

For the year ended  
December 31, 2020



CITY OF RICHFIELD

# 2020

A N N U A L  
R E P O R T



**ANNUAL REPORT  
OF THE  
CITY OF RICHFIELD, MINNESOTA**



**For The  
Year Ended  
DECEMBER 31, 2020**

**DEPARTMENT OF FINANCE**

**Christopher T. Regis, Finance Director  
Member of Government Finance Officers Association  
of the United States and Canada**

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## I. INTRODUCTORY SECTION

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## Finance Department

April 20, 2021

The Honorable Mayor and  
Members of the City Council,  
City of Richfield, Minnesota

**MAYOR**

MARIA REGAN  
GONZALEZ

**CITY COUNCIL**

SEAN HAYFORD OLEARY  
MARY SUPPLE  
SIMON TRAUTMANN  
BEN WHALEN

**CITY MANAGER**

KATIE RODRIGUEZ

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual report of the City of Richfield for the fiscal year ended December 31, 2020.

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

The City of Richfield's financial statements have been audited by BerganKDV, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Richfield for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial 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 Richfield's financial statements for the fiscal year ended December 31, 2020, 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.

The independent audit of the financial statements of the City of Richfield was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Those reports are available in the City of Richfield's separately issued Special Purpose Audit Reports.



GAAP require 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 Richfield's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City was incorporated on February 26, 1908. Since 1964, the City has operated under a council/manager form of government, as authorized by its charter, and exists under the laws of the State of Minnesota.

The City has a population of 36,993 (2019 Metropolitan Council Estimate) and covers an area of approximately seven square miles. Located in Hennepin County, Richfield is the first suburb south of Minneapolis. Richfield is bordered on the north by the Crosstown Highway 62; bordered on the east by the Minneapolis-St. Paul International Airport; bordered on the south by Interstate 494; and bordered on the west by Xerxes Avenue and the City of Edina. In addition, Interstate 35W, the major north/south thoroughfare in the Twin City area, runs north/south through the middle of Richfield.

The City of Richfield provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; and recreational activities and cultural events. The City of Richfield also operates four municipal liquor stores, water and sewer utility, storm water utility, a two sheet ice arena, a municipal swimming pool and a mini golf course.

The annual budget serves as the foundation for the City of Richfield's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review prior to September 15. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than the last date established by law for the County Auditor to levy taxes. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the ice arena fund this comparison is presented in the Required Supplementary Information section. For nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules.

### **Factors Affecting Financial Condition**

Richfield was initially developed as a residential community. Residents of Richfield generally work at the adjacent airport, in the downtown Minneapolis-St. Paul area or on the I-494 strip. Richfield's commercial/industrial base is comparatively small when looking at other Twin City metropolitan area communities. In fact, when viewing the total estimated market value of the community, approximately 67% of the market value is comprised of residential properties, 16% apartments, and only 17% commercial/industrial property. Changes in the state's tax policy have indicated for some time a need for a more diversified tax base, including more commercial development.

Richfield has responded to this by encouraging commercial development within the City. However, over 99% of the land area in Richfield is already developed. Commercial development in Richfield is a more complex process that requires extensive redevelopment and often the use of tax increment financing assistance.

Since 1975, the City has created twenty-six tax increment districts. These tax increment districts were formed in order to help transform areas which are becoming market obsolete into a more vital commercial tax base. The City has transformed itself as a result of this redevelopment which includes not only commercial, but residential developments. Consequently, as the tax increment districts decertify, the City will realize the full market value benefit of these districts. The City has had one district decertified in 2002, a second district decertified in 2010, with a third district decertified in 2012, and two more decertified in 2019.

In addition to the City's efforts in commercial redevelopment, several housing programs have been established to encourage reinvestment in the City's housing stock. The City enjoys an AA+ bond rating and an Aa2 bond rating from Standard and Poor's and Moody's respectively.

### **Long-term financial planning**

The Metropolitan Council requires all cities in the seven-county metropolitan area to have a Comprehensive Plan and State law requires cities to update their plans every 10 years. The Comprehensive Plan guides development and redevelopment and addresses changes likely to occur due to various social and market forces. The City's Comprehensive Plan was last updated for 2020.

In addition, the City on an annual basis engages in long-term financial and capital planning. The objective of this process is to provide a framework for decision making required to identify and implement strategies that will assure long-term community viability. Accordingly, outcomes of the process include promotion of long-term community affordability and livability, reinvesting in the City's housing stock to position the City to compete with other communities, addressing transportation impacts within the City, establish a financial framework to maintain and replace the City's physical and technical infrastructure, and review options and opportunities to improve delivery of City services.

### **Relevant financial policies**

The City has adopted a set of financial management policies that focus on such areas as capital budgeting, revenue policies, debt management, general fund balances, cash and investments, risk management and operating budgets.

The City has established a fund balance policy for the general fund with a goal of maintaining an unassigned fund balance of 40% of general fund revenues. At the end of 2020, the unassigned fund balance of the general fund is at 38% of general fund revenues.

### **Major Initiatives**

Major initiatives in 2021 included the following:

#### Right Of Way Improvements:

- 77<sup>th</sup> Street Underpass. This project will extend 77<sup>th</sup> Street under Trunk Highway 77, connecting to the 24<sup>th</sup> Avenue Interchange at I-494. This project will provide regional access to the Minneapolis-St. Paul International Airport and to the Mall of America. The project also completes the last link in the local ring route that, together with the additional access, is needed before expansion on I-494. The total estimated cost is \$23,600,000. Design of the project began in 2015, with construction estimated to begin in 2021.
- Completed the six year mill and overlay program. 85 miles of residential streets were milled and overlaid as a result of the program. Beginning in 2021, the City will begin a pavement management program to protect the investments made in roadway infrastructure.

#### Commercial Redevelopment and Housing Initiatives

- 2020 saw the planning and development of several large projects:
  - Housing construction at the former Lyndale Garden Center site was completed. The Lakeside at Lyndale development includes 30 new luxury condominiums, and The Henley project includes 8 rental townhomes and 66 apartments. The site is just north of Richfield's downtown and immediately adjacent to Richfield Lake.

- The first townhome units of the RF64 project (along 17<sup>th</sup> Avenue between 63<sup>rd</sup> and 65<sup>th</sup> Street) were completed. Eight units have sold and an additional 12 are under construction. When complete, the development will include 64 townhomes.
  - The apartment component of the RF64 development is immediately west of Target and Home Depot on Richfield Parkway. This part of the project was sold to a new development partner in November and storm water work began soon thereafter. Construction of the two apartment buildings, now called Rya, will commence in 2021. The complex will include 237 new apartments.
  - Construction of the 192-unit Novo apartment project at 66<sup>th</sup> Street and Queen Avenue continued and is expected to be complete in 2021.
  - A new Morrie's Land Rover and Jaguar dealership opened at 1550 E 78th Street. The development includes a large rooftop solar array.
  - Construction of a new 132-unit apartment building in the northwest corner of the Lunds parking lot (6228 Penn Avenue) began in late 2020.
  - Revised land use approvals were granted for the Emi mixed use project at 101 66<sup>th</sup> Street East. The revised proposal includes 42 apartments and approximately 1,100 square feet of ground floor retail.
  - Plans for the Rowan apartment project at 64<sup>th</sup> and Lyndale Avenue were approved. This project includes a new building with 82 apartments and the rehabilitation of 22 units in an adjacent existing apartment building.
  - A development agreement was approved for a mixed use project at 65<sup>th</sup> Street and Lyndale Avenue. The Lynk65 project will apply for land use approvals in 2021.
  - A potential redevelopment proposal for the HRA-owned parcel at 6501 Penn Avenue is in the preliminary review stages.
- The City continues to operate several very successful programs that encourage reinvestment in the City's housing stock. These programs include, but are not limited to, incentive loan programs for remodeling homes to higher values; funding assistance for the replacement of small substandard homes with larger new-construction; partnerships with non-profit builders and developers like Habitat for Humanity; and a first-time homebuyer program specifically targeted at current renters.
  - In 2020, the Richfield Economic Development Authority created a Small Business Energy Efficiency program to help businesses make energy efficient upgrades to their properties and a COVID Business Loan program to aid 55 local businesses impacted by the COVID-19 pandemic.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of Richfield, Minnesota for its annual report for the fiscal year ended December 31, 2019. This was the thirty-third consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning January 1, 2020.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we have submitted to GFOA the report to determine its eligibility for another award.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the finance department. We express our appreciation to all members of the department who assisted and contributed to its preparation. We also thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations for the City of Richfield in a responsible and progressive manner.

Respectfully submitted,

	
_____ Katie Rodriguez City Manager	_____ Chris Regis Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Richfield  
Minnesota**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

**CITY OF RICHFIELD, MINNESOTA  
CITY OFFICIALS**

**MAYOR - MARIA REGAN GONZALEZ**

**COUNCILMEMBER - MARY SUPPLE**

**COUNCILMEMBER - EDWINA GARCIA**

**COUNCILMEMBER - SIMON TRAUTMANN**

**COUNCILMEMBER - BEN WHALEN**

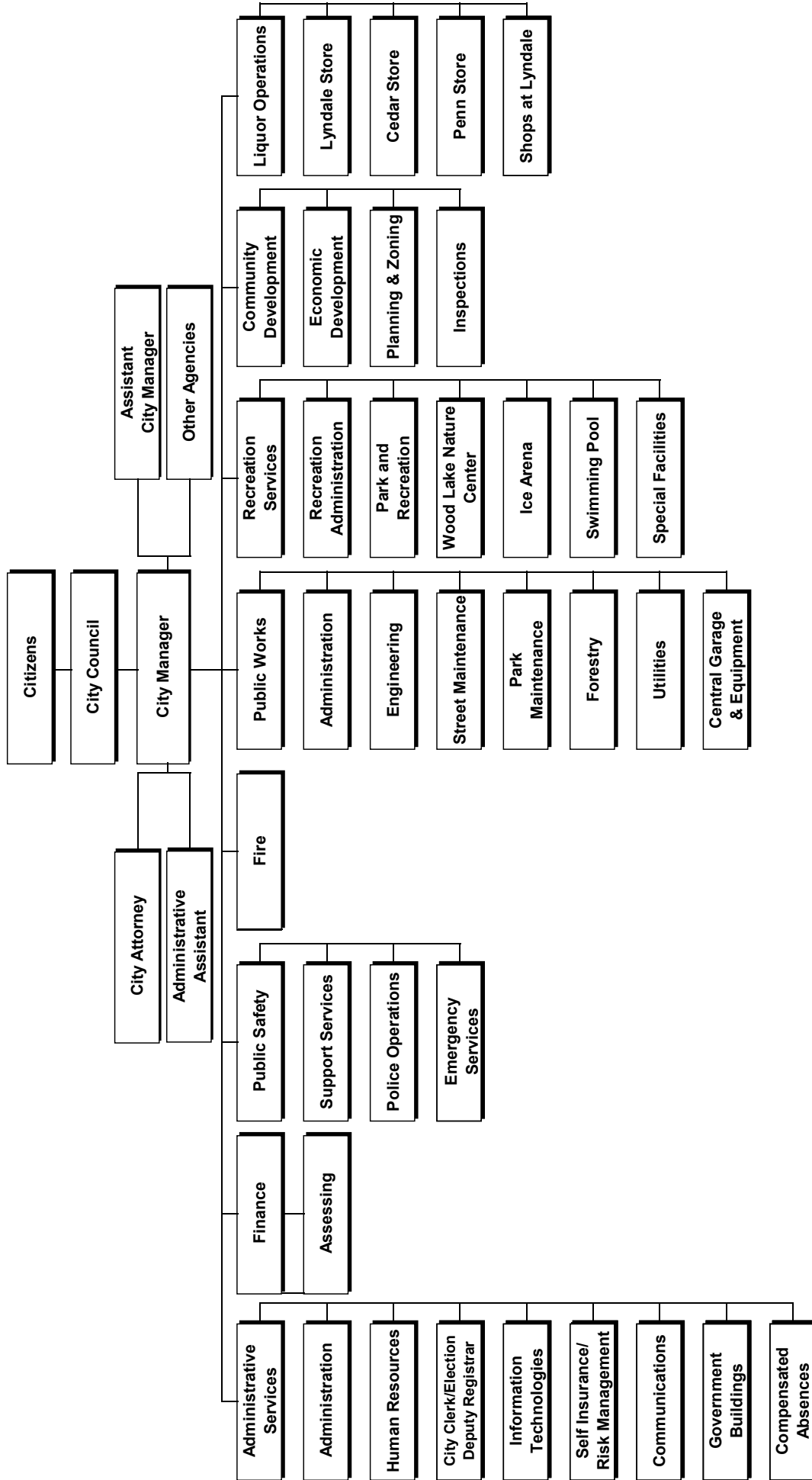
**ADMINISTRATIVE STAFF**

**KATIE RODRIGUEZ - CITY MANAGER**

**CHRISTOPHER T. REGIS - FINANCE DIRECTOR**

**ELIZABETH VANHOOSE - CITY CLERK**

CITY OF RICHFIELD  
ADMINISTRATIVE ORGANIZATION CHART



## **II. FINANCIAL SECTION**



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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Richfield  
Richfield, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richfield, Minnesota, as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richfield, Minnesota, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *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 the Required Supplementary Information as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (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.

### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Richfield's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplementary financial information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2021, on our consideration of the City of Richfield'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 Richfield's internal control over financial reporting and compliance.



Minneapolis, Minnesota  
April 20, 2021

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## Management's Discussion and Analysis

As management of the City of Richfield, we offer readers of the City of Richfield's financial statements this narrative overview and analysis of the financial activities of the City of Richfield for the fiscal year ended December 31, 2020. 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 8 through 12 of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Richfield exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$71,910,572 (net position). Of this amount, 5,898,587 may be used to meet the governments ongoing obligations to citizens and creditors.
- The government's total net position increased by \$10,525,743.
- As of the close of the current fiscal year, the City of Richfield's governmental funds reported combined ending fund balances of \$30,445,638. Of this total amount, \$90,615 is classified as nonspendable, \$8,863,165 as restricted, \$10,549,397 as committed by City Council action, \$5,367,233 as assigned and \$5,575,228 as unassigned.
- At the end of the current fiscal year, the general fund balance of \$10,025,490 included \$83,285 as nonspendable and \$9,942,205 as unassigned.
- The City of Richfield's total bonded debt increased by \$3,359,921 (4.99 percent) during the current fiscal year from \$67,364,419 to \$70,724,340.

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Richfield 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 of Richfield include general government, public safety, fire, community development, public works, and parks and recreation. The business-type activities of the City of Richfield include a municipal liquor operation, water and sewer utility, and a storm sewer utility.

The government-wide financial statements include not only the City of Richfield itself (known as the *primary government*), but also the Richfield Housing and Redevelopment Authority and the Richfield Economic Development Authority, both discretely presented component units. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

**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 Richfield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Richfield can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Richfield maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, ice arena fund, improvement bonds fund, and capital improvements fund, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Richfield adopts an annual appropriated budget for its general and special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

**Proprietary funds.** The City of Richfield 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 Richfield uses enterprise funds to account for its liquor operation, water and sewer utility and for its storm sewer utility, all of which are considered to be major funds of the City. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Richfield's various functions. The City of Richfield uses internal service funds to account for its central garage & equipment, for its information technology systems, its self-insurance program, its building services function, and its compensated absences liability. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside 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 of Richfield's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Other information.** Required supplementary information can be found following the Notes to the Financial Statements.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Richfield, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$71,910,572 at the close of the most recent fiscal year.

By far the largest portion of the City of Richfield's net position (82 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Richfield uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Richfield's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### CITY OF RICHFIELD'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$49,665,300	\$38,937,970	\$11,784,680	\$8,601,861	\$61,449,980	\$47,539,831
Capital assets	78,742,012	77,422,733	34,255,973	34,261,490	112,997,985	111,684,223
Total assets	128,407,312	116,360,703	46,040,653	42,863,351	174,447,965	159,224,054
Deferred outflows of resources	5,528,675	7,980,193	217,009	165,525	5,745,684	8,145,718
Total assets and deferred outflows of resources	133,935,987	124,340,896	46,257,662	43,028,876	180,193,649	167,369,772
Long-term liabilities outstanding	69,576,063	67,879,432	15,351,135	14,820,433	84,727,198	82,699,865
Other liabilities	8,885,770	6,912,625	4,093,022	2,223,832	13,178,792	9,136,457
Total liabilities	78,461,833	74,792,057	19,444,157	17,044,265	97,905,990	91,836,322
Deferred inflows of resources	10,192,221	13,734,835	184,866	413,786	10,377,087	14,148,621
Net position:						
Net investment in capital assets	46,316,911	46,258,802	20,657,979	20,864,902	58,758,640	58,559,804
Restricted	7,253,345	5,933,995	-	-	7,253,345	5,933,995
Unrestricted	(8,288,323)	(16,378,793)	5,970,660	4,705,923	5,898,587	(3,108,970)
Total net position	45,281,933	35,814,004	26,628,639	25,570,825	71,910,572	61,384,829
Total liabilities, deferred inflows of resources and net position	\$133,935,987	\$124,340,896	\$46,257,662	\$43,028,876	\$180,193,649	\$167,369,772

An additional portion of the City of Richfield's net position represents resources that are subject to external restrictions on how they may be used. At December 31, 2020, the City had restricted net position of \$7,253,345. The remaining balance of *unrestricted net position* (\$5,898,587) may be used to meet government's ongoing obligations to citizens and creditors.

The government's net position reflects an increase of \$10,525,743. The increase can be attributed to increases in operating grants and contributions of \$2,675,663 primarily due to the receipt of federal Coronavirus Relief Funds (CRF) and increases in capital grants and contributions of \$4,004,391, for funding received for the 66<sup>th</sup> Street and 77<sup>th</sup> Street Underpass projects. Finally, the City realized increased property tax collections of \$1,295,969 in 2020.

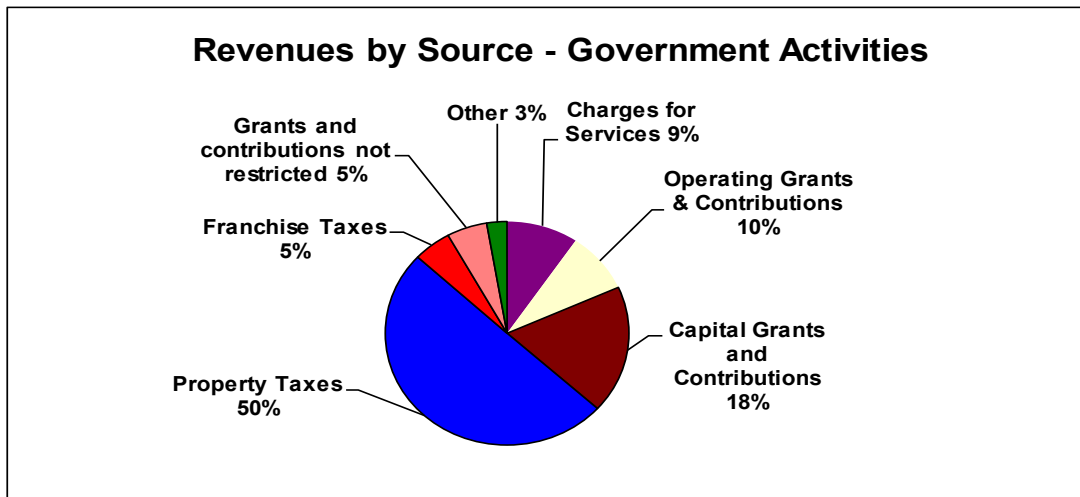
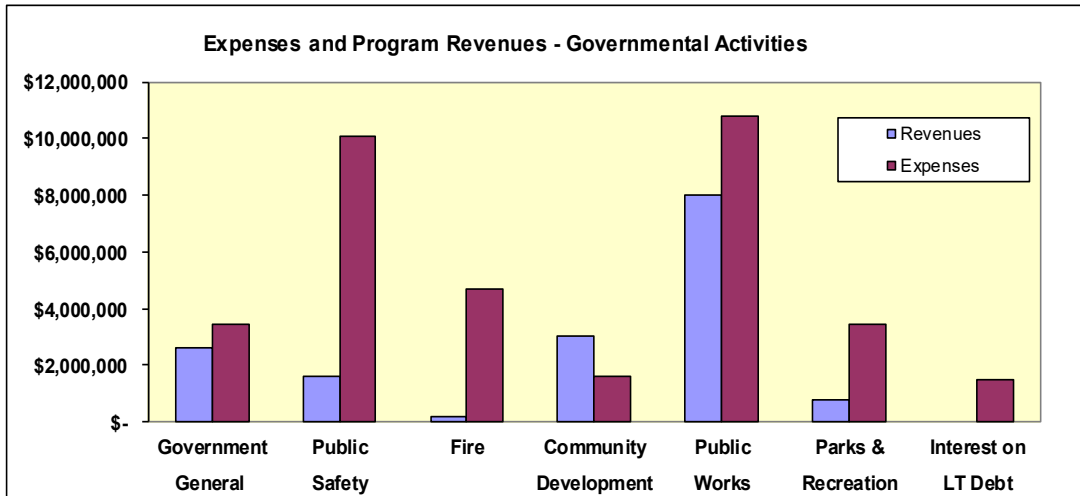


**Governmental activities.** Governmental activities increased the City of Richfield's net position by \$9,467,929 in 2020. The key elements of this decrease are as follows:

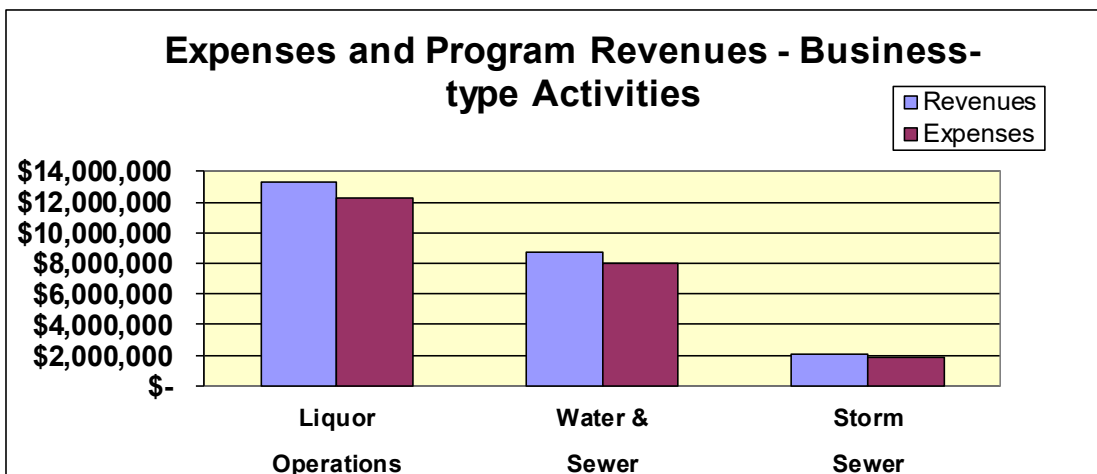
City of Richfield's Changes in Net position

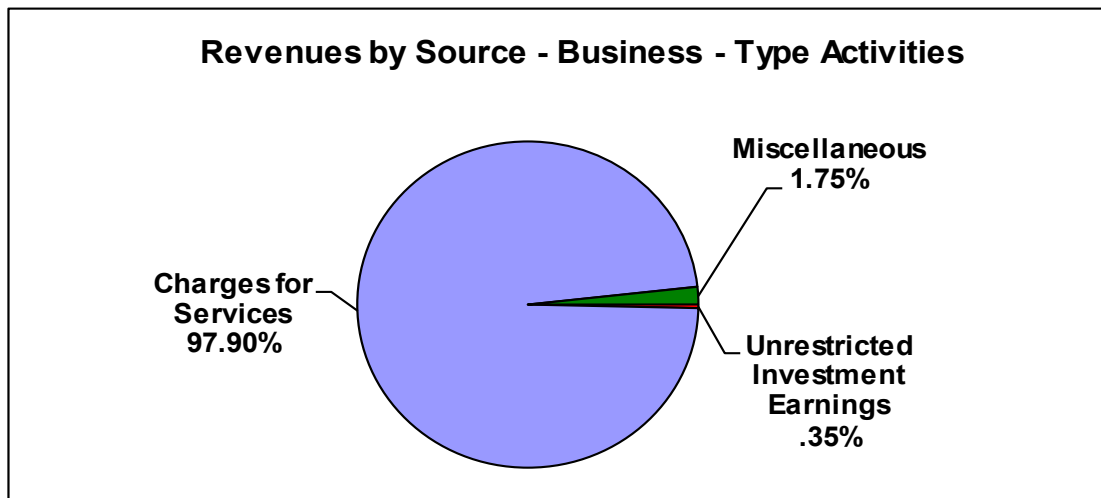
	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$4,196,953	\$6,015,480	\$24,026,524	\$23,332,303	\$28,223,477	\$29,347,783
Operating grants and contributions	4,238,000	1,562,337	-	-	4,238,000	1,562,337
Capital grants and contributions	8,163,705	4,159,314	-	-	8,163,705	4,159,314
General revenues:						
Property taxes	22,183,130	20,887,161	-	-	22,183,130	20,887,161
Franchise taxes	2,235,139	2,241,396	-	-	2,235,139	2,241,396
Grants and contributions not restricted to specific programs	2,366,046	2,235,643	-	-	2,366,046	2,235,643
Other	1,187,879	2,057,553	514,623	502,377	1,702,502	2,559,930
Total revenues	44,570,852	39,158,884	24,541,147	23,834,680	69,111,999	62,993,564
Expenses:						
General government	3,443,118	3,365,461	-	-	3,443,118	3,365,461
Public safety	10,080,851	9,716,406	-	-	10,080,851	9,716,406
Fire	4,686,699	4,518,566	-	-	4,686,699	4,518,566
Community development	1,601,218	1,676,267	-	-	1,601,218	1,676,267
Public Works	11,146,122	21,901,131	-	-	11,146,122	21,901,131
Parks and recreation	3,426,087	4,196,419	-	-	3,426,087	4,196,419
Interest on long-term debt	1,487,038	1,449,654	-	-	1,487,038	1,449,654
Liquor Operations	-	-	12,384,877	11,904,943	12,384,877	11,904,943
Water & Sewer Utility	-	-	8,272,505	8,330,939	8,272,505	8,330,939
Storm Sewer Utility	-	-	2,057,741	1,924,222	2,057,741	1,924,222
Total expenses	35,871,133	46,823,904	22,715,123	22,160,104	58,586,255	68,984,008
Change in net position before transfers	8,699,719	(7,665,020)	1,826,024	1,674,576	10,525,743	(5,990,444)
Transfers	768,210	308,930	(768,210)	(308,930)	-	-
Special item	-	-	-	(335,943)	-	(335,943)
Change in net position	9,467,929	(7,356,091)	1,057,814	1,029,703	10,525,743	(6,326,387)
Net position – January 1	35,814,004	42,938,948	25,570,825	27,727,713	61,384,829	70,666,661
Cumulative effect of change in accounting principle	-	231,146	-	-	-	231,146
Prior period adjustment	-	-	-	(3,186,591)	-	(3,186,591)
Net position – January 1 - Restated	35,814,004	43,170,094	25,570,825	24,541,122	61,384,829	67,711,216
Net position – December 31	\$45,281,933	\$35,814,004	\$26,628,639	\$25,570,825	\$71,910,572	\$61,384,829

- Total revenues increased by \$6,118,435 due to an increase in operating grants and contributions due to CRF grants received and capital grants and contributions for funding received for the 66<sup>th</sup> Street Reconstruction and 77<sup>th</sup> Street Underpass projects.
- Increase in property tax revenues of \$1,295,969.
- Total expenses decreased by \$10,397,752 primarily due to a decrease in public works projects as a result of majority of project costs being incurred in 2019 and an overall general decline in costs during 2020.



