Economic Information:		
Demographic and Economic Statistics	Table 15	136
Principal Employers	Table 16	137
Operating Information:		
Full-Time Equivalent City Government Employees by Function	Table 17	138
Operating Indicators by Function	Table 18	140
Capital Asset Statistics by Function	Table 19	142

- This page intentionally left blank -

I. INTRODUCTORY SECTION

- This page intentionally left blank -



11955 CHAMPLIN DRIVE, CHAMPLIN, MN 55316-2399 • 763.421.8100 • ci.Champlin.mn.us

May 16, 2023

To the Citizens of the City of Champlin,
Honorable Mayor and Council Members

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Champlin for the fiscal year ended December 31, 2022.

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

The City of Champlin's financial statements have been audited by Redpath and Company, a firm of licensed certified public accountants. The auditor has issued an unmodified ("clean") opinion of the City of Champlin's financial statements for the year ended December 31, 2022. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

The City of Champlin is located in the northern part of Hennepin County and is approximately nine square miles in size. Champlin has an estimated 2022 population of 23,478 and is considered a third ring metropolitan suburb, about 20 miles from the Minneapolis Central Business District. Champlin is bordered to the north by Anoka, to the west by Dayton, to the south by Maple Grove and Brooklyn Park and to the east by Coon Rapids. The City is located entirely within the Metropolitan Urban Services Area (MUSA).

Champlin is a community dominated by detached single family residential neighborhoods. Champlin is known as a suburban “bedroom community” as many residents find employment outside of the community. Champlin’s residents appreciate the benefits of suburban living with a “small-town” atmosphere, as well as the convenience of its proximity to the more urbanized regions of the metropolitan area. Champlin is bounded by the Elm Creek Park Reserve and the Mississippi River, which provide important ecological and recreational benefits for the community and the region.

The City of Champlin has been a municipal corporation since 1947 and operates as a statutory city. The Champlin City Council is charged with exercising legislative power and determining local policy. The Council is comprised of the Mayor, who serves a four-year term of office, and four council members who serve staggered four-year terms. The four council members are elected by ward and the mayor is elected at large.

The City operates under a Council/Administrator form of government where the City Administrator is the chief administrative officer directly accountable to the Council for all matters of municipal operation.

This report includes all funds of the City. The City provides a full range of services to its citizens. These services include, but are not limited to, police and fire protection; the construction and maintenance of highways, streets, and infrastructure; culture and recreational activities; and general administrative services. This report also includes the Economic Development Authority (EDA), which although considered a legally separate entity, functions in essence, as a department of the City of Champlin and therefore has been included as an integral part of the City of Champlin’s financial statements. Additional information on this legally separate entity can be found in Note 1A in the notes to the financial statements.

The annual budget serves as the foundation for the City of Champlin’s financial planning and control. All departments of the City of Champlin are required to submit requests for appropriation to the Finance Director in early July each year. All information is compiled and submitted to the Administrator, who uses these requests as the starting point for developing a proposed budget. The proposed budget is presented to the Council for review prior to adoption of the preliminary budget and levy which takes place prior to September 15. The Council is then required to hold public hearings on the proposed budget and to adopt a final budget and levy no later than December 31, the close of the City of Champlin’s fiscal year. The appropriated budget is prepared by fund and department. The Administrator may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 41 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 102.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

The City of Champlin has been affected by the national economic environment. Local indicators continue to do better than the national average. When compared to the rest of the twin cities metropolitan area, Champlin has a moderate growth rate for both residential and commercial tax bases. Growth in both these areas declined substantially between 2009 and 2014 but began to recover in 2015 and that trend is continuing for 2022. The City is 95% developed and is predicted to be fully developed by 2030.

Hennepin County, in which the City of Champlin is located, has a labor force of approximately 701,740 and an unemployment rate of 2.6% (data source: U.S. Bureau of Labor Statistics Dec. 2022). This unemployment rate is comparable to the state average and more favorable than the national averages of 2.9% and 3.5% respectively. Due to the fact that the City is a suburb of the Twin Cities metropolitan area, Hennepin County demographic statistics are considered a good indicator of economic trends in the area.

Important Events

In March of 2021, Congress adopted the American Rescue Plan Act (ARPA). With that Act, funding was provided to state and local governments to address the impacts of COVID-19. The City was allocated a total of \$2.76 million with two installments received in 2021 and 2022. In 2021, \$487,000 in eligible expenditures were approved with the remainder expended in 2022. With such a broad use for these grant dollars, the Council approved transfers of nearly \$2.3 million to support eligible infrastructure projects. By using these grant dollars instead of the planned use of reserves, the City was able to provide additional funding for future projects that have been impacted by significant inflationary increases.

Despite the Fed aggressively increasing interest rates, inflation continues to be the most worrisome driver of the economy. Rising costs continue to impact Champlin residents, commercial businesses, and all aspects of the City's operations.

Future Mandates

The City continues to face budget challenges due to actions by the state legislature. The City does not receive a Local Government Aid (LGA) allocation and receives a fiscal disparities distribution of approximately \$1.8 million. A discussion point for future budget processes will be to continue developing a long-range plan for the elimination of the City's dependence on fiscal disparities.

Long-Term Financial Planning

The City Council places a high priority on long-term financial planning for the City. The City maintains a Financial Management Plan that contains financial policies and long-term projections of capital equipment, facility and infrastructure needs and a mechanism for funding replacement with minimal commitment of debt. A comprehensive update to that plan was completed in 2021 with adjustments to account for changes in the economic outlook. This plan document is scheduled for another comprehensive update in 2026.

Each year the City develops a ten-year capital improvement plan to forecast capital needs into the future. This tool helps assure resources are available to support initiatives and is instrumental in the budget process.

As the City matures and becomes fully developed, it's important to protect property values and maintain a strong tax base. To help accomplish this, the City continues to focus on quality of life improvements in the community. These initiatives include revitalized parks, expanding the City's trail system, and the continual rehabilitation of the City's aging infrastructure. In addition, the Council has directed staff to increase communication between City representatives and the public. This is done through an increased number of public events designed to engage the community and continually improve current City services.

Major Initiatives

Each year the City schedules rehabilitation of several miles of street and utility infrastructure. In 2023, nearly \$15.8 million in projects are planned that includes improvements to 6.4 miles of roadway, design work for the reconstruction of 109th Ave, completing the final phase of Elm Creek stream restoration, completing a large section of sanitary sewer lining, and replacement of the dehumidifier unit in the water treatment plant. The financing of these projects will be a combination of an annual levy, special assessments, municipal state aid, the issuance of G.O. debt, interest earnings from the Permanent Improvement Fund and utility user fees.

The City of Champlin's development efforts are largely focused in the area identified as Mississippi Crossings, encompassing 120 acres adjacent to Trunk Highway 169 and abutting the Mississippi River. In Mississippi Crossings, construction was recently completed on a 214-unit market rate rental housing community and a City-owned riverfront event center and outdoor performing facility. Most recently, plans were approved to move forward with a 9,500 square foot riverfront restaurant with a large outdoor dining patio and roof-top dining area and a 3,500 square foot baker/deli located just off the River. Both of these uses add value to the area to serve local demands as well as supplementing this regional destination.

While the City anticipates being fully developed by 2030, there remains several "shovel-ready" commercially zoned vacant sites along the Highway 169 corridor and approximately 30 acres of undeveloped property zoned single-family residential in the City's northwest area. Recently, development in the northwest area is highlighted by a 100-lot subdivision that is nearly built out with move-up single-family housing.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Champlin for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2021. In order to be granted a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report conforms to the Certificate of Achievement Program requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. Specific recognition for the preparation of this report needs to go to Reidun Zollicoffer and Lindsay Jacobs.

The Finance Department wishes to express our appreciation to the City Administrator and the members of the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Champlin's finances.

Respectfully submitted,



Bret Heitkamp
City Administrator



Shelly Peterson
Finance Director

- This page intentionally left blank -



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

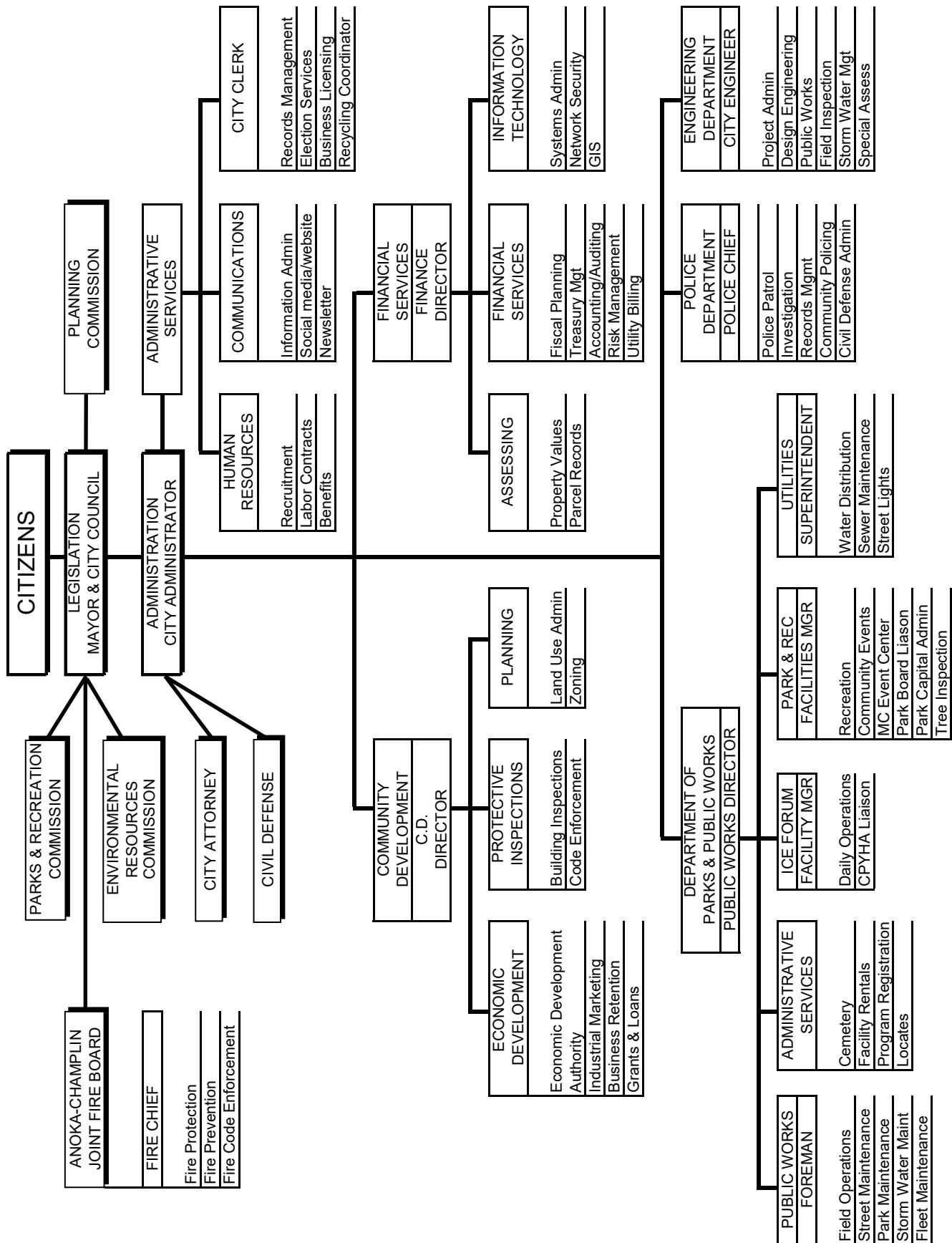
**City of Champlin
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Monell

Executive Director/CEO



CITY OF CHAMPLIN, MINNESOTA
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2022

Name	Official Title
Mayor and Council:	
Ryan Karasek	Mayor (term expires 12/31/2022)
Jessica Tesdall	Councilmember, Ward 1 (term expires 12/31/2022)
Tom Moe	Councilmember, Ward 2 (term expires 12/31/2022)
Nate Truesdell	Councilmember, Ward 3 (term expires 12/31/2024)
Ryan Sabas	Councilmember, Ward 4 (term expires 12/31/2024)
Administration:	
Bret Heitkamp	City Administrator
Scott Lepak	City Attorney
Julie Tembreull	City Clerk
Shelly Peterson	Finance Director
Ty Schmidt	Police Chief
Heather Nelson	City Engineer
Scott Schulte	Community Development Director
Chris Rachner	Parks and Public Works Director
Ted Massicotte	Fire Chief

- This page intentionally left blank -

II. FINANCIAL SECTION

- This page intentionally left blank -



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Champlin, 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 Champlin, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Champlin, Minnesota'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 of Champlin, Minnesota, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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 of Champlin, Minnesota'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 of Champlin, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As described in Note 16 to the financial statements, the City of Champlin, Minnesota adopted new accounting guidance for the year ended December 31, 2022, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Champlin, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information 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 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 May 16, 2023 on our consideration of the City of Champlin, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Champlin, Minnesota'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 of Champlin, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 16, 2023

- This page intentionally left blank -

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Champlin, we offer readers of the City of Champlin's financial statements this narrative overview and analysis of the financial activities of the City of Champlin for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 - 6 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Champlin exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$216 million (net position). Of this amount, \$60 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$16 million primarily due to capital contributions from grants and development.
- As of the close of the current fiscal year, the City of Champlin's governmental funds reported combining ending fund balances of \$39.7 million, an increase of \$1 million when compared to the prior year. Approximately 92% of this total amount, \$36.7 million, is available for spending at the City's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5.6 million, approximately 50% of total General Fund expenditures.
- The City of Champlin's total debt decreased by \$870,000 during the current fiscal year due to payment on bond issues.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the City of Champlin itself (known as the primary government), but also a legally separate Economic Development Authority (EDA) for which the City of Champlin is financially accountable. The EDA, although legally separate, functions for all practical purposes as a department of the City of Champlin, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 33 - 35 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Champlin, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Champlin can be divided into 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Champlin maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, general obligation bonds, tax increment projects, permanent improvement, and park reserve funds, all of which are considered to be major funds. Data from the other ten 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 elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 36 - 42 of this report.

Proprietary funds. The City of Champlin maintains five 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 of Champlin uses enterprise funds to account for its sewer and water utilities, refuse and recycling collection, and storm water activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Champlin's various functions. The City of Champlin uses internal service funds to account for its property, liability, and workers' compensation insurance activities, geographical information services (GIS), employee benefits, and compensated absences. Because these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund statements can be found on pages 43 - 44 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 - 80 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information. Combining and individual fund statements and schedules can be found on pages 96 - 105 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Champlin, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$216 million at the close of the most recent fiscal year.

A large portion of the City of Champlin's net position (70%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Champlin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Champlin's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot themselves be used to liquidate these liabilities.

CITY OF CHAMPLIN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021*	2022	2021	2022	2021
Current and other assets	53,056,499	\$50,423,122	27,946,067	\$28,594,328	\$81,002,566	\$79,017,450
Capital assets	118,567,062	106,539,057	43,610,426	38,349,592	162,177,488	144,888,649
Total assets	<u>171,623,561</u>	<u>\$156,962,179</u>	<u>\$71,556,493</u>	<u>\$66,943,920</u>	<u>\$243,180,054</u>	<u>\$223,906,099</u>
Total deferred outflows of resources	\$9,171,820	\$5,196,125	\$29,940	\$6,405	\$9,201,760	\$5,202,530
Long-term liabilities outstanding	25,223,765	15,131,071	2,562,553	2,670,389	27,786,318	17,801,460
Other liabilities	4,075,079	4,798,508	477,145	385,044	4,552,224	5,183,552
Total liabilities	<u>\$29,298,844</u>	<u>\$19,929,579</u>	<u>3,039,698</u>	<u>3,055,433</u>	<u>32,338,542</u>	<u>22,985,012</u>
Total deferred inflows of resources	\$3,816,711	\$6,857,463	\$10,584	\$12,755	\$3,827,295	\$6,870,218
Net Position:						
Net investment in capital assets	109,360,068	97,091,790	41,204,736	35,823,518	150,564,804	132,915,308
Restricted	5,030,325	2,503,327	-	-	5,030,325	2,503,327
Unrestricted	33,289,433	35,776,145	27,331,415	28,058,619	60,620,848	63,834,764
Total net position	<u>147,679,826</u>	<u>\$135,371,262</u>	<u>\$68,536,151</u>	<u>\$63,882,137</u>	<u>\$216,215,977</u>	<u>199,253,399</u>

*2021 amounts have not been restated as a result of GASB 87 implementation.

An additional portion of the City of Champlin's net position (2.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$60.6 million) may be used to meet the City's ongoing obligations to citizens and creditors.

The City adopted accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 in 2016. Essentially, the standard required the unfunded portion of defined benefit pension plans to be reported by all participating employers. Recording the net pension liability and the pension related deferred outflows and inflows of resources do not change the City's future funding requirements or obligations under the plans, which are determined by Minnesota statutes. Net position was negatively impacted by \$6.3 million at December 31, 2022 due to the assumption changes and investment earnings projections from the Public Employees Retirement Association's (PERA) own actuarial study.

Pension-related amounts included in the above schedule related to the standard are as follows:

Deferred outflows of resources	\$8,638,742
Deferred inflows of resources	(160,923)
Pension liability	(14,801,007)
Total	<u>(\$6,323,188)</u>

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

CITY OF CHAMPLIN CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021*	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$4,741,723	\$4,305,442	\$8,719,448	\$8,634,962	\$13,461,171	\$12,940,404
Operating grants and contributions	786,821	659,873	1,083,844	385,500	1,870,665	1,045,373
Capital grants and contributions	8,518,830	5,093,799	4,615,491	512,996	13,134,321	5,606,795
General revenues:						
Property taxes	13,013,613	12,205,616	-	-	13,013,613	12,205,616
Tax increments	557,722	509,983	-	-	557,722	509,983
Other taxes	1,068,236	1,040,590	-	-	1,068,236	1,040,590
Unrestricted investment earnings	(1,547,449)	(204,034)	(907,363)	(117,254)	(2,454,812)	(321,288)
Grants and contributions not restricted to specific program	2,360,370	-	-	-	2,360,370	-
Gain on sale of capital asset	22,735	-	-	-	22,735	-
Miscellaneous	-	407,926	123,398	120,817	123,398	528,743
Total revenues	29,522,601	24,019,195	13,634,818	9,537,021	43,157,419	33,556,216
Expenses:						
General government	3,008,150	2,723,427	-	-	3,008,150	2,723,427
Public safety	6,815,052	5,540,663	-	-	6,815,052	5,540,663
Public works	5,221,662	5,058,001	-	-	5,221,662	5,058,001
Parks and recreation	2,243,468	2,064,972	-	-	2,243,468	2,064,972
Interest on long-term debt	177,860	100,648	-	-	177,860	100,648
Water	-	-	2,759,525	2,733,287	2,759,525	2,733,287
Sewer	-	-	2,968,911	2,799,448	2,968,911	2,799,448
Refuse	-	-	1,348,667	1,315,827	1,348,667	1,315,827
Recycling	-	-	496,358	474,301	496,358	474,301
Storm Water	-	-	2,193,245	1,153,196	2,193,245	1,153,196
Total expenses	17,466,192	15,487,711	9,766,706	8,476,059	27,232,898	23,963,770
Change in net position before transfers	12,056,409	8,531,484	3,868,112	1,060,962	15,924,521	9,592,446
Transfers	(283,452)	(1,308,658)	283,452	1,308,658	-	-
Change in net position	11,772,957	7,222,826	4,151,564	2,369,620	15,924,521	9,592,446
Net position - January 1	\$135,906,869	128,148,436	\$64,384,587	61,512,517	\$200,291,456	189,660,953
Net position - December 31	\$147,679,826	\$135,371,262	\$68,536,151	\$63,882,137	\$216,215,977	\$199,253,399

*2021 amounts have not been restated as a result of GASB 87 implementation.

