

# Brooklyn Park

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## Annual Comprehensive Financial Report

City of Brooklyn Park, Minnesota  
for the year ended December 31, 2022

**ANNUAL**  
**COMPREHENSIVE FINANCIAL REPORT**  
**OF THE**  
**CITY OF BROOKLYN PARK,**  
**MINNESOTA**

For the Year Ended  
December 31, 2022

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

Prepared by  
**THE FINANCE DEPARTMENT**

# City of Brooklyn Park

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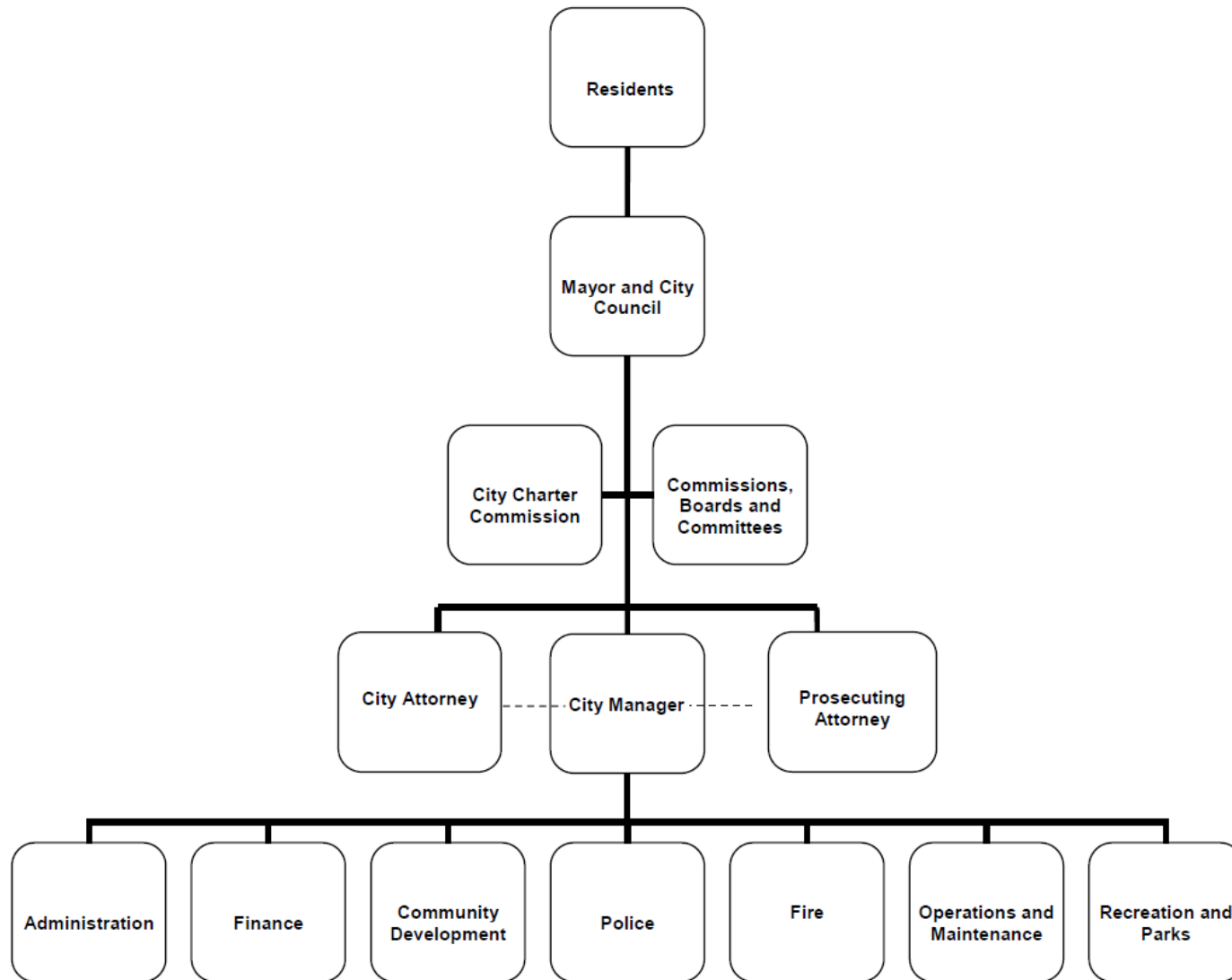
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**Brooklyn Park**   
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**City of Brooklyn Park  
Elected Officials and Administration  
December 31, 2022**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Lisa Jacobson	Mayor	December 31, 2022
XP Lee	Council Member (East District)	December 31, 2024
Terry Parks	Council Member (East District)	December 31, 2022
Boyd Morson	Council Member (Central District)	December 31, 2024
Tonja West-Hafner	Council Member (Central District)	December 31, 2022
Susan Pha	Council Member (West District)	December 31, 2024
Wynfred Russell	Council Member (West District)	December 31, 2022
<u>Administration</u>	<u>Position</u>	
Jay Stroebe	City Manager	Appointed

**City of Brooklyn Park  
Organizational Chart  
December 31, 2022**







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5200 85<sup>th</sup> Ave N., Brooklyn Park, MN 55443-4300 Phone 763-424-8000 Fax 763-493-8391

June 26, 2023

To the Honorable Mayor, Members of the City Council, and Residents of the City of Brooklyn Park:

The Annual Comprehensive Financial Report of the City of Brooklyn Park, Minnesota (the City) for the fiscal year ended December 31, 2022, is hereby submitted. The report was prepared by the Finance Department, and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables rest with the City. The report was prepared in accordance with the Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board and meets the requirements of the State Auditors' office.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control standards that it 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. We believe the data, as presented, is accurate in all material respects; that the data is presented in a manner designated to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City of Brooklyn Park's financial statements have been audited by BerganKDV. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Brooklyn Park for the fiscal year ended December 31, 2022, are free of any material misstatements. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Brooklyn Park's financial statements for the year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Profile of the City**

The City of Brooklyn Park is a second-tier Minneapolis suburb in northeast Hennepin County. It is bounded by the cities of Maple Grove, Osseo, Champlin, Brooklyn Center, Crystal, and New Hope. The Mississippi River forms a natural boundary along the City's entire eastern edge. The City is approximately 12 miles from downtown Minneapolis and 21 miles from the Minneapolis/St. Paul International Airport. The 2020 Census count of 86,478 (<https://www.census.gov>) represents a 14.1 percent increase over the 2010 Census count of 75,781. Brooklyn Park is the fourth largest city in the Minneapolis-St. Paul metropolitan area and the sixth largest city in the State of Minnesota. The City incorporates an area of approximately 27 square miles. The City of Brooklyn Park is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City of Brooklyn Park has operated under the Council-Manager form of government since inception in the year 1969. Policy-making and legislative authority are vested in a City Council consisting of the Mayor and six other members. The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term. The six Council members are elected by district. The Mayor is elected at large.

The City of Brooklyn Park provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities. Certain development services are provided through a legally separate Economic Development Authority that functions, in essence, as a department of the City of Brooklyn Park and, therefore, has been included as an integral part of the City of Brooklyn Park's financial statements.

The annual budget serves as the foundation for the City of Brooklyn Park's financial planning and control. The City adopts an annual budget for all operating funds; General Fund, Special Revenue Funds, General Debt Service Funds, Capital Project Funds, Enterprise Funds, and Internal Service Funds and is required to adopt a tax levy annually under Minnesota State Statutes. The City Council has approved the ability for the City Manager to present to the Council a two-year budget if determined it will be strategic and beneficial for the City. The second year of a biennium will go through an amendment process, which is less intensive than a full-budget cycle process. The Council is required to review and adopt a preliminary budget and tax levy in September (preliminary amended budget for the second year of the biennium). The Council is required to hold a public hearing on the budget and to adopt a final Budget no later than December 28, according to state statutes. The budget is prepared by fund, department, division, and program. Department heads may make limited transfers of appropriations within a department. A budget-to-actual comparison is provided in this report for the General Fund within the Basic Financial Statements Section.

## **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 Brooklyn Park operates.

### **Local Economy**

The City of Brooklyn Park is the fourth largest community in the Twin Cities metropolitan area. We are able to draw on the resources of the overreaching metropolitan area including jobs for residents, employees for businesses, and culture and entertainment for community members.

Revenues were under budget by 5.6% and expenditures were under budget by 2.2%. The largest budget variance in revenue was in investment income. Investment income is under budget due to poor market conditions. For reporting purposes, the city is required to book an entry for the fair market value of investments held as of December 31, 2022. Permits and licenses revenues were over budget but decreased from 2021. In 2021, there was a larger than normal demand for building permits.

The largest variance in expenditure was in salaries and benefits. Salaries and benefits savings are due to vacancies in multiple departments and difficulties in finding replacement hires. Expenditure increases in contractual services and professional services in several departments are related to staff vacancies and inflation.

### **Future Development**

Brooklyn Park's proximity to both downtown Minneapolis and St. Paul as well as its location nearby major transportation corridors such as trunk Highway 610, have aided in the continued development of business and housing in the City. The connection of Interstate 94 and Highway 610 provides improved access for businesses which has spurred significant development along the 610 corridor, including several million square feet of industrial/jobs projects.

### **METRO Blue Line Light Rail Transit (LRT)**

Metro Transit and Hennepin County led the planned METRO Blue Line LRT project, which is anticipated to open for service in 2028-2030 bringing five stations to Brooklyn Park and connecting residents to downtown Minneapolis and the MSP airport.

In Summer 2022, progress was made towards selecting a new route after more than 18 months of robust community engagement. Project staff held hundreds of community meetings, virtual open houses, and had thousands of face-to-face community interactions. Feedback received during community engagement guided decision making through the route selection process.

In Fall 2022, the environmental review process was started to understand the potential social, economic, and environmental impacts and benefits that may occur because of the design, construction, and operation of the Blue Line Extension route options. Environmental work, along with ongoing public feedback and agency coordination, will compare options, drive the design process, and guide project decisions so they avoid, minimize, or mitigate potential impacts of the modified route.

Planned for 2023 is to advance station and light rail planning and design, complete the draft environmental review document, and share the recommendations from the anti-displacement work group efforts. As the project moves into this next phase, project staff will continue to solicit feedback and communicate with the community to ensure the project delivers maximum benefit.

## **Future Development (Continued)**

### **Local Affordable Housing Aid**

The MN Legislature passed a housing bill with \$1 billion in new funding for various housing programs. The Legislature appropriated state funds for the programs and established a metro wide sales tax for housing needs, including a portion of this tax as a local housing aid for metropolitan cities. The new law establishes a 0.25% metropolitan regional sales tax, with a portion of the proceeds allocated to metropolitan cities over 10,000 in population. Brooklyn Park will receive a distribution of aid in the amount of \$942,193 in 2024 under this legislation. This aid can be used for emergency rental assistance, financial support to nonprofit affordable housing providers, and projects for the construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing. This aid is only for affordable housing assistance to households at 115 percent of the area median income for homeownership projects, and 80 percent of the area median income for rental housing projects.

### **Former Park & Ride Site**

LISC-Twin Cities completed its Corridor Development Initiative (CDI) work for this location after a long pause due to the COVID-19 pandemic. The process consisted of five workshops that included basic financial feasibility on project ideas and input from community members on ideas and goals for the site. The result, which was a set of goals to guide development, was included in the Request for Qualifications (RFQ) issued September - October 2022. The EDA received seven varied proposals and is currently undergoing a process with a panel of residents, staff, and CDI consultants to recommend a developer and a broad site vision to the EDA in 2023.

## **Recent Development and Updates**

### **Brooklyn Park Small Business Center**

The EDA is investing in a Small Business Center at 7970 Brooklyn Blvd within Northwind Plaza. The center is designed as a coworking and incubator space that fosters collaboration and growth in a space that provides a full suite of services at a competitive price. The center will be a place for small businesses and entrepreneurs to locate, access resources, and grow in an affordable, culturally inclusive, and supportive environment. The small business center will be approximately 25,000 square feet and provide shared office space, conferencing, printing, network access and audio-visual capabilities for meetings. The center will support a variety of business in retail such as sales, merchandising and beauty/salon and office space for about 60 small businesses and entrepreneurs. The EDA held open house tours for city officials, steering committee members, and future tenants of the center, highlighting the shared enthusiasm and ideas for further development. Construction is underway with a grand opening scheduled in 2023.

### **Workforce Development**

BrookLynk continues to develop the future workforce in the region, having served over 300 youth through work readiness training, summer internships, alumni workshops through partnerships with several business sectors and industries. The program also completes workplace development, training supervisors and employers in recruiting, hiring, and retaining the workforce of the future. The Workforce Development division delivered its first full year of the Youth Entrepreneurship Program (YEP), successfully debuting a shark tank rendition for youth participants responding to the entrepreneurial goals and desires of young people in the community.

### **COVID-19 Economic Response**

The EDA and the City coordinated partnerships with over 40 community-based organizations to respond to the economic impacts of COVID, delivered forgivable and low interest loans to homeowners and businesses to buy and invest in real estate, and invested in new mixed income housing and existing naturally occurring affordable housing.

## Recent Development and Updates (Continued)

### Wayfinding

In 2022, the EDA collaborated with the Recreation and Parks department to complete a plan to add monument, trail, and vehicular signage that will help guide people to places and introduce them to great destinations in the community. Additionally, the branding initiative and park system plan combined with the city's opportunity to leverage light rail transit (LRT) investment call for the development of a comprehensive citywide wayfinding system plan that links key community destinations, local and regional trails, and the LRT. Wayfinding includes kiosks at key locations and directional signage with maps as well as existing small-branded city signs, gateway monument signs, and park and city facility identification signage.

### Housing Initiatives

#### Housing Financial Resources

The EDA administers several housing reinvestment programs that provide financial resources to first time homebuyers, single-family and townhome homeowners in the community. Homeowner programs were redesigned in 2019 to increase the number of residents making improvements to their homes and to provide needed resources for future homebuyers. The redesigned and revamped programs have been a huge success, with funds for multiple programs expended rapidly. Almost \$1 million was expended in the fiscal year 2022 for all the housing programs administered by Center for Energy and Environment (CEE) and Hennepin County as well as the EDA staff.

<b>Primary Loan Programs</b>
Code Correction Loan: 1 Loan, \$11,000
Down Payment Assistance: 46 Loans, \$377,000
Home Rehab / Emergency Deferred Loan: 25 Loans, \$277,000 Code Correction
Rental Rehabilitation Loan: 1 Loan, \$35,000
Revolving Loan: 9 Loans, \$132,000
Senior Deferred Loan: 10 Loans, \$295,000
<b>Other Loan Programs</b>
Community Engagement and Sustainability Grant: 1 Grant, \$20,000
Home Energy Squad Enhanced: 62 Home Visits, \$4,000

#### Huntington Place—834 units

The EDA continued to invest in Huntington Place in 2022, providing almost \$1 million in funding for improvements to the property. Additionally, in response to community concerns, the EDA spent a significant portion of several of their meetings listening to community members and evaluating options for improved operations, which resulted in amendments to the agreement to focus on unit improvements for existing residents. Aeon received \$3 million in County funding for improvements as well as a \$4 million award of federal dollars. Staff completes a monthly update memo to all stakeholders and coordinates a monthly community listening session of residents in collaboration with staff from community engagement and police.

#### Tessman Ridge (6800 85th Ave)

The EDA worked with North Hennepin Community College (NHCC) and Minnesota State Colleges and Universities to issue a request for qualifications (RFQ) and selected Duffy Development Company for a mixed income apartment development and a cooperatively owned day-care on the site. The vision for that location includes two apartment buildings with approximately 75 units each. Duffy has secured the financing needed for Phase I of the project and the project was able to advance in 2022. The project received Low Income Housing Tax Credit (LIHTC) and the land use application was approved by the City Council. Phase I is anticipated to be 71 units with a mix of 1, 2, 3, and 4-bedroom units at various affordability levels with hopes to begin construction in 2023.

## Housing Initiatives (Continued)

### Village Creek Apartments

In March 2022, the EDA approved the land sale and Tax Increment Financing (TIF) package for Village Creek Apartments that would contribute up to \$3,590,000 which includes \$370,000 in a land write down, \$900,000 in TIF grant dollars, and \$2,320,000 in Pay-As-You-Go (PAYGO) TIF. The project includes 83 units of mixed-income housing and a 10,000 square foot commercial component. Due to rising interest rates and construction costs, the George North Group is currently considering a HUD loan or other financing options to support this development project.

### Real Estate Equities

This project relocated from the Revive Church site on W Broadway to a new site on 9500 Decatur Drive (near Jefferson Hwy) in 2022. It is a 356-unit project that proposes income averaging to be available for families making 60% of the area median income (AMI). This project has an approved term sheet with the EDA with the bulk of the predevelopment anticipated to take place in 2023.

## Partnerships

### Minnesota Investment Fund (MIF) and Job Creation Fund (JCF)

MIF and JCF are programs run through the State of Minnesota's Department of Employment and Economic Development (DEED) with the goal of retaining and creating high wage jobs in Minnesota. Brooklyn Park businesses regularly utilize these funds to help fund expansions, relocations, and equipment purchases. Most recently, the State of Minnesota officially awarded Brooklyn Park JCF/MIF awards to Walgreens Inc. and Biomerics, LLC.

**Several companies having taken advantage of the MIF and JCF funds, including:**

Company	Year
Perbix (Now Tesla)	2015
Takeda	2015
Olympus	2015
Design Ready Controls	2015
Metro Mold and Design	2015
Wurth Adams	2016
Star	2017
Biomerics	2017
NAPCO	2018
MKG	2019
Cirtec	2020
JunoPacific	2021
Switchback Medical	2021
ClearEdge Filtration	2021
Walgreens	2022
Biomerics	2022

## Long-Term Financial Planning

The City of Brooklyn Park produces a five-year Capital Improvement Plan and a five-year Capital Equipment Plan that is updated annually. All of these plans are available on the City's website [www.brooklynpark.org](http://www.brooklynpark.org). The City also produces a comprehensive financial plan that includes an annual budget process with a five-year rolling budget. This helps the City focus on the long-term trends to create a structurally balanced budget that meets citizens' service needs.

## **Certificate of Achievement**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn Park for its Comprehensive Annual Financial Report for the fiscal year ending December 31, 2021. This marks 42 consecutive years that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual report. This report also satisfied both GAAP and applicable legal requirements.

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

## **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of many people throughout the organization. Special recognition is due the Financial Services Division staff (Renée Manning, Stefanie Dunfee, Chris Kuecker, Kristine Keyes, Kathy Alberico, Lynne Stuart, Melissa Stay, Dolly Lee) for their diligent work in preparing this report.


We acknowledge the thorough, professional, and timely manner in which our independent auditor, BerganKDV, conducted the audit.

Finally, we acknowledge the Mayor and City Council Members for their consistent support for maintaining the highest standards of professionalism in all aspects of financial management.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "J. Stroebe", with a long horizontal flourish extending to the left.

Jay Stroebe  
City Manager

A handwritten signature in black ink, appearing to read "LaTonia Green", with a long horizontal flourish extending to the right.

LaTonia Green  
Finance Director

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**City of Brooklyn Park  
Certificate of Achievement for Excellence in Financial Reporting**



Government Finance Officers Association

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

Presented to

**City of Brooklyn Park  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

**Brooklyn Park**   
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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Brooklyn Park  
Brooklyn Park, Minnesota

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Brooklyn Park, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise City of Brooklyn Park's basic financial statements as listed in the Table of Contents.

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

#### **Basis for Opinions**

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

#### **Emphasis of Matter – Implementation of GASB 87**

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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

The City of Brooklyn Park's 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.

## **Responsibilities of Management for the Financial Statements (Continued)**

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Brooklyn Park'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 City of Brooklyn Park'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.

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brooklyn Park's basic financial statements. The 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 Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, on our consideration of the City of Brooklyn Park'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 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 Brooklyn Park's internal control over financial reporting and compliance.

**BerganKDV, Ltd.**

Minneapolis, Minnesota  
June 22, 2023

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

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As management of the City of Brooklyn Park (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities 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 3-9 of this report.

#### **Financial Highlights**

- The overall net position of the City decreased by (\$6,260,698). This change is comprised of a decrease in the net position of governmental activities of (\$3,281,399) and a decrease in the net position of business-type activities of (\$2,979,299).
- The net position of the City equaled \$450.9 million at the end of 2022. Of this amount, \$128 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. This represents a decrease of just over (\$5) million or (3.8%) from 2021.
- As of December 31, 2022, unassigned fund balance within the General Fund was just over \$26.7 million or 47.2% of total general fund expenditures.

#### **Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the City of Brooklyn Park's basic financial statements. The City of Brooklyn Park's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- 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 a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as its net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in the 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).

## Management's Discussion and Analysis

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### Governmentwide financial statements (continued)

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, recreation and parks, community development and interest on long-term debt. The business-type activities of the City include public utilities (water, sanitary sewer, recycling), storm sewer utility, street and signal light utility, recreation (golf course and golf clubhouse) and the park dome.

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

The government-wide financial statements can be viewed on pages 40-41 of this report.

### **Fund Financial Statements**

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

- Governmental funds
- Proprietary funds
- Fiduciary 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 available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial 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 financial decisions.

Both the governmental fund balance sheet and governmental fund statement of revenues, expenses, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Brooklyn Park maintains 8 individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenses, and changes in fund balances for the General Fund, Coronavirus Local Fiscal Recovery, General Debt Service, Special Assessment Construction, Open Space Land Acquisition and Development, Economic Development Authority, Tax Increment Financing and Project Deposits, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation, labeled "Total Nonmajor Funds".



## Management's Discussion and Analysis

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### Fund Financial Statements (Continued)

Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Brooklyn Park adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 42-46 of this report.

**Proprietary Funds** – The City of Brooklyn Park maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Brooklyn Park uses enterprise funds to account for its water, sanitary sewer, recycling, storm sewer, street/signal light, golf course and clubhouse and recreation dome functions. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Brooklyn Park's various functions. The City of Brooklyn Park uses internal service funds to account for its central services (buildings and fleet of vehicles), information technology systems, loss control function and all benefits for employees. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for public utilities and storm sewer utility which are considered to be major funds. Data from the other proprietary funds are in two presentations, labeled "total nonmajor funds" and "total enterprise funds", each the aggregate of the utility and recreation funds respectively. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 51-54 of this report.

**Fiduciary funds** – are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 55 of this report.

**Notes to the financial statements** – 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 57-103 of this report.

**Supplementary information** – includes the combining and individual fund statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary funds. These combining and individual statements are presented immediately following the notes to the financial statements. Combining statements and additional statements can be found on pages 118-162 of this report.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Change in Net Position**

As noted earlier, the net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by just over \$450.9 million at December 31, 2022.

Net Position  
December 31, 2021 and 2022

	Total			
	2022	2021	Variance	Percent Change
Cash and Investment	\$ 179,240,394	\$ 187,867,820	\$ (8,627,426)	-4.6%
Current and other assets	56,536,911	41,448,847	15,088,064	36.4%
Capital assets(net)	333,532,605	327,600,507	5,932,098	1.8%
Total assets	569,309,910	556,917,174	12,392,736	2.2%
Deferred outflows of resources	48,850,366	29,438,536	19,411,830	65.9%
Total assets and deferred outflows of resources	618,160,276	586,355,710	31,804,566	5.4%
Current and other liabilities	25,605,608	20,933,306	4,672,302	22.3%
Noncurrent liabilities - Due in more than one year	124,797,825	72,420,590	52,377,235	72.3%
Total liabilities	150,403,433	93,353,896	57,049,537	61.1%
Deferred inflows of resources	16,807,672	35,791,945	(18,984,273)	-53.0%
Total Liability and deferred inflows of resources	167,211,105	129,145,841	38,065,264	29.5%
<b>NET POSITION</b>				
Net investment in capital assets	294,524,091	286,170,897	8,353,194	2.9%
Restricted	28,383,172	37,917,320	(9,534,148)	-25.1%
Unrestricted	128,041,908	133,121,652	(5,079,744)	-3.8%
Total net position	\$ 450,949,171	\$ 457,209,869	\$ (6,260,698)	-1.4%

The net position is divided into three areas: net investment in capital assets, restricted, and unrestricted.

#### **Net Investment in capital assets**

This area within net position represents the City's investment in capital assets (land, buildings, infrastructure {streets, parks, utilities}, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. For 2022, these assets represent 65.3% of the total net position. Governmental Accounting Standards Board Statement No. 34 requires the City to report infrastructure assets used in governmental activities placed in service since 1980.

#### **Restricted**

This portion of the net position represents resources that are subject to external restrictions on how they may be used. At December 31, 2022, 6.3% of the total net position is restricted.

#### **Unrestricted**

The unrestricted portion of net position represents resources that are available to meet the City's short and long-term obligations. Unrestricted net position represents 28.4% of the total net position as of December 31, 2022.

#### **Statement of Activities**

The total net position of the City decreased by just over (\$6.2) million or (1.4%) from 2021. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$450.9 million at December 31, 2022. Activities are divided into governmental and business-type.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### Governmental Activities

Net Position  
December 31, 2021 and 2022

	Governmental Activities			Percent
	2022	2021	Variance	Change
Cash and Investment	\$ 127,248,520	\$ 131,972,413	\$ (4,723,893)	-3.6%
Current and other assets	46,078,426	31,675,041	14,403,385	45.5%
Capital assets(net)	210,320,719	204,036,012	6,284,707	3.1%
Total assets	383,647,665	367,683,466	15,964,199	4.3%
Deferred outflows of resources	48,018,306	28,401,386	19,616,920	69.1%
Total assets and deferred outflows of resources	431,665,971	396,084,852	35,581,119	9.0%
Current and other liabilities	22,934,210	18,476,394	4,457,816	24.1%
Noncurrent liabilities - Due in more than one year	114,085,523	62,045,533	52,039,990	83.9%
Total liabilities	137,019,733	80,521,927	56,497,806	70.2%
Deferred inflows of resources	16,764,927	34,400,215	(17,635,288)	-51.3%
Total Liability and deferred inflows of resources	153,784,660	114,922,142	38,862,518	33.8%
<b>NET POSITION</b>				
Net investment in capital assets	180,072,815	172,268,275	7,804,540	4.5%
Restricted	28,383,172	37,917,320	(9,534,148)	-25.1%
Unrestricted	69,425,324	70,977,115	(1,551,791)	-2.2%
Total net position	\$ 277,881,311	\$ 281,162,710	\$ (3,281,399)	-1.2%

The net position related to governmental activities decreased by (\$3,281,399) or (1.2%) during the year as a result of the following:

- Overall, the net investment in capital assets increased by just under \$7.8 million. This is a combination of fixed asset changes which is net of depreciation and offset by principal payments of debt.
- Current and other assets increased \$14.4 million or 45.5% with a large factor attributed to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, with regards to leases and the lease receivable of just over \$14.1 million.
- Governmental Accounting Standards Board (GASB) 75 required adjustment including changes in net pension and postemployment benefits other than pensions (OPEB) resulted in an increase in Deferred Outflows of just over \$19.6 million from 2021.
- Current and other liabilities increased just over \$4.4 million over 2021 mainly due to an increase in unearned revenue from the \$5 million deposit of the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund.
- Noncurrent liabilities defined as being due in more than one year, increased 83.9% or just over \$52 million as a result of the increase in net pension liability.
- Deferred inflows of resources decreased just over \$17.6 million over 2021 due to an aggregate of the implementation of GASB No. 87 increase of just over \$14 million and a decrease of just over (\$31) million in pension related deferred inflows. Deferred inflows of resources are those that apply to future period(s) and will not be recognized as revenue until that time.
- Restricted net position decreased (25.7%) or just over (\$9.5) million mainly due to an aggregate of the decreases of just over (\$3.9) million of Tax Increment Financing and just over \$6.6 million in the Economic and Development activities.

# City of Brooklyn Park, Minnesota

## Management's Discussion and Analysis

### Governmental Activities- Revenue Analysis

Changes in Net Position  
December 31, 2022

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 7,662,526	\$ 8,667,244	\$ 26,956,687	\$ 27,712,176	\$ 34,619,213	\$ 36,379,420
Operating grants and contributions	5,044,806	3,611,376	19,585	121,346	5,064,391	3,732,722
Capital grants and contributions	3,417,570	7,738,715	-	-	3,417,570	7,738,715
General revenues:						
Property taxes	53,534,836	49,557,074	-	-	53,534,836	49,557,074
Franchise fees	4,678,563	6,208,226	-	-	4,678,563	6,208,226
Tax Increments	1,336,637	1,228,616	-	-	1,336,637	1,228,616
Grants and contributions	4,552,316	1,848,236	-	-	4,552,316	1,848,236
Unrestricted investment earnings	(8,155,852)	(869,617)	(4,169,268)	(708,990)	(12,325,120)	(1,578,607)
Other revenue	4,574,412	1,449,404	608,557	572,159	5,182,969	2,021,563
Gain on disposal of assets	236,965	350,806	17,707	31,827	254,672	382,633
Total revenues	<u>76,882,779</u>	<u>79,790,080</u>	<u>23,433,268</u>	<u>27,728,518</u>	<u>100,316,047</u>	<u>107,518,598</u>
<b>EXPENSES</b>						
Governmental activities:						
General Government	7,414,097	5,751,344	-	-	7,414,097	5,751,344
Public Safety	40,201,629	29,838,874	-	-	40,201,629	29,838,874
Public Works	11,101,115	12,257,408	-	-	11,101,115	12,257,408
Recreation & Parks	12,574,475	15,343,206	-	-	12,574,475	15,343,206
Community Development	10,649,373	3,659,379	-	-	10,649,373	3,659,379
Debt Service	1,251,900	1,060,155	-	-	1,251,900	1,060,155
Business-Type activities:						
Public Utilities	-	-	18,525,478	17,305,752	18,525,478	17,305,752
Storm Sewer Utility	-	-	1,975,225	1,859,683	1,975,225	1,859,683
Street & Signal Light Utility	-	-	1,149,623	1,128,771	1,149,623	1,128,771
Recreation	-	-	2,447,727	2,303,588	2,447,727	2,303,588
Park Dome	-	-	231,057	176,633	231,057	176,633
Total expenses	<u>83,192,589</u>	<u>67,910,366</u>	<u>24,329,110</u>	<u>22,774,427</u>	<u>107,521,699</u>	<u>90,684,793</u>
Change in net position before special items and transfers	(6,309,810)	11,879,714	(895,842)	4,954,091	(7,205,652)	16,833,805
Transfers	2,083,457	(2,250,879)	(2,083,457)	2,250,879	-	-
Change in net position	<u>(4,226,353)</u>	<u>9,628,835</u>	<u>(2,979,299)</u>	<u>7,204,970</u>	<u>(7,205,652)</u>	<u>16,833,805</u>
Net position - beginning	281,162,710	271,533,875	176,047,159	168,842,189	457,209,869	440,376,064
prior period adjustment	944,954	-	-	-	944,954	-
Net position - ending	<u>\$ 277,881,311</u>	<u>\$ 281,162,710</u>	<u>\$ 173,067,860</u>	<u>\$ 176,047,159</u>	<u>\$ 450,949,171</u>	<u>\$ 457,209,869</u>

Revenues for governmental activities totaled just under \$76.9 million in 2022 as compared to just under \$79.8 million in 2021 which is a (3.6%) decrease. The key elements of this change are as follows:

- Program revenues decreased just under (\$3.9) million from 2021 mainly due to an aggregate decrease of just over (\$4.3) million in operating and capital grant contributions mainly in the public works activity and (\$1) million in charges for services mainly as a result of decreases in building permits and fees.
- Property taxes increased by just over \$3.9 million or 8% from 2021. This was a net result of factors including City Council approved levy and an increase in fiscal disparities.
- Grants and contributions increased \$2.7 million from 2021 due to the Coronavirus Local Fiscal Recovery federal grant expenditure of just over \$2.9 million of the \$11.5 million-dollar multi-year award.
- Unrestricted investment earnings decreased just under (\$7.3) million or (837.9%) from 2021 due to negative changes in market value for investments as a result of poor market conditions.
- Other revenue increase just over \$3.1 million mainly due to an increase in payment in lieu of taxes.

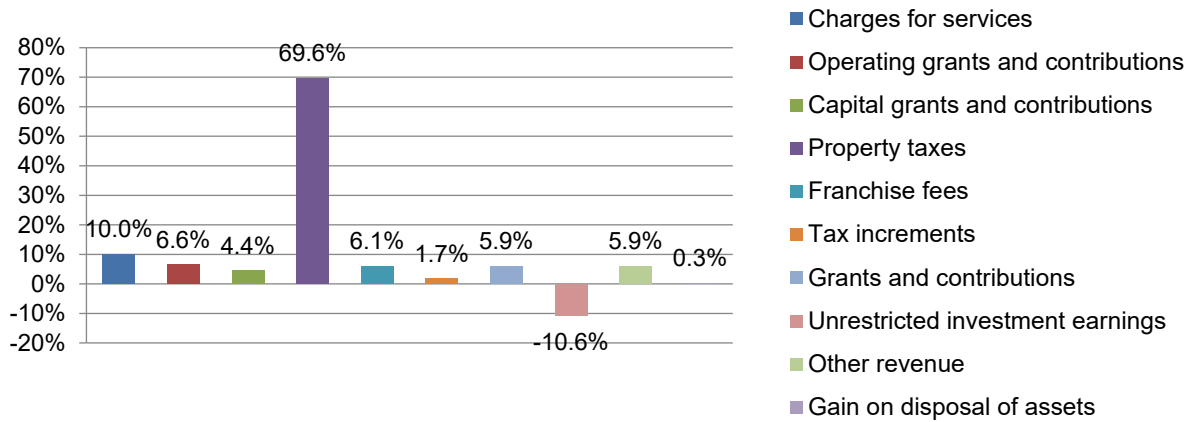
## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### Governmental Activities- Revenue Analysis (Continued)

The graph below depicts a percentage breakdown of revenues excluding net transfers in:

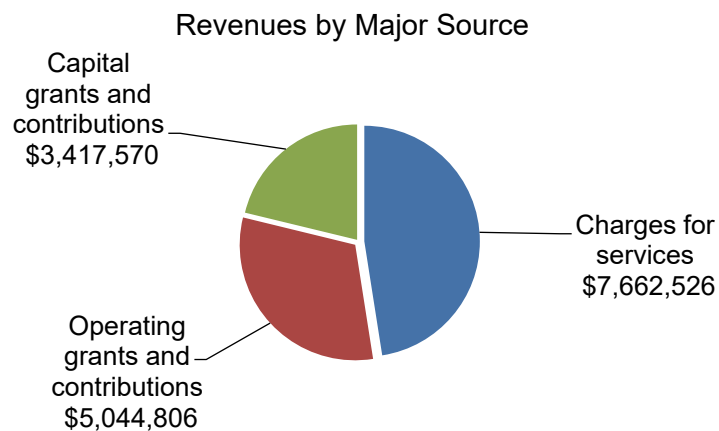
Revenues by Source



#### Governmental Revenues – Program Analysis

Program revenues, which represent just over \$16.1 million or 20.9% of total governmental activity revenue of just over \$76.8 million for 2022, are considered to be those funds that are received through charges for services or grants and contributions.

The chart below depicts a breakdown of program revenues by major source for the year ended December 31, 2022:



## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Governmental Activities- Revenue Analysis (Continued)**

Program Revenues  
Governmental Activities  
For the Year Ended December 31, 2021 and 2022

Functions/Programs	Program Revenues				Variance	Percent Change
	2022	Percent of Total	2021	Percent of Total		
General government	\$ 540,318	3.4%	\$ 649,619	3.2%	\$ (109,301)	-16.8%
Public safety	6,773,769	42.0%	6,893,615	34.4%	(119,846)	-1.7%
Public works	4,304,394	26.7%	8,241,331	41.2%	(3,936,937)	-47.8%
Recreation and parks	2,976,940	18.5%	3,207,710	16.0%	(230,770)	-7.2%
Community development	1,529,481	9.5%	851,660	4.3%	677,821	79.6%
Interest on long-term debt	-	0.0%	173,400	0.9%	(173,400)	100.0%
Total	\$ 16,124,902	100.0%	\$ 20,017,335	100.0%	\$ (3,892,433)	-19.4%

Total program revenues decreased by just under (\$3.9) million or (19.4%). Highlights of the changes are described below:

- Public works had an overall decrease of just over (\$3.9) million or (47.8%) in the public works program revenues resulting from operating and capital grant decrease of (\$4.3) million.
- Recreation and parks had a decrease of (\$230,770) or (7.2%) in program revenues from 2021 directly relating to changes in some program activity.