**Business-type activities.** Business-type activities increased the City's net position by \$1,057,814 in 2020. The increase can be attributed to improved operating performance of all business-type activities in 2020.





### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of Richfield's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Richfield's financing requirements. Fund balances are identified based on a hierarchy of the constraints placed on the use of financial resources within governmental funds. Accordingly, fund balances are classified as: nonspendable, restricted, committed, assigned, and unassigned.

As of the end of the current fiscal year, the City of Richfield's governmental funds reported combined ending fund balances of \$30,445,638 an increase of \$8,423,248 from 2019. This increase can be attributed to general decrease in public works capital project costs in 2020 and receiving funding for the capital projects where a significant portion of the costs were incurred in 2019. Consequently, the year-end balance consists of the following: less than 1% (\$90,615) are amounts that are not in spendable form such as prepaid items. 29% (\$8,863,165) constitutes restricted fund balances which limits the spending of these balances to externally imposed constraints, i.e. debt service covenants. 35% (\$10,549,397) represents committed fund balances which are determined by resolution of the City Council. 17% (\$5,367,233) is classified as assigned. These amounts represent intended uses established by the City Council or by an official designated by the City Council. Finally, 18% or (\$5,575,228) consists of balances classified as unassigned, which includes the fund balance of the General Fund and deficit fund balances of other governmental funds.

The general fund is the chief operating fund of the City of Richfield. At the end of the current year, the unassigned fund balance of the general fund was \$9,942,205 while total fund balance was \$10,025,490. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total general fund revenues. Unassigned fund balance represents approximately 38% of total general fund revenues and 41% of total general fund expenditures. Moreover, the State Auditor has set a standard that unrestricted, unassigned fund balance should be between 35 and 50 percent of yearly general fund revenues. The City has adopted a policy that strives to maintain a minimum fund balance equal to 40% of total general fund revenues. At December 31, 2020 the City of Richfield the City is slightly below the minimum fund balance goal.

The City's fund balance for its general fund increased by \$764,126 in 2020. The increase is due to improved tax and license and permit revenues received in 2020 and general fund expenditures being below budget projections.

The Ice Arena fund reflects an increase in fund balance of \$325,238 in 2020. The increase is due to funding received for capital projects incurred in 2020.

The G.O. Improvement Bonds fund has a fund balance of \$7,119,570 of which \$5,198,880 is restricted for the payment of debt service. The fund balance increased in 2020 by \$1,819,469 due to the receipt of bond proceeds for the refunding of the Series 2012A bonds in 2021.

The Capital Improvement fund accounts for public improvements and road right-of-way projects undertaken by the City. This fund's fund balance increased by \$9,120,499 to \$9,687,985. The increase can be attributed to funding received in 2020 for the 66<sup>th</sup> Street and 77<sup>th</sup> Street Underpass projects, for costs incurred in 2019.

The nonmajor governmental funds consist of the City's Special Revenue funds, the Parks Capital Projects fund and the Redevelopment Bond fund. The combined total of these funds decreased by \$3,606,084 in 2020. The decrease can be attributed to the Parks Capital Project fund transferring funding in the amount of \$3,830,000 to the Ice Arena fund in 2020.

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

Unrestricted net position of the liquor operation at the end of the year amounted to 523,007, for the water and sewer utility \$4,593,461, and for the storm sewer utility \$2,730,522. The total increase in net position for liquor operation, the water and sewer utility, and the storm sewer utility was \$211,815, \$731,815, and 214,765 respectively.

## **Budgetary Highlights**

### **General Fund**

As part of the annual budget process, the current general fund revenue and expenditure budgets are revised to reflect a more accurate picture throughout the current fiscal year. The intent of this annual budget process is for the City to continue to provide and maintain quality services to its residents while trying to maintain the tax levy at a reasonable level. For several years, the City has been following a policy under City Council direction to minimize its reliance on Local Government Aid (LGA). The policy evolved out of the history of volatile budget swings faced by the State of Minnesota in the past and the impact those budget issues had on cities when the State began to reduce or cut LGA revenues to cities. However, beginning with the 2021 budget process, it was decided to change the policy and budget for the full 2021 certified amount of LGA which is \$2,001,680.

At the end of 2020 the City's General Fund realized a surplus of \$764,126 to its fund balance. This was accomplished through increased tax and license and permit revenues, and general fund expenditures being under budget.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Richfield's investment in capital assets for its governmental and business type activities as of December 31, 2020 amounts to \$112,997,985 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, other improvements, machinery and equipment, infrastructure, and construction in progress.

Major capital asset events during 2020 included the following:

- Substantial completion of the Ice Arena Refrigeration Project. The total project to date cost is \$3,435,686.
- Completion of the Lyndale Avenue reconstruction project at a cost of \$10,200,701.
- Completion of the 65<sup>th</sup> Street and 35W Water Main Lining project at a cost of \$1,654,038.
- Replacement of a Floating Bridge at Wood Lake Nature Center at a total cost of \$221,904.

**City of Richfield's Capital Assets**  
(net of depreciation)

	Governmental activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$9,353,605	\$9,353,605	\$638,673	\$638,673	\$9,992,278	\$9,992,278
Buildings and structures	33,110,427	34,113,542	3,308,937	3,549,688	36,419,367	37,663,230
Machinery and equipment	9,127,958	5,704,829	5,140,096	5,044,657	14,268,052	10,749,486
Other improvements	2,809,273	2,456,009	25,030,317	24,860,675	27,839,589	27,316,684
Streets (Infrastructures)	23,805,155	15,475,919	-	-	23,805,155	15,475,919
Construction in progress	535,594	10,318,829	137,950	167,797	673,544	10,486,626
<b>Total capital assets</b>	<b>\$78,742,012</b>	<b>\$77,422,733</b>	<b>\$34,255,973</b>	<b>\$34,261,490</b>	<b>\$112,997,985</b>	<b>\$111,684,223</b>

Additional information on the City's capital assets can be found in Note 1M and Note 3 Capital Assets in the accompanying notes to the basic financial statements.

**Long-term debt.**

At the end of the current fiscal year, the City of Richfield had total bonded debt outstanding of \$70,724,340. The debt service for the general obligation redevelopment bonds is provided through the collection of tax increments from Hennepin County. On an annual basis tax increment proceeds are transferred to meet annual debt service requirements. The general obligation improvement bonds are serviced by special assessment collections and tax levies.

During 2020, the City issued the \$5,120,000 General Obligation, Series 2020A, for the purpose of completing the funding of the Lyndale Avenue reconstruction project, funding the lining of the water main underneath 65<sup>th</sup> Street, and refunding the G.O. Water Revenue Bonds, Series 2011A.

The City also issued the \$3,110,000 General Obligation Refunding Bonds, Series 2020B. This issue refunded the \$2,120,000 General Obligation Street Reconstruction Bonds, Series 2012A and the \$2,770,000 General Obligation Stormwater Bonds, Series 2013B. Both the Series 2012A and the Series 2013B will be refunded on February 1, 2021 with the proceeds from the Series 2020B bonds.

**City of Richfield's Outstanding Debt**  
General Obligation and Revenue Bonds

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation redevelopment bonds	\$3,475,000	\$4,220,000	\$ -	\$ -	\$3,475,000	\$4,220,000
General obligation improvement bonds	51,621,351	49,747,831	-	-	51,621,351	49,747,831
Revenue bonds	-	-	15,627,989	13,396,588	15,627,989	13,396,588
<b>Total</b>	<b>\$55,096,351</b>	<b>\$53,967,831</b>	<b>\$15,627,989</b>	<b>\$13,396,588</b>	<b>\$70,724,340</b>	<b>\$67,364,419</b>

The City of Richfield maintains an AA+ rating from Standard & Poor's and an "Aa2" rating from Moody's Investor Service, for general obligation debt.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The current debt limitation for the City of Richfield is \$115,105,000, which is in excess of the City of Richfield's outstanding general obligation debt.

Additional details of the City's long-term debt activity can be found in Note 5, Long-Term Liabilities, in the accompanying notes to the basic financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The following items are an integral part of the City's planning for and dealing with near-term financial issues:

- As of March 2021, the global pandemic is now in its second year. With the development of vaccines it is hoped that the pandemic will be eradicated, however, the timing for that remains unknown. The impact on the City of Richfield was mixed. During 2020 the City realized increased revenues in property taxes, license and permit revenues and liquor operation sales. However, the City also realized decreases in charges for service revenues. Revenues for the City's deputy registrar, recreation programs, ice arena and swimming pool operation reflected significant decreases from 2019 levels. For 2021, the ice arena and swimming pool operations will be open subject to pandemic protocols and the deputy registrar will be open on a limited basis. The City is still operating under the plan to delay or defer purchases of goods and services in order to mitigate the effects of the pandemic.
- The State of Minnesota will end the 2020-2021 biennium on June 30 with a positive budgetary balance of \$940 million according to the most recent budget forecast. This is a significant turnaround from May of 2020 when a \$2.4 billion shortfall for the current biennium was forecast. The positive budget balance for the current biennium offers assurances that Minnesota cities will receive their expected local government aid in 2021. Forecasts for the 2022-2023 biennium are also positive. It is projected that the State will have a budgetary surplus of \$1,571 billion. This is the result of projections for all major tax resources are above forecasted levels for the upcoming biennium.
- Over the previous couple of years, the City has seen market values increase with the expectation that they will continue to increase into 2020. In addition, redevelopment was very strong in 2020, and again expected to be strong in 2021. It appears that market values continue to be positive and are expected to continue to increase in 2021.
- Rates for the Utility operations increased for 2021. For 2021 water rates will increase across the three tier levels by 2%. Tier 1 will increase by .08 cents per thousand gallons, Tier 2 will increase by .10 cents per thousand gallons, and Tier 3 rates will increase by .12 cents per thousand gallons. In addition, wastewater rates will increase by 2% or .12 cents per thousand gallons. Finally, rates for the Storm Sewer Utility will increase by 2% or 1.72 per quarter over 2020 levels.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Richfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Richfield, 6700 Portland Avenue South, Richfield, MN 55423.

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## **BASIC FINANCIAL STATEMENTS**



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CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF NET POSITION  
December 31, 2020

Statement 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing & Redev. Authority	Economic Dev. Authority
<b>ASSETS:</b>					
Cash & investments	\$ 43,797,387	\$ 9,299,398	\$ 53,096,785	\$ 14,044,561	\$ 724,016
Accrued interest	180,562	-	180,562	-	-
Due from other governments	781,274	18,990	800,264	62,415	2,157
Accounts receivable - net	1,210,682	3,074,806	4,285,488	165,947	-
Inventories	-	1,251,356	1,251,356	-	-
Internal balances	1,876,330	(1,876,330)	-	-	-
Due from component unit	1,153,043	-	1,153,043	-	-
Prepaid items	90,615	16,460	107,075	-	-
Property taxes receivable:					
Delinquent	198,915	-	198,915	5,490	4,979
Special assessments receivable	376,492	-	376,492	-	-
Assets held for resale	-	-	-	1,455,822	-
Restricted assets:					
Cash & investments	-	-	-	-	-
Long term second mortgage receivable	-	-	-	2,421,127	773,369
Allowance for uncollectible accounts	-	-	-	(2,421,127)	(773,369)
Capital assets (not depreciable)	9,889,199	776,623	10,665,822	-	-
Capital assets (net of accumulated depr.)	68,852,813	33,479,350	102,332,163	-	-
Total assets	<u>128,407,312</u>	<u>46,040,653</u>	<u>174,447,965</u>	<u>15,734,235</u>	<u>731,152</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflows or resources related to pensions	5,292,327	194,799	5,487,126	-	-
Deferred outflows or resources related to OPEB	236,348	22,210	258,558	-	-
Total Deferred Outflows of Resources	<u>5,528,675</u>	<u>217,009</u>	<u>5,745,684</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows or resources	<u>133,935,987</u>	<u>46,257,662</u>	<u>180,193,649</u>	<u>15,734,235</u>	<u>731,152</u>
<b>LIABILITIES:</b>					
Accounts and contracts payable	2,086,853	803,881	2,890,734	212,853	104,326
Due to other governmental units	7,959	180,553	188,512	-	-
Due to primary government	-	-	-	1,153,043	-
Salaries payable	616,982	103,489	720,471	-	-
Accrued interest payable	635,751	165,345	801,096	-	-
Noncurrent liabilities:					
Due within one year	5,538,225	2,839,754	8,377,979	-	-
Due in more than one year	69,576,063	15,351,135	84,927,198	-	-
Total Liabilities	<u>78,461,833</u>	<u>19,444,157</u>	<u>97,905,990</u>	<u>1,365,896</u>	<u>104,326</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflows of resources related to pensions	6,592,659	103,792	6,696,451	-	-
Deferred inflows of resources related to OPEB	880,913	81,074	961,987	-	-
State aid received for subsequent years	2,718,649	-	2,718,649	-	-
Deferred inflows of resources - federal housing grant	-	-	-	253,904	-
Total Deferred Inflows of Resources	<u>10,192,221</u>	<u>184,866</u>	<u>10,377,087</u>	<u>253,904</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	46,316,911	20,657,979	58,758,640	-	-
Restricted for:					
Debt service	3,440,778	-	3,440,778	-	-
Capital projects	3,104,341	-	3,104,341	6,716,665	-
Grants and donations	708,226	-	708,226	319,661	-
Unrestricted	(8,288,323)	5,970,660	5,898,587	7,078,109	626,826
Total net position	<u>45,281,933</u>	<u>26,628,639</u>	<u>71,910,572</u>	<u>14,114,435</u>	<u>626,826</u>
Total liabilities, deferred inflows of resources and net position	<u>133,935,987</u>	<u>46,257,662</u>	<u>180,193,649</u>	<u>15,734,235</u>	<u>731,152</u>

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

**CITY OF RICHFIELD, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 3,443,118	\$ 590,246	\$ 2,013,717	\$ -
Public Safety	10,080,851	533,503	1,099,077	-
Fire	4,686,699	2,289	189,534	-
Community Development	1,601,218	2,137,248	-	874,271
Public Works	11,146,122	327,698	752,516	7,284,684
Parks and Recreation	3,426,087	605,969	183,156	4,750
Interest on long-term debt	1,487,038	-	-	-
Total governmental activities	<u>35,871,133</u>	<u>4,196,953</u>	<u>4,238,000</u>	<u>8,163,705</u>
<b>Business-type activities:</b>				
Liquor Operations	12,384,877	13,262,924	-	-
Water & Sewer Utility	8,272,505	8,716,310	-	-
Storm Sewer Utility	2,057,741	2,047,290	-	-
Total business-type activities	<u>22,715,123</u>	<u>24,026,524</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 58,586,256</u>	<u>\$ 28,223,477</u>	<u>\$ 4,238,000</u>	<u>\$ 8,163,705</u>
<b>Component units:</b>				
Housing & Redevelopment Authority	\$ 6,680,460	\$ 70,345	\$ 2,111,163	\$ 105,000
Economic Development Authority	700,286	-	-	227,694
<b>Total Component Unit</b>	<u>\$ 7,380,746</u>	<u>\$ 70,345</u>	<u>\$ 2,111,163</u>	<u>\$ 332,694</u>

**General Revenues:**

**Taxes:**

  Property taxes, levied for general purposes

  Franchise taxes

  Tax Increments

**Grants & contributions not restricted to specific programs**

**Unrestricted investment earnings**

**Miscellaneous**

**Transfers**

  Total general revenues, transfers and special items

  Change in net position

**Net position - beginning**

**Net position - ending**

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

Statement 2

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Housing & Redevelopment Authority	Economic Development Authority
Governmental Activities	Business-Type Activities	Total		
\$ (839,155)	\$ -	\$ (839,155)	\$ -	\$ -
(8,448,271)	-	(8,448,271)	-	-
(4,494,876)	-	(4,494,876)	-	-
1,410,301	-	1,410,301	-	-
(2,781,224)	-	(2,781,224)	-	-
(2,632,212)	-	(2,632,212)	-	-
(1,487,038)	-	(1,487,038)	-	-
<u>(19,272,475)</u>	<u>-</u>	<u>(19,272,475)</u>	<u>-</u>	<u>-</u>
-	878,047	878,047	-	-
-	443,805	443,805	-	-
-	(10,451)	(10,451)	-	-
-	1,311,401	1,311,401	-	-
<u>\$ (19,272,475)</u>	<u>\$ 1,311,401</u>	<u>\$ (17,961,074)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (4,393,952)	\$ -
-	-	-	-	(472,592)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,393,952)</u>	<u>\$ (472,592)</u>
\$ 22,183,130	\$ -	\$ 22,183,130	\$ 611,441	\$ 552,414
2,235,139	-	2,235,139	-	-
-	-	-	4,922,932	-
2,366,046	-	2,366,046	-	-
354,715	86,132	440,847	90,240	4,073
833,164	428,491	1,261,655	676,436	2,100
768,210	(768,210)	-	-	-
<u>28,740,404</u>	<u>(253,587)</u>	<u>28,486,817</u>	<u>6,301,049</u>	<u>558,587</u>
<u>9,467,929</u>	<u>1,057,814</u>	<u>10,525,743</u>	<u>1,907,097</u>	<u>85,995</u>
<u>35,814,004</u>	<u>25,570,825</u>	<u>61,384,829</u>	<u>12,207,338</u>	<u>540,831</u>
<u>\$ 45,281,933</u>	<u>\$ 26,628,639</u>	<u>\$ 71,910,572</u>	<u>\$ 14,114,435</u>	<u>\$ 626,826</u>

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

CITY OF RICHFIELD, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020

Statement 3

	General	Ice Arena	Improvement Bonds	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 7,655,211	\$ -	\$ 6,923,020	\$ 12,286,765	\$ 6,523,361	\$ 33,388,357
Accrued Interest	-	-	180,562	-	-	180,562
Due from other governments	195,636	-	15,928	500,059	58,645	770,268
Receivables, net	250,879	52,252	-	-	888,716	1,191,847
Due from other funds	2,887,223	-	-	-	47,763	2,934,986
Due from component unit	-	-	-	41,372	-	41,372
Prepaid items	83,285	-	-	-	7,330	90,615
Delinquent property taxes receivable	164,476	-	31,263	3,176	-	198,915
Special assessments receivable	-	-	231,386	145,106	-	376,492
Advances to other funds	-	-	-	-	537,549	537,549
Advances to component unit	-	-	-	577,215	-	577,215
<b>Total assets</b>	<b>\$ 11,236,710</b>	<b>\$ 52,252</b>	<b>\$ 7,382,159</b>	<b>\$ 13,553,693</b>	<b>\$ 8,063,364</b>	<b>\$ 40,288,178</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 479,036	\$ 286,020	\$ -	\$ 998,777	\$ 78,933	\$ 1,842,766
Accrued salaries and benefits	565,165	9,642	-	-	5,227	580,034
Due to other funds	-	2,169,045	-	-	832,034	3,001,079
Payable to other governments	2,543	5,416	-	-	-	7,959
Advances from other funds	-	921,206	-	-	195,440	1,116,646
<b>Total liabilities</b>	<b>1,046,744</b>	<b>3,391,329</b>	<b>-</b>	<b>998,777</b>	<b>1,111,634</b>	<b>6,548,484</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue - delinquent property taxes	\$ 164,476	\$ -	\$ 31,263	\$ 3,176	\$ -	\$ 198,915
Unavailable revenue - special assessments	-	-	231,386	145,106	-	376,492
State aid received for subsequent years	-	-	-	2,718,649	-	2,718,649
<b>Total Deferred Inflows of Resources</b>	<b>164,476</b>	<b>-</b>	<b>262,649</b>	<b>2,866,931</b>	<b>-</b>	<b>3,294,056</b>
<b>Fund balances:</b>						
Nonspendable	83,285	-	-	-	7,330	90,615
Restricted	-	-	5,198,880	2,956,059	708,226	8,863,165
Committed	-	-	1,462,403	1,822,920	7,264,074	10,549,397
Assigned	-	-	458,227	4,909,006	-	5,367,233
Unassigned	9,942,205	(3,339,077)	-	-	(1,027,900)	5,575,228
<b>Total fund balances</b>	<b>10,025,490</b>	<b>(3,339,077)</b>	<b>7,119,510</b>	<b>9,687,985</b>	<b>6,951,730</b>	<b>30,445,638</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,236,710</b>	<b>\$ 52,252</b>	<b>\$ 7,382,159</b>	<b>\$ 13,553,693</b>	<b>\$ 8,063,364</b>	<b>\$ 40,288,178</b>
<b>Fund balance reported above</b>						<b>\$ 30,445,638</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>						
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds						74,137,345
Other long-term assets are not available to pay for current- period expenditures and therefore, are deferred in the funds.						198,915
Special assessments not yet due						376,492
The assets and liabilities of certain Internal Service Funds are included in governmental activities in the statement of net position						11,402,562
Net position of internal service funds						1,876,330
Allocation to reflect consolidation of internal service fund activities related to enterprise funds						534,456
Allocation to reflect consolidation of internal service fund activities related to component unit						-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:						(1,488,604)
Unfunded OPEB liability						(14,516,027)
Net pension liability						-
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.						5,219,968
Deferred outflows of resources related to pensions						(6,554,105)
Deferred inflows of resources related to pensions						228,636
Deferred outflows of resources related to OPEB						(847,571)
Deferred inflows of resources related to OPEB						-
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:						(53,755,000)
Bonds payable						(1,341,351)
Premiums general obligation debt						(635,751)
Accrued interest payable						-
<b>Net position of governmental activities</b>						<b>\$ 45,281,933</b>

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

**CITY OF RICHFIELD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Statement 4

For The Year Ended December 31, 2020

	General	Ice Arena	Improvement Bonds	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Property taxes	\$ 17,559,198	\$ -	\$ 3,474,075	\$ 1,167,972	\$ -	\$ 22,201,245
Franchise taxes	-	-	-	-	2,235,139	2,235,139
Special assessments	-	-	50,431	179,261	-	229,692
Fees and fines	189,767	-	-	-	12,245	202,012
License and permits	1,743,695	-	-	-	-	1,743,695
Intergovernmental	4,828,595	57,781	-	8,414,343	1,192,808	14,493,527
Charges for Services	1,760,254	490,197	-	-	795	2,251,246
Investment earnings	55,910	-	25,710	94,761	89,102	265,483
Miscellaneous	38,960	42,841	-	92,924	658,439	833,164
<b>Total revenues</b>	<b>26,176,379</b>	<b>590,819</b>	<b>3,550,216</b>	<b>9,949,261</b>	<b>4,188,528</b>	<b>44,455,203</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
Legislative/Executive	836,275	-	-	-	-	836,275
Administrative Services	954,870	-	-	-	595,463	1,550,333
Finance	513,559	-	-	-	-	513,559
Public Safety	9,924,577	-	-	-	138,014	10,062,591
Fire	4,537,374	-	-	-	-	4,537,374
Community Development	1,640,111	-	-	-	-	1,640,111
Public Works	4,216,177	-	-	4,691,052	-	8,907,229
Recreation Services	1,594,809	881,629	-	-	248,390	2,724,828
<b>Debt service:</b>						
Principal	-	-	2,545,000	-	745,000	3,290,000
Interest and other charges	-	14,130	1,472,135	-	129,271	1,615,536
Capital outlay	92,421	3,309,822	-	18,844	420,454	3,841,541
Construction/acquisition costs	-	-	-	801,308	-	801,308
<b>Total expenditures</b>	<b>24,310,173</b>	<b>4,205,581</b>	<b>4,017,135</b>	<b>5,511,204</b>	<b>2,276,592</b>	<b>40,320,685</b>
<b>Revenues over (under) expenditures</b>	<b>1,866,206</b>	<b>(3,614,762)</b>	<b>(466,919)</b>	<b>4,438,057</b>	<b>1,911,936</b>	<b>4,134,518</b>
<b>Other financing sources (uses):</b>						
Transfers in	318,210	3,940,000	751,440	5,746,753	1,010,000	11,766,403
Transfers out	(1,420,290)	-	(3,000,572)	(1,064,311)	(6,528,020)	(12,013,193)
Bonds issued	-	-	4,365,000	-	-	4,365,000
Premiums (Discounts) on bonds issued	-	-	170,520	-	-	170,520
<b>Total other financing sources and (uses)</b>	<b>(1,102,080)</b>	<b>3,940,000</b>	<b>2,286,388</b>	<b>4,682,442</b>	<b>(5,518,020)</b>	<b>4,288,730</b>
<b>Net increase (decrease) in fund balance</b>	<b>764,126</b>	<b>325,238</b>	<b>1,819,469</b>	<b>9,120,499</b>	<b>(3,606,084)</b>	<b>8,423,248</b>
<b>Fund Balances - January 1</b>	<b>9,261,364</b>	<b>(3,664,315)</b>	<b>5,300,041</b>	<b>567,486</b>	<b>10,557,814</b>	<b>22,022,390</b>
<b>Fund balances - December 31</b>	<b>\$ 10,025,490</b>	<b>\$ (3,339,077)</b>	<b>\$ 7,119,510</b>	<b>\$ 9,687,985</b>	<b>\$ 6,951,730</b>	<b>\$ 30,445,638</b>

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

**CITY OF RICHFIELD, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2020**

Statement 5

Net Change in fund balances - total governmental funds	\$	8,423,248
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$4,642,849) exceeded depreciation (\$3,542,673).</p>		
		1,100,176
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The amounts of these differences are as follows:</p>		
Delinquent property taxes		(18,115)
Deferred special assessments		(88,979)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amounts of these differences are:</p>		
Principal payments on long-term debt		3,290,000
Issuance of long-term debt		(4,365,000)
Premiums on long-term debt		(53,520)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:</p>		
Change in accrued interest payable		11,498
<p>Net other post-employment benefit obligations payable reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.</p>		
		(2,354)
<p>Government funds recognized pension contributions as expenditures at the time of payment whereas the statement of activities factors in items related to pensions on a full accrual perspective.</p>		
Pension expense		551,902
State Contribution		133,511
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunication, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>		
Investment earnings		89,232
Consolidation of internal service fund activities related to government activities		(618,670)
Transfers in		1,015,000
		1,015,000
Change in net position of governmental activities	\$	9,467,929