Governmental activities. Governmental activities increased the City's net position by \$11.8 million, thereby accounting for 74% of the total increase in the net position of the City of Champlin. Key elements of this increase are as follows:

- Capital grants and contributions increased \$3,425,031 primarily related to a state grant for the Mississippi Crossing park construction in 2022.
- Property taxes increased \$807,997 (6.5%) during the year as compared to an increase of \$634,141 (5.5%) for the prior year.
- Grants and contributions not restricted to specific programs increased \$2,360,370 primarily with ARPA federal funding received in 2022.
- Unrestricted investment earnings decreased by \$1,343,415 with a reduction in the fair market value of investments in 2022.
- Public Safety expenditures increased by \$1,274,389 with ARPA federal funding transfer expenses in 2022.

Business-type activities. Business-type activities increased the City's net position by \$4,151,564. Key elements of this increase are as follows:

- Capital grants and contributions increased \$4,102,495 with capital contributions from private development of utility infrastructure.
- Storm Water expenses increased by \$1,040,049 with the Elm Creek phase IV restoration project.

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Champlin'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 Champlin's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a city's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the City of Champlin's governmental funds reported combining ending fund balances of \$39.7 million, an increase of \$196,000 in comparison with the prior year. Approximately 92% of this total amount (\$36.7 million) constitutes assigned and unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is restricted 1) to pay debt service (\$1,735,058), 2) to generate income to pay for the perpetual care of the municipal cemetery (\$96,493), 3) for public safety and recreation scholarships (\$6,283), 4) because of its form (land held for resale – (\$836,000), or it is considered nonspendable because of its form (i.e. prepayments and inventories) or there is a legal or contractual commitment requiring it to be maintained intact.

The General Fund is the chief operating fund of the City of Champlin. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5.6 million, while the total fund balance reached \$5.75 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 50% of total general fund expenditures, while total fund balance represents 51.4% of that same amount.

The fund balance of the City of Champlin's general fund increased by \$486,594 during the current fiscal year. Key factors in this increase are:

- Public Safety expenditures were \$124,117 less than budget due to staffing vacancies.
- License and permit revenue exceeded budget by \$131,715 with higher than anticipated new construction permits.
- Charges for services revenue exceeded budget by \$136,959 due to a transition to pre-pandemic level recreational programming.

The fund balance in the general obligation bond fund at the end of the fiscal year is \$1,735,058. The fund balance in this fund is maintained by the receipt of property taxes sufficient to pay the debt service. The total fund balance is restricted for debt service.

The tax increment project fund has a fund deficit of (\$1,199,749). Of this balance, \$346,000 is for land inventory and is considered restricted and the remainder is unrestricted deficit fund balance of \$1.5 million. This deficit is due to the acquisition of land and an internal loan with the Permanent Improvement Fund.

The Permanent Improvement Fund has a fund balance of \$23.6 million, an increase of \$1.67 million. The increase is attributable to \$1.4 million of transfers in from ARPA federal funds.

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

Unrestricted net position of the proprietary funds of the City of Champlin and the growth in net position are as follows:

	Beginning Balance	Additions (Deductions)	Ending Balance
Water utility	\$ 30,935,508	\$ 493,088	\$ 31,428,596
Sewer utility	15,801,347	1,650,918	17,452,265
Refuse	1,598,659	25,812	1,624,471
Recycling	165,232	44,313	209,545
Storm Water	15,883,841	1,937,433	17,821,274
	<u>\$ 64,384,587</u>	<u>\$ 4,151,564</u>	<u>\$ 68,536,151</u>

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Champlin's business-type activities.

General Fund Budgetary Highlights

During the year, revenues were more than budgetary estimates (\$105,746) primarily in the category of charges for services (\$147,159) licenses and permits (\$131,715). These revenues were offset by a deficit in investment income of \$280,100 with the recording of fair market value. The City holds its investments to maturity and this deficit fair market value will not be actualized. Expenditures were less than budgetary estimates (\$338,614) primarily due to staffing vacancies in public safety and the delay in the opening of the Mississippi Crossing recreation area.

Capital Asset and Debt Administration

Capital assets. The City of Champlin's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$162.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, improvements other than buildings, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Champlin's investment in capital assets for the current fiscal year was 12% (a 12% increase for governmental activities and a 14% increase for business-type activities).

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

- Street and infrastructure reconstruction
 - Elm Creek Parkway \$3.2 million
 - Lakeside/Parkside/Hillside \$3.4 million
- Public Works equipment
 - Mowers \$193,000
 - Sweeper \$227,000
 - Wood chipper \$83,000
- Park improvements
 - Mississippi Crossings recreational area improvements \$5.7 million (in progress)
 - Holiday lighting \$118,000
 - Trail additions and improvements \$216,000

	Governmental Activities		Business-type Activities		Total	
	2022	2021*	2022	2021	2022	2021
Land	\$43,424,193	\$43,414,193	\$611,532	\$611,532	\$44,035,725	\$44,025,725
Buildings	9,975,815	8,677,396	3,060,896	3,316,720	13,036,711	11,994,116
Improvements other than buildings	52,818,123	45,821,257	38,934,677	30,729,838	91,752,800	76,551,095
Machinery and equipment	3,281,880	2,914,917	738,646	813,956	4,020,526	3,728,873
Construction in progress	9,067,051	5,711,294	264,675	2,877,546	9,331,726	8,588,840
Total	<u>\$118,567,062</u>	<u>\$106,539,057</u>	<u>\$43,610,426</u>	<u>\$38,349,592</u>	<u>\$162,177,488</u>	<u>\$144,888,649</u>

*2021 amounts have not been restated as a result of GASB 87 implementation.

Additional information on the City of Champlin's capital assets can be found in Note 7 on pages 62 - 63 of this report.

Long-term debt. At the end of the current fiscal year, the City of Champlin had total bonded debt outstanding of \$8,185,000. All of the bonded debt is backed by the full faith and credit of the City. The only bonds subject to tax levy are the obligation bonds.

	Governmental activities	
	2022	2021
General obligation bonds	\$8,185,000	\$8,930,000
Net pension liability	14,801,007	4,209,040
Net OPEB liability	1,300,059	826,607
Total	<u>\$24,286,066</u>	<u>\$13,965,647</u>

The City's total bonded debt decreased by \$745,000 due to payments on previous bonds issued.

The City of Champlin bond rating from Standard and Poor's was affirmed in 2020 as "AA+" due to "the city's stable financial operations, very strong reserves and strong financial management assessment (FMA)" and the City continues to maintain that rating.

State statutes limit the amount of net general obligation debt a governmental entity may issue to 3% of the taxable market value. Net debt is the amount remaining after deducting from its gross debt the amount of current revenues which are applicable to the payment of any debt and the aggregate principal of debt that is paid from other proceeds such as tax increments, special assessments, utility revenue, etc. The debt limitation for the City of Champlin is currently \$85 million which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City of Champlin's long-term debt can be found in Note 9 on pages 63 – 65 of this report.

Economic Factors and Next Year's Budgets and Rates

- Champlin is located in Hennepin County which continues to have unemployment levels within state and national averages as shown in the following schedule:

	March, 2023		March, 2022	
	Labor Force	Unemployment	Labor Force	Unemployment
		Rate		Rate
Hennepin County	701,549	2.5%	706,802	2.3%
Minnesota	3,082,964	3.1%	3,082,725	2.8%
United States	166,783,000	3.6%	164,274,000	3.8%

Source: Minnesota Employment and Economic Development Department.

- Inflationary trends in the region compare favorably to national indices.
- In 2019, the State of Minnesota continued with slow economic growth. The City of Champlin receives minimal state aid from the State of Minnesota and does not budget to receive any state aids so there is no impact on the City's operating budget. However, any changes the State may make to the fiscal disparities program could have a significant impact on the City. The City is scheduled to receive \$1.8 million from this program in 2023 which reduces the amount of taxes paid by residents.

During the current fiscal year, unassigned fund balance in the general fund increased by \$487,629 and are within fund balance policy guidelines.

The 2023 general fund budgeted revenues and expenditures are 7.61% higher than in 2022. With non-tax revenues anticipated to remain flat, the levy increase is anticipated to increase 8.73%. As part of the City Council's 2021-2024 Strategic Plan and the initiative to ensure well prepared public safety services and operations, the focus of the 2023 budget was on our Police operations. The 2023 budget includes the addition of three new patrol officers, an embedded social worker (shared with three other cities), and the addition of active shooter kits to the capital improvement plan.

Requests for Information

This financial report is designed to provide a general overview of the City of Champlin's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Champlin, 11955 Champlin Drive, Champlin, MN 55316.

- This page intentionally left blank -

BASIC FINANCIAL STATEMENTS

- This page intentionally left blank -

CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2022

Statement 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Assets:			
Cash and investments	\$44,279,858	\$24,122,989	\$68,402,847
Receivables:			
Accounts	436,956	1,002,055	1,439,011
Special assessments	4,869,942	605,926	5,475,868
Taxes	102,949	-	102,949
Lease	3,476,989	-	3,476,989
Interest	121,423	71,578	193,001
Due from other governmental units	206,410	484,000	690,410
Internal balances	(1,465,619)	1,465,619	-
Prepayments	160,658	133,379	294,037
Inventory - at cost	30,933	60,521	91,454
Land held for resale	836,000	-	836,000
Capital assets - net of accumulated depreciation			
Land	43,424,193	611,532	44,035,725
Buildings	9,975,815	3,060,896	13,036,711
Improvements other than buildings	52,818,123	38,934,677	91,752,800
Machinery and equipment	3,281,880	738,646	4,020,526
Construction in progress	9,067,051	264,675	9,331,726
Total assets	<u>171,623,561</u>	<u>71,556,493</u>	<u>243,180,054</u>
 Deferred outflows of resources			
Deferred outflows of resources - pension related	8,638,742	-	8,638,742
Deferred outflows of resources - other post employment benefits related	533,078	29,940	563,018
Total deferred outflows of resources	<u>9,171,820</u>	<u>29,940</u>	<u>9,201,760</u>
 Liabilities:			
Accounts payable	1,091,543	333,651	1,425,194
Contracts payable - retained percentage	678,499	13,475	691,974
Accrued salaries and withholdings payable	195,141	-	195,141
Due to other governmental units	22,084	106,886	128,970
Unearned revenue	1,836,093	-	1,836,093
Accrued interest payable	63,188	17,133	80,321
Deposits	188,531	6,000	194,531
Noncurrent liabilities:			
Due within one year	920,587	145,000	1,065,587
Due in more than one year	24,303,178	2,417,553	26,720,731
Total liabilities	<u>29,298,844</u>	<u>3,039,698</u>	<u>32,338,542</u>
 Deferred inflows of resources			
Deferred inflows of resources - related to leases	3,476,989	-	3,476,989
Deferred inflows of resources - pension related	160,923	-	160,923
Deferred inflows of resources - other post employment benefits related	178,799	10,584	189,383
Total deferred inflows of resources	<u>3,816,711</u>	<u>10,584</u>	<u>3,827,295</u>
 Net position:			
Net investment in capital assets	109,360,068	41,204,736	150,564,804
Restricted for:			
Debt service	4,160,181	-	4,160,181
Public safety	27,861	-	27,861
Scholarships	6,283	-	6,283
Land held for resale	836,000	-	836,000
Unrestricted	33,289,433	27,331,415	60,620,848
Total net position	<u>\$147,679,826</u>	<u>\$68,536,151</u>	<u>\$216,215,977</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2022

	<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges For Services</u>
Functions/Programs		
Governmental activities:		
General government	\$3,008,150	\$700,534
Public safety	6,815,052	671,333
Public works	5,221,662	1,025,784
Parks and recreation	2,243,468	2,344,072
Interest on long-term debt	177,860	-
Total governmental activities	<u>17,466,192</u>	<u>4,741,723</u>
Business-type activities:		
Water	2,759,525	2,584,756
Sewer	2,968,911	3,323,914
Refuse collection	1,348,667	1,563,262
Recycling	496,358	459,641
Storm Water	2,193,245	787,875
Total business-type activities	<u>9,766,706</u>	<u>8,719,448</u>
Total government	<u><u>\$27,232,898</u></u>	<u><u>\$13,461,171</u></u>

The accompanying notes are an integral part of these financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
		Governmental Activities	Business-Type Activities	
\$ -	\$ -	(\$2,307,616)	\$ -	(\$2,307,616)
364,301	-	(5,779,418)	-	(5,779,418)
379,802	5,996,930	2,180,854	-	2,180,854
42,718	2,521,900	2,665,222	-	2,665,222
-	-	(177,860)	-	(177,860)
786,821	8,518,830	(3,418,818)	0	(3,418,818)
-	1,136,080	-	961,311	961,311
-	1,384,103	-	1,739,106	1,739,106
-	-	-	214,595	214,595
87,601	-	-	50,884	50,884
996,243	2,095,308	-	1,686,181	1,686,181
1,083,844	4,615,491	0	4,652,077	4,652,077
\$1,870,665	\$13,134,321	(3,418,818)	4,652,077	1,233,259
General revenues:				
Property taxes		13,013,613	-	13,013,613
Tax increments		557,722	-	557,722
Other taxes		1,068,236	-	1,068,236
Unrestricted investment earnings		(1,547,449)	(907,363)	(2,454,812)
Unrestricted grants and contributions		2,360,370	-	2,360,370
Miscellaneous		-	123,398	123,398
Gain on sale of capital asset		22,735	-	22,735
Transfers		(283,452)	283,452	-
Total general revenues and transfers		15,191,775	(500,513)	14,691,262
Change in net position		11,772,957	4,151,564	15,924,521
Net position - January 1, as previously reported		135,371,262	63,882,137	199,253,399
Cumulative effect of change in accounting principle		(77,994)	-	(77,994)
Prior period adjustment		613,601	502,450	1,116,051
Net position - January 1, as restated		135,906,869	64,384,587	200,291,456
Net position - December 31		\$147,679,826	\$68,536,151	\$216,215,977

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2022

	<u>General Fund</u>	<u>General Obligation Bonds</u>	<u>Tax Increment Project</u>
Assets			
Cash and investments	\$6,054,212	\$1,729,964	\$735,235
Receivables:			
Accounts	20,109	-	-
Special assessments	16,061	2,490,469	-
Taxes	96,140	2,936	-
Interest	17,199	-	2,068
Lease	1,128,156		
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Prepayments	133,395	-	-
Inventory - at cost	30,933	-	-
Land held for resale	-	-	346,000
Total assets	\$7,496,205	\$4,223,369	\$1,083,303
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$184,151	\$ -	\$468
Contracts payable - retained percentage	-	-	-
Accrued salaries and withholdings payable	195,141	-	-
Due to other funds	-	-	2,282,584
Due to other governmental units	17,009	-	-
Unearned revenue	-	-	-
Deposits	171,734	-	-
Total liabilities	568,035	0	2,283,052
Deferred inflows of resources:			
Leases	1,128,156		
Unavailable revenue	46,800	2,488,311	-
Total deferred inflows of resources	1,174,956	2,488,311	-
Fund balances:			
Nonspendable	164,328	-	-
Restricted	-	1,735,058	346,000
Assigned	-	-	-
Unassigned	5,588,886	-	(1,545,749)
Total fund balances	5,753,214	1,735,058	(1,199,749)
Total liabilities, deferred inflows of resources and fund balances	\$7,496,205	\$4,223,369	\$1,083,303

Fund balance reported above

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 the funds.

Other long-term assets are not available to pay for current-period expenditures, and therefore, are reported as unavailable revenue in the funds.

 Delinquent taxes and taxes not yet due

 Delinquent special assessments and special assessments not yet due

 Deferred outflows of resources related to other post employment benefits

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.

 Bonds payable and unamortized bond premium

 Accrued interest payable

 Other post employment benefits

 Deferred inflows of resources related to other post employment benefits

Internal service funds are used by management to charge the cost of insurance and pension benefits to individual funds.

The assets and liabilities are included in the governmental statement of net position.

Net position of governmental activities

The accompanying notes are an integral part of these financial statements.

Statement 3

Permanent Improvement Fund	Park Reserve	Other Governmental Funds	Intra-Activity Elimination	Total Governmental Funds
\$23,868,309	\$4,451,213	\$6,545,013	\$ -	\$43,383,946
199,035	540	198,253	-	417,937
2,362,596	-	816	-	4,869,942
-	-	3,873	-	102,949
67,045	12,587	20,148	-	119,047
	2,348,833			3,476,989
2,282,584	-	-	(2,282,584)	-
132,624	48,000	25,786	-	206,410
-	-	27,263	-	160,658
-	-	-	-	30,933
490,000	-	-	-	836,000
\$29,402,193	\$6,861,173	\$6,821,152	(\$2,282,584)	\$53,604,811
\$237,858	\$476,899	\$180,366	\$ -	\$1,079,742
308,278	368,036	2,185	-	678,499
-	-	-	-	195,141
1,055,785	-	409,834	(2,282,584)	1,465,619
493	-	4,582	-	22,084
1,810,293	-	25,800	-	1,836,093
-	10,958	5,839	-	188,531
3,412,707	855,893	628,606	(2,282,584)	5,465,709
	2,348,833			3,476,989
2,360,173	-	1,190	-	4,896,474
2,360,173	2,348,833	1,190	-	8,373,463
-	-	128,624	-	292,952
490,000	-	34,144	-	2,605,202
23,139,313	3,656,447	6,033,456	-	32,829,216
-	-	(4,868)	-	4,038,269
23,629,313	3,656,447	6,191,356	0	39,765,639
\$29,402,193	\$6,861,173	\$6,821,152	(\$2,282,584)	\$53,604,811
			\$39,765,639	
			118,567,062	
			31,619	
			4,864,855	
			533,078	
			(8,520,634)	
			(63,188)	
			(1,300,059)	
			(178,799)	
			(6,019,747)	
			\$147,679,826	

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2022

	General Fund	General Obligation Bonds	Tax Increment Project
Revenues:			
Taxes:			
Property	\$11,603,598	\$619,614	\$ -
Tax increments	-	-	557,722
Other	-	-	-
Special assessments	25,280	668,891	-
Licenses and permits	582,715	-	-
Intergovernmental	388,785	-	-
Charges for services	1,298,259	-	-
Fines and forfeitures	155,225	-	-
Investment income	65,188	18,465	8,047
Net increase (decrease) in the fair value of investments	(280,100)	(81,081)	(34,548)
Lease income	163,200	-	-
Other revenues	83,596	-	2,753
Total revenues	14,085,746	1,225,889	533,974
Expenditures:			
Current:			
General government	1,747,638	-	114,836
Public safety	5,994,123	-	-
Public works	2,376,366	-	-
Parks and recreation	785,328	-	-
Cemetery	28,126	-	-
Contingencies	255,805	-	-
Capital outlay	-	-	98,000
Debt service:			
Principal	-	745,000	-
Interest and fiscal charges	-	167,327	-
Total expenditures	11,187,386	912,327	212,836
Revenues over (under) expenditures	2,898,360	313,562	321,138
Other financing sources (uses):			
Transfers in	323,234	-	-
Transfers out	(2,735,000)	-	-
Proceeds from sale of capital asset	-	-	-
Total other financing sources (uses)	(2,411,766)	0	0
Net change in fund balance	486,594	313,562	321,138
Fund balance - January 1	5,266,620	1,421,496	(1,520,887)
Fund balance - December 31	\$5,753,214	\$1,735,058	(\$1,199,749)

The accompanying notes are an integral part of these financial statements.