#### **Government Activities – Expenditure Analysis**

The expenditures for governmental activities in 2022 totaled just over \$83.1 million which was a 22.5% increase from 2021.

Program Expenditures  
Governmental Activities  
For the Year Ended December 31, 2021 and 2022

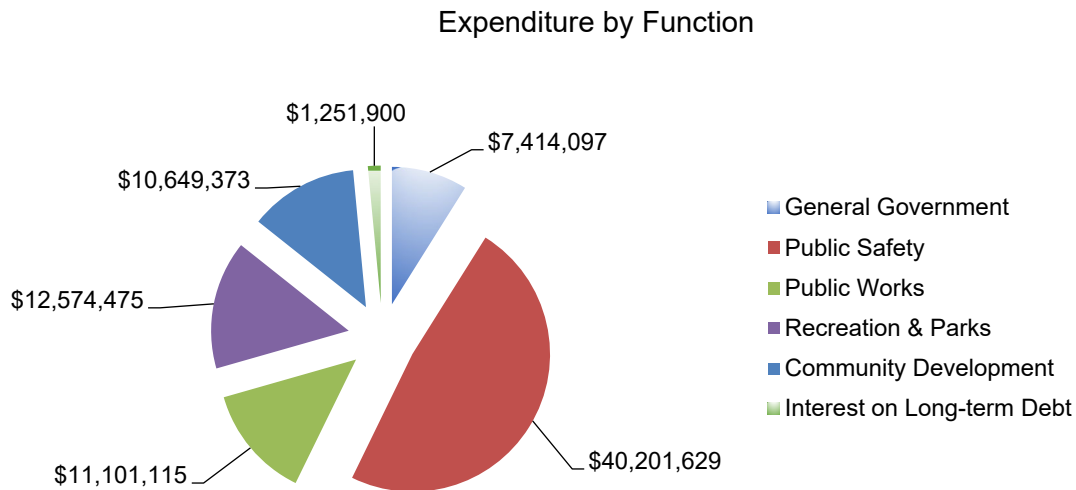
Functions/Programs	Program Expenditures				Variance	Percent Change
	2022	Percent of Total	2021	Percent of Total		
General government	\$ 7,414,097	8.9%	\$ 5,751,344	8.5%	\$ 1,662,753	28.9%
Public safety	40,201,629	48.3%	29,838,874	43.9%	10,362,755	34.7%
Public works	11,101,115	13.3%	12,257,408	18.0%	(1,156,293)	-9.4%
Recreation and parks	12,574,475	15.1%	11,755,184	17.3%	819,291	7.0%
Community development	10,649,373	12.8%	7,247,401	10.7%	3,401,972	46.9%
Interest on long-term debt	1,251,900	1.5%	1,060,155	1.6%	191,745	18.1%
Total	\$ 83,192,589	100.0%	\$ 67,910,366	100.0%	\$ 15,282,223	22.5%

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### Governmental Activities- Expenditure Analysis (Continued)

The chart below depicts a breakdown of expenditures by government function:



Expenditure net of revenue for governmental activities at December 31, 2022, was just over (\$67) million.

Expense and Program Revenues  
Governmental Activities  
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Percent of Total	Program Revenues	Percent of Total	Net (Expenses) Revenue	Percent of Total
General government	\$ 7,414,097	8.9%	\$ 540,318	3.4%	\$ (6,873,779)	10.2%
Public safety	40,201,629	48.3%	6,773,769	42.0%	(33,427,860)	49.8%
Public works	11,101,115	13.3%	4,304,394	26.7%	(6,796,721)	10.1%
Recreation and parks	12,574,475	15.1%	2,976,940	18.5%	(9,597,535)	14.3%
Community development	10,649,373	12.8%	1,529,481	9.5%	(9,119,892)	13.6%
Interest on long-term debt	1,251,900	1.5%	-	0.0%	(1,251,900)	1.9%
<b>Total</b>	<b>\$ 83,192,589</b>	<b>100.0%</b>	<b>\$ 16,124,902</b>	<b>100.0%</b>	<b>\$ (67,067,687)</b>	<b>100.0%</b>

The City's public safety function net of revenue is 49.8% of the total followed by recreation and parks at 14.3% and community development at 13.6%. All other functions including public works, general government, and interest on long-term debt total 22.3% of expenditure net of revenue.

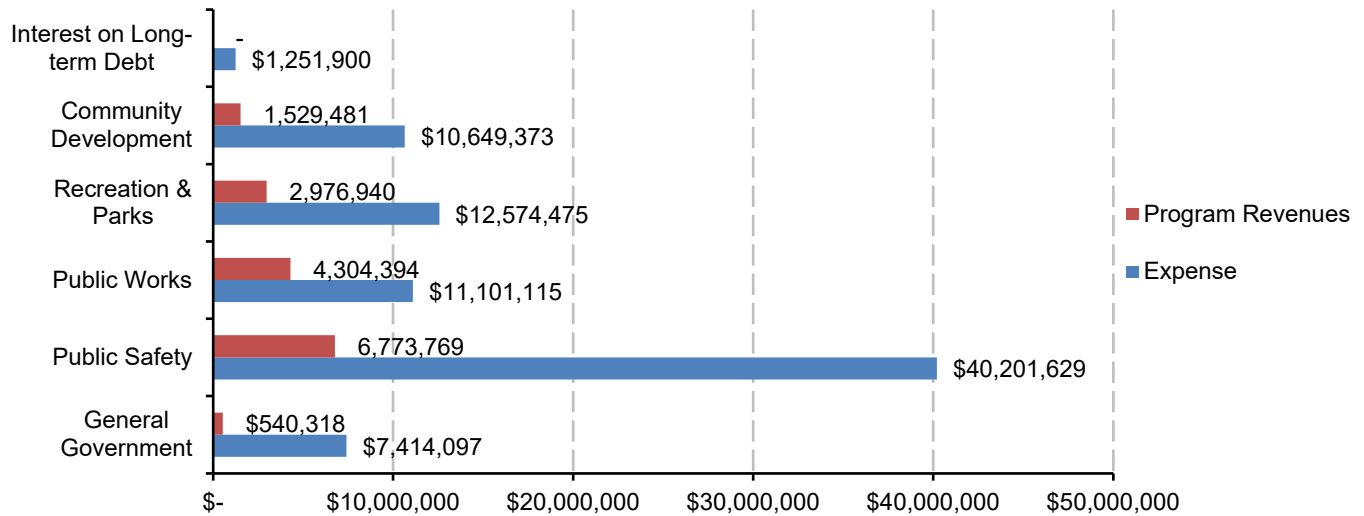
## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### Governmental Activities- Expenditure Analysis (Continued)

The chart below depicts the gap between program revenues versus expenditure within governmental activities.

Expense and Program Revenues - Governmental Activities



#### Business-Type Activities

Net Position  
December 31, 2021 and 2022

	Business-type Activities		Variance	Percent Change
	2022	2021		
Cash and Investment	\$ 51,991,874	\$ 55,895,407	\$ (3,903,533)	-7.0%
Current and other assets	10,458,485	9,773,806	684,679	7.0%
Capital assets(net)	123,211,886	123,564,495	(352,609)	-0.3%
Total assets	185,662,245	189,233,708	(3,571,463)	-1.9%
Deferred outflows of resources	832,060	1,037,150	(205,090)	-19.8%
Total assets and deferred outflows of resources	186,494,305	190,270,858	(3,776,553)	-2.0%
Current and other liabilities	2,671,398	2,456,912	214,486	8.7%
Noncurrent liabilities - Due in more than one year	10,712,302	10,375,057	337,245	3.3%
Total liabilities	13,383,700	12,831,969	551,731	4.3%
Deferred inflows of resources	42,745	1,391,730	(1,348,985)	-96.9%
Total Liabilities and deferred inflows of resources	13,426,445	14,223,699	(797,254)	-5.6%
<b>NET POSITION</b>				
Net investment in capital assets	114,451,276	113,902,622	548,654	0.5%
Unrestricted	58,616,584	62,144,537	(3,527,953)	-5.7%
Total net position	\$ 173,067,860	\$ 176,047,159	\$ (2,979,299)	-1.7%



## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Business-Type Activities (Continued)**

The net position of business-type activities represents the change in net income of all enterprise funds shown in the fund financial statements. The total change in net position from 2021 was a decrease of just over (\$2.9) million or (1.7%).

- A decrease of (\$3.9) million in cash and investments or (7%) from 2021 is as a result of negative changes in market value for investments as a result of poor market conditions.
- The increase of \$684,679 in current and other assets is mainly due to an increase in utility billing receivables.
- The decrease of just over (\$1.3) million or (96.9%) from 2021 in deferred inflows of resources is a result of decreases in pension related deferred inflows of resources.

Changes in Net Position  
December 31, 2022

	Business-type Activities			
	2022	2021	Variance	Percent Change
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 26,956,687	\$ 27,712,176	\$ (755,489)	-2.7%
Operating grants and contributions	19,585	121,346	(101,761)	-83.9%
General revenues:				
Unrestricted investment earnings	(4,169,268)	(708,990)	(3,460,278)	488.1%
Other revenue	608,557	572,159	36,398	100.0%
Gain on disposal of assets	17,707	31,827	(14,120)	-44.4%
Total revenues	<u>23,433,268</u>	<u>27,728,518</u>	<u>(4,295,250)</u>	<u>-15.5%</u>
<b>EXPENSE</b>				
Business-Type activities:				
Public utilities	18,525,478	17,305,752	1,219,726	7.0%
Storm sewer utility	1,975,225	1,859,683	115,542	6.2%
Street & signal light utility	1,149,623	1,128,771	20,852	1.8%
Recreation	2,447,727	2,303,588	144,139	6.3%
Park dome	231,057	176,633	54,424	30.8%
Total expense	<u>24,329,110</u>	<u>22,774,427</u>	<u>1,554,683</u>	<u>6.8%</u>
Change in net position before special items and transfers	(895,842)	4,954,091	(5,849,933)	-118.1%
Transfers	(2,083,457)	2,250,879	(4,334,336)	-192.6%
Change in net position	(2,979,299)	7,204,970	(10,184,269)	-141.4%
Net position - beginning	176,047,159	168,842,189	7,204,970	4.3%
Net position - ending	<u>\$ 173,067,860</u>	<u>\$ 176,047,159</u>	<u>\$ (2,979,299)</u>	<u>-1.7%</u>

#### **Business-type Activities – Revenue Analysis**

Revenues before transfers for business-type activities totaled just over \$23.4 million in 2022 as compared with \$27.7 million in 2021. Key elements of this change are as follows:

- Charges for services decreased by (\$755,489) or (2.7%) from 2021. Reduction in water access charges collected was the main reason for the decrease due to the reduction in new building from 2021.
- Unrestricted investment earnings decreased just over (\$3.4) million or (488.1%) from 2021 due to negative changes in market value for investments as a result of poor market conditions.

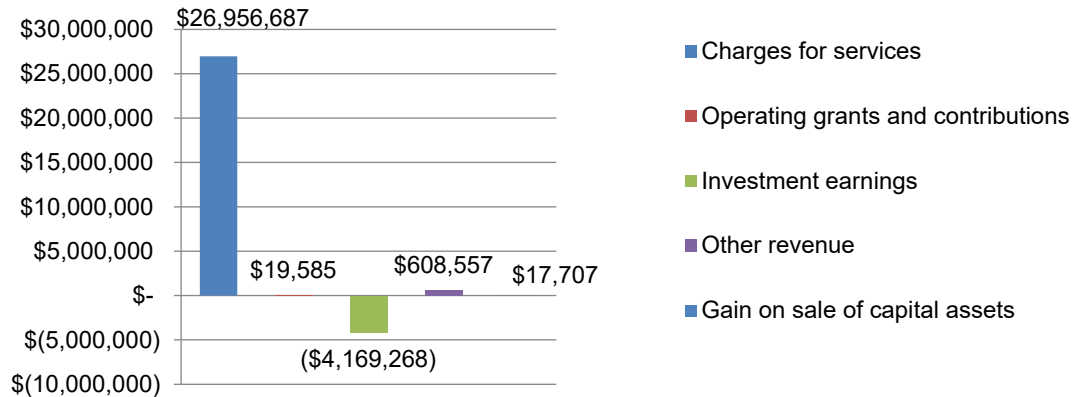
## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Business-Type Activities Revenue Analysis (Continued)**

The following charts depict the revenues by source before transfers:

Revenues by Source



#### **Business-Type Activities – Expenses Analysis**

Overall Business-Type Activities Expenses for 2022 increased just over \$1.5 million or 6.8% from 2021 activity. Some of the factors are highlighted as follows:

- Public utility expense increased \$1.2 million or 7% over 2021 mainly due to inflationary increases.
- Park dome expense increase 30.8% due to the increases in program activity.

Non-operating transfer activities decreased (4.3%) because of the transfer out made for the prior year's funding for the irrigation system.

Expenses and Program Revenues  
Business-Type Activities  
For the Year Ended December 31, 2022

Funds	Expenses	Percent of Total	Program Revenues	Percent of Total	Net (Expense)	
					Revenue	Percent of Total
Public utilities	\$ 18,525,478	76.1%	\$ 19,986,585	74.1%	\$ 1,461,107	55.2%
Storm sewer utility	1,975,225	8.1%	2,665,047	9.9%	689,822	26.1%
Street & signal light utility	1,149,623	4.7%	1,705,703	6.3%	556,080	21.0%
Recreation	2,447,727	10.1%	2,259,983	8.4%	(187,744)	-7.1%
Park dome	231,057	0.9%	358,927	1.3%	127,870	4.8%
Total	\$ 24,329,110	100.0%	\$ 26,976,245	100.0%	\$ 2,647,135	100.0%

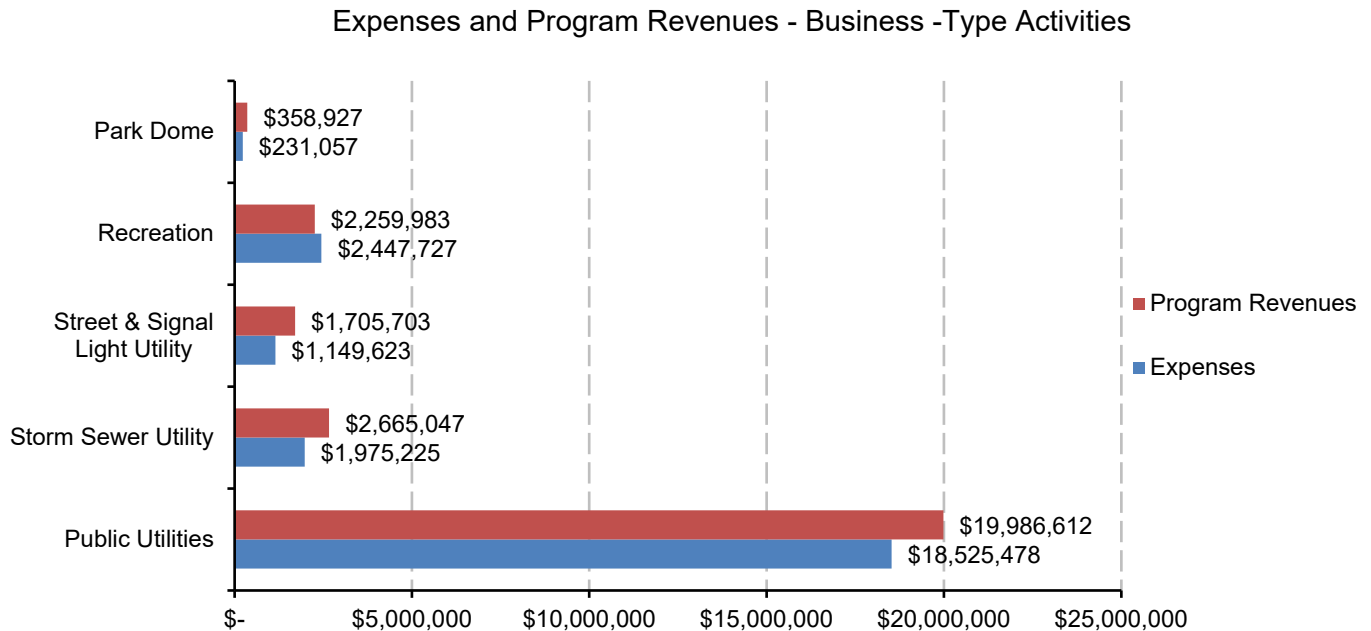
Net revenue over expense for business activities at December 31, 2022, was just over \$2.6 million as compared to \$5 million in 2021. The public utilities have the highest percent of this total at 55.2%.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Business-Type Activities – Expense Analysis (Continued)**

The chart below depicts the gap between program revenues versus expense within Business-type activities by fund.



#### **Fund Financial Statements Analysis**

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

#### **Governmental Funds**

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

#### **Fund Balances**

At December 31, 2022, the City's governmental funds reported combined ending fund balances of just over \$117.1 million a decrease of just over (\$4.3) million from 2021. Approximately 22.8% or just over \$26.6 million of this total constitutes unassigned fund balance, which is available for spending at the government's discretion. During 2011, the City Council adopted a Fund Balance Policy as part of its implementation of Government Accounting Standards Board (GASB) Statement No. 54. This statement re-defined the fund balance categories and those are reflected below (Please see Note 1 on page 57-66 for more information on fund balance categories). Based on the policy and actions from 2011, the City Council has committed 50.1% or just over \$58.6 million of the overall fund balance for the following purposes:

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### Governmental Funds (Continued)

##### Fund Balances (Continued)

#### Committed Fund Balance For the Year December 31, 2022

Economic Development Authority - community development programs	\$ 22,460,762
Special Assessment Construction-transportation improvements	23,461,874
Capital Projects*	9,779,789
Park Improvements	<u>2,949,246</u>
 Total Committed Fund Balances	 <u><u>\$ 58,651,671</u></u>

\*non-major funds

#### Major Fund Analysis

##### General Fund

The General Fund ended 2022 with a net change in fund balance of (\$998,077) compared with \$1,745,652 in 2021. Comparisons of revenue and expenses between 2022 and 2021 are as follows:

General Fund - Revenues	2022		2021		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
General property taxes	\$ 47,320,376	88.2%	\$ 44,396,657	82.1%	\$ 2,923,719	6.6%
Special assessments	59,921	0.1%	77,666	0.1%	(17,745)	-22.8%
Licenses and permits	3,097,292	5.8%	4,058,305	7.5%	(961,013)	-23.7%
Intergovernmental	1,565,442	2.9%	1,725,199	3.2%	(159,757)	-9.3%
Contributions and donations	4,744	0.0%	6,057	0.0%	(1,313)	-21.7%
Charges for services	2,438,166	4.5%	2,516,277	4.7%	(78,111)	-3.1%
Fines and forfeitures	241,623	0.5%	251,937	0.5%	(10,314)	-4.1%
Investment income	1,002,893	1.9%	924,349	1.7%	78,544	8.5%
Net change in fair value of investments	(3,140,765)	-5.9%	(930,254)	-1.7%	(2,210,511)	237.6%
Lease income	5,170	0.0%	5,970	0.0%	(800)	-13.4%
Other revenue	1,039,248	1.9%	1,054,863	2.0%	(15,615)	-1.5%
 Total revenues	 <u>\$ 53,634,110</u>	 <u>100.0%</u>	 <u>\$ 54,087,026</u>	 <u>100.0%</u>	 <u>\$ (452,916)</u>	 <u>-0.8%</u>

Overall revenue in the General Fund decreased (\$452,916) or (.8%) over 2021. The highlights of this change are as follows:

- General property taxes increased 6.6% in 2022. This is due to a combination of City Council approved tax levy and current collections.
- There was a decrease in licenses and permits of (961,013) or (22.8%) from 2021. This is primarily due to a decrease of building and normal business from the 2021's resurgence due to the COVID-19 pandemic.
- Unrealized gains/losses that were recorded at year-end in accordance with accounting standards resulting in a decrease of just over (\$2.2) million from 2021 due to negative changes in market value for investments as a result of poor market conditions.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Major Fund Analysis - General Fund (continued)**

General Fund - Expenditures	2022		2021		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
General government	\$ 6,388,995	11.3%	\$ 5,846,293	11.1%	\$ 542,702	9.3%
Public safety	33,557,184	59.2%	32,762,218	62.2%	794,966	2.4%
Public works	4,511,624	8.0%	4,281,563	8.1%	230,061	5.4%
Recreation and parks	8,534,065	15.1%	8,189,640	15.6%	344,425	4.2%
Community development	1,799,376	3.2%	1,568,557	3.0%	230,819	14.7%
Debt service	269,804	0.5%	-	0.0%	269,804	N/A
Capital outlay	1,630,302	2.9%	-	0.0%	1,630,302	N/A
Total expenditures	<u>\$ 56,691,350</u>	<u>100.0%</u>	<u>\$ 52,648,271</u>	<u>100.0%</u>	<u>\$ 4,043,079</u>	<u>7.7%</u>

In overall, the expenditures within the General Fund increased just over \$4.0 million or 7.7% over 2021. The highlights of this change are as follows:

- General Government increased \$542,702 or 9.3% in 2022. The increase was mainly due to an aggregate of an increase in personnel salary and benefit costs due to cost-of-living increases and the addition of the addition of the racial equity, diversity, and inclusion division under the administrative department.
- Public Safety increased just under \$794,966 or 2.4% from 2021 expenditures primarily due to the increase in personnel and benefit costs from contract increases and supplies and equipment resulting from the increase of twelve (12) full time fire fighters salaries funded by the Staffing for Adequate Fire and Emergency Response (SAFER) federal grant.
- Public Work increased \$230,061 or 5.4% from 2021 due to an increase in personnel and benefit costs due to cost-of-living increases.
- Community Development increased \$230,819 or 14.7% mainly due to personnel salary and benefit cost due to cost-of-living increase.

#### **General Fund Budget Amendments**

During the year, there were no budget amendments to the General Fund and the Contingency (which is reported in the General Government expenses) was not utilized.

#### **Coronavirus Local Fiscal Recovery Fund**

The United States Department of Treasury allocated just over \$11.5 million to the City of federal stimulus funding from the Coronavirus State and Local Fiscal Recovery Fund under Section 603(b) of the Social Security Act, as amended by section 9901 of the American Rescue Plan Act (ARPA). The City was delivered \$5.5 million of the funding in 2021 and the remaining \$5 million in 2022. In 2021 \$150,000 was recognized as revenue and in 2022 just over \$2.9 million was recognized as revenue with the remaining deferred to future years. The activities and programs under the ARPA funding must be committed by December 31, 2024, and the period of performance will expire December 31, 2026.

The authorized uses for the ARPA funds are as follows:

- 1) To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- 2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers.
- 3) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.
- 4) To make necessary investments in water, sewer, or broadband infrastructure.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Major Fund Analysis – Coronavirus Local Fiscal Recovery Fund (continued)**

Some of the activities and programs expended during 2022 are as follows:

- In response to the negative economic impacts of the COVID-19 public health emergency \$500,000 was distributed to AEON BP, LLC for the Interventions at Huntington Place Apartments to mitigate the increase in costs to respond to crime and to address declines in receipts during the course of the COVID-19 public health emergency.
- The City awarded over three hundred thousand dollars of ARPA funds to community businesses and non-profits responding to the request to submit proposals describing their needs relating to the COVID-19 public health emergency and economic impacts and proposed programs and activities supporting the nature of the funding.
- Just over \$1.1 million dollars was expended on the contract with Minnesota Acts Now. In response to the public health emergency and specifically toward the violence interrupter initiatives, the City contracted services to focus on areas in the community experiencing high rates of violent crime and gun violence.
- The Brooklyn Park youth outreach team is a program initiative with a professional team of outreach workers. In response to the public health emergency over one hundred and thirty three thousand dollars was expended to increase the outreach workers to connect and engage youth and families to resources and opportunities in the community.

The authorized programs and activities in response to the remaining funding will follow in later years.

#### **General Debt Service Fund**

The General Debt Service Fund saw an increase in fund balance of \$339,356 due to revenues exceeding expenditures and other financing sources directly related to debt service requirement.

General Debt Service Fund	2022		2021		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
General property taxes	\$ 2,992,277	118.7%	\$ 2,079,916	97.5%	\$ 912,361	43.9%
Special assessments	-	0.0%	462	0.0%	(462)	-100.0%
Intergovernmental revenue		0.0%	173,400	8.1%	(173,400)	-100.0%
Investment income	4,704	0.2%	18,731	0.9%	(14,027)	-74.9%
Net change in fair value of investments	(476,067)	-0.9%	(139,703)	-0.3%	(336,364)	240.8%
Total revenues	<u>\$ 2,520,914</u>	<u>118.0%</u>	<u>\$ 2,132,806</u>	<u>106.3%</u>	<u>\$ 388,108</u>	<u>18.2%</u>
Expenditures						
Debt service - principal	\$ 2,505,000	30.3%	\$ 2,710,000	36.9%	(205,000)	-7.6%
Debt service - interest and other charges	824,129	10.0%	789,770	10.8%	34,359	4.4%
Total expenditures	<u>\$ 3,329,129</u>	<u>40.2%</u>	<u>\$ 3,499,770</u>	<u>47.7%</u>	<u>\$ (170,641)</u>	<u>-4.9%</u>

#### **Special Assessment Construction Capital Project Fund**

Special Assessment Construction Capital Project Fund is committed for funding the City's transportation improvement program and other certain public improvements. The funding is derived mainly from special assessments related to roadway and street infrastructure that is not needed for debt payments. The net change in fund balance was just over \$4.2 million in 2022 compared to just over \$2.5 million in 2021.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Major Fund Analysis (continued)**

State aid and other grant awards related to maintenance and construction of the City's state aid designated roadways are also included in revenue highlighted in the following statement:

Special Assessment Construction Capital Project Fund	2022		2021		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
Special assessments	\$ 1,518,664	31.7%	\$ 1,459,333	49.0%	\$ 59,331	4.1%
Intergovernmental revenue	4,479,603	93.4%	1,649,643	55.4%	2,829,960	171.5%
Refunds and reimbursements	142,700	3.0%	1,128	0.0%	141,572	100.0%
Interest on assessments	14,904	0.3%	10,773	0.4%	4,131	38.3%
Investment income	391,916	8.2%	316,903	10.6%	75,013	23.7%
Net change in fair value of investments	(1,755,753)	-36.6%	(555,560)	-18.6%	(1,200,193)	216.0%
Other revenue	2,500	0.1%	97,037	3.3%	(94,537)	100.0%
Total revenues	<u>\$ 4,794,534</u>	<u>100.0%</u>	<u>\$ 2,979,257</u>	<u>100.0%</u>	<u>\$ 1,815,277</u>	<u>60.9%</u>
Expenditures						
Public works	\$ 449,336	5.4%	\$ 2,831,202	38.6%	(2,381,866)	-84.1%
Capital outlay	7,827,120	94.6%	4,512,302	61.4%	3,314,818	73.5%
Total expenditures	<u>\$ 8,276,456</u>	<u>100.0%</u>	<u>\$ 7,343,504</u>	<u>100.0%</u>	<u>\$ 932,952</u>	<u>12.7%</u>

Revenues increased just over \$1.8 million or 60.9% and expenditures increased \$932,952 or 12.7% in 2022. The revenue increase was an aggregate of municipal state aid maintenance and construction increases of just over \$3.6 million, decrease in state grants of (\$456,029) and the decrease in the market condition change in net fair value of investments of (\$1.2) million.

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## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Major Fund Analysis – (continued)**

##### **Open Space Land Acquisition and Development Fund**

This fund accounts for state, local and federal developer contributions that are expended for the acquisition, development, and redevelopment of parkland also accounting for the City's cell tower lease revenues. The net change in fund balance was (\$1.1) million in 2022 compared to just over \$1.7 million in 2021.

Open Space Land Acquisition and Development	2022		2021		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
<b>Revenues</b>						
Licenses and permits	\$ 593,760	91.4%	781,237	45.9%	(187,477)	-24.0%
Intergovernmental revenue	-	0.0%	540,704	31.8%	(540,704)	-100.0%
Interest on assessments	15,775	2.4%	-	0.0%	15,775	100.0%
Charges for services	1,800	0.3%	1,080	0.1%	720	66.7%
Investment income	88,855	13.7%	90,859	5.3%	(2,004)	-2.2%
Contributions from developers	-	0.0%	2,533	0.1%	(2,533)	-100.0%
Net change in fair value of investments	(374,897)	-57.7%	(138,391)	-8.1%	(236,506)	170.9%
Lease income	324,572	49.9%	423,646	24.9%	(99,074)	-23.4%
<b>Total revenues</b>	<b>\$ 649,865</b>	<b>100.0%</b>	<b>\$ 1,701,668</b>	<b>100.0%</b>	<b>\$ (1,051,803)</b>	<b>-61.8%</b>
<b>Expenditures</b>						
Recreation and parks	\$ 1,138,996	64.9%	2,052,344	35.6%	(913,348)	-44.5%
Debt service - interest	-	0.0%	122,190	2.1%	(122,190)	-100.0%
Capital outlay- recreation and parks	617,356	35.1%	3,588,022	62.3%	(2,970,666)	-82.8%
<b>Total expenditures</b>	<b>\$ 1,756,352</b>	<b>100.0%</b>	<b>\$ 5,762,556</b>	<b>100.0%</b>	<b>\$ (4,006,204)</b>	<b>-69.5%</b>

Revenues decreased overall by just over (\$1) million from 2021 mainly due to the aggregate reductions in lease revenues, grant revenues and the decrease in the market condition change in net fair value of investments. Expenditures decreased by (\$4) million mainly due to a decrease in capital outlay and contract expenditures from 2021.

##### **Economic Development Authority (EDA) Capital Project Fund**

The Economic Development Authority (EDA) Capital Project Fund serves as the main development fund for the Brooklyn Park EDA. At the end of 2022, the net change in fund balance was just under (\$3.2) million as compared with a (\$88,559) in 2021.

Economic Development Authority	2022		2021		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
<b>Revenues</b>						
General property taxes	\$ 2,806,700	94.4%	\$ 2,776,315	82.8%	\$ 30,385	1.1%
Special assessments	173,329	5.8%	45,946	1.4%	127,383	277.2%
Intergovernmental revenues	85,000	2.9%	21,700	0.6%	63,300	291.7%
Refunds and reimbursements	4,469	0.2%	-	0.0%	4,469	100.0%
Charges for services	3,200	0.1%	6,656	0.2%	(3,456)	-51.9%
Investment income	465,068	15.6%	559,531	16.7%	(94,463)	-16.9%
Net change in fair value of investments	(1,983,196)	-66.7%	(722,592)	-21.5%	(1,260,604)	174.5%
Lease income	936,423	31.5%	222,782	6.6%	713,641	320.3%
Other revenue	480,929	16.2%	443,330	13.2%	37,599	8.5%
<b>Total revenues</b>	<b>\$ 2,971,922</b>	<b>100.0%</b>	<b>\$ 3,353,668</b>	<b>100.0%</b>	<b>\$ (381,746)</b>	<b>-11.4%</b>
<b>Expenditures</b>						
Community development	\$ 5,418,947	92.5%	\$ 4,055,140	35.6%	\$ 1,363,807	33.6%
Community development - capital outlay	30,000	0.5%	7,309,960	64.2%	(7,279,960)	-99.6%
Debt service - interest	407,795	7.0%	17,006	0.1%	390,789	2297.9%
<b>Total expenditures</b>	<b>\$ 5,856,742</b>	<b>100.0%</b>	<b>\$ 11,382,106</b>	<b>100.0%</b>	<b>\$ (5,525,364)</b>	<b>-48.5%</b>



## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Major Fund Analysis – (continued)**

##### **Economic Development Authority (EDA) Capital Project Fund (Continued)**

Overall, the revenues for 2022 decreased (11.4%) or (\$381,746) from 2021. The highlights of the revenue changes are as follows:

Expenditures decreased just over (\$5.5) million or (48.5%). The highlights of the expenditure changes are as follows:

- Current expenditure increases of just over \$1.3 million including a combination of \$1.5 million increase of loan disbursements and developer payments.
- Capital outlay decrease just over (\$7.2) million from 2021 mainly due to the purchase of the Northwinds Plaza Center at 4944-7996 Brooklyn Boulevard N for \$7.3 million in 2021.

##### **Tax Increment Financing Capital Project Fund**

The Tax Increment Financing (TIF) Capital Project Fund accounts for the activity associated with the City's TIF development districts. The net change in fund balance in 2022 for this fund is just over (\$3.9) million compared with (\$570,107) in 2021.

Tax Increment Financing	2022		2021		Variance	Percent Change
	Amount	Percent of Total	Amount	Percent of Total		
Revenues						
Tax increments	\$ 1,336,637	198.9%	\$ 1,228,616	95.2%	\$ 108,021	8.8%
Intergovernmental revenue	183,915	27.4%	-	0.0%	183,915	100.0%
Investment income	350,730	52.2%	350,487	27.2%	243	0.1%
Net change in fair value of investments	(1,412,080)	-210.2%	(548,436)	-42.5%	(863,644)	157.5%
Other revenue	212,686	31.7%	259,311	20.1%	(46,625)	-18.0%
Total revenues	<u>\$ 671,888</u>	<u>100.0%</u>	<u>\$ 1,289,978</u>	<u>100.0%</u>	<u>\$ (618,090)</u>	<u>-47.9%</u>
Expenditures						
Community development	\$ 398,884	11.4%	\$ 1,003,738	76.6%	\$ (604,854)	-60.3%
Community development - capital outlay	2,873,078	82.3%	-	0.0%	2,873,078	100.0%
Debt service - interest and other charges	220,348	6.3%	306,801	23.4%	(86,453)	-28.2%
Total expenditures	<u>\$ 3,492,310</u>	<u>100.0%</u>	<u>\$ 1,310,539</u>	<u>100.0%</u>	<u>\$ 2,181,771</u>	<u>166.5%</u>

Overall, the revenues decreased from 2021 (\$618,090) mainly due to the market condition change in net fair value of investments. Total expenditures increased just under \$2.2 million from decertified TIF district funds returned to the county and increase in capital outlay for the small business center.

#### **Nonmajor Funds**

The report contains aggregate information on the following non-major government activity funds. Information can be found for each of the nonmajor funds in the supplementary information section of this report.

- Special revenue funds including grant and donation funds, Police Forfeit Property fund, Ice Arena, Brookland Golf Course, Revolving Loan fund, Brooklynk, Small Business Center and Special TIF Spending Plan fund. Aggregate net change in fund balance is \$371,332 for 2022.
- Capital Projects Funds including Municipal Buildings and Additions fund, Franchise Fee fund, Huntington Pointe Development Fund and Heritage Infrastructure Fund. The combined net change in fund balances for the nonmajor capital project funds is just over (\$1.3) million for 2022.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

#### **Proprietary Funds**

Proprietary Funds include Enterprise Funds that are reported as business-type activities and Internal Service Funds.

#### **Enterprise Funds**

Overall, the 2022 change in net position of the enterprise funds decreased just over (\$2.9) million. The total net position at December 31, 2022, is just over \$173 million compared to just over \$176 million at December 31, 2021. This amount is available for spending for future operations and improvements.

The major and nonmajor operating income (loss) is as follows:

Enterprise Funds	2022	2021	Variance	Percent Change
Operating Revenues				
Public Utilities	\$ 20,236,125	\$ 21,144,966	\$ (908,841)	-4.3%
Storm Sewer Utility	2,671,053	2,427,057	243,996	10.1%
Nonmajor Funds	4,658,066	4,712,312	(54,246)	-1.2%
Total operating revenues	<u>\$ 27,565,244</u>	<u>\$ 28,284,335</u>	<u>\$ (719,091)</u>	<u>-2.5%</u>
Operating Expense				
Public Utilities	\$ 18,151,556	\$ 17,083,592	\$ 1,067,964	6.3%
Storm Sewer Utility	1,964,412	1,890,914	73,498	3.9%
Nonmajor Funds	3,748,652	3,639,756	108,896	3.0%
Total operating expense	<u>\$ 23,864,620</u>	<u>\$ 22,614,262</u>	<u>\$ 1,250,358</u>	<u>5.5%</u>
Operating Income (Loss)				
Public Utilities	\$ 2,084,569	\$ 4,061,374	\$ (1,976,805)	-48.7%
Storm Sewer Utility	706,641	536,143	170,498	31.8%
Nonmajor Funds	909,414	1,072,556	(163,142)	-15.2%
Total operating income (loss)	<u>\$ 3,700,624</u>	<u>\$ 5,670,073</u>	<u>\$ (1,969,449)</u>	<u>-34.7%</u>

Results related to individual enterprise operations are discussed below:

#### **Public Utilities Fund**

The Public Utilities Fund includes the combination of the water utility, sanitary sewer utility, and recycling utility. The overall Public Utilities Fund net operating income decrease just under (\$2) million from 2021.