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

CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2020

Statement 6

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Municipal Liquor Fund	Water and Sewer Utility Fund	Storm Sewer Fund	Total	
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 776,203	\$ 4,289,403	\$ 4,233,792	\$ 9,299,398	\$ 10,409,030
Receivables, net	-	2,640,767	434,039	3,074,806	18,835
Due from other funds	-	-	-	-	66,093
Due from other governments	652	18,338	-	18,990	11,006
Inventories	1,251,356	-	-	1,251,356	-
Prepaid items	16,460	-	-	16,460	-
Total current assets	<u>2,044,671</u>	<u>6,948,508</u>	<u>4,667,831</u>	<u>13,661,010</u>	<u>10,504,964</u>
<b>Noncurrent assets:</b>					
Advances to other funds	-	-	-	-	579,097
<b>Capital assets:</b>					
Land	499,188	53,550	85,935	638,673	-
Construction in progress	-	69,804	68,146	137,950	11,485
Distribution and collection systems	-	25,568,488	23,003,898	48,572,386	-
Buildings and equipment	6,430,344	17,737,081	896,838	25,064,263	11,391,704
Less accumulated depreciation	<u>(2,873,521)</u>	<u>(24,856,400)</u>	<u>(12,427,378)</u>	<u>(40,157,299)</u>	<u>(6,798,522)</u>
Total capital assets (net of accumulated depreciation)	<u>4,056,011</u>	<u>18,572,523</u>	<u>11,627,439</u>	<u>34,255,973</u>	<u>4,604,667</u>
Total noncurrent assets	<u>4,056,011</u>	<u>18,572,523</u>	<u>11,627,439</u>	<u>34,255,973</u>	<u>5,183,764</u>
Total assets	<u>6,100,682</u>	<u>25,521,031</u>	<u>16,295,270</u>	<u>47,916,983</u>	<u>15,688,728</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflows or resources related to pensions	89,229	101,564	4,006	194,799	72,359
Deferred outflows or resources related to OPEB	9,038	13,172	-	22,210	7,712
	<u>98,267</u>	<u>114,736</u>	<u>4,006</u>	<u>217,009</u>	<u>80,071</u>
Total assets and deferred outflows of resources	<u>6,198,949</u>	<u>25,635,767</u>	<u>16,299,276</u>	<u>48,133,992</u>	<u>15,768,799</u>
<b>LIABILITIES:</b>					
<b>Current Liabilities:</b>					
Accounts payable	166,783	595,266	41,832	803,881	244,087
Accrued salaries and benefits	48,700	52,529	2,260	103,489	36,948
Due to other governments	141,253	39,300	-	180,553	-
Compensated absences	72,671	79,125	2,958	154,754	593,225
Accrued interest payable	-	94,576	70,769	165,345	-
Bonds, notes, and loans payable	-	490,000	2,195,000	2,685,000	-
Total current liabilities	<u>429,407</u>	<u>1,350,796</u>	<u>2,312,819</u>	<u>4,093,022</u>	<u>874,260</u>
<b>Noncurrent liabilities:</b>					
Compensated absences	75,324	82,014	3,067	160,405	1,797,513
Net OPEB obligation	65,813	76,579	-	142,392	58,560
Net pension liability	964,372	1,097,682	43,295	2,105,349	782,030
Claims and judgments	-	-	-	-	781,978
Bonds, notes, and loans payable(net of unamortized premiums and discounts)	-	6,780,164	6,162,825	12,942,989	-
Total noncurrent liabilities	<u>1,105,509</u>	<u>8,036,439</u>	<u>6,209,187</u>	<u>15,351,135</u>	<u>3,420,081</u>
Total liabilities	<u>1,534,916</u>	<u>9,387,235</u>	<u>8,522,006</u>	<u>19,444,157</u>	<u>4,294,341</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflows or resources related to pensions	47,543	54,115	2,134	103,792	38,554
Deferred inflows or resources related to OPEB	37,472	43,602	-	81,074	33,342
	<u>85,015</u>	<u>97,717</u>	<u>2,134</u>	<u>184,866</u>	<u>71,896</u>
<b>NET POSITION:</b>					
Net investment in capital assets	4,056,011	11,557,354	5,044,614	20,657,979	4,604,667
Unrestricted	523,007	4,593,461	2,730,522	7,846,990	6,797,895
Total net position	<u>4,579,018</u>	<u>16,150,815</u>	<u>7,775,136</u>	<u>28,504,969</u>	<u>11,402,562</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 6,198,949</u>	<u>\$ 25,635,767</u>	<u>\$ 16,299,276</u>	<u>\$ 48,133,992</u>	<u>\$ 15,768,799</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(1,876,330)	
Net position of business - type activities				<u>\$ 26,628,639</u>	

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



CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITON  
PROPRIETARY FUNDS  
For The Year Ended December 31, 2020

Statement 7

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Municipal Liquor Fund	Water and Sewer Utility Fund	Storm Sewer Fund	Total Current Year	
<b>OPERATING REVENUES</b>					
Charges for Service	\$ 13,262,924	\$ 8,716,310	\$ 2,047,290	\$ 24,026,524	\$ 4,117,966
Less: cost of sales	(9,886,359)	-	-	(9,886,359)	-
Total operating revenues	<u>3,376,565</u>	<u>8,716,310</u>	<u>2,047,290</u>	<u>14,140,165</u>	<u>4,117,966</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,604,732	2,245,345	455,763	4,305,840	1,558,958
Other service and charges	619,885	4,396,493	710,297	5,726,675	2,943,152
Depreciation	245,267	1,418,780	728,384	2,392,431	899,530
Total operating expenses	<u>2,469,884</u>	<u>8,060,618</u>	<u>1,894,444</u>	<u>12,424,946</u>	<u>5,401,640</u>
Operating income (loss)	<u>906,681</u>	<u>655,692</u>	<u>152,846</u>	<u>1,715,219</u>	<u>(1,283,674)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and investment revenue	4,744	62,763	18,625	86,132	89,232
Intergovernmental revenue	51,782	13,513	17,307	82,602	388,262
Miscellaneous revenue	16,818	159,166	169,905	345,889	8,309
Gain(loss) on disposal of capital assets	-	-	-	-	150,715
Interest expense	-	(159,319)	(143,918)	(303,237)	-
Total nonoperating revenue (expenses)	<u>73,344</u>	<u>76,123</u>	<u>61,919</u>	<u>211,386</u>	<u>636,518</u>
Income before transfers & capital contributions	<u>980,025</u>	<u>731,815</u>	<u>214,765</u>	<u>1,926,605</u>	<u>(647,156)</u>
Transfers in	-	-	-	-	1,055,000
Transfers out	(768,210)	-	-	(768,210)	(40,000)
Changes in net position	<u>211,815</u>	<u>731,815</u>	<u>214,765</u>	<u>1,158,395</u>	<u>367,844</u>
Total net position - beginning	<u>4,367,203</u>	<u>15,419,000</u>	<u>7,560,371</u>		<u>11,034,718</u>
Total net position - ending	<u>\$ 4,579,018</u>	<u>\$ 16,150,815</u>	<u>\$ 7,775,136</u>		<u>\$ 11,402,562</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(100,581)	
Change in net position of business - type activities				<u>\$ 1,057,814</u>	

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

**CITY OF RICHFIELD, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For The Year Ended December 31, 2020**

Statement 8

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Municipal Liquor Fund	Water and Sewer Utility Fund	Storm Sewer Fund	Totals	
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 3,375,913	\$ 8,707,002	\$ 2,049,414	\$ 14,132,329	\$ -
Receipts from interfund services provided	-	-	-	-	4,091,210
Payment to employees	(1,578,755)	(2,246,002)	(452,645)	(4,277,402)	(1,195,858)
Payment to suppliers	(540,916)	(3,765,245)	(908,185)	(5,214,346)	(2,614,654)
Payments for interfund services used	(187,720)	(322,955)	(134,714)	(645,389)	-
Miscellaneous revenue	16,818	159,166	169,905	345,889	8,309
<b>Net cash flows from operating activities</b>	<b>1,085,340</b>	<b>2,531,966</b>	<b>723,775</b>	<b>4,341,081</b>	<b>289,007</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfer to General Fund	(768,210)	-	-	(768,210)	-
Transfer from Capital Project Funds	-	-	-	-	1,015,000
Transfer from Internal Service Funds	-	-	-	-	40,000
Transfer to Internal Service Funds	-	-	-	-	(40,000)
Interfund borrowing	-	(109,229)	-	(109,229)	64,785
Intergovernmental grants	51,782	13,513	17,307	82,602	388,262
<b>Net cash flows from noncapital financing activities:</b>	<b>(716,428)</b>	<b>(95,716)</b>	<b>17,307</b>	<b>(794,837)</b>	<b>1,468,047</b>
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from disposal of capital assets	-	-	-	-	143,715
Proceeds from sale of bonds	-	2,125,000	1,740,000	3,865,000	-
Premium on bonds	-	115,032	69,995	185,027	-
Acquisition of capital assets	(48,624)	(2,251,343)	(86,946)	(2,386,913)	(1,111,633)
Principal paid on capital debt	-	(1,380,000)	(380,000)	(1,760,000)	-
Interest payments	-	(190,466)	(170,989)	(361,455)	-
<b>Net cash flows from capital and related financing activities</b>	<b>(48,624)</b>	<b>(1,581,777)</b>	<b>1,172,060</b>	<b>(458,341)</b>	<b>(967,918)</b>
<b>Cash flows from investing activities:</b>					
Investment income	4,744	62,763	18,625	86,132	89,232
Net increase (decrease) in cash and cash equivalents	325,032	917,236	1,931,767	3,174,035	878,368
Cash and cash equivalents - January 1	451,171	3,372,167	2,302,025	6,125,363	9,530,662
<b>Cash and cash equivalents - December 31</b>	<b>\$ 776,203</b>	<b>\$ 4,289,403</b>	<b>\$ 4,233,792</b>	<b>\$ 9,299,398</b>	<b>\$ 10,409,030</b>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>					
Operating income (loss)	\$ 906,681	\$ 655,692	\$ 152,846	\$ 1,715,219	\$ (1,283,674)
<b>Adjustments to reconcile operating income (loss) to net cash flows from operating activities:</b>					
Miscellaneous revenue (expense)	16,818	159,166	169,905	345,889	8,309
Depreciation	245,267	1,418,780	728,384	2,392,431	899,530
<b>Changes in assets and liabilities:</b>					
Decrease (increase) in receivables	(652)	(19,901)	2,127	(18,426)	(26,756)
Decrease (increase) in prepaid items	(11)	-	-	(11)	-
Decrease (increase) in inventory	18,301	-	-	18,301	-
Decrease (increase) in deferred outflows related to pensions	(21,899)	(28,623)	(962)	(51,484)	(19,519)
Increase (decrease) in payables	(103,632)	323,155	(332,095)	(112,572)	41,989
Increase (decrease) in salaries and benefits payable	10,858	11,628	638	23,124	8,202
Increase (decrease) in compensated absences	15,119	(12,285)	2,480	5,314	341,600
Increase (decrease) in due to other governments	11,384	21,990	-	33,374	-
Increase (decrease) in net OPEB obligations	12,933	7,893	-	20,826	(13,148)
Increase (decrease) in deferred inflows related to pensions	(106,932)	(116,193)	(5,795)	(228,920)	(79,482)
Increase (decrease) in net pension liability	81,105	110,664	6,247	198,016	87,150
Increase (decrease) in claims and judgments	-	-	-	-	324,806
Total adjustments	178,659	1,876,274	570,929	2,625,862	1,572,681
<b>Net cash flows from operating activities</b>	<b>\$ 1,085,340</b>	<b>\$ 2,531,966</b>	<b>\$ 723,775</b>	<b>\$ 4,341,081</b>	<b>\$ 289,007</b>

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

**CITY OF RICHFIELD, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2020**

**Statement 9**

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and investments	<b>\$ 11,526</b>
<b>Total Assets</b>	<b>11,526</b>
<b>Liabilities</b>	
Due to other governments	<b>11,526</b>
<b>Total Liabilities</b>	<b>11,526</b>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	<b>-</b>
	<b>\$ 11,526</b>

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

**CITY OF RICHFIELD, MINNESOTA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2020**

Statement 10

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Surcharge collections	\$ 11,267
License revenue	259
License fee collections for State of Minnesota	16,727,113
Total additions	16,738,639
 <b>DEDUCTIONS</b>	
Payments to State of Minnesota	16,738,639
Total deductions	16,738,639
Net increas(decrease) in fiduciary Net Position	-
Net position - beginning	-
Net position - ending	\$ -

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

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**CITY OF RICHFIELD, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

1. Summary of Significant Accounting Policies

The City of Richfield (the City) was incorporated February 26, 1908. Since 1964, the City has operated under a Council-Manager form of government, as authorized by its City Charter.

The accounting policies of the City conform to generally accepted accounting principles, as applied to governmental units by the U.S. Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. 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 the elected officials of the City are financially accountable and are included within the general purpose 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 and are presented in this report as follows:

- *Blended Component Units* - Reported as if they were part of the City.
- *Discretely Presented Component Units* - Entails reporting the component unit financial data in a column separate from the financial data of the City.
- *Related Organizations* - The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as follows:

- *Blended Components Units:*  
The City has no blended component units.
- *Discretely Presented Component Units:*  
Housing and Redevelopment Authority (HRA) in and for the City of Richfield.  
Economic Development Authority (EDA) in and for the City of Richfield

The HRA was established on November 12, 1974, per Minnesota State Statute 462.426 (Minnesota Housing and Redevelopment Act of 1947), and is governed by a five-member commission appointed by the Mayor. The HRA was formed by the City to provide housing and redevelopment assistance to Richfield citizens and businesses. The HRA provides this assistance through the general taxes, the use of Community Development Block Grants, and the establishment of tax increment and tax abatement financing districts. The HRA also operates the Section 8 rental subsidy program as a direct recipient from the Department of Housing and Urban Development. As the City appoints the HRA commission and has the ability to hire or dismiss those persons responsible for its day-to-day operations, the HRA is considered a component unit of the City.

The EDA was established May 9, 2017 per Minnesota State Statutes, Sections 469.090 through 469.108 and some but not all of the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 through 469.047. The EDA is governed by a five-member commission. Two commissioners shall be members of the City Council and three commissioners shall be members at large. The three at large commissioners shall be the three at large commissioners of the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota. The EDA was formed to provide resources for economic development in Richfield, including the Kids @ Home program, Transformation Loan program, apartment remodeling programs and business development programming.

Financial statements of the HRA can be obtained from the administrative offices at City Hall:

Richfield Housing and Redevelopment Authority  
6700 Portland Avenue South  
Richfield, Minnesota 55423

Financial Statements of the EDA can be obtained from the administrative offices at City Hall

Richfield Economic Development Authority  
6700 Portland Avenue South  
Richfield, Minnesota 55423

- *Related Organizations*  
The City has no related organizations.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, 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.

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 and Fiduciary 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. Agency funds, however, are unlike all other funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

The government reports the following major governmental funds:

The General Fund 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.

The Ice Arena Fund accounts for the revenues earned and other resources generated by the operation of the City's two sheet ice arena facility.

The Improvement Bond Debt Service Fund is used for the accumulation of resources for payment of principal and interest for outstanding general obligation issues.

The Capital Improvement Capital Projects Fund is used to account for projects related to public improvement within the City.

The government reports the following major proprietary funds:

The Municipal Liquor Fund accounts for the operations of the four municipal liquor stores operated by the City.

The Water and Sewer Utility Fund accounts for the water and sewer service charges which are used to finance the water system and sanitary sewer system operating expenses.

The Storm Sewer Fund accounts for storm sewer user fees, which are used to finance storm sewer system operating expenses.

Additionally, the government reports the following fund types:

Internal Service Funds account for fleet management, data processing, risk management, building maintenance services, and compensated absences, provided to other funds or departments on a cost reimbursement basis.

Custodial Funds are used to account for the City's collection of fees to be remitted to the State of Minnesota such as building permit-surcharges, snowmobile-boat license fees, and motor vehicle license fees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City of Richfield. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, the liquor, water & sewer, and storm sewer funds, and the City's internal service funds are from the sale of product and charges to customers for services. Operating expenses for enterprise funds and 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 nonoperating revenues and expenses.

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

#### D. Budgets

Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary control for Capital Projects Funds is accomplished through the use of project controls and for the Debt Service Funds by bond indentures.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at year-end are reported within restrictions, commitments, or assignments of fund balance, as appropriate, since they do not constitute expenditures or liabilities. At December 31, 2020 there are no significant encumbrances outstanding in any major or nonmajor fund.

#### E. Legal Compliance - Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statement and set forth in Sections 7.05 and 7.06 of the City Charter.

1. The City Manager shall, at a special budget meeting of the Council on or before September 15, submit to the Council a proposed budget and an explanatory budget message in a form and manner as prescribed by the City Charter.



2. At the City Council meeting, where the proposed budget and tax levy is submitted for adoption, the Council shall determine the place and time of the public hearing on the budget. Public hearings are conducted to obtain taxpayer comments.
3. The Council shall adopt the budget no later than the last date established by law for the County Auditor to levy taxes. The budget shall set forth the total for each budgeted fund and each department with such segregation as to objects and purposes of expenditures as the Council deems necessary for purposes of budget control for the General and Special Revenue Funds.
4. Reported budget amounts are as originally adopted or as amended by Council-approved budget transfers. During 2020 the General Fund budget was amended to increase budgeted expenditures and transfers out by \$1,079,500. The City Manager is authorized to transfer budgeted amounts between divisions within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council with formal adoption by resolution. All budgeted appropriations lapse at the end of the year.
5. Expenditures may not legally exceed budgeted appropriations at the total department level. Monitoring of budgets is maintained at the expenditure category (i.e., salaries, wages, and benefits; material, supplies, and services; and capital outlay) within each activity. Budgetary monitoring, by departments or divisions and by category, is required by the City Charter.

F. Cash, Cash Equivalents, and Investments

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments, with the exception of nonpooled investments related to the 2020A bond issuance. Earnings from such pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

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

Investment income is accrued at the balance sheet date. For purposes of the statement of cash flows, the Proprietary Funds consider investments held in the City's cash management pool to be cash equivalents because this pool is used essentially as a demand deposit account.

Short-Term Interfund and Primary Government/Component Unit Receivable/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 "advances to other funds" or "advances from other funds" on the balance sheet. Payables/receivables between the primary government and its component unit are classified as "due to/from component unit" on the primary government's balance sheet and "due to/from primary government" on the component unit's balance sheet.

Property taxes and special assessments have been reported net of estimated uncollectible accounts. (See Note 1H and I.) Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. Property Tax Revenue Recognition

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 5 and December 5 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

### Government-Wide Financial Statements

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

### Governmental Fund Financial Statements

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

#### I. Special Assessment Revenue Recognition

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

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

### Government-Wide Financial Statements

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

### Governmental Fund Financial Statements

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

#### J. Inventories

Inventories are valued at cost, on a first-in, first-out basis. The cost of inventory in the Proprietary Funds is recognized as cost of sales or expense of operation at the time the inventory is sold or used.

#### K. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Accordingly, prepaid items are accounted for using the consumption method, where expense is recognized in the periods that the service or benefit is provided.

#### L. Land Held for Resale

Land held for resale represents property purchased by the City with the intent to resell in the future for redevelopment. These assets are stated at the lower of cost or net realizable value.

#### M. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets that are reported within the government-wide financial statements include assets that were acquired on or after 1960. Capital assets are defined by the government as assets with

an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2020, no interest was capitalized in connection with construction in progress.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method, while infrastructure assets are depreciated using the composite method. Capital assets are depreciated over the following estimated useful lives:

<u>Assets</u>	
Buildings and structures	20-50 years
Machinery and equipment	3-15 years
Furniture and fixtures	10 years
Other improvements	10-50 years
Storm sewers	25-30 years
Streets	25 years
Street lights	25 years
Distribution and collection systems	30-50 years

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and personal leave pay benefits. In addition, the fire employees are paid one-third of their unused sick pay upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for governmental fund employees is accrued in the Compensated Absences Fund as they are incurred. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is vested as severance pay. Compensated absences for governmental funds are accounted for in the Compensated Absences Internal Service Fund.

O. 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.

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.

P. 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.

Q. Fund Equity

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

Nonspendable – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

Restricted –Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

Committed –Consists of internally imposed constraints that are established by resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned –Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to City Council resolution, the City's Finance Manager is authorized to establish assignments of fund balance.

Unassigned –The residual classification for the General Fund which also reflects negative residual amounts in other funds.

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

When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

R. Deferred Outflows/Inflows of Resources

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

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

S. Net position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. A reclassification of \$8,216,250 was made between the net investment in capital assets net position class and unrestricted net position in the total column of the Statement of Net Position to recognize the portion of debt attributable to capital assets donated from governmental activities to business-type activities. Net position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

Restricted Net position –Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net position –All other net positions that do not meet the definition of “restricted” or “invested in capital assets.”

T. Targeted Fund Balance

The City has established a targeted fund balance policy for its General Fund where it will strive to maintain an unassigned fund balance of an amount not less than 40% of the current year end actual General Fund revenues. The dollar amount of the target may fluctuate with each year's actual results.

U. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

V. Reclassified

Certain 2019 amounts have been reclassified to conform to the 2020 presentation.

W. Use of Estimates

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

2. Deposits and Investments

A. Deposits

Minnesota Statutes require that all deposits with financial institutions must be collateralized in an amount equal to 110% of deposits in excess of FDIC insurance.

B. Investments

The City, HRA and EDA are authorized by Minnesota Statutes Chapter 118A to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in a) above.
- c) General obligations of the State of Minnesota or any of its municipalities.
- d) Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper, issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities in the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- g) Guaranteed investment contracts (GIC) issued or guaranteed by a United States commercial bank or domestic branch of a foreign bank or a United States insurance company or its Canadian or United States subsidiary.
- h) Mortgage-backed securities that are direct obligations or guaranteed or insured issues of the United States, its agencies, and its instrumentality's, or organizations created by an act of Congress.

The City's investments are categorized by level of risk as provided in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, in the following manner:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not formally address this risk, but the City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities. To protect against potential fraud and embezzlement, the investments of the City, HRA and EDA are secured through a third party custody and safekeeping arrangement.

Interest Rate Risk – To control the risk of market price changes, the City's formal investment policy recommends investment maturities shall match the City's projected cash flows.

Investments in securities with maturities in excess of two years shall be placed with the intention to hold the security until maturity.

**Credit Risk** – To control credit risk, investments purchased shall include those authorized by Minnesota Statutes, such as U.S. Government Securities and the highest quality commercial paper. The ratings assigned to these securities are noted in the table below. The City’s investment policy does not further address credit risk.

The City participates in the Minnesota Municipal Money Market Fund (the 4M Fund) which is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is a customized cash management and investment program for Minnesota public funds. Sponsored and governed by the League of Minnesota Cities since 1987, the 4M Fund is a unique investment alternative designed to address the daily and long term investment needs of Minnesota cities and other municipal entities. Allowable under Minnesota statutes, the 4M Fund is comprised of top quality, rated investments.

The Minnesota Municipal Money Market Fund operates in accordance with appropriate State laws and regulations. The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool share. The City’s investment in the 4M Fund at December 31, 2020 is \$7,928,755.

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

Money market mutual funds invested as part of the City’s trust arrangement at Wells Fargo are consist entirely of money market 2a7 funds and is unrated.

**Concentration of Credit Risk** – The City’s investment policy places no limit on the amount the City may invest in any one issuer. Investments in Federal Home Loan Mortgage Corporation and Federal National Mortgage Association government securities exceed 5% of pooled investments.

The following is a summary of the City’s, HRA’s and EDA’s investments, stated at fair value. The majority of the HRA and EDA investments are in the investment pool of the City. Therefore, the HRA and EDA investments are not segregated for disclosure. Nonpooled investments relate to the 2020A bond issuance.

As of December 31, 2020, the City, HRA and EDA had the following investments and maturities:

Investment Type	Investment Maturities (In Years)					
	Moody's Ratings	% of Total	Fair Value	Less Than 1 Year	Years 1-5	Years 6-10
<u>Pooled Investments:</u>						
<u>U.S Agencies:</u>						
Federal Home Loan Bank	AAA	4.53%	\$3,036,880	\$3,036,880	\$-	\$-
Federal Home Loan Mortgage Corporation	AAA	5.24%	3,512,110	2,509,180	1,002,930	-
Federal National Mortgage Association	AAA	7.61%	5,098,800	-	5,098,800	-
Federal Farm Credit	AAA	4.50%	3,015,410	2,014,850	1,000,560	-
U.S. Treasury Bonds	AAA	43.41%	29,071,277	19,262,212	9,809,065	-
<u>Municipal Bonds</u>						
Anchor Bay, MI Sch Dist	AA3	.75%	503,295	503,295	-	-
Honolulu City and County	AA3	.60%	404,924	404,924	-	-
<u>Money Markets:</u>						
Money Market Mutual Fund Investments	NR	22.78%	15,255,485	15,255,485	-	-
External Investment Pool	NR	10.57%	7,077,993	7,077,993	-	-
Total Pooled Investments		100.00%	\$66,976,174	\$50,064,819	\$16,911,355	\$-
<u>Non-Pooled Investment:</u>						
External Investment Pool	NR	100.00%	\$850,762	\$850,762	\$-	\$-
Total Non-Pooled Investments		100.00%	\$850,762	\$850,762	\$-	\$-
Total Investments			\$67,826,936	\$50,915,581	\$16,911,355	\$-

The City has the following recurring fair value measurements as of December 31, 2020:

- \$44,241,236 of investments are valued using a quoted market prices (Level 1 inputs)
- \$14,571,449 of investments are valued using a matrix pricing model (Level 2 inputs)

### 3. Capital Assets

Capital asset activity for the year ended December 31, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,353,605	\$ -	\$ -	\$ 9,353,605
Construction in progress	10,318,829	4,221,583	(14,004,818)	535,594
Total capital assets, not being depreciated	19,672,434	4,221,583	(14,004,818)	9,889,199
Capital assets, being depreciated:				
Buildings and structures	49,811,658	193,470	-	50,005,128
Machinery and equipment	14,896,876	4,503,447	(836,050)	18,564,273
Other improvements	6,640,219	647,099	-	7,287,318
Streets (Infrastructures)	74,076,129	10,200,701	-	84,276,830
Total capital assets, being depreciated	145,424,882	15,544,717	(836,050)	160,133,549
Less accumulated depreciation for:				
Buildings and structures	15,698,116	1,196,585	-	16,894,701
Machinery and equipment	9,192,047	1,080,318	(836,050)	9,436,315
Other improvements	4,184,210	293,835	-	4,478,045
Streets (Infrastructures)	58,600,210	1,871,465	-	60,471,675
Total accumulated depreciation	87,674,583	4,442,203	(836,050)	91,280,736
Total capital assets being depreciated-net	57,750,299	11,102,514	-	68,852,813
Governmental activities capital assets-net	\$77,422,733	15,324,097	(14,004,818)	\$78,742,012
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 638,673	-	-	\$ 638,673
Construction in process	167,797	678,124	(707,971)	137,950
Total capital assets, not being depreciated	806,470	678,124	(707,971)	776,623
Capital assets, being depreciated:				
Buildings and structures	10,478,477	17,871	-	10,496,348
Machinery and equipment	13,606,926	726,051	(18,212)	14,314,765
Other improvements	47,152,697	1,672,839	-	48,825,536
Total capital assets, being depreciated	71,238,100	2,416,761	(18,212)	73,636,649
Less accumulated depreciation for:				
Buildings and structures	6,928,789	258,622	-	7,187,411
Machinery and equipment	8,562,269	630,612	(18,212)	9,174,669
Other improvements	22,292,022	1,503,197	-	23,795,219
Total accumulated depreciation	37,783,080	2,392,431	(18,212)	40,157,299
Total capital assets being depreciated – net	33,455,020	24,330	-	33,479,350
Business-type activities capital assets - net	\$34,261,490	702,454	(707,971)	\$34,255,973

Capital assets transferred from governmental activities to business-type activities are not reflected in the changes of capital assets because those assets were never capitalized as governmental assets prior to the transfer.

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

Governmental activities:	
General government	\$ 497,575
Public safety	50,339
Fire	60,014
Public works, including depreciation of general infrastructure assets	2,212,957
Parks and recreation	721,788
Internal service funds	899,530
Total depreciation expense – governmental activities	\$4,442,203

Business-type activities:	
Liquor operations	\$ 245,267
Water & Sewer utility	1,418,780
Storm Sewer utility	728,384
Total depreciation expense – business-type activities	<u>\$2,392,431</u>

#### Construction Commitments

At December 31, 2020, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project #</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
20035	Ice Arena HVAC Controls	\$345,300	\$314,795
41009	66 <sup>th</sup> Street Reconstruction	\$ 1,220,552	\$ 31,099

#### 4. Risk Management

The City is exposed to various risks such as loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the City's policy to be self insured for workers' compensation, dental insurance and short-term disability insurance. Additionally, the City maintains a risk retention program for property, general liability, and auto liability insurance coverage by maintaining high deductibles. Accordingly, a Self-Insurance Fund (an Internal Service Fund) was established to account for and finance the City's uninsured risk of loss. Under this program, the Self Insurance Fund provides coverage for up to a maximum of \$500,000 for each Workers' Compensation claim, and \$50,000 (\$300,000 aggregate) for each general liability and property damage claim. The City purchases insurance from the League of Minnesota Cities Insurance Trust (LMCIT) for property and municipal liability and the Workers' Compensation Reinsurance Association for claims in excess of coverage provided by the Fund and for all other risks of loss. The City has realized no significant reductions in insurance coverage during 2020. Finally, settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Insurance reimbursements to the Self-Insurance Fund are charged back to the affected Governmental and Proprietary funds in the form of an insurance charge to fund future premiums and estimated prior and current year claims. The claims and judgments liability of \$781,978 reported in the fund at December 31, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires a liability for claims reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

A summary of the claims and judgments liability amount at December 31, 2020 and 2019 are as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims &amp; Changes in Estimates</u>	<u>Claim Payments-Net</u>	<u>Balance at Fiscal Year End</u>
2019	\$579,732	\$189,390	\$(311,950)	\$457,172
2020	\$457,172	\$583,154	\$(258,348)	\$781,978

#### 5. Long-Term Liabilities

The City issues general obligation bonds and capital notes to provide funds for the acquisition and construction of capital projects. The reporting entity and long-term debt is segregated between the amounts repaid from governmental activities and amounts to be repaid from business-type activities.