Statement 4

Permanent Improvement Fund	Park Reserve	Other Governmental Funds	Intra-Activity Elimination	Total Governmental Funds
\$245,528	\$ -	\$550,033	\$ -	\$13,018,773
-	-	-	-	557,722
1,068,236	-	-	-	1,068,236
1,148,826	-	545	-	1,843,542
-	-	-	-	582,715
2,891,028	2,546,900	2,353,604	-	8,180,317
40,424	268,087	985,600	-	2,592,370
-	-	-	-	155,225
242,546	49,005	77,335	-	460,586
(1,039,677)	(210,344)	(331,829)	-	(1,977,579)
	86,994			250,194
106,284	806,873	152,040	-	1,151,546
4,703,195	3,547,515	3,787,328	0	27,883,647
		581,323	-	2,443,797
		189,316	-	6,183,439
389,127	798	678,750	-	3,445,041
-	43,721	711,255	-	1,540,304
-	-	-	-	28,126
-	-	-	-	255,805
4,624,567	6,296,269	1,610,196	-	12,629,032
		-	-	745,000
		-	-	167,327
5,013,694	6,340,788	3,770,840	0	27,437,871
(310,499)	(2,793,273)	16,488	0	445,776
2,273,574	1,964,151	1,537,677	(6,098,636)	-
(288,573)	-	(3,358,515)	6,098,636	(283,452)
-	-	33,981	-	33,981
1,985,001	1,964,151	(1,786,857)	0	(249,471)
1,674,502	(829,122)	(1,770,369)	0	196,305
21,954,811	4,485,569	7,961,725	-	39,569,334
\$23,629,313	\$3,656,447	\$6,191,356	\$0	\$39,765,639

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, 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, 2022

Statement 5

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Total net change in fund balance - governmental funds (Statement 4)	\$196,305
---	-----------

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

Capital outlay	12,629,032
Current expenditures capitalized	285,149
Contributed capital	1,972,553
Depreciation expense	(3,233,407)

The net effect of various transactions involving capital asset (i.e., sales, trade-ins, and donations) is to increase (decrease) net position (11,246)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in delinquent taxes	(5,160)
Change in special assessment	(321,461)
Change in other miscellaneous unavailable revenues	743

The issuance of long-term debt (e.g. bonds) provides current financial resources for governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amounts of these differences are:

Principal payments on long-term debt	745,000
Amortization of bond premium/discounts	31,950

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:

Change in accrued interest payable	6,209
Change in other post-employment benefits	(47,349)

Internal service funds are used by management to charge the cost of certain activities to individual funds.

Net revenues (expenses) of certain activities of internal service funds are reported within the governmental activities statement of activities	<u>(475,361)</u>
---	------------------

Change in net position of governmental activities (Statement 2)	<u><u>\$11,772,957</u></u>
---	----------------------------

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For The Year Ended December 31, 2022

Statement 6

	Budgets Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$11,594,900	\$11,594,900	\$11,603,598	\$8,698
Special assessments	1,700	1,700	25,280	23,580
Licenses and permits	427,100	451,000	582,715	131,715
Intergovernmental	333,000	333,000	388,785	55,785
Charges for services	1,151,100	1,151,100	1,298,259	147,159
Fines and forfeiture	210,000	210,000	155,225	(54,775)
Investment income	37,800	37,800	65,188	27,388
Lease income	162,400	162,400	163,200	800
Net increase (decrease) in the fair value of investments	-	-	(280,100)	(280,100)
Cemetery	17,000	17,000	20,265	3,265
Other revenues	21,100	21,100	63,331	42,231
Total revenues	13,956,100	13,980,000	14,085,746	105,746
Expenditures:				
General government:				
Mayor and council	84,800	84,800	83,289	1,511
Administration	227,900	235,900	235,956	(56)
Government services	384,000	446,300	446,216	84
Finance	345,600	325,600	323,025	2,575
Management information services	216,300	216,300	211,633	4,667
Assessing	219,000	219,000	221,571	(2,571)
Legal	42,400	42,400	52,325	(9,925)
Community development	152,600	152,600	145,846	6,754
Elections	37,700	37,700	27,777	9,923
Total general government	1,710,300	1,760,600	1,747,638	12,962
Public safety:				
Police	4,797,400	4,789,500	4,673,665	115,835
Fire	721,000	721,000	721,039	(39)
Code enforcement	189,900	174,900	166,210	8,690
Protective inspection	349,100	388,000	387,969	31
Civil defense	44,900	44,900	45,240	(340)
Total public safety	6,102,300	6,118,300	5,994,123	124,177
Public works:				
Engineering	262,200	262,200	212,119	50,081
Maintenance	2,240,000	2,240,000	2,164,247	75,753
Total public works	2,502,200	2,502,200	2,376,366	125,834
Other departments:				
Parks and recreation	851,700	851,700	785,328	66,372
Cemetery	29,300	29,300	28,126	1,174
Contingencies	339,200	263,900	255,805	8,095
Total other departments	1,220,200	1,144,900	1,069,259	75,641
Total expenditures	11,535,000	11,526,000	11,187,386	338,614
Revenues over (under) expenditures	2,421,100	2,454,000	2,898,360	444,360
Other financing sources (uses):				
Transfers in	313,900	313,900	323,234	9,334
Transfers out	(2,735,000)	(2,735,000)	(2,735,000)	-
Total other financing sources (uses)	(2,421,100)	(2,421,100)	(2,411,766)	9,334
Net change in fund balance	\$0	\$32,900	486,594	\$453,694
Fund balance - January 1				5,266,620
Fund balance - December 31				\$5,753,214

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds						Governmental Activities-Internal Service Funds
	Water	Sewer	Refuse Collection	Recycling	Storm Water	Totals	
Assets							
Current assets:							
Cash and cash equivalents	\$13,208,838	\$7,430,587	\$1,492,266	\$182,331	\$1,808,967	\$24,122,989	\$895,912
Receivables:							
Accounts	230,527	393,764	234,304	55,077	88,383	1,002,055	19,019
Special assessments	496,486	79,333	5,538	1,576	22,993	605,926	-
Due from other governments	-	-	-	-	484,000	484,000	-
Interest	38,065	21,176	4,196	513	7,628	71,578	2,376
Due from other funds	238,054	-	-	-	-	238,054	-
Prepayments	233	133,146	-	-	-	133,379	-
Inventory - at cost	60,521	-	-	-	-	60,521	-
Total current assets	14,272,724	8,058,006	1,736,304	239,497	2,411,971	26,718,502	917,307
Noncurrent assets:							
Due from other funds	1,227,565	-	-	-	-	1,227,565	-
Capital assets:							
Land	208,860	5,000	-	-	397,672	611,532	-
Buildings	9,270,811	-	-	-	-	9,270,811	-
Improvements other than buildings	22,423,609	17,465,515	-	-	22,966,955	62,856,079	-
Machinery and equipment	2,174,729	404,892	-	-	-	2,579,621	-
Construction in process	206,037	58,638	-	-	-	264,675	-
Total	34,284,046	17,934,045	0	0	23,364,627	75,582,718	0
Less: accumulated depreciation	(18,094,619)	(8,401,288)	-	-	(5,476,385)	(31,972,292)	-
Net capital assets	16,189,427	9,532,757	0	0	17,888,242	43,610,426	0
Total noncurrent assets	17,416,992	9,532,757	0	0	17,888,242	44,837,991	0
Total assets	31,689,716	17,590,763	1,736,304	239,497	20,300,213	71,556,493	917,307
Deferred outflows of resources							
Deferred outflows of resources - pension related	-	-	-	-	-	-	8,638,742
Deferred outflows of resources - other post employment benefits related	14,970	14,970	-	-	-	29,940	-
Total deferred outflows of resources	14,970	14,970	0	0	0	29,940	8,638,742
Liabilities							
Current liabilities:							
Accounts payable	144,046	56,557	41,947	29,952	61,149	333,651	11,801
Contracts payable - retained percentage	5,033	-	-	-	8,442	13,475	-
Due to other governmental units	30,550	6,450	69,886	-	-	106,886	-
Deposits	6,000	-	-	-	-	6,000	-
Accrued interest payable	-	-	-	-	17,133	17,133	-
Compensated absences	-	-	-	-	-	-	115,587
Bonds payable - current portion	-	-	-	-	145,000	145,000	-
Total current liabilities	185,629	63,007	111,833	29,952	231,724	622,145	127,388
Noncurrent liabilities:							
Compensated absences	18,161	18,161	-	-	-	36,322	486,478
Net pension liability	-	-	-	-	-	-	14,801,007
Other post employment benefits liability	67,008	67,008	-	-	-	134,016	-
Bonds payable	-	-	-	-	2,247,215	2,247,215	-
Total noncurrent liabilities	85,169	85,169	0	0	2,247,215	2,417,553	15,287,485
Total liabilities	270,798	148,176	111,833	29,952	2,478,939	3,039,698	15,414,873
Deferred inflows of resources							
Deferred inflows of resources - pension related	-	-	-	-	-	-	160,923
Deferred inflows of resources - other post employment benefits related	5,292	5,292	-	-	-	10,584	-
Total deferred inflows of resources	5,292	5,292	0	0	0	10,584	160,923
Net position:							
Net investment in capital assets	16,184,394	9,532,757	-	-	15,487,585	41,204,736	-
Unrestricted	15,244,202	7,919,508	1,624,471	209,545	2,333,689	27,331,415	(6,019,747)
Total net position	31,428,596	17,452,265	1,624,471	209,545	17,821,274	68,536,151	(6,019,747)
Total deferred inflows of resources, liabilities and net position	\$31,704,686	\$17,605,733	\$1,736,304	\$239,497	\$20,300,213	\$71,586,433	\$9,556,049

CITY OF CHAMPLIN, MINNESOTA
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For The Year Ended December 31, 2022

Statement 8

	Business-Type Activities - Enterprise Funds						Governmental Activities-Internal Service Funds
	Water	Sewer	Refuse Collection	Recycling	Storm Water	Totals	
Operating revenues:							
Charges for services:							
Customer service	\$20,285	\$ -	\$ -	\$ -	\$ -	\$20,285	\$1,411,119
Penalties	35,896	50,136	25,367	7,121	10,034	128,554	-
Sewer service charges	-	3,272,846	-	-	-	3,272,846	-
Refuse collection	-	-	1,536,962	-	-	1,536,962	-
Recycling collection	-	-	-	452,488	-	452,488	-
Storm water charges	-	-	-	-	774,100	774,100	-
Charges for sales:							
Water	2,496,128	-	-	-	-	2,496,128	-
Total operating revenues	<u>2,552,309</u>	<u>3,322,982</u>	<u>1,562,329</u>	<u>459,609</u>	<u>784,134</u>	<u>8,681,363</u>	<u>1,411,119</u>
Operating expenses:							
Personal services	526,014	461,999	104,445	46,964	257,516	1,396,938	1,529,255
Supplies	357,298	31,061	98	10	513	388,980	-
Other services and charges	1,093,261	2,099,576	1,244,124	449,384	1,462,266	6,348,611	543,915
Depreciation	782,952	376,275	-	-	441,806	1,601,033	-
Total operating expenses	<u>2,759,525</u>	<u>2,968,911</u>	<u>1,348,667</u>	<u>496,358</u>	<u>2,162,101</u>	<u>9,735,562</u>	<u>2,073,170</u>
Net income (loss) from operations	(207,216)	354,071	213,662	(36,749)	(1,377,967)	(1,054,199)	(662,051)
Nonoperating revenues (expenses):							
Special assessment interest and penalties	32,447	932	933	32	3,741	38,085	-
Intergovernmental	-	-	-	87,601	996,243	1,083,844	127,101
Investment income	148,195	79,879	16,336	1,996	29,284	275,690	9,252
Net increase (decrease) in the fair value of investments	(636,101)	(342,613)	(70,119)	(8,567)	(125,653)	(1,183,053)	(39,708)
Interest expense	-	-	-	-	(31,144)	(31,144)	-
Miscellaneous revenue (expense)	94,801	27,297	-	-	-	122,098	90,045
Gain (loss) on sale of capital assets	1,300	-	-	-	-	1,300	-
Total nonoperating revenues (expenses)	<u>(359,358)</u>	<u>(234,505)</u>	<u>(52,850)</u>	<u>81,062</u>	<u>872,471</u>	<u>306,820</u>	<u>186,690</u>
Income (loss) before contributions and transfers	(566,574)	119,566	160,812	44,313	(505,496)	(747,379)	(475,361)
Capital contributions	1,136,080	1,384,103	-	-	2,095,308	4,615,491	-
Transfers:							
Transfers in	375,582	290,449	-	-	347,621	1,013,652	-
Transfers out	(452,000)	(143,200)	(135,000)	-	-	(730,200)	
Total contributions and transfers	<u>1,059,662</u>	<u>1,531,352</u>	<u>(135,000)</u>	<u>0</u>	<u>2,442,929</u>	<u>4,898,943</u>	<u>0</u>
Change in net position	493,088	1,650,918	25,812	44,313	1,937,433	4,151,564	(475,361)
Total net position - January 1 as previously reported	30,760,508	15,598,897	1,598,659	165,232	15,758,841	63,882,137	(5,544,386)
Prior period adjustment	175,000	202,450	-	-	125,000	502,450	-
Total net position - January 1 as restated	<u>30,935,508</u>	<u>15,801,347</u>	<u>1,598,659</u>	<u>165,232</u>	<u>15,883,841</u>	<u>64,384,587</u>	<u>(5,544,386)</u>
Total net position - December 31	<u>\$31,428,596</u>	<u>\$17,452,265</u>	<u>\$1,624,471</u>	<u>\$209,545</u>	<u>\$17,821,274</u>	<u>\$68,536,151</u>	<u>(\$6,019,747)</u>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Water	Sewer	Refuse Collection	Recycling	Storm Water	Totals
Cash flows from operating activities:						
Receipts from customers and users	\$2,298,120	\$3,343,579	\$1,555,135	\$457,289	\$747,072	\$8,401,195
Receipts from interfund services provided	-	-	-	-	-	1,392,100
Payment to suppliers	(1,376,707)	(2,084,612)	(1,277,362)	(446,715)	(1,447,864)	(6,633,260)
Payment to employees	(509,876)	(467,111)	(112,593)	(49,525)	(257,516)	(1,396,621)
Miscellaneous revenue	127,248	28,229	933	87,633	999,984	1,244,027
Net cash flows from operating activities	538,785	820,085	166,113	48,682	41,676	1,615,341
Cash flows from noncapital financing activities:						
Transfers in from other funds	375,582	290,449	-	-	347,621	1,013,652
Transfers (out) to other funds	(452,000)	(143,200)	(135,000)	-	-	(730,200)
Net cash flows from noncapital financing activities	(76,418)	147,249	(135,000)	-	347,621	283,452
Cash flows from capital and related financing activities:						
Principal paid on debt	-	-	-	-	(125,000)	(125,000)
Interest paid on long-term debt	-	-	-	-	(39,870)	(39,870)
Connection fees	214,734	-	-	-	49,907	264,641
Acquisition of capital assets	(478,205)	(696,258)	-	-	(834,237)	(2,008,700)
Disposal of capital assets	1,300	-	-	-	-	1,300
Net cash flows from capital and related financing activities	(262,171)	(696,258)	-	-	(949,200)	(1,907,629)
Cash flows from investing activities:						
Investment income	(492,785)	(265,455)	(54,094)	(6,724)	(98,203)	(917,261)
Net cash flows from investing activities	(492,785)	(265,455)	(54,094)	(6,724)	(98,203)	(917,261)
Net increase (decrease) in cash and cash equivalents	(292,589)	5,621	(22,981)	41,958	(658,106)	(926,097)
Cash and cash equivalents - January 1	13,501,427	7,424,966	1,515,247	140,373	2,467,073	25,049,086
Cash and cash equivalents - December 31	\$13,208,838	\$7,430,587	\$1,492,266	\$182,331	\$1,808,967	\$24,122,989
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	(\$207,216)	\$354,071	\$213,662	(\$36,749)	(\$1,377,967)	(\$1,054,199)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	782,952	376,275	-	-	441,806	1,601,033
Intergovernmental revenue	-	-	-	87,601	996,243	1,083,844
Miscellaneous revenue	127,248	28,229	933	32	3,741	160,183
Decrease (increase) in accounts receivable	(8,054)	(7,743)	(11,612)	(3,486)	(40,160)	(71,055)
Decrease (increase) in special assessments receivable	(26,527)	28,340	4,418	1,176	3,098	10,505
Decrease (increase) in due from other funds	(219,608)	-	-	-	-	(219,608)
Decrease (increase) in prepayments and inventory	13,109	(889)	-	-	-	12,220
Increase (decrease) in accounts payable and deposits	66,162	53,372	1,654	2,669	16,699	140,556
Increase (decrease) in accrued salaries and withholdings payable	8,901	(11,439)	-	-	-	(2,538)
Increase (decrease) in contracts payable	871	(4,162)	-	-	(1,784)	(5,075)
Increase (decrease) in due to other governmental units	(6,290)	(2,296)	(34,794)	-	-	(43,380)
Increase (decrease) in other post employment benefits liability	16,149	23,121	(8,148)	(2,561)	-	28,561
Decrease (Increase) in deferred outflows of resources	(11,200)	(12,335)	-	-	-	(23,535)
Increase (decrease) in pension liability	-	-	-	-	-	10,591,967
Increase (decrease) in deferred inflows of resources	2,288	(4,459)	-	-	-	(2,171)
Total adjustments	746,001	466,014	(47,549)	85,431	1,419,643	2,669,540
Net cash provided by (used in) operating activities	538,785	\$820,085	\$166,113	\$48,682	\$41,676	\$1,615,341
Noncash capital and related financing activities:						
Contributions of capital assets from developers	\$921,346	\$1,384,103	\$0	\$0	\$2,045,401	\$2,305,449
						\$0

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Champlin, Minnesota (the City) was incorporated in 1947 and operates as a statutory city. The governing body consists of an elected mayor and four-member council.

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

A. FINANCIAL REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of component units have been included in the financial reporting entity omit as blended component units.

The Economic Development Authority (EDA) is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were part of the City's operations because the members of the City Council serve as EDA Board Members and its purpose is to promote development within the City.

Complete financial statements for the EDA may be obtained at City Hall.
Economic Development Authority
11955 Champlin Drive
Champlin, MN 55316

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

The City reports the following major governmental funds:

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

The General Obligation Bond Fund accounts for bonded indebtedness that is repaid from property taxes.

The Tax Increment Project Fund accounts for the development projects in the City that are financed with tax increment revenues.

The Permanent Improvement Fund accounts for the costs of certain public improvements such as residential streets and other improvement projects.

Park Reserve Fund accounts for park dedications received from developers in lieu of parkland donations. Resources of this fund may be used only for parkland purchases or permanent park improvements.

The City reports the following major proprietary funds:

The Water Fund accounts for the financial transactions relating to providing water to the residents of the City.

The Sewer Fund accounts for the financial transactions relating to providing sewer service to the residents of the City.

The Refuse Collection Fund accounts for the financial transactions relating to providing refuse services to the residents of the City.