Overall, total operating revenues for the Public Utilities Fund decreased (\$908,841) or (4.3%) in 2022 mainly due to a decrease in water access charges in the Public Utilities resulting from less construction projects in 2022 compared with 2021. Reported consumption decreased (930,000) gallons. A rate study was completed in 2015 and subsequent rates were applied in 2017 and held flat for one year and then increased annually through 2021. A sanitary sewer rate study was completed in 2018, and approved rate increases were applied in 2020 with yearly increases approved through 2023.

The operating expenses increased just over \$1 million from 2021 as a result of cost of living and contractual salary and benefit increases. In addition, increases for inflation including sewage disposal and utility costs were a factor.

Non-operating net activities was just over (\$5.6) million mainly due to the decrease in the market condition change in net fair value of investment of (\$4.1) million and net transfers of (\$2) million.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

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#### **Storm Sewer Utility**

The Storm Sewer Utility Fund net operating income increased \$170,498 due to increase in revenues of \$243,996 with increase in rates and increase in operating expenses at \$73,498.

#### **Nonmajor Funds**

The nonmajor funds include the street and signal light utility fund, recreation which includes the golf course and clubhouse and the park dome. An aggregate change in net position was \$415,647 in 2022 and net position at December 31, 2021, of just over \$20.5 million.

Net operating income at December 31, 2022, was \$909,414 compared to just under \$1.1 million at December 31, 2022, or a decrease of (\$163,142). This is as a result of a decrease in revenues of (\$54,246) and an increase of \$108,896 operating expenses from 2021.

Non-operating net activities was (\$478,120) mainly due to the decrease in the market condition change in net fair value of investment of (\$661,883)

#### **Capital Assets**

GASB Statement No. 34 requires the City to record all its capital assets including infrastructure. Infrastructure includes roads, bridges, signals, and similar assets used by the citizens. The City's infrastructure assets are being recorded at historical or estimated historical costs in the government-wide financial statements.

Major capital asset transactions/events government wide during the current fiscal year included:

- \$1.8 million for buildings
- \$1.9 million for land improvements
- \$3.1 million for machinery and equipment
- \$5.8 million for infrastructure
- \$1.9 million for the implementation of GASB No. 87
- \$6.2 million in Construction in Progress, mainly for infrastructure and building improvement projects that were in progress at year-end including EDA business center buildout and local street construction projects.

Additional information on the City's capital assets can be found in Note 5 of the Notes to the Financial Statements in this report.

#### **Debt Administration**

Each of the City's debt issues are discussed in detail in Note 7 of the Notes to the Financial Statements.

#### **Economic Factors and Next Year's Budget**

The following were some factors considered when setting the fiscal 2023 Budget:

- Fiscal stewardship – making budget decisions acknowledging both the short and long-term impacts.
- Tax/service level balance – minimize service level impacts while keeping the tax levy as low as possible.
- Strategic investments – consider additional investments when they help achieve the City's goals and provide a significant return to the community.
- Budget outcomes – seek to make connection between resources and results.

## City of Brooklyn Park, Minnesota

### Management's Discussion and Analysis

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#### **Economic Factors and Next Year's Budget (Continued)**

- Impact of State Legislature changes to local aid programs and the addition of levy limits.
- Changes to the tax base due to conditions in the commercial and housing markets.
- Constant cost and supply chain pressures.

Additionally, the following actions were taken regarding the 2023 Budget:

The overall 2023 City budget was a 12.5 percent increase or \$22.8 million from 2022. Some of the noteworthy items from the 2022 budget include:

- The City was awarded American Rescue Plan Act (ARPA) funds of just over \$11.5 million which can be used to support urgent coronavirus response efforts to continue to decrease the spread of the virus, replace lost revenue, enhance violence prevention efforts, strengthen support for vital public services and help retain jobs, support immediate economic stability for households and business and address systemic public health and economic challenges that have contributed to the unequal impact of the COVID-19 virus. Staff presented the City Council with the ARPA strategy:
  1. City revenue loss
  2. Stabilize City programs and projects
  3. Strategic City investments and partnerships
  4. Proposals from community partners

The 2023 budget includes \$5.8 million in appropriation for the spending plan as approved by the City Council.

- Establishing a position using Economic Development Authority resources that will provide strategic leadership for the City's diversity, equity and inclusion work, including a focus on addressing persistent disparities in areas such as employment and housing, and improving outcomes for the community.
- Maintaining expected levels of reinvestment in the City's capital improvement and capital equipment plans.
- Job classification study of staff positions to stay competitive in job market.
- Loss of local government aid (LGA).
- Gradual build-up of fund balance to cover expenses paid currently by police mental health funding and fire SAFER grant funding to reduce drastic increases in future years once respective funding ends.

#### **Requests for Information**

This financial report is designated to provide a general overview of the City of Brooklyn Park's finances for all those with an interest in government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Brooklyn Park, LaTonia Green, Finance Director, 5200 85<sup>th</sup> Ave. N. Brooklyn Park, MN 55443. This report is also available on the City's website: <http://www.brooklynpark.org>.

## **BASIC FINANCIAL STATEMENT**

**City of Brooklyn Park  
Statement of Net Position  
December 31, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments (including cash equivalents)	\$ 126,892,136	\$ 51,991,874	\$ 178,884,010
Cash with fiscal agent	356,384	-	356,384
Accrued interest	687,829	267,260	955,089
Accounts receivable	1,182,958	6,772,760	7,955,718
Delinquent taxes receivable	816,808	-	816,808
Special assessments receivable	6,159,542	1,455,747	7,615,289
Due from other governments	4,826,309	270,344	5,096,653
Internal balances	(553,688)	553,688	-
Inventory	60,041	451,922	511,963
Prepaid items	901,506	619,868	1,521,374
Property held for resale	11,825,316	-	11,825,316
Lease receivable	14,184,741	-	14,184,741
Notes receivable	5,987,064	66,896	6,053,960
Capital assets not being depreciated	76,831,021	9,947,562	86,778,583
Capital assets net of accumulated depreciation/amortization	133,489,698	113,264,324	246,754,022
Total assets	383,647,665	185,662,245	569,309,910
<b>Deferred Outflows of Resources</b>			
Pension-related deferred outflows of resources	42,657,913	832,060	43,489,973
OPEB-related deferred outflows of resources	5,360,393	-	5,360,393
Total deferred outflows of resources	48,018,306	832,060	48,850,366
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	2,914,523	883,228	3,797,751
Accrued wages payable	1,672,194	102,853	1,775,047
Contracts payable	172,714	43,527	216,241
Customer and contractor deposits	4,826,773	311,670	5,138,443
Accrued interest payable	319,372	137,771	457,143
Due to other governmental units	270,013	207,565	477,578
Unearned revenue	8,065,650	115,497	8,181,147
Compensated absences payable, due within one year	383,061	-	383,061
Lease liability, due within one year	438,269	-	438,269
Notes from direct borrowings, due within one year	-	9,287	9,287
Bonds payable, due within one year	3,225,000	860,000	4,085,000
Total OPEB liability, due within one year	646,641	-	646,641
<b>Noncurrent liabilities</b>			
Compensated absences payable, due in more than one year	5,089,233	-	5,089,233
Lease liability, due in more than one year	1,077,354	-	1,077,354
Notes from direct borrowings, due in more than one year	-	21,878	21,878
Bonds payable, due in more than one year	25,334,567	7,900,610	33,235,177
Total OPEB liability, due in more than one year	10,421,732	-	10,421,732
Net pension liability, due in more than one year	72,162,637	2,789,814	74,952,451
Total liabilities	137,019,733	13,383,700	150,403,433
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to lease receivable	14,072,956	-	14,072,956
Deferred inflows related to grants	261,167	-	261,167
Pension-related deferred inflows of resources	1,423,240	42,745	1,465,985
OPEB-related deferred inflows of resources	1,007,564	-	1,007,564
Total deferred inflows of resources	16,764,927	42,745	16,807,672
<b>Net Position</b>			
Net investment in capital assets	180,072,815	114,451,276	294,524,091
Restricted for			
Debt service	4,485,919	-	4,485,919
Community and economic development	22,398,357	-	22,398,357
Public safety	606,705	-	606,705
Grant purposes	198,256	-	198,256
Donor-imposed restrictions	693,935	-	693,935
Unrestricted	69,425,324	58,616,584	128,041,908
Total net position	\$ 277,881,311	\$ 173,067,860	\$ 450,949,171

See notes to basic financial statements.

**City of Brooklyn Park**  
**Statement of Activities**  
**Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 7,414,097	\$ 511,003	\$ 29,315	\$ -	\$ (6,873,779)	\$ -	\$ (6,873,779)
Public safety	40,201,629	3,752,655	3,021,114	-	(33,427,860)	-	(33,427,860)
Public works	11,101,115	263,981	1,278,599	2,761,814	(6,796,721)	-	(6,796,721)
Recreation and parks	12,574,475	2,805,470	171,470	-	(9,597,535)	-	(9,597,535)
Community development	10,649,373	329,417	544,308	655,756	(9,119,892)	-	(9,119,892)
Interest on long-term debt	1,251,900	-	-	-	(1,251,900)	-	(1,251,900)
Total governmental activities	83,192,589	7,662,526	5,044,806	3,417,570	(67,067,687)	-	(67,067,687)
Business-type activities							
Public utilities	18,525,478	19,985,749	863	-	-	1,461,134	1,461,134
Storm sewer utility	1,975,225	2,665,047	-	-	-	689,822	689,822
Street & signal light utility	1,149,623	1,686,981	18,722	-	-	556,080	556,080
Recreation	2,447,727	2,259,983	-	-	-	(187,744)	(187,744)
Park Dome	231,057	358,927	-	-	-	127,870	127,870
Total business-type activities	24,329,110	26,956,687	19,585	-	-	2,647,162	2,647,162
Total	\$ 107,521,699	\$ 34,619,213	\$ 5,064,391	\$ 3,417,570	(67,067,687)	2,647,162	(64,420,525)
General revenues							
Property taxes					53,534,836	-	53,534,836
Franchise fees					4,678,563	-	4,678,563
Tax increments					1,336,637	-	1,336,637
Grants and contributions					4,552,316	-	4,552,316
Unrestricted investment earnings					(8,155,852)	(4,169,268)	(12,325,120)
Other general revenue					4,574,412	608,557	5,182,969
Gain on sale of capital assets					236,965	17,707	254,672
Transfers					2,083,457	(2,083,457)	-
Total general revenues and transfers					62,841,334	(5,626,461)	57,214,873
Change in net position					(4,226,353)	(2,979,299)	(7,205,652)
Net position - beginning					281,162,710	176,047,159	457,209,869
Prior period adjustment (see Note 14)					944,954	-	944,954
Net position - beginning					282,107,664	176,047,159	458,154,823
Net position - ending					\$ 277,881,311	\$ 173,067,860	\$ 450,949,171

See notes to basic financial statements.

**City of Brooklyn Park**  
**Balance Sheet - Governmental Funds**  
**December 31, 2022**

	General Fund	Coronavirus Local Fiscal Recovery	General Debt Service	Special Assessment Construction
<b>Assets</b>				
Cash and investments	\$ 26,020,714	\$ 8,170,392	\$ 4,769,384	\$ 23,282,006
Investments with escrow agent	-	-	-	-
Taxes receivable	795,063	-	-	-
Special assessments receivable	137,070	-	12,852	5,481,866
Accounts receivable	287,718	-	-	558,017
Lease receivable	-	-	-	-
Accrued interest	155,381	-	23,551	86,861
Due from other funds	1,919,570	-	-	-
Due from other governments	78,683	-	-	3,591,933
Inventories	2	-	-	-
Prepaid items	57,917	-	-	-
Property held for resale	-	-	-	-
Notes receivable, net	-	-	-	-
Total assets	<u>\$ 29,452,118</u>	<u>\$ 8,170,392</u>	<u>\$ 4,805,787</u>	<u>\$ 33,000,683</u>
<b>Liabilities</b>				
Accounts payable	\$ 242,450	\$ 228,652	\$ 550	\$ 54,816
Accrued wages payable	1,399,091	10,652	-	-
Contracts payable	-	-	-	149,097
Deposits payable	208,595	-	-	-
Due to other funds	-	-	-	-
Due to other governments	126,546	15,000	-	695
Unearned revenue	-	7,916,088	-	-
Total liabilities	<u>1,976,682</u>	<u>8,170,392</u>	<u>550</u>	<u>204,608</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflow related to lease receivable	-	-	-	-
Deferred inflow related to grants	-	-	-	261,167
Unavailable revenue - property taxes	400,396	-	-	-
Unavailable revenue - special assessments	136,967	-	12,852	5,481,866
Unavailable revenue - notes receivable	-	-	-	-
Unavailable revenue - other	147,019	-	-	3,591,168
Total deferred inflows of resources	<u>684,382</u>	<u>-</u>	<u>12,852</u>	<u>9,334,201</u>
<b>Fund Balances</b>				
Nonspendable	57,917	-	-	-
Restricted	-	-	4,792,385	-
Committed	-	-	-	23,461,874
Assigned	-	-	-	-
Unassigned	26,733,137	-	-	-
Total fund balances	<u>26,791,054</u>	<u>-</u>	<u>4,792,385</u>	<u>23,461,874</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 29,452,118</u>	<u>\$ 8,170,392</u>	<u>\$ 4,805,787</u>	<u>\$ 33,000,683</u>



Open Space Land Acquisition & Development	Economic Development Authority	Tax Increment Financing	Project Deposits	Total Nonmajor Funds	Total Governmental Funds
\$ 3,048,352	\$ 19,452,318	\$ 13,358,805	\$ 5,747,822	\$ 13,491,853	\$ 117,341,646
-	356,384	-	-	-	356,384
-	1,897	19,848	-	-	816,808
-	527,754	-	-	-	6,159,542
6,278	126,813	17,800	-	169,326	1,165,952
6,296,752	7,475,259	-	-	-	13,772,011
41,078	201,452	69,859	-	63,400	641,582
-	245,207	-	-	465,039	2,629,816
-	21,700	-	-	1,133,280	4,825,596
-	-	-	-	5,239	5,241
-	1,799	-	-	4,500	64,216
-	3,120,868	5,805,021	-	2,899,427	11,825,316
-	5,616,795	-	-	370,269	5,987,064
<u>\$ 9,392,460</u>	<u>\$ 37,148,246</u>	<u>\$ 19,271,333</u>	<u>\$ 5,747,822</u>	<u>\$ 18,602,333</u>	<u>\$ 165,591,174</u>
\$ 153,308	\$ 483,017	\$ 50,534	\$ 1,289,586	\$ 103,266	\$ 2,606,179
-	27,037	-	-	77,231	1,514,011
-	-	-	-	23,617	172,714
10,000	117,268	-	4,458,236	32,674	4,826,773
-	-	-	-	820,703	820,703
-	-	-	-	29,664	171,905
-	-	-	-	149,562	8,065,650
<u>163,308</u>	<u>627,322</u>	<u>50,534</u>	<u>5,747,822</u>	<u>1,236,717</u>	<u>18,177,935</u>
6,279,906	7,380,320	-	-	-	13,660,226
-	-	-	-	-	261,167
-	1,897	19,848	-	-	422,141
-	527,753	-	-	-	6,159,438
-	5,626,545	-	-	413,630	6,040,175
-	394	-	-	-	3,738,581
<u>6,279,906</u>	<u>13,536,909</u>	<u>19,848</u>	<u>-</u>	<u>413,630</u>	<u>30,281,728</u>
-	1,799	-	-	101,614	161,330
-	521,454	19,200,951	-	3,784,731	28,299,521
2,949,246	22,460,762	-	-	9,779,789	58,651,671
-	-	-	-	3,357,507	3,357,507
-	-	-	-	(71,655)	26,661,482
<u>2,949,246</u>	<u>22,984,015</u>	<u>19,200,951</u>	<u>-</u>	<u>16,951,986</u>	<u>117,131,511</u>
<u>\$ 9,392,460</u>	<u>\$ 37,148,246</u>	<u>\$ 19,271,333</u>	<u>\$ 5,747,822</u>	<u>\$ 18,602,333</u>	<u>\$ 165,591,174</u>

**Brooklyn Park**   
Unique. United. Undiscovered.

**City of Brooklyn Park**  
**Reconciliation of the Balance Sheet - Governmental Funds to**  
**the Statement of Net Position - Governmental Activities**  
**December 31, 2022**

Total fund balances - governmental funds	\$ 117,131,511
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	199,949,765
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Other long-term assets are not available to pay for current-period expenditures and therefore, are available to the funds.	16,360,335
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bond principal payable	\$ (28,559,567)	
Lease liability	(1,363,984)	
Accrued interest payable	<u>(319,318)</u>	
		(30,242,869)

Governmental funds do not report long-term amounts relating to pensions and OPEB. Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred inflows of resources related to pensions	(1,392,682)	
Deferred outflows of resources related to pensions	42,063,106	
Net pension liability	<u>(70,168,308)</u>	
		(29,497,884)

An internal service fund is used by management to charge the costs of all vacation, holiday and sick pay, insurance, fleet and building maintenance, and information technology systems to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.

Net Position of internal service funds	4,734,141	
Less: Internal payable representing charges in excess of cost to business-type activities	<u>(553,688)</u>	
		<u>4,180,453</u>

Total net position - governmental activities	<u>\$ 277,881,311</u>
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**City of Brooklyn Park**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2022**

	General Fund	Coronavirus Local Fiscal Recovery	General Debt Service	Special Assessment Construction
<b>Revenues</b>				
Property taxes	\$ 47,320,376	\$ -	\$ 2,992,277	\$ -
Franchise fees	-	-	-	-
Tax increments	-	-	-	-
Special assessments	59,921	-	-	1,518,664
Licenses and permits	3,097,292	-	-	-
Intergovernmental	1,565,442	2,986,492	-	4,479,603
Contributions and donations	4,744	-	-	-
Refunds and reimbursements	-	-	-	142,700
Interest on assessments	-	-	-	14,904
Charges for services	2,438,166	-	-	-
Fine and forfeitures	241,623	-	-	-
Investment income	1,002,893	-	4,704	391,916
Net change in fair value of investments	(3,140,765)	-	(476,067)	(1,755,753)
Lease income	5,170	-	-	-
Other revenue	1,039,248	-	-	2,500
Total revenues	<u>53,634,110</u>	<u>2,986,492</u>	<u>2,520,914</u>	<u>4,794,534</u>
<b>Expenditures</b>				
Current				
General government	6,388,995	329,326	-	-
Public safety	33,557,184	1,218,476	-	-
Public works	4,511,624	-	-	449,336
Recreation and parks	8,534,065	141,582	-	-
Community development	1,799,376	1,220,895	-	-
Debt service				
Principal	267,146	-	2,505,000	-
Interest and other charges	2,658	-	824,129	-
Capital outlay				
Public safety	1,630,302	-	-	-
Public works	-	-	-	7,827,120
Recreation and parks	-	-	-	-
Community development	-	-	-	-
Total expenditures	<u>56,691,350</u>	<u>2,910,279</u>	<u>3,329,129</u>	<u>8,276,456</u>
Excess of revenues over (under) expenditures	(3,057,240)	76,213	(808,215)	(3,481,922)
<b>Other Financing Sources (Uses)</b>				
Lease issuance	1,583,263	-	-	-
Transfers in	637,856	-	1,147,571	8,398,307
Transfers out	(161,956)	(76,213)	-	(640,550)
Total other financing sources (uses)	<u>2,059,163</u>	<u>(76,213)</u>	<u>1,147,571</u>	<u>7,757,757</u>
Net change in fund balances	(998,077)	-	339,356	4,275,835
<b>Fund Balances</b>				
Beginning of year, as previously stated	27,789,131	-	4,453,029	19,186,039
Prior period adjustment (see Note 15)	-	-	-	-
Beginning of year	<u>27,789,131</u>	<u>-</u>	<u>4,453,029</u>	<u>19,186,039</u>
End of year	<u>\$ 26,791,054</u>	<u>\$ -</u>	<u>\$ 4,792,385</u>	<u>\$ 23,461,874</u>

See notes to basic financial statements.

Open Space Land Acquisition & Development	Economic Development Authority	Tax Increment Financing	Project Deposits	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 2,806,700	\$ -	\$ -	\$ 375,850	\$ 53,495,203
-	-	-	-	4,678,563	4,678,563
-	-	1,336,637	-	-	1,336,637
-	173,329	-	-	-	1,751,914
593,760	-	-	-	-	3,691,052
-	85,000	183,915	-	3,621,592	12,922,044
-	-	-	-	108,909	113,653
-	4,469	-	-	-	147,169
15,775	-	-	-	-	30,679
1,800	3,200	-	-	985,520	3,428,686
-	-	-	-	20,500	262,123
88,855	465,068	350,730	-	336,489	2,640,655
(374,897)	(1,983,196)	(1,412,080)	-	(1,231,394)	(10,374,152)
324,572	936,423	-	-	2,277	1,268,442
-	480,929	212,686	-	108,097	1,843,460
<u>649,865</u>	<u>2,971,922</u>	<u>671,888</u>	<u>-</u>	<u>9,006,403</u>	<u>77,236,128</u>
-	-	-	-	54,470	6,772,791
-	-	-	-	879,796	35,655,456
-	-	-	-	343,536	5,304,496
1,138,996	-	-	-	1,138,590	10,953,233
-	5,418,947	398,884	-	1,449,692	10,287,794
-	-	-	-	-	2,772,146
-	407,795	220,348	-	-	1,454,930
-	-	-	-	32,831	1,663,133
-	-	-	-	173,049	8,000,169
617,356	-	-	-	-	617,356
-	30,000	2,873,078	-	-	2,903,078
<u>1,756,352</u>	<u>5,856,742</u>	<u>3,492,310</u>	<u>-</u>	<u>4,071,964</u>	<u>86,384,582</u>
(1,106,487)	(2,884,820)	(2,820,422)	-	4,934,439	(9,148,454)
-	-	-	-	-	1,583,263
100,000	10,000	-	-	1,764,606	12,058,340
<u>(132,890)</u>	<u>(324,085)</u>	<u>(1,118,307)</u>	<u>-</u>	<u>(7,699,083)</u>	<u>(10,153,084)</u>
<u>(32,890)</u>	<u>(314,085)</u>	<u>(1,118,307)</u>	<u>-</u>	<u>(5,934,477)</u>	<u>3,488,519</u>
(1,139,377)	(3,198,905)	(3,938,729)	-	(1,000,038)	(5,659,935)
4,088,623	24,957,120	23,139,680	-	17,860,149	121,473,771
-	1,225,800	-	-	91,875	1,317,675
<u>4,088,623</u>	<u>26,182,920</u>	<u>23,139,680</u>	<u>-</u>	<u>17,952,024</u>	<u>122,791,446</u>
<u>\$ 2,949,246</u>	<u>\$ 22,984,015</u>	<u>\$ 19,200,951</u>	<u>\$ -</u>	<u>\$ 16,951,986</u>	<u>\$ 117,131,511</u>

**Brooklyn Park**   
Unique. United. Undiscovered.

**City of Brooklyn Park**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances - Governmental Activities**  
**the Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2022**

Net change in fund balances - governmental funds \$ (5,659,935)

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

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

Capital outlays	\$ 13,105,739	
Depreciation expense	(7,636,521)	
Amortization expense	<u>(88,577)</u>	
		5,380,641

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (594,453)

The issuance of long-term debt provides current financial resources to governmental funds, while 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. Also governmental funds reported the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts were

Lease issuance	(1,583,263)	
Lease principal payments	267,146	
Bond principal payments	2,505,000	

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.

Amortization of bond premium	131,668	
Accrued interest payable	<u>75,821</u>	
		207,489

Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the statements of activities are measured by change in net pension liability and related inflows and outflows of resources. (2,958,289)

Internal service funds are used by management to charge the cost of all vacation, holiday, and sick pay, insurance, fleet, and building maintenance and management information systems to individual funds. The net expense of certain activities of the Internal Service Funds is reported with governmental activities.

Change in net position of the internal service funds		<u>(1,790,689)</u>
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Change in net position - governmental activities		<u><u>\$ (4,226,353)</u></u>
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**City of Brooklyn Park**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 47,443,732	\$ 47,443,732	\$ 47,320,376	\$ (123,356)
Special assessments	73,120	73,120	59,921	(13,199)
Licenses and permits	2,900,893	2,900,893	3,097,292	196,399
Intergovernmental	1,523,150	1,523,150	1,565,442	42,292
Charges for services	2,648,535	2,648,535	2,438,166	(210,369)
Fine and forfeitures	357,000	357,000	241,623	(115,377)
Contributions and donations	25,000	25,000	4,744	(20,256)
Investment income	708,892	708,892	1,002,893	294,001
Net increase in fair value of investments	-	-	(3,140,765)	(3,140,765)
Lease income	5,686	5,686	5,170	(516)
Other	1,107,666	1,107,666	1,039,248	(68,418)
Total revenues	<u>56,793,674</u>	<u>56,793,674</u>	<u>53,634,110</u>	<u>(3,159,564)</u>
<b>Expenditures</b>				
Current				
General government	7,060,982	7,060,982	6,388,995	(671,987)
Public safety	35,012,884	35,012,884	33,557,184	(1,455,700)
Public works	4,389,181	4,389,181	4,511,624	122,443
Recreation and parks	9,409,819	9,409,819	8,534,065	(875,754)
Community development	2,006,649	2,006,649	1,799,376	(207,273)
Debt service:				
Principal	-	-	267,146	267,146
Interest and other charges	-	-	2,658	2,658
Capital outlay:				
Public safety	72,000	72,000	1,630,302	1,558,302
Total expenditures	<u>57,951,515</u>	<u>57,951,515</u>	<u>56,691,350</u>	<u>(1,260,165)</u>
Excess of revenues over (under) expenditures	(1,157,841)	(1,157,841)	(3,057,240)	(1,899,399)
<b>Other Financing Sources (Uses)</b>				
Lease issuance	-	-	1,583,263	1,583,263
Transfers in	1,618,240	1,618,240	637,856	(980,384)
Transfers out	(460,399)	(460,399)	(161,956)	298,443
Total other financing sources (uses)	<u>1,157,841</u>	<u>1,157,841</u>	<u>2,059,163</u>	<u>901,322</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(998,077)</u>	<u>\$ (998,077)</u>
<b>Fund Balance</b>				
Beginning of year			<u>27,789,131</u>	
End of year			<u>\$ 26,791,054</u>	

See notes to basic financial statements.



**City of Brooklyn Park**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2022**

	Business-type Activities				Governmental Activities
	Public Utilities	Storm Sewer Utility	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>					
Current assets					
Cash and investments (including cash equivalents)	\$ 39,547,863	\$ 5,875,207	\$ 6,568,804	\$ 51,991,874	\$ 9,550,490
Special assessment receivable	1,224,923	130,517	100,307	1,455,747	-
Accounts receivable	5,470,836	766,060	535,864	6,772,760	17,006
Lease receivable	-	-	-	-	412,730
Accrued interest	203,130	31,385	32,745	267,260	46,247
Due from other governments	88,280	-	182,064	270,344	713
Inventories	346,638	-	105,284	451,922	54,800
Prepaid expenses	619,323	-	545	619,868	837,290
Total current assets	47,500,993	6,803,169	7,525,613	61,829,775	10,919,276
Noncurrent assets					
Notes receivable	66,896	-	-	66,896	-
Capital assets					
Leased equipment	-	-	-	-	300,308
Property and equipment	170,217,025	41,422,023	28,050,952	239,690,000	32,895,686
Construction in progress	359,574	-	-	359,574	15,498
Total capital assets	170,576,599	41,422,023	28,050,952	240,049,574	33,211,492
Less accumulated depreciation	(78,584,661)	(24,078,376)	(14,174,651)	(116,837,688)	(22,840,538)
Net capital assets	91,991,938	17,343,647	13,876,301	123,211,886	10,370,954
Total noncurrent assets	92,058,834	17,343,647	13,876,301	123,278,782	10,370,954
Total Assets	139,559,827	64,844,640	61,377,294	170,779,775	57,871,947
<b>Deferred Outflows of Resources</b>					
Pension-related deferred outflows	518,472	106,108	207,480	832,060	594,807
OPEB-related deferred outflows	-	-	-	-	5,360,393
Total deferred outflows of resources	518,472	106,108	207,480	832,060	5,955,200
Total assets and deferred outflows of resources	\$ 140,078,299	\$ 24,252,924	\$ 21,609,394	\$ 185,940,617	\$ 27,245,430
<b>Liabilities</b>					
Current liabilities					
Accounts payable	690,360	2,727	190,141	883,228	308,344
Accrued wages payable	69,643	3,581	29,629	102,853	158,183
Contracts payable	43,527	-	-	43,527	-
Deposits payable	311,670	-	-	311,670	-
Accrued interest payable	137,771	-	-	137,771	54
Lease payable	-	-	-	-	151,639
Due to other governments	187,582	-	19,983	207,565	98,108
Due to other funds	-	-	-	-	1,809,113
Notes from direct borrowings, due within one year	9,287	-	-	9,287	-
Bonds payable, due within one year	860,000	-	-	860,000	-
Compensated absences payable, due within one year	-	-	-	-	383,061
Total OPEB liability, due within one year	-	-	-	-	646,641
Unearned revenue	-	-	115,497	115,497	-
Total current liabilities	2,309,840	6,308	355,250	2,671,398	3,555,143
Noncurrent liabilities					
Compensated absences payable, due in more than one year	-	-	-	-	5,089,233
Notes from direct borrowings, due in more than one year	21,878	-	-	21,878	-
Bonds payable, due in more than one year	7,900,610	-	-	7,900,610	-
Net pension liability, due in more than one year	1,738,383	355,771	695,660	2,789,814	1,994,329
Total OPEB liability, due in more than one year	-	-	-	-	10,421,732
Total noncurrent liabilities	9,660,871	355,771	695,660	10,712,302	17,505,294
Total liabilities	11,970,711	362,079	1,050,910	13,383,700	21,060,437
<b>Deferred Inflows of Resources</b>					
Pension-related deferred inflows	26,635	5,451	10,659	42,745	30,558
OPEB-related deferred intflows	-	-	-	-	1,007,564
Deferred inflows related to lease receivable	-	-	-	-	412,730
Total deferred intflows of resources	26,635	5,451	10,659	42,745	1,450,852
<b>Net Position</b>					
Net investment in capital assets	83,231,328	17,343,647	13,876,301	114,451,276	10,219,315
Unrestricted	44,849,625	6,541,747	6,671,524	58,062,896	(5,485,174)
Total net position	\$ 128,080,953	\$ 23,885,394	20,547,825	172,514,172	\$ 4,734,141
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds				553,688	
Total net position - Business-Type Activities				\$ 173,067,860	

See notes to basic financial statements.

**City of Brooklyn Park**  
**Statement of Revenues, Expenses, and Changes**  
**in Net Position - Proprietary Funds**  
**Year Ended December 31, 2022**

	Business-type Activities	
	Public Utilities	Storm Sewer Utility
Operating revenues		
Utility charges	\$ 19,979,729	\$ 2,665,047
Sewer	6,020	-
Golf course	-	-
Other	250,376	6,006
Total operating revenues	<u>20,236,125</u>	<u>2,671,053</u>
Operating expenses		
Personal services	2,352,326	463,374
Other charges	7,762,143	192,299
Supplies	1,015,933	95,019
Contractual services	2,199,732	37,445
Internal service charges	450,645	194,460
General fund charges	917,818	111,771
Amortization	-	-
Depreciation	3,452,959	870,044
Other	-	-
Equipment	-	-
Total operating expenses	<u>18,151,556</u>	<u>1,964,412</u>
Operating income (loss)	2,084,569	706,641
Nonoperating revenues (expenses)		
Investment income	948,564	137,036
Interest expense	(334,959)	-
Bond premium amortization	81,263	-
Net change in fair value of investments	(4,105,920)	(634,399)
Intergovernmental revenue	863	-
Gain on disposal of capital assets	-	-
Total nonoperating revenue (expenses)	<u>(3,410,189)</u>	<u>(497,363)</u>
Income before transfers	(1,325,620)	209,278
Transfers in	50,000	400,000
Transfers out	<u>(2,017,810)</u>	<u>(500,000)</u>
Change in net position	(3,293,430)	109,278
Net position		
Net position - beginning, as previously stated	131,374,383	23,776,116
Prior period adjustment (see Note 14)	-	-
Net position - beginning, as restated	<u>131,374,383</u>	<u>23,776,116</u>
Net position - ending	<u>\$ 128,080,953</u>	<u>\$ 23,885,394</u>

Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds

Change in Net Position of Business-Type Activities

See notes to basic financial statements.

Business-type Activities		Governmental Activities
Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,045,908	\$ 24,690,684	\$ -
-	6,020	-
2,259,983	2,259,983	-
352,175	608,557	12,335,945
<u>4,658,066</u>	<u>27,565,244</u>	<u>12,335,945</u>
1,165,933	3,981,633	4,530,194
299,615	8,254,057	-
346,325	1,457,277	1,365,834
996,161	3,233,338	2,566,406
174,796	819,901	3,358,442
138,094	1,167,683	58,344
-	-	125,733
627,728	4,950,731	1,914,317
-	-	39,910
-	-	163,534
<u>3,748,652</u>	<u>23,864,620</u>	<u>14,122,714</u>
909,414	3,700,624	(1,786,769)
147,334	1,232,934	284,231
-	(334,959)	(4,459)
-	81,263	-
(661,883)	(5,402,202)	(909,652)
18,722	19,585	-
17,707	17,707	236,965
<u>(478,120)</u>	<u>(4,385,672)</u>	<u>(392,915)</u>
431,294	(685,048)	(2,179,684)
69,282	519,282	178,201
<u>(84,929)</u>	<u>(2,602,739)</u>	<u>-</u>
415,647	(2,768,505)	(2,001,483)
20,132,178	175,282,677	7,108,345
-	-	(372,721)
<u>20,132,178</u>	<u>175,282,677</u>	<u>6,735,624</u>
<u>\$ 20,547,825</u>	<u>172,514,172</u>	<u>\$ 4,734,141</u>
	<u>(210,794)</u>	
	<u>\$ (2,979,299)</u>	

**City of Brooklyn Park**  
**Hennepin County, Minnesota**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2022**

	Public Utilities	Business-type Activities Storm Sewer Utility	Total Nonmajor Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>Cash Flows - Operating Activities</b>					
Receipts from customers and users	\$ 19,526,334	\$ 2,541,899	\$ 4,652,217	\$ 26,720,450	\$ 12,640,559
Payments to suppliers	(11,633,764)	(440,222)	(1,875,399)	(13,949,385)	(4,099,719)
Payments to employees	(2,247,022)	(451,785)	(1,139,218)	(3,838,025)	(4,375,188)
Payments for interfund services used	(450,645)	(194,460)	(174,796)	(819,901)	(3,287,847)
Net cash flows - operating activities	5,194,903	1,455,432	1,462,804	8,113,139	877,805
<b>Cash Flows - Noncapital Financing Activities</b>					
<b>Financing Activities</b>					
Transfer from other funds	50,000	400,000	69,282	519,282	178,201
Transfer to other funds	(2,017,810)	(500,000)	(84,929)	(2,602,739)	-
Payments received on interfund loan	-	-	-	-	1,571,519
Intergovernmental	863	-	18,722	19,585	-
Net cash flows - noncapital financing activities	(1,966,947)	(100,000)	3,075	(2,063,872)	1,749,720
<b>Cash Flows - Capital and Related Financing Activities</b>					
Receipts on notes receivable	(1,401)	-	-	(1,401)	-
Principal paid on bonds	(820,000)	-	-	(820,000)	-
Interest paid on debt	(352,042)	-	-	(352,042)	(4,405)
Payments on notes payable	(4,188)	-	-	(4,188)	-
Proceeds from disposal of capital assets	-	-	22,276	22,276	236,965
Acquisition of capital assets	(3,472,126)	(479,678)	(653,436)	(4,605,240)	(3,117,331)
Net cash flows - capital and related financing activities	(4,649,757)	(479,678)	(631,160)	(5,760,595)	(2,884,771)
<b>Cash Flows - Investing Activities</b>					
Investment income	(3,169,114)	(502,455)	(520,636)	(4,192,205)	(627,128)
Net change in cash and cash equivalents	(4,590,915)	373,299	314,083	(3,903,533)	(884,374)
Cash and cash equivalents, January 1	44,138,778	5,501,908	6,254,721	55,895,407	10,434,864
Cash and cash equivalents, December 31	\$ 39,547,863	\$ 5,875,207	\$ 6,568,804	\$ 51,991,874	\$ 9,550,490
<b>Reconciliation of Operating Income (Loss) to Net Cash Income (Loss) to Net Cash</b>					
<b>Net Cash Flows - Operating Activities</b>					
Operating income (loss)	\$ 2,084,569	\$ 706,641	\$ 909,414	\$ 3,700,624	\$ (1,786,769)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities					
Depreciation/amortization expense	3,452,959	870,044	627,728	4,950,731	2,040,050
Accounts receivable	(561,466)	(108,941)	(47,022)	(717,429)	303,468
Special Assessments	(148,336)	(20,213)	(8,680)	(177,229)	-
Due from other governments	11	-	47,531	47,542	1,146
Prepaid items	(80,580)	-	69	(80,511)	72,711
Inventory	89,127	-	(32,635)	56,492	5,464
Accounts payable	277,376	(3,688)	(82,019)	191,669	166,982
Due to other governmental units	11,334	-	19,381	30,715	78,061
Salaries payable	2,915	(3,212)	3,728	3,431	(319,651)
Unearned revenue	-	-	2,322	2,322	-
Deposits payable	(35,395)	-	-	(35,395)	-
OPEB related activity	-	-	-	-	386,664
Pension related activity	102,389	14,801	22,987	140,177	(56,699)
Compensated absences payable	-	-	-	-	(13,622)
Total adjustments	3,110,334	748,791	553,390	4,412,515	2,664,574
Net cash flows - operating activities	\$ 5,194,903	\$ 1,455,432	\$ 1,462,804	\$ 8,113,139	\$ 877,805
<b>Noncash Capital and Related Financing Activities</b>					
Loss on disposal of capital assets	\$ -	\$ -	\$ (28,173)	\$ (28,173)	\$ -
Amortization of bond premiums	\$ (81,263)	\$ -	\$ -	\$ (81,263)	\$ -

See notes to basic financial statements.