Redevelopment bonds are paid primarily from tax increments derived from increases in the taxable valuation of property within a redevelopment area in the City. The full faith and credit of the City is pledged on the bonds. Improvement bonds are paid primarily from debt service tax levies and proceeds of special assessments levied against property owners benefiting from improvements made. The full faith and credit of the City is pledged on the bonds. The Water and Sewer Revenue Bonds debt requirements are paid from the revenues of the operation of Water and Sewer Utility Fund. The Storm Sewer Revenue Bonds debt requirements are paid from net revenue of the operation of the Storm Sewer Utility Fund.

In 2020, the City issued the \$5,120,000 General Obligation, Series 2020A, for the purpose of completing the funding of the Lyndale Avenue reconstruction project, funding the lining of the watermain underneath 65<sup>th</sup> Street, and refunding the G.O. Water Revenue Bonds, Series 2011A. The Series 2011A bonds were refunded on June 1, 2020. The City will realize a savings in interest costs of \$144,178 with the refunding of the Series 2011A bonds. The net present value cash flow savings from this transaction was \$128,977.

The City also issued the \$3,110,000 General Obligation Refunding Bonds, Series 2020B. This issue refunded the \$2,120,000 General Obligation Street Reconstruction Bonds, Series 2012A and the \$2,770,000 General Obligation Stormwater Bonds, Series 2013B. Both the Series 2012A and the Series 2013B will be refunded on February 1, 2021 with the proceeds from the Series 2020B bonds. The City will realize a combined savings in interest costs with the refundings in the amount of \$237,881 over the remaining life of the bonds. The net present value cash flow savings from this transaction was \$219,520.

### Governmental Activities

As of December 31, 2020, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Net Interest Rate	Issue Date	Final Maturity Date	Original Issued	Payable 12/31/19
<b><u>REDEVELOPMENT BONDS</u></b>					
G.O. Tax Increment Refunding Bonds, 2010B	3.05%	12/30/2010	2/1/2024	\$6,355,000	\$2,240,000
G.O. Tax Increment Refunding Bonds, 2012B	2.25%	9/6/2012	2/1/2025	2,970,000	1,235,000
Total Redevelopment Bonds				<u>9,325,000</u>	<u>3,475,000</u>
<b><u>IMPROVEMENT BONDS</u></b>					
G.O. Bonds, 2010A	1.89%	5/19/2010	2/1/2021	1,500,000	20,000
G.O. Street Reconstruction Bonds, Series 2012A	2.35%	9/6/2012	2/1/2033	2,120,000	1,485,000
G.O. Improvement Bonds, Series 2013A	2.18%	3/21/2013	2/1/2034	3,120,000	1,795,855
G.O. Street Reconstruction Bonds, Series 2015A	2.71%	6/4/2015	2/1/2036	9,100,000	7,600,021
G.O. Refunding Bonds, Series 2016B	1.58%	11/17/2016	2/1/2028	5,085,000	4,048,782
G.O. Refunding Bonds, Series 2016C	2.04%	12/15/2016	2/1/2029	6,130,000	5,700,617
G.O. Street Reconstruction Bonds, Series 2017A	2.49%	4/20/2017	2/1/2038	9,130,000	8,578,692
G.O. Capital Improvement Ref. Bonds, Series 2017B	2.17%	12/14/2017	2/1/2029	3,045,000	2,759,853
G.O. Street Reconstruction Bonds, Series 2018A	3.10%	5/31/2018	2/1/2039	9,770,000	9,533,985
G.O. Bonds, Series 2019A	2.63%	6/6/2019	2/1/2040	5,290,000	5,573,425
G.O. Bonds, Series 2020A	1.91%	5/14/2020	2/1/2041	2,995,000	3,104,677
G.O. Refunding Bonds, Series 2020B	1.09%	11/19/2020	2/1/2033	1,370,000	1,420,444
Total Improvement Bonds				<u>58,655,000</u>	<u>51,621,351</u>
TOTAL GOVERNMENTAL INDEBTEDNESS				<u>\$67,980,000</u>	<u>\$55,096,351</u>
<b><u>ENTERPRISE BONDS</u></b>					
G.O. Storm Sewer Bonds, Series 2013B	2.26%	3/21/2013	2/1/2033	2,770,000	1,930,731
G.O. Refunding Bonds, Series 2015B	1.74%	11/10/2015	2/1/2027	5,360,000	3,776,340
G.O. Storm Water Bonds, Series 2016A	2.18%	5/19/2016	2/1/2037	2,970,000	2,687,082
G.O. Bonds, Series 2019A	2.63%	6/6/2019	2/1/2040	3,035,000	3,197,709
G.O. Bonds, Series 2020A	1.91%	5/14/2020	2/1/2041	2,125,000	2,231,932
G.O. Refunding Bonds, Series 2020B	1.09%	11/19/2020	2/1/2033	1,740,000	1,804,195
TOTAL BUSINESS-TYPE ACTIVITY INDEBTEDNESS				<u>\$18,000,000</u>	<u>\$15,627,989</u>
TOTAL CITY INDEBTEDNESS				<u>\$85,980,000</u>	<u>\$70,724,340</u>

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

Year	Redevelopment Bonds		Improvement Bonds		Water & Sewer		Storm Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	760,000	107,430	\$4,185,000	\$1,345,825	\$490,000	\$199,708	\$2,195,000	\$155,559
2022	790,000	84,528	2,970,000	1,241,586	535,000	171,700	425,000	132,370
2023	815,000	56,772	3,055,000	1,157,169	555,000	154,525	445,000	120,295
2024	850,000	24,256	3,155,000	1,068,389	580,000	136,650	455,000	107,845
2025	260,000	3,738	3,255,000	976,744	600,000	119,950	470,000	95,845
2026-2030	-	-	15,505,000	3,550,749	1,985,000	401,600	2,000,000	334,850
2031-2035	-	-	11,065,000	1,819,135	1,090,000	215,000	1,520,000	160,805
2036-2040	-	-	6,905,000	438,213	1,045,000	80,581	605,000	28,282
20410	-	-	185,000	2,081	70,000	787	-	-
<b>TOTALS</b>	<b>\$3,475,000</b>	<b>\$276,724</b>	<b>\$50,280,000</b>	<b>\$11,599,891</b>	<b>\$6,950,000</b>	<b>\$1,480,501</b>	<b>\$8,115,000</b>	<b>\$1,135,851</b>

### Change in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
Redevelopment Bonds	\$4,220,000	\$-	\$(745,000)	\$3,475,000	\$ 760,000
Improvement Bonds	48,460,000	4,365,000	(2,545,000)	50,280,000	4,185,000
Premium (Discount) on bonds payable	1,287,831	170,520	(117,000)	1,341,351	-
Total bonds and notes payable	<u>53,967,831</u>	<u>4,535,520</u>	<u>(3,407,000)</u>	<u>55,096,351</u>	<u>4,945,000</u>
Other Liabilities:					
Claims and judgments	457,172	583,155	(258,349)	781,978	-
Total OPEB liability	2,238,028	4,624	(695,488)	1,547,164	-
Net Pension liability	13,049,456	2,248,601	-	15,298,057	-
Compensated absences	2,049,138	368,360	(26,760)	2,390,738	593,225
Governmental activities long-term liabilities	<u>\$71,761,625</u>	<u>\$7,740,260</u>	<u>\$(4,387,597)</u>	<u>\$75,114,288</u>	<u>\$5,538,225</u>
<b>Business – Type Activities</b>					
Bonds and notes payable:					
Storm Sewer Revenue Bonds	\$4,765,000	\$-	\$(245,000)	\$4,520,000	\$2,030,000
Water Revenue Bonds	1,055,000	-	(1,055,000)	-	-
G.O. Bonds	3,035,000	2,125,000	-	5,160,000	180,000
G.O. Refunding Bonds	4,105,000	1,740,000	(460,000)	5,385,000	475,000
Premium (Discount) on bonds payable	436,588	185,027	(58,626)	562,989	-
Total bonds and notes payable	<u>13,396,588</u>	<u>4,050,027</u>	<u>(1,818,626)</u>	<u>15,627,989</u>	<u>2,685,000</u>
Other Liabilities:					
Total OPEB liability	121,566	20,826	-	142,392	-
Net Pension liability	1,907,332	198,017	-	2,105,349	-
Compensated absences	309,845	21,194	(15,880)	315,159	154,754
Business-type activities long-term liabilities	<u>\$15,735,331</u>	<u>\$4,290,064</u>	<u>\$(1,834,506)</u>	<u>\$18,190,889</u>	<u>\$2,839,754</u>

For the governmental activities, compensated absences are generally liquidated by the compensated absences fund. Net OPEB obligations and pensions are generally liquidated by the General Fund and Enterprise Funds. Claims and judgments are generally liquidated by the Self Insurance Fund. All long-term bonded indebtedness outstanding at December 31, 2020 is backed by the full faith and credit of the City, including special assessment and revenue bond issues. Special assessment receivable at December 31, 2020 totaled \$376,492.

## Revenue Pledged

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

Bond Issue	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal Paid	Pledged Revenue Received
G.O. Storm Sewer Bonds, Series 2013B	Utility Infrastructure	Utility Charges	100%	2013-2033	\$1,926,827	\$169,905	\$2,047,290
G.O. Refunding Bonds, Series 2015B	Utility Infrastructure	Utility Charges	100%	2016-2027	\$3,949,500	\$559,700	\$6,134,642
G.O. Storm Water Bonds, Series 2016A	Utility Infrastructure	Utility Charges	100%	2017-2037	\$3,177,238	\$185,615	\$2,047,290
G.O. Bonds, Series 2019A	Utility Infrastructure	Utility Charges	100%	2020-2040	\$4,085,400	\$116,200	\$10,757,897
G.O. Bonds, Series 2020A	Utility Infrastructure	Utility Charges	100%	2021-2041	\$2,609,651	\$-	\$4,087,353
G.O. Refunding Bonds, Series 2020B	Utility Infrastructure	Utility Charges	100%	2021-2033	\$1,932,736	\$-	\$2,047,290

## 6. Interfund balances and transactions

Interfund transfers as of December 31, 2020 are as follows:

Transfers out	Transfers in						
	General Fund	Ice Arena	Improvement Bonds	Capital Improvements	Nonmajor Governmental	Internal Service	Total
General Fund	-	110,000	-	1,200,290	110,000	-	\$1,420,290
Improvement Bonds	-	-	-	3,000,572	-	-	\$3,000,572
Capital Improvement	-	-	3,420	45,981	-	1,015,000	\$1,064,311
Nonmajor governmental	-	3,830,000	748,020	1,500,000	450,000	-	\$6,528,020
Liquor Enterprise	318,210	-	-	-	450,000	-	\$768,210
Internal Service	-	-	-	-	-	40,000	\$40,000
	\$318,210	\$3,940,000	\$751,440	\$5,746,753	\$1,010,000	\$1,055,000	\$12,821,403

Interfund transfers allow the City to allocate financial resources to funds to provide funding for services to be provided or to provide financing for specific capital projects.

The City's Self Insurance Fund made an advance to the Ice Arena Fund to finance energy improvements for the City's Ice Arena. The term of the advance will be twenty (20) years with a beginning interest rate of 2%. The City Manager is authorized to adjust the interest rate as market conditions may dictate. At December 31, 2020 the balance of the respective advances (due in more than a year) was \$579,097. The portion of the advances that is due in one year is \$66,093.

In 2011, the City's Capital Improvements Fund made an advance to the Water & Sewer Utility Fund to help provide funding for certain capital projects to be undertaken within the water operation. The advance will be repaid over the next ten years with a 2% interest rate, using funds generated from the water utility operation. This advance was paid in full in 2020.

In 2013, the City's Recreation Improvement Fund made an advance to the Park Capital Project Fund to finance the Honoring All Veterans Memorial monument located in Veterans Park. The advance will be repaid over the next five years using proceeds received from monument engravings at 0% interest. At December 31, 2020 the portion of the advance that is due in one year is \$5,000, and the portion due in more than one year is \$195,440.

In 2014, the City's Communications Fund made an advance to the Ice Arena Fund to finance the construction of a new locker room at Rink 1. The advance will be repaid over fifteen (15) years with rent received from the tenant of the locker room. In addition, the City's Recreation Improvement Fund also made an advance to the Ice Arena Fund to finance the call and retirement of the 1999 Gross Revenue Ice Arena Bonds, Series 1999. The advance will be repaid over six years at a 1% rate of interest, using revenues generated by the Ice Arena operation. Finally, the City's Capital Improvements Fund made an advance to the Richfield Housing and Redevelopment Authority (HRA) to prepay special assessments to be levied against the HRA property as part of the North Richfield Parkway Project. The term of the loan will be twenty (20) years with no principal and interest payments due the first two years and then 1% interest beginning in year three (2017). The repayment of the loan will have three sources in the following priority; land sale proceeds, tax increment revenues and funds

of the HRA that are legally available to pay on the loan. At December 31, 2020, the portion of the advances that is due within one year is \$42,763 for the locker room, and \$41,372 for the loan to prepay the special assessments. The internal loan for the retirement of the bonds was paid in full in 2020. The portions of the loans due in more than one year are \$342,109, and \$577,216 for the locker room, and prepay of special assessments.

At the end of 2020, the Ice Arena and the Swimming Pool have overdrawn their cash positions. As a result, the General Fund has advanced to the Ice Arena and Swimming Pool funds to cover the overdrawn cash position as of December 31, 2020. These advances are reflected in the financial statements as due to and due from other funds.

Individual fund interfund receivables and payables balances at year-end were as follows:

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
Self-Insurance Fund	Ice Arena	\$ 66,093
Recreation Improvement Fund	Park Capital Projects Fund	5,000
Communications Fund	Ice Arena	42,763
Capital Improvement Funds	Component Unit	41,372
General Fund	Ice Arena	2,060,189
General Fund	Swimming Pool	827,034

Individual fund advances to and advances from at year-end were as follows:

<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>	<u>Amount</u>
Self-Insurance Fund	Ice Arena	\$579,097
Recreation Improvement Fund	Park Capital Projects Fund	195,440
Communications Fund	Ice Arena	342,109
Capital Improvement Funds	Component Unit	577,216

7. Individual Fund Disclosures

Expenditures exceeded appropriations (budget) in the following individual funds for the year ended December 31, 2020:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Nonmajor Special Revenue Funds:			
Communications	380,790	401,344	20,554
Elections	143,460	145,163	1,703
Public Safety Compliance	9,230	28,980	19,750
Recreation Contributions	6,000	101,556	95,556
Public Health Grants	35,870	75,383	39,513
Utility Franchise Fees	55,000	89,028	34,028

## 8. Fund Balances

The following is a breakdown of equity components of governmental funds which are defined earlier in the report. Any such restrictions which have an accumulated deficit rather than positive balance at December 31 are included in unassigned fund balance in the City's financial statements in accordance with generally accepted accounting principles.

At December 31, 2020, a summary of the City's governmental fund balance classifications are as follows:

	General Fund	Ice Arena	Improvement Bonds	Capital Improvements	Other Governmental Funds	Total
<b>Nonspendable</b>						
Prepaid items	\$83,285	\$-	\$-	\$-	\$7,330	\$ 90,615
Total nonspendable	83,285	-	-	-	7,330	90,615
<b>Restricted</b>						
Future debt service	-	-	5,198,880	-	-	5,198,880
Future MSA projects	-	-	-	483,180	-	483,180
66 <sup>th</sup> Street Reconstruction	-	-	-	2,235,469	-	2,235,469
Cedar Point abatement	-	-	-	237,410	-	237,410
Law enforcement drug forfeitures	-	-	-	-	197,695	197,695
Alcohol and Tobacco Compliance	-	-	-	-	5,207	5,207
Recreation services donations	-	-	-	-	54,918	54,918
Wood Lake Nature Center donations	-	-	-	-	100,797	100,797
Public health assessment	-	-	-	-	116,463	116,463
Wood Lake Endowment	-	-	-	-	233,146	233,146
Total restricted	-	-	5,198,880	2,956,059	708,226	8,863,165
<b>Committed</b>						
Street Improvements	-	-	1,462,403	-	-	1,462,403
Local improvement funding	-	-	-	1,399,107	-	1,399,107
Recycling Grant	-	-	-	127,805	-	127,805
Mill & Overlay	-	-	-	296,008	-	296,008
Park Improvement projects	-	-	-	-	140,343	140,343
Tourism administration	-	-	-	-	51,888	51,888
Public Cable TV & information activities	-	-	-	-	2,163,638	2,163,638
National, State, and Local elections	-	-	-	-	1,680,950	1,680,950
Alcohol and Tobacco Compliance	-	-	-	-	201,156	201,156
Wood Lake Half Marathon	-	-	-	-	31,736	31,736
Street Maintenance & forestry programs	-	-	-	-	1,680,426	1,680,426
Special Facilities	-	-	-	-	36,898	36,898
Park & Recreation Capital Projects	-	-	-	-	1,277,039	1,277,039
Total committed	-	-	1,462,403	1,822,920	7,264,074	10,549,397
<b>Assigned</b>						
Debt related expenditures	-	-	458,227	-	-	458,227
Future capital projects	-	-	-	4,909,006	-	4,909,006
Total assigned	-	-	458,227	4,909,006	-	5,367,233
<b>Unassigned</b>						
General Fund	9,942,205	-	-	-	-	9,942,205
Ice Arena	-	(3,339,077)	-	-	-	(3,339,077)
Other Governmental Funds	-	-	-	-	(1,027,900)	(1,027,900)
Total unassigned	9,942,205	(3,339,077)	-	-	(1,027,900)	5,575,228
Total	\$10,025,490	\$(3,339,077)	\$7,119,510	\$9,687,985	\$6,951,730	\$30,445,638

## 9. Contingencies and Litigation

The City is currently involved in various pending litigation cases. After evaluation by the City's attorney it is believed that the resolution of these cases will not have a material impact on the financial statements.

The City has entered into an agreement with the Metropolitan Airports Commission (MAC), where the City will purchase certain right-of-way-properties as part of the 66<sup>th</sup> Street/17<sup>th</sup> Avenue intersection constructed in 2007. As part of the agreement, MAC will provide to the City the funds necessary to finance the right-of-way acquisitions. In addition, the City agrees to repay to MAC

payments made by MAC to the City for the right-of-way acquisitions. However, within the agreements there are specific provisions that must be met in order for repayment to MAC to occur.

10. Defined Benefit Pension Plans

The City participates in various pension plans. For the year ended December 31, 2020 total pension expense was \$1,372,671 and the total net pension liability was \$17,403,406. The components of pension expense and net pension liability are noted in the following plan summaries.

At December 31, 2020 the City reported its total proportionate share of deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 441,407	\$ 445,323
Changes in actuarial assumptions	2,897,716	5,212,451
Difference between projected and actual investment earnings	481,225	-
Changes in proportion	616,954	1,038,677
Contributions paid to PERA subsequent to the measurement date	1,049,824	-
Total	<u>\$5,487,126</u>	<u>\$6,696,451</u>

Public Employees Retirement Association

A. Plan Description

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

1. General Employees Retirement Fund

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

2. Public Employees Police and Fire Fund

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

B. Benefits Provided

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

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent 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 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

## 2. Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

## C. Contributions

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

### 1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the City of Richfield was required to contribute 7.50 percent for Coordinated Plan members. The City of Richfield's contributions to the General Employees Fund for the year ended December 31, 2020, were \$837,462. The City of Richfield's contributions were equal to the required contributions as set by state statute.

### 2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.3 percent of pay to 11.8 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City of Richfield's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$1,262,187. The City of Richfield's contributions were equal to the required contributions as set by state statute.

## D. Pension Costs

### 1. General Employees Fund Pension Costs

At December 31, 2020, the City of Richfield reported a liability of \$9,173,049 for its proportionate share of the General Employees Fund's net pension liability. The City of Richfield'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 of Richfield totaled \$282,832. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Richfield's proportionate share of the net pension liability was based on the City of Richfield contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City of Richfield's proportion share was .1530 percent at the end of the measurement period and .1491 percent for the beginning of the period.

City's proportionate share of the net pension liability	\$9,173,049
State of Minnesota's proportionate share of the net pension liability associated with the City	282,832
Total	<u>\$9,455,881</u>

For the year ended December 31, 2020, the City of Richfield recognized pension expense of \$308,061 for its proportionate share of the General Employees Plan's pension expense. Included in the amount, the City of Richfield recognized an additional \$24,615 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, 2020, the City of Richfield 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	\$ 81,567	\$34,706
Changes in actuarial assumptions	-	337,080
Net collective difference between projected and actual investment earnings	165,979	-
Changes in proportion	182,466	80,440
Contributions paid to PERA subsequent to the measurement date	418,731	-
Total	<u>\$848,743</u>	<u>\$452,226</u>

The \$418,731 reported as deferred outflows of resources related to pensions resulting from City of Richfield contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2021	\$ (477,873)
2022	6,075
2023	227,959
2024	221,625
2025	-
Thereafter	-
Total	<u>\$ (22,214)</u>

## 2. Police and Fire Fund Pension Costs

At December 31, 2020, the City of Richfield reported a liability of \$8,230,357 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Richfield's proportionate share of the net pension liability was based on the City of Richfield contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City of Richfield's proportionate share was .6287 percent at the end of the measurement period and .6387 percent for the beginning of the period.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. 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 fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.



As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 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, 2020, the City of Richfield recognized pension expense of \$1,064,610 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City of Richfield recognized an additional \$60,062 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 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 fire state aid. The City of Richfield also recognized \$56,582 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City of Richfield 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	\$ 359,840	\$ 410,617
Changes in actuarial assumptions	2,897,716	4,875,371
Net collective difference between projected and actual investment earnings	315,246	-
Changes in proportion	434,488	958,237
Contributions paid to PERA subsequent to the measurement date	631,093	-
Total	\$4,638,383	\$6,244,225

The \$631,093 reported as deferred outflows of resources related to pensions resulting from City of Richfield contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2021	\$ (552,934)
2022	(2,507,404)
2023	433,547
2024	401,764
2025	(11,904)
Thereafter	-
Total	\$ (2,236,931)

E. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	General Employees Plan	Police & Fire Plan
Inflation	2.5% per year	2.5% per year
Active Member Salary Growth	3.25%	3.25%
Investment Rate of Return	7.5%	7.5%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustment to fit PERA's experience. Cost of living benefit

increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan, and 1.0 percent per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. 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 become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions occurred in 2020:

#### General Employees Fund

##### Changes in Actuarial Assumptions:

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

##### Changes in Plan Provisions:

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

#### Police and Fire Fund

##### Changes in Actuarial Assumptions:

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

##### Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Fixed Income	20%	.75%
Private Markets	25%	5.90%
Cash Equivalents	2%	0.00%
Total	100%	

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire 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.

G. Pension Liability Sensitivity

The following presents the City of Richfield'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 of Richfield'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:

Sensitivity of Net Pension Liability at Current Single Discount Rate (in thousands)

	<u>GERF</u>		<u>PEPFF</u>	
1% Lower	6.50%	\$ 14,701,216	6.50%	\$ 16,460,480
Current Discount Rate	7.50%	9,173,049	7.50%	8,230,357
1% Higher	8.50%	4,612,756	8.50%	1,421,372

H. Pension Plan Fiduciary Net Position

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

11. Defined Contribution Plan

Three council members of the City of Richfield are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP 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.

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 five percent 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 contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) 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 of Richfield during fiscal year 2020 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Rate</u>
\$1,420	\$1,420	5%	5%	5%

12. Other Post Employments Benefits

A. Plan Description

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage that is administered by Health Partners. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

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 health insurance plan.

C. Members

As of December 31, 2019, the following were covered by the benefit terms:

Active employees electing coverage	221
Retirees receiving payments	<u>17</u>
Total	<u>238</u>

D. Contributions

Retirees and their spouses contribute to the health care plan at the same rate as City employees. This results in retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with BlueCross BlueShield. The required contributions are based on projected pay-as-you-go financing requirements. For 2020, the City contributed \$96,235 to the plan.

1. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, 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	2.74%
Salary increases	3.25%
Healthcare cost trend increases	7.67% as of December 31, 2019, decreasing each year to an ultimate rate of 5.0% after 18 years.

Mortality Rate

The mortality rates used are in the PERA plan of which the employee, retiree or beneficiary is a participant.

Coordinated

- Healthy Pre-Retirement

RP-2014 Employee Mortality Table, adjusted for white collar and mortality improvements using projection scale MP-2018, from a base year of 2014. Rates are set forward one year for males and set back one year for females.

- Healthy Post-Retirement

RP-2014 Healthy Annuitant Mortality Table, adjusted for white collar and mortality improvements using projection scale MP-2018, from a base year of 2014. Rates are set forward two years for males. Female rates are multiplied by a factor of 0.90.

- Disabled

RP-2014 Disabled Mortality Table, adjusted for mortality improvements using projection scale MP-2018, from a base year of 2014. Rates are set forward one year for males and set forward six years for females.

Police & Fire

- Healthy Pre-Retirement  
RP-2014 employee generational mortality table projected with mortality improvement scale MP-2018, from a base year of 2006.
- Healthy Post-Retirement  
RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2018 from a base year of 2006. Male rates are adjusted by a factor of 0.96.
- Disabled  
RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2018 from a base year of 2006. Male rates are adjusted by a factor of 0.96

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the period December 31, 2018 – December 31, 2019.

The discount rate used to measure the total OPEB liability was 2.74%.

2. Total OPEB Liability

The City’s total OPEB liability of \$1,689,556 was measured as of December 31, 2019 and was determined by an actuarial analysis as of that date.

	<b>Total OPEB Liability</b>
Balances at December 31, 2018	\$2,359,594
Changes for the year	
Service Cost	146,639
Interest Cost	100,980
Difference between expected and actual experience	(987,796)
Changes of Assumptions	144,714
Benefit Payments	(74,575)
Net Changes	(670,038)
Balances at December 31, 2019	\$1,689,556

Changes of assumptions and other inputs reflect a change in the discount rate from 4.09% as of December 31, 2018 to 2.74% as of December 31, 2019.

3. OPEB Liability Sensitivity

The following presents the City’s total OPEB liability calculated using the discount rate of 2.74% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Net OPEB Liability		
1% decrease (1.74%)	Current (2.74%)	1% increase (3.74%)
\$1,800,028	\$1,689,556	\$1,581,638

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 health care trend rates that are 1% lower and 1% higher than the current health care trend rates.

	1% decrease (6.67%) decreasing to <u>(5.57%)</u>	Current (7.67%) decreasing to <u>(6.67%)</u>	1% increase (8.67%) decreasing to <u>(7.67%)</u>
Total OPEB Liability	\$1,510,164	\$1,689,556	\$1,902,868

4. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020 the City recognized OPEB expense of \$194,856. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$-	\$(876,814)
Change in assumptions	163,264	(85,174)
Benefit payments subsequent to measurement date	<u>96,235</u>	<u>-</u>
Total	<u>\$259,499</u>	<u>\$(961,988)</u>

\$96,235 reported as deferred outflows of resources related to OPEB resulting from City contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020.

