

<p style="text-align: center;">LAUDERDALE CITY COUNCIL MEETING AGENDA 7:00 P.M. TUESDAY, APRIL 11, 2023 LAUDERDALE CITY HALL, 1891 WALNUT STREET</p>

The City Council is meeting as a legislative body to conduct the business of the City according to Robert's Rules of Order and the Standing Rules of Order and Business of the City Council. Unless so ordered by the Mayor, citizen participation is limited to the times indicated and always within the prescribed rules of conduct for public input at meetings.

1. **CALL TO ORDER THE LAUDERDALE CITY COUNCIL MEETING**
2. **ROLL CALL**
3. **APPROVALS**
 - a. Agenda
 - b. Minutes of the March 28, 2023 City Council Meetings
 - c. Claims Totaling \$54,733.01
4. **CONSENT**
5. **SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS**
6. **INFORMATIONAL PRESENTATIONS / REPORTS**
 - a. City Council Updates
7. **PUBLIC HEARINGS**

Public hearings are conducted so that the public affected by a proposal may have input into the decision. During hearings all affected residents will be given an opportunity to speak pursuant to the Robert's Rules of Order and the standing rules of order and business of the City Council.
8. **DISCUSSION / ACTION ITEM**
 - a. Annual Audit Presentation by Abdo
 - b. Resolution No. 041123A – Adopting Reduced Speed Limit on Streets over which the City has Jurisdiction as the Road Authority
 - c. Resolution No. 041123B – Supporting No Mow May Initiative 2023
 - d. Road Condition and Pothole Repair
9. **ITEMS REMOVED FROM THE CONSENT AGENDA**
10. **ADDITIONAL ITEMS**
11. **SET AGENDA FOR NEXT MEETING**
 - a. March Financial Report
 - b. Ramsey County Public Works – Eustis Street Cost-Sharing
 - c. Annual Police Department Update
 - d. Zoning Ordinance Discussion (May 9)
 - e. Conversation with County Commission Mary Jo McGuire (May 23)
12. **WORK SESSION**

- a. Community Development Update
- b. Opportunity for the Public to Address the City Council

Any member of the public may speak at this time on any item not on the agenda. In consideration for the public attending the meeting, this portion of the meeting will be limited to fifteen (15) minutes. Individuals are requested to limit their comments to three (3) minutes or less. If the majority of the Council determines that additional time on a specific issue is warranted, then discussion on that issue shall be continued at the end of the agenda. Before addressing the City Council, members of the public are asked to step up to the microphone, give their name, address, and state the subject to be discussed. All remarks shall be addressed to the Council as a whole and not to any member thereof. No person other than members of the Council and the person having the floor shall be permitted to enter any discussion without permission of the presiding officer.

Your participation, as prescribed by the Robert's Rules of Order and the standing rules of order and business of the City Council, is welcomed and your cooperation is greatly appreciated.

13. **ADJOURNMENT**

To provide public comments, join us via Zoom.

You are invited to a Zoom webinar.

When: Apr 11, 2023 07:00 PM Central Time (US and Canada)

Topic: April 11, 2023 City Council Webinar

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/83684593642?pwd=WVRmaEVZRkoyU0NyYXROdElMcj9VQT09>

Passcode: 628544

Or One tap mobile :

US: +13092053325,,83684593642# or +13126266799,,83684593642#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 309 205 3325 or +1 312 626 6799 or +1 646 558 8656 or +1 646 931 3860 or +1 301 715 8592 or +1 305 224 1968 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215

8782 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1

564 217 2000 or +1 669 444 9171 or +1 669 900 9128 or +1 689 278 1000 or 877 853 5247

(Toll Free) or 888 788 0099 (Toll Free) or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free)

Webinar ID: 836 8459 3642

International numbers available: <https://us02web.zoom.us/j/ko5ni45pn>

LAUDERDALE CITY COUNCIL
MEETING MINUTES
Lauderdale City Hall
1891 Walnut Street
Lauderdale, MN 55113

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March 28, 2023

Call to Order

Mayor Gaasch called the Regular City Council meeting to order at 7:02 p.m.

Roll Call

Councilors present: Jeff Dains, Duane Pulford, Sharon Kelly, Evan Sayre, and Mayor Mary Gaasch. Councilors absent: None.

Staff present: Heather Butkowski, City Administrator; and Miles Cline, Deputy City Clerk.

Approvals

Mayor Gaasch asked if there were any additions to the meeting agenda. There being none, Councilor Dains moved and seconded by Councilor Kelly to approve the agenda. Motion carried unanimously.

Mayor Gaasch asked if there were corrections to the minutes of the March 14, 2023 city council meeting. There being none, Councilor Pulford moved and seconded by Councilor Sayre to approve the minutes of the March 14, 2023 city council meeting. Motion carried unanimously.

Mayor Gaasch asked if there were any questions on the claims. There being none, Councilor Sayre moved and seconded by Councilor Pulford to approve the claims totaling \$31,150.98. Motion carried unanimously.

Consent

Councilor Dains moved and seconded by Councilor Kelly to approve the Consent Agenda thereby acknowledging the February financial report and approving the street sweeping service agreement with Mike McPhillips, Inc.

Informational Presentations/Reports

A. Carbon Free Futures MN Coalition Presentation by Dan King, Xcel Energy
Dan King, Policy and Outreach Manager at Xcel Energy, approached the dais and provided a PowerPoint presentation on the work of the Carbon Free Future Minnesota Coalition.

Xcel Energy's goal is to achieve carbon free energy by 2050. Part of this effort is asking likeminded businesses, government agencies, civic groups, and individuals to join their Carbon Free Future Minnesota Coalition. Some cities have supported this work by adopting a resolution. Based on the discussion, the Council can decide if they would like to do that at a future meeting.

After a question and answer session between King and the Council, Mayor Gaasch stated that she would like to discuss this matter further before making a final decision on the resolution to support the coalition.

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MEETING MINUTES
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1891 Walnut Street
Lauderdale, MN 55113

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March 28, 2023

B. City Council Updates

Councilor Pulford shared that Nine North is doing a small reorganization and looking for interns interested in broadcasting careers. He continued to say that potholes in the alleys are worsening.

Discussion/Action Item

A. Resolution No. 032823A – Authorizing Application for and Execution of the Municipal Infiltration and Inflow Grant

The Metropolitan Council received state bonding funds to distribute to cities to work on eliminating inflow and infiltration (I/I) from the sanitary sewer system. Storm water is clean water and does not need to be treated at a wastewater plant, which is costly. The City entered into the grant program in 2020 and now needs to close out the paperwork to receive the funds. The grant offsets the cost of the cured-in-place lining project that was done in 2021 and 2022. In order to complete the grant, the Council needs to adopt a resolution, and staff will submit the necessary paperwork detailing the costs and logistics prepared by the City engineer.

Councilor Kelly made a motion to adopt Resolution No. 032823A—A Resolution Authorizing Application for and Execution of the Municipal Infiltration and Inflow Grant. This was seconded by Councilor Sayre and carried unanimously.

B. Proposal for Purchase of a Replacement Mower through the State Contract

Public Works needs a replacement mower. This was in the City's CIP for 2023 replacement, and the City can purchase one from the state bid at a significant discount. The total cost of the equipment is \$47,738.08. Staff are not requesting to buy any attachments as this time, and we have been told our John Deere broom is compatible with the new mower. The dealer is offering the City \$7,100 for the trade in of the old mower. Staff would complete the ordering process in anticipation of the next time John Deere takes orders. Much like trying to buy a new pickup truck, the process is complicated by more demand than supply.

Councilor Pulford made a motion directing staff to purchase the mower at the state bid price through Minnesota Equipment. This was seconded by Councilor Sayre and carried unanimously.

Set Agenda for Next Meeting

Butkowski stated that the April 11 council meeting might include the revisited speed study and the annual audit presentation.