The Recycling Fund accounts for operations associated with recycling. Resources of this fund may be used only for educating the public on the importance of recycling.

The Storm Water Fund accounts for operations relating to storm sewer services and infrastructure replacement for the residents.

Additionally, the City reports the following fund type:

The City has four internal service funds: one to account for property, liability and workers' compensation insurance premiums and deductibles for all departments of the City, a second to account for Geographical Information System (GIS) services provided to all departments of the City, a third to account for pension benefits, and a fourth to account for compensated absences.

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for service. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General and Special Revenue Funds.

The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing on January 1 of the following year. At least one special Council meeting is conducted to obtain public comments as required by the State Truth in Taxation Law.

The City Council annually adopts budgets prior to January 1 for the general and special revenue funds. Special revenue funds for which budgets are not prepared include The Grant Fund, Police Forfeiture and Scholarship. The budgets are prepared by fund, function and activity. The budgets are adopted on a basis consistent with generally accepted accounting principles and all appropriations lapse at the end of the budget year to the extent that they have not been expended. Total expenditures appropriated in the budget resolution may not legally exceed estimated revenues available from various sources. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.

Formal budgetary integration is employed as a management control device during the year. Budget revisions between activities may be made by the City Administrator. Budget revisions at the department and fund levels are authorized by the City Council. The legal level of budgetary control is therefore at the department level.

The City does not use encumbrance accounting.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

E. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the statement of cash flows the Enterprise Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the Enterprise Funds have original maturities of 90 days or less. Therefore, the entire balance in the fund is considered cash equivalents.

F. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Government-Wide Financial Statements

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

Governmental Fund Financial Statements

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes, and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred inflows of resources because they are not available to finance current expenditures.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

G. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

Government-Wide Financial Statements

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

Governmental Fund Financial Statements

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

H. RECEIVABLES AND PAYABLES

Activity between funds that are representative of outstanding balances at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

I. INVENTORIES AND PREPAID ITEMS

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are recorded as expenditures when consumed rather than when purchased.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

J. LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue/the lessee's usage levels.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the commencement of the lease in an amount equal to the initial recording of the lease receivable and is recognized as revenue over the lease term.

K. LAND HELD FOR RESALE

Land is acquired for subsequent resale for development purposes. Land held for resale is valued at the lower of cost or estimated realizable value. Due to the nature of redevelopment activities, cost is frequently higher than the market value. Market values are determined using appraised values or estimated actual sales price.

L. CAPITAL ASSETS

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Building	40
Building improvements	15
Park buildings	30
Furniture and equipment	5
Light vehicles	5
Machinery and equipment	5-7
Fire trucks	20
Infrastructure	50

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

M. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees hired prior to January 1, 1991 are entitled to one-third of the balance of their accumulated sick leave at the time of separation of employment, to a maximum of 320 hours, provided the employee has three or more years of service with the City; and further provided that the amount will not exceed the employees calculated severance as of January 1, 1991. Employees hired after January 1, 1991 are not paid any accumulated sick leave when the employee separates from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

N. LONG-TERM OBLIGATIONS

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

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

O. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of the amounts that are not in spendable form, such as prepaid items.

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 internally imposed constraints. These constraints are established by Resolution of the City Council and may only be removed by resolution of the City Council.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by resolution of the City Council and/or management. The City's Administrator and Finance Director are authorized to establish assignments of fund balance.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Unassigned - is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

At December 31, 2022, a summary of the governmental fund balance classifications are as follows:

	General Fund	General Obligation Bonds	Tax Increment Project	Permanent Improvement Fund	Park Reserve Fund	Other Govt. Funds	Total Gov. Funds
Nonspendable:							
Prepayments	\$133,395	\$ -	\$ -	\$ -	\$ -	\$27,263	\$160,658
Inventory	30,933	-	-	-	-	-	30,933
Perpetual care	-	-	-	-	-	101,361	101,361
Total	164,328	0	0	0	0	128,624	292,952
Restricted for:							
Public safety	-	-	-	-	-	27,861	27,861
Recreation scholarships	-	-	-	-	-	6,283	6,283
Debt service	-	1,735,058	-	-	-	-	1,735,058
Land held for resale	-	-	346,000	490,000	-	-	836,000
Total	0	1,735,058	346,000	490,000	0	34,144	2,605,202
Assigned to:							
Economic development	-	-	-	-	-	831,503	831,503
Communications	-	-	-	-	-	171,872	171,872
Ice Forum	-	-	-	-	-	766,413	766,413
Capital projects	-	-	23,139,313	3,656,447	4,263,668	31,059,428	
Total	0	0	23,139,313	3,656,447	6,033,456	32,829,216	
Unassigned	5,588,886	-	(1,545,749)	-	-	(4,868)	4,038,269
Total	\$5,753,214	\$1,735,058	(\$1,199,749)	\$23,629,313	\$3,656,447	\$6,191,356	\$39,765,639

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

The City Council has formally adopted a fund balance policy for the General Fund. The policy establishes a year end targeted unassigned fund balance amount for cash-flow timing needs (working capital) in the range of 35-45% of the subsequent year's budgeted expenditures and contingencies (1-2%).

At December 31, 2022, the targeted unassigned fund balance for the General Fund was as follows:

Working capital	\$5,463,079	43%	Plug
Contingencies	125,807	1%	1% of CY Expenditure

The specific revenue source of each special revenue fund and the specific purposes for which they are assigned are as follows:

Fund	Specific Revenue Sources	Restricted To:
Grant Fund	Grants	Grant program requirements
Police forfeiture	Sale of confiscated vehicles	Non-budgeted public safety expenditures
Scholarship	Donations	Subsidize park and recreation program fees for low income participants
		Committed to:
Ice forum	Charges for services	Operations of Ice Forum
Communication	QCTV revenues	Communication and Technology purposes
		Assigned to:
Economic Development Authority	Taxes	Redevelopment as specified in grant agreements

P. USE OF ESTIMATES

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

Q. DEFINED BENEFIT PENSION PLANS

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

R. DEFERRED OUTFLOWS/INFLows OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported on the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position. The government also has a type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, due from component units, land held for resale, and notes receivable. The City also reports deferred inflows of resources related to lease receivables.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118.A.03 identifies allowable forms of collateral.

At December 31, 2022 the carrying amount of the City's deposits with financial institutions was \$2,736,613.

Custodial credit risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2022, the bank balance of the City's deposits was \$3,499,341, all of which was either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by perfected pledged collateral held in the City's name.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

As of December 31, 2022, the City had the following investments:

Investment Type	Rating	Fair Value	Years to Maturity		
			Less than 1	1-5	6-10
U.S. Agency securities	AAA-AA+	\$28,201,422	\$8,380,666	\$19,820,756	\$0
Municipal bonds	AAA-AA-	18,093,749	4,443,984	12,664,845	984,920
Certificates of deposit	NR	7,587,282	2,938,250	4,649,032	-
Money market mutual funds	NR	7,028,253	7,028,253	-	-
External investment pool- 4M Fund	NR	4,754,778	4,754,778	-	-
Total fair value		<u>\$65,665,484</u>	<u>\$27,545,931</u>	<u>\$37,134,633</u>	<u>\$984,920</u>
NR - Not Rated			Total investments		\$65,665,484
			Deposits		2,733,918
			Petty cash		3,445
			Total cash and investments		<u>\$68,402,847</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted market prices. Level 2 investments are valued using inputs that are based on matrix pricing models. Level 3 investments are valued using inputs that are unobservable.

Notes issued by U.S. government agencies, municipal bonds and negotiable certificates of deposit are valued using Level 2 inputs, significant other observable inputs.

Money market mutual funds are investments not categorized.

The City's investments in external investment pools are comprised of three investment series of the Minnesota Municipal Money Market Fund (4M Fund). The 4M Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities.

4M Liquid Asset Fund: This series of the 4M Fund is an unrated pool. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost. The 4M Liquid Asset Fund has no redemption requirements. The City's account balance is the fair value of the investment.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

4M PLUS Fund: This series of the 4M Fund is an unrated pool. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost. The 4M PLUS Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 4-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn. The City's account balance is the fair value of the investment.

4M Limited Term Duration (LTD) Fund: This series of the 4M Fund is an unrated pool. The LTD Fund is managed to maintain an average maturity of 0-2 years and has a floating net asset value (NAV). Redemptions from the LTD Fund may only be made on the third Wednesday of each month upon at least two (2) weeks advance notice. The LTD Fund measures its investments at fair value and the City's account balance is the fair value of the investment.

C. INVESTMENT RISKS

Interest rate risk. Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by:

- Structuring the investment portfolio so that no more than 50% of the portfolio is placed in long-term investments that have maturities exceeding five years, and no more than 25% of the portfolio is placed in long-term investments that have maturities exceeding seven years.
- At least 5% of the City's portfolio is kept in investments that are available on a daily basis without loss of principal.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. The City limits its investments to only those investment instruments authorized by Minnesota Statutes. In accordance with its formal written investment policy, it is the City's policy to diversify its portfolio by type of investment, issuer and maturity date to protect against changes in the market.

Concentration of credit risk. Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. Not more than \$2,000,000 or 30% of the City's portfolio will be placed in any one institution, other than the United States government or its agencies.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy that all investments shall be kept at the broker/dealers in the City's name. The broker/dealer must provide assets protection of \$500,000 through the Securities Investor Protection Corporation (SIPC) and at least another \$49,500,000 supplemental insurance protection.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 3 RECEIVABLES

Receivables as of year-end for the City's individual major funds, non-major funds, and internal services in the aggregate including the applicable allowance for uncollectible accounts, are as follows:

General	Special						Total Receivables \$1,277,665
	Accounts \$20,109	Assessments \$16,061	Taxes \$96,140	Interest \$17,199	Lease \$1,128,156	Intergovernmental \$0	
General obligation bonds	-	2,490,469	2,936	-	-	-	2,493,405
Tax increment project	-	-	-	2,068	-	-	2,068
Permanent improvement	199,035	2,362,596	-	67,045	-	132,624	2,761,300
Park reserve fund	540	-	-	12,587	2,348,833	48,000	2,409,960
Water utility	230,527	496,486	-	38,065	-	-	765,078
Sewer utility	393,764	79,333	-	21,176	-	-	494,273
Refuse	234,304	5,538	-	4,196	-	-	244,038
Recycling	55,077	1,576	-	513	-	-	57,166
Storm water	88,383	22,993	-	7,628	-	484,000	603,004
Internal service	19,019	-	-	2,376	-	-	21,395
Nonmajor and other funds	198,253	816	3,873	20,148	-	25,786	248,876
Total	\$1,439,011	\$5,475,868	\$102,949	\$193,001	\$3,476,989	\$690,410	\$11,378,228

The receivables not expected to be collected within one year are \$4,290,974 of special assessment receivables reported in the permanent improvement and general obligation bond funds, \$1,044,507 of lease receivables in the general fund and \$2,329,694 of lease receivable in the Park reserve fund.

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

Note 4 LEASE RECEIVABLE

The City reports lease receivables for multiple antenna leases with telecommunications companies. The antenna leases relate to the use of City-owned land and infrastructure to install and operate antennas, with terms as follows:

Lease Name	Annual Payment*	Current End Date of Lease	Extension Terms
AT&T antenna lease	38,513	6/30/2026	1, 5 year extension available
T-Mobile antenna lease	48,216	12/31/2022	2, 5 year extensions available
Verizon antenna lease	37,827	5/31/2024	None remaining

* Future annual increases of 3%-4% will occur in accordance with the lease agreement

The antenna leases are measured at the present value of future minimum lease payments expected to be received during the lease term at discount rates ranging from 4%-6.52% as specified in the applicable agreements.

The City also reports a lease receivable for the use of City-owned land by a media company for billboard placement. The lease agreement calls for annual payments of \$86,994 - \$143,787 through September 20, 2039, with a 10 year extension option available.

The land lease is measured at the present value of future minimum lease payments expected to be received during the lease term at a discount rate of 3.00% as stated in the lease agreement.

At December 31, 2022, the City recorded \$3,476,989 in leases receivable and deferred inflows of resources for these arrangements. Total revenue recognized in relation to these leases is as follows:

	For the year ended 12/31/2022
Lease receipts and amortization of lease-related deferred inflows:	
Antenna leases	76,375
Other leases	<u>16,047</u>
Total revenue recognized resulting from deferred inflow amortization	92,422
Variable lease revenue	-
Interest revenue	119,128
Other lease revenues	-
Total revenue recognized in relation to leased assets	<u>211,550</u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 5 UNAVAILABLE REVENUES/DEFERRED INFLOWS

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2022, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Related to leases	Unavailable	Unearned
Delinquent property taxes receivable:			
General fund	\$ -	\$30,429	\$ -
Nonmajor funds	- -	1,190	-
Special assessments not yet due:			
General fund	- -	16,061	-
General obligation bonds	- -	2,484,223	-
Permanent improvement fund	- -	2,355,513	-
Delinquent special assessments receivable:			
General fund	- -	- -	-
General obligation bonds	- -	4,088	-
Permanent improvement fund	- -	4,660	-
License/rent/other revenue/lease receivable:			
General fund	1,128,156	310	-
Park reserve	2,348,833	- -	-
Permanent improvement fund	- -	- -	1,810,293
Nonmajor funds	- -	- -	25,800
Total deferred inflows of resources/unearned revenue for governmental funds	<u>\$3,476,989</u>	<u>\$4,896,474</u>	<u>\$1,836,093</u>

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

Note 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Amounts reported as due to/from other funds at December 31, 2022, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Water	Permanent Improvement	\$1,055,785	Facilities
Water	Ice Forum	409,834	Storage Expansion
Permanent Improvement	Tax Increment Project	2,282,584	Purchase of property
Total		\$3,748,203	

The amount not expected to be collected within one year is \$1,227,563 and \$2,072,584 for the Water Fund receivables and Permanent Improvement Fund receivable, respectively.

Amounts reported as interfund transfers at December 31, 2022 are as follows:

	General fund	Permanent improvement	Park reserve	Nonmajor governmental	Water	Sewer	Storm water	Total transfers out	Purpose
General fund	\$ -	\$840,000	\$550,000	\$1,345,000	\$ -	\$ -	\$ -	\$2,735,000	Budgeted Transfers, Council approved transfers
Permanent improvement	-	9,303	-	-	-	240,449	38,821	288,573	Fund closures
Nonmajor governmental	206,834	1,289,271	1,414,151	22,677	375,582	50,000	-	3,358,515	Administration, Budgeted Transfers, ARPA eligible projects
Water	58,200	-	-	85,000	-	-	308,800	452,000	Budgeted Transfer
Sewer	58,200	-	-	85,000	-	-	-	143,200	Budgeted Transfer
Refuse	-	135,000	-	-	-	-	-	135,000	Budgeted Transfer
Total transfers in	\$323,234	\$2,273,574	\$1,964,151	\$1,537,677	\$375,582	\$290,449	\$347,621	\$7,112,288	

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 7 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$43,414,193	\$10,000	\$ -	\$43,424,193
Construction in progress	5,712,894	11,255,240	7,901,083	9,067,051
Total capital assets, not being depreciated	<u>49,127,087</u>	<u>11,265,240</u>	<u>7,901,083</u>	<u>52,491,244</u>
Capital assets, being depreciated:				
Buildings	16,732,003	1,896,488	-	18,628,491
Improvements other than buildings	80,278,256	8,654,618	-	88,932,874
Machinery and equipment	7,746,712	969,871	453,228	8,263,355
Total capital assets, being depreciated	<u>104,756,971</u>	<u>11,520,977</u>	<u>453,228</u>	<u>115,824,720</u>
Less accumulated depreciation for:				
Buildings	8,054,607	598,069	-	8,652,676
Improvement other than buildings	33,843,398	2,271,353	-	36,114,751
Machinery and equipment	5,059,472	363,985	441,982	4,981,475
Total accumulated depreciation	<u>46,957,477</u>	<u>3,233,407</u>	<u>441,982</u>	<u>49,748,902</u>
Total capital assets, being depreciated, net	<u>57,799,494</u>	<u>8,287,570</u>	<u>11,246</u>	<u>66,075,818</u>
Governmental activities capital assets, net	<u>\$106,926,581</u>	<u>\$19,552,810</u>	<u>\$7,912,329</u>	<u>\$118,567,062</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$611,532	\$ -	\$ -	\$611,532
Construction in progress	2,877,546	885,960	3,498,831	264,675
Total capital assets, not being depreciated	<u>3,489,078</u>	<u>885,960</u>	<u>3,498,831</u>	<u>876,207</u>
Capital assets, being depreciated:				
Buildings	9,270,811	-	-	9,270,811
Improvements other than buildings	53,883,790	8,972,289	-	62,856,079
Machinery and equipment	2,612,231	-	32,610	2,579,621
Total capital assets, being depreciated	<u>65,766,832</u>	<u>8,972,289</u>	<u>32,610</u>	<u>74,706,511</u>
Less accumulated depreciation for:				
Buildings	5,954,090	255,825	-	6,209,915
Improvements other than buildings	22,651,504	1,269,898	-	23,921,402
Machinery and equipment	1,798,275	75,310	32,610	1,840,975
Total accumulated depreciation	<u>30,403,869</u>	<u>1,601,033</u>	<u>32,610</u>	<u>31,972,292</u>
Total capital assets, being depreciated, net	<u>35,362,963</u>	<u>7,371,256</u>	<u>0</u>	<u>42,734,219</u>
Business-type activities capital assets, net	<u>\$38,852,041</u>	<u>\$8,257,216</u>	<u>\$3,498,831</u>	<u>\$43,610,426</u>

* Beginning balances have been restated as discussed in Notes 15 and 16.

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

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

Governmental activities:	
General government	\$227,869
Public safety	270,246
Public works	2,063,055
Parks and recreation	672,237
Total depreciation expense - governmental activities	<u><u>\$3,233,407</u></u>
Business-type activities:	
Water	\$782,952
Sewer	376,275
Storm water	441,806
Total depreciation expense - business-type activities	<u><u>\$1,601,033</u></u>

Note 8 CONSTRUCTION COMMITMENTS

The City has an active construction project as of December 31, 2022. At year end the City's commitment with the contractor is as follows:

Project	Spent-to-date	Remaining Commitment
Miss Pt Park-Pavilion/Amphitheatre	\$6,717,840	\$128,801
Maryland Ave/Brooklyn Heights	871,742	35,998
Hidden Oaks/Woods Tri	205,633	812,457
2022 Elm Creek Pkwy Improvements	5,349,797	425,459
2022 Trail Improvements	183,622	49,604
WTP#1 Dehumidifier Unit Replacement	95,618	725,163
Elm Creek Stream Restoration Phase IV	835,727	85,863

Note 9 LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds and general obligation capital notes to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds and capital notes have been issued for governmental activities and business-type funds. The original amount of general obligation bonds and capital notes issued in prior years was \$12,925,000.

For the current year, principal and interest paid and total property tax revenues were \$912,327 and \$619,614 respectively.

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20-year serial bonds with varying amounts of principal due each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Refunding	2.00 - 2.5%	\$2,225,000
Improvement, equipment, and utility	1.00 - 2.00%	8,240,000

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

Year Ending 31-Dec	Principal	Interest
2023	950,000	180,771
2024	965,000	161,349
2025	985,000	141,021
2026	1,010,000	119,378
2027	1,025,000	96,728
2028-2032	2,980,000	283,175
2033-2036	2,550,000	67,518
Total	\$10,465,000	\$1,049,941

Conduit Debt Obligations

From time to time the City of Champlin has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from private sector entity revenues. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City of Champlin, the State of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2022, there were four series of Revenue Bonds outstanding with an aggregate principal amount payable of \$59,548,015.