\$259,499 reported as deferred outflows of resources and \$961,988 reported as deferred inflows of resources related to OPEB resulting from changes in assumptions in the year ended December 31, 2020.

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Total
2021	\$ (101,371)
2022	(101,371)
2023	(101,371)
2024	(101,371)
2025	(101,371)
Thereafter	<u>(291,869)</u>
Total	<u>\$ (798,724)</u>

13. Right-of-Way

In 2002 the City acquired three properties for a total cost of \$7,000,000 for Interstate 494 widening right-of-way under the Metropolitan Council Right-of-Way Acquisition Loan Fund (RALF).

Under the RALF program, the City is obligated to return to the Metropolitan Council the proceeds of all RALF properties sold to the State of Minnesota. These RALF obligations and related properties have not been recorded since they do not represent true resources or liabilities of the City.

14. Conduit Debt

From time to time, the City has issued various industrial development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of 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 mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Finally, the City does not track the remaining outstanding principal balances on conduit debt, as the City does not have any obligation toward the debt.

As of December 31, 2020 there were two bond issues outstanding with an estimated aggregate principal amount outstanding of approximately \$2,068,213.

15. Tax Increment Financing

The Richfield Housing and Redevelopment Authority (HRA) have entered into 10 Tax Increment Financing agreements which meet the criteria for disclosure under *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures*. The HRA's authority to enter into these agreements comes from *Minnesota Statute 469*. The HRA entered into these agreements for the purpose of economic development.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the HRA through tax revenues from additional taxable value of the

property generated by the development (tax increment). A “pay-as-you-go” note is established for this amount, on which the HRA makes payments for a fixed period of time with available tax increment after deducting for certain administrative costs. The HRA has determined through its agreements with developers and state law to grant abatements of up to 90% of annual property taxes through a direct reduction of the entity’s property tax bill. There were no agreements in 2019 that exceeded this 90% threshold.

During the year ended December 31, 2020, the HRA generated \$4,922,932 in tax increment revenue and made \$2,823,981 in payments to developer.

The tax abatement agreements that the HRA has outstanding as of December 31, 2020 are the following:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year
Senior housing and market rate housing	75	415,052
Business redevelopment	75	505,322
Rental Housing	90	210,125
Mixed-use housing and retail	75	672,534
Mixed-use housing and retail	0	98,176
Mixed-use housing and retail	90	283,332
Mixed-use housing and retail	75	468,506
Senior housing	75	69,173
Retail redevelopment	-	296,836
Rental Housing	-	88,257
Townhomes	-	-
Rental Housing	-	-

16. Federal and State Funds

The City received financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2020.

17. Nature and Amount of Significant Transactions between City – HRA

As noted in note 1, the HRA was established for the purpose to provide housing and redevelopment assistance to Richfield residents and businesses. The structure of the HRA is that it has no employees per se; however, it has a contract with the City where the City’s Community Development department is to provide services as needed. Accordingly, the City charges the HRA for labor provided, data processing services, and office supplies, etc. In addition, to help fund redevelopment projects, the City will issue long term debt on behalf of the HRA. At the same time the HRA enters into a pledge agreement with the City whereby the HRA pledges future tax increment receipts generated by the redevelopment to service the debt issued.

During 2020, the HRA transferred to the City \$874,271 of tax increment receipts to fund debt service requirements for debt issued on behalf of the HRA.

Finally, during 2013, as part of the North Richfield Parkway project, the City purchased several properties with the future intent to convey the properties to the HRA for future redevelopment of the site. Funding for the property purchases was provided by the \$3,120,000 G.O. Improvement Bonds, Series 2013A. The bonds were issued with a debt service structure of 75% to be paid with a debt service tax levy and 25% to be paid by special assessments levied against the HRA, once the properties were conveyed to the HRA. The amount of the special assessment was \$780,000.

During 2014, the City conveyed the properties to the HRA at a value of \$704,639 and levied the planned special assessments against the HRA. As part of the special assessment process the HRA prepaid the \$780,000 with funding provided by the City in the form of an inter fund loan from the City’s Capital Improvement Fund.

The term of the loan will be twenty (20) years with no principal and interest payments due the first two years and then payment beginning in year three with an interest rate of 1%.The repayment of

the loan will have three sources in the following priority; land sale proceeds, tax increment revenues and funds of the HRA that are legally available to pay on the loan.

In 2016, the City conveyed several properties to the HRA at a book value of \$1,264,063. The City Council determined that since the HRA was the development agency of the City, it would be appropriate for ease of future development that the properties be legally owned by the HRA.

18. Joint Venture

Local Government Information Systems Association (LOGIS):

This consortium of approximately 30 government entities provides computerized data processing and support services to its members. LOGIS is legally separate; the City does not appoint a voting majority of its board, and the Consortium is fiscally independent of the City. The total amount recorded within the 2020 financial statements of the City was \$721,806 for services provided, which is allocated to the various funds based on applications. Complete financial statements may be obtained at the LOGIS offices located at 5750 Duluth Street, Golden Valley, Minnesota 55422.

19. Service Concession Arrangement

The City has entered into an agreement with Wheel Fun Rentals LLC, where Wheel Fun Rentals will manage the City's Mini-Golf facility, concession sales, and bicycle rental operations starting the first weekend of May through the last weekend of October each year.

The City will continue to own existing assets of the operation. Any new equipment purchased by Wheel Fun Rentals for the operation of the facility will be the property of Wheel Fun Rentals. As compensation for operating the facility, Wheel Fun Rentals will retain gross revenues from the mini-golf facility, concessions and bike rental up to \$200,000 and then pay the City 10% of gross revenues over \$200,000. Wheel Fun Rentals will also pay to the City a base rent of \$16,000 per season.

Wheel Fun Rentals will be responsible for managing the facility, setting hours of operation and rates, with City approval, provide sufficient staffing to operate, maintain and repair the facility during the operating season, pay utilities associated with the operation, purchase and maintain a food license, and purchase and hold the necessary insurance coverage for such an operation.

20. On March 13, 2020, a national emergency was declared for the Covid-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2020 cannot be determined at this time.



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**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2020

Schedule 11  
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	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Taxes:</b>				
Current ad valorem	\$ 13,868,080	\$ 13,868,080	\$ 14,796,915	\$ 928,835
Fiscal disparities	3,443,450	3,443,450	2,762,283	(681,167)
<b>Total Taxes</b>	<u>17,311,530</u>	<u>17,311,530</u>	<u>17,559,198</u>	<u>247,668</u>
<b>Fees and Fines:</b>				
Municipal court fines	325,000	202,570	189,767	(12,803)
<b>Total Fees and Fines</b>	<u>325,000</u>	<u>202,570</u>	<u>189,767</u>	<u>(12,803)</u>
<b>Licenses and Permits:</b>				
Business licenses	338,000	286,000	301,917	15,917
Nonbusiness licenses and permits	768,600	1,024,600	1,441,778	417,178
<b>Total Licenses and Permits</b>	<u>1,106,600</u>	<u>1,310,600</u>	<u>1,743,695</u>	<u>433,095</u>
<b>Intergovernmental Revenues:</b>				
Federal :				
Grants	110,920	2,347,310	2,101,852	(245,458)
State:				
Local government aid	1,450,000	1,450,000	1,450,000	-
Law officer training	40,000	40,000	42,341	2,341
Police State Aid	395,000	387,750	401,669	13,919
Fire State Aid	168,600	171,250	184,275	13,025
State-aid street maintenance	315,000	420,000	377,150	(42,850)
Grants - other	20,750	21,500	107,301	85,801
Community health services	134,410	134,410	134,407	(3)
County -				
Grants - other	28,840	22,040	29,600	7,560
<b>Total Intergovernmental Revenue</b>	<u>2,663,520</u>	<u>4,994,260</u>	<u>4,828,595</u>	<u>(165,665)</u>
<b>Charges for Services:</b>				
General Government	833,600	990,400	1,066,802	76,402
Deputy Registrar	1,050,000	716,000	540,586	(175,414)
Public Safety	49,000	38,800	37,890	(910)
Park and Recreation	331,140	110,220	85,247	(24,973)
Nature Center	74,060	27,500	29,729	2,229
<b>Total Charges for Services</b>	<u>2,337,800</u>	<u>1,882,920</u>	<u>1,760,254</u>	<u>(122,666)</u>
<b>Investment Earnings</b>				
Investment Earnings	55,000	50,000	55,910	5,910
<b>Total Investment Earnings</b>	<u>55,000</u>	<u>50,000</u>	<u>55,910</u>	<u>5,910</u>
<b>Miscellaneous Revenues:</b>				
Rent	33,630	18,130	17,894	(236)
Recovery - damage to City property	5,500	5,000	5,524	524
Other	13,950	12,000	15,542	3,542
<b>Total Miscellaneous Revenues</b>	<u>53,080</u>	<u>35,130</u>	<u>38,960</u>	<u>3,830</u>
<b>Total Revenues</b>	<u>\$ 23,852,530</u>	<u>\$ 25,787,010</u>	<u>\$ 26,176,379</u>	<u>\$ 389,369</u>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2020

Schedule 11  
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	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>EXPENDITURES:</b>				
<b>LEGISLATIVE/EXECUTIVE</b>				
Mayor - Council:				
Personnel services	\$ 54,420	\$ 54,640	\$ 50,660	\$ (3,980)
Other services and charges	162,890	138,820	128,921	(9,899)
Total	<u>217,310</u>	<u>193,460</u>	<u>179,581</u>	<u>(13,879)</u>
Other Agencies:				
Personnel services	30,380	30,380	30,380	-
Other services and charges	70,480	70,480	70,480	-
Total	<u>100,860</u>	<u>100,860</u>	<u>100,860</u>	<u>-</u>
City Manager:				
Personnel services	219,880	247,240	239,225	(8,015)
Other services and charges	39,580	39,680	41,171	1,491
Total	<u>259,460</u>	<u>286,920</u>	<u>280,396</u>	<u>(6,524)</u>
Legal:				
Other services and charges	353,440	286,440	275,438	(11,002)
Total	<u>353,440</u>	<u>286,440</u>	<u>275,438</u>	<u>(11,002)</u>
Total Legislative/Executive	<u>931,070</u>	<u>867,680</u>	<u>836,275</u>	<u>(31,405)</u>
<b>ADMINISTRATIVE SERVICES:</b>				
Administration:				
Personnel services	40,680	49,490	48,536	(954)
Other services and charges	124,900	126,860	126,346	(514)
Total	<u>165,580</u>	<u>176,350</u>	<u>174,882</u>	<u>(1,468)</u>
Human Resources:				
Personnel services	38,480	22,160	22,522	362
Other services and charges	24,780	24,490	22,950	(1,540)
Total	<u>63,260</u>	<u>46,650</u>	<u>45,472</u>	<u>(1,178)</u>
City Clerk:				
Personnel services	652,450	650,920	650,740	(180)
Other services and charges	80,340	85,690	83,776	(1,914)
Total	<u>732,790</u>	<u>736,610</u>	<u>734,516</u>	<u>(2,094)</u>
Total Administrative Services	<u>961,630</u>	<u>959,610</u>	<u>954,870</u>	<u>(4,740)</u>
<b>FINANCE:</b>				
Finance:				
Personnel services	255,520	256,230	266,900	10,670
Other services and charges	63,900	63,880	59,643	(4,237)
Total	<u>319,420</u>	<u>320,110</u>	<u>326,543</u>	<u>6,433</u>
Assessing:				
Other services and charges	353,580	366,030	187,016	(179,014)
Total	<u>353,580</u>	<u>366,030</u>	<u>187,016</u>	<u>(179,014)</u>
Total Finance	<u>673,000</u>	<u>686,140</u>	<u>513,559</u>	<u>(172,581)</u>
<b>PUBLIC SAFETY:</b>				
Administrative Support Services:				
Personnel services	524,370	513,210	461,331	(51,879)
Other services and charges	552,870	494,170	491,902	(2,268)
Total	<u>1,077,240</u>	<u>1,007,380</u>	<u>953,233</u>	<u>(54,147)</u>
Police Operations:				
Personnel services	6,761,760	6,827,370	6,884,374	57,004
Other services and charges	1,971,660	1,955,580	2,056,913	101,333
Capital outlay	-	196,000	92,421	(103,579)
Total	<u>8,733,420</u>	<u>8,978,950</u>	<u>9,033,708</u>	<u>54,758</u>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2020

Schedule 11  
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	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Emergency Services:</b>				
Personnel services	7,440	7,440	7,446	6
Other services and charges	29,670	28,750	22,611	(6,139)
<b>Total</b>	<b>37,110</b>	<b>36,190</b>	<b>30,057</b>	<b>(6,133)</b>
<b>Total Public Safety</b>	<b>9,847,770</b>	<b>10,022,520</b>	<b>10,016,998</b>	<b>(5,522)</b>
<b>FIRE:</b>				
<b>Fire Protection:</b>				
Personnel services	4,143,300	4,131,400	3,849,846	(281,554)
Other services and charges	706,930	720,770	687,528	(33,242)
<b>Total</b>	<b>4,850,230</b>	<b>4,852,170</b>	<b>4,537,374</b>	<b>(314,796)</b>
<b>Total Fire</b>	<b>4,850,230</b>	<b>4,852,170</b>	<b>4,537,374</b>	<b>(314,796)</b>
<b>COMMUNITY DEVELOPMENT:</b>				
<b>Administration:</b>				
Other services and charges	72,900	73,420	73,205	(215)
<b>Total</b>	<b>72,900</b>	<b>73,420</b>	<b>73,205</b>	<b>(215)</b>
<b>Planning &amp; Zoning:</b>				
Personnel services	265,020	248,600	247,407	(1,193)
Other services and charges	53,540	50,900	37,773	(13,127)
<b>Total</b>	<b>318,560</b>	<b>299,500</b>	<b>285,180</b>	<b>(14,320)</b>
<b>Inspection:</b>				
Personnel services	992,820	989,630	1,007,116	17,486
Other services and charges	244,870	287,450	274,610	(12,840)
<b>Total</b>	<b>1,237,690</b>	<b>1,277,080</b>	<b>1,281,726</b>	<b>4,646</b>
<b>Total Community Development</b>	<b>1,629,150</b>	<b>1,650,000</b>	<b>1,640,111</b>	<b>(9,889)</b>
<b>PUBLIC WORKS:</b>				
<b>Administration:</b>				
Personnel services	145,000	153,640	155,476	1,836
Other services and charges	45,700	36,990	29,985	(7,005)
<b>Total</b>	<b>190,700</b>	<b>190,630</b>	<b>185,461</b>	<b>(5,169)</b>
<b>Engineering:</b>				
Personnel services	187,500	297,240	296,402	(838)
Other services and charges	109,300	104,450	100,142	(4,308)
<b>Total</b>	<b>296,800</b>	<b>401,690</b>	<b>396,544</b>	<b>(5,146)</b>
<b>Streets:</b>				
Personnel services	1,282,080	1,231,310	1,219,282	(12,028)
Other services and charges	1,111,240	1,117,200	1,084,578	(32,622)
<b>Total</b>	<b>2,393,320</b>	<b>2,348,510</b>	<b>2,303,860</b>	<b>(44,650)</b>
<b>Park Maintenance:</b>				
Personnel services	793,200	755,920	782,241	26,321
Other services and charges	644,030	655,430	548,071	(107,359)
<b>Total</b>	<b>1,437,230</b>	<b>1,411,350</b>	<b>1,330,312</b>	<b>(81,038)</b>
<b>Total Public Works</b>	<b>4,318,050</b>	<b>4,352,180</b>	<b>4,216,177</b>	<b>(136,003)</b>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2020

Schedule 11  
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	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>RECREATION SERVICES:</b>				
Recreation Services Administration:				
Personnel services	265,150	270,100	278,923	8,823
Other services and charges	96,650	92,950	89,302	(3,648)
Total	<u>361,800</u>	<u>363,050</u>	<u>368,225</u>	<u>5,175</u>
Recreation Programs:				
Personnel services	713,810	569,030	477,914	(91,116)
Other services and charges	371,830	231,570	169,230	(62,340)
Total	<u>1,085,640</u>	<u>800,600</u>	<u>647,144</u>	<u>(153,456)</u>
Wood Lake Nature Center:				
Personnel services	457,610	468,450	484,224	15,774
Other services and charges	124,770	97,530	95,216	(2,314)
Total	<u>582,380</u>	<u>565,980</u>	<u>579,440</u>	<u>13,460</u>
Total Recreation Services	<u>2,029,820</u>	<u>1,729,630</u>	<u>1,594,809</u>	<u>(134,821)</u>
Total Expenditures	<u>\$ 25,240,720</u>	<u>\$ 25,119,930</u>	<u>\$ 24,310,173</u>	<u>\$ (809,757)</u>
Revenues over (under) expenditures	<u>\$ (1,388,190)</u>	<u>\$ 667,080</u>	<u>\$ 1,866,206</u>	<u>\$ 1,199,126</u>
Other financing sources (uses):				
Transfer from Special Revenue Funds	150,000	-	-	-
Transfer from Debt Service Funds	435,000	435,000	-	(435,000)
Transfer from Capital Project Funds	704,980	-	-	-
Transfer from Enterprise Funds	318,210	318,210	318,210	-
Transfer to Special Revenue Funds	(220,000)	(220,000)	(220,000)	-
Transfer to Capital Project Funds	-	(1,200,290)	(1,200,290)	-
Total other financing sources (uses)	<u>1,388,190</u>	<u>(667,080)</u>	<u>(1,102,080)</u>	<u>(435,000)</u>
Net increase in fund balance	-	-	764,126	764,126
Fund balance - January 1	9,261,364	9,261,364	9,261,364	-
Fund Balance - December 31	<u>\$ 9,261,364</u>	<u>\$ 9,261,364</u>	<u>\$ 10,025,490</u>	<u>\$ 764,126</u>

CITY OF RICHFIELD, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - ICE ARENA FUND  
 For the Year Ended December 31, 2020

Schedule 12

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 57,781	\$ 57,781
Charges for Services	1,101,970	617,640	490,197	(127,443)
Miscellaneous	68,020	51,570	42,841	(8,729)
<b>Total Revenues</b>	<u>1,169,990</u>	<u>669,210</u>	<u>590,819</u>	<u>(78,391)</u>
<b>Expenditures:</b>				
<b>Current</b>				
Personnel Services	573,960	511,840	501,112	(10,728)
Other Services and Charges	487,220	403,770	380,517	(23,253)
<b>Debt Service</b>				
Interest	14,130	14,130	14,130	-
Capital outlay	3,680,000	3,680,000	3,309,822	(370,178)
<b>Total Expenditures</b>	<u>4,755,310</u>	<u>4,609,740</u>	<u>4,205,581</u>	<u>(404,159)</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(3,585,320)</u>	<u>(3,940,530)</u>	<u>(3,614,762)</u>	<u>325,768</u>
<b>Other Financing Sources:</b>				
<b>Transfers in:</b>				
General Fund	110,000	110,000	110,000	-
Capital Project Fund	3,680,000	3,830,000	3,830,000	-
<b>Net Other Financing Sources:</b>	<u>3,790,000</u>	<u>3,940,000</u>	<u>3,940,000</u>	<u>-</u>
<b>Net decrease in fund balance</b>	204,680	(530)	325,238	325,768
<b>Fund Balance - January 1</b>	<u>(3,664,315)</u>	<u>(3,664,315)</u>	<u>(3,664,315)</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ (3,459,635)</u>	<u>\$ (3,664,845)</u>	<u>\$ (3,339,077)</u>	<u>\$ 325,768</u>

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

	December 31, 2018	December 31, 2019	December 31, 2020
<b>Total OPEB liability</b>			
Service Cost	184,122	202,165	146,639
Interest Cost	83,730	84,039	100,980
Difference between expected and actual experience	-	-	(987,796)
Changes of Assumptions	53,295	(110,794)	144,714
Benefit Payments	(109,190)	(113,317)	(74,575)
<b>Net Change in total OPEB liability</b>	<b>211,957</b>	<b>62,093</b>	<b>(670,038)</b>
<b>Beginning of year</b>	<b>2,085,544</b>	<b>2,297,501</b>	<b>2,359,594</b>
<b>End of year</b>	<b>2,297,501</b>	<b>2,359,594</b>	<b>1,689,556</b>
<b>Covered Payroll</b>	<b>15,900,000</b>	<b>16,500,000</b>	<b>16,600,000</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>14.40%</b>	<b>14.30%</b>	<b>10.20%</b>

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



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

<b>Fiscal Year Ending December 31</b>	<b>Statutorily Required Contribution</b>	<b>Contributions in Relation to the Statutorily Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$ 706,736	\$ 706,736	\$ -	\$ 9,423,147	7.50%
2016	\$ 726,143	\$ 726,143	\$ -	\$ 9,681,907	7.50%
2017	\$ 742,606	\$ 742,606	\$ -	\$ 9,901,413	7.50%
2018	\$ 783,227	\$ 783,227	\$ -	\$ 10,443,027	7.50%
2019	\$ 812,029	\$ 812,029	\$ -	\$ 10,827,053	7.50%
2020	\$ 837,463	\$ 837,463	\$ -	\$ 11,166,173	7.50%

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

<b>Fiscal Year Ending December 31</b>	<b>Statutorily Required Contribution</b>	<b>Contributions in Relation to the Statutorily Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$ 948,453	\$ 948,453	\$ -	\$ 5,854,648	16.20%
2016	\$ 1,000,004	\$ 1,000,004	\$ -	\$ 6,172,864	16.20%
2017	\$ 1,004,300	\$ 1,004,300	\$ -	\$ 6,199,383	16.20%
2018	\$ 1,048,095	\$ 1,048,095	\$ -	\$ 6,469,722	16.20%
2019	\$ 1,217,879	\$ 1,217,879	\$ -	\$ 7,185,127	16.95%
2020	\$ 1,262,187	\$ 1,262,187	\$ -	\$ 7,131,000	17.70%

\* Option to provide RSI for ten years at transition or to provide RSI prospectively.

**Schedule of City of Richfield Proportionate Share of Net Pension Liability  
Public Employees General Employees Retirement Fund  
Last Ten Years GERF Retirement Fund**

Fiscal Year Ending June 30	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	Employers	Employer's Covered Payroll	Employer'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
				Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City			
2015	0.1596%	\$8,271,300	\$0	\$8,271,300	\$9,226,400	89.65%	78.19%
2016	0.1587%	\$12,885,653	\$168,215	\$13,053,868	\$9,846,133	130.87%	68.91%
2017	0.1507%	\$9,620,589	\$121,007	\$9,741,596	\$9,711,387	99.07%	75.90%
2018	0.1520%	\$8,432,337	\$276,621	\$8,708,958	\$10,214,587	82.55%	79.53%
2019	0.1491%	\$8,243,405	\$256,322	\$8,499,727	\$10,555,547	78.10%	80.23%
2020	0.1530%	\$9,173,049	\$282,832	\$9,455,881	\$10,910,907	84.07%	79.06%

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

Fiscal Year Ending June 30	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer'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	Employer's Covered Payroll	Employer'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
				Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City			
2015	0.603%	\$6,851,491	N/A	\$6,851,491	\$5,371,889	127.54%	86.61%
2016	0.656%	\$26,326,421	N/A	\$26,326,421	\$6,317,469	416.72%	63.88%
2017	0.5910%	\$7,979,203	N/A	\$7,979,203	\$6,070,907	131.43%	85.43%
2018	0.6046%	\$6,389,999	N/A	\$6,389,999	\$6,371,512	100.29%	88.84%
2019	0.6387%	\$6,713,383	N/A	\$6,713,383	\$6,587,723	101.91%	89.26%
2020	0.6287%	\$8,230,357	\$195,222	\$8,425,579	\$7,092,654	116.04%	87.19%

\* Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2015, or after.

**CITY OF RICHFIELD, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
DECEMBER 31, 2020**

Note 1 Legal Compliance – Budgets

Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles. The legal level of budgetary control is at the department level for the General Fund. At December 31, 2020, there were no General Fund departments whose expenditures exceeded budget appropriations.

Note 2 Pensions Plans

General Employees Fund

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

## 2019 Changes

### Changes in Actuarial Assumptions

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

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

## 2017 Changes

### Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

### Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.

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

#### 2016 Changes:

##### Changes in Actuarial Assumptions

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

##### Changes in Plan Provisions

- There have been no changes since the prior valuation.

#### 2015 Changes:

##### Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent 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 increase 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.

#### Police and Fire Fund

#### 2020 Changes

##### Changes in Actuarial Assumptions

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

##### Changes in Plan Provisions

- There have been no changes since the prior valuation.

#### 2018 Changes

##### Changes in Actuarial Assumptions

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

##### Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.

- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

## 2017 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 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

### Changes in Plan Provisions

- There have been no changes since the prior valuation.

## 2016 Changes:

### Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

### Changes in Plan Provisions

- There have been no changes since the prior valuation.

## 2015 Changes:

### Changes in Actuarial Assumptions

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

### Changes in Plan Provisions:

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND  
SCHEDULES**



**NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

A Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified programs.

### **GENERAL OBLIGATION REDEVELOPMENT BONDS FUND**

This fund is used to account for the accumulation of resources from tax increment for and the payment of, interest and principal on general obligation long-term debt. It has been established in accordance with bond indentures.

### **PARK CAPITAL PROJECTS FUND**

This fund accounts for financial resources to be used for the acquisition or construction of major park recreational or cultural development capital improvement purposes.

**CITY OF RICHFIELD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2020**

Statement 16

	Special Revenue	Redevelopment Bonds	Park Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 5,472,236	\$ -	\$ 1,051,125	\$ 6,523,361
Due from other governments	58,645	-	-	58,645
Receivables, net	862,661	-	26,055	888,716
Due from other funds	42,763	-	5,000	47,763
Prepaid items	7,330	-	-	7,330
Advances to other funds	342,109	-	195,440	537,549
Total assets	\$ 6,785,744	\$ -	\$ 1,277,620	\$ 8,063,364
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 78,933	\$ -	\$ -	\$ 78,933
Accrued salaries and benefits	5,227	-	-	5,227
Due to other funds	827,034	-	5,000	832,034
Advances from other funds	-	-	195,440	195,440
Total liabilities	911,194	-	200,440	1,111,634
<b>Fund balances</b>				
Nonspendable	7,330	-	-	7,330
Restricted	708,226	-	-	708,226
Committed	5,987,035	-	1,277,039	7,264,074
Unassigned	(828,041)	-	(199,859)	(1,027,900)
Total fund balances	5,874,550	-	1,077,180	6,951,730
Total liabilities and fund balances	\$ 6,785,744	\$ -	\$ 1,277,620	\$ 8,063,364

CITY OF RICHFIELD, MINNESOTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 For The Year Ended December 31, 2020

Statement 17

	Special Revenue	Redevelopment Bonds	Park Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES:</b>				
Franchise taxes	\$ 2,235,139	\$ -	\$ -	\$ 2,235,139
Fees and fines	12,245	-	-	12,245
Intergovernmental	313,787	874,271	4,750	1,192,808
Charges for services	795	-	-	795
Investment earnings	54,554	-	34,548	89,102
Miscellaneous	437,475	-	220,964	658,439
Total revenues	<u>3,053,995</u>	<u>874,271</u>	<u>260,262</u>	<u>4,188,528</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administrative Services	595,463	-	-	595,463
Public Safety	138,014	-	-	138,014
Recreation Services	239,403	-	8,987	248,390
<b>Debt Service</b>				
Principal	-	745,000	-	745,000
Interest and other charges	-	129,271	-	129,271
<b>Capital Outlay:</b>				
Administrative Services	50,202	-	-	50,202
Recreation Services	-	-	370,252	370,252
Total expenditures	<u>1,023,082</u>	<u>874,271</u>	<u>379,239</u>	<u>2,276,592</u>
Excess (deficiency) of revenues over expenditures	<u>2,030,913</u>	<u>-</u>	<u>(118,977)</u>	<u>1,911,936</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	560,000	-	450,000	1,010,000
Transfers out	(2,698,020)	-	(3,830,000)	(6,528,020)
Total other financing sources and uses	<u>(2,138,020)</u>	<u>-</u>	<u>(3,380,000)</u>	<u>(5,518,020)</u>
Net decrease in fund balance	(107,107)	-	(3,498,977)	(3,606,084)
Fund balances (deficit) - January 1	5,981,657	-	4,576,157	10,557,814
Cumulative effect of change in accounting principle	-	-	-	-
Fund Balance - January 1 - Restated	<u>5,981,657</u>	<u>-</u>	<u>4,576,157</u>	<u>10,557,814</u>
Fund balances (deficit) - December 31	<u>\$ 5,874,550</u>	<u>\$ -</u>	<u>\$ 1,077,180</u>	<u>\$ 6,951,730</u>

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## **NONMAJOR SPECIAL REVENUE FUNDS**

**Liquor Contributions Fund** is maintained according to Section 7.12, Subdivision 2 of the City Charter. Its primary purpose is to receive profits from the municipal off-sale liquor operations, which are restricted in use to financing capital improvements of the type which would be financed by a general obligation bond issue. Project appropriations are authorized by ordinance.