Work Session

A. Community Development Update

Butkowski shared there is a legislative proposal to extend early voting throughout the state that staff sent letters opposing. She said staff received a quote for signage for the city-wide speed reduction for consideration at the next meeting. The Rice Creek Watershed District is proposing a boundary change that would give 25% of their Lauderdale jurisdiction to the Mississippi

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Watershed Management Organization. The City is working to secure pricing to repair potholes in town. The Nada Chair building has been sold to a remodeling company. Our AmeriCorps member Maggie Duerwachter is leaving for a full-time job opportunity. Finally, the Council engaged in a discussion regarding Ramsey County's Eustis Street open house event and the different options for repairing Eustis Street.

B. Opportunity for the Public to Address the City Council

Mayor Gaasch opened the floor to those in attendance interested in addressing the Council. There being nobody interested in speaking, Mayor Gaasch closed the floor.

Adjournment

Councilor Pulford moved and seconded by Councilor Dains to adjourn the meeting at 9:00 p.m. Motion carried unanimously.

Respectfully submitted,



Miles Cline
Deputy City Clerk



CITY OF LAUDERDALE
LAUDERDALE CITY HALL
1891 WALNUT STREET
LAUDERDALE, MN 55113
651-792-7650
651-631-2066 FAX

Request for Council Action

To: Mayor and City Council
From: City Administrator
Meeting Date: April 11, 2023
Subject: List of Claims

The claims totaling \$54,733.01 are provided for City Council review and approval that includes check numbers 28367 to 28384.

Accounts Payable

Checks by Date - Detail by Check Date

User: heather.butkowski
Printed: 4/6/2023 4:02 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	43	Public Employees Retirement Association	03/31/2023	
		PR Batch 50700.03.2023 PERA Coordinated	PR Batch 50700.03.2023 PER	1,260.27
		PR Batch 50700.03.2023 PERA Coordinated	PR Batch 50700.03.2023 PER	1,092.23
Total for this ACH Check for Vendor 43:				2,352.50
ACH	44	Minnesota Department of Revenue	03/31/2023	
		PR Batch 50700.03.2023 State Income Tax	PR Batch 50700.03.2023 Stat	732.55
Total for this ACH Check for Vendor 44:				732.55
ACH	45	ICMA Retirement Corporation	03/31/2023	
		PR Batch 50700.03.2023 Deferred Comp	PR Batch 50700.03.2023 Defi	1,655.77
Total for this ACH Check for Vendor 45:				1,655.77
ACH	46	Internal Revenue Service	03/31/2023	
		PR Batch 50700.03.2023 FICA Employer Portio	PR Batch 50700.03.2023 FIC.	1,051.21
		PR Batch 50700.03.2023 FICA Employee Portio	PR Batch 50700.03.2023 FIC.	1,051.21
		PR Batch 50700.03.2023 Medicare Employer Po	PR Batch 50700.03.2023 Mec	245.85
		PR Batch 50700.03.2023 Federal Income Tax	PR Batch 50700.03.2023 Fed	1,762.89
		PR Batch 50700.03.2023 Medicare Employee Pc	PR Batch 50700.03.2023 Mec	245.85
Total for this ACH Check for Vendor 46:				4,357.01
Total for 3/31/2023:				9,097.83
28367	13 10331	8th Day Landscaping LLC March 2023 Snow Removal	04/11/2023	
				680.00
Total for Check Number 28367:				680.00
28368	383 S1474681-040123	Aspen Waste Systems of Minnesota Inc April Refuse Service	04/11/2023	
				397.61
Total for Check Number 28368:				397.61
28369	33 23-08	City of Falcon Heights Snow Plowing January 1 - April 15, 2023	04/11/2023	
				12,150.00
Total for Check Number 28369:				12,150.00
28370	25 RISK-002228	County of Ramsey April Insurance Processing Fee	04/11/2023	
				25.00
Total for Check Number 28370:				25.00
28371	40 2023002113345	Custom Truck One Source Plow Repairs	04/11/2023	
				137.04

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 28371:	137.04
28372	61 3030536	Gopher State One Call March Locates	04/11/2023	1.35
			Total for Check Number 28372:	1.35
28373	82 042023	Home Depot New Window Blinds	04/11/2023	30.45
			Total for Check Number 28373:	30.45
28374	134 00130	Katrina Joseph February & March Legal Services	04/11/2023	1,850.00
			Total for Check Number 28374:	1,850.00
28375	23 INV2247586	Metro Sales Inc 1Q23 Copy Charges	04/11/2023	138.30
			Total for Check Number 28375:	138.30
28376	387 1180	Metro-INET April IT Services	04/11/2023	2,190.00
			Total for Check Number 28376:	2,190.00
28377	99 1520	Metropolitan Area Management Association Luncheon Meeting - HB	04/11/2023	25.00
			Total for Check Number 28377:	25.00
28378	24 0001154510	Metropolitan Council May Waste Water	04/11/2023	12,824.43
			Total for Check Number 28378:	12,824.43
28379	84 042023 042023 042023 042023 042023 042023 042023 042023	North Star Bank Cardmember Services U of M - GB Tree Exam March Costco Fuel March Costco Fuel Oil and Filters Costco - Trash Bags & Paper Towels Gertens - Flowers for City Hall March Costco Fuel Walmart - Floor Cleaner & Degreaser	04/11/2023	50.00 345.98 74.14 87.35 116.63 79.80 74.14 53.13
			Total for Check Number 28379:	881.17
28380	10 0001503068	On Site Sanitation Inc 03/18/2023 - 04/14/2023 Park Portable Restroom	04/11/2023	101.00
			Total for Check Number 28380:	101.00
28381	37 I029793	Park Service Inc Truck Repairs	04/11/2023	603.89
			Total for Check Number 28381:	603.89
28382	26 2063553 2063553	Stantec Consulting Services Inc Eustis St Reconstruct GIS Updates	04/11/2023	2,943.25 3,553.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	2063554	Create Seal Coating Record Plans		1,590.25
	2063556	Speed Study and Analysis		1,890.50
Total for Check Number 28382:				9,977.00
28383	4	The Neighborhood Recycling Company Inc	04/11/2023	
	SI006373	March Multi-Family Recycling		420.21
	SI006373	March Single Unit Dwelling		3,026.73
Total for Check Number 28383:				3,446.94
28384	3	US National Equipment Finance Inc	04/11/2023	
	497718882	April Copier Lease		176.00
Total for Check Number 28384:				176.00
Total for 4/11/2023:				45,635.18
Report Total (22 checks):				54,733.01

LAUDERDALE COUNCIL ACTION FORM

Action Requested

Consent _____
Public Hearing _____
Discussion X
Action X
Resolution _____
Work Session _____

Meeting Date April 11, 2023

ITEM NUMBER Audit Materials

STAFF INITIAL HB

APPROVED BY ADMINISTRATOR

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

Each year, a representative of Abdo presents the findings of the audit to the City Council. This year Bonnie Schwieger will present. Upon conclusion of the presentation, the Council should vote to accept the audit reports.

OPTIONS:

STAFF RECOMMENDATION:

Motion to accept the audit reports prepared by Abdo.