Pledged Revenue

Bond Issue	Use of Proceeds	Revenue Pledged				Remaining Principal	Current Year	
		Type	Percent of total debt service	Debt service as a % of net revenues	Term of Pledge		Principal and Interest paid	Pledged Revenue received
2013A	Refunding	Property Taxes	100%		2013- 2027	\$2,225,000	\$474,956	\$502,610
2020 Equipment Certificates	Equipment	Property Taxes	100%		2020- 2036	1,400,000	99,445	116,806
2020A Improvement	Infrastructure	Special assessments	100%	100%	2020- 2036	4,560,000	329,700	668,891
2020A Utility	Storm water Improvements	Storm Water net revenue	100%	45%	2020- 2036	2,280,000	164,870	95,654

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

Long-term liability activity for the year ended December 31, 2022, was as follows:

Governmental activities:	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$8,930,000	\$ -	\$745,000	\$8,185,000	\$805,000
Issuance discounts/premiums	367,584	-	31,950	335,634	-
Total bonds payable	9,297,584	0	776,950	8,520,634	805,000
Compensated absences**	648,157	-	46,092	602,065	115,587
Net OPEB liability	826,607	473,452	-	1,300,059	-
Net pension liability	4,209,040	10,591,967	-	14,801,007	-
Governmental activity long-term liabilities	<u>\$15,131,071</u>	<u>\$11,065,419</u>	<u>\$823,042</u>	<u>\$25,223,765</u>	<u>\$920,587</u>
 Business-type activities:	 <u>Ending Balance</u>	 <u>Additions</u>	 <u>Reductions</u>	 <u>Ending Balance</u>	 <u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$2,405,000	\$ -	\$125,000	\$2,280,000	\$145,000
Issuance Discounts/premiums	121,074	-	8,859	112,215	-
Compensated absences**	38,860	-	2,538	36,322	-
Net OPEB liability	105,455	28,561	-	134,016	-
Business-type activities long-term liabilities	<u>\$2,670,389</u>	<u>\$28,561</u>	<u>\$136,397</u>	<u>\$2,562,553</u>	<u>\$145,000</u>

* Beginning balances have been restated as discussed in Note 16.

** The change in compensated absences is presented as a net change.

Compensated absences for the governmental funds are accounted for as a portion of the unrestricted net position of the Compensated Absences Internal Service Fund. Net pension liability for the governmental funds are accounted for as a portion of the unrestricted net position of the Employee Benefits Internal Service Fund. Net OPEB liabilities for the governmental funds are accounted for as a portion of the unassigned fund balance of the General Fund.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 10 DEFINED BENEFIT PENSION PLANS - PERA

A. PLAN DESCRIPTION

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

1. General Employees Retirement Fund (GERF)

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

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, 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 PEPFF 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. GERF Benefits

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. PEPFF Benefits

Benefits for the PEPFF 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 PEPFF 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 PEPFF 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. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. CONTRIBUTIONS

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

1. GERF Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2022 were \$333,075. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2022 were \$489,844. The City's contributions were equal to the required contributions as set by state statute.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

D. PENSION COSTS

1. GERF Pension Costs

At December 31, 2022, the City reported a liability of \$4,696,580 for its proportionate share of GERF'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 \$137,828.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0593% at the end of the measurement period and 0.0582% for the beginning of the period.

City's proportionate share of the net pension liability	\$4,696,580
State of Minnesota's proportionate share of the net pension liability associated with the City	137,828
Total	\$4,834,408

For the year ended December 31, 2022, the City recognized pension expense of \$697,213 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$20,595 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$39,229	\$50,212
Changes in actuarial assumptions	1,062,921	19,279
Net collective between projected and actual investment earnings	82,720	-
Changes in proportion	143,771	-
Contributions paid to PERA subsequent to the measurement date	168,045	-
Total	\$1,496,686	\$69,491

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

The \$168,045 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Expense Amount
2023	\$480,193
2024	487,904
2025	(133,683)
2026	424,736
2027	-
Thereafter	-

2. PEPFF Pension Costs

At December 31, 2022, the City reported a liability of \$10,104,427 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2322% at the end of the measurement period and 0.2233% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The direct state aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF 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 is included as a non-employer contributing entity in the PEPFF 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. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$671,238 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$85,608 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the PEPFF.

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

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 \$20,898 for the year ended December 31, 2022 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2022, the City reported its proportionate share of the PEPFF'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	\$618,225	\$0
Changes in actuarial assumptions	5,948,011	62,284
Difference between projected and actual investment earnings	139,121	-
Changes in proportion	189,751	29,148
Contributions paid to PERA subsequent to the measurement date	246,945	-
Total	\$7,142,053	\$91,432

The \$246,945 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Expense Amount
2023	\$1,370,866
2024	1,320,574
2025	1,161,008
2026	2,093,647
2027	857,581
Thereafter	-

The net pension liability will be liquidated by the general, water and sewer funds.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return is based on a review of inflation and investment 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 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF. The PEPFF benefit increase is fixed at 1.00% per year and that increase was used in the valuation.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for GERF were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study for GERF was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and 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 2022:

General Employees Fund

Changes in Actuarial Assumptions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

F. DISCOUNT RATE

The discount rate for the GERV used to measure the total pension liability in 2022 was 6.5%. 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 GERV was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

G. PENSION LIABILITY AND SENSITIVITY

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

	<u>1% Decrease in Discount Rate (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase in Discount Rate (7.5%)</u>
City's Proportionate share of the GERF net pension liability	\$7,418,493	\$4,696,580	\$2,464,190
	<u>1% Decrease in Discount Rate (4.4%)</u>	<u>Discount Rate (5.4%)</u>	<u>1% Increase in Discount Rate (6.4%)</u>
City's Proportionate share of the PEPFF net pension liability	\$15,291,754	\$10,104,427	\$5,910,783

H. PENSION PLAN FIDUCIARY NET POSITION

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

I. PENSION EXPENSE

Pension expense recognized by the City for the fiscal year ended December 31, 2022 is as follows:

GERF	\$697,123
PEPFF	710,133
Total	<u><u>\$1,407,256</u></u>

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 11 OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

The City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The OPEB plan issues a separate report that includes required supplementary information and trend information. This report can be obtained from the Finance Director at 11955 Champlin Drive, Champlin, MN 55316. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75.

B. BENEFITS PROVIDED

The City provides post-employment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

All health care benefits are provided through the City's contracted health insurance plan. The benefit levels are the same as those provided to active employees. Benefits include general inpatient and outpatient medical services, vision care, dental care and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the retiree is no longer covered under the City's plan.

Funding policy - The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. For law enforcement employees and sergeants, the retirees contribute 50% of the bargaining unit's employer contribution toward single medical premiums until age 65 and the City contributes the remainder. The City provides single coverage to public safety personnel meeting the definition of injured in the line of duty per Minnesota statute 299A.465 until reaching age 65. For all others, the retirees contribute 100% of the medical premiums. For the fiscal year ended December 31, 2022, retirees contributed approximately \$37,070 and the City contributed \$71,523. Active employees do not contribute to the plan until retirement.

C. PARTICIPANTS

At December 31, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	3
Active employees	79
Spouses receiving payments	0
Total	82

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$1,434,076 was measured as of January 1, 2022, and was determined by an actuarial valuation dated January 1, 2021. Changes in the total OPEB liability during 2022 were:

Balances at January 1, 2022	<u>\$932,062</u>
Service cost	67,106
Interest cost	19,466
Assumption changes	-
Differences between expected and actual experience	467,387
Benefit payments	(51,945)
Total net changes	<u>502,014</u>
 Balances at December 31, 2022	 <u>\$1,434,076</u>

There were no plan changes since the measurement date of January 1, 2022.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

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

Actuarial cost method	Entry age, level percentage of day
Amortization method	Average of expected remaining service on a closed basis
Inflation rate	2.00%
Projected salary increases	Increase rates vary by service and contract group
Discount rate	2.00%
20-year municipal bond yield	2.00%
Healthcare cost trend rate	6.25% grading to 5.00% over 5 years and then to 4.00%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on published rate information for 20-year, tax exempt, municipal bonds as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 generational improvements scale (Blue Collar tables for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2022 valuation are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

CITY OF CHAMPLIN, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.00%) or 1% higher (3.00%) than the current discount rate:

	1% Decrease (1.0%)	Discount Rate (2.0%)	1% Increase (3.0%)
Total OPEB liability	\$1,532,663	\$1,434,076	\$1,341,541

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

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 1% lower (5.50% decreasing to 4.00%) or 1% higher (7.50% decreasing to 6.00%) than the current healthcare cost trend rates:

	Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$1,295,526	\$1,434,076	\$1,595,776

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2022, the City recognized \$50,207 of OPEB expense. At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$436,297	\$183,795
Changes in actuarial assumptions	55,197	5,589
Contributions subsequent to the measurement date	71,523	-
Total	\$563,017	\$189,384

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

\$71,523 reported as deferred outflows of resources related to OPEB resulting from City contributions after the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended <u>December 31,</u>	OPEB Expense Amount
2023	\$48,573
2024	48,573
2025	48,573
2026	48,576
2027	41,048
Thereafter	66,767

Note 12 CONTINGENCIES

A. LITIGATION

Existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City management, remotely recoverable by plaintiffs.

B. FEDERAL AND STATE FUNDS

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

C. TAX INCREMENT DISTRICTS

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

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

D. CITY OF CHAMPLIN GRANT PROGRAM

In 2020, the City entered into an agreement with the Center for Energy and Environment to administer forgivable loans (grants) to homeowners within the City from April 1, 2020 to December 31, 2028, to be used to finance repairs and/or improvements on their property. The total amount approved by City Council for this grant program was \$432,500 and all grants have been awarded as of December 31, 2022.

Note 13 JOINT VENTURES

Anoka-Champlin Fire Department

The City participates in a joint venture with the City of Anoka, Minnesota to provide fire protection services to the residents of the respective cities. The Anoka-Champlin Joint Fire Department was created pursuant to an agreement dated March 20, 1985. The terms of the agreement provide for a 49% and 51% undivided equity interest for the City of Champlin and the City of Anoka, respectively.

The City of Anoka is responsible for the administration and daily operations of the fire department. Each City is responsible for their proportionate share of the cost of the fire department's operations. Separate financial statements of the joint venture are available at the City of Anoka, 2015 1st Avenue, Anoka, MN 55398 or 763-576-2771.

Pets Under Police Security

The City is a member of Pets Under Police Security (PUPS), which was established by a joint and cooperative agreement between several area cities. PUPS is governed by its board of directors, which consists of one board member appointed from each participating city.

The board adopts an annual budget prior to July 1 of each year. Charges for capital, administrative and other costs of PUPS are billed to its member cities on a pro-rata basis. In the event of dissolution, and following the payment of all outstanding obligations, the assets of PUPS will be distributed among the then existing member cities in direct proportion to their cumulative annual membership contributions. Separate financial statements of the joint venture are available at the City of Maple Grove, P.O. Box 1180, Maple Grove, MN 55311-6180.

Note 14 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; employee health and dental; and natural disasters for which the City carries commercial insurance policies. The City retains risk for the deductible portions of the insurance policies and for any exclusions from the insurance policies.

Past experience indicates that incurred but not reported claims, in aggregate, of the Insurance Management Internal Service Fund do not represent a material amount and, therefore, have not been accrued at year-end. There were no significant reductions in insurance coverage from the previous year. There were no settlements in excess of insurance for any of the prior three years.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

The City's worker's compensation and general liability policies are retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and is not recorded until received or paid.

Note 15 PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2022, the City identified developer contributed infrastructure which had been contributed to the City in a prior year but not recognized in the financial statements. Beginning balances as of January 1, 2022 have been restated to correct the error as shown in Note 16.

Note 16 ADOPTION OF NEW ACCOUNTING STANDARD

The City implemented GASB Statement No. 87 for the year ended December 31, 2022. As a result, lease receivables and related deferred inflows of resources are reported on the Balance Sheet and Statements of Net Position. Implementation of the standard resulted in the restatement of beginning equity due to agreements previously reported as capital leases which are not accrued under GASB Statement No. 87.

	Water Fund	Sewer Fund	Storm Water Fund	Business-type Activities	Governmental Activities
Net position - December 31, 2021 as previously reported	\$30,760,508	\$15,598,897	\$15,758,841	\$63,882,137	\$135,371,262
Cumulative effect of change in accounting principle - GASB 87	-	-	-	-	(77,994)
Prior period adjustment - capital assets	175,000	202,450	125,000	502,450	613,601
Net position - January 1, 2022 as restated	<u>\$30,935,508</u>	<u>\$15,801,347</u>	<u>\$15,883,841</u>	<u>\$64,384,587</u>	<u>\$135,906,869</u>

Note 17 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 Subscription-Based Information Technology Arrangements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99 Omnibus 2022. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

Statement No. 100 Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 96 may have a material impact.

CITY OF CHAMPLIN, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 18 SUBSEQUENT EVENTS

Subsequent events have been evaluated for recognition or disclosure through May 16, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST 10 YEARS*)

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

For The Year Ended December 31, 2022

Statement 10

	2018	2019	2020	2021	2022
Total OPEB liability:					
Service cost	\$49,048	\$59,967	\$72,951	\$67,715	\$67,106
Interest	28,239	30,060	39,320	33,741	19,466
Assumption changes	-	(11,181)	68,145	17,653	-
Differences between expected and actual experience	-	71,360	-	(257,315)	467,387
Benefit payments	(29,535)	(36,577)	(42,224)	(50,631)	(51,945)
Net change in total OPEB liability	47,752	113,629	138,192	(188,837)	502,014
Total OPEB liability - beginning	821,326	869,078	982,707	1,120,899	932,062
Total OPEB liability - ending	<u><u>\$869,078</u></u>	<u><u>\$982,707</u></u>	<u><u>\$1,120,899</u></u>	<u><u>\$932,062</u></u>	<u><u>\$1,434,076</u></u>
Covered-employee payroll	\$5,655,193	\$6,005,486	\$6,185,651	\$6,571,046	\$6,671,926
Total OPEB liability as a percentage of covered-employee payroll	15.4%	16.4%	16.4%	14.2%	21.5%

* The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST 10 YEARS*)

SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES GENERAL RETIREMENT FUND PENSION PLAN

Statement 11

Fiscal Year Ending (for the Financial Reporting Period)	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	\$258,754	\$258,754	\$ -	\$3,450,045	7.50%
December 31, 2016	262,283	262,283	-	3,497,100	7.50%
December 31, 2017	269,268	269,268	-	3,590,236	7.50%
December 31, 2018	279,664	279,664	-	3,728,864	7.50%
December 31, 2019	291,163	291,163	-	3,882,180	7.50%
December 31, 2020	316,125	316,125	-	4,214,986	7.50%
December 31, 2021	316,477	316,477	-	4,219,689	7.50%
December 31, 2022	333,075	333,075	-	4,440,996	7.50%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST 10 YEARS)*
 SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY -
 PUBLIC EMPLOYEES GENERAL RETIREMENT FUND PENSION PLAN

Statement 12

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Position Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension liability Associated with the City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0582%	\$3,016,226	\$ -	\$3,016,226	\$3,364,840	89.64%	78.19%
2016	2016	0.0556%	4,514,444	17,603	4,532,047	3,452,825	131.26%	68.91%
2017	2017	0.0553%	3,530,316	44,378	3,574,694	3,561,525	100.37%	75.90%
2018	2018	0.0542%	3,006,794	23,009	3,029,803	3,641,446	83.20%	79.50%
2019	2019	0.0542%	2,996,597	92,996	3,089,593	3,833,212	80.60%	80.20%
2020	2020	0.0550%	3,297,501	101,690	3,399,191	3,923,217	86.64%	79.10%
2021	2021	0.0582%	2,485,401	759,228	3,244,629	4,191,376	77.41%	87.00%
2022	2022	0.0593%	4,696,580	137,828	4,834,408	4,440,996	108.86%	76.70%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF CHAMPLIN, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)

SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN

Statement 13

Fiscal Year Ending (for the Financial Reporting Period)	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$361,903	\$361,903	\$ -	\$2,233,972	16.20%
December 31, 2016	378,616	378,616	-	2,337,135	16.20%
December 31, 2017	362,654	362,654	-	2,238,605	16.20%
December 31, 2018	380,281	380,281	-	2,347,409	16.20%
December 31, 2019	410,096	410,096	-	2,419,450	16.95%
December 31, 2020	479,906	479,906	-	2,711,335	17.70%
December 31, 2021	472,012	472,012	-	2,666,731	17.70%
December 31, 2022	489,844	489,844	-	2,767,481	17.70%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)
SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND PENSION PLAN
Statement 14

Measurement Date	Fiscal Year Ending	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	City's Covered Payroll (b)	City's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Pension Liability
June 30, 2015	December 31, 2015	0.2390%	\$2,715,599	\$2,126,518	127.70%	86.61%
June 30, 2016	December 31, 2016	0.2400%	9,631,618	2,313,087	416.40%	63.88%
June 30, 2017	December 31, 2017	0.2260%	3,051,269	2,315,291	131.79%	85.43%
June 30, 2018	December 31, 2018	0.2146%	2,287,415	2,262,007	101.12%	88.80%
June 30, 2019	December 31, 2019	0.2252%	2,397,481	2,376,297	100.89%	89.30%
June 30, 2020	December 31, 2020	0.2243%	2,956,514	2,530,487	116.84%	87.20%
June 30, 2021	December 31, 2021	0.2233%	1,723,639	2,638,829	65.32%	93.70%
June 30, 2022	December 31, 2022	0.0232%	10,104,427	2,820,639	358.23%	70.50%

*This schedule is presented prospectively beginning with the City's fiscal year ended December, 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2021 Changes

- The discount rate was changed from 2.90% to 2.00%.
- The retirement and termination rates for non-Police and Fire employees were updated.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The retirement and termination rates for non-Police and Fire employees were updated.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale.
- The inflation rate was changed from 2.50% to 2.00%.

2020 Changes

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

2019 Changes

Changes since prior valuation

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

PENSION INFORMATION

PERA – General Employees Retirement Fund

2022 Changes

Changes in Actuarial Assumptions

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

2021 Changes

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.

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

2020 Changes

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 decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The 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.

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

Changes in Actuarial Assumptions

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

Changes in the Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions:

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

2017 Changes

Changes in Actuarial Assumptions:

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

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

2016 Changes

Changes in Actuarial Assumptions:

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

PERA – Public Employees Police and Fire Fund

2022 Changes

Changes in Actuarial Assumptions

- The single discount rate changed from 6.50% to 5.4%.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes

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 tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, 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%.

2020 Changes

Changes in Actuarial Assumptions:

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in the Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

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

CITY OF CHAMPLIN, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2022

2017 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- 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% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% 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% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% perfect for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- 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.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

- This page intentionally left blank -

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Grant Fund - this fund was established to account for grants received by the City.

Police Forfeiture Fund - this fund was established to account for revenues associated with the sale of confiscated vehicles from drug or driving under the influence cases.

Communication Fund - this fund was established to account for revenues from QCTV that are to be used specifically for communication and technology purposes.

Economic Development Authority Fund - this fund was established to account for revenues received in the form of grants and tax increments. Resources of this fund may be used only for redevelopment as specified in grant agreements.

Scholarship Fund - this fund was established to account for donations received to subsidize park and recreation program fees for low income participants.