The **Tourism Administration Fund** is maintained to account for the collection of lodging taxes and subsequent payment to the Richfield Tourism Promotion Board.

The **Communications Fund** is maintained to account for the quarterly cable franchise fee received and cable television city communication activities.

The **Elections Fund** was created to better account for the cost fluctuations in conducting elections. The revenue source is rental revenue derived from leases with cell phone carriers.

The **Drug/Forfeiture Fund** is maintained according to federal regulations and is used to account for monies allocated to the City and spent according to their guidelines.

The **Public Safety Compliance Fund** is maintained to account for the collection of funds from the sale of recovered property, and fines collected from violations of alcohol and tobacco compliance checks.

**Contributions – Recreation, and Nature Center** are used to account for private donations restricted by the donor to certain programs or used for the parks, Nature Center and recreation programs.

The **Public Health Grants Fund** was created to account for grant funds received for enhancing the health and environmental well being of the community.

The **Wood Lake Half Marathon Fund** was created to separately account for the proceeds and costs associated with the Half Marathon race held at Wood Lake Nature Center.

The **Utility Franchise Fee Fund** was created to account for gas and electric franchise fees received from gas and electric public utilities.

The **Swimming Pool Fund** is used to account for the operations of the City's municipal pool at Veteran's Memorial Park.

The **Special Facilities Fund** is used to account for the City's mini golf and picnic shelter operations at Veteran's Memorial Park.

The **Wood Lake Endowment Fund** is used to account for fundraising activities on behalf of Wood Lake Nature Center.

CITY OF RICHFIELD, MINNESOTA  
SUBCOMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2020

	Liquor Contributions Fund	Tourism Admin	Communications	Elections	Drug/ Forfeiture	Public Safety Compliance	Recreation Contr.
<b>ASSETS</b>							
Cash and investments	\$ 140,343	\$ 54,413	\$ 1,695,410	\$ 1,419,312	\$ 197,695	\$ 201,819	\$ 45,606
Due from other governments	-	-	-	-	-	5,207	30,105
Receivables, net	-	-	88,991	302,852	-	266	-
Due from other funds	-	-	42,763	-	-	-	-
Prepaid items	-	-	7,330	-	-	-	-
Advances to other funds	-	-	342,109	-	-	-	-
<b>Total Assets</b>	<b>\$ 140,343</b>	<b>\$ 54,413</b>	<b>\$ 2,176,603</b>	<b>\$ 1,722,164</b>	<b>\$ 197,695</b>	<b>\$ 207,292</b>	<b>\$ 75,711</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ -	\$ 2,525	\$ 408	\$ 41,214	\$ -	\$ 929	\$ 20,793
Accrued salaries and benefits	-	-	5,227	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,525</b>	<b>5,635</b>	<b>41,214</b>	<b>-</b>	<b>929</b>	<b>20,793</b>
<b>Fund Balances:</b>							
Nonspendable	-	-	7,330	-	-	-	-
Restricted	-	-	-	-	197,695	5,207	54,918
Committed	140,343	51,888	2,163,638	1,680,950	-	201,156	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>140,343</b>	<b>51,888</b>	<b>2,170,968</b>	<b>1,680,950</b>	<b>197,695</b>	<b>206,363</b>	<b>54,918</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 140,343</b>	<b>\$ 54,413</b>	<b>\$ 2,176,603</b>	<b>\$ 1,722,164</b>	<b>\$ 197,695</b>	<b>\$ 207,292</b>	<b>\$ 75,711</b>

Statement 18

Nature Center Contr.	Public Health Grants	Wood Lake Half Marathon	Utility Franchise Fees	Swimming Pool	Special Facilities	Wood Lake Endowment	Total Nonmajor Special Revenue Funds
\$ 97,335	\$ 100,893	\$ 27,596	\$ 1,221,378	\$ -	\$ 37,290	\$ 233,146	\$ 5,472,236
3,462	15,731	4,140	-	-	-	-	58,645
-	-	-	470,552	-	-	-	862,661
-	-	-	-	-	-	-	42,763
-	-	-	-	-	-	-	7,330
-	-	-	-	-	-	-	342,109
<u>\$ 100,797</u>	<u>\$ 116,624</u>	<u>\$ 31,736</u>	<u>\$ 1,691,930</u>	<u>\$ -</u>	<u>\$ 37,290</u>	<u>\$ 233,146</u>	<u>\$ 6,785,744</u>
\$ -	\$ 161	\$ -	\$ 11,504	\$ 1,007	\$ 392	\$ -	\$ 78,933
-	-	-	-	-	-	-	5,227
-	-	-	-	827,034	-	-	827,034
-	161	-	11,504	828,041	392	-	911,194
-	-	-	-	-	-	-	7,330
100,797	116,463	-	-	-	-	233,146	708,226
-	-	31,736	1,680,426	-	36,898	-	5,987,035
-	-	-	-	(828,041)	-	-	(828,041)
<u>100,797</u>	<u>116,463</u>	<u>31,736</u>	<u>1,680,426</u>	<u>(828,041)</u>	<u>36,898</u>	<u>233,146</u>	<u>5,874,550</u>
<u>\$ 100,797</u>	<u>\$ 116,624</u>	<u>\$ 31,736</u>	<u>\$ 1,691,930</u>	<u>\$ -</u>	<u>\$ 37,290</u>	<u>\$ 233,146</u>	<u>\$ 6,785,744</u>



CITY OF RICHFIELD  
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For The Year Ended December 31, 2020

	Liquor Contributions Fund	Tourism Admin	Communications	Elections	Drug/ Forfeiture	Public Safety Compliance
<b>Revenues:</b>						
Franchise taxes	\$ -	\$ -	\$ 355,998	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	12,245	-
Intergovernmental revenues:						
Federal grants	-	-	43,713	15,124	-	19,566
State of Minnesota -						
Other	-	-	-	18,170	-	28,348
County	-	-	-	-	-	-
Total Intergovernmental Revenues	-	-	43,713	33,294	-	47,914
Charges for services	-	-	-	-	-	-
Investment Earnings	1,126	475	13,401	12,034	1,654	1,521
Miscellaneous:						
Contributions	-	-	-	-	-	3,836
Other	-	4,230	-	275,965	621	6,362
Total Miscellaneous Revenues	-	4,230	-	275,965	621	10,198
Total Revenues	1,126	4,705	413,112	321,293	14,520	59,633
<b>Expenditures:</b>						
Current:						
Personnel services	-	10,130	226,726	95,572	-	-
Other services and charges	-	-	174,618	49,591	33,651	28,980
Capital outlay	-	-	-	-	-	-
Total Expenditures	-	10,130	401,344	145,163	33,651	28,980
Excess (Deficiency) of Revenues over Expenditures	1,126	(5,425)	11,768	176,130	(19,131)	30,653
<b>Other Financing Sources (Uses):</b>						
Transfers in:						
General Fund	-	-	-	-	-	-
Enterprise Fund	450,000	-	-	-	-	-
Transfers out:						
Debt Service Funds	-	-	-	-	-	-
Capital Project Funds	(450,000)	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-
Net increase (decrease) in fund balance	1,126	(5,425)	11,768	176,130	(19,131)	30,653
Fund Balance - January 1	139,217	57,313	2,159,200	1,504,820	216,826	175,710
Fund Balance - December 31	\$ 140,343	\$ 51,888	\$ 2,170,968	\$ 1,680,950	\$ 197,695	\$ 206,363

Statement 19

Recreation Contr.	Nature Center Contr.	Public Health Grants	Wood Lake Half Marathon	Utility Franchise Fees	Swimming Pool	Special Facilities	Wood Lake Endowment	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,879,141	\$ -	\$ -	\$ -	\$ 2,235,139
-	-	-	-	-	-	-	-	12,245
-	-	77,678	-	-	-	-	-	156,081
-	-	3,118	-	-	-	-	-	49,636
100,468	3,462	-	4,140	-	-	-	-	108,070
100,468	3,462	80,796	4,140	-	-	-	-	313,787
-	-	-	-	-	795	-	-	795
346	2,519	824	202	20,183	-	269	-	54,554
5,012	93,015	-	6,171	-	-	-	250	108,284
1,347	-	-	16,753	-	116	23,797	-	329,191
6,359	93,015	-	22,924	-	116	23,797	250	437,475
107,173	98,996	81,620	27,266	1,899,324	911	24,066	250	3,053,995
-	12,170	-	10,000	-	1,896	-	-	356,494
101,556	23,524	75,383	7,019	38,826	60,169	23,069	-	616,386
-	-	-	-	50,202	-	-	-	50,202
101,556	35,694	75,383	17,019	89,028	62,065	23,069	-	1,023,082
5,617	63,302	6,237	10,247	1,810,296	(61,154)	997	250	2,030,913
-	-	-	-	-	110,000	-	-	110,000
-	-	-	-	-	-	-	-	450,000
-	-	-	-	(748,020)	-	-	-	(748,020)
-	-	-	-	(1,500,000)	-	-	-	(1,950,000)
-	-	-	-	(2,248,020)	110,000	-	-	(2,138,020)
5,617	63,302	6,237	10,247	(437,724)	48,846	997	250	(107,107)
49,301	37,495	110,226	21,489	2,118,150	(876,887)	35,901	232,896	5,981,657
\$ 54,918	\$ 100,797	\$ 116,463	\$ 31,736	\$ 1,680,426	\$ (828,041)	\$ 36,898	\$ 233,146	\$ 5,874,550

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - LIQUOR CONTRIBUTIONS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 20

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings	\$ 950	\$ 900	\$ 1,126	\$ 226
<b>Other Financing Sources (Uses):</b>				
<b>Transfers in:</b>				
Enterprise Funds	450,000	450,000	450,000	-
<b>Transfers out:</b>				
Capital Project Funds	(450,000)	(450,000)	(450,000)	-
<b>Net Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase in fund balance</b>	950	900	1,126	226
<b>Fund Balance - January 1</b>	<u>139,217</u>	<u>139,217</u>	<u>139,217</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 140,167</u>	<u>\$ 140,117</u>	<u>\$ 140,343</u>	<u>\$ 226</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - TOURISM ADMINISTRATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 21

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 300	\$ 475	\$ 175
Miscellaneous:				
Other	10,000	5,000	4,230	(770)
<b>Total Revenues</b>	<u>10,500</u>	<u>5,300</u>	<u>4,705</u>	<u>(595)</u>
<b>Expenditures:</b>				
Current				
Personnel services	10,130	10,130	10,130	-
<b>Total Expenditures</b>	<u>10,130</u>	<u>10,130</u>	<u>10,130</u>	<u>-</u>
<b>Net increase (decrease) in fund balance</b>	<b>370</b>	<b>(4,830)</b>	<b>(5,425)</b>	<b>(595)</b>
<b>Fund Balance - January 1</b>	<u>57,313</u>	<u>57,313</u>	<u>57,313</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 57,683</u>	<u>\$ 52,483</u>	<u>\$ 51,888</u>	<u>\$ (595)</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - COMMUNICATIONS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 22

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Franchise taxes	\$ 373,000	\$ 361,420	\$ 355,998	\$ (5,422)
Intergovernmental:				
Federal Grants	-	-	43,713	43,713
Investment Earnings	22,800	13,500	13,401	(99)
<b>Total Revenues</b>	<u>395,800</u>	<u>374,920</u>	<u>413,112</u>	<u>38,192</u>
<b>Expenditures:</b>				
Current				
Personnel services	206,910	223,620	226,726	3,106
Other services and charges	123,350	157,170	174,618	17,448
<b>Total Expenditures</b>	<u>330,260</u>	<u>380,790</u>	<u>401,344</u>	<u>20,554</u>
<b>Excess of revenues over (under) expenditures</b>	<u>65,540</u>	<u>(5,870)</u>	<u>11,768</u>	<u>17,638</u>
<b>Other Financing Uses:</b>				
Transfers out:				
General Fund	150,000	-	-	-
<b>Net Other Financing Uses:</b>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in fund balance</b>	<u>215,540</u>	<u>(5,870)</u>	<u>11,768</u>	<u>17,638</u>
<b>Fund Balance - January 1</b>	<u>2,159,200</u>	<u>2,159,200</u>	<u>2,159,200</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 2,374,740</u></u>	<u><u>\$ 2,153,330</u></u>	<u><u>\$ 2,170,968</u></u>	<u><u>\$ 17,638</u></u>

CITY OF RICHFIELD, MINNESOTA  
 SPECIAL REVENUE FUND - ELECTIONS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2020

Schedule 23

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal Grants	\$ -	\$ -	\$ 15,124	\$ 15,124
State	-	-	18,170	18,170
Investment Earnings	16,500	10,000	12,034	2,034
<b>Miscellaneous:</b>				
Other	362,000	236,720	275,965	39,245
<b>Total Revenues</b>	<u>378,500</u>	<u>246,720</u>	<u>321,293</u>	<u>74,573</u>
<b>Expenditures:</b>				
<b>Current</b>				
Personnel services	99,140	99,140	95,572	(3,568)
Other services and charges	34,320	44,320	49,591	5,271
	-	-	-	-
<b>Total Expenditures</b>	<u>133,460</u>	<u>143,460</u>	<u>145,163</u>	<u>1,703</u>
Net increase in fund balance	245,040	103,260	176,130	72,870
Fund Balance - January 1	<u>1,504,820</u>	<u>1,504,820</u>	<u>1,504,820</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,749,860</u>	<u>\$ 1,608,080</u>	<u>\$ 1,680,950</u>	<u>\$ 72,870</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - DRUG FORFEITURE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 24

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Fees and Fines	\$ 40,000	\$ 40,000	\$ 12,245	\$ (27,755)
Investment Earnings	2,000	1,500	1,654	154
Miscellaneous:				
Other	-	-	621	621
<b>Total Revenues</b>	<u>42,000</u>	<u>41,500</u>	<u>14,520</u>	<u>(26,980)</u>
<b>Expenditures:</b>				
<b>Current</b>				
Other services and charges	43,000	47,000	33,651	(13,349)
<b>Total Expenditures</b>	<u>43,000</u>	<u>47,000</u>	<u>33,651</u>	<u>(13,349)</u>
<b>Net (decrease) in fund balance</b>	(1,000)	(5,500)	(19,131)	(13,631)
<b>Fund Balance - January 1</b>	<u>216,826</u>	<u>216,826</u>	<u>216,826</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 215,826</u>	<u>\$ 211,326</u>	<u>\$ 197,695</u>	<u>\$ (13,631)</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - PUBLIC SAFETY COMPLIANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 25

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal Grants	\$ 6,000	\$ 6,000	\$ 19,566	\$ 13,566
State	3,000	3,000	28,348	25,348
Investment Earnings	1,100	500	1,521	1,021
<b>Miscellaneous:</b>				
Contributions	-	-	3,836	3,836
Other	4,600	6,100	6,362	262
Total Revenues	<u>14,700</u>	<u>15,600</u>	<u>59,633</u>	<u>44,033</u>
<b>Expenditures:</b>				
<b>Current</b>				
Personnel services	2,200	3,230	-	(3,230)
Other services and charges	6,000	6,000	28,980	22,980
Total Expenditures	<u>8,200</u>	<u>9,230</u>	<u>28,980</u>	<u>19,750</u>
Net increase in fund balance	6,500	6,370	30,653	24,283
Fund Balance - January 1	<u>175,710</u>	<u>175,710</u>	<u>175,710</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 182,210</u>	<u>\$ 182,080</u>	<u>\$ 206,363</u>	<u>\$ 24,283</u>



CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - RECREATION CONTRIBUTIONS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 26

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ -	\$ -	\$ 100,468	\$ 100,468
Investment Earnings	220	300	346	46
<b>Miscellaneous:</b>				
Contributions	30,000	2,400	6,359	3,959
<b>Total Revenues</b>	<u>30,220</u>	<u>2,700</u>	<u>107,173</u>	<u>104,473</u>
<b>Expenditures:</b>				
<b>Current</b>				
Other services and charges	21,000	6,000	101,556	95,556
<b>Total Expenditures</b>	<u>21,000</u>	<u>6,000</u>	<u>101,556</u>	<u>95,556</u>
<b>Net increase (decrease) in fund balance</b>	9,220	(3,300)	5,617	8,917
<b>Fund Balance - January 1</b>	<u>49,301</u>	<u>49,301</u>	<u>49,301</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 58,521</u>	<u>\$ 46,001</u>	<u>\$ 54,918</u>	<u>\$ 8,917</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - NATURE CENTER CONTRIBUTIONS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 27

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
State	\$ 19,500	\$ -	\$ -	\$ -
County	5,000	-	3,462	3,462
Investment Earnings	4,700	1,000	2,519	1,519
<b>Miscellaneous:</b>				
Contributions	65,000	80,000	93,015	13,015
<b>Total Revenues</b>	<u>94,200</u>	<u>81,000</u>	<u>98,996</u>	<u>17,996</u>
<b>Expenditures:</b>				
<b>Current</b>				
Personnel services	42,500	12,170	12,170	-
Other services and charges	49,500	65,000	23,524	(41,476)
<b>Total Expenditures</b>	<u>92,000</u>	<u>77,170</u>	<u>35,694</u>	<u>(41,476)</u>
<b>Net increase in fund balance</b>	<b>2,200</b>	<b>3,830</b>	<b>63,302</b>	<b>59,472</b>
<b>Fund Balance - January 1</b>	<u>37,495</u>	<u>37,495</u>	<u>37,495</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 39,695</u></u>	<u><u>\$ 41,325</u></u>	<u><u>\$ 100,797</u></u>	<u><u>\$ 59,472</u></u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - PUBLIC HEALTH GRANTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 28

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues:				
Federal grants	\$ 52,400	\$ 38,430	\$ 77,678	\$ 39,248
County	-	-	3,118	3,118
Investment Earnings	750	800	824	24
Total Revenues	<u>53,150</u>	<u>39,230</u>	<u>81,620</u>	<u>42,390</u>
<b>Expenditures:</b>				
Current				
Other services and charges	48,330	35,870	75,383	39,513
Net increase in fund balance	4,820	3,360	6,237	2,877
Fund Balance - January 1	<u>110,226</u>	<u>110,226</u>	<u>110,226</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 115,046</u></u>	<u><u>\$ 113,586</u></u>	<u><u>\$ 116,463</u></u>	<u><u>\$ 2,877</u></u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - WOOD LAKE HALF MARATHON  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 29

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
County	\$ -	\$ -	\$ 4,140	\$ 4,140
Investment Earnings	500	100	202	102
<b>Miscellaneous:</b>				
Contributions	14,000	8,000	6,171	(1,829)
Other	55,000	16,000	16,753	753
<b>Total Revenues</b>	<u>69,500</u>	<u>24,100</u>	<u>27,266</u>	<u>3,166</u>
<b>Expenditures:</b>				
<b>Current</b>				
Personnel services	30,000	10,000	10,000	-
Other services and charges	33,800	14,000	7,019	(6,981)
<b>Total Expenditures</b>	<u>63,800</u>	<u>24,000</u>	<u>17,019</u>	<u>(6,981)</u>
<b>Net increase in fund balance</b>	5,700	100	10,247	10,147
<b>Fund Balance - January 1</b>	<u>21,489</u>	<u>21,489</u>	<u>21,489</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 27,189</u>	<u>\$ 21,589</u>	<u>\$ 31,736</u>	<u>\$ 10,147</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - UTILITY FRANCHISE FEES  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Franchise taxes	\$ 1,832,000	\$ 1,831,450	\$ 1,879,141	\$ 47,691
Investment Earnings	15,000	20,000	20,183	183
<b>Total Revenues</b>	<u>1,847,000</u>	<u>1,851,450</u>	<u>1,899,324</u>	<u>47,874</u>
<b>Expenditures:</b>				
<b>Current</b>				
Other services and charges	95,000	55,000	38,826	(16,174)
Capital outlay	-	-	50,202	50,202
<b>Total Expenditures</b>	<u>95,000</u>	<u>55,000</u>	<u>89,028</u>	<u>34,028</u>
<b>Excess of revenues over expenditures</b>	<u>1,752,000</u>	<u>1,796,450</u>	<u>1,810,296</u>	<u>13,846</u>
<b>Other Financing Uses:</b>				
<b>Transfers out:</b>				
Debt Service Fund	(748,020)	(748,020)	(748,020)	-
Capital Project Fund	(2,100,000)	(2,500,000)	(1,500,000)	1,000,000
<b>Net Other Financing Uses:</b>	<u>(2,848,020)</u>	<u>(3,248,020)</u>	<u>(2,248,020)</u>	<u>1,000,000</u>
<b>Net (decrease) in fund balance</b>	(1,096,020)	(1,451,570)	(437,724)	1,013,846
<b>Fund Balance - January 1</b>	<u>2,118,150</u>	<u>2,118,150</u>	<u>2,118,150</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 1,022,130</u>	<u>\$ 666,580</u>	<u>\$ 1,680,426</u>	<u>\$ 1,013,846</u>

CITY OF RICHFIELD, MINNESOTA  
SPECIAL REVENUE FUND - SWIMMING POOL  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended December 31, 2020

Schedule 31

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 453,150	\$ -	\$ 795	\$ 795
Miscellaneous:				
Other	-	-	116	116
<b>Total Revenues</b>	<u>453,150</u>	<u>-</u>	<u>911</u>	<u>911</u>
<b>Expenditures:</b>				
Current				
Personnel services	217,770	1,900	1,896	(4)
Other services and charges	263,720	107,350	60,169	(47,181)
<b>Total Expenditures</b>	<u>481,490</u>	<u>109,250</u>	<u>62,065</u>	<u>(47,185)</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(28,340)</u>	<u>(109,250)</u>	<u>(61,154)</u>	<u>48,096</u>
<b>Other Financing Sources:</b>				
Transfers in:				
General Fund	110,000	110,000	110,000	-
<b>Net Other Financing Sources:</b>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<b>Net increase in fund balance</b>	81,660	750	48,846	48,096
<b>Fund Balance - January 1</b>	<u>(876,887)</u>	<u>(876,887)</u>	<u>(876,887)</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ (795,227)</u>	<u>\$ (876,137)</u>	<u>\$ (828,041)</u>	<u>\$ 48,096</u>

CITY OF RICHFIELD, MINNESOTA  
 SPECIAL REVENUE FUND - SPECIAL FACILITIES  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended December 31, 2020

Schedule 32

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 100	\$ 269	\$ 169
Miscellaneous:				
Other	40,400	22,210	23,797	1,587
<b>Total Revenues</b>	<u>40,400</u>	<u>22,310</u>	<u>24,066</u>	<u>1,756</u>
<b>Expenditures:</b>				
<b>Current</b>				
Personnel services	10,470	-	-	-
Other services and charges	37,500	31,650	23,069	(8,581)
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>47,970</u>	<u>31,650</u>	<u>23,069</u>	<u>(8,581)</u>
<b>Net increase (decrease) in fund balance</b>	<b>(7,570)</b>	<b>(9,340)</b>	<b>997</b>	<b>10,337</b>
<b>Fund Balance - January 1</b>	<u>35,901</u>	<u>35,901</u>	<u>35,901</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 28,331</u></u>	<u><u>\$ 26,561</u></u>	<u><u>\$ 36,898</u></u>	<u><u>\$ 10,337</u></u>

**CITY OF RICHFIELD, MINNESOTA**  
**SPECIAL REVENUE FUND - WOOD LAKE ENDOWMENT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2020**

Schedule 33

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Contributions	\$ -	\$ -	\$ 250	\$ 250
Total Revenues	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
<b>Net increase in fund balance</b>	-	-	250	250
<b>Fund Balance - January 1</b>	<u>-</u>	<u>-</u>	<u>232,896</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,146</u>	<u>\$ 250</u>



## **INTERNAL SERVICE FUNDS**

**Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis. Internal Service Funds are authorized by Section 7.12, Subdivision 6 of the Richfield City Charter.**

**The Central Garage and Equipment Fund, the Information Technology Fund, the Self Insurance Fund, Building Services Fund, and the Compensated Absences Fund, are self-sustaining funds providing service to other departments within the City and for which payments are made by the using department.**

CITY OF RICHFIELD, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
December 31, 2020

	Central Garage & Equipment Fund	Information Technology Fund	Self Insurance Fund	Building Services Fund	Compensated Absences Fund	Total
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 1,460,965	\$ 628,682	\$ 4,987,685	\$ 1,075,307	\$ 2,256,391	\$ 10,409,030
Due from other governments	2,684			8,322		11,006
Receivables, net	18,835					18,835
Due from other funds	-	-	66,093	-	-	66,093
Total current assets	<u>1,482,484</u>	<u>628,682</u>	<u>5,053,778</u>	<u>1,083,629</u>	<u>2,256,391</u>	<u>10,504,964</u>
<b>Noncurrent assets:</b>						
Advances to other funds	-	-	579,097	-	-	579,097
<b>Capital assets:</b>						
Buildings and equipment	10,161,507	788,069	-	442,128	-	11,391,704
Construction in process	-	11,485	-	-	-	11,485
Less accumulated depreciation	(5,818,430)	(674,282)	-	(305,810)	-	(6,798,522)
Total noncurrent assets	<u>4,343,077</u>	<u>125,272</u>	<u>579,097</u>	<u>136,318</u>	<u>-</u>	<u>5,183,764</u>
Total assets	<u>5,825,561</u>	<u>753,954</u>	<u>5,632,875</u>	<u>1,219,947</u>	<u>2,256,391</u>	<u>15,688,728</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred outflows of resources related to pensions	24,248	28,009	-	20,102	-	72,359
Deferred outflows of resources related to OPEB	3,611	2,269	-	1,832	-	7,712
Total deferred outflows of resources	<u>27,859</u>	<u>30,278</u>	<u>-</u>	<u>21,934</u>	<u>-</u>	<u>80,071</u>
Total assets and deferred outflows of resources	<u>5,853,420</u>	<u>784,232</u>	<u>5,632,875</u>	<u>1,241,881</u>	<u>2,256,391</u>	<u>15,768,799</u>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts payable	67,801	115,393	25,595	35,298	-	244,087
Accrued salaries and benefits	11,199	14,827	-	10,922	-	36,948
Compensated absences	8,396	13,722	-	11,218	559,889	593,225
Total current liabilities	<u>87,396</u>	<u>143,942</u>	<u>25,595</u>	<u>57,438</u>	<u>559,889</u>	<u>874,260</u>
<b>Noncurrent liabilities:</b>						
Compensated absences	25,442	41,579	-	33,990	1,696,502	1,797,513
Net OPEB obligation	23,208	22,051	-	13,301	-	58,560
Net pension liability	262,063	302,711	-	217,256	-	782,030
Claims and judgments	-	-	781,978	-	-	781,978
Total noncurrent liabilities	<u>310,713</u>	<u>366,341</u>	<u>781,978</u>	<u>264,547</u>	<u>1,696,502</u>	<u>3,420,081</u>
Total liabilities	<u>398,109</u>	<u>510,283</u>	<u>807,573</u>	<u>321,985</u>	<u>2,256,391</u>	<u>4,294,341</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred inflows or resources related to pensions	12,920	14,923	-	10,711	-	38,554
Deferred inflows or resources related to OPEB	13,214	12,555	-	7,573	-	33,342
Total deferred inflows of resources	<u>26,134</u>	<u>27,478</u>	<u>-</u>	<u>18,284</u>	<u>-</u>	<u>71,896</u>
<b>NET POSITION</b>						
Net investment in capital assets	4,343,077	125,272	-	136,318	-	4,604,667
Unrestricted	1,086,100	121,199	4,825,302	765,294	-	6,797,895
Total net position	<u>5,429,177</u>	<u>246,471</u>	<u>4,825,302</u>	<u>901,612</u>	<u>-</u>	<u>11,402,562</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,853,420</u>	<u>\$ 784,232</u>	<u>\$ 5,632,875</u>	<u>\$ 1,241,881</u>	<u>\$ 2,256,391</u>	<u>\$ 15,768,799</u>