**City of Brooklyn Park**  
**Statement of Fiduciary Net Position**  
**December 31, 2022**

	Total Custodial Funds
<b>Assets</b>	
Cash and investments (including cash equivalents)	\$ 647,261
Accrued interest	1,608
Accounts receivable	4,531
Due from other governments	57,500
	<hr/>
Total assets	\$ 710,900
	<hr/>
<b>Liabilities</b>	
Accounts payable	\$ 20,968
Customer and contractor deposits	76,459
Due to other governments	234,517
Salaries and benefits payable	14,862
	<hr/>
Total liabilities	\$ 346,806
	<hr/>
<b>Net Position</b>	
Restricted	\$ 364,094
	<hr/>

**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2022**

	Total Custodial Funds
<b>Additions</b>	
Licenses revenue	\$ 10,723,791
Unclaimed property	10,440
Intergovernmental	361,734
Interest	9,273
Net decrease in fair value of investments	(32,499)
Other	137,647
	<hr/>
Total additions	11,210,386
	<hr/>
<b>Deductions</b>	
Payments to State of Minnesota	10,734,231
Personal services	439,282
Supplies and equipment	11,463
Contractual services	66,421
Other	10,420
	<hr/>
Total deductions	11,261,817
	<hr/>
Change in net position	(51,431)
	<hr/>
<b>Net Position</b>	
Net position - beginning	415,525
	<hr/>
End of year	\$ 364,094
	<hr/>

**Brooklyn Park**   
Unique. United. Undiscovered.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

**A. Reporting Entity**

The City of Brooklyn Park (the City) operates under the "Home Rule Charter" form of government pursuant to applicable Minnesota Laws and Statutes. The charter prescribes a Manager-Council form of organization. The governing body consists of a mayor and a six-member City Council. The City Council is elected by voters from the geographic district they represent, and the Mayor is elected at large by voters of the City. The City Council and Mayor serve four-year staggered terms. The more significant of the City's accounting policies are described below:

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, The Reporting Entity, the financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

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

As a result of applying the component unit definition criteria above, certain organizations have been defined in accordance with GASB Statement No. 61 and are presented in this report as Blended Component Units (which are reported as if they were a part of the City) or Related and Jointly Governed Organizations (in which the relationship of the City with the entity is disclosed).

**1. Blended Component Units**

The Economic Development Authority (EDA), which is governed by a seven-member board consisting of the City Council, is reported as a blended component unit. Although it is a legally separate entity from the City, it is reported as if it were a part of the City as the governing body of the EDA is substantively the same as the governing body of the City. City management has operational responsibility over the EDA and operates the EDA in the same manner as City activities. This represents the only financial statements prepared for the EDA.

**2. Joint Ventures**

During 1990, the City entered into a joint and cooperative agreement with six other surrounding cities to create an organization to provide for the impoundment of animals. The organization, named Pets under Police Security (PUPS), constructed an animal impound facility with capital costs totaling approximately \$681,000. The governing board of PUPS is made up of one member from each of the participating cities of Brooklyn Center, Brooklyn Park, Champlin, New Hope, Maple Grove, and Plymouth. Financial information regarding the Joint Venture is available from the City of Maple Grove, Minnesota. See Note 12 for additional financial disclosure information.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for sales and/or services and fees.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor funds is reported in a single column in the fund financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions restricted to meeting the capital requirements of a particular function, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions (i.e., interfund services provided and used) are not eliminated, as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately under governmental activities on the Statement of Activities.

**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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.



**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

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

For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. Major revenues susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services, and investment earnings. Major revenues not susceptible to accrual include licenses, permits, fees, and miscellaneous revenues. Such revenues are recorded only as received because they are not measurable until collected. Issuance of bonds and proceeds from sale of property and equipment are reported as other financing sources.

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service 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 non-operating revenues and expenses.

The Custodial Funds are presented in the fiduciary fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements. This fund uses the economic resources measurement focus and the accrual basis of accounting.

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

**Description of Funds:**

The government reports the following major governmental funds:

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

Coronavirus Local Fiscal Recovery – This is a special revenue fund that accounts for American Rescue Plan Act funding.

General Debt Service – This debt service fund accounts for the issuance of all debt (mainly bonds) with the exception of tax increment debt and also accounts for the on-going debt service of the issued debt.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**Description of Funds: (Continued)**

The government reports the following major governmental funds: (Continued)

Special Assessment Construction – This is a capital project fund that accounts for the construction costs of certain public improvements such as residential streets, sidewalks, water and sewer mains, storm sewers or street lights which are to be paid for wholly or in part from special assessments levied against benefited property owners. All improvements related water and sewer mains, storm sewers or streetlights are the result of new development in which those improvements are then contributed to the Public Utilities, Storm Sewer Utility or Street/Signal Light Utility Enterprise Funds.

Open Space Land Acquisition & Development – This is a capital project fund that accounts for the land acquisition and development activities.

Economic Development Authority – This is a capital project fund that accounts for the operations of the City's Economic Development Authority (EDA). The EDA was established by the City Council as a separate entity to promote economic development and redevelopment within the City, such as incurring expenditures for improvement projects with tax increment districts and purchasing of land for a higher and better use.

Tax Increment Financing District – This is a capital project fund that accounts for the redevelopment activities located within all of the City's tax increment financing districts.

Project Deposits – This is a capital project fund that accounts for deposits held by the City to assist with project performance.

The government reports the following major proprietary funds:

Public Utilities – This fund accounts for all financial resources relating to the City's operations of its water distribution system, sanitary sewer system, and for the collection of recyclable materials throughout the City. Services are on a user charge basis to all owners of property located within the City.

Storm Sewer Utility – This fund accounts for all financial resources relating to the City's operations of its storm water collection system. Services are on a user charge basis to all owners of property located within the City.

Non-Major Proprietary Funds:

Street/Signal Light Utility– This fund accounts for all financial resources relating to the City's operations of its street and signal light system. Services are on a user charge basis to all owners of property located within the City.

Recreation – This fund accounts for all financial resources relating to the operations of the City's main golf course Edinburgh, USA, an 18-hole championship golf course with clubhouse operations.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**Description of Funds: (Continued)**

**Non-Major Proprietary Funds: (Continued)**

Park Dome – This fund accounts for all financial resources relating to the operations of the City's Park Dome, a year-round sports recreation facility. The dome's turf field can be split in half and used as soccer, football, lacrosse, and softball fields.

Additionally, the City also reports the following fund-types:

Internal Service Funds – These funds account for services that are provided to other departments within the City on a cost-reimbursement basis.

Central Services – This fund accounts for the costs to operate and maintain the City's vehicle fleet and government buildings.

Information and Technology Services – This fund accounts for the cost to provide technology services to all City departments.

Loss Control – This fund accounts for the City's insurance policy activity including premiums and claims in addition to employee wellness program costs.

Benefit Accrual – This fund maintains the benefit accrual for all employees and pays for those benefits when they are used.

Custodial Funds – These funds are custodial in nature. The City maintains the Custodial funds, which are listed below.

Deputy Registrar – This fund accounts for the collection of license fees for motor vehicles, watercraft, snowmobiles, etc. that are to be remitted to other governmental agencies.

Unclaimed Property – This fund accounts for unclaimed property for which the owner has not taken some action that would indicate that person's ownership over a certain period of time. These resources must be remitted to the state within a certain period of time.

Brooklyn Bridge Alliance – This fund accounts for the operational activity of the Brooklyn Bridge Alliance (BBA) which is held at the City in a custodial capacity.

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

**1. Deposits and Investments**

The City's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash balances from all funds are combined and invested to the extent available in accordance with applicable *Minnesota Statutes*. Earnings from such investments are allocated to the respective funds based on the average annual cash balance of each fund. Investments are stated at fair value, which is determined based on fair value measurements as indicated in Note 3.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**2. Interfund Receivables / Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Any residual outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance commitment or restriction account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Property Taxes**

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over assessable property. Such taxes become a lien on January 1. Revenues are accrued and recognized in the year collectible, net of delinquencies. Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three times a year, on or about January 20, July 2, and December 2.

**3. Property Taxes (Continued)**

Taxes that remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by deferred inflows unavailable revenues in the governmental funds, because they are not available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

**4. Special Assessments Receivable**

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with *Minnesota Statutes*. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The County handles collection of annual installments (including interest) in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties. Revenues are unavailable in the governmental fund financial statements to the extent they are not currently collectible.

**5. Internal Balances**

Internal Service Fund activity is allocated between governmental activities and business-type activities based on services provided by various departments. Internal Balances represent the portion of the Internal Service Fund that is closed to the Business Type Activities during the year.

**6. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consists of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**7. Property Held for Resale**

Property is acquired largely by the Economic Development Authority (EDA) for redevelopment purposes. Property held for resale is reported as an asset at the lower of cost or net realizable value in the government-wide and fund financial statements (EDA, Tax Increment Financing and Huntington Pointe Development, Capital Project Funds and Community Development Block Grant Special Revenue Fund). Any costs incurred that are above the properties net realizable value are reported as expenditures of the period.

**8. Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items) and intangible assets such as easements and computer software, are recorded as expenditures in the City's governmental fund financial statements, which use the modified accrual basis of accounting. Capital assets are recorded as assets within the City's government-wide statements and proprietary fund statements, which use the full accrual basis of accounting. Infrastructure assets have been capitalized retroactively to 1980 and are reflected within the government-wide financial statements.

**8. Capital Assets (Continued)**

The City defines capital assets as assets with an estimated useful life in excess of two years and initial, individual cost of more than \$10,000 for equipment and \$25,000 for improvements to buildings, land, and infrastructure (e.g., roads, bridges, sidewalks, and similar items). All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. 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 the assets life are not capitalized. The capital assets of the City are depreciated or amortized using the straight-line method over the following estimated useful lives:

Classification	Years
Land Improvements - depreciable	5-30
Buildings	20-50
Building Service Systems	15-20
Machinery and Equipment - Light	5-10
Machinery and Equipment - Heavy	15-25
Streets and Public Infrastructure	25-30
Utility Distribution Systems - Main Lines	50

**9. Deferred Outflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period. The City will not recognize the related outflow until a future event occurs.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

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

**10. Deferred Inflows of Resources**

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.

**11. Compensated Absences**

The City compensates employees upon termination for all unused vacation pay up to 240 hours and for half of unused sick leave, up to a limit of 720 hours. Vacation and sick leave earnings are accrued in all funds when incurred with the corresponding liability recorded in the Benefit Accrual Internal Service Fund where it is paid when used. The liability is reported within the governmental activities portion of the government-wide statement of net position.

**12. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, the City recognizes payments when due and payable in accordance with the benefit terms. The City's benefit payments include an implicit rate subsidy.

**13. 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, if material, 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, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**14. Pensions**

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**15. Net Position**

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

**16. 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. Classifications of fund balance that will be used are as follows:

- **Nonspendable Fund Balances** – These are resources that cannot be spent because they are either not readily convertible to cash or are legally or contractually required to be maintained intact. Examples include money held in escrow, prepaid amounts, land held for resale, and long-term loans or notes receivable.
- **Restricted Fund Balances** – These are resources whose spending is constrained externally by creditors or by laws and regulations of another government. Examples include grants, intergovernmental revenues, and resources in debt service funds that include a legally enforceable requirement that those resources be spent only for specific purposes.
- **Committed Fund Balances** – These are resources that can only be used for specific purposes established by the City Council. Establishment of these specific purposes must be done by a resolution adopted by the City Council and may only be changed or removed by a resolution adopted by the City Council.
- **Assigned Fund Balances** – These are resources that the City intends to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are established by a motion of the City Council. The City Council may also delegate this authority to the City Manager, who may act upon recommendation of the Finance Director.
- **Unassigned Fund Balances** – These resources represent the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The City will strive to maintain a minimum unassigned fund balance in its General Fund of 35-50% of the subsequent year's budgeted expenditures.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**16. Fund Balance Classifications (Continued)**

- **Unassigned Fund Balances (Continued)**  
The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**17. Use of Estimates**

To prepare the financial statements in conformity with accounting principles generally accepted with GASB, management must make estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during those estimates.

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

**A. Budgetary Information**

Budgets are adopted by Council Resolution on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America. Annual appropriated budgets are adopted for the General Fund. Formal budgetary integration is employed as a management control device for this fund.

Budgeted amounts reported in the combined financial statements represent the amounts originally adopted or as amended by the City Council. All budgetary amendments and transfers require approval by the City Council.

Encumbrance accounting is employed in governmental funds. Unencumbered appropriations lapse at the end of the year.

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1 at the first regular meeting in September. The operating budgets include proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budgets are legally enacted through the passage of resolutions in December.
- The City Council may authorize transfers of budgeted amounts between funds, amend the budget by a majority vote if additional revenues to cover the new appropriations have been identified, or amend the budget using fund reserves by a vote of five members.



**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

- The City budgets by fund and the legal level of control of the budget is by fund. The City Charter charges the City Manager with the duty to enforce the budget. In practice, the City Manager exercises control by delegating authority to individual department directors who are accountable to the Manager for their departments' annual expenditures. Transfers between funds require the City Council's approval.
- Budgeted amounts are as originally adopted or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end.
- Formal budgetary integration is employed as a management control device during the year for the General Fund. 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 project funds is accomplished through the use of project controls. Special revenue funds do not have legally adopted budgets.

**B. Deficit Fund Equity**

The following funds had deficit fund equity, which has been classified as unassigned/unrestricted as of December 31, 2022:

Ice Arena	\$ 38,171
BrookLynk	33,244
Small Business Center	240
Tax Increment District #20	714,885
Benefit Accrual Internal Service Fund	13,808,525

The deficit for the Small Business Center and BrookLynk are related to an operational deficit occurring for the operations. The deficit in the Ice Arena decreased in 2022 due to positive operations. The City is looking for ways to eliminate the remaining deficits over the next few years.

The deficit for the Benefit Accrual Internal Service Fund represents the amount that the City is currently underfunded related to its long-term liabilities for compensated absences and other post-employment benefits. This fund has adequate resources to meet any short-term funding needs and the deficit will continue to be monitored. In its 2023 budget, the City allocated resources to mitigate some of the deficit's growth.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Components of Cash and Investments**

Cash and investments at year-end consist of the following:

Deposits	\$ (742,622)
Investments	180,264,796
Investments with Escrow Agent	356,384
Cash on Hand	<u>9,097</u>
 Total	 <u><u>\$ 179,887,655</u></u>

Cash and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 178,884,010
Investments with escrow agent	356,384
Cash - Statement of Fiduciary Net Position	<u>647,261</u>
 Total	 <u><u>\$ 179,887,655</u></u>

**B. Deposits**

Cash and investments at year-end consist of the following:

In accordance with applicable *Minnesota Statutes*, the City maintains deposits at depository banks, which have been authorized by the City Council and include checking accounts and certificates of deposits. The following is considered the most significant risk associated with deposits:

**Custodial Credit Risk – Deposits:** This is the risk that in the event of a bank failure, the City's deposits may be lost. *Minnesota Statutes* require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The fair value of collateral pledged must equal at least 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. governmental agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk.

At December 31, 2022, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City's agent in the City's name.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

**B. Investments (Continued)**

Investment Type	Credit Risk		Investment Maturities			Total
	Rating	Agency	Less than One Year	1-5 Years	6-10 Years	
U.S Agencies						
Fannie Mae (FNMA)	Aaa / AA+	Moody's/S&P	\$ 480,295	\$ 1,722,480	\$ 1,587,580	\$ 3,790,355
Fannie Mae (FNMA)	NR / NR		-	8,143,869	13,432,645	21,576,514
Federal Home Loan Bank (FHLB)	Aaa / AA+	Moody's/S&P	5,660,520	4,969,960	4,758,170	15,388,650
Federal Home Loan Bank (FHLB)	Aaa / NR	Moody's	1,979,100	-	-	1,979,100
Federal Farm Credit (FFCB)	Aaa / AA	Moody's/S&P	-	-	1,172,520	1,172,520
Federal Farm Credit (FFCB)	Aaa / AA+	Moody's/S&P	490,435	2,880,360	3,925,289	7,296,084
Federal Farm Credit (FFCB)	NR / NR		999,150	1,083,471	948,580	3,031,201
Treasury Note	Aaa / NR	Moody's	973,670	941,210	-	1,914,880
State and Local Obligations	NR / NR		-	4,256,353	964,337	5,220,690
	A+ / NR	S&P	-	598,934	-	598,934
	A / NR	S&P	-	-	604,469	604,469
	AA / NR	S&P	1,207,507	2,791,159	2,073,111	6,071,777
	AA- / NR	S&P	-	973,660	444,924	1,418,584
	AA- / AA-	S&P/Fitch	-	923,453	-	923,453
	AA+ / NR	S&P	1,847,665	2,185,457	-	4,033,122
	AA+ / AAA	S&P/Fitch	-	349,196	-	349,196
	AAA / NR	S&P	1,163,900	2,787,351	-	3,951,251
	AAA / AA+	S&P/Fitch	1,005,260	1,016,140	-	2,021,400
	Aa1 / NR	Moody's	-	1,949,055	526,842	2,475,897
	Aa1 / AA	Moody's/S&P	-	-	3,031,447	3,031,447
	Aa1 / AA-	Moody's/S&P	-	19,587	-	19,587
	Aa1 / AA+	Moody's/S&P	-	4,110,580	1,095,097	5,205,677
	Aa1 / AAA	Moody's/S&P	-	978,670	2,565,770	3,544,440
	Aa1 / AAA	Moody's/Fitch	-	3,926,120	-	3,926,120
	Aa2 / NR	Moody's	-	2,353,860	1,969,876	6,816,390
	Aa2 / AA	Moody's/S&P	3,474,090	2,483,204	809,260	6,766,554
	Aa2 / AA-	Moody's/S&P	-	961,996	2,013,460	2,975,456
	Aa2 / AA+	Moody's/S&P	-	1,036,844	803,920	1,840,764
	Aa3 / NR	Moody's	-	3,591,584	143,012	3,734,595
	Aa3 / AA	Moody's/S&P	-	894,860	-	894,860
	Aaa / NR	Moody's	-	6,589,774	-	6,589,774
	Aaa / AAA	Moody's/S&P	-	7,780,235	-	7,780,235
Negotiable Certificates of Deposits	NR	N/A	2,894,792	7,456,747	2,130,554	12,482,093
First American Government	NR	N/A	23,770,073	-	-	23,770,073
Commercial Paper	NR	NR	1,723,541	-	-	1,723,541
MN Municipal Money Market (4M)	NR	N/A	2,201,491	-	-	2,201,491
Citizens Community Federal Money Market (CCF)	NR	N/A	3,143,623	-	-	3,143,623
Total			\$ 53,015,113	\$ 79,756,167	\$ 45,000,863	\$ 180,264,796

Investments with Escrow Agent: \$356,384 is being held by a third party related to an agreement with the Brooklyn Park Economic Development Authority (BPEDA) for property management.

**Custodial Credit Risk – Investments:** For an investment, this is the risk that in the event of a failure of the counterparty to any investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City addresses this risk within its investment policy and limits its exposure by holding the majority of investments in a trust account with a major bank's corporate trust department. Under this scenario, investments are delivered to the City's Trust Account and then payment is released to the broker-dealer.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

**B. Investments (Continued)**

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

**Concentration Risk:** This is the risk associated with investing a significant portion of the City's investment (considered 5% or more) in the securities of a single issuer, excluding U.S. explicitly guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy states that no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Government and its agencies or an external investment pool. At December 31, 2022, more than 5% of the City's investments are in FFCB. These investments are 6.4% of the City's total investments.

**Interest Rate Risk:** This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policy allows for a majority of the City's reserve funds to be invested in securities maturing in five years or less, with no more than 10% of the City's reserve funds being invested in securities maturing ten years or more.

**Fair Value Measurements:** The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

**B. Investments (Continued)**

In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level I – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level II – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Investment values are obtained from the City's broker statements, which are based on inputs from the pricing services used by brokers.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

**B. Investments (Continued)**

Level III – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

City investments are measured as follows:

		Fair Value Measurement Using		
	12/31/2022	Level 1	Level 2	Level 3
Investments by Fair Value Level				
FNMA	\$ 25,366,869	\$ -	\$ 25,366,869	\$ -
FHLB	17,367,750	-	17,367,750	-
FFCB	11,499,805	-	11,499,805	-
Treasury Note	1,914,880	-	1,914,880	-
Municipal bonds	80,794,671	-	80,794,671	-
Commercial paper	1,723,541	-	1,723,541	-
Negotiable certificates of deposit	12,482,093	-	12,482,093	-
Total investments by fair value level	<u>\$ 151,149,609</u>	<u>\$ -</u>	<u>\$ 151,149,609</u>	<u>\$ -</u>
Investments measured at Amortized cost				
Money market funds	<u>\$ 29,115,188</u>			
Total investments	<u>\$ 180,264,796</u>			

The City's external investment pool investment is with the 4M Fund which is regulated by *Minnesota Statutes* and the Board of Directors of the League of Minnesota Cities. The 4M Fund is an unrated pool and reported at amortized cost. The 4M Fund does not restrict or limit withdrawals made by the City.

**NOTE 4 – NOTES RECEIVABLE AND LEASE RECEIVABLE**

**Economic Development Authority – Notes Receivable**

The Brooklyn Park Economic Development Authority (EDA) periodically issues notes to qualified entities for the purpose of redevelopment and aiding with the rehabilitation of properties throughout the City. These notes and related interest receivable totaled \$5,616,795. The remaining \$1,901,413 is reported in the Tax Increment Financing fund with an allowance of \$1,901,413 which has been established for amounts not deemed collectible at December 31, 2022.

**Other Funds – Notes Receivable**

The Revolving Loan Special Revenue Fund has \$370,269 in notes receivable related to a grant for Metro Mold & Design, Biomerics, LLC, and STAR from the Minnesota Investment Fund through the State of Minnesota Department of Employment and Economic Development – Business and Community Development Division.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 4 – NOTES RECEIVABLE AND LEASE RECEIVABLE**

**Other Funds – Notes Receivable (Continued)**

The Water Access Charge (WAC) notes receivable is related to a payment deferral program that will minimize the impact of the payment of the WAC fees for new or expanding businesses within the city of Brooklyn Park. This program is in conjunction with the Metropolitan Council's Sewer Access Charge (SAC) Deferral Program adopted in 2013. The Metropolitan Council's program allows for the deferment of SAC fees for small businesses that receive a SAC determination of 10 SAC units or less prior to SAC credits being applied. The outstanding notes receivable is \$66,896.

**Lease Receivable**

The City owns a rents out space at the Northwind Plaza, there are multiple active leases expiring between January 1, 2022, and August 31, 2053. Rent is due monthly for all leases and monthly rent ranged between \$1,750 and \$17,917 in 2022 depending on the tenant's space. Total rent income earned from these leases was \$531,305 for the year ended December 31, 2022.

The City has multiple leasing agreements relating to space on and around the City's Water Towers and Site Leases. Lessors include CenturyLink QC, AT&T, T-Mobile Central LLC, VoiceStreams Minneapolis, Inc, Sprint Spectrum, LP, TC Assets, LLC, and Verizon. All leases expire sporadically between April 30, 2025, and December 31, 2050. Expiration dates noted include automatic 5-year renewals of leases that are only terminatable by the Lessee. Total rent income earned from these leases was \$431,115 for the year ended December 31, 2022.

The net present value of future lease payments has been recorded as a lease receivable and a deferred inflow of resources, discounted between .24% and 1.75% discount rates depending on the lease. Lease receivable at December 31, 2022, was \$14,184,741 and deferred inflow was \$14,072,956. The revenue will be recognized in future years.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 5 – CAPITAL ASSETS**

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

	Beginning Balance	Adjustment	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 65,598,144	\$ -	\$ -	\$ -	\$ 65,598,144
Land Improvements	1,196,998	-	-	-	1,196,998
Construction in progress	4,123,024	-	5,953,385	(40,530)	10,035,879
Total capital assets not being depreciated	70,918,166	-	5,953,385	(40,530)	76,831,021
Other capital assets					
Buildings	76,914,620	-	149,118	-	77,063,738
Land Improvements	21,586,312	-	-	-	21,586,312
Furniture and fixtures	6,756,956	-	292,838	-	7,049,794
Machinery and equipment	31,376,903	(372,721)	2,857,956	-	33,862,138
Infrastructure	165,063,461	-	5,278,369	-	170,341,830
Leased Equipment	-	-	1,931,438	-	1,931,438
Total other capital assets at historical costs	301,698,252	(372,721)	10,509,719	-	311,835,250
Total governmental capital assets	372,616,418	(372,721)	16,463,104	(40,530)	388,666,271
Less accumulated depreciation for					
Buildings	(40,770,608)	-	(2,185,984)	-	(42,956,592)
Land Improvements	(9,526,090)	-	(470,093)	-	(9,996,183)
Furniture and fixtures	(6,627,081)	-	(102,838)	-	(6,729,919)
Machinery and equipment	(20,881,271)	-	(2,074,805)	-	(22,956,076)
Infrastructure	(90,775,356)	-	(4,717,116)	-	(95,492,472)
Less accumulated amortization for					
Leased Equipment	-	-	(214,310)	-	(214,310)
Total accumulated depreciation and amortization	(168,580,406)	-	(9,765,146)	-	(178,345,552)
Total other capital assets, net	133,117,846	(372,721)	744,573	-	133,489,698
Governmental activities capital position, net	\$ 204,036,012	\$ (372,721)	\$ 6,697,958	\$ (40,530)	\$ 210,320,719



**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 4,190,949	\$ -	\$ -	\$ 4,190,949
Land Improvements	5,367,004	-	-	5,367,004
Construction in progress	128,550	261,059	-	389,609
Total capital assets not being depreciated	<u>9,686,503</u>	<u>261,059</u>	<u>-</u>	<u>9,947,562</u>
Capital assets being depreciated				
Buildings	61,575,735	1,622,195	-	63,197,930
Land Improvements	4,517,567	1,921,246	-	6,438,813
Furniture and fixtures	79,879	-	-	79,879
Machinery and equipment	7,186,331	269,939	(86,672)	7,369,598
Infrastructure	152,487,540	528,251	-	153,015,791
Total capital assets being depreciated	<u>225,847,052</u>	<u>4,341,631</u>	<u>(86,672)</u>	<u>230,102,011</u>
Total business capital assets	235,533,555	4,602,690	(86,672)	240,049,573
Less accumulated depreciation for				
Buildings	(40,303,974)	(1,593,146)	-	(41,897,120)
Land Improvements	(2,545,846)	(260,290)	-	(2,806,136)
Furniture and fixtures	(79,878)	-	-	(79,878)
Machinery and equipment	(5,281,003)	(424,023)	82,104	(5,622,922)
Infrastructure	<u>(63,758,359)</u>	<u>(2,673,272)</u>	<u>-</u>	<u>(66,431,631)</u>
Total accumulated depreciation	<u>(111,969,060)</u>	<u>(4,950,731)</u>	<u>82,104</u>	<u>(116,837,687)</u>
Total capital assets being depreciated, net	<u>113,877,992</u>	<u>(609,100)</u>	<u>(4,568)</u>	<u>113,264,324</u>
Business-type activities capital assets, net	<u>\$ 123,564,495</u>	<u>\$ (348,041)</u>	<u>\$ (4,568)</u>	<u>\$ 123,211,886</u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

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

Governmental activities	
General Government	\$ 447,709
Community Development	124,044
Public Safety	883,494
Public Works- includes infrastructure	7,202,176
Parks and Recreation	<u>1,107,723</u>
Total depreciation/amortization expense - governmental activities	<u><u>\$ 9,765,146</u></u>
Business-type activities	
Public Utilities	\$ 3,452,959
Storm Sewer Utility	870,044
Street & Signal Light Utility	220,501
Recreation	<u>407,227</u>
Total depreciation expense - business-type activities	<u><u>\$ 4,950,731</u></u>

**NOTE 6 – RISK MANAGEMENT (LOSS CONTROL)**

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In order to protect against these risks of loss, the City purchases commercial insurance through the League of Minnesota Cities Insurance Trust, a public entity risk pool. This pool currently operates common risk management and insurance programs for municipal entities. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claim incurred but unreported, however, retains risk for the deductible portion of its insurance policies.

The Loss Control Fund was established to account for deductibles and other costs associated with risk-of-loss that the City is unable to insure for because of restrictions or exclusions on the policies. It has also been established to fund any potential liability that may be assessed to it by the League of Minnesota Cities Insurance Trust program. The fund is accounted for as an internal service fund where assets are set aside for risk management, insurance, administration, and claims settlement.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities will include an amount for claims that have been incurred but not reported. The Loss Control Fund collects a service charge from user funds and departments and pays insurance premiums and claims. Charges for services during 2022 were \$2,625,368. In 2022, there was \$536,934 in claims paid and in 2021, there was \$274,325 in claims paid. In 2020, there was \$198,920 in claims paid and in 2019 there was \$396,045 in claims paid.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 6 – RISK MANAGEMENT (LOSS CONTROL) (CONTINUED)**

The City's workers compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience workers compensation rates and salaries for the year are known. The City also purchases faithful performance bonds for employees in key positions.

During the year ended December 31, 2022, there were no significant changes in insurance coverage from the prior year. Settled claims have not exceeded the City's commercial coverage in any of the past three years.

**NOTE 7 – LONG-TERM DEBT**

The City's long-term debt issues and transactions were as follows:

**A. General Obligation Bonds**

The City periodically issues bonds in accordance with *Minnesota Statutes* and backed by its full faith, credit, and taxing powers.

**2021 General Obligation Bonds, Series 2021A**

In 2021, The City issued \$9,200,000 in General Obligation Bonds. Of this amount, \$7,585,000 was issued to finance the park building and shelter kitchen additions, park redevelopment projects, Hometown Ballfield, trails, wayfinding and lighting, Eidem Farm interpretive signage, as well as for projects set forth in the City's Bond Reinvestment Plan.

**2019 Park Referendum Bonds, Series 2019A**

In 2019, The City issued \$4,470,000 to finance various projects as authorized by referendum in the City's Bond Reinvestment Plan including synthetic turf fields, lighting, and a dome facility at Park Center High School. The final bond payment will be in 2040.

**2017 General Obligation Bonds, Series 2017A**

In 2017, the City issued \$7,320,000 in General Obligation Capital Improvement Plan Bonds to fund improvements to Building D, and Street Reconstruction projects. The bonds were issued for a period of fifteen years at a net interest cost of 2.18%. The final bond payment will be in 2033.

**2016 General Obligation Bonds, Series 2016A**

In 2016, the City issued \$7,860,000 in General Obligation Bonds to fund street improvements identified in the City's Street Reconstruction Plan 2016-2020 and to redeem the outstanding balances, in advance of their maturity, of the Series 2005B, 2005C, 2005D and 2005E bonds. The refunded bonds were redeemed on 7/27/2016. The 2016A bonds were issued for a period of nine years at a net interest cost of 1.2335%.

**2014 General Obligation Capital Improvement Plan Bonds, Series 2014A**

In 2014, the City issued \$9,490,000 in General Obligation Capital Improvement Plan Bonds to fund improvements to the City's Police Headquarters. The bonds were issued for a period of twenty years at a net interest cost of 2.98%. The final bond payment will be in 2035.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**A. General Obligation Bonds (Continued)**

**B. Refunding Issues**

2021 General Obligation Bonds, Series 2021A

In 2021, The City issued \$9,200,000 in General Obligation Bonds. Of this amount, \$1,615,000 was issued to redeem the 2022 through 2028 maturities of the Series 2010A City/EDA Bonds. These bonds mature on February 1, 2027.

2018 General Obligation Refunding Bonds, Series 2018A

In 2018 the Water Revenue Bond/Build America Bonds (\$18,000,000) were refunded in the amount of \$11,540,000 for the expansion of the City's Water Treatment Plant. These bonds redeemed the outstanding balances, in advance of their maturity, the Series 2009A Bonds. These bonds mature on February 1, 2030.

2011 General Obligation Public Safety Refunding Bonds, Series 2011A

In November of 2011, \$6,035,000 in refunding bonds was issued through a crossover refunding transaction that occurred on February 1, 2013. The original bonds had been issued in 2003 to fund public safety building improvements and equipment purchases and were payable through a market value property tax levy that was authorized by a special election that was held on November 5, 2002. These bonds mature on February 1, 2023.