Ice Forum Fund - this fund was established to account for the financial transactions relating to the operation of a City-owned ice arena.

CAPITAL PROJECTS FUNDS

The Capital Project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

Street Light Fund - this fund was established to account for revenues and expenditures for the provision of street and signal light utility infrastructure for the residents.

Capital Equipment Fund - this fund was established to account for all revenues and expenditures for capital equipment in the governmental funds.

Infrastructure Replacement Fund - this fund was established to account for the receipt of local government aid to be used for infrastructure replacement at the discretion of the City Council.

- This page intentionally left blank -

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Cemetery Perpetual Care Trust Fund - this fund was established to account for the revenues received for the continuing care of the cemetery. Interest received by this fund may be transferred to the General Fund as needed to cover cemetery maintenance expenditures.

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of services provided by one department to other departments on a cost reimbursement basis.

Insurance Management Fund - was established for the purpose of taking advantage of substantial premium costs savings available through increased levels of self-insurance on the City's property and liability coverage.

Geographical Information Systems (GIS) Fund - was established for the purpose of establishing and maintaining a City-wide geographical information system for use by all departments.

Employee Benefits Fund – used to account for the expenses associated with providing pension benefits.

Compensated Absences Fund – used to account for the expenses associated with providing compensated absences.

CITY OF CHAMPLIN, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Special Revenue				
	Grant Fund	Police Forfeiture	Communications	Economic Development Authority	Ice Forum
Assets					
Cash and investments	\$ -	\$33,294	\$171,731	\$829,030	\$1,104,369
Receivables:					
Accounts	-	-	-	2,759	140,490
Special assessments	-	-	-	-	-
Taxes	-	-	-	3,873	-
Interest	-	-	483	2,332	3,397
Due from other governmental units	-	-	-	-	25,786
Prepayments	-	-	6,695	-	-
Total assets	\$ -	\$33,294	\$178,909	\$837,994	\$1,274,042
Liabilities					
Accounts payable	\$ -	\$ -	\$342	\$5,354	\$71,390
Due to other funds	-	-	-	-	409,834
Contracts payable - retained percentage	-	-	-	-	-
Due to other governmental units	-	-	-	41	105
Unearned revenue	-	-	-	-	25,800
Deposits	-	5,433	-	(94)	500
Total liabilities	0	5,433	342	5,301	507,629
Deferred inflows of resources:					
Unavailable revenue	-	-	-	1,190	-
Fund balance:					
Nonspendable:					
Prepayments	-	-	6,695	-	-
Perpetual care	-	-	-	-	-
Restricted:					
Public safety	-	27,861	-	-	-
Recreation scholarships	-	-	-	-	-
Assigned	-	-	171,872	831,503	766,413
Unassigned	-	-	-	-	-
Total fund balance	0	27,861	178,567	831,503	766,413
Total liabilities, deferred inflows of resources and fund balance	\$0	\$33,294	\$178,909	\$837,994	\$1,274,042

Special Revenue		Capital Projects			Permanent Fund		Total Nonmajor Governmental Funds
Scholarship	Total	Street Light	Capital Equipment	Infrastructure Replacement	Total	Cemetery Perpetual Care	
\$6,283	\$2,144,707	\$1,607,428	\$2,393,641	\$303,015	\$4,304,084	\$96,222	\$6,545,013
-	143,249	55,004	-	-	55,004	-	198,253
-	-	816	-	-	816	-	816
-	3,873	-	-	-	-	-	3,873
-	6,212	5,907	6,906	852	13,665	271	20,148
-	25,786	-	-	-	-	-	25,786
-	6,695	20,568	-	-	20,568	-	27,263
\$6,283	\$2,330,522	\$1,689,723	\$2,400,547	\$303,867	\$4,394,137	\$96,493	\$6,821,152
\$ -	\$77,086	\$66,003	\$37,277	\$ -	\$103,280	\$ -	\$180,366
-	409,834	-	-	-	-	-	409,834
-	-	2,185	-	-	2,185	-	2,185
-	146	4,436	-	-	4,436	-	4,582
-	25,800	-	-	-	-	-	25,800
-	5,839	-	-	-	-	-	5,839
0	518,705	72,624	37,277	0	109,901	0	628,606
-	1,190	-	-	-	-	-	1,190
-	6,695	20,568	-	-	20,568	-	27,263
-	-	-	-	-	-	101,361	101,361
-	27,861	-	-	-	-	-	27,861
6,283	6,283	-	-	-	-	-	6,283
-	1,769,788	1,596,531	2,363,270	303,867	4,263,668	-	6,033,456
6,283	1,810,627	1,617,099	2,363,270	303,867	4,284,236	(4,868)	(4,868)
\$6,283	\$2,330,522	\$1,689,723	\$2,400,547	\$303,867	\$4,394,137	\$96,493	\$6,821,152

CITY OF CHAMPLIN, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2022

	Special Revenue				
	Grant Fund	Police Forfeiture	Communications	Economic Development Authority	Ice Forum
Revenues:					
Taxes:					
Ad valorem	\$ -	\$ -	\$ -	\$498,617	\$51,416
Tax increments					-
Other					-
Special assessments	-	-	-	-	-
Licenses and permits					-
Intergovernmental	2,353,604	-	-	-	-
Charges for services	-	-	-	-	535,590
Fines and forfeitures					-
Investment income	-	-	1,880	9,082	12,114
Net increase (decrease) in the fair value of investments	-	-	(8,069)	(38,981)	(51,888)
Other revenues:					
Miscellaneous	-	12,232	-	26,759	59,756
Contributions	-	-	35,000	-	-
Total revenues	<u>2,353,604</u>	<u>12,232</u>	<u>28,811</u>	<u>495,477</u>	<u>606,988</u>
Expenditures:					
Current:					
General government	-	-	139,863	368,854	-
Public safety	42,590	3,316	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	711,255
Capital outlay	-	-	-	-	204,543
Total expenditures	<u>42,590</u>	<u>3,316</u>	<u>139,863</u>	<u>368,854</u>	<u>915,798</u>
Revenues over (under) expenditures	<u>2,311,014</u>	<u>8,916</u>	<u>(111,052)</u>	<u>126,623</u>	<u>(308,810)</u>
Other financing sources (uses):					
Transfers in	-	-	121,705	-	250,000
Transfers out	(2,311,014)	-	-	(58,200)	-
Proceeds from sale of capital asset	-	-	-	-	5,000
Total other financing sources (uses)	<u>(2,311,014)</u>	<u>0</u>	<u>121,705</u>	<u>(58,200)</u>	<u>255,000</u>
Net increase (decrease) in fund balance	0	8,916	10,653	68,423	(53,810)
Fund balance (deficit) - January 1	-	18,945	167,914	763,080	820,223
Fund balance (deficit) - December 31	<u>\$0</u>	<u>\$27,861</u>	<u>\$178,567</u>	<u>\$831,503</u>	<u>\$766,413</u>

Special Revenue		Capital Projects			Permanent Fund		Total Nonmajor Governmental Funds
Scholarship	Total	Street Light	Capital Equipment	Infrastructure Replacement	Total	Cemetery Perpetual Care	
\$ -	\$550,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$550,033
-	-	545	-	-	545	-	545
-	2,353,604	-	-	-	-	-	2,353,604
-	535,590	442,120	-	5,000	447,120	2,890	985,600
-	23,076	22,999	26,888	3,318	53,205	1,054	77,335
-	(98,938)	(98,719)	(115,413)	(14,238)	(228,370)	(4,521)	(331,829)
-	98,747	17,741	52	-	17,793	-	116,540
500	35,500	-	-	-	-	-	35,500
500	<u>3,497,612</u>	<u>384,686</u>	<u>(88,473)</u>	<u>(5,920)</u>	<u>290,293</u>	<u>(577)</u>	<u>3,787,328</u>
-	508,717	-	69,918	2,688	72,606	-	581,323
-	45,906	-	143,410	-	143,410	-	189,316
-	-	518,504	160,246	-	678,750	-	678,750
-	711,255	-	-	-	-	-	711,255
-	204,543	493,409	912,244	-	1,405,653	-	1,610,196
-	<u>1,470,421</u>	<u>1,011,913</u>	<u>1,285,818</u>	<u>2,688</u>	<u>2,300,419</u>	<u>0</u>	<u>3,770,840</u>
500	<u>2,027,191</u>	<u>(627,227)</u>	<u>(1,374,291)</u>	<u>(8,608)</u>	<u>(2,010,126)</u>	<u>(577)</u>	<u>16,488</u>
-	371,705	275,000	890,972	-	1,165,972	-	1,537,677
-	(2,369,214)	-	(135,000)	(850,000)	(985,000)	(4,301)	(3,358,515)
-	5,000	-	28,981	-	28,981	-	33,981
0	<u>(1,992,509)</u>	<u>275,000</u>	<u>784,953</u>	<u>(850,000)</u>	<u>209,953</u>	<u>(4,301)</u>	<u>(1,786,857)</u>
500	34,682	(352,227)	(589,338)	(858,608)	(1,800,173)	(4,878)	(1,770,369)
5,783	<u>1,775,945</u>	<u>1,969,326</u>	<u>2,952,608</u>	<u>1,162,475</u>	<u>6,084,409</u>	<u>101,371</u>	<u>7,961,725</u>
\$6,283	<u>1,810,627</u>	<u>\$1,617,099</u>	<u>\$2,363,270</u>	<u>\$303,867</u>	<u>\$4,284,236</u>	<u>\$96,493</u>	<u>\$6,191,356</u>

CITY OF CHAMPLIN, MINNESOTA
SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

For The Year Ended December 31, 2022

Statement 17

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$498,500	\$498,500	\$498,617	\$117
Investment income	-	-	9,082	9,082
Net increase (decrease) in the fair value of investments	-	-	(38,981)	(38,981)
Miscellaneous	24,000	24,000	26,759	2,759
Total revenues	522,500	522,500	495,477	(27,023)
Expenditures:				
Current:				
Personal services	259,100	259,100	260,778	(1,678)
Supplies	1,000	1,000	9	991
Other services and charges	73,400	73,400	108,067	(34,667)
Capital outlay	80,000	80,000	-	80,000
Total expenditures	413,500	413,500	368,854	44,646
Revenues over (under) expenditures	109,000	109,000	126,623	17,623
Other financing sources (uses):				
Transfers out	(58,200)	(58,200)	(58,200)	-
Net change in fund balance	\$50,800	\$50,800	68,423	\$17,623
Fund balance - January 1			763,080	
Fund balance - December 31			\$831,503	

CITY OF CHAMPLIN, MINNESOTA**SPECIAL REVENUE FUND - COMMUNICATIONS****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

For The Year Ended December 31, 2022

Statement 18

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$500	\$500	\$1,880	\$1,380
Net increase (decrease) in the fair value of investments	-	-	(8,069)	-
Other revenues:				
Contributions	20,000	20,000	35,000	15,000
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>28,811</u>	<u>16,380</u>
Expenditures:				
Current:				
Other services and charges	152,375	149,575	139,863	9,712
Total expenditures	<u>152,375</u>	<u>149,575</u>	<u>139,863</u>	<u>9,712</u>
Revenues over (under) expenditures	<u>(\$131,875)</u>	<u>(\$129,075)</u>	<u>(111,052)</u>	<u>\$6,668</u>
Other financing sources (uses):				
Transfers in	120,000	120,000	121,705	1,705
Net change in fund balance	<u>(\$11,875)</u>	<u>(\$9,075)</u>	<u>10,653</u>	<u>\$8,373</u>
Fund balance - January 1			<u>167,914</u>	
Fund balance - December 31			<u>\$178,567</u>	

CITY OF CHAMPLIN, MINNESOTA
SPECIAL REVENUE FUND - ICE FORUM
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**
For The Year Ended December 31, 2022

Statement 19

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$51,416	\$51,416
Charges for services	453,000	453,000	535,590	82,590
Investment income	4,200	4,200	12,114	7,914
Net increase (decrease) in the fair value of investments	-	-	(51,888)	(51,888)
Other revenues:				
Miscellaneous	50,000	50,000	59,756	9,756
Total revenues	<u>507,200</u>	<u>507,200</u>	<u>606,988</u>	<u>99,788</u>
Expenditures:				
Current:				
Personal services	437,600	437,600	415,475	22,125
Supplies	22,800	22,800	16,351	6,449
Other services and charges	181,500	181,500	279,429	(97,929)
Capital outlay	716,000	692,100	204,543	487,557
Total expenditures	<u>1,357,900</u>	<u>1,334,000</u>	<u>915,798</u>	<u>418,202</u>
Revenues over (under) expenditures	<u>(850,700)</u>	<u>(826,800)</u>	<u>(308,810)</u>	<u>517,990</u>
Other financing sources (uses):				
Transfers in - General Fund	250,000	250,000	250,000	-
Proceeds from sale of capital asset	-	-	5,000	5,000
Bonds issued	500,000	500,000	-	(500,000)
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>255,000</u>	<u>(495,000)</u>
Net change in fund balance	<u>(\$100,700)</u>	<u>(\$76,800)</u>	<u>(53,810)</u>	<u>\$22,990</u>
Fund balance - January 1				<u>820,223</u>
Fund balance - December 31				<u>\$766,413</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CHAMPLIN, MINNESOTA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2022

Statement 20

	Insurance	GIS	Employee Benefits	Compensated Absences	Total
Assets					
Cash and cash equivalents	\$245,381	\$50,152	\$ -	\$600,379	\$895,912
Receivables:					
Accounts	19,019	-	-	-	19,019
Interest	690	-	-	1,686	2,376
Prepayments	-	-	-	-	-
Total assets	<u>265,090</u>	<u>50,152</u>	<u>0</u>	<u>602,065</u>	<u>917,307</u>
Deferred outflows of resources - pension related	-	-	8,638,742	-	8,638,742
Liabilities					
Current liabilities:					
Accounts payable	7,274	4,527	-	-	11,801
Compensated absences	-	-	-	115,587	115,587
Noncurrent liabilities:					
Compensated absences	-	-	-	486,478	486,478
Net pension liability	-	-	14,801,007	-	14,801,007
Total liabilities	<u>7,274</u>	<u>4,527</u>	<u>14,801,007</u>	<u>602,065</u>	<u>15,414,873</u>
Deferred inflows of resources - pension related	-	-	160,923	-	160,923
Net position:					
Unrestricted	257,816	45,625	(6,323,188)	0	(6,019,747)
Total net position	<u>\$257,816</u>	<u>\$45,625</u>	<u>(\$6,323,188)</u>	<u>\$0</u>	<u>(\$6,019,747)</u>

CITY OF CHAMPLIN, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

For The Year December 31, 2022

Statement 21

	<u>Insurance</u>	<u>GIS</u>	<u>Employee Benefits</u>	<u>Compensated Absences</u>	<u>Total</u>
Operating revenues:					
Charges for services:					
Customer service	<u>\$480,800</u>	<u>\$107,400</u>	<u>\$822,919</u>	<u>\$ -</u>	<u>\$1,411,119</u>
Operating expenses:					
Personal services	15,256	39,345	1,474,654	-	1,529,255
Other services and charges	<u>499,736</u>	<u>44,179</u>	<u>-</u>	<u>-</u>	<u>543,915</u>
Total operating expenses	<u>514,992</u>	<u>83,524</u>	<u>1,474,654</u>	<u>0</u>	<u>2,073,170</u>
Net income (loss) from operations	<u>(34,192)</u>	<u>23,876</u>	<u>(651,735)</u>	<u>-</u>	<u>(662,051)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	-	127,101	-	127,101
Investment income	2,686	-	-	6,566	9,252
Net increase (decrease) in the fair value of investments	(11,530)	-	-	(28,178)	(39,708)
Miscellaneous revenue	<u>68,433</u>	<u>-</u>	<u>-</u>	<u>21,612</u>	<u>90,045</u>
Total nonoperating revenues (expenses)	<u>59,589</u>	<u>0</u>	<u>127,101</u>	<u>0</u>	<u>186,690</u>
Change in net position	25,397	23,876	(524,634)	-	(475,361)
Total net position - January 1	<u>232,419</u>	<u>21,749</u>	<u>(5,798,554)</u>	<u>-</u>	<u>(5,544,386)</u>
Total net position - December 31	<u>\$257,816</u>	<u>\$45,625</u>	<u>(\$6,323,188)</u>	<u>\$0</u>	<u>(\$6,019,747)</u>

CITY OF CHAMPLIN, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2022

Statement 22

	<u>Insurance</u>	<u>GIS</u>	<u>Employee Benefits</u>	<u>Compensated Absences</u>	<u>Total</u>
Cash flows from operating activities:					
Receipts from interfund services provided	\$461,781	\$107,400	\$822,919	\$ -	\$1,392,100
Payments to suppliers	(484,834)	(47,113)	-	-	(531,947)
Payments to employees	(15,256)	(39,345)	(950,020)	(46,092)	(1,050,713)
Miscellaneous revenue	68,433	-	127,101	21,612	217,146
Net cash flows from operating activities	<u>30,124</u>	<u>20,942</u>	<u>0</u>	<u>(24,480)</u>	<u>26,586</u>
Cash flows from investing activities:					
Investment income	(8,959)	-	-	(21,706)	(30,665)
Net increase (decrease) in cash and cash equivalents	21,165	20,942	-	(46,186)	(4,079)
Cash and cash equivalents - January 1	<u>224,216</u>	<u>29,210</u>	<u>-</u>	<u>646,565</u>	<u>899,991</u>
Cash and cash equivalents - December 31	<u>\$245,381</u>	<u>\$50,152</u>	<u>\$0</u>	<u>\$600,379</u>	<u>\$895,912</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	<u>(34,192)</u>	<u>23,876</u>	<u>(651,735)</u>	<u>-</u>	<u>(662,051)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Miscellaneous revenue	68,433	-	127,101	21,612	217,146
Decrease (Increase) in accounts receivable	(19,019)	-	-	-	(19,019)
Decrease (Increase) in prepayments	9,000	-	-	-	9,000
Increase (decrease) in accounts payable	5,902	(2,934)	-	-	2,968
Increase (decrease) in accrued salaries and withholdings payable	-	-	-	-	-
Increase (decrease) in compensated absences payable	-	-	-	(46,092)	(46,092)
Decrease (increase) in deferred outflow of resources	-	-	(3,585,580)	-	(3,585,580)
Increase (decrease) in pension liability	-	-	10,591,967	-	10,591,967
Increase (decrease) in deferred inflows of resources	-	-	(6,481,753)	-	(6,481,753)
Total adjustments	<u>64,316</u>	<u>(2,934)</u>	<u>651,735</u>	<u>(24,480)</u>	<u>688,637</u>
Net cash provided (used) by operating activities	<u>\$30,124</u>	<u>\$20,942</u>	<u>\$0</u>	<u>(\$24,480)</u>	<u>\$26,586</u>

- This page intentionally left blank -

III. STATISTICAL SECTION (UNAUDITED)

- This page intentionally left blank -

STATISTICAL SECTION

(Unaudited)

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	110
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	122
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	126
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	136
Operating Information <i>These schedules present information to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	138