**CITY OF RICHFIELD, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**For the Year Ended December 31, 2020**

	Central Garage & Equipment Fund	Information Technology Fund	Self Insurance Fund	Building Services Fund	Compensated Absences Fund	Total
<b>OPERATING REVENUES</b>						
Charges for Service	\$ 1,309,310	\$ 1,030,112	\$ 851,006	\$ 927,538	\$ -	\$ 4,117,966
Total operating revenues	<u>1,309,310</u>	<u>1,030,112</u>	<u>851,006</u>	<u>927,538</u>	<u>-</u>	<u>4,117,966</u>
<b>OPERATING EXPENSES</b>						
Personnel services	417,855	498,808	287,958	338,796	15,541	1,558,958
Other service and charges	834,972	794,744	812,198	501,238	-	2,943,152
Depreciation	807,822	61,210	-	30,498	-	899,530
Total operating expenses	<u>2,060,649</u>	<u>1,354,762</u>	<u>1,100,156</u>	<u>870,532</u>	<u>15,541</u>	<u>5,401,640</u>
Operating gain (loss)	<u>(751,339)</u>	<u>(324,650)</u>	<u>(249,150)</u>	<u>57,006</u>	<u>(15,541)</u>	<u>(1,283,674)</u>
<b>NONOPERATING REVENUES</b>						
Interest and investment revenue	9,256	3,335	52,917	8,183	15,541	89,232
Intergovernmental revenue	94,964	259,112	-	34,186	-	388,262
Miscellaneous revenue	7,790	8	-	511	-	8,309
Gain (loss) on disposal of capital assets	150,715	-	-	-	-	150,715
Total nonoperating revenue	<u>262,725</u>	<u>262,455</u>	<u>52,917</u>	<u>42,880</u>	<u>15,541</u>	<u>636,518</u>
Income (loss) before transfers	<u>(488,614)</u>	<u>(62,195)</u>	<u>(196,233)</u>	<u>99,886</u>	<u>-</u>	<u>(647,156)</u>
Transfers in	880,000	135,000	40,000	-	-	1,055,000
Transfers out	-	-	(40,000)	-	-	(40,000)
Changes in net position	<u>391,386</u>	<u>72,805</u>	<u>(196,233)</u>	<u>99,886</u>	<u>-</u>	<u>367,844</u>
Total net position - beginning	<u>5,037,791</u>	<u>173,666</u>	<u>5,021,535</u>	<u>801,726</u>	<u>-</u>	<u>11,034,718</u>
Total net position - ending	<u>\$ 5,429,177</u>	<u>\$ 246,471</u>	<u>\$ 4,825,302</u>	<u>\$ 901,612</u>	<u>\$ -</u>	<u>\$ 11,402,562</u>

CITY OF RICHFIELD, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2020

Statement 36

	Central Garage & Equipment Fund	Information Technology Fund	Self Insurance Fund	Building Services Fund	Compensated Absences Fund	Totals
<b>Cash flows from operating activities:</b>						
Receipts from interfund services provided	\$ 1,290,876	\$ 1,030,112	\$ 851,006	\$ 919,216	\$ -	\$ 4,091,210
Payment to employees	(417,038)	(481,965)	(287,958)	(340,322)	318,128	(1,209,155)
Payment to suppliers	(836,634)	(761,116)	(478,348)	(525,259)	-	(2,601,357)
Miscellaneous revenue	7,790	8	-	511	-	8,309
Net cash flows from operating activities	<u>44,994</u>	<u>(212,961)</u>	<u>84,700</u>	<u>54,146</u>	<u>318,128</u>	<u>289,007</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfer from Capital Project Funds	880,000	135,000	-	-	-	1,015,000
Transfer from Internal Service Funds	-	-	40,000	-	-	40,000
Transfer to Internal Service Funds	-	-	(40,000)	-	-	(40,000)
Interfund borrowing	-	-	64,785	-	-	64,785
Intergovernmental grants	94,964	259,112	-	34,186	-	388,262
Net cash flows from noncapital financing activities:	<u>974,964</u>	<u>394,112</u>	<u>64,785</u>	<u>34,186</u>	<u>-</u>	<u>1,468,047</u>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of property	143,715	-	-	-	-	143,715
Acquisition of capital assets	(1,100,148)	(11,485)	-	-	-	(1,111,633)
Net cash flows from capital and related financing activities	<u>(956,433)</u>	<u>(11,485)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(967,918)</u>
<b>Cash flows from investing activities:</b>						
Investment income	9,256	3,335	52,917	8,183	15,541	89,232
Net increase (decrease) in cash and cash equivalents	72,781	173,001	202,402	96,515	333,669	878,368
Cash and cash equivalents - January 1	1,388,184	455,681	4,785,283	978,792	1,922,722	9,530,662
Cash and cash equivalents - December 31	<u>\$ 1,460,965</u>	<u>\$ 628,682</u>	<u>\$ 4,987,685</u>	<u>\$ 1,075,307</u>	<u>\$ 2,256,391</u>	<u>\$ 10,409,030</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (751,339)	\$ (324,650)	\$ (249,150)	\$ 57,006	\$ (15,541)	\$ (1,283,674)
<b>Adjustments to reconcile operating income (loss) to net cash flows from operating activities:</b>						
Miscellaneous revenue	7,790	8	-	511	-	8,309
Depreciation	807,822	61,210	-	30,498	-	899,530
<b>Changes in assets and liabilities:</b>						
Decrease (increase) in receivables	(18,434)	-	-	(8,322)	-	(26,756)
Decrease (increase) in deferred outflows related to pensions	(6,771)	(8,724)	-	(4,024)	-	(19,519)
Increase (decrease) in payables	12,535	19,739	9,044	671	-	41,989
Increase (decrease) in salaries and benefits	1,076	4,156	-	2,970	-	8,202
Increase (decrease) in compensated absences	(259)	12,687	-	(4,497)	333,669	341,600
Increase (decrease) in net OPEB obligations	(8,643)	4,624	-	(9,129)	-	(13,148)
Increase (decrease) in deferred inflows related to pensions	(25,373)	(28,332)	-	(25,777)	-	(79,482)
Increase (decrease) in net pension liability	26,590	46,321	-	14,239	-	87,150
Increase (decrease) in claims and judgements	-	-	324,806	-	-	324,806
Total adjustments	<u>796,333</u>	<u>111,689</u>	<u>333,850</u>	<u>(2,860)</u>	<u>333,669</u>	<u>1,572,681</u>
Net cash flows from operating activities	<u>\$ 44,994</u>	<u>\$ (212,961)</u>	<u>\$ 84,700</u>	<u>\$ 54,146</u>	<u>\$ 318,128</u>	<u>\$ 289,007</u>

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**SUPPLEMENTARY FINANCIAL INFORMATION**

HOUSING AND REDEVELOPMENT AUTHORITY  
OF RICHFIELD, MINNESOTA  
COMBINED BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020

Statement 37

	General	Special Revenue	Capital Projects	Total
<b><u>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Cash and investments	\$ 2,044,563	\$ 1,959,583	\$ 10,040,415	\$ 14,044,561
Due from other governments	2,402	55,792	4,221	62,415
Accounts receivable	-	2,430	163,517	165,947
Taxes receivable	5,490	-	-	5,490
Assets held for resale	187,696	-	1,268,126	1,455,822
Long term second mortgage receivable	171,660	2,249,467	-	2,421,127
Allowance for doubtful accounts	(171,660)	(2,249,467)	-	(2,421,127)
Total Assets	\$ 2,240,151	\$ 2,017,805	\$ 11,476,279	\$ 15,734,235
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 60,525	\$ 6,861	\$ 145,467	\$ 212,853
Due to primary government	618,587	-	-	618,587
Total Liabilities	679,112	6,861	145,467	831,440
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes	\$ 5,490	\$ -	\$ -	\$ 5,490
Unavailable revenue - federal grants	-	253,904	-	253,904
Total Deferred Inflows of Resources	5,490	253,904	-	259,394
<b>Fund Balances:</b>				
Restricted	187,696	131,965	6,716,665	7,036,326
Committed	-	1,525,827	-	1,525,827
Assigned	-	99,248	3,995,588	4,094,836
Unassigned	1,367,853	-	618,559	1,986,412
Total Fund Balances	1,555,549	1,757,040	11,330,812	14,643,401
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,240,151	\$ 2,017,805	\$ 11,476,279	\$ 15,734,235
Fund balance reported above				\$ 14,643,401
Allocation to reflect consolidation on internal service fund activities related to component unit				(534,456)
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in component unit funds.				
Delinquent property taxes				5,490
Net position of component unit activities				\$ 14,114,435

HOUSING AND REDEVELOPMENT AUTHORITY  
OF RICHFIELD, MINNESOTA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year December 31, 2020

Statement 38

	General	Special Revenue	Capital Projects	Total
<b>Revenues:</b>				
Taxes	\$ 612,067	\$ -	\$ 4,922,932	\$ 5,534,999
Intergovernmental revenue	1,631	1,931,033	243,499	2,176,163
Investment income	15,620	6,815	67,805	90,240
Miscellaneous revenues	163,110	98,521	525,150	786,781
Total Revenues	792,428	2,036,369	5,759,386	8,588,183
<b>Expenditures -</b>				
<b>Current:</b>				
Personnel services	250,555	265,358	341,388	857,301
Other services and charges	172,359	1,635,553	1,195,951	3,003,863
Capital outlay	-	-	2,802,159	2,802,159
Total Expenditures	422,914	1,900,911	4,339,498	6,663,323
Excess (Deficiency) of Revenues over Expenditures	369,514	135,458	1,419,888	1,924,860
<b>Other Financing Sources (Uses):</b>				
<b>Transfers in:</b>				
General Fund	-	1,224	3,396	4,620
Special Revenue Funds	-	-	26,674	26,674
Capital Project Funds	-	-	534,760	534,760
<b>Transfers out:</b>				
Special Revenue Funds	(1,224)	-	-	(1,224)
Capital Project Funds	(3,396)	(26,674)	(534,760)	(564,830)
Net Other Financing Sources (Uses)	(4,620)	(25,450)	30,070	-
Net Changes in Fund Balances	364,894	110,008	1,449,958	1,924,860
Fund Balances - January 1	1,190,655	1,647,032	9,880,854	
Fund Balances - December 31	\$ 1,555,549	\$ 1,757,040	\$ 11,330,812	
Adjustment to reflect the consolidation of internal service fund activities related to component unit				(17,137)
Adjustment to reflect the change in other long-term assets not available to pay current period expenditures				(626)
Change in net position of component unit activities				\$ 1,907,097



**City of Richfield**  
**Housing and Redevelopment Authority - Housing Choice Vouchers**  
**Financial Data Schedule**  
**Balance Sheet**  
**December 31, 2020**

**Statement 39**

**Assets**

		<u>2020</u>
<b>Current assets</b>		
113	Cash	\$ 383,766
121	Accounts receivable - PHA projects	792
128	Fraud recovery	15,288
128.1	Allowance for doubtful accounts - fraud	<u>(13,000)</u>
190	<b>Total assets</b>	<b><u>\$ 386,846</u></b>

**Liabilities and Fund Balance**

<b>Current liabilities</b>		
312	Accounts payable <= 90 days	\$ 977
342	Unearned revenue	<u>253,904</u>
310	<b>Total current liabilities</b>	<b>254,881</b>
509.3	Fund balance restricted	81,379
512.3	Unassigned fund balance	<u>50,586</u>
513	<b>Total fund balance</b>	<b><u>131,965</u></b>
600	<b>Total liabilities and fund balance</b>	<b><u>\$ 386,846</u></b>

**Note: Financial Data Schedules - U.S. Department of Housing and Urban Development**

The City has presented the financial data schedules for its Housing and Redevelopment Authority. These schedules are presented on a modified accrual basis of accounting. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development, Office of Public Housing (HUD) and Indian Housing, Real Estate Assessment Center and the Financial Assessment Subsystem - Public Housing (FASS-PH). Accordingly, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.

City of Richfield  
Housing and Redevelopment Authority - Housing Choice Vouchers  
Financial Data Schedule  
Income Statement  
For the year ended December 31, 2020

Statement 40

	2020
<b>Revenue</b>	
70600 HUD PHA operating grants	\$1,701,033
71400 Fraud recovery	7,044
71500 Other revenue	712,455
70000 Total revenue	2,420,532
<b>Operating expenses</b>	
<b>Administrative expenses</b>	
91100 Administrative salaries	109,250
91400 Advertising and marketing	243
91500 Employee benefit contributions - administrative	59,402
91600 Office expenses	24,090
91900 Other	459
91000 Total operating administrative expenses	193,444
<b>Tenant Services</b>	
92100 Tenant services - salaries	25,267
92400 Tenant services - other	1,288
92500 Total tenant services	26,555
<b>General expenses</b>	
96200 Other general expenses	18,813
96400 Bad debt - Tenant rents	13,000
96000 Total other general expenses	31,813
96900 Total operating expenses	251,812
<b>Excess of operating revenue over operating expenses</b>	<b>2,168,720</b>
<b>Other expenses</b>	
97300 Housing assistance payments	1,427,393
97350 HAP Portability-in	647,177
90000 Total other expenses	2,074,570
<b>Net increase (decrease) in net position</b>	<b>94,150</b>
<b>Net position - beginning</b>	<b>37,815</b>
<b>Net position - ending</b>	<b>\$ 131,965</b>
<b>Memo account information</b>	
11170 Administrative fee equity	50,586
11180 Housing assistance payments equity	81,379
Total net position	<b>\$ 131,965</b>
11190 Unit months available	2,683
11210 Number of unit months leased	2,205

**Note: Financial Data Schedules - U.S. Department of Housing and Urban Development**

The City has presented the financial data schedules for its Housing and Redevelopment Authority. These schedules are presented on a modified accrual basis of accounting. The information in these schedules is presented in accordance with the U.S. Department of Housing and Urban Development, Office of Public Housing (HUD) and Indian Housing, Real Estate Assessment Center and the Financial Assessment Subsystem - Public Housing (FASS-PH). Accordingly, some of the amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the City's basic financial statements.

**ECONOMIC DEVELOPMENT AUTHORITY  
 OF RICHFIELD, MINNESOTA  
 BALANCE SHEET  
 GENERAL FUND  
 December 31, 2020**

Statement 41

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES**

Cash and investments	\$	724,016
Due from other governments		2,157
Taxes receivable		4,979
Long term second mortgage receivable		773,369
Allowance for doubtful accounts		(773,369)
Total Assets	\$	<u>731,152</u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES  
AND FUND BALANCES**

<b>Liabilities:</b>		
Accounts payable	\$	104,326
Total Liabilities		<u>104,326</u>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue - property taxes	\$	4,979
Total Deferred Inflows of Resources		<u>4,979</u>
<b>Fund Balances:</b>		
Unassigned		<u>621,847</u>
Total Fund Balances		<u>621,847</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	<u>731,152</u>
Fund balance reported above	\$	621,847
 <b>Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in component unit funds.</b>		
Delinquent property taxes		4,979
Net position of component unit activities	\$	<u>626,826</u>

**ECONOMIC DEVELOPMENT AUTHORITY  
OF RICHFIELD, MINNESOTA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GENERAL FUND  
For the Year December 31, 2020**

**Statement 42**

<b>Revenues:</b>	
Taxes	\$ 553,281
Intergovernmental	227,694
Investment income	4,073
Miscellaneous revenues	2,100
Total Revenues	<u>787,148</u>
<b>Expenditures -</b>	
Current:	
Personnel services	61,880
Other services and charges	638,406
Total Expenditures	<u>700,286</u>
Excess (Deficiency) of Revenues over Expenditures	<u>86,862</u>
Net Changes in Fund Balances	86,862
Fund Balances - January 1	<u>534,985</u>
Fund Balances - December 31	<u>\$ 621,847</u>
Adjustment to reflect the change in other long-term assets not available to pay current period expenditures	<u>(867)</u>
Change in net position of component unit activities	<u>\$ 85,995</u>

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### **III. STATISTICAL SECTION (UNAUDITED)**

**This part of the City of Richfield’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.**

#### **Financial Trends**

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

#### **Revenue Capacity**

**These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.**

#### **Debt Capacity**

**These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.**

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

**These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.**

#### **Operating Information**

**These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.**

Schedule 1  
City of Richfield  
Net Position by Components  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$50,996,302	\$50,719,652	\$48,633,166	\$53,868,489	\$53,489,119	\$51,478,014	\$46,432,821	\$44,695,707	\$46,258,802	\$46,316,911
Restricted	4,106,339	4,773,505	2,824,310	3,625,019	6,159,180	3,093,111	3,388,199	6,336,024	5,933,995	7,253,345
Unrestricted	14,489,164	16,420,037	20,321,278	17,269,452	5,339,294	(428,034)	(4,174,406)	(8,092,783)	(16,378,793)	(8,288,323)
Total governmental activities net position	\$69,591,805	\$71,913,194	\$71,778,754	\$74,762,960	\$64,987,593	\$54,143,091	\$45,646,614	\$42,938,948	\$35,814,004	\$45,281,933
<b>Business-type activities</b>										
Net investment in capital assets	\$18,768,234	\$18,482,474	\$19,212,879	\$14,105,007	\$14,610,034	\$16,757,963	\$19,656,557	\$23,309,355	\$20,864,902	\$20,657,979
Restricted	272,507	272,507	272,507	-	-	-	-	-	-	-
Unrestricted	4,457,373	5,062,397	3,890,596	9,019,091	2,723,163	2,429,606	4,155,490	4,418,358	4,705,923	5,970,660
Total business-type activities net position	\$23,498,114	\$23,817,378	\$23,375,982	\$23,124,098	\$17,333,197	\$19,187,569	\$23,812,047	\$27,727,713	\$25,570,825	\$26,628,639
<b>Primary government</b>										
Net investment in capital assets	\$69,764,536	\$69,202,126	\$67,846,045	\$67,973,496	\$68,099,153	\$68,235,977	\$60,155,878	\$59,206,662	\$58,559,804	\$58,758,640
Restricted	4,378,846	5,046,012	3,096,817	3,625,019	6,159,180	3,093,111	3,388,199	6,336,024	5,933,995	7,253,345
Unrestricted	18,946,537	21,482,434	24,211,874	26,288,543	8,062,457	2,001,572	5,914,584	5,123,975	(3,108,970)	5,898,587
Total primary government net position	\$93,089,919	\$95,730,572	\$95,154,736	\$97,887,058	\$82,320,790	\$73,330,660	\$69,458,661	\$70,666,661	\$61,384,829	\$71,910,572

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in 2015. Years prior to 2015 have not been restated.

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Schedule 2  
City of Richfield  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 2,871,668	\$ 2,874,868	\$ 3,042,891	\$ 3,102,253	\$ 3,112,271	\$ 3,503,975	\$ 3,261,312	\$ 3,205,714	\$ 3,365,461	\$ 3,443,118
Public safety	8,337,565	8,207,554	8,369,982	8,010,123	8,367,770	11,080,522	9,430,593	8,576,956	9,716,406	10,080,851
Fire	3,342,834	3,427,929	3,365,043	3,757,653	4,114,382	5,766,379	4,275,793	4,381,882	4,518,566	4,686,699
Community development	1,145,063	1,136,623	1,322,175	1,360,558	1,390,908	1,489,202	1,364,675	1,552,826	1,676,267	1,601,218
Public Works	6,837,282	7,076,058	9,545,980	9,647,341	15,932,128	16,161,254	15,028,590	13,039,259	21,901,131	11,146,122
Parks and recreation	2,118,937	2,015,873	2,154,180	3,882,319	3,973,233	4,244,085	4,142,433	4,308,628	4,196,419	3,426,087
Interest on long-term debt	1,534,727	1,496,022	1,196,968	1,220,893	1,118,400	1,786,750	1,751,627	1,563,101	1,449,654	1,487,038
Total governmental activities expenses	\$ 26,188,076	\$ 26,234,927	\$ 28,997,219	\$ 30,981,140	\$ 38,009,072	\$ 44,032,167	\$ 39,255,023	\$ 36,628,366	\$ 46,823,904	\$ 35,871,133
<b>Business-type activities</b>										
Liquor	\$ 10,309,292	\$ 10,799,198	\$ 10,308,021	\$ 10,639,175	\$ 10,246,033	\$ 10,018,719	\$ 10,729,098	\$ 10,824,828	\$ 11,904,943	\$ 12,384,877
Water and sewer utility	6,698,270	6,699,992	7,217,814	7,271,127	7,503,496	8,067,365	7,957,436	8,262,064	8,330,939	8,272,505
Storm sewer utility	1,056,249	1,167,332	1,260,211	1,220,584	1,263,819	1,462,684	1,623,854	1,720,653	1,924,222	2,057,741
Recreation Fund	1,680,331	1,679,838	1,745,104	-	-	-	-	-	-	-
Total business-type activities expenses	\$ 19,744,142	\$ 20,346,360	\$ 20,531,150	\$ 19,130,986	\$ 19,013,348	\$ 19,548,768	\$ 20,310,388	\$ 20,807,545	\$ 22,160,104	\$ 22,715,123
Total primary government expenses	\$ 45,932,218	\$ 46,581,287	\$ 49,528,369	\$ 50,112,126	\$ 57,022,420	\$ 63,580,935	\$ 59,565,411	\$ 57,435,911	\$ 68,984,008	\$ 58,586,256
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 438,427	\$ 514,721	\$ 545,092	\$ 672,182	\$ 795,899	\$ 830,145	\$ 762,824	\$ 793,277	\$ 893,750	\$ 590,246
Public safety	752,083	683,347	822,423	837,168	828,737	640,411	721,376	750,959	777,166	533,503
Fire	14,376	15,899	12,140	25,905	13,605	18,180	14,414	3,740	3,715	2,289
Community development	967,780	1,188,057	985,884	1,305,144	1,146,164	1,383,804	1,289,746	1,696,677	2,204,262	2,137,248
Public Works	277,224	290,307	308,848	308,784	307,611	309,235	309,361	317,813	305,451	327,698
Parks and recreation	396,727	413,146	419,164	1,608,943	1,721,646	1,751,634	1,694,849	1,868,941	1,831,136	605,969
Total Charges for services	\$ 2,846,617	\$ 3,105,477	\$ 3,094,551	\$ 4,758,126	\$ 4,813,662	\$ 4,933,409	\$ 4,792,570	\$ 5,431,407	\$ 6,015,480	\$ 4,196,953
Operating grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	2,013,717
Public safety	767,708	813,807	776,911	852,230	818,401	906,083	823,813	880,202	922,414	1,098,077
Fire	288,954	275,595	163,949	141,794	150,837	161,310	178,447	179,543	259,447	189,534
Public Works	292,677	337,167	328,310	453,428	316,893	338,323	338,043	338,043	338,043	752,516
Parks and recreation	8,947	22,180	26,396	2,032	19,261	28,611	10,397	65,745	42,433	183,156
Total Operating grants and contributions	\$ 1,358,286	\$ 1,448,749	\$ 1,295,566	\$ 1,449,484	\$ 1,305,392	\$ 1,434,327	\$ 1,350,700	\$ 1,463,533	\$ 1,562,337	\$ 4,238,000
Capital grants and contributions:										
Public safety	20,000	-	-	-	-	-	-	-	-	-
Community development	1,559,732	2,029,215	820,737	861,086	868,587	869,352	873,056	869,366	867,597	874,271
Public Works	1,216,632	1,180,578	1,764,952	2,174,565	5,266,238	3,864,463	2,449,438	2,721,336	3,189,478	7,284,684
Parks and recreation	2,796,364	3,221,764	2,585,689	3,065,904	6,134,825	4,733,815	3,322,494	3,590,702	4,159,314	8,163,705
Total Capital grants and contributions	\$ 7,001,267	\$ 7,775,990	\$ 6,875,806	\$ 9,273,514	\$ 12,253,879	\$ 11,101,551	\$ 9,465,764	\$ 10,485,642	\$ 11,737,131	\$ 16,598,666
Total governmental activities program revenues										

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in 2015. Years prior to 2015 have not been restated.

Schedule 2 (cont.)  
City of Richfield  
Changes in Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Business-type activities</b>										
Charges for services:										
Liquor	\$ 11,198,404	\$ 11,807,489	\$ 11,137,402	\$ 11,500,417	\$ 10,859,642	\$ 10,457,318	\$ 11,351,640	\$ 11,561,657	\$ 12,678,003	\$ 13,262,924
Water & Sewer	6,525,152	6,940,791	7,008,087	7,222,179	7,314,887	7,647,683	8,023,101	8,648,729	8,826,120	8,716,310
Storm Sewer	991,950	1,238,267	1,117,761	1,204,476	1,181,739	1,352,699	1,495,191	1,768,394	1,828,180	2,047,290
Recreation Activities	1,196,110	1,131,040	1,120,189	-	-	-	-	-	-	-
Capital Grants & Contributions	-	-	-	-	200,000	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>19,911,616</b>	<b>21,117,587</b>	<b>20,383,439</b>	<b>19,927,072</b>	<b>19,556,268</b>	<b>19,457,700</b>	<b>20,869,932</b>	<b>21,978,680</b>	<b>23,332,303</b>	<b>24,026,524</b>
<b>Total primary government program revenues</b>	<b>26,912,883</b>	<b>28,893,577</b>	<b>27,359,245</b>	<b>29,200,586</b>	<b>31,810,147</b>	<b>30,559,251</b>	<b>30,335,696</b>	<b>32,464,322</b>	<b>35,069,434</b>	<b>40,625,182</b>
Net (Expense) Revenue	(19,186,809)	(18,458,937)	(22,021,413)	(21,707,626)	(25,755,193)	(32,930,616)	(29,789,259)	(26,142,724)	(35,086,773)	(19,272,475)
Governmental activities	167,474	771,227	(147,711)	796,086	542,920	(91,068)	559,544	1,171,135	1,172,199	1,311,401
Business-type activities	(19,019,335)	(17,687,710)	(22,169,124)	(20,911,540)	(25,212,273)	(33,021,684)	(29,229,715)	(24,971,589)	(33,914,574)	(17,961,074)
<b>Total primary government net expense</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>General Revenues and other changes in Net Position</b>	<b>\$ 15,276,804</b>	<b>\$ 17,025,767</b>	<b>\$ 17,985,988</b>	<b>\$ 18,613,321</b>	<b>\$ 18,388,710</b>	<b>\$ 18,398,414</b>	<b>\$ 19,075,553</b>	<b>\$ 20,019,144</b>	<b>\$ 20,887,161</b>	<b>\$ 22,183,130</b>
Governmental activities	1,236,825	1,259,670	1,304,716	1,973,751	2,230,602	2,260,122	2,264,759	2,242,216	2,241,396	2,235,139
Property taxes	1,319,307	1,230,268	1,223,981	1,937,907	2,054,379	2,084,057	2,094,443	2,229,280	2,235,643	2,366,046
Franchise taxes	846,105	631,131	710,988	809,564	1,069,172	940,134	1,573,837	1,772,578	2,057,553	1,187,879
Unrestricted grants and contributions	790,172	633,490	661,300	866,460	1,009,749	(1,596,613)	(3,715,810)	(2,727,229)	308,930	766,210
Others	19,469,213	20,780,326	21,886,973	24,201,003	24,752,612	22,086,114	21,292,782	23,595,989	27,730,683	28,740,404
Transfers	170,661	181,527	481,633	309,319	335,616	348,827	349,124	434,240	502,377	514,623
Total governmental activities	(790,172)	(633,490)	(661,300)	(866,460)	(1,009,749)	1,596,613	3,715,810	2,727,229	(308,930)	(766,210)
Business-type activities	-	-	-	-	-	-	-	(93,263)	(335,943)	-
Others	(619,511)	(451,963)	(179,667)	(557,141)	(674,133)	1,945,440	4,064,934	3,068,206	(142,496)	(253,587)
Special item	\$ 18,849,702	\$ 20,328,363	\$ 21,707,306	\$ 23,643,862	\$ 24,078,479	\$ 24,031,554	\$ 25,357,716	\$ 26,604,195	\$ 27,588,187	\$ 28,486,817
Total business-type activities	\$ 282,404	\$ 2,321,389	\$ (134,440)	\$ 2,493,377	\$ (1,002,581)	\$ (10,844,502)	\$ (8,496,477)	\$ (2,606,735)	\$ (7,356,090)	\$ 9,467,929
Governmental activities	(452,037)	319,264	(327,378)	238,945	(131,213)	1,854,372	4,624,478	4,239,341	1,029,703	1,057,814
Business-type activities	(169,633)	2,640,653	(461,818)	2,732,322	(1,133,794)	(8,990,130)	(3,871,999)	1,632,606	(6,326,387)	10,525,743
Total primary government	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in 2015. Years prior to 2015 have not been restated.