COUNCIL ACTION:



City of Lauderdale

2022 Financial Statement Audit



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators



Audit Results

Financial Statements



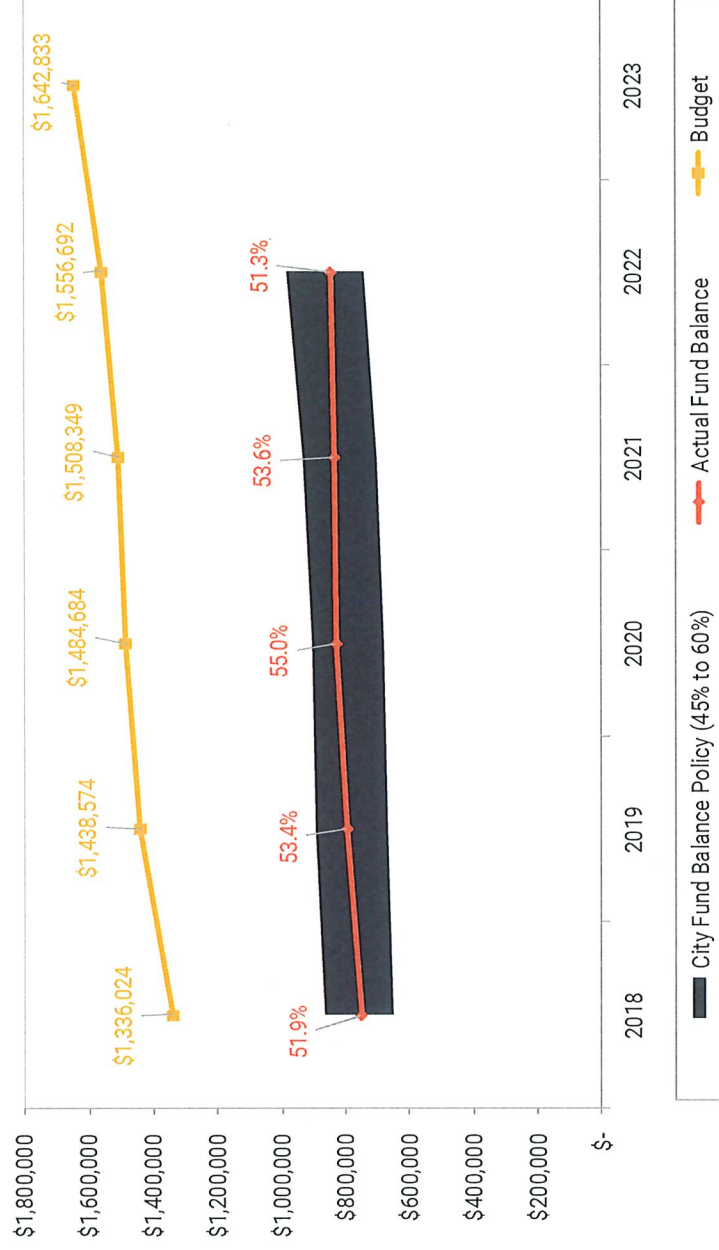
Unmodified Opinion

Minnesota Legal Compliance



No instances of noncompliance noted.

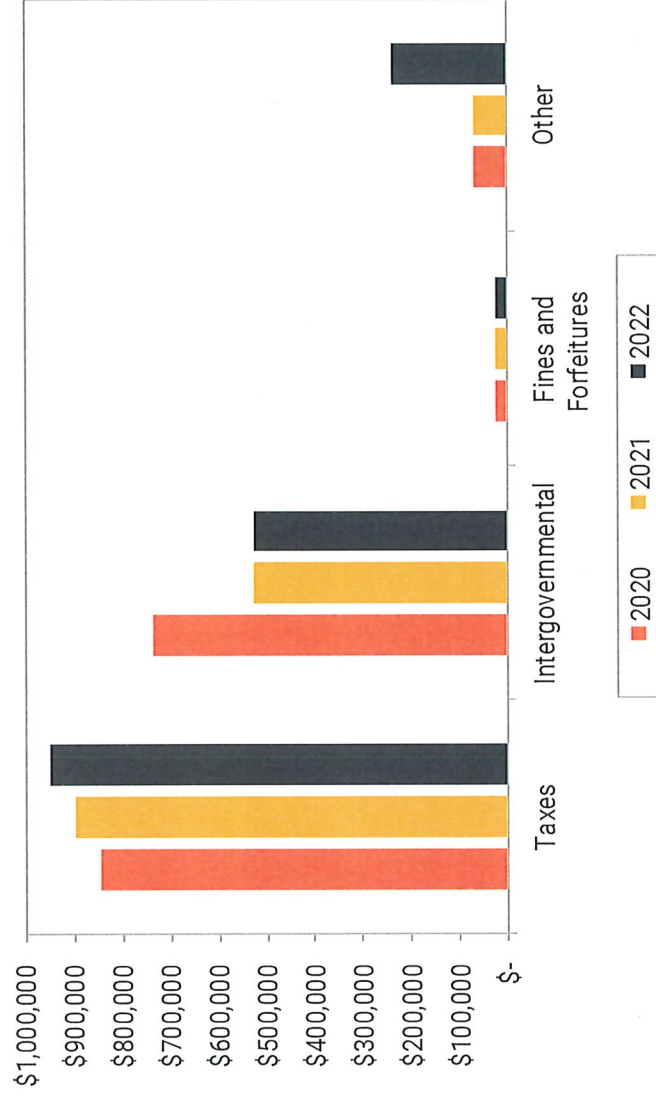
General Fund-Fund Balances



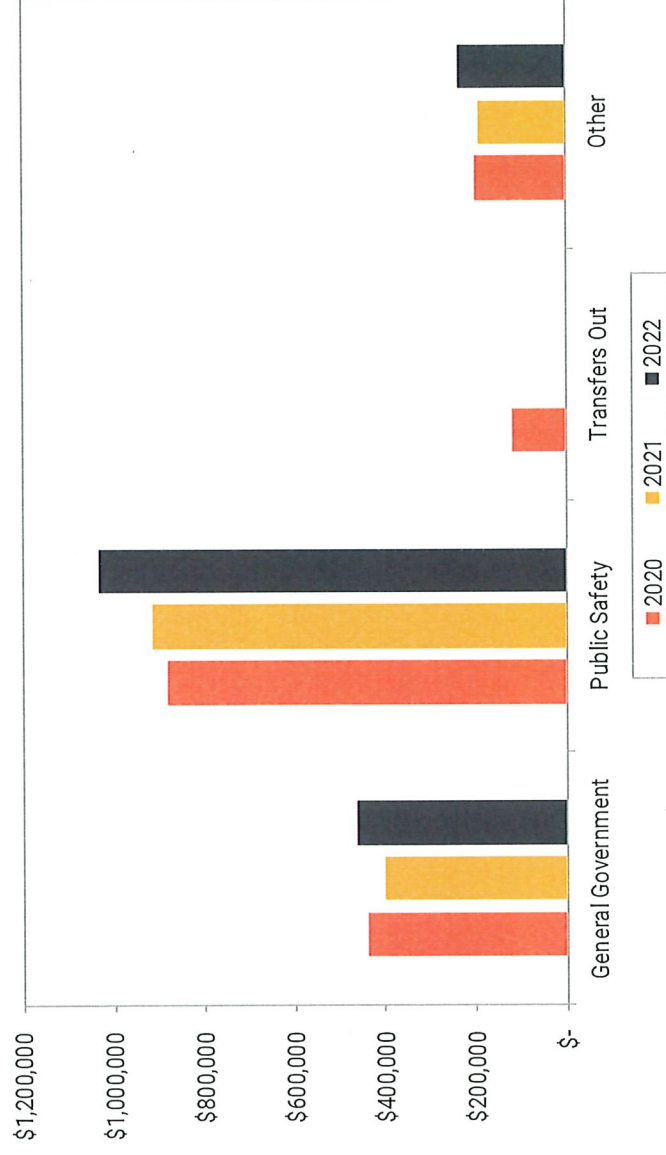
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 1,556,692	\$ 1,738,947	\$ 182,255
Expenditures	1,556,692	1,730,157	(173,465)
Net Change in Fund Balances	-	8,790	8,790
Fund Balances, January 1	834,173	834,173	-
Fund Balances, December 31	<u>\$ 834,173</u>	<u>\$ 842,963</u>	<u>\$ 8,790</u>