CITY OF CHAMPLIN, MINNESOTA

NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$90,403,890	\$90,563,947	\$92,656,080	\$95,670,891
Restricted	858,462	889,436	394,355	458,392
Unrestricted	24,543,165	26,111,981	23,272,520	22,237,666
Total governmental activities net position	<u>\$115,805,517</u>	<u>\$117,565,364</u>	<u>\$116,322,955</u>	<u>\$118,366,949</u>
Business-type activities:				
Net investment in capital assets	\$18,227,264	\$18,686,727	\$18,141,341	\$18,255,056
Unrestricted	23,771,984	23,630,143	24,536,642	26,224,739
Total business-type activities net position	<u>\$41,999,248</u>	<u>\$42,316,870</u>	<u>\$42,677,983</u>	<u>\$44,479,795</u>
Primary government:				
Net investment in capital assets	\$108,631,154	\$109,250,674	\$110,797,421	\$113,925,947
Restricted	858,462	889,436	394,355	458,392
Unrestricted	48,315,149	49,742,124	47,809,162	48,462,405
Total primary government net position	<u>\$157,804,765</u>	<u>\$159,882,234</u>	<u>\$159,000,938</u>	<u>\$162,846,744</u>

Table 1

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$102,197,175	\$101,839,522	\$106,572,591	\$93,262,850	\$97,091,790	\$109,360,068
1,866,238	2,219,533	2,064,223	2,013,325	2,503,327	5,030,325
17,747,866	20,399,336	22,328,487	32,872,261	35,776,145	33,289,433
\$121,811,279	\$124,458,391	\$130,965,301	\$128,148,436	\$135,371,262	\$147,679,826
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$19,260,634	\$19,776,458	\$19,671,420	\$34,571,658	\$35,823,518	\$41,204,736
27,511,331	27,497,343	28,136,469	26,310,740	28,058,619	27,331,415
\$46,771,965	\$47,273,801	\$47,807,889	\$60,882,398	\$63,882,137	\$68,536,151
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$121,457,809	\$121,615,980	\$126,244,011	\$127,834,508	\$132,915,308	\$150,564,804
1,866,238	2,219,533	2,064,223	2,013,325	2,503,327	5,030,325
45,259,197	47,896,679	50,464,956	59,183,001	63,834,764	60,620,848
\$168,583,244	\$171,732,192	\$178,773,190	\$189,030,834	\$199,253,399	\$216,215,977

CITY OF CHAMPLIN, MINNESOTA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$2,969,642	\$2,595,198	\$2,917,903	\$2,511,888
Public safety	4,805,531	4,990,578	5,156,564	6,769,313
Public works	5,086,973	5,431,758	6,487,068	6,610,898
Parks and recreation	1,626,421	1,785,290	2,260,221	1,839,951
Interest on long-term debt	399,116	418,508	400,805	289,922
Total governmental activities expenses	<u>14,887,683</u>	<u>15,221,332</u>	<u>17,222,561</u>	<u>18,021,972</u>
Business-type activities:				
Water	1,912,132	2,008,753	2,032,333	1,872,649
Sewer	2,123,142	2,207,092	2,244,719	2,334,758
Refuse	1,230,068	1,297,049	1,316,819	1,154,620
Recycling	388,824	411,268	409,145	405,101
Storm water	-	-	-	-
Total business-type activities expenses	<u>5,654,166</u>	<u>5,924,162</u>	<u>6,003,016</u>	<u>5,767,128</u>
Total primary government expenses	<u>\$20,541,849</u>	<u>\$21,145,494</u>	<u>\$23,225,577</u>	<u>\$23,789,100</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$1,207,167	\$1,621,903	\$1,062,899	\$883,305
Public safety	641,493	673,739	868,543	975,132
Public works	916,890	786,449	2,717,076	3,565,846
Parks and recreation	732,442	764,529	1,423,969	1,717,560
Operating grants and contributions	775,137	558,334	690,058	669,021
Capital grants and contributions	720,509	1,136,845	2,139,176	1,153,130
Total governmental activities program revenues	<u>4,993,638</u>	<u>5,541,799</u>	<u>8,901,721</u>	<u>8,963,994</u>
Business-type activities:				
Water	2,208,397	1,911,066	2,227,928	3,205,934
Sewer	2,507,145	2,572,434	2,604,958	2,808,093
Refuse	1,365,882	1,374,443	1,364,430	1,275,663
Recycling	343,234	350,968	352,420	353,287
Storm water	-	-	-	-
Operating grants and contributions	54,685	54,820	65,240	61,112
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>6,479,343</u>	<u>6,263,731</u>	<u>6,614,976</u>	<u>7,704,089</u>
Total primary government program revenues	<u>\$11,472,981</u>	<u>\$11,805,530</u>	<u>\$15,516,697</u>	<u>\$16,668,083</u>
Net (expense) revenue	(\$9,894,045)	(\$9,679,533)	(\$8,320,840)	(\$9,057,978)
Governmental activities	825,177	339,569	611,960	1,936,961
Business-type activities	(\$9,068,868)	(\$9,339,964)	(\$7,708,880)	(\$7,121,017)
Total primary government net revenue (expense)				

Table 2
Page 1 of 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$5,069,725	\$5,149,232	\$3,748,911	\$3,541,101	\$2,723,427	\$3,008,150
5,174,933	5,523,728	4,909,665	6,275,899	5,540,663	6,815,052
8,919,506	10,600,434	7,090,174	4,633,805	5,058,001	5,221,662
1,806,974	1,859,900	2,823,112	1,729,745	2,064,972	2,243,468
118,899	78,615	77,010	236,359	100,648	177,860
<u>21,090,037</u>	<u>23,211,909</u>	<u>18,648,872</u>	<u>16,416,909</u>	<u>15,487,711</u>	<u>17,466,192</u>
1,950,458	2,009,199	2,106,801	4,852,267	2,733,287	2,759,525
2,300,505	2,487,739	2,646,048	2,883,320	2,799,448	2,968,911
1,144,636	1,222,351	1,215,414	1,330,505	1,315,827	1,348,667
415,155	424,193	426,096	456,790	474,301	496,358
-	-	-	1,140,530	1,153,196	2,193,245
<u>5,810,754</u>	<u>6,143,482</u>	<u>6,394,359</u>	<u>10,663,412</u>	<u>8,476,059</u>	<u>9,766,706</u>
<u>\$26,900,791</u>	<u>\$29,355,391</u>	<u>\$25,043,231</u>	<u>\$27,080,321</u>	<u>\$23,963,770</u>	<u>\$27,232,898</u>
\$1,722,051	\$1,619,714	\$1,561,484	\$416,400	\$741,554	\$700,534
999,078	761,641	609,652	854,627	701,211	671,333
3,836,434	2,295,852	1,530,621	1,034,332	931,860	1,025,784
1,341,800	818,241	1,110,869	1,187,848	1,930,817	2,344,072
682,199	4,239,627	2,275,278	2,536,380	659,873	786,821
3,359,202	1,338,789	3,370,002	4,982,219	5,093,799	8,518,830
<u>11,940,764</u>	<u>11,073,864</u>	<u>10,457,906</u>	<u>11,011,806</u>	<u>10,059,114</u>	<u>14,047,374</u>
2,531,693	2,552,519	2,247,183	2,262,429	2,652,212	2,584,756
2,790,645	2,814,478	2,870,465	2,699,054	3,271,862	3,323,914
1,281,529	1,377,964	1,409,677	1,377,025	1,478,928	1,563,262
356,473	339,185	370,171	379,561	419,552	459,641
-	-	-	708,239	812,408	787,875
55,931	47,816	40,927	369,615	385,500	1,083,844
1,429,517	1,041,251	-	1,446,530	512,996	4,615,491
<u>8,445,788</u>	<u>8,173,213</u>	<u>6,938,423</u>	<u>9,242,453</u>	<u>9,533,458</u>	<u>14,418,783</u>
<u>\$20,386,552</u>	<u>\$19,247,077</u>	<u>\$17,396,329</u>	<u>\$20,254,259</u>	<u>\$19,592,572</u>	<u>\$28,466,157</u>
(\$9,149,273)	(\$12,138,045)	(\$8,190,966)	(5,405,103)	(5,428,597)	(3,418,818)
2,635,034	2,029,731	544,064	(1,420,959)	1,057,399	4,652,077
<u>(\$6,514,239)</u>	<u>(\$10,108,314)</u>	<u>(\$7,646,902)</u>	<u>(\$6,826,062)</u>	<u>(\$4,371,198)</u>	<u>\$1,233,259</u>

CITY OF CHAMPLIN, MINNESOTA

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$8,563,970	\$8,782,135	\$8,808,587	\$9,042,111
Tax increments	154,263	170,241	166,053	179,938
Other taxes	653,246	655,089	659,617	848,293
Unrestricted grants and contributions	204	237,632	230,332	233,819
Gain (loss) on sale of capital asset	132,155	5,140	1,659,982	9,100
Investment earnings	(685,732)	1,094,079	392,463	204,875
Insurance reimbursements	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	548,345	(586,776)	494,881	583,836
Total governmental activities	<u>9,366,451</u>	<u>10,357,540</u>	<u>12,411,915</u>	<u>11,101,972</u>
Business-type activities:				
Investment earnings	(676,519)	1,059,893	244,034	448,687
Miscellaneous	-	-	-	-
Gain (loss) on sale of capital asset	-	-	-	-
Transfers	(548,345)	-	(494,881)	(583,836)
Total business-type activities	<u>(1,224,864)</u>	<u>1,059,893</u>	<u>(250,847)</u>	<u>(135,149)</u>
Total primary government	<u>\$8,141,587</u>	<u>\$11,417,433</u>	<u>\$12,161,068</u>	<u>\$10,966,823</u>
Change in Net Position				
Governmental activities	(\$527,594)	\$678,007	\$4,091,075	\$2,043,994
Business-type activities	(399,687)	1,399,462	361,113	1,801,812
Total primary government	<u>(\$927,281)</u>	<u>\$2,077,469</u>	<u>\$4,452,188</u>	<u>\$3,845,806</u>

Table 2
Page 2 of 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$9,617,649	\$10,201,173	\$10,777,092	\$11,571,475	\$12,205,616	\$13,013,613
209,762	201,239	202,508	355,194	509,983	557,722
924,529	956,540	973,447	996,905	1,040,590	1,068,236
-	-	-	-	-	2,360,370
-	2,140	-	1,742,642	-	22,735
383,329	338,645	830,093	642,364	(204,034)	(1,547,449)
240,766	-	-	-	-	-
479,767	1,106,930	1,026,916	697,094	407,926	-
737,801	1,978,490	887,820	2,199,720	(1,308,658)	(283,452)
<u>12,593,603</u>	<u>14,785,157</u>	<u>14,697,876</u>	<u>18,205,394</u>	<u>12,651,423</u>	<u>15,191,775</u>
317,619	373,168	793,586	582,180	(117,254)	(907,363)
77,318	77,427	84,258	628,342	120,817	123,398
-	-	-	7,185	-	-
(737,801)	(1,978,490)	(887,820)	(2,199,720)	1,308,658	283,452
(342,864)	(1,527,895)	(9,976)	(982,013)	1,312,221	(500,513)
<u>\$12,250,739</u>	<u>\$13,257,262</u>	<u>\$14,687,900</u>	<u>\$17,223,381</u>	<u>\$13,963,644</u>	<u>\$14,691,262</u>
\$3,444,330	\$2,647,112	\$6,506,910	\$12,800,291	\$7,222,826	\$11,772,957
2,292,170	501,836	534,088	(2,402,972)	2,369,620	4,151,564
<u>\$5,736,500</u>	<u>\$3,148,948</u>	<u>\$7,040,998</u>	<u>\$10,397,319</u>	<u>\$9,592,446</u>	<u>\$15,924,521</u>

- This page intentionally left blank -

CITY OF CHAMPLIN, MINNESOTA**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**

Last Ten Fiscal Years

(accrual basis of accounting)

Table 3

Fiscal Year	Property Tax	Tax Increments	Other Taxes	Total
2013	8,563,970	154,263	653,246	9,371,479
2014	8,782,135	170,241	655,089	9,607,465
2015	8,808,587	166,053	659,617	9,634,257
2016	9,042,111	179,938	848,293	10,070,342
2017	9,617,649	209,762	924,529	10,751,940
2018	10,193,503	201,239	956,540	11,351,282
2019	10,777,092	202,508	973,447	11,953,047
2020	11,571,475	355,194	996,905	12,923,574
2021	12,205,616	509,983	1,040,590	13,756,189
2022	13,013,613	557,722	1,068,236	14,639,571

CITY OF CHAMPLIN, MINNESOTA
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
General fund:				
Nonspendable	\$134,297	\$156,873	\$135,172	\$125,719
Unassigned	3,999,398	4,065,191	4,136,926	4,220,179
Total general fund:	<u>\$4,133,695</u>	<u>\$4,222,064</u>	<u>\$4,272,098</u>	<u>\$4,345,898</u>
All other governmental funds:				
Nonspendable	\$4,649,908	\$4,653,662	\$4,627,663	\$4,623,865
Restricted	5,184,843	5,199,626	4,696,257	4,755,621
Committed	751,394	823,363	813,607	945,270
Assigned	15,627,521	17,677,528	20,483,857	20,593,745
Unassigned	(2,708,163)	(2,617,609)	(2,591,384)	(2,533,440)
Total all other governmental funds	<u>\$23,505,503</u>	<u>\$25,736,570</u>	<u>\$28,030,000</u>	<u>\$28,385,061</u>

Table 4

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$700,311	\$104,767	\$72,985	\$40,698	\$165,363	\$164,328
4,628,787	4,262,733	4,966,713	4,702,514	5,101,257	5,588,886
<u>\$5,329,098</u>	<u>\$4,367,500</u>	<u>\$5,039,698</u>	<u>\$4,743,212</u>	<u>\$5,266,620</u>	<u>\$5,753,214</u>
\$2,221,379	\$83,984	\$95,534	\$102,481	\$108,896	\$128,624
1,991,738	2,332,967	2,101,901	2,050,703	2,572,724	2,605,202
734,293	1,009,151	1,152,654	2,249,505	161,219	-
20,272,261	23,569,682	22,915,477	31,180,926	33,424,762	32,829,216
(2,099,911)	(4,496,209)	(4,005,180)	(2,034,160)	(1,964,887)	(1,550,617)
<u>\$23,119,760</u>	<u>\$22,499,575</u>	<u>\$22,260,386</u>	<u>\$33,549,455</u>	<u>\$34,302,714</u>	<u>\$34,012,425</u>

CITY OF CHAMPLIN, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes:				
Property	\$8,606,844	\$8,685,801	\$8,922,554	\$9,083,806
Tax increments	175,771	170,241	166,053	179,938
Other	653,246	655,089	659,617	848,293
Special assessments	335,290	345,288	785,477	1,323,479
Licenses and permits	325,211	377,851	533,640	609,397
Intergovernmental	1,322,359	1,842,293	3,022,374	1,940,365
Charges for services	2,395,092	2,785,259	4,284,831	4,421,736
Fines and forfeits	353,073	259,552	258,895	257,335
Investment income	(671,453)	1,070,880	389,088	202,657
Lease income	-	-	-	-
Other revenues	432,862	317,902	256,277	240,214
Total revenues	13,928,295	16,510,156	19,278,806	19,107,220
Expenditures				
General government	2,492,523	2,091,492	2,211,220	1,937,179
Public safety	4,504,931	4,683,585	4,745,456	5,105,555
Public works	3,514,463	3,833,066	3,739,007	5,074,348
Parks and recreation	1,217,167	1,321,056	1,364,246	1,265,947
Cemetery	18,161	18,177	18,626	18,750
Other	145,845	160,894	176,135	169,582
Capital outlay	1,966,467	2,107,668	5,051,274	4,943,681
Debt service				
Principal	905,000	625,000	2,780,000	460,000
Interest and fiscal charges	364,285	436,762	447,374	297,276
Bond issuance costs	71,931	-	-	-
Total expenditures	15,200,773	15,277,700	20,533,338	19,272,318
Excess of revenues over (under) expenditures	(1,272,478)	1,232,456	(1,254,532)	(165,098)
Other financing sources (uses)				
Transfers in	3,374,430	3,996,249	8,192,429	3,677,140
Transfers out	(2,826,085)	(2,914,409)	(7,697,548)	(3,093,304)
Proceeds from sale of land	-	-	-	-
Bond proceeds	4,350,152	-	-	-
Premium on bonds issued	-	-	-	-
Bond issuance costs	-	-	-	-
Capital lease issued	-	-	-	-
Proceeds from sale of capital assets	132,155	5,140	3,103,115	9,100
Total other financing sources (uses)	5,030,652	1,086,980	3,597,996	592,936
Net change in fund balances	\$3,758,174	\$2,319,436	\$2,343,464	\$427,838
Debt service as a percentage of noncapital expenditures	9.64%	8.06%	20.85%	5.29%

Table 5

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$9,604,479	\$10,193,503	\$10,776,859	\$11,603,353	\$12,202,793	\$13,018,773
209,762	201,239	202,508	355,194	509,983	557,722
924,529	956,540	973,447	996,905	1,040,590	1,068,236
785,077	963,270	1,215,695	2,192,389	2,076,566	1,843,542
786,337	588,212	475,166	705,535	572,754	582,715
2,292,673	5,549,908	3,277,897	2,859,649	4,504,488	8,180,317
4,812,517	2,734,236	2,988,954	4,128,340	2,780,470	2,592,370
202,470	230,330	200,479	152,722	174,188	155,225
380,216	336,091	807,863	626,996	(200,010)	(1,516,993)
-	-	-	-	-	250,194
458,643	1,074,749	873,279	696,927	752,259	1,151,546
<u>20,456,703</u>	<u>22,828,078</u>	<u>21,792,147</u>	<u>24,318,010</u>	<u>24,414,081</u>	<u>27,883,647</u>
4,302,798	3,804,931	1,853,187	2,290,750	2,423,468	2,443,797
4,924,630	5,059,913	5,199,861	6,164,157	5,791,166	6,183,439
6,059,675	7,379,041	3,685,200	2,694,617	2,934,245	3,445,041
1,304,042	1,313,755	1,364,469	1,202,945	1,421,669	1,540,304
12,307	14,433	19,245	17,402	27,711	28,126
196,593	210,726	172,872	188,315	253,407	255,805
3,617,639	7,582,411	9,474,244	8,641,448	8,456,869	12,629,032
4,850,000	385,000	395,000	415,837	433,264	745,000
226,258	90,681	82,880	171,943	177,527	167,327
<u>25,493,942</u>	<u>25,840,891</u>	<u>22,246,958</u>	<u>21,787,414</u>	<u>21,919,326</u>	<u>27,437,871</u>
(5,037,239)	(3,012,813)	(454,811)	2,530,596	2,494,755	445,776
737,801	1,978,490	887,820	7,065,516	3,817,647	6,098,636
-	(549,600)	-	(6,948,315)	(5,126,305)	(6,382,088)
-	-	-	1,720,000	-	-
-	-	-	6,285,000	-	-
-	-	-	346,367	-	-
-	-	-	-	-	-
-	-	-	110,452	73,845	-
-	2,140	-	22,642	16,725	33,981
<u>737,801</u>	<u>1,431,030</u>	<u>887,820</u>	<u>8,601,662</u>	<u>(1,218,088)</u>	<u>(249,471)</u>
<u>(\$4,299,438)</u>	<u>(\$1,581,783)</u>	<u>\$433,009</u>	<u>\$11,132,258</u>	<u>\$1,276,667</u>	<u>\$196,305</u>
21.72%	2.41%	3.20%	4.47%	4.54%	6.16%

CITY OF CHAMPLIN, MINNESOTA
TAX CAPACITY AND ESTIMATED ACTUAL VALUE
OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property (b)		Total		Total Direct Tax Rate	Percent of Total Tax Capacity Value to Total Estimated Actual Value
	Tax Capacity Value	Estimated Actual Value (a)	Tax Capacity Value	Estimated Actual Value	Tax Capacity Value	Estimated Actual Value		
2013	\$16,786,875	\$1,666,184,300	\$230,881	\$11,866,400	\$17,017,756	\$1,678,050,700	0.44772	1.01%
2014	16,537,344	1,645,302,200	227,898	11,700,400	16,765,242	1,657,002,600	0.44803	1.01%
2015	18,063,772	1,786,805,900	231,102	11,857,600	18,294,874	1,798,663,500	0.41240	1.02%
2016	18,694,964	1,838,839,000	241,173	12,450,400	18,936,137	1,851,289,400	0.42749	1.02%
2017	20,216,498	1,971,618,100	252,540	13,020,000	20,469,038	1,984,638,100	0.43002	1.03%
2018	22,302,070	2,159,639,900	281,873	14,484,900	22,583,943	2,174,124,800	0.41185	1.04%
2019	24,588,720	2,373,210,400	300,813	15,358,400	24,889,533	2,388,568,800	0.39611	1.04%
2020	26,731,015	2,557,752,400	288,727	14,754,600	27,019,742	2,572,507,000	0.39560	1.05%
2021	28,019,319	2,676,838,500	343,976	17,592,800	28,363,295	2,694,431,300	0.40776	1.05%
2022	29,602,839	2,822,436,900	197,894	10,251,700	29,800,733	2,832,688,600	0.40628	1.05%

(a) Estimated Market Values are established by the City Assessor on January 2 of each year using the mass appraisal method. Tax Capacity Value is calculated using a formula specified by legislative action.