**C. Other Long-Term Liabilities**

The City also has long-term liabilities related to compensated absences and other post-employment benefits. These liabilities are accounted for within the Benefit Accrual Internal Service Fund. The liabilities are liquidated by either the governmental fund in which the employee is assigned or within the Benefit Accrual Internal Service Fund. The Benefit Accrual Internal Service Fund currently contains an unfunded deficit balance of \$13,808,525.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**D. Summaries of Long-Term Debt Issues**

*Governmental Activities*

Issue	Interest Rates	Issue Date	Final Maturity	Original Issue	Balance End of Year
General Obligation Bonds					
2014A Capital Improvement Bonds	2.00%-3.75%	2014	2035	\$ 9,490,000	\$ 6,680,000
2016 Street Reconstruction	1.50%-2.00%	2016	2026	7,860,000	1,655,000
2017A General Obligation	2.125%-3.00%	2017	2033	7,320,000	5,130,000
2021A General Obligation	1.2%-3.00%	2021	2032	7,585,000	7,585,000
2019A General Obligation	3.00%-4.00%	2019	2040	4,470,000	4,155,000
Total General Obligation Bonds					<u>25,205,000</u>
General Obligation Refunding Bonds					
2021A General Obligation 2010A Refunding	1.2%-3.00%	2021	2027	690,000	590,000
2021A General Obligation 2010A HRA Refunding	1.2%-3.00%	2021	2027	925,000	785,000
2011A Public Safety Refunding	2.00%-3.00%	2011	2023	6,035,000	710,000
Governmental Activities Premium/Discount (net)					1,269,567
Lease Liability					1,515,623
Compensated Absences					5,472,294
Other Postemployment Benefits					11,068,373
Net Pension Liability					<u>72,162,635</u>
Total governmental activities					<u><u>\$ 118,778,492</u></u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**D. Summaries of Long-Term Debt Issues (Continued)**

Changes in long-term debt during 2022 for debt serviced through governmental activities are as follows:

	Beginning Balance	Additions	Retirements and Other Reductions	Ending Balance	Due Within One Year
General Obligation Bonds					
2014 General Obligation Capital Improvement	\$ 7,105,000	\$ -	\$ 425,000	\$ 6,680,000	\$ 430,000
2016 General Obligation Street Reconstruction Bonds	2,050,000	-	395,000	1,655,000	400,000
2017A General Obligation	5,700,000	-	570,000	5,130,000	590,000
2019A General Obligation Bonds	4,315,000	-	160,000	4,155,000	170,000
2021A General Obligation Bonds	7,585,000	-	-	7,585,000	665,000
Total General Obligation Bonds	26,755,000	-	1,550,000	25,205,000	2,255,000
General Obligation Refunding Bonds					
2021A General Obligation Bonds- 2010A Refunding	690,000	-	100,000	590,000	110,000
2021A General Obligation Bonds-2010A EDA Refunding	925,000	-	140,000	785,000	150,000
2011A General Obligation Improvement Refunding	1,425,000	-	715,000	710,000	710,000
	3,040,000	-	955,000	2,085,000	970,000
Governmental Activities Premium/Discount (net)	1,401,235	-	131,668	1,269,567	-
Lease Liability	-	1,931,437	415,814	1,515,623	438,269
Compensated absences	5,485,916	488,485	502,107	5,472,294	383,061
Other Postemployment Benefits	8,859,335	2,209,038	-	11,068,373	646,641
Net Pension Liability	19,393,061	52,769,574	-	72,162,635	-
Total change in debt obligations	<u>\$ 64,934,547</u>	<u>\$ 57,398,534</u>	<u>\$ 3,554,589</u>	<u>\$ 118,778,492</u>	<u>\$ 4,692,971</u>

**Business-Type Activities**

Issue	Interest Rates	Issue Date	Final Maturity	Original Issue	Balance End of Year
General Obligation Bonds					
2018A General Obligation Refunding Bonds	3.00-5.00%	2018	2030	\$ 11,540,000	\$ 8,185,000
General Obligation Premium / Discount (net)				941,291	575,610
Notes from Direct Borrowings					
SAC Loan Met Council	2.25%	2015	2027	90,951	31,165
Net Pension Liability				-	2,789,814
Total long-term debt				<u>\$ 12,572,242</u>	<u>\$ 11,581,589</u>

	Beginning Balance	Additions	Retirements and Other Reductions	Ending Balance	Due Within One Year
General Obligation Bonds					
2018A General Obligation Refunding Bonds	\$ 9,005,000	\$ -	\$ 820,000	\$ 8,185,000	\$ 860,000
General Obligation Premium / Discount	656,873	-	81,263	575,610	-
Notes from direct borrowings					
SAC Loan Met Council	35,353	5,964	10,152	31,165	9,287
Net Pension Liability	1,505,742	1,284,072	-	2,789,814	-
Total long-term debt	<u>\$ 11,202,968</u>	<u>\$ 1,290,036</u>	<u>\$ 911,415</u>	<u>\$ 11,581,589</u>	<u>\$ 869,287</u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**D. Summaries of Long-Term Debt Issues (Continued)**

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 3,225,000	\$ 720,212	\$ 869,287	\$ 309,742	\$ 5,124,241
2024	2,590,000	637,500	914,495	265,409	4,407,404
2025	2,665,000	563,757	964,602	218,697	4,412,056
2026	2,730,000	488,179	1,006,849	169,561	4,394,589
2027	2,385,000	415,941	1,060,932	123,200	3,985,073
2028-2032	9,480,000	1,260,139	3,400,000	465,450	14,605,589
2033-2037	3,355,000	334,106	-	-	3,689,106
2038-2040	860,000	39,150	-	-	899,150
Total	<u>\$ 27,290,000</u>	<u>\$ 4,458,984</u>	<u>\$ 8,216,165</u>	<u>\$ 1,552,059</u>	<u>\$ 41,517,208</u>

Lease Liability		
Governmental Activities		
	Principal	Interest
2023	\$ 438,269	\$ 32,092
2024	341,276	24,397
2025	315,579	17,399
2026	305,476	10,330
2027	115,023	3,177
Total	<u>\$ 1,515,623</u>	<u>\$ 87,395</u>

**E. Limited Pay-As-You-Go Notes**

The Brooklyn Park Economic Development Authority (EDA) has issued Limited Revenue Pay-as-you-go Notes for the purpose of financing various tax increment and tax abatement projects. These notes are not general obligations of the EDA as they are payable only to the extent of future tax increments received.

**F. Conduit Debt Obligations**

On occasion, the City has issued Housing Revenue Bonds (HRBs) and Industrial Revenue Bonds (IRBs) to provide financial assistance to private sector entities for the acquisition, rehabilitation, or construction of existing rental projects and industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loan agreements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**City of Brooklyn Park  
Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**F. Conduit Debt Obligations (Continued)**

The bonds and interest are payable solely out of the loan agreement proceeds, certain fees, revenues, and other amounts derived from the loans and certain reserve funds. The bonds do not constitute any indebtedness, liability, general or moral obligation, or pledge of the faith or loan of credit of the City, State of Minnesota, or any political subdivision of either thereof.



**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**F. Conduit Debt Obligations (Continued)**

As of December 31, 2022, the City had the following Housing Revenue Bonds and Industrial Revenue Bonds outstanding:

Issue	Issue Date	Maturity Date	Outstanding 12/31/2022
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011A	6/9/2015	1/15/2038	\$ 7,270,952
Amended and Restated Healthcare Facilities Revenue Note (Oxbow Lake Care Center, LLC Project) Series 2011B	6/9/2015	1/15/2038	2,415,174
Senior Housing Revenue Refunding Note Series 2015A (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	6,976,990
Senior Housing Revenue Refunding Note Series 2015B (Oxbow Lake Care Center, LLC Project)	6/9/2015	7/15/2035	5,396,963
Athlos Leadership Academy Charter School Lease Revenue Bonds 2015B	12/29/2015	7/1/2018	23,470,000
Charter School Lease Revenue Refunding Bonds, Series 2015A (Prairie Seeds Academy)	5/27/2015	3/1/2039	14,960,000
Multifamily Housing Revenue Refunding Bonds, Series 1999A (Brooks Landing)	6/24/1999	7/1/2024	3,130,000
Multifamily Housing Revenue Refunding Bonds, Series 1999C (Brooks Landing)	6/24/1999	7/1/2029	520,000
Multi family Housing Revenue Note, Series 2016A (Park Haven Apartments Project)	5/11/2016	3/1/2033	9,942,680
Senior Housing Revenue Bonds, Series 2019A (Hampton Senior Care of Brooklyn Park)	6/26/2019	6/1/2049	<u>7,640,000</u>
Total			<u><u>\$ 81,722,759</u></u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 8 – INTERFUND TRANSACTIONS**

**A. Due To / From Other Funds**

As of December 31, 2022, the following interfund receivables / payables existed to offset negative cash balances at year-end:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 110,457
General Fund	Internal Service Funds	1,809,113
Nonmajor Governmental Funds	Nonmajor Governmental Funds	465,039
Economic Development Authority Fund	Nonmajor Governmental Funds	<u>245,207</u>
Total		<u><u>\$ 2,629,816</u></u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 8 – INTERFUND TRANSACTIONS**

**B. Interfund Transfers**

During 2022, the following interfund transfers took place:

Transfer from Fund	Transfer to Fund	Amount	Purpose
Nonmajor Governmental Funds	Economic Development Authority	\$ 10,000	Manager expense reimbursement from Brooklynk
Economic Development Authority	Nonmajor Governmental Funds	100,000.00	Brooklynk Youth Employment Program
Economic Development Authority	General Fund	100,000.00	EDA funding for REDI manager and community engagement
Economic Development Authority	Nonmajor Business-type Activities	69,282.00	Edinburgh USA Clubhouse construction in process
Tax Increment Financing	Special Assessment Construction	236,775.00	Utility Undergrounding
Tax Increment Financing	Special Assessment Construction	431,532.00	Trail Construction
Tax Increment Financing	Nonmajor Governmental Funds	450,000.00	Transfer TIF 24 per spending plan
Economic Development Authority	General Fund	50,000.00	Transfer for lawn maintenance of EDA properties
General Fund	Nonmajor Governmental Funds	42,069.00	Cover budget deficit
General Fund	Nonmajor Governmental Funds	33,037.00	Cover budget deficit
Nonmajor Governmental Funds	General Debt Service	450,877.00	G.O. Bonds - Series 2016A
Nonmajor Governmental Funds	General Debt Service	436,694.00	G.O. Bonds - Series 2017A - street reconstruction portion
Nonmajor Governmental Funds	General Debt Service	110,000.00	McKinstry bond
Nonmajor Governmental Funds	Nonmajor Governmental Funds	110,000.00	Transfer from Heritage for Ice Arena
Nonmajor Governmental Funds	General Debt Service	150,000.00	2021A Bond - McKinstry Bond
Open Space Land Acquisition & Dev	General Fund	13,390.00	Transfer for engineering services
Special Assessment Construction	General Fund	190,550.00	Transfer for engineering services
Nonmajor Governmental Funds	General Fund	164,990.00	Transfer for engineering services
Public Utilities	General Fund	24,720.00	Transfer for engineering services
Public Utilities	General Fund	3,090.00	Transfer for engineering services
Public Utilities	General Fund	20,000.00	Transfer for recycling truck
Nonmajor Governmental Funds	General Fund	34,000.00	Warning sirens
Nonmajor Governmental Funds	Nonmajor Governmental Funds	490,000.00	City Hall rehabilitation/renovation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	100,000.00	O&M rehabilitation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	55,000.00	Police facilities - rehabilitation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	100,000.00	Fire stations - rehabilitation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	50,000.00	ADA improvements
Nonmajor Governmental Funds	Special Assessment Construction	100,000.00	Park buildings/shelters and amenities
Special Assessment Construction	Nonmajor Governmental Funds	100,000.00	Historic Eidem Farm improvements
Special Assessment Construction	Nonmajor Governmental Funds	19,500.00	Community Activity Center
Nonmajor Governmental Funds	Special Assessment Construction	2,900,000.00	Street resurfacing program
Public Utilities	Special Assessment Construction	500,000.00	MSA street rehabilitations
Nonmajor Governmental Funds	Special Assessment Construction	2,100,000.00	Local street reconstruction program
Public Utilities	Special Assessment Construction	220,000.00	Local street reconstruction program
Nonmajor Business-type Activities	Special Assessment Construction	580,000.00	Local street reconstruction program
Nonmajor Governmental Funds	Special Assessment Construction	160,000.00	Street scape rehabilitation
Nonmajor Governmental Funds	Special Assessment Construction	20,000.00	High technology traffic devices
Public Utilities	Special Assessment Construction	1,250,000.00	MSA street rehabilitations
Special Assessment Construction	Public Utilities	50,000.00	Storm water creek stabilization
Special Assessment Construction	Nonmajor Business-type Activities	400,000.00	Storm water creek stabilization
Nonmajor Governmental Funds	Nonmajor Governmental Funds	75,000.00	Police facilities - rehabilitation
Nonmajor Governmental Funds	Nonmajor Governmental Funds	15,000.00	Water heaters, boilers and mechanical equipment
Nonmajor Governmental Funds	Nonmajor Governmental Funds	25,000.00	Siding and roof of the maintenance building
General Fund	Internal Service Funds	86,849.00	Technology
Coronavirus Local Fiscal Recovery Fund	Internal Service Funds	897.00	Technology
Nonmajor Governmental Funds	Internal Service Funds	3,285.00	Technology
Nonmajor Business-type Activities	Internal Service Funds	4,929.00	Technology
Economic Development Authority	Internal Service Funds	4,803.00	Technology
Nonmajor Governmental Funds	General Fund	37,116.00	Grant activity
Nonmajor Governmental Funds	Internal Service Funds	2,123.00	Grant activity
Coronavirus Local Fiscal Recovery Fund	Internal Service Funds	75,315.00	Grant activity
Total Transfers		<u>\$ 12,755,823</u>	

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 8 – INTERFUND TRANSACTIONS (CONTINUED)**

**B. Advances To Other Funds**

Advances represent interfund borrowings between funds that are of a long-term (more than one-year) nature. Advances as of December 31, 2022, are as follows:

Receivable Fund	Payable Fund	Amount
Tax Increment Financing	Tax Increment Financing	\$ 2,316,386
Economic Development Authority Fund	Economic Development Authority Fund	<u>15,477</u>
Total		<u><u>\$ 2,331,863</u></u>

Advances above are within the Tax Increment Financing fund and Economic Development Authority fund and are eliminated for presentation in the basic financial statements. The details on advances are listed below.

In 2001, the EDA authorized advances from the 1996 Loan fund (nonmajor Capital Project Fund) of up to \$13,846,602 to Tax Increment Financing District No. 20 to fund redevelopment activities and cover on-going tax increment revenue deficits within the District. Any advances were to be paid back over a ten-year period at an interest rate of 6.75%. In 2006, the EDA approved extending this payback period on the advance to match the duration of the District. The balance is \$2,316,386 at December 31, 2022.

The EDA Townhome loan fund advance for \$15,477 is for the EDA Housing Improvement Areas Program for Cherokee Villas.

**NOTE 9 – PENSION PLANS**

The City participates in various pension plans, total pension expense for the year ended December 31, 2022, was \$8,176,009. The components of pension expense are noted in the following plan summaries.

The General Fund, Public Utilities Fund, Storm Sewer Utility Fund, and Street & Signal Light Utility Fund typically liquidate the liability related to pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**A. Plan Description (Continued)**

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

**B. Benefits Provided**

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**B. Benefits Provided (Continued)**

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

**C. Contributions**

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2022, were \$1,620,923. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$2,757,889. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2022, the City reported a liability of \$22,659,214 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$664,103.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

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

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

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 0.2861% at the end of the measurement period and 0.2816% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 22,659,214
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>664,103</u>
Total	<u><u>\$ 23,323,317</u></u>

For the year ended December 31, 2022, the City recognized pension expense of \$3,111,024 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$99,232 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 189,267	\$ 238,293
Changes in actuarial assumptions	5,049,968	90,905
Net collective difference between projected and actual investment earnings	517,269	-
Changes in proportion	191,124	17,986
Contributions paid to PERA subsequent to the measurement date	<u>810,462</u>	<u>-</u>
Total	<u><u>\$ 6,758,090</u></u>	<u><u>\$ 347,184</u></u>

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

The \$810,462 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 deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2023	\$ 2,069,756
2024	2,110,168
2025	(628,666)
2026	2,049,186
Total	<u>\$ 5,600,444</u>

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$52,293,237 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 1.2017% at the end of the measurement period and 1.1631% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 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 \$9 million direct state aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.



**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

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

**D. Pension Costs (Continued)**

**Police and Fire Fund Pension Costs (Continued)**

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$5,064,095 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$443,127 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$108,152 for the year ended December 31, 2022, as revenue and an offsetting reduction of the 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 Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,163,384	\$ -
Changes in actuarial assumptions	30,432,289	315,769
Net collective difference between projected and actual investment earnings	1,182,452	-
Changes in proportion	574,813	803,032
Contributions paid to PERA subsequent to the measurement date	1,378,945	-
	<u>1,378,945</u>	<u>-</u>
Total	<u>\$ 36,731,883</u>	<u>\$ 1,118,801</u>

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs (Continued)

The \$1,378,945 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:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2023	\$ 6,573,189
2024	6,743,035
2025	5,897,797
2026	10,619,572
2027	<u>4,400,544</u>
Total	<u><u>\$ 34,234,137</u></u>

**E. Long-Term Expected Return on Investment**

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

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

**F. Actuarial Methods and Assumptions**

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

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service and 6.0% per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 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 the Police and Fire Plan was completed in 2020 and was 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.

**Changes in Plan Provisions**

- There have been no changes since the previous valuation.

**Police and Fire Fund**

**Changes in Actuarial Assumptions**

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

**City of Brooklyn Park  
Notes to Basic Financial Statements**

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

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

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

Police and Fire Fund (Continued)

Changes in Actuarial Assumptions (Continued)

- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the previous valuation.

**G. Discount Rate**

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

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in the fiscal year ended June 30, 2061, projected benefit payments exceed the fund's 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 5.4% for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

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

**H. Pension Liability Sensitivity**

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

	1% Decrease in Discount Rate (5.5%)	Current Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City's proportionate share of the General Employees Fund net pension liability	\$ 35,791,416	\$ 22,659,214	\$ 11,888,783
	1% Decrease in Discount Rate (4.4%)	Current Discount Rate (5.4%)	1% Increase in Discount Rate (6.4%)
City's proportionate share of the Police and Fire Fund net pension liability	\$ 79,139,107	\$ 52,293,237	\$ 30,589,958

**I. Pension Plan Fiduciary Net Position**

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

**Public Employees Defined Contribution Plan (Defined Contribution Plan)**

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

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

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

**Public Employees Defined Contribution Plan (Defined Contribution Plan) (Continued)**

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the City. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.25%) of the assets in each member's account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City during fiscal year 2022 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$ 890	\$ 890	5%	5%	5%

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The City's single employer defined benefit OPEB plan provides OPEB for the individuals noted below. The City's OPEB plan is administered by the City. The City does not administer a trust and therefore does not issue a separate report.

**B. Benefits Provided**

At retirement, employees of the City receiving a retirement or disability benefit, or eligible to receive a benefit, from a Minnesota public pension plan may continue to participate in the City's group insurance plan. Eligible participants and their dependents are allowed access to the health plans.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN**

**B. Benefits Provided (Continued)**

Participants meeting additional requirements below are eligible for a direct subsidy of the premium paid by the City:

Group	Eligibility	Premium Paid by City
Police and Fire	Age 55 with 10 years of service OR age 60 with 20 years of service	The City contributes a percentage of the single health premium based on the participant's hire date until member age 65.
	Disabled in the line of duty	The City contributes 100% of the single health premium until member age 65.
Non-police and Fire	Age 55 with 10 years of service OR age 60 with 20 years of service OR Rule of 90 with 10 years of service (Tier 1 retirement only)	The City contributes a percentage of the single health premium based on the participant's hire date until member age 65.

**C. Contributions**

All post-employment benefits are based on *Minnesota Statutes* and contractual employee groups, as noted in the plan description.

**D. Members**

As of January 1, 2022, the following were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	60
Active plan members	<u>373</u>
Total	<u><u>433</u></u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	2.0%, net of investment expense
Salary increases	2.50%, including inflation
Inflation	2.50%
Healthcare cost trend increases	6.50% initially, grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Mortality assumption	Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale

The actuarial assumptions used in the January 1, 2022, valuation was based on the results of an actuarial experience study for the period January 1, 2022 through December 31, 2022.

**F. Total OPEB Liability**

The City's total OPEB liability of \$11,068,373 was measured as of January 1, 2022, and was determined by an actuarial valuation as of January 1, 2022.

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2022	<u>\$ 8,859,335</u>
Changes for the year	
Service cost	287,834
Interest	176,179
Differences between expected and actual	2,185,332
Changes of assumptions	239,536
Benefit payments	<u>(679,843)</u>
Net changes	<u>2,209,038</u>
Balances at December 31, 2022	<u><u>\$ 11,068,373</u></u>



**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**F. Total OPEB Liability (Continued)**

*Assumption Changes*

For the fiscal year ending December 31, 2022:

- The health care trend rates, mortality tables, salary increase rates, retirement rates, and withdrawal rates were updated.
- The inflation rate was changed from 2.50% to 2.00%

**G. OPEB Liability Sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 2.0% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability/(Asset)		
1% decrease (1.00%)	Current (2.00%)	1% increase (3.00%)
\$ 12,269,391	\$ 11,068,373	\$ 10,050,256

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 and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability/(Asset)		
1% decrease (5.5% decreasing to 4.0%)	Current (6.5% decreasing to 5.0%)	1% increase (7.5% decreasing to 6.0%)
\$ 10,064,660	\$ 11,068,373	\$ 12,619,080

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2022, the City recognized OPEB expense of \$1,068,238. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources as shown below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Gains/Losses	\$ 3,225,368	\$ 902,641
Changes in Actuarial Assumptions	1,453,451	104,923
Contributions made subsequent to the measurement date	<u>681,574</u>	<u>-</u>
Total	<u><u>\$ 5,360,393</u></u>	<u><u>\$ 1,007,564</u></u>

The \$681,574 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

2023	\$ 604,225
2024	604,225
2025	604,225
2026	604,226
2027	648,140
Thereafter	<u>606,214</u>
Total	<u><u>\$ 3,671,255</u></u>

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 11 – FUND BALANCES**

**A. Classifications**

A summary of governmental fund balance classifications at December 31, 2022, is as follows:

	General Fund	General Debt Service	Special Assessment Construction	Open Space Land Acquisition & Development	Economic Development Authority	Tax Increment Financing	Nonmajor Governmental Funds	Total
<b>Fund balances</b>								
Nonspendable								
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,239	\$ 5,239
Land held for resale	-	-	-	-	-	-	91,875	91,875
Prepaid items	57,917	-	-	-	1,799	-	4,500	64,216
Total nonspendable	57,917	-	-	-	1,799	-	101,614	161,330
Restricted								
Debt service	-	4,792,385	-	-	-	-	-	4,792,385
Grants	-	-	-	-	-	-	2,104,954	2,104,954
General Government	-	-	-	-	-	-	453,502	453,502
Public Safety	-	-	-	-	-	-	606,705	606,705
Recreation Programs	-	-	-	-	-	-	207,189	207,189
Community Development	-	-	-	-	521,454	-	-	521,454
Tax Increment Financing	-	-	-	-	-	19,200,951	412,381	19,613,332
Total restricted	-	4,792,385	-	-	521,454	19,200,951	3,784,731	28,299,521
Committed								
Capital Projects	-	-	-	-	-	-	7,028,981	7,028,981
Community Development	-	-	-	-	22,460,762	-	-	22,460,762
Park Improvements	-	-	-	2,949,246	-	-	-	2,949,246
Transportation Improvements	-	-	23,461,874	-	-	-	2,750,808	26,212,682
Total committed	-	-	23,461,874	2,949,246	22,460,762	-	9,779,789	58,651,671
Assigned								
Community Development	-	-	-	-	-	-	2,481,681	2,481,681
Improvements	-	-	-	-	-	-	875,826	875,826
Total assigned	-	-	-	-	-	-	3,357,507	3,357,507
Unassigned	26,733,137	-	-	-	-	-	(71,655)	26,661,482
Total fund balances	<u>\$ 26,791,054</u>	<u>\$ 4,792,385</u>	<u>\$ 23,461,874</u>	<u>\$ 2,949,246</u>	<u>\$ 22,984,015</u>	<u>\$ 19,200,951</u>	<u>\$ 16,951,986</u>	<u>\$117,131,511</u>

**NOTE 12 – JOINT VENTURE DISCLOSURES – PETS UNDER POLICE SECURITY (PUPS)**

Annual operational and capital costs of PUPS are to be charged annually to each of its members in direct proportion to the number of animals impounded from each member's jurisdiction. The City's share of these operating costs is included in the General Fund. The City's share of operating revenues for 2022 was \$68,236, which is 32.6% of operations revenues for PUPS. The City is responsible for providing staffing, accounting, and reporting for the impound facility. Complete financial information for PUPS can be obtained from the City's finance department.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 12 – JOINT VENTURE DISCLOSURES – PETS UNDER POLICE SECURITY (PUPS)**  
**(CONTINUED)**

Summary financial information as of and for the fiscal year ended December 31, 2022, is as follows:

	Operations	Capital	Total
Total Assets	\$ 63,702	\$ 39,368	\$ 103,070
Total Liabilities	\$ 9,018	\$ -	\$ 9,018
Total PUPS Equity	54,684	39,368	94,052
Total Liabilities and Equity	\$ 63,702	\$ 39,368	\$ 103,070
Total Revenues	\$ 221,918	\$ (2,985)	\$ 218,933
Total Expenditures	232,923	-	232,923
Total Increase (decrease) in PUPS Equity	\$ (11,005)	\$ (2,985)	\$ (13,990)

**NOTE 13 – TAX ABATEMENTS**

The City enters into property tax abatement agreements through the use of tax increment financing districts with local businesses under various *Minnesota Statutes*. Under these statutes the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight, and providing affordable housing. The City uses *Minnesota Statutes* §§ 469.090 to 469.1081 and 469.178 (The Tax Increment Act) to create these districts.

For the fiscal year ended December 31, 2022, the City has one agreement established under *Minnesota Statutes* § 469.090 to 469.1081 which resulted in property taxes totaling \$85,028. being abated.

- District No. 26 Scannel: A pay as you go note to offset the high cost of structural soil remediation on one parcel of land to allow the construction of a warehouse and related office building. The abatement amount was \$85,028.

**City of Brooklyn Park**  
**Notes to Basic Financial Statements**

**NOTE 13 – TAX ABATEMENTS (CONTINUED)**

For the fiscal year ended December 31, 2022, the City has two agreements established under *Minnesota Statutes* §§ 469.1812 to 469.1815, which resulted in property taxes totaling \$716,696 being abated. These abatements are for an agreement with Target Corporation to undertake an expansion of its Corporate Campus and construct or cause to be constructed new mixed-use facilities with the development district, and Doran for the agreement of building apartments for multi-family housing will serve to expand housing options for residents, will attract nearby industrial development, will enhance the community's tax base, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents. Under the Target Corporation agreement, the estimated abatement could equal or exceed \$20,000,000. In addition, the City waives any planned, pending or levied assessment against the development property as of the agreement date in the amount of approximately \$2,400,000 for truck water, storm, and sanitary sewer improvements. The business subsidy is a pro-rata subsidy that is being provided in proportion to and in exchange for each qualified job created.

**NOTE 14 – PRIOR PERIOD ADJUSTMENT**

For the year ended December 31, 2022, a prior period adjustment was required to adjustment beginning fund balance for the Economic Development Authority Fund, Community Development Block Grant Fund, and Central Services Fund to correct a prior year misstatement. Beginning fund balances were adjusted to correct reclassification of land held for resale in the Economic Development Authority Fund and Community Development Block Grant Fund. Beginning fund balance was adjusted to correct an overstatement of a capital asset in the Central Services Fund.

**NOTE 15 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending December 31, 2023.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Brooklyn Park**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total OPEB Liability					
Service cost	\$ 287,834	\$ 275,168	\$ 233,783	\$ 311,163	\$ 270,368
Interest	176,179	235,682	322,772	217,633	237,390
Differenced between expected and actual experience	2,185,332	-	(1,579,624)	2,378,683	-
Changes of assumptions	239,536	806,394	998,681	(190,051)	216,289
Benefit payments	(679,843)	(615,046)	(564,375)	(470,767)	(370,302)
Net change in total OPEB liability	<u>2,209,038</u>	<u>702,198</u>	<u>(588,763)</u>	<u>2,246,661</u>	<u>353,745</u>
Beginning of year	<u>8,859,335</u>	<u>8,157,137</u>	<u>8,745,900</u>	<u>6,499,239</u>	<u>6,145,494</u>
End of year	<u>\$ 11,068,373</u>	<u>\$ 8,859,335</u>	<u>\$ 8,157,137</u>	<u>\$ 8,745,900</u>	<u>\$ 6,499,239</u>
Covered-employee payroll	\$ 32,950,609	\$ 32,751,704	\$ 31,797,771	\$ 30,809,712	\$ 27,966,081
Total OPEB liability as a percentage of covered-employee payroll	33.6%	27.0%	25.7%	28.4%	23.2%

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

Note: There are no assets accumulated in a trust for the OPEB Plan.



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

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.2861%	\$ 22,659,214	\$ 99,232	\$ 22,758,446	\$ 21,425,827	105.76%	76.67%
2021	0.2816%	12,025,582	367,237	12,392,819	20,275,813	59.31%	87.00%
2020	0.2822%	16,919,180	521,724	17,440,904	20,123,373	84.08%	79.06%
2019	0.2788%	15,414,227	479,146	15,893,373	19,656,953	78.42%	80.23%
2018	0.2818%	15,633,109	512,893	16,146,002	18,942,142	82.53%	79.53%
2017	0.3120%	19,917,874	250,472	20,168,346	20,101,533	89.04%	75.90%
2016	0.2702%	21,938,900	-	21,938,900	16,765,827	130.85%	68.91%
2015	0.2835%	14,692,441	-	14,692,441	16,664,784	88.16%	78.19%

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

**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**Public Employees Police and Fire Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	1.2017%	\$ 52,293,237	\$ 443,127	\$ 52,736,364	\$ 14,597,712	358.23%	70.53%
2021	1.1631%	8,873,221	403,625	9,276,846	13,745,870	64.55%	93.66%
2020	1.2145%	16,008,410	377,126	16,385,536	13,414,994	119.33%	87.19%
2019	1.2480%	13,286,220	N/A	13,286,220	13,153,534	101.01%	89.26%
2018	1.1561%	12,322,835	N/A	12,322,835	12,181,437	101.16%	88.84%
2017	1.2330%	16,646,967	N/A	16,646,967	12,655,420	131.54%	85.43%
2016	1.1140%	45,549,525	N/A	45,549,525	10,932,126	416.66%	63.88%
2015	1.1260%	12,793,995	N/A	12,793,995	10,311,601	124.07%	86.61%

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

See notes to required supplementary information.

**City of Brooklyn Park  
Schedule of City Contributions -  
General Employees Retirement Fund  
Last Ten Years**

<u>Fiscal Year Ending December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2022	\$ 1,620,923	\$ 1,620,923	\$ -	\$ 21,612,307	7.50%
2021	1,546,934	1,546,934	-	20,625,787	7.50%
2020	1,529,802	1,529,802	-	20,397,360	7.50%
2019	1,479,973	1,479,973	-	19,732,973	7.50%
2018	1,420,788	1,420,788	-	18,943,840	7.50%
2017	1,434,201	1,434,201	-	19,122,680	7.50%
2016	1,393,148	1,393,148	-	18,575,307	7.50%
2015	1,265,888	1,265,888	-	16,878,507	7.50%

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

**Schedule of City Contributions -  
Public Employees Police and Fire Retirement Fund  
Last Ten Years**

<u>Fiscal Year Ending December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2022	\$ 2,757,889	\$ 2,757,889	\$ -	\$ 15,581,294	17.70%
2021	2,570,483	2,570,483	-	14,522,503	17.70%
2020	2,488,464	2,488,464	-	14,059,119	17.70%
2019	2,181,941	2,181,941	-	12,872,808	16.95%
2018	1,973,907	1,973,907	-	12,184,611	16.20%
2017	1,980,583	1,980,583	-	12,225,821	16.20%
2016	1,935,016	1,935,016	-	11,944,543	16.20%
2015	1,798,623	1,798,623	-	11,102,611	16.20%

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

**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**General Employees Fund**

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2018 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2017 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2016 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**Police and Fire Fund**

**2022 Changes**

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes resulted in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2019 Changes**

Changes in Actuarial Assumptions

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

**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2019 Changes (Continued)**

Changes in 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.

Changes in Plan Provisions

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

**2017 Changes**

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The 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% 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.

**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- The assumed post-retirement benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**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 single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.



**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**Post Employment Health Care Plan**

**2022 Changes**

Changes in Actuarial Assumptions

- The health care trend rates, mortality tables, salary increase rates, retirement rates, and withdrawal rates were updated.
- The inflation rate was changed from 2.50% to 2.00%.

**2021 Changes**

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated.
- The salary increase rates were changed from prior PERA tables to the July 1, 2018, PERA salary assumption tables for General and Police/Fire participants.
- The discount rate was changed from 2.9% to 2.0%.
- A disabled retiree load factor was applied to the claims.

**2020 Changes**

Changes in Actuarial Assumptions

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated.
- The salary increase rates were changed from prior PERA tables to the July 1, 2018, PERA salary assumption tables for General and Police/Fire participants.
- The discount rate was changed from 3.71% to 2.90%.
- A disabled retiree load factor was applied to the claims.

**2018 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.31% to 3.71%
- Four Police & Fire members were disabled in the line of duty since the 12/31/2017 valuation date and are now receiving City retiree medical benefits. This change increased the Total OPEB Liability by approximately \$2,379,000.

**2017 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 3.81% to 3.31%
- The actuarial cost method changed from using the Projected Unit Credit Cost method to the Entry Age Normal level percent of pay cost method due to the new GASB 75 accounting rules.
- Healthcare trend rates were reset to reflect updated cost increase expectation, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience.

**City of Brooklyn Park**  
**Notes to Required Supplementary Information**

**Post Employment Health Care Plan (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- Withdrawal, retirement, and mortality increase rates were updated from the rates used in the 7/1/2015 PERA Police & Fire Plan to the rates used in the 7/1/2017 valuation.
- A salary scale assumption was added to reflect the cost method changes. Rates are from the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 PERA Police and Fire Plan Valuations
- The percent of future retirees hired after 1995 and eligible for a direct subsidy assumed to elect coverage at retirement changed from 100% to 20% to reflect recent plan experience.