General Fund Revenues by Type

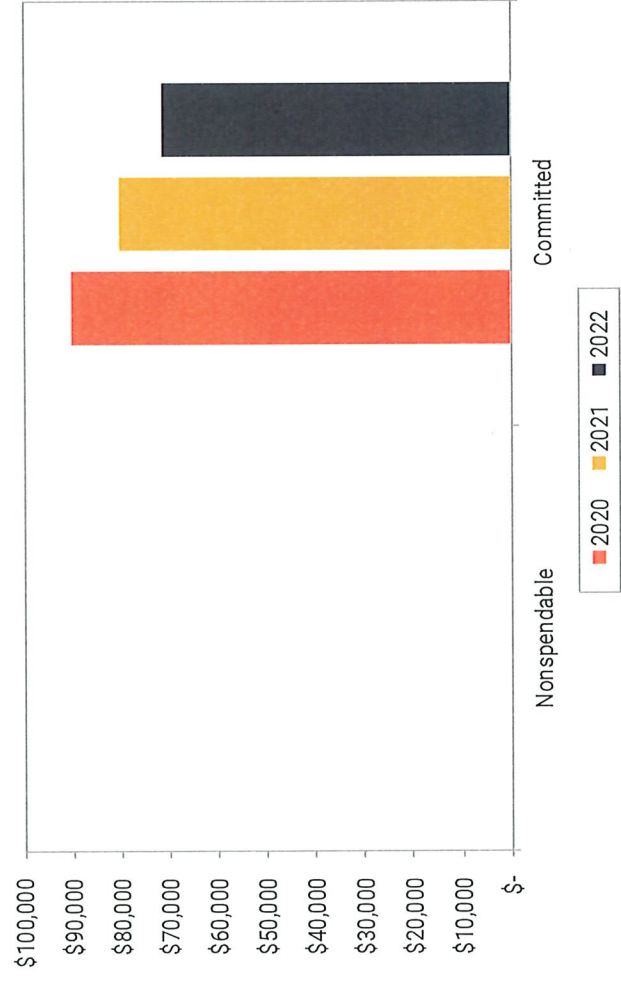


General Fund Expenditures by Type



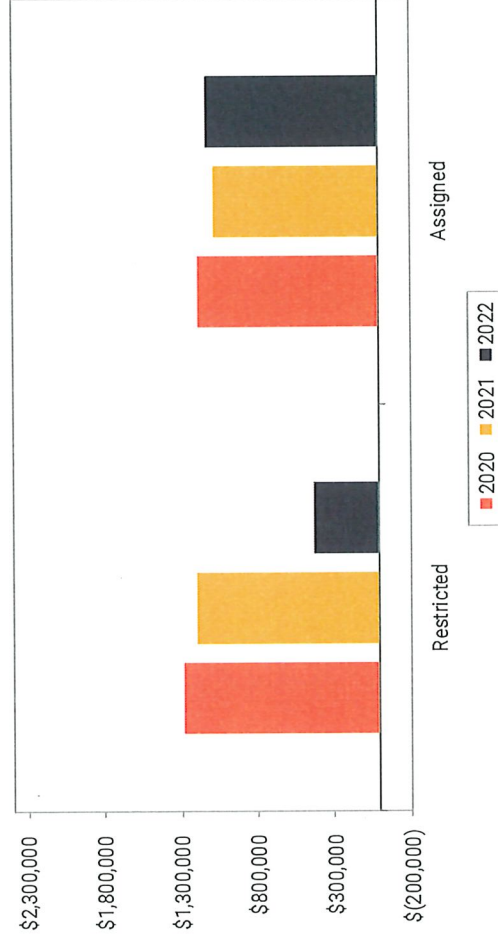
Fund	Fund Balances December 31,		Increase (Decrease)
	2022	2021	
ARPA	\$ -	\$ -	\$ -
Communications	3,194	9,954	(6,760)
Recycling	68,166	70,389	(2,223)
Total	\$ 71,360	\$ 80,343	\$ (8,983)

Special Revenue Fund Balances



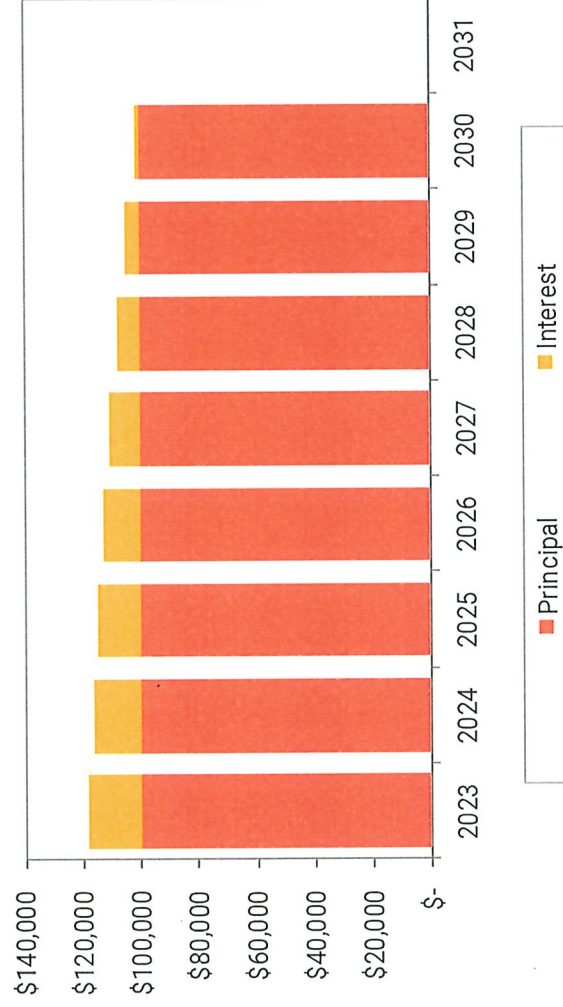
Capital Project Fund Balances

Fund	Fund Balances December 31,		Increase (Decrease)
	2022	2021	
Major			
Street Improvement	\$ 414,957	\$ 414,980	\$ (23)
Development	362,004	295,090	66,914
Park Dedication	339,524	-	339,524
Subtotal	1,116,485	710,070	406,415
Nonmajor			
TIF District No. 1-2	91,581	1,188,143	(1,096,562)
Park Improvement	200,741	216,852	(16,111)
General Capital Improvement	147,622	148,700	(1,078)
Subtotal	439,944	1,553,695	(1,113,751)
Total	\$ 1,556,429	\$ 2,263,765	\$ (707,336)