(b) Tax Capacity Values for Personal Property have been adjusted for tax increment and fiscal disparities. Estimated Market Value for personal property has not been adjusted for these items.

Source: Hennepin County Property Tax Division
Hennepin County Assessor

CITY OF CHAMPLIN, MINNESOTA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Table 7

Year	City of Champlin			Overlapping Rates		
	Operating	Debt	Total	School	County and Special Districts (a)	Total
2013	0.41998	0.02774	0.44772	0.26801	0.61151	1.32724
2014	0.42033	0.02770	0.44803	0.28265	0.62428	1.35496
2015	0.38728	0.02512	0.41240	0.22482	0.57759	1.21481
2016	0.40243	0.02506	0.42749	0.20885	0.56490	1.20124
2017	0.40695	0.02307	0.43002	0.18590	0.53406	1.14998
2018	0.39172	0.02013	0.41185	0.18392	0.51781	1.11358
2019	0.37767	0.01844	0.39611	0.16330	0.50465	1.06406
2020	0.37844	0.01716	0.39560	0.16893	0.49303	1.05756
2021	0.38734	0.02042	0.40776	0.16087	0.46096	1.02959
2022	0.38692	0.01936	0.40628	0.16341	0.46548	1.03517

(a) Includes Metro Council, Metro Transit District, Mosquito Control and Hennepin County Park Museum.

Source: Hennepin County Property Tax Division

CITY OF CHAMPLIN, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
December 31, 2022

Table 8

Taxpayer	Type of Business	2022			2013		
		Tax Capacity Value	% of Total City Tax Capacity Value	Rank	Tax Capacity Value	% of Total City Tax Capacity Value	Rank
B9 Champlin DC LLC	Industrial	\$313,950	1.05%	1			
Eagle Partners IV LLC	Industrial	249,650	0.84%	2			
Opus Properties LLC	Industrial	240,430	0.81%	3			
Champlin Leased Hsg Ascts IV	HSG - Low Income	230,875	0.77%	4	\$244,310	1.44%	1
Target Corporation	Commercial	226,050	0.76%	5			
Bre Knight Champion Shores	Apartment	191,213	0.64%	6			
GKI Industrial Mpls LLC	Industrial	156,370	0.52%	7			
OIRE Minnesota L L C	Industrial	153,480	0.52%	8	84,510	0.50%	10
OIRE Minnesota LLC	Industrial	152,500	0.51%	9			
MSP/Champlin LLC	Commercial	134,230	0.45%	10			
Liberty Property Ltd Partnership	Industrial				174,450	1.03%	2
MIAP (MN) LLC	Industrial				142,250	0.84%	3
Opus Real Estate Commercial	Industrial				142,150	0.84%	4
Inland Champlin Marketplace	Commercial				120,990	0.71%	5
Wilcox Paper Company	Industrial				105,650	0.62%	6
Engelsma Limited Partnership	Commercial				103,670	0.61%	7
HCP SH ELP3 Properties LLC	Apartment				99,388	0.58%	8
Lifetime Fitness	Commercial				93,930	0.55%	9
Total Principal Taxpayers		\$2,048,748	6.87%		\$1,311,298	7.73%	

Source: Hennepin County Assessors Office

CITY OF CHAMPLIN, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 9

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$8,839,029	\$8,513,368	96.3%	\$325,661	\$8,839,029	100.00%
2014	8,836,429	8,556,091	96.8%	280,338	8,836,429	100.00%
2015	9,022,342	8,760,464	97.1%	261,878	9,022,342	100.00%
2016	9,313,686	9,067,876	97.4%	245,810	9,313,686	100.00%
2017	9,864,571	9,815,453	99.5%	47,048	9,862,501	99.98%
2018	10,427,325	10,338,972	99.2%	86,012	10,424,984	99.98%
2019	10,988,592	10,881,762	99.0%	102,728	10,984,490	99.96%
2020	11,865,885	10,936,289	92.2%	914,065	11,850,353	99.87%
2021	12,884,876	12,776,832	99.2%	94,252	12,871,084	99.89%
2022	13,567,745	13,531,495	99.7%	-	13,531,495	99.7%

Source: Hennepin County Property Tax Division

CITY OF CHAMPLIN, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Premium/ (Discount)
	General Obligation Bonds (a)	General Obligation Bonds (b)	Tax Increment Bonds	Improvement Bonds	Housing Development Bonds	Capital Leases		
2013	\$9,500,000	\$ -	\$ -	\$970,000	\$2,470,000	\$ -		\$90,192
2014	9,215,000	-	-	785,000	2,325,000	-		86,786
2015	8,915,000	-	-	630,000	-	-		119,638
2016	8,605,000	-	-	480,000	-	-		112,910
2017	4,235,000	-	-	-	-	-		87,602
2018	3,850,000	-	-	-	-	-		78,744
2019	3,455,000	-	-	-	-	-		69,886
2020	4,530,000	4,810,000	-	-	-	-	99,102	407,395
2021	4,120,000	4,810,000	-	-	-	-	149,683	367,584
2022	3,625,000	4,560,000	-	-	-	-	-	335,634

Source: Champlin Finance Department

- (a) General Obligation
- (b) General Obligation backed by Special Assessment bonds

Table 10

Business-Type Activities		Total Primary Government	Population	Per Capita	As a % of Personal Income
Enterprise Bonds	Premium/ (Discount)				
\$1,400,000	\$29,207	\$14,432,595	23,499	614	1.8%
-	-	12,411,786	22,880	546	1.5%
-	-	9,664,638	22,741	430	1.2%
-	-	9,197,910	23,343	399	1.1%
-	-	4,322,602	23,690	186	0.5%
-	-	3,928,744	23,927	167	0.4%
-	-	3,524,886	24,231	148	0.4%
2,405,000	132,886	12,384,383	23,919	518	1.2%
2,405,000	121,074	11,973,341	25,080	477	1.1%
2,280,000	112,215	10,912,849	23,478	465	1.0%

CITY OF CHAMPLIN, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	Population	Tax Capacity Value	Taxable Market Value	General Obligation Bonds
2013	23,499	\$17,017,756	\$1,678,050,700	\$9,500,000
2014	22,880	16,765,242	1,657,002,600	9,215,000
2015	22,741	18,294,874	1,798,663,500	8,915,000
2016	23,343	18,936,137	1,851,289,400	8,605,000
2017	23,690	20,469,038	1,984,638,100	4,235,000
2018	23,927	22,583,943	2,174,124,800	3,850,000
2019	24,231	24,889,533	2,388,568,800	3,455,000
2020	23,919	27,019,742	2,572,507,000	11,745,000
2021	25,080	28,363,295	2,694,431,300	11,335,000
2022	23,478	29,800,733	2,832,688,600	10,465,000

(a) The years 2013 to 2015 include crossover refunding bonds and the amounts held in escrow to pay the refunded bonds.

Source: Hennepin County Taxpayers Department
Champlin Finance Department

Table 11

Premium/ (Discount)	Less: Amounts Available in Debt Service Fund (a)	Total	As a Percent Of		Per Capita
			Tax Capacity Value	Market Value	
\$29,207	\$4,337,222	\$5,191,985	30.51%	0.31%	\$221
86,786	4,298,965	5,002,821	29.84%	0.30%	219
119,638	4,265,858	4,768,780	26.07%	0.27%	210
112,910	4,721,459	3,996,451	21.10%	0.22%	171
87,602	183,770	4,138,832	20.22%	0.21%	175
78,744	206,046	3,722,698	16.48%	0.17%	156
69,886	194,045	3,330,841	13.38%	0.14%	137
132,886	558,601	11,319,285	41.89%	0.44%	473
121,074	1,352,099	10,103,975	35.62%	0.37%	403
112,215	1,735,058	8,842,157	29.67%	0.31%	377

- This page intentionally left blank -

CITY OF CHAMPLIN, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of December 31, 2022

Table 12

	Net General Obligation Debt Being Paid from Taxes	Percentage Applicable to City (c)	Amount Applicable to City of Champlin Share of Debt
Direct debt:			
City of Champlin (a)	\$8,520,634	100.00%	\$8,520,634
Overlapping debt:			
Hennepin County	1,018,886,023	1.18%	12,010,524
School District #11	245,055,000	9.15%	22,420,644
Three Rivers Park District	47,650,901	1.18%	561,704
Hennepin Regional Railroad Authority	85,464,798	1.25%	1,070,909
Metropolitan Council (b)	83,059,397	1.18%	979,680
Total overlapping debt	1,480,116,119		37,043,461
Total direct and overlapping debt	\$1,488,636,753		\$45,564,095

(a) Excludes Special Assessment Bonds.

(b) Includes debt for Metropolitan Council Transit Operations.

(c) The percentage of overlapping debt applicable is estimated by using the portion of taxable tax capacity of the City of Champlin that is within the boundaries of the various local governmental units' boundaries and dividing it by the total taxable tax capacity value of the local governmental unit.

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

Source: Hennepin County Auditor
Anoka County Auditor

CITY OF CHAMPLIN, MINNESOTA
 LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	\$50,341,521	\$49,710,078	\$54,405,059	\$55,538,682
Total net debt applicable to limit	<u>5,162,778</u>	<u>4,916,035</u>	<u>4,649,142</u>	<u>3,883,541</u>
Legal debt margin	<u><u>\$45,178,743</u></u>	<u><u>\$44,794,043</u></u>	<u><u>\$49,755,917</u></u>	<u><u>\$51,655,141</u></u>
Total net debt applicable to the limit as a percentage of debt limit	11.43%	10.97%	9.34%	7.52%

Note: Under state statute, the City's outstanding general obligation debt should not exceed 3% of the total market value of taxable property beginning in 2008. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: Hennepin County Taxpayers Department
 City of Champlin Finance Department

Table 13

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$59,539,143	\$65,223,744	\$71,657,064	\$77,175,210	\$80,832,939	\$84,980,658
4,051,230	3,643,954	3,260,955	3,971,399	7,508,504	8,729,942
\$55,487,913	\$61,579,790	\$68,396,109	\$73,203,811	\$73,324,435	\$76,250,716
7.30%	5.92%	4.77%	5.43%	10.24%	11.45%
Legal Debt Margin Calculation for Fiscal Year 2022					
Market value				\$2,832,688,600	
Debt limit (3% of market value)				84,980,658	
Debt applicable to limit:					
General Obligation Bonds				10,465,000	
Less: Amount set aside for repayment of					
general obligation debt				1,735,058	
Total net debt applicable to limit				8,729,942	
Legal debt margin					\$76,250,716

CITY OF CHAMPLIN, MINNESOTA**PLEDGED REVENUE COVERAGE****Last Ten Fiscal Years**

Fiscal Year	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	1,789,293	1,854,991	(65,698)	235,000	57,141	(0.22)
2014	2,552,520	2,002,239	550,281	1,400,000	6,514	0.39
2015	-	-	-	-	-	N/A
2016	-	-	-	-	-	N/A
2017	-	-	-	-	-	N/A
2018	-	-	-	-	-	N/A
2019	-	-	-	-	-	N/A
2020	1,042,649	1,102,644	(59,995)	-	-	N/A
2021	1,162,407	1,110,049	52,358	-	43,147	N/A
2022	1,780,377	2,162,101	(381,724)	125,000	31,144	(2.44)

Source: City of Champlin Finance Department

Note: Operating revenue includes related intergovernmental revenue.

Table 14

Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
335,290	220,000	39,007	1.29
345,288	195,000	32,407	1.52
-	-	-	N/A
-	-	-	N/A
-	-	-	N/A
-	-	-	N/A
-	-	-	N/A
-	-	-	N/A
373,114	-	-	N/A
828,575	-	98,445	8.42
668,891	250,000	56,605	2.18

CITY OF CHAMPLIN, MINNESOTA**DEMOGRAPHIC AND ECONOMIC STATISTICS³**

Last Ten Fiscal Years

Table 15

Fiscal Year	Population ¹	Personal Income	Per Capita Personal Income ¹	Median Age ²	School Enrollment ³	Unemployment Rate ⁵
2013	23,499	822,511,998	35,002	36.0	36,646	4.30%
2014	22,880	820,522,560	35,862	36.0	36,478	3.60%
2015	22,741	786,065,406	34,566	36.0	36,556	3.00%
2016	23,343	813,993,753	34,871	37.0	37,200	3.30%
2017	23,690	864,329,650	36,485	38.4	37,062	3.00%
2018	23,927	916,380,173	38,299	39.4	37,008	2.30%
2019	24,231	984,117,834	40,614	39.6	37,386	2.90%
2020	23,919	1,026,234,552	41,103	39.3	36,325	4.40%
2021	23,786	1,065,113,294	44,779	38.4	37,719	2.80%
2022	23,478	1,051,321,362	44,779	39.3	38,230	2.60%

¹ Source: Metropolitan Council. 2019 & 2020 population is the United States Census. 2021 & 2022 es² Source: United States Census Bureau. 2021 & 2022 estimated.³ School enrollment statistics are for Anoka-Hennepin District 11 of which the City of Champlin is a part. Enrollment statistics are as of October 1st of the year listed.⁴ The City of Champlin is part of the contiguous Twin City metropolitan area. Demographic and economic statistics are used for Hennepin County. Most residents work and shop outside the boundaries of the City and Hennepin County information is more relevant.⁵ U.S. Labor of Statistics, for 2021 using January 2022.

CITY OF CHAMPLIN, MINNESOTA**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

Table 16

Employer	2022			2013			Percentage of Total City Employment
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
I.S.D. No. 11 (Anoka Hennepin)	468	1	25.45%	671	1	34.64%	
Super Target	393	2	21.37%	300	2	15.49%	
Egan Companies	270	3	14.68%				
Cub Foods/County Market	130	4	7.07%	115	6	5.94%	
City of Champlin	121	5	6.58%	97	9	5.01%	
First Student	110	6	5.98%	120	5	6.20%	
Cardinal Health	105	7	5.71%	85	10	4.39%	
Life Time Fitness, Inc.	100	8	5.44%	200	3	10.33%	
States Manufacturing	72	9	3.92%				
Crown Lift Trucks	70	10	3.81%				
Rapid Packaging				150	4	0	
Automatic Door and Fireplace, Inc.				100	7	5.16%	
Total Principal Employers	<u>1,839</u>			<u>1,937</u>			

Source: Champlin Community Development Department

CITY OF CHAMPLIN, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

Last Ten Fiscal Years

Function	Full-time Equivalent			
	2013	2014	2015	2016
General government				
Public safety				
Police	10.96	10.76	10.76	10.76
Officers				
Civilians				
Building	26.00	26.00	26.00	26.00
Highways and streets	5.50	5.50	5.50	5.50
Engineering	5.70	5.50	5.50	5.50
Maintenance				
Culture and recreation	2.00	2.00	2.00	2.00
Storm sewer	17.00	17.00	17.00	17.00
Water	5.00	5.00	5.00	5.00
Sewer	4.00	4.00	4.00	4.00
Total	76.16	75.76	75.76	75.76

Source: City of Champlin Finance Department Budget Document

Table 17

Employees as of December 31					
2017	2018	2019	2020	2021	2022
10.86	10.86	10.86	12.12	11.8	13.8
26.00	26.00	26.00	26.00	26.00	27.00
5.50	5.50	5.50	5.50	5.50	5.50
5.58	5.58	5.58	5.70	5.70	5.70
2.00	2.00	2.00	2.00	2.00	2.00
17.00	17.00	18.00	18.00	18.00	18.00
5.00	5.00	5.00	5.00	5.00	5.00
4.00	4.00	4.00	4.00	4.00	4.00
75.94	75.94	76.94	78.32	78.00	81.00

CITY OF CHAMPLIN, MINNESOTA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function ²	Fiscal Year			
	2013	2014	2015	2016
Public safety				
Police				
Citations issued	5,980	4,503	4,544	4,620
Calls for service	12,647	8,053	7,875	6,887
Building				
Number of building permits issued	523	557	579	632
Valuation of building permits issued	\$3,931,412	\$9,776,151	\$27,861,008	\$49,509,292
Highways and streets ¹				
Sealcoating (in miles)	6.17	8.36	-	-
Mill and overlay (in miles)	-	-	0.43	0.42
Reclamation	-	-	-	0.78
Water				
Total connections				
Gallons pumped (in millions)	7,456	7,462	7,457	7,453
	843	624	755	768

¹ The engineering department does sealcoating and mill and overlay projects on alternate years.

Mill and overlay projects are completed on an as needed basis.

² Indicators are not available for the general government function

Source: City of Champlin

Table 18

Fiscal Year					
2017	2018	2019	2020	2021	2022
3,093	3,987	3,497	2,705	2,390	2,316
7,968	8,081	10,701	13,369	10,160	11,713
1,641	1,255	767	768	766	919
\$49,566,143	\$16,980,711	\$14,904,047	\$61,410,945	\$32,893,078	\$26,233,328
-	-	-	-	-	-
1.55	-	1.70	-	2.78	
1.87	1.40	2.50	1.91	0.90	0.51
				\$0	\$3
7,662	7,702	7,744	7,874	7,918	7,999
846	860	757	879	997	997

CITY OF CHAMPLIN, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function ¹	Fiscal Year			
	2013	2014	2015	2016
Public safety				
Police				
Stations	1	1	1	1
Patrol units	12	12	12	12
Fire stations	1	1	1	1
Highways and streets				
Streets (miles)	96	96	97	98
Street lights	1,053	1,053	1,053	1,067
Culture and recreation				
Parks	26	26	26	26
Ice Forum	1	1	1	1
Community centers	1	1	1	1
Water				
Wells	9	9	9	9
Sewer				
Lift stations	9	9	9	9

¹ No capital asset indicators are available for the general government function

Source: City of Champlin Finance Department

Table 19

Fiscal Year					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
12	12	12	12	12	12
1	1	1	1	1	1
98	98	98	98	98	101
1,103	1,322	1,437	1,570	1,610	1,621
30	30	30	30	30	30
1	1	1	1	1	1
1	1	1	1	1	1
9	9	9	9	9	9
8	8	8	8	8	8

- This page intentionally left blank -