## **SUPPLEMENTARY INFORMATION**

**City of Brooklyn Park  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2022**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 2,825,425	\$ 10,666,428	\$ 13,491,853
Accrued interest	10,815	52,585	63,400
Accounts receivable	169,326	-	169,326
Due from other funds	465,039	-	465,039
Due from other governments	1,133,280	-	1,133,280
Property held for resale	404,427	2,495,000	2,899,427
Notes receivable	370,269	-	370,269
Inventories	5,239	-	5,239
Prepaid items	4,500	-	4,500
	<u>5,388,320</u>	<u>13,214,013</u>	<u>18,602,333</u>
<b>Total assets</b>	<u>\$ 5,388,320</u>	<u>\$ 13,214,013</u>	<u>\$ 18,602,333</u>
<b>Liabilities</b>			
Accounts payable	\$ 63,485	\$ 39,781	\$ 103,266
Contracts payable	-	23,617	23,617
Due to other funds	807,384	13,319	820,703
Due to other governments	29,664	-	29,664
Customer and contractor deposits	32,674	-	32,674
Salaries and benefits payable	77,231	-	77,231
Unearned revenue	149,562	-	149,562
<b>Total liabilities</b>	<u>1,160,000</u>	<u>76,717</u>	<u>1,236,717</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	413,630	-	413,630
<b>Fund Balances</b>			
Nonspendable	\$ 101,614	\$ -	\$ 101,614
Restricted	3,784,731	-	3,784,731
Committed	-	9,779,789	9,779,789
Assigned	-	3,357,507	3,357,507
Unassigned	(71,655)	-	(71,655)
<b>Total fund balances</b>	<u>3,814,690</u>	<u>13,137,296</u>	<u>16,951,986</u>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<u>\$ 5,388,320</u>	<u>\$ 13,214,013</u>	<u>\$ 18,602,333</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2022**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property taxes	\$ -	\$ 375,850	\$ 375,850
Franchise fees	-	4,678,563	4,678,563
Intergovernmental	2,154,502	1,467,090	3,621,592
Charges for services	985,520	-	985,520
Fine and forfeitures	20,500	-	20,500
Contributions and donations	108,909	-	108,909
Investment income	48,664	287,825	336,489
Net change in fair value of investments	(168,478)	(1,062,916)	(1,231,394)
Lease income	2,277	-	2,277
Other	108,097	-	108,097
Total revenues	<u>3,259,991</u>	<u>5,746,412</u>	<u>9,006,403</u>
<b>Expenditures</b>			
Current			
General government	54,470	-	54,470
Public safety	879,796	-	879,796
Public works	91,976	251,560	343,536
Recreation	977,478	161,112	1,138,590
Community development	1,449,692	-	1,449,692
Capital outlay			
Public safety	32,831	-	32,831
Public works	-	173,049	173,049
Total expenditures	<u>3,486,243</u>	<u>585,721</u>	<u>4,071,964</u>
Excess of revenues over (under) expenditures	(226,252)	5,160,691	4,934,439
<b>Other Financing Sources (Uses)</b>			
Transfers in	760,106	1,004,500	1,764,606
Transfers out	(162,522)	(7,536,561)	(7,699,083)
Total other financing sources (uses)	<u>597,584</u>	<u>(6,532,061)</u>	<u>(5,934,477)</u>
Net change in fund balances	371,332	(1,371,370)	(1,000,038)
<b>Fund Balances</b>			
Beginning of year	<u>3,443,358</u>	<u>13,137,296</u>	<u>17,952,024</u>
End of year	<u>\$ 3,814,690</u>	<u>\$ 13,137,296</u>	<u>\$ 16,951,986</u>

**City of Brooklyn Park  
Combining Balance Sheet -  
Nonmajor Special Revenue Funds  
December 31, 2022**

	Community Dev Block Grant	Federal Stimulus Grants	Donations
<b>Assets</b>			
Cash and investments	\$ 515,351	\$ 290,553	\$ 747,117
Accrued interest	-	-	3,611
Accounts receivable	-	-	350
Due from other funds	465,039	-	-
Due from other governments	17,500	-	-
Property held for resale	404,427	-	-
Notes receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u><u>\$ 1,402,317</u></u>	<u><u>\$ 290,553</u></u>	<u><u>\$ 751,078</u></u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 1,431
Due to other funds	-	-	-
Due to other governments	-	-	-
Customer and contractor deposits	-	-	-
Salaries and benefits payable	-	-	1,278
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,709</u></u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	-	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Fund Balances</b>			
Nonspendable	91,875	-	-
Restricted	1,310,442	290,553	748,369
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u><u>1,402,317</u></u>	<u><u>290,553</u></u>	<u><u>748,369</u></u>
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflow of resources, and fund balances	<u><u>\$ 1,402,317</u></u>	<u><u>\$ 290,553</u></u>	<u><u>\$ 751,078</u></u>

Police Forfeit Property	Ice Arena	Brookland Golf Course	Revolving	BrookLynk	Grant Fund
\$ 535,854	\$ -	\$ 19,708	\$ 303,761	\$ -	\$ -
2,646	407	171	1,942	-	-
-	168,976	-	-	-	-
-	-	-	-	-	-
-	-	-	-	222,879	892,901
-	-	-	-	-	-
-	-	-	370,269	-	-
-	-	5,239	-	-	-
-	-	-	-	-	4,500
<u>\$ 538,500</u>	<u>\$ 169,383</u>	<u>\$ 25,118</u>	<u>\$ 675,972</u>	<u>\$ 222,879</u>	<u>\$ 897,401</u>
\$ -	\$ 13,286	\$ 670	\$ -	\$ 3,134	\$ 41,986
-	110,457	-	-	231,888	465,039
-	1,049	352	-	-	28,263
32,674	-	-	-	-	-
-	14,221	2,992	-	21,101	37,639
-	25,180	2,664	-	-	121,718
<u>32,674</u>	<u>164,193</u>	<u>6,678</u>	<u>-</u>	<u>256,123</u>	<u>694,645</u>
-	43,361	-	370,269	-	-
<u>-</u>	<u>43,361</u>	<u>-</u>	<u>370,269</u>	<u>-</u>	<u>-</u>
-	-	5,239	-	-	4,500
505,826	-	13,201	305,703	-	198,256
-	(38,171)	-	-	(33,244)	-
<u>505,826</u>	<u>(38,171)</u>	<u>18,440</u>	<u>305,703</u>	<u>(33,244)</u>	<u>202,756</u>
<u>\$ 538,500</u>	<u>\$ 169,383</u>	<u>\$ 25,118</u>	<u>\$ 675,972</u>	<u>\$ 222,879</u>	<u>\$ 897,401</u>

**Brooklyn Park**   
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**City of Brooklyn Park**  
**Combining Balance Sheet -**  
**Nonmajor Special Revenue Funds**  
**December 31, 2022**

(Continued)

	Small Business Center	Special TIF Spending Plan	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
Cash and investments	\$ 2,725	\$ 410,356	\$ 2,825,425
Accrued interest	13	2,025	10,815
Accounts receivable	-	-	169,326
Due from other funds	-	-	465,039
Due from other governments	-	-	1,133,280
Property held for resale	-	-	404,427
Notes receivable	-	-	370,269
Inventories	-	-	5,239
Prepaid items	-	-	4,500
	<u>\$ 2,738</u>	<u>\$ 412,381</u>	<u>\$ 5,388,320</u>
<b>Liabilities</b>			
Accounts payable	\$ 2,978	\$ -	\$ 63,485
Due to other funds	-	-	807,384
Due to other governments	-	-	29,664
Customer and contractor deposits	-	-	32,674
Salaries and benefits payable	-	-	77,231
Unearned revenue	-	-	149,562
Total liabilities	<u>2,978</u>	<u>-</u>	<u>1,160,000</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	-	-	413,630
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>413,630</u>
<b>Fund Balances</b>			
Nonspendable	-	-	101,614
Restricted	-	412,381	3,784,731
Unassigned	(240)	-	(71,655)
Total fund balances	<u>(240)</u>	<u>412,381</u>	<u>3,814,690</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 2,738</u>	<u>\$ 412,381</u>	<u>\$ 5,388,320</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2022**

	Community Dev Block Grant	Federal Stimulus Grants	Donations
<b>Revenues</b>			
Intergovernmental	\$ 17,498	\$ -	\$ -
Charges for services	-	-	2,620
Fine and forfeitures	-	-	-
Interest	-	-	17,366
Donations	-	-	107,034
Net change in fair value of investments	-	-	(73,007)
Refunds and reimbursements	-	-	2,277
Other revenue	-	-	-
Total revenues	<u>17,498</u>	<u>-</u>	<u>56,290</u>
<b>Expenditures</b>			
Current			
General government	-	-	54,470
Public safety	-	-	42,881
Public works	-	-	-
Recreation and parks	-	-	1,286
Community development	-	-	-
Capital outlay			
Public safety	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>98,637</u>
Excess of revenues over (under) expenditures	17,498	-	(42,347)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
Transfers out	(17,498)	-	-
Total other financing sources (uses)	<u>(17,498)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(42,347)
<b>Fund Balances</b>			
Beginning of year, as previously stated	1,310,442	290,553	790,716
Prior period adjustment (see Note 14)	91,875	-	-
Beginning of year	<u>1,402,317</u>	<u>290,553</u>	<u>790,716</u>
End of year	<u>\$ 1,402,317</u>	<u>\$ 290,553</u>	<u>\$ 748,369</u>

(Continued)

Police Forfeit Property	Ice Arena	Brookland Golf Course	Revolving	BrookLynk	Grant Fund
\$ -	\$ -	\$ -	\$ -	\$ 528,722	\$ 1,608,282
-	736,598	246,302	-	-	-
20,500	-	-	-	-	-
12,839	461	171	14,322	174	-
-	-	-	-	1,875	-
(53,482)	(8,217)	(3,455)	(30,317)	-	-
-	-	-	-	-	-
-	-	-	149,287	-	-
<u>(20,143)</u>	<u>728,842</u>	<u>243,018</u>	<u>133,292</u>	<u>530,771</u>	<u>1,608,282</u>
-	-	-	-	-	-
2,388	-	-	-	-	834,527
-	-	-	-	-	91,976
-	670,348	269,118	-	-	36,726
-	-	-	160,795	712,078	576,819
<u>32,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>35,219</u>	<u>670,348</u>	<u>269,118</u>	<u>160,795</u>	<u>712,078</u>	<u>1,540,048</u>
(55,362)	58,494	(26,100)	(27,503)	(181,307)	68,234
-	152,069	58,037	-	100,000	-
<u>(2,123)</u>	<u>(110,000)</u>	<u>-</u>	<u>-</u>	<u>(32,901)</u>	<u>-</u>
<u>(2,123)</u>	<u>42,069</u>	<u>58,037</u>	<u>-</u>	<u>67,099</u>	<u>-</u>
(57,485)	100,563	31,937	(27,503)	(114,208)	68,234
563,311	(138,734)	(13,497)	333,206	80,964	134,522
-	-	-	-	-	-
<u>563,311</u>	<u>(138,734)</u>	<u>(13,497)</u>	<u>333,206</u>	<u>80,964</u>	<u>134,522</u>
<u>\$ 505,826</u>	<u>\$ (38,171)</u>	<u>\$ 18,440</u>	<u>\$ 305,703</u>	<u>\$ (33,244)</u>	<u>\$ 202,756</u>

**Brooklyn Park**   
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**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2022**

(Continued)

	Small Business Center	Special TIF Spending Plan	Total Other Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ 2,154,502
Charges for services	-	-	985,520
Fine and forfeitures	-	-	20,500
Interest	12	3,319	48,664
Donations	-	-	108,909
Net change in fair value of investments	-	-	(168,478)
Refunds and reimbursements	-	-	2,277
Other revenue	(252)	(40,938)	108,097
Total revenues	<u>(240)</u>	<u>(37,619)</u>	<u>3,259,991</u>
<b>Expenditures</b>			
Current			
General government	-	-	54,470
Public safety	-	-	879,796
Public works	-	-	91,976
Recreation and parks	-	-	977,478
Community development	-	-	1,449,692
Capital outlay			
Public safety	-	-	32,831
Total expenditures	<u>-</u>	<u>-</u>	<u>3,486,243</u>
Excess of revenues over (under) expenditures	(240)	(37,619)	(226,252)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	450,000	760,106
Transfers out	-	-	(162,522)
Total other financing sources (uses)	<u>-</u>	<u>450,000</u>	<u>597,584</u>
Net change in fund balances	(240)	412,381	371,332
<b>Fund Balances</b>			
Beginning of year, as previously stated	-	-	3,351,483
Prior period adjustment (see Note 14)	-	-	91,875
Beginning of year	<u>-</u>	<u>-</u>	<u>3,443,358</u>
End of year	<u>\$ (240)</u>	<u>\$ 412,381</u>	<u>\$ 3,814,690</u>

**City of Brooklyn Park  
Combining Balance Sheet -  
Nonmajor Capital Projects Funds  
December 31, 2022**

	Municipal Buildings & Additions	Franchise Fee	Huntington Pointe Development
<b>Assets</b>			
Cash and investments	\$ 924,705	\$ 2,737,292	\$ -
Accrued interest	4,566	13,516	-
Property held for resale	-	-	2,495,000
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u><u>\$ 929,271</u></u>	<u><u>\$ 2,750,808</u></u>	<u><u>\$ 2,495,000</u></u>
<b>Liabilities</b>			
Accounts payable	\$ 29,828	\$ -	\$ -
Contracts payable	23,617	-	-
Due to other funds	-	-	13,319
Total liabilities	<u>53,445</u>	<u>-</u>	<u>13,319</u>
<b>Fund Balances</b>			
Committed	-	2,750,808	-
Assigned	875,826	-	2,481,681
Total fund balances	<u>875,826</u>	<u>2,750,808</u>	<u>2,481,681</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflow of resources, and fund balances	<u><u>\$ 929,271</u></u>	<u><u>\$ 2,750,808</u></u>	<u><u>\$ 2,495,000</u></u>

Heritage Infrastructure	Total Nonmajor Capital Projects Funds
\$ 7,004,431	\$ 10,666,428
34,503	52,585
-	2,495,000
<u>\$ 7,038,934</u>	<u>\$ 13,214,013</u>
\$ 9,953	\$ 39,781
-	23,617
-	13,319
<u>9,953</u>	<u>76,717</u>
7,028,981	9,779,789
-	3,357,507
<u>7,028,981</u>	<u>13,137,296</u>
<u>\$ 7,038,934</u>	<u>\$ 13,214,013</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2022**

	Municipal Buildings & Additions	Franchise Fee
<b>Revenues</b>		
Property taxes	\$ -	\$ -
Franchise fees	-	4,678,563
Intergovernmental	-	-
Interest	10,719	114,337
Net change in fair value of investments	(92,292)	(273,200)
Total revenues	<u>(81,573)</u>	<u>4,519,700</u>
<b>Expenditures</b>		
Current		
Public works	124,013	108,672
Recreation and parks	-	-
Capital outlay		
Public works	173,049	-
Total expenditures	<u>297,062</u>	<u>108,672</u>
Excess of revenues over (under) expenditures	(378,635)	4,411,028
<b>Other Financing Sources (Uses)</b>		
Transfers in	885,000	-
Transfers out	-	(6,052,561)
Total other financing sources (uses)	<u>885,000</u>	<u>(6,052,561)</u>
Net change in fund balances	506,365	(1,641,533)
<b>Fund Balances</b>		
Beginning of year	<u>369,461</u>	<u>4,392,341</u>
End of year	<u>\$ 875,826</u>	<u>\$ 2,750,808</u>



Huntington Pointe Development	Heritage Infrastructure	Total Nonmajor Capital Projects
\$ -	\$ 375,850	\$ 375,850
-	-	4,678,563
-	1,467,090	1,467,090
-	162,769	287,825
-	(697,424)	(1,062,916)
-	1,308,285	5,746,412
-	18,875	251,560
-	161,112	161,112
-	-	173,049
-	179,987	585,721
-	1,128,298	5,160,691
-	119,500	1,004,500
-	(1,484,000)	(7,536,561)
-	(1,364,500)	(6,532,061)
-	(236,202)	(1,371,370)
2,481,681	7,265,183	14,508,666
\$ 2,481,681	\$ 7,028,981	\$ 13,137,296

**City of Brooklyn Park**  
**Combining Statement of Net Position - Internal Service Funds**  
**December 31, 2022**

	Central Services	Information Technology	Loss Control
<b>Assets</b>			
Current assets			
Cash and investments (including cash equivalents)	\$ 4,662,192	\$ 3,593,140	\$ 1,295,158
Accounts Receivable	2,267	509	-
Lease Receivable	-	412,730	-
Interest Receivable	22,695	17,639	5,913
Due from Other Governments	713	-	-
Inventories	54,800	-	-
Prepaid expenses	2,995	20,498	541,889
Total Current Assets	<u>4,745,662</u>	<u>4,044,516</u>	<u>1,842,960</u>
Noncurrent assets			
Capital assets			
Leased equipment	86,468	213,840	-
Property and equipment	27,425,356	5,470,330	-
Construction In Progress	15,498	-	-
Total capital assets	<u>27,527,322</u>	<u>5,684,170</u>	<u>-</u>
Less accumulated depreciation/amortization	<u>(17,909,938)</u>	<u>(4,930,600)</u>	<u>-</u>
Total Noncurrent Assets	<u>9,617,384</u>	<u>753,570</u>	<u>-</u>
Total Assets	<u>14,363,046</u>	<u>4,798,086</u>	<u>1,842,960</u>
<b>Deferred Outflows of Resources</b>			
Pensions	319,726	208,898	66,183
OPEB	-	-	-
Total Deferred Outflows of Resources	<u>319,726</u>	<u>208,898</u>	<u>66,183</u>
<b>Liabilities</b>			
Accounts payable	232,084	18,534	55,828
Accrued wages	48,777	28,633	9,410
Interest Payable	2	52	-
Lease liability	43,285	108,354	-
Due To Other Funds	-	-	-
Due to other governments	2,211	-	71,446
Compensated absences payable, due within one year	-	-	-
Total OPEB liability, due within one year	-	-	-
Total current liabilities	<u>326,359</u>	<u>155,573</u>	<u>136,684</u>
Noncurrent Liabilities:			
Compensated absences payable, due in more than one year	-	-	-
Net pension liability, due in more than one year	1,072,009	700,414	221,906
Total OPEB liability, due in more than one year	-	-	-
Total Noncurrent Liabilities	<u>1,072,009</u>	<u>700,414</u>	<u>221,906</u>
Total Liabilities	<u>1,398,368</u>	<u>855,987</u>	<u>358,590</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to lease receivable	-	412,730	-
Pensions	16,426	10,732	3,400
OPEB	-	-	-
Total Deferred Inflows of Resources	<u>16,426</u>	<u>423,462</u>	<u>3,400</u>
<b>Net Position</b>			
Net investment in capital assets	9,574,099	645,216	-
Unrestricted	<u>3,693,879</u>	<u>3,082,319</u>	<u>1,547,153</u>
Total net position	<u>\$ 13,267,978</u>	<u>\$ 3,727,535</u>	<u>\$ 1,547,153</u>

Benefit Accrual	Total Nonmajor Internal Service Funds
\$ -	\$ 9,550,490
14,230	17,006
-	412,730
-	46,247
-	713
-	54,800
271,908	837,290
<u>286,138</u>	<u>10,919,276</u>
-	300,308
-	32,895,686
-	15,498
-	33,211,492
-	(22,840,538)
-	10,370,954
<u>286,138</u>	<u>21,290,230</u>
-	594,807
<u>5,360,393</u>	<u>5,360,393</u>
<u>5,360,393</u>	<u>5,955,200</u>
1,898	308,344
71,363	158,183
-	54
-	151,639
1,809,113	1,809,113
24,451	98,108
383,061	383,061
646,641	646,641
<u>2,936,527</u>	<u>3,555,143</u>
5,089,233	5,089,233
-	1,994,329
<u>10,421,732</u>	<u>10,421,732</u>
<u>15,510,965</u>	<u>17,505,294</u>
<u>18,447,492</u>	<u>21,060,437</u>
-	412,730
-	30,558
<u>1,007,564</u>	<u>1,007,564</u>
<u>1,007,564</u>	<u>1,450,852</u>
-	10,219,315
<u>(13,808,525)</u>	<u>(5,485,174)</u>
<u>\$ (13,808,525)</u>	<u>\$ 4,734,141</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenses, and Changes**  
**in Net Position - Internal Service Funds**  
**For the Year Ended December 31, 2022**

	Central Services	Information Technology	Loss Control
Operating revenues			
Other	\$ 6,093,127	\$ 3,072,066	\$ 2,927,175
Operating expenses			
Amortization	41,235	84,498	-
Equipment	15,498	148,036	-
General Fund Charges	58,344	-	-
Personal Services	1,426,855	814,329	301,252
Supplies	1,031,933	332,004	1,897
Depreciation	1,798,583	115,734	-
Contractual Services	1,216,714	1,302,442	30,771
Internal Services Charges	238,988	77,113	3,042,341
Other	10,387	10,367	2,283
Total operating expenses	<u>5,838,537</u>	<u>2,884,523</u>	<u>3,378,544</u>
Operating income (loss)	254,590	187,543	(451,369)
Nonoperating revenues (expenses)			
Investment income	110,461	77,176	40,363
Gain on sale of capital assets	236,965	-	-
Net change in fair value of investments	(458,752)	(331,387)	(119,513)
Interest expense	(221)	(1,787)	-
Total Nonoperating Revenue (Expenses)	<u>(111,547)</u>	<u>(255,998)</u>	<u>(79,150)</u>
Income (loss) before transfers	143,043	(68,455)	(530,519)
Other financing sources (uses)			
Transfers In	<u>77,438</u>	<u>100,763</u>	<u>-</u>
Change in Net Position	220,481	32,308	(530,519)
Net position - beginning, as previously stated	13,420,218	3,695,227	2,077,672
Prior period adjustment (see Note 14)	(372,721)	-	-
Net position - beginning, restated	<u>13,047,497</u>	<u>3,695,227</u>	<u>2,077,672</u>
Net position - ending	<u>\$ 13,267,978</u>	<u>\$ 3,727,535</u>	<u>\$ 1,547,153</u>

<u>Benefit Accrual</u>	<u>Total Nonmajor Internal Service Funds</u>
<u>\$ 243,577</u>	<u>\$ 12,335,945</u>
-	125,733
-	163,534
-	58,344
1,987,758	4,530,194
-	1,365,834
-	1,914,317
16,479	2,566,406
-	3,358,442
16,873	39,910
<u>2,021,110</u>	<u>14,122,714</u>
(1,777,533)	(1,786,769)
56,231	284,231
-	236,965
-	(909,652)
<u>(2,451)</u>	<u>(4,459)</u>
<u>53,780</u>	<u>(392,915)</u>
(1,723,753)	(2,179,684)
-	178,201
(1,723,753)	(2,001,483)
(12,084,772)	7,108,345
-	(372,721)
<u>(12,084,772)</u>	<u>6,735,624</u>
<u>\$ (13,808,525)</u>	<u>\$ 4,734,141</u>

**City of Brooklyn Park**  
**Statement of Cash Flows - Internal Service Funds**  
**Year Ended December 31, 2022**

	Central Services	Information Technology	Loss Control	Benefit Accrual	Totals
<b>Cash Flows - Operating Activities</b>					
Receipts from customers and users	\$ 6,177,987	\$ 3,073,067	\$ 3,120,820	\$ 268,685	\$ 12,640,559
Payments to suppliers	(2,172,342)	(1,745,622)	(174,742)	(7,013)	(4,099,719)
Payments to employees	(1,365,077)	(829,424)	(293,716)	(1,886,971)	(4,375,188)
Payments for interfund services used	(238,988)	(77,113)	(2,971,746)	-	(3,287,847)
Net cash flows - operating activities	<u>2,401,580</u>	<u>420,908</u>	<u>(319,384)</u>	<u>(1,625,299)</u>	<u>877,805</u>
<b>Cash Flows - Noncapital Financing Activities</b>					
Payments made on interfund loan	-	-	-	1,571,519	1,571,519
Transfer from other funds	77,438	100,763	-	-	178,201
Net cash flows - noncapital financing activities	<u>77,438</u>	<u>100,763</u>	<u>-</u>	<u>1,571,519</u>	<u>1,749,720</u>
<b>Cash Flows - Capital and Related Financing Activities</b>					
Interest paid on debt	(219)	(1,735)	-	(2,451)	(4,405)
Proceeds from disposal of capital assets	236,965	-	-	-	236,965
Acquisition of capital assets	(2,863,809)	(253,522)	-	-	(3,117,331)
Net cash flows - capital and related financing activities	<u>(2,627,063)</u>	<u>(255,257)</u>	<u>-</u>	<u>(2,451)</u>	<u>(2,884,771)</u>
<b>Cash Flows - Investing Activities</b>					
Investment income	(348,855)	(256,621)	(77,883)	56,231	(627,128)
Net change in cash and cash equivalents	(496,900)	9,793	(397,267)	-	(884,374)
Cash and cash equivalents, January 1	5,159,092	3,583,347	1,692,425	-	10,434,864
Cash and cash equivalents, December 31	<u>\$ 4,662,192</u>	<u>\$ 3,593,140</u>	<u>\$ 1,295,158</u>	<u>\$ -</u>	<u>\$ 9,550,490</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>					
Operating income (loss)	\$ 254,590	\$ 187,543	\$ (451,369)	\$ (1,777,533)	\$ (1,786,769)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities					
Depreciation expense	1,839,818	200,232	-	-	2,040,050
Accounts receivable	85,224	(509)	193,645	25,108	303,468
Due from other governments	(364)	1,510	-	-	1,146
Prepaid items	-	67,504	(153,107)	158,314	72,711
Inventory	5,464	-	-	-	5,464
Accounts payable	154,981	(3,203)	13,316	1,888	166,982
Due to other governmental units	89	(17,074)	70,595	24,451	78,061
Salaries payable	7,888	(1,018)	19	(326,540)	(319,651)
OPEB related activity	-	-	-	386,664	386,664
Pension related activity	53,890	(14,077)	7,517	(104,029)	(56,699)
Compensated absences payable	-	-	-	(13,622)	(13,622)
Total adjustments	<u>2,146,990</u>	<u>233,365</u>	<u>131,985</u>	<u>152,234</u>	<u>2,664,574</u>
Net cash flows - operating activities	<u>\$ 2,401,580</u>	<u>\$ 420,908</u>	<u>\$ (319,384)</u>	<u>\$ (1,625,299)</u>	<u>\$ 877,805</u>

**City of Brooklyn Park**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2022**

	Street & Signal Light Utility	Recreation	Park Dome	Totals
<b>Assets</b>				
Current Assets				
Cash and Investments				
(Including Cash Equivalents)	\$ 5,487,740	\$ 997,737	\$ 83,327	\$ 6,568,804
Accrued interest receivable	27,098	5,324	323	32,745
Special Assessment Receivable	100,307	-	-	100,307
Accounts Receivable	487,062	44,752	4,050	535,864
Due from Other Governments	14,979	-	167,085	182,064
Inventories	-	105,284	-	105,284
Prepaid Expenses	-	545	-	545
Total Current Assets	<u>6,117,186</u>	<u>1,153,642</u>	<u>254,785</u>	<u>7,525,613</u>
Noncurrent Assets				
Capital Assets:				
Property and Equipment	10,396,565	17,654,387	-	28,050,952
Total Capital Assets	10,396,565	17,654,387	-	28,050,952
Less Accumulated Depreciation	(8,333,996)	(5,840,655)	-	(14,174,651)
Net Capital Assets	2,062,569	11,813,732	-	13,876,301
Total Assets	<u>8,179,755</u>	<u>12,967,374</u>	<u>254,785</u>	<u>21,401,914</u>
<b>Deferred Outflows of Resources</b>				
Pensions	5,983	185,558	15,939	207,480
Total Deferred Outflows of Resources	<u>5,983</u>	<u>185,558</u>	<u>15,939</u>	<u>207,480</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable	59,810	78,883	51,448	190,141
Salaries and Benefits Payable	407	23,818	5,404	29,629
Due to Other Governments	19,429	554	-	19,983
Unearned revenue	-	115,497	-	115,497
Total Current Liabilities	<u>79,646</u>	<u>218,752</u>	<u>56,852</u>	<u>355,250</u>
Noncurrent Liabilities				
Net pension liability, due in more than one year	20,060	622,158	53,442	695,660
Total Noncurrent Liabilities	20,060	622,158	53,442	695,660
Total Liabilities	<u>99,706</u>	<u>840,910</u>	<u>110,294</u>	<u>1,050,910</u>
<b>Deferred Inflows of Resources</b>				
Pensions	307	9,533	819	10,659
Total Deferred Inflows of Resources	<u>307</u>	<u>9,533</u>	<u>819</u>	<u>10,659</u>
<b>Net Position</b>				
Net Investment in Capital Assets	2,062,569	11,813,732	-	13,876,301
Unrestricted	6,023,156	488,757	159,611	6,671,524
Total Net Position	<u>\$ 8,085,725</u>	<u>\$ 12,302,489</u>	<u>\$ 159,611</u>	<u>\$ 20,547,825</u>

**City of Brooklyn Park**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**Year Ended December 31, 2022**

	Street & Signal Light Utility	Recreation	Park Dome	Totals
<b>Operating Revenues</b>				
Utility Charge	\$ 1,686,981	\$ -	\$ 358,927	\$ 2,045,908
Golf Course	-	2,259,983	-	2,259,983
Other	(181,227)	533,402	-	352,175
Total Operating Revenues	<u>1,505,754</u>	<u>2,793,385</u>	<u>358,927</u>	<u>4,658,066</u>
<b>Operating Expenses</b>				
Personal services	28,086	1,039,868	97,979	1,165,933
Supplies	43,323	259,781	43,221	346,325
Contractual services	649,361	259,536	87,264	996,161
Internal service charges	81,132	93,664	-	174,796
Other charges	9,673	289,912	30	299,615
General fund changes	89,320	46,211	2,563	138,094
Depreciation	220,501	407,227	-	627,728
Total Operating Expenses	<u>1,121,396</u>	<u>2,396,199</u>	<u>231,057</u>	<u>3,748,652</u>
Operating Income (Loss)	384,358	397,186	127,870	909,414
<b>Nonoperating Revenues (Expenses)</b>				
Investment Income	125,272	20,501	1,561	147,334
Net change in fair value of investments	(547,745)	(107,619)	(6,519)	(661,883)
Gain on Sale of Asset	-	17,707	-	17,707
Operating Grants and Contributions	-	-	-	-
Intergovernmental Revenue	18,722	-	-	18,722
Total Nonoperating Revenue (Expenses)	<u>(403,751)</u>	<u>(69,411)</u>	<u>(4,958)</u>	<u>(478,120)</u>
Income (Loss) before Transfers	(19,393)	327,775	122,912	431,294
Transfers In	-	69,282	-	69,282
Transfers Out	<u>(84,369)</u>	<u>(560)</u>	<u>-</u>	<u>(84,929)</u>
Change in Net Position	(103,762)	396,497	122,912	415,647
<b>Net Position</b>				
Beginning of Year	<u>8,189,487</u>	<u>11,905,992</u>	<u>36,699</u>	<u>20,132,178</u>
End of Year	<u>\$ 8,085,725</u>	<u>\$ 12,302,489</u>	<u>\$ 159,611</u>	<u>\$ 20,547,825</u>



**City of Brooklyn Park**  
**Statement of Cash Flows - Nonmajor Enterprise Funds**  
**Year Ended December 31, 2022**

	Street & Signal Light Utility	Recreation	Park Dome	Totals
<b>Cash Flows - Operating Activities</b>				
Receipts from customers and users	\$ 1,621,214	\$ 2,803,130	\$ 227,873	\$ 4,652,217
Payments to suppliers	(760,993)	(1,012,371)	(102,035)	(1,875,399)
Payments to employees	(27,418)	(1,023,143)	(88,657)	(1,139,218)
Payments for interfund services used	(81,132)	(93,664)	-	(174,796)
Net cash flows - operating activities	<u>751,671</u>	<u>673,952</u>	<u>37,181</u>	<u>1,462,804</u>
<b>Cash Flows - Noncapital Financing Activities</b>				
Transfers in	-	69,282	-	69,282
Transfers out	(84,369)	(560)	-	(84,929)
Intergovernmental	<u>18,722</u>	<u>-</u>	<u>-</u>	<u>18,722</u>
Net cash flows - noncapital financing activities	<u>(65,647)</u>	<u>68,722</u>	<u>-</u>	<u>3,075</u>
<b>Cash Flows - Capital and Related Financing Activities</b>				
Proceeds from disposal of capital assets	-	22,276	-	22,276
Acquisition of capital assets	<u>(48,721)</u>	<u>(604,715)</u>	<u>-</u>	<u>(653,436)</u>
Net cash flows - capital and related financing activities	<u>(48,721)</u>	<u>(582,439)</u>	<u>-</u>	<u>(631,160)</u>
<b>Cash Flows - Investing Activities</b>				
Investment income	<u>(427,122)</u>	<u>(88,233)</u>	<u>(5,281)</u>	<u>(520,636)</u>
Net change in cash and cash equivalents	210,181	72,002	31,900	314,083
Cash and cash equivalents, January 1	<u>5,277,559</u>	<u>925,735</u>	<u>51,427</u>	<u>6,254,721</u>
Cash and cash equivalents, December 31	<u>\$ 5,487,740</u>	<u>\$ 997,737</u>	<u>\$ 83,327</u>	<u>\$ 6,568,804</u>
<b>Reconciliation of Operating Income (Loss to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	<u>\$ 384,358</u>	<u>\$ 397,186</u>	<u>\$ 127,870</u>	<u>\$ 909,414</u>
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation expense	220,501	407,227	-	627,728
Special assessments	(8,680)	-	-	(8,680)
Accounts receivable	(52,635)	7,423	(1,810)	(47,022)
Due from other governments	176,775	-	(129,244)	47,531
Prepaid items	-	69	-	69
Inventory	-	(32,635)	-	(32,635)
Accounts payable	11,255	(124,317)	31,043	(82,019)
Due to other governmental units	19,429	(48)	-	19,381
Salaries payable	(29)	1,428	2,329	3,728
Unearned revenue	-	2,322	-	2,322
Pension related activity	697	15,297	6,993	22,987
Total adjustments	<u>367,313</u>	<u>276,766</u>	<u>(90,689)</u>	<u>553,390</u>
Net cash flows - operating activities	<u>\$ 751,671</u>	<u>\$ 673,952</u>	<u>\$ 37,181</u>	<u>\$ 1,462,804</u>

**City of Brooklyn Park**  
**Combining Statement of Fiduciary Net Position**  
**December 31, 2022**

	Deputy Registrar	Unclaimed Property	Brooklyn Bridge Alliance	Total Fiduciary Funds
<b>Assets</b>				
Cash and investments (including cash equivalents)	\$ 234,517	\$ 66,459	\$ 346,285	\$ 647,261
Accrued interest	-	-	1,608	1,608
Accounts receivable	-	-	4,531	4,531
Due from other governments	-	-	57,500	57,500
	<u>-</u>	<u>-</u>	<u>57,500</u>	<u>57,500</u>
Total assets	<u>\$ 234,517</u>	<u>\$ 66,459</u>	<u>\$ 409,924</u>	<u>\$ 710,900</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 20,968	\$ 20,968
Customer and contractor deposits	-	66,459	10,000	76,459
Due to other governments	234,517	-	-	234,517
Salaries and benefits payable	-	-	14,862	14,862
	<u>-</u>	<u>-</u>	<u>14,862</u>	<u>14,862</u>
Total liabilities	<u>\$ 234,517</u>	<u>\$ 66,459</u>	<u>\$ 45,830</u>	<u>\$ 346,806</u>
<b>Net Position</b>				
Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,094</u>	<u>\$ 364,094</u>

**City of Brooklyn Park**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2022**

	Deputy Registrar	Unclaimed Property	Brooklyn Bridge Alliance	Total Fiduciary Funds
<b>Additions</b>				
Licenses revenue	\$ 10,723,791	\$ -	\$ -	\$ 10,723,791
Unclaimed property	-	10,440	-	10,440
Intergovernmental	-	-	361,734	361,734
Interest	-	-	9,273	9,273
Net decrease in fair value of investments	-	-	(32,499)	(32,499)
Other	-	-	137,647	137,647
Total additions	<u>10,723,791</u>	<u>10,440</u>	<u>476,155</u>	<u>11,210,386</u>
<b>Deductions</b>				
Payments to State of Minnesota	10,723,791	10,440	-	10,734,231
Personal services	-	-	439,282	439,282
Supplies and equipment	-	-	11,463	11,463
Contractual services	-	-	66,421	66,421
Other	-	-	10,420	10,420
Total deductions	<u>10,723,791</u>	<u>10,440</u>	<u>527,586</u>	<u>11,261,817</u>
Change in net position	-	-	(51,431)	(51,431)
Net position - beginning	<u>-</u>	<u>-</u>	<u>415,525</u>	<u>415,525</u>
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,094</u>	<u>\$ 364,094</u>

**Brooklyn Park**   
Unique. United. Undiscovered.

## **OTHER SUPPLEMENTARY SCHEDULES**

**City of Brooklyn Park**  
**Combining Balance Sheet by Subfund -**  
**General Debt Service**  
**December 31, 2022**

	2010 Recreation Revenue Bonds	2010 EDA Lease Revenue Bonds	2011 Public Safety Ref Bonds	2014 Capital Improvement Bonds
<b>Assets</b>				
Cash and investments	\$ 201,597	\$ 161,643	\$ 1,359,991	\$ 693,011
Accrued interest	995	798	6,715	3,422
Special assessments - deferred	-	-	-	-
Total assets	<u>\$ 202,592</u>	<u>\$ 162,441</u>	<u>\$ 1,366,706</u>	<u>\$ 696,433</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 550	\$ -
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	-	-	-	-
<b>Fund Balances</b>				
Restricted	<u>202,592</u>	<u>162,441</u>	<u>1,366,156</u>	<u>696,433</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 202,592</u>	<u>\$ 162,441</u>	<u>\$ 1,366,706</u>	<u>\$ 696,433</u>

2016 Improvement Bonds	2017A Capital Improvement Bond	2019A General Obligation Bond	2021A General Obligation Bond	Total
\$ 1,231,575	\$ 222,326	\$ 243,920	\$ 655,321	\$ 4,769,384
6,081	1,100	1,204	3,236	23,551
12,852	-	-	-	12,852
<u>\$ 1,250,508</u>	<u>\$ 223,426</u>	<u>\$ 245,124</u>	<u>\$ 658,557</u>	<u>\$ 4,805,787</u>
\$ -	\$ -	\$ -	\$ -	\$ 550
12,852	-	-	-	12,852
1,237,656	223,426	245,124	658,557	4,792,385
<u>\$ 1,250,508</u>	<u>\$ 223,426</u>	<u>\$ 245,124</u>	<u>\$ 658,557</u>	<u>\$ 4,805,787</u>