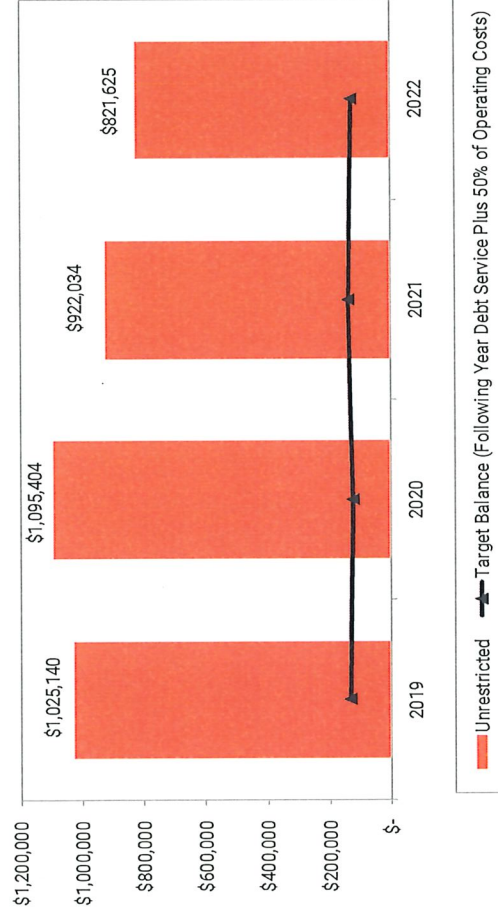
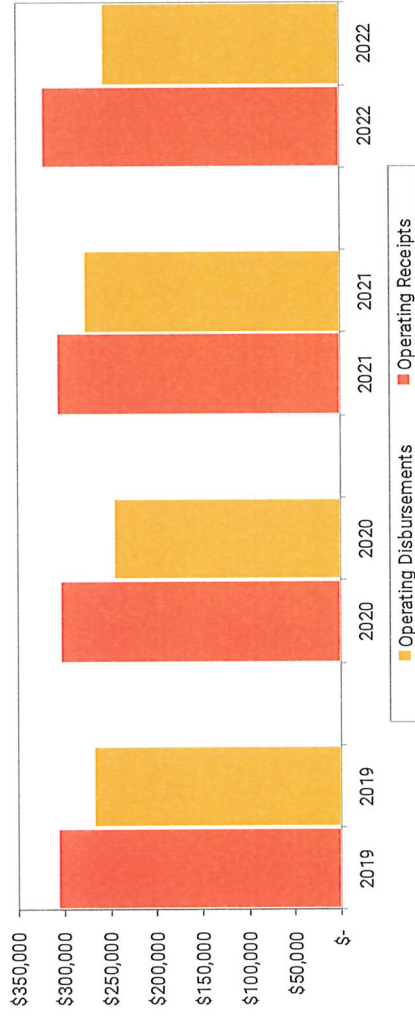
Description	Total Cash and Investments	Total Assets	Bonds Outstanding	Year of Maturity
2019A G.O. Improvement Bonds	\$ 234,230	\$ 435,717	\$ 800,000	2030

Debt Service



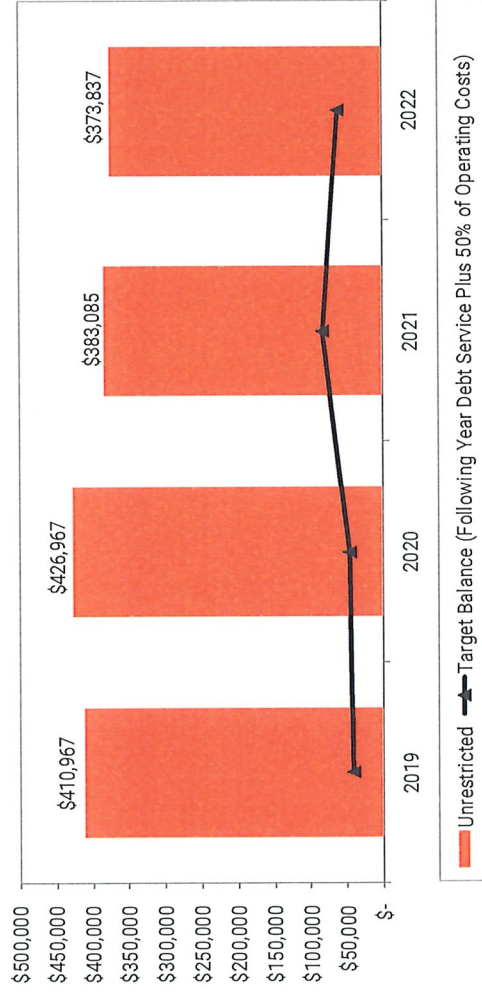
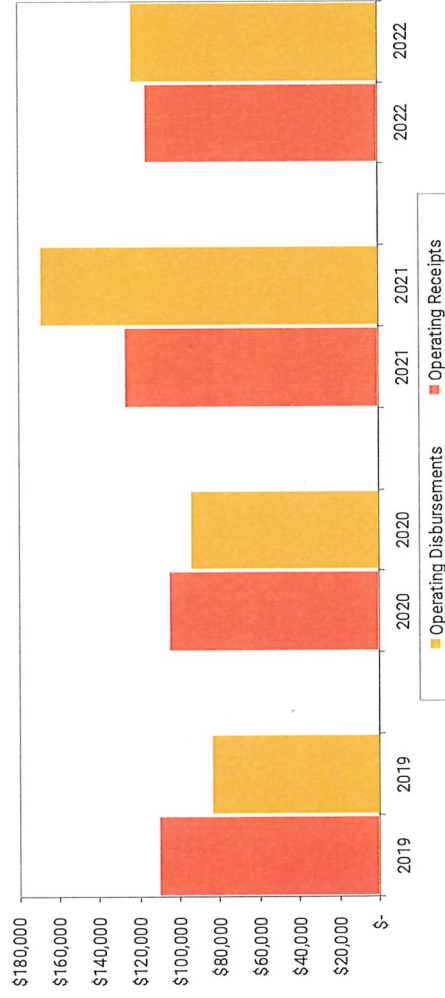
Sewer Fund

Cash Flows from Operations and Cash Balances

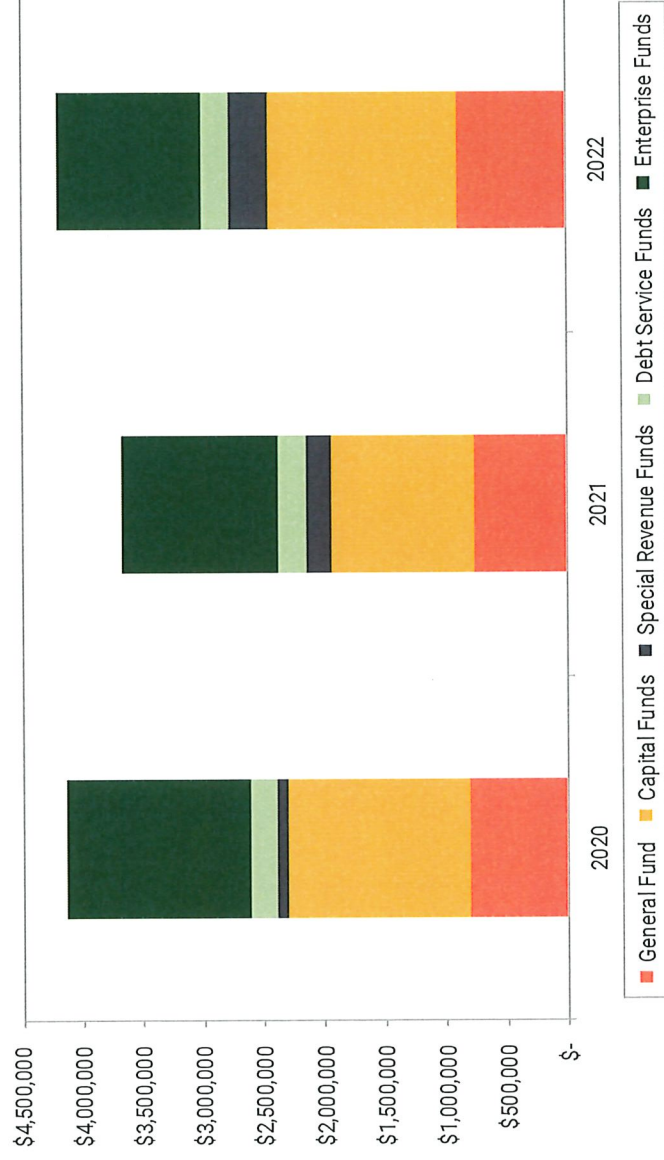


Storm Sewer Fund

Cash Flows from Operations and Cash Balances



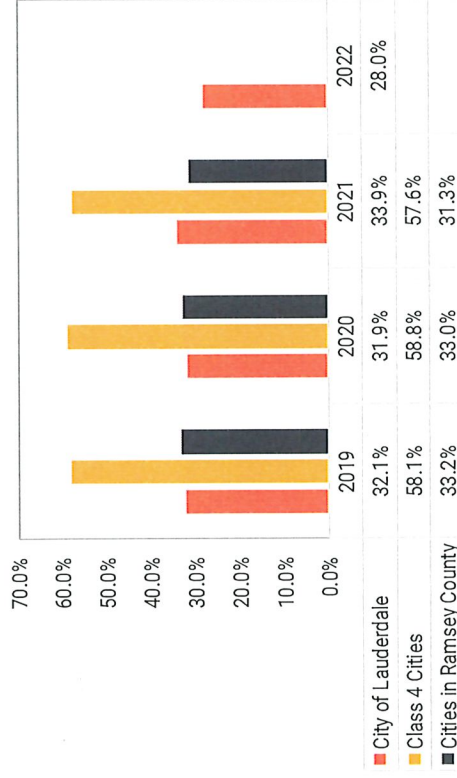
Cash and Investments Balances by Fund Type