Schedule 3  
City of Richfield  
Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	\$ 67,919	\$ 72,531	\$ 72,413	\$ 83,241	\$ 85,424	\$ 76,593	\$ 82,273	\$ 91,050	\$ 91,055	\$ 83,285
Unassigned	6,886,065	7,235,983	7,679,767	8,414,671	8,601,763	8,625,011	8,672,054	8,719,246	9,170,309	9,942,205
<b>Total general fund</b>	<b>\$ 6,953,984</b>	<b>\$ 7,308,514</b>	<b>\$ 7,752,180</b>	<b>\$ 8,497,912</b>	<b>\$ 8,687,207</b>	<b>\$ 8,701,604</b>	<b>\$ 8,754,327</b>	<b>\$ 8,810,296</b>	<b>\$ 9,261,364</b>	<b>\$ 10,025,490</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 20,275	\$ 7,330	\$ 7,330	\$ 7,330	\$ 7,330	\$ 7,330	\$ 7,330	\$ 7,330	\$ 7,330	\$ 7,330
Restricted	2,682,735	3,196,047	3,360,006	3,477,447	6,195,103	14,300,168	10,990,575	14,128,908	6,079,260	8,863,165
Committed	6,010,283	6,469,737	6,703,091	7,409,218	9,417,154	13,209,935	11,585,895	13,784,178	14,992,041	10,549,397
Assigned	4,728,247	4,826,523	7,539,435	7,385,044	12,653,949	6,844,543	7,921,533	8,234,215	8,478,628	5,367,233
Unassigned	(66,244)	(307,452)	(217,010)	(5,327,013)	(5,155,757)	(5,205,632)	(5,244,580)	(5,006,167)	(16,796,233)	(4,366,977)
<b>Total all other government funds</b>	<b>\$ 13,375,296</b>	<b>\$ 14,194,185</b>	<b>\$ 17,392,852</b>	<b>\$ 12,952,026</b>	<b>\$ 23,117,779</b>	<b>\$ 29,156,344</b>	<b>\$ 25,260,753</b>	<b>\$ 31,148,464</b>	<b>\$ 12,761,026</b>	<b>\$ 20,420,148</b>

Note: The City implemented GASB Statement 54 in 2011. This information is not available for previous years.

Schedule 4  
City of Richfield  
Changes in Fund Balance, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues</b>										
Property taxes	\$ 15,436,001	\$ 16,975,557	\$ 18,116,437	\$ 18,370,724	\$ 18,407,060	\$ 18,357,209	\$ 19,112,961	\$ 20,041,028	\$ 20,876,291	\$ 22,201,245
Franchise taxes	1,236,825	1,259,670	1,304,716	1,973,751	2,230,602	2,260,122	2,264,759	2,242,216	2,241,396	2,235,139
Special assessments	332,974	338,582	295,384	975,724	222,667	194,607	206,140	202,308	232,098	229,692
Fees and fines	447,611	377,343	467,095	493,947	442,278	279,437	345,143	363,806	401,118	202,012
License and permits	810,617	928,747	938,455	1,030,746	985,367	1,124,025	1,061,107	1,385,288	1,734,871	1,743,695
Intergovernmental	5,262,097	5,502,036	4,903,648	5,486,032	9,272,706	7,971,353	6,526,885	6,995,230	7,532,797	14,493,527
Charges for services	1,588,389	1,799,387	1,689,001	3,233,433	3,386,017	3,529,947	3,386,320	3,682,313	3,879,491	2,251,246
Investment earnings	95,422	58,402	35,355	62,931	56,206	157,444	247,818	685,353	689,997	265,483
Miscellaneous	723,012	530,813	638,488	726,303	980,395	719,430	1,254,319	951,055	1,197,637	833,164
Total revenues	25,932,948	27,770,537	28,388,579	32,353,591	35,983,298	34,593,574	34,405,452	36,548,597	38,785,696	44,455,203
<b>Expenditures</b>										
General government	2,098,161	2,184,584	2,207,715	2,478,487	2,523,323	2,602,322	2,633,435	2,652,810	2,757,627	2,900,167
Police	7,972,936	7,886,426	8,228,719	7,761,398	7,936,351	8,310,386	8,330,682	8,756,038	9,657,184	10,062,591
Fire	3,251,870	3,283,640	3,495,925	3,561,443	3,845,082	4,056,978	4,140,668	4,237,354	4,360,909	4,537,374
Community Development	1,092,855	1,096,509	1,215,361	1,297,986	1,337,103	1,330,766	1,349,571	1,471,067	1,586,564	1,640,111
Public Works	4,727,177	4,854,365	7,244,947	7,424,484	13,814,201	13,457,283	12,643,244	10,834,054	19,635,955	8,907,229
Recreation services	1,815,018	1,756,185	1,795,561	3,207,929	3,282,355	3,382,122	3,379,327	3,615,978	3,567,386	2,724,828
Capital outlay	202,064	101,130	48,636	1,128,508	523,092	743,485	549,084	890,219	689,233	3,841,541
Construction/acquisition cost	8,471,460	3,217,198	1,934,877	1,215,892	1,840,072	2,207,711	4,087,867	3,551,094	9,084,063	801,308
Debt service:										
Principal	1,955,000	2,850,000	1,830,000	2,760,000	2,565,000	2,125,000	8,140,000	2,365,000	8,870,000	3,290,000
Interest and other charges	1,637,254	1,602,365	1,230,904	1,257,263	1,271,643	1,563,351	1,699,998	1,597,997	1,658,046	1,615,536
Total expenditures	33,223,795	28,832,402	29,232,645	32,093,390	38,938,222	39,779,404	46,953,876	39,971,611	61,866,967	40,320,685
Excess of revenues over (under) expenditures	(7,290,847)	(1,061,865)	(844,066)	260,201	(2,954,924)	(5,185,830)	(12,548,424)	(3,423,014)	(23,081,271)	4,134,518
<b>Other Financing Sources(Uses)</b>										
Bonds issued	-	5,090,000	3,120,000	-	9,100,000	11,215,000	12,175,000	9,770,000	5,290,000	4,365,000
Premium (Discounts) on debt issued	-	20,307	76,365	-	278,526	516,582	319,366	151,774	314,825	170,520
Proceeds from sale of capital assets	-	-	6,804	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	(6,610,000)	(2,705,000)	-	-	-	-	(2,950,000)	-	-	-
Transfers in	2,458,913	5,016,917	5,773,029	3,333,711	11,965,883	4,368,205	5,333,223	11,296,324	12,196,655	11,766,403
Transfers out	(2,296,121)	(5,186,940)	(5,806,099)	(3,227,251)	(11,848,134)	(4,860,995)	(6,172,033)	(11,851,404)	(12,887,725)	(12,013,193)
Total other financing sources(uses)	(6,447,208)	2,235,284	3,170,099	106,460	9,496,275	11,238,792	8,705,556	9,366,694	4,913,755	4,288,730
Net change in fund balances	\$ (13,738,055)	\$ 1,173,419	\$ 2,326,033	\$ 366,661	\$ 6,541,351	\$ 6,052,962	\$ (3,842,868)	\$ 5,943,680	\$ (18,167,516)	\$ 8,423,248
Debt service as a percentage of noncapital expenditures	14.6%	17.5%	11.2%	13.5%	10.5%	10.0%	23.3%	11.1%	20.2%	13.7%

**Schedule 5**  
**City of Richfield**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousand of dollars)**

Year Ended December 31	Residential Property	Commercial Property	Industrial Property	Total Taxable		Total	
				Assessed Value	Estimated Market Value	Estimated Market Value	Direct Tax Rate (1)
2011	1,954,100	497,407	4,913	2,456,420	2,669,488	56.80%	
2012	1,816,389	489,491	7,992	2,313,872	2,534,910	62.56%	
2013	1,934,597	507,270	7,902	2,449,769	2,672,791	65.67%	
2014	1,971,484	548,560	7,859	2,527,903	2,736,099	66.17%	
2015	2,061,584	577,408	12,690	2,651,682	2,854,982	61.66%	
2016	2,260,137	605,362	13,567	2,879,066	3,091,380	62.66%	
2017	2,462,327	582,035	14,300	3,058,662	3,263,103	58.41%	
2018	2,768,600	612,983	18,206	3,399,789	3,566,514	59.34%	
2019	3,027,897	637,461	16,848	3,682,206	3,838,900	54.74%	
2020	3,316,195	660,222	16,482	3,992,899	3,992,899	54.73%	

(1) Includes both City and Housing and Redevelopment Authority Rates.

Source: Hennepin County Finance Department

Schedule 6  
City of Richfield  
Property Tax Rates-Direct and Overlapping Governments  
Per \$1,000 of Assessed Value or Tax Capacity  
Last Ten Fiscal Years

Fiscal Year	Direct City Rates			Total City	Overlapping Rates			Total Direct & Overlapping Rates
	General	Debt	HRA		School District	Hennepin County	Metropolitan Agencies	
2011	48.60%	6.39%	1.81%	56.80%	26.76%	45.84%	9.17%	138.57%
2012	54.21%	6.59%	1.76%	62.56%	28.89%	48.23%	9.52%	149.21%
2013	56.77%	7.29%	1.60%	65.67%	31.01%	49.46%	10.09%	156.23%
2014	56.79%	7.67%	1.71%	66.17%	34.14%	49.95%	10.58%	160.83%
2015	53.17%	6.97%	1.53%	61.66%	26.66%	46.40%	9.79%	144.50%
2016	53.19%	7.80%	1.67%	62.66%	28.77%	45.36%	9.53%	146.32%
2017	50.18%	6.67%	1.56%	58.41%	27.05%	44.09%	9.32%	138.87%
2018	49.58%	8.15%	1.61%	59.34%	37.05%	42.81%	8.97%	148.17%
2019	45.47%	7.81%	1.46%	54.74%	33.33%	41.86%	8.55%	138.48%
2020	45.12%	8.17%	1.44%	54.73%	32.66%	41.08%	8.22%	136.69%

Source: Hennepin County Assessing Office

Schedule 7  
 City of Richfield  
 Principal Property Tax Payers

		2020			2011		
Tax payer	Assessed Value/ Tax Capacity	Rank	Percentage of Total City Tax Capacity Value	Tax payer	Assessed Value/ Tax Capacity	Rank	Percentage of Total City Tax Capacity Value
Best Buy Company, Inc.	\$ 2,369,250	1	5.33%	Best Buy Company, Inc.	\$ 2,757,880	1	11.13%
Meridian Crossings LLC	1,225,330	2	2.75%	Meridian Crossings LLC	813,690	2	3.28%
JRK Investors, Inc.	1,145,875	3	2.58%	CSM Corporation	390,530	3	1.58%
JIW Inc	699,250	4	1.57%	Crossroads at Penn LLC	357,725	4	1.44%
Ryan Companines Individuals	401,410	5	0.90%	Target Corporation	335,050	5	1.35%
Market Plaza Consolidated	393,730	6	0.89%	Centro Bradley SPE 1 LLC	309,250	6	1.25%
CSM Corporation	379,188	7	0.85%	CSM Shops, Inc.	298,890	7	1.21%
Menard, Inc.	361,850	8	0.81%	Wood Lake-Vef IV LLC	293,570	8	1.18%
ROP Investment Co., LLC	359,250	9	0.81%	Richfield GLHD LLC	226,210	9	0.91%
	348,213	10	0.78%	Northmarq RE Services	203,590	10	0.82%
<b>Total</b>	<b>\$ 7,683,346</b>		<b>17.27%</b>	<b>Total</b>	<b>\$ 5,986,385</b>		<b>24.15%</b>

Source: Hennepin County Assessing Office

Schedule 8  
City of Richfield  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Net Total Property Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2011	16,037,434	15,901,906	99.2%	-	15,901,906	99.2%	-	0.0%
2012	17,477,266	17,261,829	98.8%	-	17,261,829	98.8%	-	0.0%
2013	17,744,951	17,631,536	99.4%	-	17,631,536	99.4%	-	0.0%
2014	18,012,303	17,933,454	99.6%	-	17,933,454	99.6%	-	0.0%
2015	18,745,569	18,685,167	99.7%	4,477	18,689,644	99.7%	10,218	0.1%
2016	19,125,557	19,001,616	99.4%	4,762	19,006,378	99.4%	24,739	0.1%
2017	19,664,285	19,568,641	99.5%	8,916	19,577,557	99.6%	12,112	0.1%
2018	21,083,735	20,972,448	99.5%	10,789	20,983,237	99.5%	36,848	0.2%
2019	22,089,350	21,973,828	99.5%	91,711	22,065,539	99.9%	33,827	0.2%
2020	23,267,441	23,178,920	99.6%	-	23,178,920	99.6%	91,641	0.4%

Notes: (1) Net amount certified to County after credits and adjustments.



Schedule 9  
City of Richfield  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Year	Government Activities					Business Type Activities					Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Redevelopment Bonds	Improvement Bonds	Storm Sewer Bonds	Ice Arena Bonds	Water & Sewer Bonds	Water Bonds	Sewer Bonds	G.O.					
								Water & Sewer Bonds	Water Bonds				
2011	10,205,000	23,095,000	2,170,000	955,000	5,210,000	1,480,000	-	43,115,000	-	1,219			
2012	8,955,000	23,880,000	2,075,000	870,000	4,975,000	1,480,000	-	42,235,000	-	1,174			
2013	8,340,000	25,785,000	4,790,431	780,000	4,730,000	1,428,526	-	45,853,957	-	1,274			
2014	7,685,000	24,460,000	4,557,831	-	4,475,000	1,368,326	-	42,546,157	-	1,180			
2015	7,020,000	31,989,510	5,983,079	-	4,210,000	5,273,618	-	54,476,207	-	1,507			
2016	6,340,000	42,212,887	7,150,861	-	-	5,194,818	-	60,898,566	-	1,666			
2017	5,645,000	44,228,837	6,896,061	-	-	4,846,018	-	61,615,916	-	1,696			
2018	4,940,000	52,399,608	6,516,261	-	-	4,457,218	-	68,313,087	-	1,869			
2019	4,220,000	49,747,831	6,950,730	-	-	5,304,682	1,141,176	67,364,419	-	1,821			
2020	3,475,000	51,621,351	8,357,825	-	-	6,132,188	1,137,976	70,724,340	-	1,912			

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

Note: Information on personal income is not available.

Schedule 10  
City of Richfield  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds		Redevelopment Bonds		Less: Amounts Available in Debt Service Fund		Net Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2011	23,095,000	10,205,000	33,300,000	2,006,261	31,293,739	1.27%	885		
2012	23,880,000	8,955,000	32,835,000	1,525,230	31,309,770	1.35%	870		
2013	25,785,000	8,340,000	34,125,000	1,680,344	32,444,656	1.32%	902		
2014	24,460,000	7,685,000	32,145,000	2,388,013	29,756,987	1.18%	826		
2015	31,989,510	7,020,000	39,009,510	1,653,862	37,355,648	1.41%	1,033		
2016	42,212,887	6,340,000	48,552,887	2,192,838	46,360,049	1.61%	1,268		
2017	44,228,837	5,645,000	49,873,837	1,904,043	47,969,794	1.57%	1,320		
2018	52,399,608	4,940,000	57,339,608	2,356,747	54,982,861	1.62%	1,505		
2019	49,747,831	4,220,000	53,967,831	3,039,324	50,928,507	1.50%	1,394		
2020	51,621,351	3,475,000	55,096,351	3,440,778	51,655,573	1.52%	1,396		

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Total Taxable Assessed Value can be found in Schedule 5.

(2) Population data can be found in Schedule 14.

Schedule 11  
City of Richfield  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2020

Jurisdiction	Net Debt Outstanding (1)	Percentage Applicable to City of Richfield (2)	Amount Applicable to City of Richfield
City of Richfield	\$ 55,096,351	100.00%	\$ 55,096,351
Hennepin County	\$ 998,790,298	1.81%	\$ 18,078,104
Independent School District #280, Richfield, MN	133,027,413	71.09%	94,569,188
Hennepin Suburb Park District	42,954,642	2.60%	1,116,821
Hennepin Regional RR Authority	93,859,422	1.81%	1,698,856
Metropolitan Council	103,225,628	0.92%	949,676
<b>Total</b>	<b>\$ 1,371,857,403</b>		<b>\$ 116,412,644</b>
			<b>\$ 171,508,995</b>

Source: Hennepin County Property Tax

Note: (1) Excludes Revenue bonds and Special Assessment bonds

(2) The percentage applicable to the City of Richfield was determined by dividing the portion of the tax capacity within the City by the total tax capacity of the taxing jurisdiction.

Schedule 12  
City of Richfield  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(in thousand dollars)

Legal Debt Margin Calculation for Fiscal Year 2020

Market Value of taxable property	\$ 3,836,832
Debt Limit (3% of market value of taxable property)	115,105
Total debt applicable to debt limit	47,440
Legal debt margin	67,665

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 73,693	\$ 69,416	\$ 73,493	\$ 75,837	\$ 79,550	\$ 80,126	\$ 91,760	\$ 101,994	\$ 110,466	\$ 115,105
Total debt applicable to limit	21,992	22,978	24,151	22,875	30,910	29,522	42,506	50,769	47,972	47,440
Legal debt margin	\$ 51,701	\$ 46,438	\$ 49,342	\$ 52,962	\$ 48,640	\$ 50,604	\$ 49,254	\$ 51,225	\$ 62,494	\$ 67,665

Total net debt applicable to the limit as a percentage of debt limit	<u>29.84%</u>	<u>33.10%</u>	<u>32.86%</u>	<u>30.16%</u>	<u>38.86%</u>	<u>36.34%</u>	<u>46.32%</u>	<u>49.78%</u>	<u>43.43%</u>	<u>41.21%</u>
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Schedule 13  
City of Richfield  
Revenue Bond Coverage  
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)		Coverage	
				Principal	Interest		
2011	8,441,735 (4)	6,727,238	1,714,497	400,000	425,307	825,307	2.08
2012	9,026,205 (4)	6,709,992	2,316,213	415,000	427,749	842,749	2.75
2013	9,246,037 (4)	7,683,443	1,562,594	490,000	447,541	937,541	1.67
2014	8,426,655 (5)	6,532,437	1,894,218	515,000	399,985	914,985	2.07
2015	8,496,626 (5)	6,805,269	1,691,357	555,000	386,154	941,154	1.80
2016	4,929,871 (6)	3,520,861	1,409,010	570,000	364,299	934,299	1.51
2017	5,195,297 (6)	3,532,721	1,662,576	570,000	357,053	927,053	1.79
2018	5,771,247 (6)	3,943,875	1,827,372	735,000	324,269	1,059,269	1.73
2019	10,654,300 (7)	7,964,269	2,690,031	750,000	312,455	1,062,455	2.53
2020	10,763,600 (7)	7,807,898	2,955,702	1,760,000	416,995	2,176,995	1.36

- Notes:
- (1) Total operating expenses exclude depreciation
  - (2) Include principal and interest of revenue bonds only
  - (3) Storm sewer and Ice Arena bonds
  - (3) Storm sewer, Ice Arena, Water and Sewer revenue bonds
  - (4) Storm sewer, Ice Arena, Water and Sewer revenue bonds, and Water revenue bonds
  - (5) Storm sewer, Water and Sewer, and Water revenue bonds
  - (6) Storm sewer and Water revenue bonds
  - (7) Water, sewer and storm sewer revenue bonds

Schedule 14  
 City of Richfield  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2011	35,376					4,131	5.8%
2012	35,979					4,388	4.3%
2013	36,041					4,405	3.8%
2014	36,154					4,396	3.0%
2015	36,557					4,302	2.6%
2016	36,338					4,235	3.2%
2017	36,338					4,231	2.7%
2018	36,554					4,127	2.7%
2019	36,436					4,084	2.3%
2020	36,993					4,010	7.2%

Sources: Minnesota Department of Employment and Economic Development, Metropolitan Council, and Richfield School District #280.

Note: Information on personal income, median age, and education levels is not available.

Schedule 15  
City of Richfield  
Principal Employers

	2020			2011		
	<u>No. of</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment</u>	<u>No. of</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment</u>
<u>Employer</u>						
Best Buy Corporate office	5,300	1	28.34%	5,200	1	28.24%
U.S. Bancorp	2,144	2	11.46%	1,600	2	8.69%
Independent School District 280	1,154	3	6.17%	667	3	3.62%
City of Richfield	366	4	1.96%	375	4	2.04%
Target at Cedar Point Commons	350	5	1.87%	243	5	1.32%
Fraser	287	6	1.53%	218	6	1.18%
Metro Sales, Inc.	270	7	1.44%	200	7	1.09%
Headway Emotional Health Services	250	8	1.34%	163	8	0.89%
Menard, Inc.	200	9	1.07%	122	9	0.66%
Weis Builders	100	10	0.53%	80	10	0.43%
<b>Total</b>	<b>10,421</b>		<b>55.72%</b>	<b>8,868</b>		<b>48.15%</b>

Sources: Minnesota State Business Directory, Richfield Chamber of Commerce, and the Minnesota Manufacturers Register.

Note: Employee totals include only employees with full time status.

Schedule 16  
City of Richfield  
Full-Time Equivalent City Employees by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Management services	3	3	3	3	3	3	3	3	3	3
Finance	6	7	5	6	5	6	6	5	6	5
City Clerk	7	8	8	9	9	10	9	9	10	10
Assessing	1	1	1	1	1	1	1	1	0	0
Others	10	10	10	11	12	11	12	12	11	11
Public Safety										
Police officers	46	46	46	46	48	48	49	48	48	48
Dispatchers	6	6	7	8	0	0	0	0	0	0
Others	14	14	14	14	14	14	14	14	14	14
Fire										
Fire fighters and officers	26	26	26	26	27	27	27	26	26	26
Community Development										
Planning/Zoning	2	2	2	2	2	2	2	2	2	2
Inspections	7	7	8	8	8	8	8	9	9	9
Others	10	8	8	8	6	7	7	8	8	10
Public Works										
Engineering	4	4	3	3	3	3	4	4	5	5
Street and park maintenance	20	20	20	20	19	20	18	23	23	24
Forestry	4	4	4	4	4	4	4	0	0	0
Others	6	5	5	5	6	6	6	6	6	6
Parks and recreation	17	18	18	33	33	32	32	34	35	30
Liquor	27	28	25	26	25	23	24	24	25	28
Water and Wastewater	18	18	18	18	17	16	18	19	19	19
Storm Water	1	1	1	1	1	1	1	1	1	1
Recreation funds	15	15	15	0	0	0	0	0	0	0
<b>Total</b>	<b>250</b>	<b>251</b>	<b>247</b>	<b>252</b>	<b>243</b>	<b>242</b>	<b>245</b>	<b>248</b>	<b>251</b>	<b>251</b>

Full Time Equivalent - includes intermittent, seasonal, and part-time employees adjusted to full time equivalent status.

Source: City Administration Services office



Schedule 17  
City of Richfield  
Operating Indications by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Police</b>										
Physical arrest	468	451	490	404	435	471	489	591	491	701
Total Offenses Cited	5,535	5,172	6,653	7,274	5,764	4,486	4,818	5,315	4,728	3,429
<b>Fire</b>										
Emergency responses	3,917	4,066	4,096	4,135	4,195	4,073	4,287	4,252	4,411	4,451
Fires extinguished	109	101	90	75	90	83	72	92	88	104
Other public works										
Streets resurfacing (miles)	-	0.50	0.20	-	14.30	15	16	14.4	15	14.25
Potholes repaired (tons of asphalt used)	599.24	441.95	732.00	306.46	100.79	81.4	18.64	84.93	98.2	138.58
<b>Parks and recreation</b>										
Athletic field permits issued	47	54	58	52	55	56	53	57	58	30
<b>Water</b>										
New connections	-	1	2	4	2	6	9	10	11	54
Connections eliminated (Redevelopment)	-	-	-	17	4	18	3	-	6	-
Water main breaks	11	7	13	9	19	16	15	14	11	12
Average daily consumption (million of gallons)	3.09	3.19	3.02	2.90	2.84	2.70	2.70	2.71	2.55	2.76
Peak daily consumption (million of gallons)	5.90	6.81	6.24	6.01	4.97	4.80	5.23	5.26	3.88	3.03
<b>Waste Water</b>										
Average daily sewage treatment (million of gallons)	2.88	3.08	3.13	3.16	3.16	3.14	3.02	2.42	1.70	2.60

Sources: Various city departments  
Note: Indicators are not available for the general government function

Schedule 18  
City of Richfield  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
<b>Other public works</b>										
Street (miles)	123.43	123.43	123.43	123.43	123.43	123.43	123.43	123.43	123.43	123.43
Highway (miles)	7.17	7.17	7.17	7.17	7.17	7.17	7.17	7.17	7.17	7.17
Street lights	3,183	3,183	3,349	3,349	3,349	3,349	3,349	3,349	3,349	3,349
Traffic signals	49	49	49	49	49	49	49	47	43	43
<b>Parks and recreation</b>										
Acres	461	461	461	461	461	461	461	461	461	461
Playgrounds	21	21	21	21	21	21	21	21	21	21
Baseball/softball diamonds	21	21	21	21	21	21	21	21	21	21
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Hockey Rink - indoor	2	2	2	2	2	2	2	2	2	2
Community Center	1	1	1	1	1	1	1	1	1	1
Nature Center	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water mains (miles)	121	121	121	121	121	121	120	120	120	120
Fire hydrants	1,044	1,046	1,047	1,048	1,052	1,050	1,053	1,053	1,073	1,073
Storage capacity (millions of gallons)	5	5	5	5	5	5	5	5	5	5
<b>Wastewater</b>										
Sanitary sewers (miles)	119.4	119.4	119.4	119.4	119.4	119.4	119.4	118	118	118
Storm sewers (miles)	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9	59.9

Sources: Various city departments  
Note: No capital asset indicators are available for the general government.

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