**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - General Debt Service**  
**Year Ended December 31, 2022**

	2010 Recreation Revenue Bonds	2010 EDA Lease Revenue Bonds	2011 Public Safety Ref Bonds	2014 Capital Improvement Bonds
<b>Revenues</b>				
General property taxes	\$ -	\$ -	\$ 761,347	\$ 675,262
Investment income	50	39	404	315
Net decrease in fair value of investments	(20,121)	(16,133)	(135,736)	(69,167)
Total revenues	<u>(20,071)</u>	<u>(16,094)</u>	<u>626,015</u>	<u>606,410</u>
<b>Expenditures</b>				
Debt service				
Principal	-	-	715,000	425,000
Interest and other charges	93	74	33,693	220,340
Total expenditures	<u>93</u>	<u>74</u>	<u>748,693</u>	<u>645,340</u>
Excess of revenues over (under) expenditures	(20,164)	(16,168)	(122,678)	(38,930)
<b>Other Financing Sources</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(20,164)	(16,168)	(122,678)	(38,930)
<b>Fund Balances</b>				
Beginning of year	<u>222,756</u>	<u>178,609</u>	<u>1,488,834</u>	<u>735,363</u>
End of year	<u>\$ 202,592</u>	<u>\$ 162,441</u>	<u>\$ 1,366,156</u>	<u>\$ 696,433</u>



2016 Improvement Bonds	2017A Capital Improvement Bond	2019A General Obligation Bond	2021A General Obligation Bond	Total
\$ -	\$ 300,112	\$ 318,663	\$ 936,893	\$ 2,992,277
420	109	131	3,236	4,704
(122,920)	(22,240)	(24,345)	(65,405)	(476,067)
<u>(122,500)</u>	<u>277,981</u>	<u>294,449</u>	<u>874,724</u>	<u>2,520,914</u>
395,000	570,000	160,000	240,000	2,505,000
34,416	155,884	143,462	236,167	824,129
<u>429,416</u>	<u>725,884</u>	<u>303,462</u>	<u>476,167</u>	<u>3,329,129</u>
(551,916)	(447,903)	(9,013)	398,557	(808,215)
450,877	436,694	-	260,000	1,147,571
(101,039)	(11,209)	(9,013)	658,557	339,356
<u>1,338,695</u>	<u>234,635</u>	<u>254,137</u>	<u>-</u>	<u>4,453,029</u>
<u>\$ 1,237,656</u>	<u>\$ 223,426</u>	<u>\$ 245,124</u>	<u>\$ 658,557</u>	<u>\$ 4,792,385</u>

**City of Brooklyn Park, Minnesota**  
**Schedule of Long-Term Debt Issues Payable**  
**December 31, 2022**

General Obligation Bonds				
Year	Interest Rate	Principal	Interest	Total
<u>General Obligation Capital Improvement Plan Bonds, Series 2014A</u>				
2023	2.50%	\$ 430,000	\$ 209,850	\$ 639,850
2024	2.50%	445,000	198,913	643,913
2025	2.75%	455,000	187,094	642,094
2026	2.75%	465,000	174,444	639,444
2027	3.00%	480,000	160,850	640,850
2028	3.00%	490,000	146,300	636,300
2029	3.25%	505,000	130,744	635,744
2030	3.25%	520,000	114,088	634,088
2031	3.50%	540,000	96,188	636,188
2032	3.50%	555,000	77,025	632,025
2033	3.75%	575,000	56,531	631,531
2034	3.75%	600,000	34,500	634,500
2035	3.75%	620,000	11,625	631,625
Sub-total		<u>6,680,000</u>	<u>1,598,150</u>	<u>8,278,150</u>
<u>General Obligation, Series 2016A</u>				
2023	2.00%	\$ 400,000	\$ 25,406	\$ 425,406
2024	2.00%	410,000	17,306	427,306
2025	1.50%	420,000	10,057	430,057
2026	1.625%	425,000	3,454	428,454
Sub-total		<u>1,655,000</u>	<u>56,223</u>	<u>1,711,223</u>
<u>General Obligation, Series 2017A</u>				
2023	3.000%	\$ 590,000	\$ 134,131	\$ 724,131
2024	3.000%	610,000	116,131	726,131
2025	3.000%	625,000	97,606	722,606
2026	3.000%	640,000	78,631	718,631
2027	2.125%	665,000	61,966	726,966
2028	2.250%	680,000	47,250	727,250
2029	3.000%	250,000	35,850	285,850
2030	3.000%	255,000	28,275	283,275
2031	3.000%	265,000	20,475	285,475
2032	3.000%	270,000	12,450	282,450
2033	3.000%	280,000	4,200	284,200
Sub-total		<u>5,130,000</u>	<u>636,966</u>	<u>5,766,966</u>

**City of Brooklyn Park, Minnesota**  
**Schedule of Long-Term Debt Issues Payable**  
**December 31, 2022**

General Obligation Bonds				
Year	Interest Rate	Principal	Interest	Total
<u>General Obligation, Series 2019A</u>				
2023	3.000%	\$ 170,000	\$ 132,450	\$ 302,450
2024	3.000%	175,000	125,550	300,550
2025	3.000%	185,000	118,350	303,350
2026	3.000%	190,000	110,850	300,850
2027	2.125%	195,000	103,150	298,150
2028	2.250%	205,000	95,150	300,150
2029	3.000%	215,000	87,825	302,825
2030	3.000%	220,000	81,300	301,300
2031	3.000%	225,000	74,625	299,625
2032	3.000%	235,000	67,725	302,725
2033	3.000%	240,000	60,600	300,600
2034	3.000%	250,000	53,250	303,250
2035	3.000%	255,000	45,675	300,675
2036	3.000%	265,000	37,875	302,875
2037	3.000%	270,000	29,850	299,850
2038	3.000%	280,000	21,600	301,600
2039	3.000%	285,000	13,125	298,125
2040	3.000%	295,000	4,425	299,425
Sub-total		<u>4,155,000</u>	<u>1,263,375</u>	<u>5,418,375</u>
<u>2021A General Obligation Bond- Park Portion</u>				
2023	3.00%	\$ 665,000	\$ 170,375	\$ 835,375
2024	3.00%	685,000	150,125	835,125
2025	3.00%	705,000	129,275	834,275
2026	3.00%	730,000	107,750	837,750
2027	3.00%	750,000	85,550	835,550
2028	3.00%	770,000	62,750	832,750
2029	3.00%	795,000	39,275	834,275
2030	1.00%	820,000	23,250	843,250
2031	1.10%	830,000	14,585	844,585
2032	1.20%	835,000	5,010	840,010
Sub-total		<u>7,585,000</u>	<u>787,945</u>	<u>8,372,945</u>
Total General Obligation Bonds		<u>\$ 25,205,000</u>	<u>\$ 4,342,659</u>	<u>\$ 29,547,659</u>

**City of Brooklyn Park, Minnesota**  
**Schedule of Long-Term Debt Issues Payable**  
**December 31, 2022**

General Obligation Refunding Bonds				
Year	Interest Rate	Principal	Interest	Total
<u>General Obligation Public Safety Refunding Bonds, Series 2011A</u>				
2023	3.00%	\$ 710,000	\$ 10,650	\$ 720,650
Sub-total		<u>710,000</u>	<u>10,650</u>	<u>720,650</u>
<u>2021A General Obligation Bond- 2010A Refunding</u>				
2023	3.00%	\$ 110,000	\$ 16,050	\$ 126,050
2024	3.00%	115,000	12,675	127,675
2025	3.00%	120,000	9,150	129,150
2026	3.00%	120,000	5,550	125,550
2027	3.00%	125,000	1,875	126,875
Sub-total		<u>590,000</u>	<u>45,300</u>	<u>635,300</u>
<u>2021A General Obligation Bond- 2010A EDA Refunding</u>				
2023	3.00%	\$ 150,000	\$ 21,300	\$ 171,300
2024	3.00%	150,000	16,800	166,800
2025	3.00%	155,000	12,225	167,225
2026	3.00%	160,000	7,500	167,500
2027	3.00%	170,000	2,550	172,550
Sub-total		<u>785,000</u>	<u>60,375</u>	<u>845,375</u>
<u>General Obligation Refunding Bonds, Series 2018A</u>				
2023	3.000%	\$ 860,000	\$ 309,150	\$ 1,169,150
2024	3.000%	905,000	265,025	1,170,025
2025	3.000%	955,000	218,525	1,173,525
2026	3.000%	1,005,000	169,525	1,174,525
2027	2.125%	1,060,000	123,200	1,183,200
2028	2.250%	1,100,000	85,500	1,185,500
2029	3.000%	1,135,000	362,475	1,497,475
2030	3.000%	1,165,000	17,475	1,182,475
Sub-total		<u>8,185,000</u>	<u>1,550,875</u>	<u>9,735,875</u>
Total General Obligation Refunding Bonds		<u>\$ 10,270,000</u>	<u>\$ 1,667,200</u>	<u>\$ 11,937,200</u>

**City of Brooklyn Park, Minnesota**  
**Schedule of Long-Term Debt Issues Payable**  
**December 31, 2022**

Other Debt				
<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Notes Payable - Sac Loan Met Council</u>				
2023	2.25%	\$ 8,091	\$ 534	\$ 8,626
2024	2.25%	8,275	350	8,626
2025	2.25%	8,358	163	8,520
2026	2.25%	2,718	18	2,735
Sub-total		<u>27,441</u>	<u>1,065</u>	<u>28,507</u>
Total Other Debt		<u>\$ 27,441</u>	<u>\$ 1,065</u>	<u>\$ 28,507</u>
Total Long Term Debt Issues Payable		<u>\$ 35,502,441</u>	<u>\$ 6,010,924</u>	<u>\$ 41,513,365</u>

**City of Brooklyn Park**  
**Combining Balance Sheet by Subfund -**  
**Economic Development Authority**  
**December 31, 2022**

	EDA General Activities	EDA Rehab Loan Program	MN Housing Pilot Grant Fund	EDA Foreclosure Loan Program
<b>Assets</b>				
Cash and investments	\$ 3,162,199	\$ 947,156	\$ 28,063	\$ 3,841,737
Cash with a fiscal agent	-	-	-	-
Accrued interest	17,854	7,472	139	28,719
Accounts receivable	92,851	3,713	-	-
Taxes receivable	1,897	-	-	-
Lease receivable	-	-	-	-
Due from other governments	-	-	-	-
Special assessments - delinquent	-	-	-	-
Special assessments - deferred	-	-	-	-
Due from other funds	7,797,086	-	-	-
Prepaid expenses	1,799	-	-	-
Land held for resale	3,120,868	-	-	-
Note receivable	109,328	1,847,283	-	149,570
Total assets	<u>\$ 14,303,882</u>	<u>\$ 2,805,624</u>	<u>\$ 28,202</u>	<u>\$ 4,020,026</u>
<b>Liabilities</b>				
Accounts payable	\$ 68,867	\$ 41,623	\$ -	\$ -
Advances from other funds	-	-	-	-
Customer and contractor deposits	79,729	-	-	-
Salaries and benefits payable	27,037	-	-	-
Total liabilities	<u>175,633</u>	<u>41,623</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflow related to lease receivable	-	-	-	-
Unavailable revenue - property taxes	1,897	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - notes receivable	109,328	1,847,283	-	159,320
Unavailable revenue - other	-	-	-	-
Total deferred inflows of resources	<u>111,225</u>	<u>1,847,283</u>	<u>-</u>	<u>159,320</u>
<b>Fund Balances</b>				
Nonspendable	1,799	-	-	-
Restricted	6,705,265	-	-	-
Committed	7,309,960	916,718	28,202	3,860,706
Total fund balances	<u>14,017,024</u>	<u>916,718</u>	<u>28,202</u>	<u>3,860,706</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 14,303,882</u>	<u>\$ 2,805,624</u>	<u>\$ 28,202</u>	<u>\$ 4,020,026</u>

(Continued)

EDA Townhome Loan Program	EDA - HIA Program	EDA Housing Set Aside Fund	EDA Transitional Housing	EDA Northwind Plaza	EDA Target Abatement
\$ 1,834,237	\$ -	\$ 8,301,867	\$ 59,538	\$ -	\$ 923,823
-	-	-	9,589	346,795	-
9,057	-	121,958	221	9,724	4,562
-	-	-	467	14,892	-
-	-	-	-	-	-
-	-	-	-	7,475,259	-
-	-	-	-	-	-
-	553	-	-	-	-
-	527,201	-	-	-	-
-	(232,552)	-	-	(7,310,527)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,510,614	-	-	-
<u>\$ 1,843,294</u>	<u>\$ 295,202</u>	<u>\$ 11,934,439</u>	<u>\$ 69,815</u>	<u>\$ 536,143</u>	<u>\$ 928,385</u>
\$ -	\$ -	\$ 2,268	\$ 1,748	\$ 10,163	\$ 78,558
(15,477)	15,477	-	-	-	-
-	-	-	2,825	31,763	-
-	-	-	-	-	-
<u>(15,477)</u>	<u>15,477</u>	<u>2,268</u>	<u>4,573</u>	<u>41,926</u>	<u>78,558</u>
-	-	-	-	7,380,320	-
-	-	-	-	-	-
-	527,753	-	-	-	-
-	-	3,510,614	-	-	-
-	-	-	394	-	-
<u>-</u>	<u>527,753</u>	<u>3,510,614</u>	<u>394</u>	<u>7,380,320</u>	<u>-</u>
-	-	-	-	-	-
-	(248,028)	-	-	(6,886,103)	849,827
1,858,771	-	8,421,557	64,848	-	-
<u>1,858,771</u>	<u>(248,028)</u>	<u>8,421,557</u>	<u>64,848</u>	<u>(6,886,103)</u>	<u>849,827</u>
<u>\$ 1,843,294</u>	<u>\$ 295,202</u>	<u>\$ 11,934,439</u>	<u>\$ 69,815</u>	<u>\$ 536,143</u>	<u>\$ 928,385</u>

**Brooklyn Park**   
Unique. United. Undiscovered.



**City of Brooklyn Park**  
**Combining Balance Sheet by Subfund -**  
**Economic Development Authority**  
**December 31, 2022**

(Continued)

	EDA-Doran Abatement	EDA Grants	Total
<b>Assets</b>			
Cash and investments	\$ 353,698	\$ -	\$ 19,452,318
Cash with a fiscal agent	-	-	356,384
Accrued interest	1,746	-	201,452
Accounts receivable	14,890	-	126,813
Taxes receivable	-	-	1,897
	-	-	7,475,259
Due from other governments	-	21,700	21,700
Special assessments - delinquent	-	-	553
Special assessments - deferred	-	-	527,201
Due from other funds	-	(8,800)	245,207
Prepaid expenses	-	-	1,799
Land held for resale	-	-	3,120,868
Note receivable	-	-	5,616,795
	<u>370,334</u>	<u>12,900</u>	<u>37,148,246</u>
Total assets	<u>\$ 370,334</u>	<u>\$ 12,900</u>	<u>\$ 37,148,246</u>
<b>Liabilities</b>			
Accounts payable	\$ 279,790	\$ -	\$ 483,017
Advances from other funds	-	-	-
Customer and contractor deposits	2,951	-	117,268
Salaries and benefits payable	-	-	27,037
Total liabilities	<u>282,741</u>	<u>-</u>	<u>627,322</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflow related to lease receivable	-	-	7,380,320
	-	-	1,897
Unavailable revenue - special assessments	-	-	527,753
Unavailable revenue - notes receivable	-	-	5,626,545
Unavailable revenue - other	-	-	394
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>13,536,909</u>
<b>Fund Balances</b>			
Nonspendable	-	-	1,799
Restricted	87,593	12,900	521,454
Committed	-	-	22,460,762
Total fund balances	<u>87,593</u>	<u>12,900</u>	<u>22,984,015</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 370,334</u>	<u>\$ 12,900</u>	<u>\$ 37,148,246</u>

**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - Economic Development Authority**  
**Year Ended December 31, 2022**

	EDA General Activities	EDA Rehab Loan Program	MN Housing Pilot Grant Fund	EDA Foreclosure Loan Program
<b>Revenues</b>				
General property taxes	\$ 2,106,700	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Refunds and reimbursements	4,469	-	-	-
Charges for services	200	-	-	-
Investment income	74,022	26,544	8	89,551
Net change in fair value of investments	(357,331)	(94,533)	(2,801)	(383,432)
Lease income	-	-	-	-
Other revenue	149,227	169,969	-	-
Total revenues	<u>1,977,287</u>	<u>101,980</u>	<u>(2,793)</u>	<u>(293,881)</u>
<b>Expenditures</b>				
Current				
Community development	1,459,154	932,796	13	1,747
Debt service				
Interest and other charges	-	-	-	-
Capital outlay				
Community development	-	-	-	-
Total expenditures	<u>1,459,154</u>	<u>932,796</u>	<u>13</u>	<u>1,747</u>
Excess of revenues over (under) expenditures	518,133	(830,816)	(2,806)	(295,628)
<b>Other Financing Sources (Uses)</b>				
Transfers in	10,000	-	-	-
Transfers out	(324,085)	-	-	-
Total other financing sources (uses)	<u>(314,085)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	204,048	(830,816)	(2,806)	(295,628)
<b>Fund Balances</b>				
Beginning of year, as previously stated	12,587,176	1,747,534	31,008	4,156,334
Prior period adjustments (see Note 14)	<u>1,225,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, restated	<u>13,812,976</u>	<u>1,747,534</u>	<u>31,008</u>	<u>4,156,334</u>
End of year	<u>\$ 14,017,024</u>	<u>\$ 916,718</u>	<u>\$ 28,202</u>	<u>\$ 3,860,706</u>

(Continued)

EDA Townhome Loan Program	EDA - HIA Program	EDA Housing Set Aside Fund	EDA Transitional Housing	EDA Northwind Plaza	EDA Target Abatement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
-	173,329	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,000	-	-	-	-
44,939	232	202,089	1,830	-	20,427
(183,069)	-	(828,583)	(5,942)	-	(92,204)
-	-	-	28,910	907,513	-
22,880	-	126,914	-	-	-
<u>(115,250)</u>	<u>176,561</u>	<u>(499,580)</u>	<u>24,798</u>	<u>907,513</u>	<u>78,223</u>
836	433,177	1,381,997	24,964	527,835	2,735
-	2,059	-	26	-	157,116
-	-	-	-	30,000	-
<u>836</u>	<u>435,236</u>	<u>1,381,997</u>	<u>24,990</u>	<u>557,835</u>	<u>159,851</u>
(116,086)	(258,675)	(1,881,577)	(192)	349,678	(81,628)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>(116,086)</u>	<u>(258,675)</u>	<u>(1,881,577)</u>	<u>(192)</u>	<u>349,678</u>	<u>(81,628)</u>
1,974,857	10,647	10,303,134	65,040	(7,235,781)	931,455
-	-	-	-	-	-
<u>1,974,857</u>	<u>10,647</u>	<u>10,303,134</u>	<u>65,040</u>	<u>(7,235,781)</u>	<u>931,455</u>
<u>\$ 1,858,771</u>	<u>\$ (248,028)</u>	<u>\$ 8,421,557</u>	<u>\$ 64,848</u>	<u>\$ (6,886,103)</u>	<u>\$ 849,827</u>

**Brooklyn Park**   
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**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - Economic Development Authority**  
**Year Ended December 31, 2022**

(Continued)

	EDA-Doran Abatement	EDA Grants	Total
<b>Revenues</b>			
General property taxes	\$ 550,000	\$ -	\$ 2,806,700
Special assessments	-	-	173,329
Intergovernmental	-	85,000	85,000
Refunds and reimbursements	-	-	4,469
Charges for services	-	-	3,200
Investment income	5,426	-	465,068
Net increase in fair value of investments	(35,301)	-	(1,983,196)
Lease income	-	-	936,423
Other revenue	11,939	-	480,929
Total revenues	<u>532,064</u>	<u>85,000</u>	<u>2,971,922</u>
<b>Expenditures</b>			
Current			
Community development	584,893	68,800	5,418,947
Debt service			
Interest and other charges	248,594	-	407,795
Capital outlay			
Community development	-	-	30,000
Total expenditures	<u>833,487</u>	<u>68,800</u>	<u>5,856,742</u>
Excess of revenues over (under) expenditures	(301,423)	16,200	(2,884,820)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	10,000
Transfers out	-	-	(324,085)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(314,085)</u>
Net change in fund balances	(301,423)	16,200	(3,198,905)
<b>Fund Balances</b>			
Beginning of year, as previously stated	389,016	(3,300)	24,957,120
Prior period adjustments (see Note 14)	-	-	1,225,800
Beginning of year	<u>389,016</u>	<u>(3,300)</u>	<u>26,182,920</u>
End of year	<u>\$ 87,593</u>	<u>\$ 12,900</u>	<u>\$ 22,984,015</u>

**City of Brooklyn Park**  
**Combining Balance Sheet by Subfund -**  
**Tax Increment Financing**  
**December 31, 2022**

	Tax Increment District #3	Tax Increment District #17	Tax Increment District #18
<b>Assets</b>			
Cash and investments	\$ 11,337,135	\$ 347,362	\$ 1,619,652
Accrued interest	59,876	1,715	7,997
Taxes receivable - delinquent	-	-	-
Accounts receivable	4,907	9,089	3,093
Land held for resale	4,206,039	-	-
Notes receivable	-	763,749	660,164
Allowance for uncollectible accounts	-	(763,749)	(660,164)
	<u>\$ 15,607,957</u>	<u>\$ 358,166</u>	<u>\$ 1,630,742</u>
<b>Liabilities</b>			
Accounts payable	-	-	8,020
Advances from other funds	(2,316,386)	-	-
Total liabilities	<u>(2,316,386)</u>	<u>-</u>	<u>8,020</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
<b>Fund Balances</b>			
Restricted	17,924,343	358,166	1,622,722
Unassigned	-	-	-
Total fund balances	<u>17,924,343</u>	<u>358,166</u>	<u>1,622,722</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 15,607,957</u>	<u>\$ 358,166</u>	<u>\$ 1,630,742</u>

Tax Increment District #20	Tax Increment District #24	Tax Increment District #26	Total
\$ 2,507	\$ 8,874	\$ 43,275	\$ 13,358,805
12	45	214	69,859
19,848	-	-	19,848
-	-	711	17,800
1,598,982	-	-	5,805,021
477,500	-	-	1,901,413
(477,500)	-	-	(1,901,413)
<u>\$ 1,621,349</u>	<u>\$ 8,919</u>	<u>\$ 44,200</u>	<u>\$ 19,271,333</u>
-	-	42,514	50,534
2,316,386	-	-	-
<u>2,316,386</u>	<u>-</u>	<u>42,514</u>	<u>50,534</u>
19,848	-	-	19,848
-	8,919	1,686	19,915,836
(714,885)	-	-	(714,885)
<u>(714,885)</u>	<u>8,919</u>	<u>1,686</u>	<u>19,200,951</u>
<u>\$ 1,621,349</u>	<u>\$ 8,919</u>	<u>\$ 44,200</u>	<u>\$ 19,271,333</u>

**City of Brooklyn Park**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances by Subfund - Tax Increment Financing**  
**Year Ended December 31, 2022**

	Tax Increment District #3	Tax Increment District #17	Tax Increment District #18
<b>Revenues</b>			
Tax increments	\$ -	\$ -	\$ -
Intergovernmental	183,915	-	-
Investment income	298,164	8,157	37,674
Net change in fair value of investments	(1,210,286)	(34,669)	(161,652)
Other revenue	204,354	4,528	3,093
Total revenues	<u>(523,853)</u>	<u>(21,984)</u>	<u>(120,885)</u>
<b>Expenditures</b>			
Current			
Community development	96,236	8,221	17,521
Debt service			
Interest and other charges	-	-	-
Capital outlay			
Community development	2,873,078	-	-
Total expenditures	<u>2,969,314</u>	<u>8,221</u>	<u>17,521</u>
Excess of revenues over (under) expenditures	(3,493,167)	(30,205)	(138,406)
<b>Other Financing Sources (Uses)</b>			
Transfers out	<u>(668,307)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,161,474)	(30,205)	(138,406)
<b>Fund Balances</b>			
Beginning of year	<u>22,085,817</u>	<u>388,371</u>	<u>1,761,128</u>
End of year	<u><u>\$ 17,924,343</u></u>	<u><u>\$ 358,166</u></u>	<u><u>\$ 1,622,722</u></u>



<u>Tax Increment District #20</u>	<u>Tax Increment District #24</u>	<u>Tax Increment District #26</u>	<u>Total</u>
\$ 1,040,281	\$ 206,852	\$ 89,504	\$ 1,336,637
-	-	-	183,915
5,681	833	221	350,730
(250)	(904)	(4,319)	(1,412,080)
-	-	711	212,686
<u>1,045,712</u>	<u>206,781</u>	<u>86,117</u>	<u>671,888</u>
1	212,759	64,146	398,884
199,447	-	20,901	220,348
-	-	-	2,873,078
<u>199,448</u>	<u>212,759</u>	<u>85,047</u>	<u>3,492,310</u>
846,264	(5,978)	1,070	(2,820,422)
-	(450,000)	-	(1,118,307)
846,264	(455,978)	1,070	(3,938,729)
(1,561,149)	464,897	616	23,139,680
<u>\$ (714,885)</u>	<u>\$ 8,919</u>	<u>\$ 1,686</u>	<u>\$ 19,200,951</u>

**Brooklyn Park**   
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## **STATISTICAL SECTION**

**Brooklyn Park**   
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## City of Brooklyn Park Statistical Summary

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

<b>Contents</b>	<b>Pages</b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	169-177
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	178-174
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	183-187
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	188-195

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

**Brooklyn Park**   
Unique. United. Undiscovered.

City of Brooklyn Park  
Net Position by Component  
Last Ten Fiscal Years

Table 1

	Fiscal Years				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 142,527,033	\$ 135,348,107	\$ 139,442,647	\$ 140,831,106	\$ 137,434,431
Restricted	36,616,035	36,438,822	36,171,978	37,351,263	30,566,088
Unrestricted	75,316,747	82,268,454	49,540,522	46,999,331	65,208,598
Total governmental activities net position	<u>\$ 254,459,815</u>	<u>\$ 254,055,383</u>	<u>\$ 225,155,147</u>	<u>\$ 225,181,700</u>	<u>\$ 233,209,117</u>
Business - type activities					
Net investment in capital assets	\$ 118,115,014	\$ 117,274,922	\$ 117,769,644	\$ 117,450,394	\$ 115,610,153
Restricted	-	-	-	-	-
Unrestricted	38,104,394	41,692,283	42,235,376	42,669,978	43,571,003
Total business - type activities net position	<u>\$ 156,219,408</u>	<u>\$ 158,967,205</u>	<u>\$ 160,005,020</u>	<u>\$ 160,120,372</u>	<u>\$ 159,181,156</u>
Primary government					
Net investment in capital assets	\$ 260,642,047	\$ 252,623,029	\$ 257,212,291	\$ 258,281,500	\$ 253,044,584
Restricted	36,616,035	36,438,822	36,171,978	37,351,263	30,566,088
Unrestricted	113,421,141	123,960,737	91,775,898	89,669,309	108,779,601
Total primary government net position	<u>\$ 410,679,223</u>	<u>\$ 413,022,588</u>	<u>\$ 385,160,167</u>	<u>\$ 385,302,072</u>	<u>\$ 392,390,273</u>
	Fiscal Years				
	2018	2019	2020	2021	2022
Governmental activities					
Net Investment in capital assets	\$ 138,539,221	\$ 141,862,073	\$ 167,001,723	\$ 172,268,275	\$ 180,072,815
Restricted	32,238,199	32,878,555	34,233,794	37,917,320	28,383,172
Unrestricted	62,766,233	59,894,380	70,298,358	70,977,115	69,425,324
Total governmental activities net position	<u>\$ 233,543,653</u>	<u>\$ 234,635,008</u>	<u>\$ 271,533,875</u>	<u>\$ 281,162,710</u>	<u>\$ 277,881,311</u>
Business - type activities					
Net Investment in capital assets	\$ 114,563,747	\$ 114,637,111	\$ 112,859,370	\$ 113,902,622	\$ 114,451,276
Restricted	-	-	-	-	-
Unrestricted	46,231,395	50,990,125	55,982,819	62,144,537	58,616,584
Total business - type activities net position	<u>\$ 160,795,142</u>	<u>\$ 165,627,236</u>	<u>\$ 168,842,189</u>	<u>\$ 176,047,159</u>	<u>\$ 173,067,860</u>
Primary government					
Net Investment in capital assets	\$ 253,102,967	\$ 256,499,184	\$ 279,861,093	\$ 286,170,897	\$ 294,524,091
Restricted	32,238,199	32,878,555	34,233,794	37,917,320	28,383,172
Unrestricted	109,351,374	110,884,505	126,281,177	133,121,652	128,041,908
Total primary government net position	<u>\$ 394,692,540</u>	<u>\$ 400,262,244</u>	<u>\$ 440,376,064</u>	<u>\$ 457,209,869</u>	<u>\$ 450,949,171</u>

**City of Brooklyn Park  
Change in Net Position  
Last Ten Fiscal Years**

	Fiscal Years			
	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities:				
General government	\$ 5,487,055	\$ 5,588,120	\$ 6,107,751	\$ 7,980,460
Public safety	24,411,431	25,706,346	27,712,675	34,551,236
Public works	10,096,441	13,715,826	13,907,790	11,463,579
Recreation and parks	9,887,157	9,162,128	9,433,277	9,793,694
Community development	10,205,138	11,900,762	10,263,247	6,247,335
Debt service	758,018	881,239	831,960	1,254,189
Total governmental activities expenses	<u>60,845,240</u>	<u>66,954,421</u>	<u>68,256,700</u>	<u>71,290,493</u>
Business-type activities:				
Public Utilities	14,263,851	14,854,936	15,650,525	15,716,700
Storm sewer	1,823,351	1,814,105	2,115,189	1,741,462
Street/signal light	1,176,038	1,293,960	1,430,561	1,100,226
Golf courses	2,251,684	2,020,528	2,126,413	2,161,213
Park Dome	-	-	-	-
Total business-type activities	<u>17,263,240</u>	<u>17,963,001</u>	<u>19,196,275</u>	<u>18,558,388</u>
Total primary government expenses	<u><u>\$ 78,108,480</u></u>	<u><u>\$ 84,917,422</u></u>	<u><u>\$ 87,452,975</u></u>	<u><u>\$ 89,848,881</u></u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,156,295	\$ 1,260,600	\$ 1,508,406	\$ 814,208
Public safety	3,934,499	3,733,991	3,833,526	1,048,481
Public works	2,687,194	1,417,462	1,930,695	729,520
Recreation and parks	2,004,022	2,272,541	2,246,276	2,482,240
Community development	4,620,172	2,234,095	2,835,423	3,069,595
Debt service	90,316	49,984	225,773	-
Operating grants and contributions	4,651,240	9,217,430	6,054,834	3,201,839
Capital grants and contributions	2,086,479	2,723,790	3,632,120	5,019,121
Total governmental activities program revenues	<u>21,230,217</u>	<u>22,909,893</u>	<u>22,267,053</u>	<u>16,365,004</u>
Business-type activities:				
Charges for services:				
Public Utilities	14,190,394	14,262,049	14,902,097	14,819,781
Storm sewer	1,215,554	1,288,170	1,361,143	1,386,053
Street/signal light	1,172,869	1,236,581	1,287,095	1,306,896
Golf courses	1,883,807	1,443,217	1,980,999	1,661,395
Park Dome	-	-	-	-
Operating grants and contributions	433,852	422,653	443,920	223,814
Capital grants and contributions	1,571,237	13,084	13,085	13,085
Total business-type activities program revenues	<u>20,467,713</u>	<u>18,665,754</u>	<u>19,988,339</u>	<u>19,411,024</u>
Total primary government program revenues	<u><u>\$ 41,697,930</u></u>	<u><u>\$ 41,575,647</u></u>	<u><u>\$ 42,255,392</u></u>	<u><u>\$ 35,776,028</u></u>
Net revenue/(expense)				
Governmental activities	\$ (39,615,023)	\$ (44,044,528)	\$ (45,989,647)	\$ (54,925,489)
Business-type activities	3,204,473	702,753	792,064	852,636
Total primary government net revenue/(expense)	<u><u>\$ (36,410,550)</u></u>	<u><u>\$ (43,341,775)</u></u>	<u><u>\$ (45,197,583)</u></u>	<u><u>\$ (54,072,853)</u></u>



Table 2

Fiscal Years					
2017	2018	2019	2020	2021	2022
\$ 8,658,872	\$ 6,201,773	\$7,441,115	\$4,852,960	\$5,751,344	\$7,414,097
32,734,865	30,218,989	33,203,569	32,443,864	29,838,874	40,201,629
10,542,667	14,341,136	16,419,427	8,058,835	12,257,408	11,101,115
10,764,266	10,729,393	12,250,707	12,393,771	11,755,184	12,574,475
9,746,885	4,521,550	19,669,932	13,785,669	7,247,401	10,649,373
1,178,592	1,444,969	717,047	1,672,332	1,060,155	1,251,900
73,626,147	67,457,810	89,701,797	73,207,431	67,910,366	83,192,589
16,865,615	14,762,231	14,708,153	17,901,938	17,305,752	18,525,478
2,181,443	1,523,603	1,702,797	2,075,220	1,859,683	1,975,225
1,261,121	2,012,587	1,120,630	962,637	1,128,771	1,149,623
2,119,943	2,393,094	3,215,627	2,363,693	2,303,588	2,447,727
-	-	2,310	152,745	176,633	231,057
20,308,179	18,298,421	20,749,517	23,456,233	22,774,427	24,329,110
<u>\$ 93,934,326</u>	<u>\$ 85,756,231</u>	<u>\$ 110,451,314</u>	<u>\$ 96,663,664</u>	<u>\$ 90,684,793</u>	<u>\$ 107,521,699</u>
\$ 694,235	\$ 570,939	808,507	460,727	649,619	511,003
4,782,486	3,809,349	4,320,580	3,309,640	4,913,074	3,752,655
86,689	220,347	159,381	285,093	176,370	263,981
2,531,445	2,104,694	2,710,948	1,227,412	2,657,299	2,805,470
274,948	252,781	281,787	251,083	270,882	329,417
-	-	-	-	-	-
6,114,529	3,565,032	3,929,872	13,247,568	3,611,376	5,044,806
3,139,549	2,827,626	15,067,040	17,121,882	7,738,715	3,417,570
17,623,881	13,350,768	27,278,115	35,903,405	20,017,335	16,124,902
15,708,538	16,398,413	16,815,855	17,767,216	21,063,789	19,985,749
1,507,208	1,780,407	2,013,905	2,187,068	2,421,904	2,665,047
1,364,988	1,432,517	1,462,390	1,517,262	1,605,542	1,686,981
1,626,045	1,862,044	1,985,883	2,126,311	2,380,942	2,259,983
-	-	-	123,310	239,999	358,927
196,928	178,720	201,462	125,004	121,346	19,585
13,085	278,409	-	-	-	-
20,416,792	21,930,510	22,479,495	23,846,171	27,833,522	26,976,272
<u>\$ 38,040,673</u>	<u>\$ 35,281,278</u>	<u>\$ 49,757,610</u>	<u>\$ 59,749,576</u>	<u>\$ 47,850,857</u>	<u>\$ 43,101,174</u>
\$ (56,002,266)	\$ (54,107,042)	\$ (62,423,682)	\$ (37,304,026)	\$ (47,893,031)	\$ (67,067,687)
108,613	3,632,089	1,729,978	389,938	5,059,095	2,647,162
<u>\$ (55,893,653)</u>	<u>\$ (50,474,953)</u>	<u>\$ (60,693,704)</u>	<u>\$ (36,914,088)</u>	<u>\$ (42,833,936)</u>	<u>\$ (64,420,525)</u>