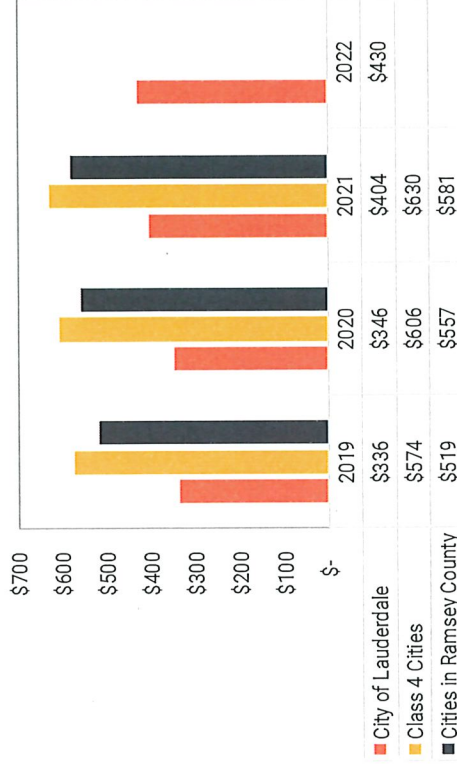
Taxes

Key Performance Indicators

Tax Rate



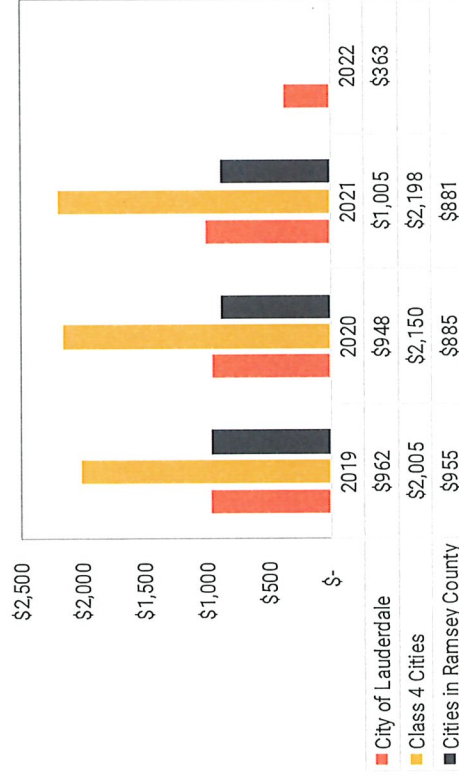
Taxes per Capita



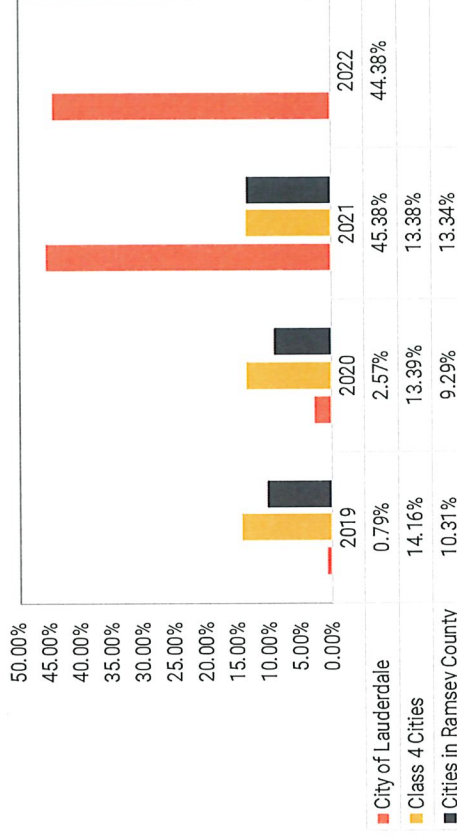
Debt

Key Performance Indicators

Debt per Capita

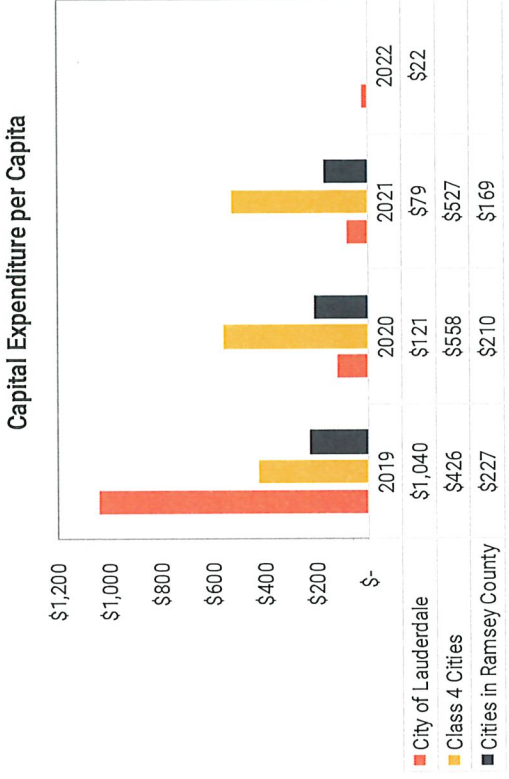
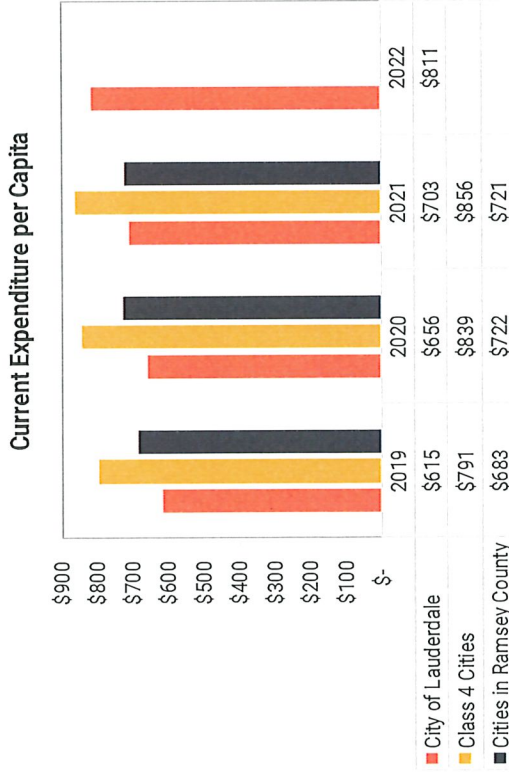


Debt Service Expenditures as a Percent of Total Expenditures



Expenditures

Key Performance Indicators



Your Abdo Team



Andy Berg, CPA
Partner

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Bonnie Schwieger, CPA
Senior Manager

bonnie.schwieger@abdosolutions.com



Luke Vogt
Senior Associate

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Adam Owens
Associate

adam.owens@abdosolutions.com



Executive Governance Summary

City of Lauderdale

Lauderdale, Minnesota

For the year ended December 31, 2022



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579



April 4, 2023

Management, Honorable Mayor and City Council
City of Lauderdale, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the City of Lauderdale, Minnesota (the City) for the year ended December 31, 2022 and have issued our report thereon dated April 4, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated December 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or illegal acts may exist and not be detected by us.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control over financial reporting. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with Minnesota statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are included below:

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by the City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective function of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

We assisted in preparing a number of year end accounting entries. These were necessary to adjust the City's records at year end to correct ending balances. The City should establish more detailed processes and procedures to reduce the total number of entries in each category. The City will receive better and timelier information if the preparation of year end entries is completed internally.



Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 4, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules, and schedule of federal awards), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.



Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: ⁽¹⁾

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Summary

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.



Future Accounting Standard Changes (Continued)

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements

Summary

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, - which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.



Future Accounting Standard Changes (Continued)

GASB Statement No. 98 - *The Annual Comprehensive Financial Report*

Summary

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 99 - *Omnibus 2022*

Summary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government



Future Accounting Standard Changes (Continued)

- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

Effective Date and Transition

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62

Summary

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.



Future Accounting Standard Changes (Continued)

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

Effective Date and Transition

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

GASB Statement No. 101 - *Compensated Absences*

Summary

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.



Future Accounting Standard Changes (Continued)

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences

⁽¹⁾ Note. From GASB Pronouncements Summaries. Copyright 2022 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

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Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



Abdo
Minneapolis, Minnesota
April 4, 2023





Annual Financial Report

City of Lauderdale

Lauderdale, Minnesota

For the year ended December 31, 2022



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City of Lauderdale, Minnesota
Annual Financial Report
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For the Year Ended December 31, 2022

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INTRODUCTORY SECTION

CITY OF LAUDERDALE
LAUDERDALE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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City of Lauderdale, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2022

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mary Gaasch	Mayor	12/31/22
Jeff Dains	Council Member	12/31/24
Duane Pulford	Council Member	12/31/24
Sharon Kelly	Council Member	12/31/26
Evan Sayre	Council Member	12/31/26

APPOINTED

Heather Butkowski	City Administrator
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FINANCIAL SECTION
CITY OF LAUDERDALE
LAUDERDALE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Lauderdale, Minnesota

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lauderdale, Minnesota (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis Page 15 and the Schedule of Employer's Shares of the Net Pension Liability and the Schedule of Employer's Contributions and the related note disclosures starting on page 66 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Information

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

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

Abdo

Abdo
Minneapolis, Minnesota
April 4, 2023



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Management's Discussion and Analysis

As management of the City of Lauderdale, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022.

Financial Highlights

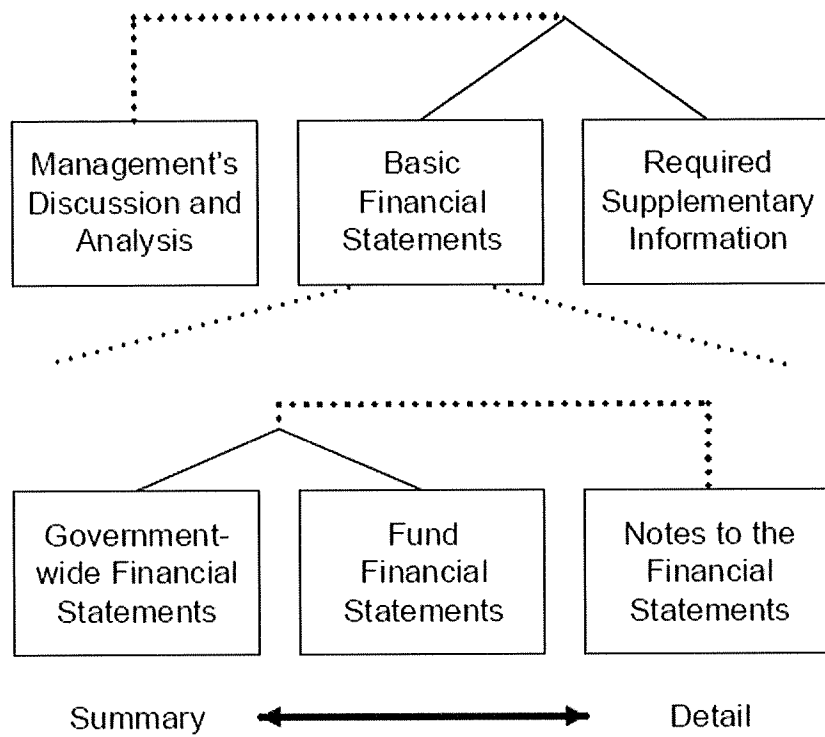
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,805,155 (*net position*). Of this amount, \$3,073,609 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$470,883. Most of the increase can be attributed to a sale of land and development related activity.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,708,730 a decrease of \$697,323 in comparison with the prior year. Approximately 31.1 percent of this total amount, \$842,938, is unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$842,938, or 54.2 percent of 2022 budgeted expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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 supplemental information in addition to the basic financial statements themselves.

The following chart shows how the various parts of this annual report are arranged and related to one another:

Figure 1
Required Components of the
City's Annual Financial Report



The following chart summarizes the major features of the City's financial statements, including the portion of the City's activities they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements:

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, sanitation and recycling, culture and recreation, miscellaneous and interest on bonds.

The government-wide financial statements start on page 27 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by 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 maintains various 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, Street Improvement fund, Park Dedication fund, ARPA fund, 2018A / 2021A G.O. Tax Increment Revenue Refunding Bond, Recycling fund, Development fund, and the 2019A G.O. Improvement Bonds fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

The City adopts an annual appropriated budget for its General fund and certain special revenue funds. A budgetary comparison statement has been provided for the General fund and certain special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 32 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Sewer and Storm Sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 41 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 45 of this report.

Other Information. The combining and individual fund financial statements and schedules are presented following the notes to the financial statements and start on page 70 of this report.

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,805,155 at the close of the most recent fiscal year.

The largest portion of the City's net position (66.6 percent) reflects its net 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 uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Lauderdale's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Assets						
Current and other assets	\$ 3,376,563	\$ 3,965,845	\$ (589,282)	\$ 1,283,266	\$ 1,399,906	\$ (116,640)
Capital assets	5,854,688	6,052,998	(198,310)	1,833,015	1,743,745	89,270
Total Assets	<u>9,231,251</u>	<u>10,018,843</u>	<u>(787,592)</u>	<u>3,116,281</u>	<u>3,143,651</u>	<u>(27,370)</u>
Deferred Outflows of Resources						
Deferred pension resources	<u>98,522</u>	<u>129,841</u>	<u>(31,319)</u>	<u>30,609</u>	<u>43,078</u>	<u>(12,469)</u>
Liabilities						
Long-term liabilities						
outstanding	1,201,658	2,514,294	(1,312,636)	112,949	73,963	38,986
Other liabilities	345,644	172,822	172,822	290	12,173	(11,883)
Total Liabilities	<u>1,547,302</u>	<u>2,687,116</u>	<u>(1,139,814)</u>	<u>113,239</u>	<u>86,136</u>	<u>27,103</u>
Deferred Inflows of Resources						
Deferred pension resources	<u>8,371</u>	<u>170,884</u>	<u>(162,513)</u>	<u>2,596</u>	<u>57,005</u>	<u>(54,409)</u>
Net Position						
Net investment in capital assets	5,039,522	5,135,499	(95,977)	1,833,015	1,743,745	89,270
Restricted	859,009	484,228	374,781	-	-	-
Unrestricted	<u>1,875,569</u>	<u>1,670,957</u>	<u>204,612</u>	<u>1,198,040</u>	<u>1,299,843</u>	<u>(101,803)</u>
Total Net Position	<u>\$ 7,774,100</u>	<u>\$ 7,290,684</u>	<u>\$ 483,416</u>	<u>\$ 3,031,055</u>	<u>\$ 3,043,588</u>	<u>\$ (12,533)</u>

The remaining balance of *unrestricted net position* (\$3,073,609) may be used to meet the City's ongoing obligations to citizens and creditors.