**City of Brooklyn Park  
Change in Net Position  
Last Ten Fiscal Years**

	Fiscal Years			
	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 41,209,840	\$ 39,885,896	\$ 40,310,221	\$ 44,461,966
Franchise Fees	-	-	-	4,468,041
Grants and contributions not restricted to specific programs	924,924	1,011,448	1,063,353	1,194,826
Interest and investment earnings	(1,439,695)	4,931,912	1,660,926	1,678,385
Gain (loss) on disposal of assets	362,829	34,654	66,709	423,636
Other revenue	29,792	343,040	54,997	2,916,443
Extraordinary item: storm damage recovery	-	-	-	-
Transfers	198,195	(3,007,096)	(3,551,470)	(191,256)
Total governmental activities	<u>41,285,885</u>	<u>43,199,854</u>	<u>39,604,736</u>	<u>54,952,041</u>
business-type activities:				
Property taxes	-	-	-	-
Interest and investment earnings	(570,374)	1,481,373	498,995	432,082
Gain (loss) on disposal of assets	16,045	1,950	8,539	9,749
Other revenue	16,285	15,395	15,848	790,842
Extraordinary item: storm damage recovery	-	-	-	-
Transfers	(198,195)	3,007,096	3,551,470	191,256
Total business-type activities	<u>(736,239)</u>	<u>4,505,814</u>	<u>4,074,852</u>	<u>1,423,929</u>
Total primary government	<u>\$ 40,549,646</u>	<u>\$ 47,705,668</u>	<u>\$ 43,679,588</u>	<u>\$ 56,375,970</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,670,862	\$ (844,674)	\$ (6,384,911)	\$ 26,553
business-type activities	<u>2,468,234</u>	<u>5,208,567</u>	<u>4,866,916</u>	<u>115,352</u>
Total primary government	<u>\$ 4,139,096</u>	<u>\$ 4,363,893</u>	<u>\$ (1,517,995)</u>	<u>\$ 141,905</u>

Table 2 Continued)

Fiscal Years					
2017	2018	2019	2020	2021	2022
\$ 49,301,026	\$ 46,781,669	\$ 48,805,072	\$ 52,131,965	\$ 50,785,690	\$ 54,871,473
5,732,536	5,879,239	5,999,001	6,133,456	6,208,226	4,678,563
1,213,077	1,375,913	1,382,144	7,618,444	1,848,236	4,552,316
1,659,708	2,346,558	5,312,959	5,319,896	(869,617)	(8,155,852)
47,553	47,426	76,575	3,127	350,806	236,965
5,986,783	2,400,260	2,590,693	3,414,377	1,449,404	4,574,412
-	-	-	-	-	-
89,000	48,450	(982,512)	(6,863)	(2,250,879)	2,083,457
64,029,683	58,879,515	63,183,932	74,614,402	57,521,866	62,841,334
-	3,000	-	-	-	-
423,731	301,722	1,827,336	2,087,439	(708,990)	(4,169,268)
-	2,000	-	-	31,827	17,707
737,383	420,168	269,628	730,713	572,159	608,557
-	-	-	-	-	-
(89,000)	(48,450)	982,512	6,863	2,250,879	(2,083,457)
1,072,114	678,440	3,079,476	2,825,015	2,145,875	(5,626,461)
<u>\$ 65,101,797</u>	<u>\$ 59,557,955</u>	<u>\$ 66,263,408</u>	<u>\$ 77,439,417</u>	<u>\$ 59,667,741</u>	<u>\$ 57,214,873</u>
\$ 8,027,417	\$ 4,772,473	\$ 760,250	\$ 37,310,376	\$ 9,628,835	\$ (4,226,353)
1,180,727	4,310,529	4,809,454	3,214,953	7,204,970	(2,979,299)
<u>\$ 9,208,144</u>	<u>\$ 9,083,002</u>	<u>\$ 5,569,704</u>	<u>\$ 40,525,329</u>	<u>\$ 16,833,805</u>	<u>\$ (7,205,652)</u>

**Brooklyn Park**   
Unique. United. Undiscovered.

**City of Brooklyn Park**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

**Table 3**

	Fiscal Years				
	2013	2014	2015	2016	2017
General fund					
Reserved	\$ 57,489	\$ 64,088	\$ 143,458	\$ 23,892	\$ 56,985
Unreserved	13,945,109	15,229,276	17,037,648	17,040,497	19,808,615
Total general fund	<u>\$ 14,002,598</u>	<u>\$ 15,293,364</u>	<u>\$ 17,181,106</u>	<u>\$ 17,064,389</u>	<u>\$ 19,865,600</u>
All other governmental funds					
Non-spendable	\$ -	\$ 5,768	\$ 11,661	\$ 7,907	\$ 6,835
Restricted	41,096,333	40,589,060	39,300,557	39,730,987	29,134,590
Committed	38,141,909	33,580,452	30,562,802	34,975,677	51,118,841
Assigned	15,016,984	21,626,392	16,572,305	17,025,951	18,158,368
Unassigned	(23,044)	(28,855)	(105,440)	(452,531)	(1,387)
Total all other governmental funds	<u>\$ 94,232,182</u>	<u>\$ 95,772,817</u>	<u>\$ 86,341,885</u>	<u>\$ 91,287,991</u>	<u>\$ 98,417,247</u>
	Fiscal Years				
	2018	2019	2020	2021	2022
General fund					
Nonspendable	19,996	42,374	\$ 87,313	\$ 100,907	\$ 57,917
Unassigned	19,084,566	21,878,246	25,956,166	27,688,224	26,733,137
Total general fund	<u>\$ 19,104,562</u>	<u>\$ 21,920,620</u>	<u>\$ 26,043,479</u>	<u>\$ 27,789,131</u>	<u>\$ 26,791,054</u>
All other governmental funds					
Non-spendable	\$ 5,847	\$ 10,311	\$ 5,332	\$ 17,626	\$ 103,413
Restricted	29,958,501	30,010,118	31,933,079	37,762,482	28,299,521
Committed	54,831,323	50,737,646	51,784,047	53,210,030	58,651,671
Assigned	17,860,540	16,626,420	16,212,152	2,851,142	3,357,507
Unassigned	(21,274)	(75,828)	(279,061)	(156,640)	(71,655)
Total all other governmental funds	<u>\$ 102,634,937</u>	<u>\$ 97,308,667</u>	<u>\$ 99,655,549</u>	<u>\$ 93,684,640</u>	<u>\$ 90,340,457</u>

**City of Brooklyn Park**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Years			
	2013	2014	2015	2016
<b>Revenues</b>				
General property taxes (including tax increments)	\$ 40,931,014	\$ 40,049,422	\$ 41,093,575	\$ 42,989,700
Franchise Fees	-	-	-	4,468,041
Special assessments	2,675,430	2,012,895	1,894,665	1,037,919
Interest on special assessments	424,684	506,785	149,917	75,607
Licenses and permits	2,517,681	2,933,551	2,885,834	3,393,690
Fines and forfeitures	616,337	454,523	507,472	388,255
Intergovernmental revenue	5,076,977	8,648,828	7,993,264	7,537,795
Donations	91,098	119,194	144,054	1,870,815
Refunds and reimbursements	2,402,942	2,097,551	422,329	691,627
Charges for services	3,940,243	3,617,209	3,827,002	3,310,082
Investment income	(1,322,261)	4,680,342	1,576,038	1,863,784
Contributions from developers	-	-	-	-
Developers repayment	568,992	409,101	402,450	368,060
Lease income	377,070	451,399	382,190	360,390
Other revenue	5,081,218	5,513,113	4,646,726	3,769,499
Total revenues	<u>63,381,425</u>	<u>71,493,913</u>	<u>65,925,516</u>	<u>72,125,264</u>
<b>Expenditures</b>				
Current:				
General government	4,512,979	4,878,300	4,996,310	5,684,180
Community development	10,135,079	11,813,124	9,620,462	5,930,634
Public safety	24,064,991	25,533,851	26,972,399	27,748,533
Public works	5,205,315	8,806,888	8,839,720	7,338,741
Recreation and parks	9,024,831	8,123,422	8,423,590	8,288,869
Debt service:				
Principal	14,756,576	3,272,302	2,832,266	4,130,708
Interest and fiscal charges	1,070,534	809,548	885,823	1,747,471
Bond issuance costs	-	-	-	-
Capital outlay	4,453,422	14,645,225	11,352,455	9,361,605
Total expenditures	<u>73,223,727</u>	<u>77,882,660</u>	<u>73,923,025</u>	<u>70,230,741</u>
Excess (deficiency) of revenues over (under) expenditures	(9,842,302)	(6,388,747)	(7,997,509)	1,894,523
<b>Other financing sources (uses)</b>				
Lease issuance	-	-	-	-
Extraordinary item: storm damage recovery	-	-	-	-
Transfers from other funds	3,944,551	7,204,863	3,516,207	7,049,898
Transfers to other funds	(4,071,291)	(7,879,238)	(4,184,852)	(8,642,898)
Issuance of debt	-	9,490,000	-	7,860,000
Premium from the issuance of debt	-	199,382	-	197,162
Discount on the issuance of debt	-	-	-	-
General revenue notes issued	-	-	-	-
Payment to refunding agent	-	-	-	(3,935,000)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from the disposal of capital assets	340,479	175	725	405,704
Total other financing sources (uses)	<u>213,739</u>	<u>9,015,182</u>	<u>(667,920)</u>	<u>2,934,866</u>
Change in accounting principle	-	204,966	-	-
Prior Period Adjustment	-	-	1,122,239	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (9,628,563)</u>	<u>\$ 2,831,401</u>	<u>\$ (7,543,190)</u>	<u>\$ 4,829,389</u>
Debt service as a percentage of noncapital expenditures	23.01%	6.45%	5.94%	9.67%

Table 4

Fiscal Years					
2017	2018	2019	2020	2021	2022
\$ 45,499,266	\$ 46,465,526	48,520,789	\$ 50,782,887	\$ 50,757,354	\$ 54,831,840
5,732,536	5,879,239	5,999,001	\$ 6,133,456	6,208,226	4,678,563
954,594	1,030,126	1,022,167	1,220,737	1,583,407	1,751,914
92,817	14,065	14,505	25,946	10,773	30,679
4,199,790	3,160,661	3,667,960	2,765,364	4,839,542	3,691,052
501,779	337,928	564,059	300,104	301,899	262,123
9,902,918	7,678,051	19,315,761	39,940,830	6,570,819	12,922,044
102,818	282,458	428,483	87,879	76,882	113,653
329,067	307,967	248,425	4,200	1,128	147,169
4,139,802	3,896,573	4,215,392	2,285,017	3,506,885	3,428,686
1,328,262	2,094,184	4,495,628	4,883,932	(834,556)	(7,733,497)
-	-	-	-	-	-
212,231	30,000	-	-	-	-
401,463	434,575	338,110	417,273	652,398	1,268,442
2,280,930	1,587,347	1,487,839	1,789,236	2,087,309	1,843,460
<u>75,678,273</u>	<u>73,198,700</u>	<u>90,318,119</u>	<u>110,636,861</u>	<u>75,762,066</u>	<u>77,236,128</u>
5,664,373	5,841,272	6,068,754	6,011,239	5,905,954	6,772,791
9,453,496	4,710,679	18,755,251	13,790,083	7,572,355	10,287,794
28,942,676	29,886,138	31,288,531	32,339,082	32,909,354	35,655,456
6,363,771	6,702,223	9,466,066	4,950,497	7,959,630	5,304,496
9,117,984	9,453,563	10,838,210	9,752,864	14,915,349	10,953,233
3,705,000	3,865,000	3,770,000	2,625,000	2,710,000	2,772,146
1,519,560	1,451,856	1,453,210	1,746,702	1,235,767	1,454,930
-	-	-	-	-	-
8,273,163	8,258,462	14,944,286	32,589,763	12,410,788	13,183,736
<u>73,040,023</u>	<u>70,169,193</u>	<u>96,584,308</u>	<u>103,805,230</u>	<u>85,619,197</u>	<u>86,384,582</u>
2,638,250	3,029,507	(6,266,189)	6,831,631	(9,857,131)	(9,148,454)
-	-	-	-	-	1,583,263
-	-	-	-	-	-
18,995,257	10,278,631	11,362,756	9,642,432	11,304,808	12,058,340
(19,398,704)	(10,936,486)	(12,382,033)	(9,595,940)	(13,684,553)	(10,153,084)
7,320,000	-	4,470,000	-	9,200,000	-
375,664	-	304,154	-	666,619	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(1,855,000)	-
-	1,085,000	1,100	3,127	-	-
-	-	-	-	-	-
<u>7,292,217</u>	<u>427,145</u>	<u>3,755,977</u>	<u>49,619</u>	<u>5,631,874</u>	<u>3,488,519</u>
-	-	-	-	-	-
-	-	-	-	-	1,317,675
-	-	-	-	-	-
<u>\$ 9,930,467</u>	<u>\$ 3,456,652</u>	<u>\$ (2,510,212)</u>	<u>\$ 6,881,250</u>	<u>\$ (4,225,257)</u>	<u>\$ (4,342,260)</u>
8.02%	8.16%	6.13%	6.10%	5.67%	5.77%

**City of Brooklyn Park**  
**Taxable and Estimated Market Values of Taxable Property**  
**Last Ten Fiscal Years**

**Table 5**

Fiscal Year Ended December 31	Real Property			Personal Property	Total Taxable Assessed and Actual Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Farm Property			
2013	\$ 3,859,484,300	\$ 996,516,900	\$ 51,706,000	\$ 46,280,900	\$ 4,953,988,100	61.311%
2014	4,317,310,900	1,019,609,900	51,821,700	48,990,600	5,437,733,100	60.470%
2015	4,642,681,800	1,123,596,500	45,685,000	48,607,800	5,860,571,100	56.136%
2016	4,945,652,900	1,211,501,500	53,036,100	50,988,300	6,261,178,800	55.251%
2017	5,484,640,900	1,332,732,200	41,883,300	53,123,900	6,912,380,300	54.365%
2018*	5,865,043,000	1,360,547,600	33,055,200	58,777,300	7,317,423,100	51.159%
2019	5,508,489,562	1,360,547,600	33,033,188	58,777,300	6,960,847,650	51.869%
2020	6,072,964,216	1,443,835,550	17,764,500	56,090,200	7,590,654,466	48.862%
2021	6,469,278,248	1,552,416,100	32,293,700	59,966,300	8,113,954,348	46.396%
2022	6,843,248,175	1,629,176,800	42,162,600	27,854,500	8,542,442,075	47.523%

**Source:** Assessing Division, City of Brooklyn Park

**Note:** Property in the City of Brooklyn Park is reassessed annually. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Values exclude tax-exempt property.

Table uses prior year to reflect values in the Fiscal Year the tax is payable.

\*2018 uses values for 2019 payable.



**City of Brooklyn Park**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

**Table 6**

Fiscal Year Ended December 31	City Direct Rates			Overlapping Rates (1)			
	Basic Rate	General Obligation Debt Service	Total Direct	School District No. 11	School District No. 279	School District No. 281	Hennepin County and Other Special Districts
2013	60.629%	0.682%	61.311%	26.801%	27.973%	32.347%	61.081%
2014	59.790%	0.680%	60.470%	28.270%	29.820%	34.780%	62.090%
2015	54.501%	1.635%	56.136%	22.482%	27.156%	33.226%	57.797%
2016	53.717%	1.534%	55.251%	20.885%	26.267%	32.662%	56.572%
2017	53.101%	1.264%	54.365%	18.590%	26.730%	31.595%	53.298%
2018	49.826%	1.333%	51.159%	18.392%	24.921%	31.620%	51.781%
2019	50.605%	1.264%	51.869%	16.330%	24.615%	29.909%	48.204%
2020	47.817%	1.045%	48.862%	16.893%	22.008%	26.447%	46.990%
2021	45.446%	0.950%	46.396%	16.087%	22.123%	25.529%	47.129%
2022	46.555%	0.968%	47.523%	16.341%	21.933%	26.507%	47.605%

**Source:** Hennepin County, Final Tax Rate Card

**Note:** Rates for debt service are set based on each years' requirements.

(1) Overlapping rates are those of local and county governments that apply to the property owners within the City of Brooklyn Park. Not all overlapping rates apply to all Brooklyn Park property owners; for example, although Hennepin County property tax rates apply to all city property owners, the School District rates apply only to the city property owners whose property is located within that district's geographic boundaries.

**City of Brooklyn Park  
Principal Property Tax Payers**

**Table 7**

Name	Type of Business	2022		Percent of Total Tax Capacity	2013		Percent of Total Tax Capacity
		2021/2022 Tax Capacity	Rank		2012/2013 Tax Capacity	Rank	
TARGET CORPORATION	Commercial	\$ 1,981,836	1	0.01926914	\$ 1,546,604	1	
DORAN 610 APARTMENTS LLC	Apartments	1,200,000	2	1.17%			
MINNESOTA SENIOR LIVING LLC	Apartments	704,658	3	0.69%			
B9 POLAR 610 COMMERCE LLC	Industrial	646,202	4	0.63%			
BPP LLC	Industrial	644,238	5	0.63%	472,299	4	
DUKE SECURED FINCG 2009-1ALZ	Industrial	556,010	6	0.54%	1,176,296	2	
AEON BP LLC	Apartments	535,871	7	0.52%			
DUKE SECURED FINANCING LLC	Industrial	499,604	8	0.49%			
WILLOWBROOK LLC	Apartments	473,496	9	0.46%			
THE GREENS APARTMENTS LLC	Apartments	420,958	10	0.41%			
BROOKLYN PARK PAPER LLC	Industrial	405,070	11	0.39%	361,016	8	
BCORE CAPSTONE OWNER LLC	Industrial	395,286	12	0.38%			
MENARD INC	Commercial	377,814	13	0.37%			
SCANNELL PROPERTIES #259 LLC	Industrial	362,240	14	0.35%			
HSRE-MN PRAIRIECARE LLC	Commercial	358,772	15	0.35%			
FIRST INDUSTRIAL LP	Industrial	342,306	16	0.33%			
LYK XYLON LLC	Industrial	337,250	17	0.33%			
MIMG XXXII EDEN PARK LLC	Apartments	333,226	18	0.32%			
9600 LOUISIANA LLC	Industrial	332,902	19	0.32%			
7401 BOONE LLC	Industrial	312,232	20	0.30%			
		11,219,971		10.91%	3,556,215		0.00%
Total Tax Capacity		\$ 102,850,244		100.00%	\$ 55,084,507		100.00%

**Note:** Excludes personal property and fiscal disparities.

**Source:** Assessing Division, City of Brooklyn Park

**City of Brooklyn Park  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 8**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	County Adjustments to Tax Levy	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	\$ 38,303,134	\$ (44,088)	\$ 37,932,710	99.03%	\$ 110,804	\$ 38,043,514	99.32%
2014	38,570,475	(96,318)	38,190,964	99.02%	92,123	38,283,087	99.25%
2015	39,638,443	(26,218)	39,600,429	99.90%	3,787	39,604,215	99.91%
2016	41,542,687	23,061	41,288,788	99.33%	268,769	41,557,557	99.98% *
2017	43,630,422	(151,308)	43,391,577	99.80%	440,958	43,832,535	100.46% *
2018	45,189,205	(529,408)	44,489,453	98.45%	106,697	44,596,151	98.69%
2019	46,951,382	(79,371)	46,719,721	99.51%	13,389	46,733,110	99.54%
2020	49,783,684	(97,917)	49,474,210	99.38%	208,622	49,682,833	99.80%
2021	49,938,247	(180,352)	49,554,910	99.23%	64,493	49,619,403	99.36%
2022	53,644,808	83,602	53,494,912	99.72%	-	53,494,912	99.57%

**Source:** Finance Department, City of Brooklyn Park

\* Updated to reflect County Reports

**Brooklyn Park**   
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**City of Brooklyn Park  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Table 9**

	Fiscal Years				
	2013	2014	2015	2016	2017
Debt limit	\$ 148,619,643	\$ 163,131,993	\$ 175,817,133	\$ 175,924,308	\$ 184,714,650
Total debt applicable to limit	7,632,953	9,945,580	14,500,643	18,320,187	37,290,232
Legal debt margin	<u>\$ 140,986,690</u>	<u>\$ 153,186,413</u>	<u>\$ 161,316,490</u>	<u>\$ 157,604,121</u>	<u>\$ 147,424,418</u>
Total debt applicable to the limit as a percentage of debt limit	5.14%	6.10%	8.25%	10.41%	20.19%

	Fiscal Years				
	2018	2019	2020	2021	2022
Debt limit	\$ 207,492,948	\$ 238,163,816	\$ 253,245,903	\$ 252,884,292	\$ 265,154,859
Total debt applicable to limit	31,730,059	23,327,544	18,266,899	25,922,403	25,636,597
Legal debt margin	<u>\$ 175,762,889</u>	<u>\$ 214,836,272</u>	<u>\$ 234,979,004</u>	<u>\$ 226,961,889</u>	<u>\$ 239,518,262</u>
Total debt applicable to the limit as a percentage of debt limit	15.29%	9.79%	7.21%	10.25%	9.67%

**Legal Debt Margin Calculation for 2022:**

Market value		\$ 8,838,495,300
Debt limit (3% of market value)		<u>265,154,859</u>
Total long - term debt		118,778,491
Less:		
Amount available for retirement of general obligation bonds	\$ (2,562,827)	
Premium/Discount not applicable to legal debt margin	(1,165,765)	
Compensated absences & other post employment benefits	(16,540,667)	
Net Pension Liability	(72,162,635)	
Improvement bonds	<u>(710,000)</u>	
Subtotal		<u>(93,141,894)</u>
Total debt applicable to debt limit		<u>25,636,597</u>
Legal debt margin		<u>\$ 239,518,262</u>

Note: Pursuant to Minnesota State Statutes, the City of Brooklyn Park's outstanding general obligation debt shall not exceed three percent of total taxable market value. Also pursuant to statute, the general obligation debt subject to the limitation may be reduced by amounts set aside for repaying those bonds and debt with a specific source of revenue pledged for the repayment.

**City of Brooklyn Park  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Revenue Bonds	Refunding Revenue Bonds	General Obligation State-aid Street Bonds	General Obligation Improvement Bonds	Notes Payable	Leases	Net unamortized Premiums/ (Discounts)
2013	\$ 15,400,000	\$ 3,675,000	\$ 1,495,000	\$ 1,440,000	\$ 1,915,000	\$ 230,284	\$ -	\$ 58,603
2014	13,485,000	3,470,000	1,270,000	1,260,000	10,855,000	32,982	-	242,424
2015	11,515,000	3,255,000	1,030,000	1,080,000	10,630,000	30,708	113,262	224,106
2016	7,860,000	3,040,000	7,710,509	-	9,110,000	-	56,631	385,509
2017	13,470,000	2,815,000	5,945,000	-	8,720,000	-	-	713,996
2018	11,775,000	2,585,000	4,400,000	-	8,325,000	-	-	654,766
2019	14,700,000	2,350,000	2,810,000	-	7,925,000	-	-	897,431
2020	13,410,000	2,105,000	2,125,000	-	7,520,000	-	-	829,250
2021	19,650,000	-	3,040,000	-	7,105,000	-	-	1,401,235
2022	18,525,000	-	2,085,000	-	6,680,000	-	1,515,623	1,269,567

**Note:** Details regarding the City of Brooklyn Park's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 171 for personal income and population data.

Table 10

Business-type Activities						
Revenue Bonds	Leases	Notes Payable	Net unamortized Premiums/ (Discounts)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
\$ 15,975,000	\$ -	\$ -	\$ -	\$ 40,188,887	1.92%	\$ 522
15,240,000	-	-	-	45,855,406	2.17%	582
14,490,000	-	15,653	-	42,383,729	1.70%	526
13,720,000	-	27,176	-	41,909,825	1.81%	516
12,930,000	-	26,957	-	44,620,953	1.88%	543
11,540,000	-	19,809	900,661	40,200,235	1.61%	484
10,525,000	-	3,832	819,398	40,030,661	1.53%	482
9,785,000	-	14,816	738,135	36,527,202	1.39%	438
9,005,000	-	35,352	656,873	40,893,460	1.52%	491
8,185,000	-	31,165	575,610	38,866,965	1.22%	442

**City of Brooklyn Park**  
**Ratios of General Bopnded Debt Outstanding**  
**Last Ten Fiscal Years**

**Table 11**

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Taxable Assessed Value of Property (1)	Per Capita (2)
2013	\$ 20,250,000	\$ 4,259,949	\$ 15,990,051	0.32%	\$ 208
2014	28,295,000	3,762,522	24,532,478	0.50%	313
2015	27,085,000	4,225,799	22,859,201	0.42%	285
2016	30,690,000	4,168,991	26,521,009	0.45%	330
2017	35,120,000	4,944,242	30,175,758	0.44%	373
2018	20,100,000	4,371,439	15,728,561	0.21%	189
2019	22,625,000	4,402,528	18,222,472	0.26%	219
2020	20,930,000	4,714,650	16,215,350	0.21%	194
2021	26,755,000	4,453,024	22,301,976	0.27%	268
2022	25,205,000	4,485,919	20,719,081	0.24%	236

**Note:** Details regarding the City of Brooklyn Park's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics on page 165 for population data.



**City of Brooklyn Park, Minnesota**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2022**

**Table 12**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Anoka Hennepin Independent School District 11	\$ 245,055,000	3.89%	\$ 9,532,640
Osseo Independent School District 279	167,200,000	32.72%	54,707,840
Robbinsdale Independent School District 281	203,195,000	3.70%	7,518,215
Hennepin County	1,439,270,000	4.46%	64,191,442
Hennepin County Suburban Park District	58,975,000	6.19%	3,650,553
Hennepin Regional RR Authority	86,235,000	4.46%	3,846,081
Metropolitan Council	1,717,186,171	2.43%	41,727,624
Subtotal, overlapping debt	<u>\$ 3,917,116,171</u>		\$ 185,174,394
City of Brooklyn Park direct debt			28,559,567
Total direct and overlapping debt			<u>\$ 213,733,961</u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the City of Brooklyn Park. Debt outstanding provided by Hennepin County and Anoka County (for Anoka Hennepin Independent School District 11 only).

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

(1) The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of Hennepin County's tax capacity that is within the City of Brooklyn Park's boundaries and dividing it by Hennepin County's total tax capacity.

**City of Brooklyn Park  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Table 13**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (6)</u>
2013	76,806 (1)	\$ 2,090,481,965 (6)	\$ 27,049 (8)	5.5%
2014	78,362 (8)	2,109,269,954 (8)	26,917 (8)	3.9%
2015	80,215 (8)	2,497,468,617 (9)	31,423 (9)	5.3%
2016	80,450 (9)	2,319,775,750 (9)	28,835 (9)	5.0%
2017	80,866 (9)	2,371,638,048 (9)	29,328 (9)	5.4%
2018	83,066 (9)	2,494,887,310 (9)	30,035 (9)	4.5%
2019	83,066 (9)	2,619,237,366 (9)	31,500 (9)	4.1%
2020	83,440 (9)	2,637,013,680 (9)	31,608 (9)	14.1%
2021	83,298 (9)	2,694,743,168 (9)	32,355 (9)	5.4%
2022	87,928 (9)	3,180,612,276 (9)	36,175 (9)	3.7%

**Sources:**

(1) Community Development Department, City of Brooklyn Park

(6) Department of Employment and Economic Development, State of Minnesota

(8) Metropolitan Council Data

(9) Esri Demographics

**City of Brooklyn Park  
Principal Employers  
Current Year and Nine Years Ago**

**Table 14**

Employer	2022*			2013		
	Employees (1)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
Target Corporation	4,000	1	13.30%	3,800	1	13.35%
Cat Paving	660	2	2.20%	850	2	2.99%
NHCC	610	3	2.03%	420	5	1.48%
HyVee	500	4	1.66%			0.00%
Medtronic	420	5	1.40%	420	5	1.48%
City of BP	400	6	1.33%	335	8	1.18%
Accellent	395	7	1.31%	395	6	1.39%
Olympus	385	8	1.28%			0.00%
GLS	375	9	1.25%	370	7	1.30%
Cirtec Medical	350	10	1.16%			0.00%
Total Industries Listed	8,095		26.92%	6,590		28.73%
Total City Employment(2)	30,066			28,466		

**Sources:**

(1) *Economic Development Authority, City of Brooklyn Park*

(2) *Minnesota Department of Employment and Economic Development (DEED)*

\*2022 uses 2021 data.

**Brooklyn Park**   
Unique. United. Undiscovered.

**City of Brooklyn Park**  
**Full-Time City Government Employees by Function**  
**Last Ten Fiscal Years**

**Table 15**

Function	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	49.09	55.11	53.66	57.26	57.53	63.94	57.10	62.94	57.79	61.43
Community development	22.25	31.35	30.73	30.48	31.00	31.02	29.54	30.78	30.12	33.47
Police	158.40	161.47	146.56	148.62	144.64	144.60	146.54	147.60	134.76	141.34
Fire	37.33	43.00	43.13	27.69	38.57	38.88	38.31	43.50	50.06	57.95
Building inspections	17.49	10.94	10.99	10.63	10.56	10.79	9.90	7.94	9.14	10.10
Engineering	8.09	8.07	8.26	8.63	10.23	10.31	10.53	10.31	10.29	8.32
Operations and maintenance	33.27	28.68	42.47	33.86	36.75	36.60	36.94	31.86	34.95	33.63
Recreation and parks	51.70	56.88	57.09	53.11	54.33	56.01	55.83	34.16	42.82	43.81
Park maintenance	22.50	24.86	22.72	22.94	23.65	25.12	24.39	23.20	22.90	22.28
Ice arena	8.44	8.50	6.10	9.55	9.46	9.28	9.76	8.41	8.10	7.51
Golf courses	23.61	21.72	18.11	22.25	21.88	20.70	20.25	19.29	20.81	19.72
Water	17.80	17.20	11.29	16.07	16.30	17.34	18.48	18.15	17.71	18.59
Sanitary Sewer	4.20	4.25	3.98	3.99	3.34	2.93	2.05	2.08	2.04	2.00
Recycling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Storm sewer	4.20	4.30	3.10	2.97	2.00	2.01	2.01	1.42	0.97	1.00
Total	<u>458.4</u>	<u>476.33</u>	<u>458.19</u>	<u>448.05</u>	<u>460.25</u>	<u>469.53</u>	<u>461.63</u>	<u>441.64</u>	<u>442.46</u>	<u>461.15</u>

**Source:** Finance Department,

**Note:** A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**City of Brooklyn Park  
Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Fiscal Years				
	2013	2014	2015	2016	2017
Public safety:					
Police:					
Calls for service	65,640	63,361	59,810	59,294	58,903
Physical arrests	1,999	1,653	1,548	1,426	961
Other arrests	1,346	1,537	1,605	1,153	1,352
Parking violations	2,239	2,494	2,155	3,193	2,347
Traffic violations	5,975	2,854	2,201	1,753	1,908
Fire:					
Number of calls answered	8,114	8,579	8,583	8,957	8,967
Inspections	617	725	923	1349	1653
Public works:					
Street maintenance:					
Street resurfacing (miles):					
Sealcoating (oil/rocks)	30	23	0	22	17
Overlay (asphalt)	1.6	1.8	14	14	19.1
Curb replacement (lineal feet)	1,268	1,360	8,350	8,195	12,731
Sidewalk replacement (lineal feet)	1,066	1,291	1,460	909	505
Pothole/sealcoating patching material (tons)	1,015	1,269	1,748	1,842	1,374
Recreation and parks:					
Recreation and parks:					
Number of room rentals	258	167	314	286	310
Number of facility/park permits issued	5,540	5,821	4,822	3,908	91
Number of swimming pool registrants	1,931	1,824	1,863	1,797	1,595
Number of dance registrants	560	490	495	839	633
Park maintenance:					
Water:					
Water main breaks	11	15	12	19	17
Average daily consumption (gallons)	8,630,000	8,210,000	8,200,000	8,348,000	8,190,000
Peak daily consumption (gallons)	20,570,000	18,800,000	17,000,000	17,000,000	17,800,000
Number of accounts	22,340	22,590	22,950	22,803	22,917
Sewer:					
Average daily sewage treatment (gallons)	5,000,000	5,110,000	5,500,000	5,433,000	5,920,000
Recycling:					
Recyclables collected (tons per collection day)	34	32	35	34	34
Ice arena:					
Number of ice hours sold	3,909	3,915	3,927	4,041	4,202
Golf courses:					
Number of rounds sold	43,232	27,417	46,034	48,195	46,130
Number of golf lesson registrants	214	336	1066	1105	1389
Storm sewer:					
Catch basin repairs	44	22	82	144	102
Street / signal light:					
Signs replaced/repared	719	638	405	355	341

**Source:** Various City of Brooklyn Park departments. Note number of golf rounds sold does not reflect all rounds at the course.

**Note:** Indicators are not available for the general government and community development functions.

Table 16

Fiscal Years				
2018	2019	2020	2021	2022
63,119	60,707	53,186	46,404	50,220
909	928	435	492	698
1,477	1,649	1,870	937	953
5,870	3,936	3,447	2,005	2,926
2,326	2,450	1,197	505	499
9,399	9,908	8,264	8,240	8,998
792	981	692	1030	744
14	0	0	0	0
13.1	17.4	16.4	17	14
4,726	4,048	1,481	2,726	3,430
826	679	509	982	843
1,053	1,279	912	754	1,035
438	979	116	414	589
1,720	4,437	1,786	1,807	2,102
1,543	1,524	380	703	925
637	778	223	551	399
15	18	14	25	35
8,320,000	7,850,000	8,750,000	9,753,000	8,823,000
18,000,000	14,740,000	19,100,000	21,779,000	20,899,000
23,053	23,154	23,245	23,307	23,353
5,830,000	5,670,000	6,200,000	6,310,000	6,304,000
39	40	41.7	34	34.9
4145	4193	2725	4457	4152
45442	46644	60071	60624	58393
1761	2996	5267	4485	4231
51	72	17	34	57
448	751	873	524	624

**City of Brooklyn Park  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Function	Fiscal Year 2013	2014	2015	2016	2017	2018	2019	2020
Public safety:								
Police:								
Number of stations	2	2	2	2	2	2	2	2
Number of vehicles	83	82	78	78	80	80	80	83
Fire:								
Number of stations	4	4	4	4	4	4	4	4
Number of vehicles	21	22	21	21	21	21	21	21
Public works:								
Street maintenance:								
Streets (miles)	262	262	263	266	265	266	266	266
Sidewalks (miles)	114	116	115	117	116	117	117	117
Curbs and gutters (miles)	532	539	544	544	544	544	544	544
Recreation and parks:								
Recreation and parks:								
Athletic complexes	3	3	3	3	3	3	3	3
Tennis courts	21	21	21	21	21	21	21	19
Senior center	1	1	1	1	1	1	1	1
Community activity buildings	8	8	8	8	8	8	8	8
Park maintenance:								
Park acreage:								
Owned	1,304	1,304	1,306	1,402	1,576	1,576	1,576	1,576
Developed	1,331	1,331	1,331	1,402	1,576	1,576	1,576	1,576
Number of parks	60	60	60	60	60	60	60	60
Water:								
Water mains (miles)	308	310	310	312	320	322	327	328
Connections	21,850	22,590	23,000	22,760	22,800	23,053	23,154	23,200
Fire hydrants	2,848	2,848	2,915	2,930	2,950	2,950	2,970	3,000
Wells	18	18	18	18	17	17	17	17
Reservoirs	6	6	6	6	6	6	6	6
Maximum daily capacity (gallons)	30 million	30 million	30 million	30 million	30 million	30 million	30 million	30 million
Sewer:								
Sanitary sewers (miles)	250	250	259	260	261	261	264	264
Connections	20,500	20,500	21,200	22,626	22,646	23,027	23,350	23,206
Lift stations	6	6	7	7	7	6	6	6
Ice arenas	2	2	2	2	2	2	2	2
Golf courses	2	2	2	2	2	2	2	2
Storm sewers (miles)	199	199	205	208	209	210	210	213
Street / signal light:								
Streetlights	4,315	4,419	4,293	4,289	4,289	4,320	4,433	4,448
Traffic signals	81	83	84	84	84	84	84	89

Source: Various City departments.

Note: No capital asset indicators are available for the general government and community development functions.



Table 17

2021	2022
2	2
87	87
4	4
21	18
266	266
117	117
544	563
3	3
19	19
1	1
9	9
1,576	1,576
1,576	1,576
60	60
329	329
23,719	23,393
2,974	2,982
17	17
6	6
30 million	30 million
266	267
23,264	23,337
6	6
2	2
2	2
215	216
4,457	4,457
88	88