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

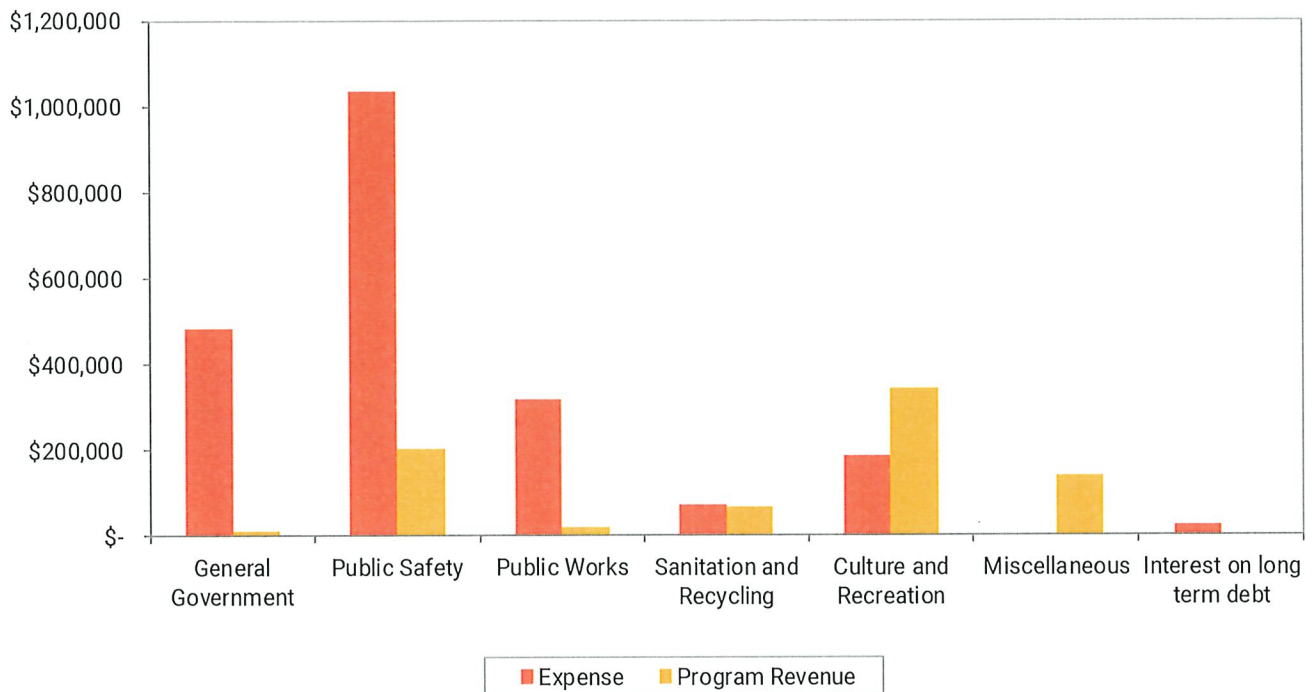
Governmental Activities. Governmental activities increased the City's net position by \$483,416 and business-type decreased the City's net position by \$12,533. Key elements of the changes are as follows:

City of Lauderdale's Changes in Net Position

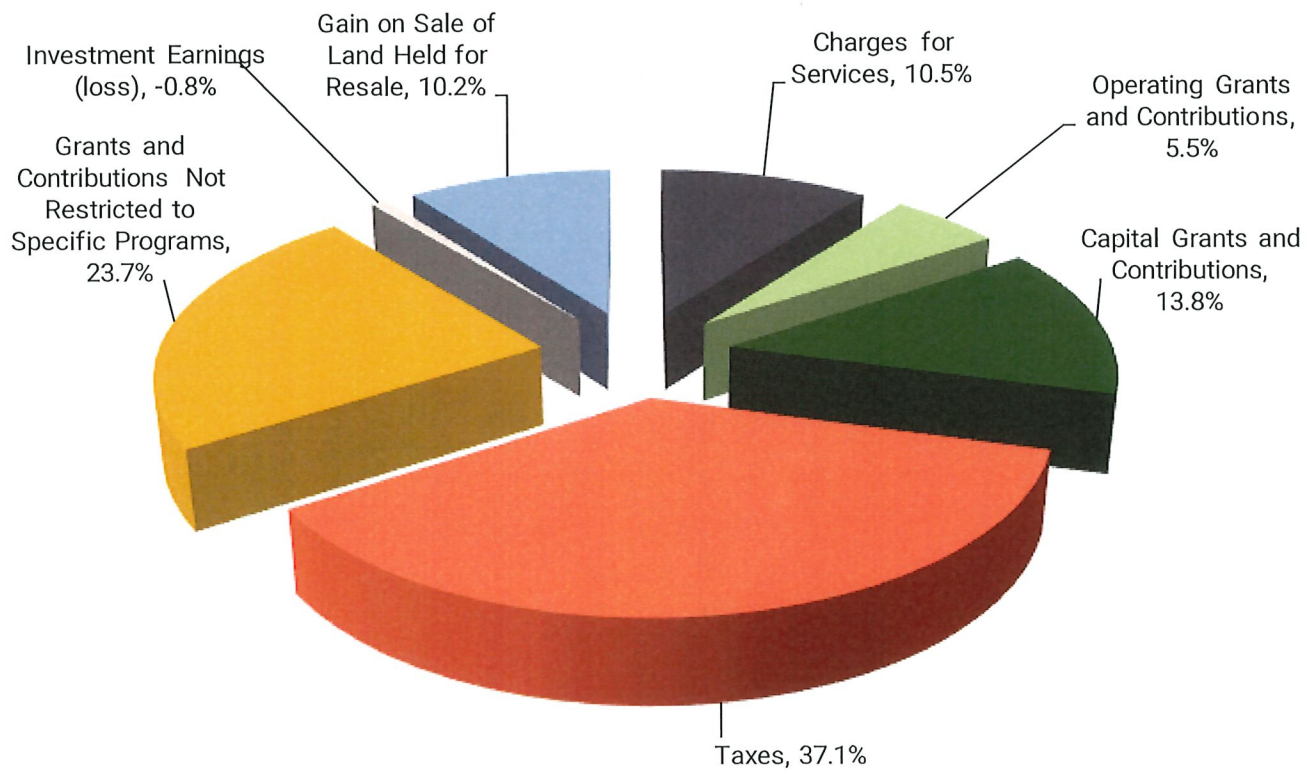
	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 273,473	\$ 163,690	\$ 109,783	\$ 442,220	\$ 442,140	\$ 80
Operating grants and contributions	143,818	10,583	133,235	-	-	-
Capital grants and contributions	360,038	15,557	344,481	-	-	-
General Revenues						
Property taxes	966,226	917,667	48,559	-	-	-
Grants and contributions not restricted to specific programs	616,927	562,964	53,963	458	151	307
Investment earnings (loss)	(21,565)	(4,758)	(16,807)	(8,737)	(2,636)	(6,101)
Gain on sale of held for resale	264,510	-	264,510	-	2,167	(2,167)
Total Revenues	<u>2,603,427</u>	<u>1,665,703</u>	<u>937,724</u>	<u>433,941</u>	<u>441,822</u>	<u>(7,881)</u>
Expenses						
General government	483,841	397,586	86,255	-	-	-
Public safety	1,036,656	914,573	122,083	-	-	-
Public works	316,368	448,897	(132,529)	-	-	-
Sanitation and recycling	70,189	68,109	2,080	-	-	-
Culture and recreation	186,725	138,655	48,070	-	-	-
Miscellaneous	1,892	9,007	(7,115)	-	-	-
Debt service	24,340	69,603	(45,263)	-	-	-
Sewer	-	-	-	324,632	318,690	5,942
Storm sewer	-	-	-	121,842	164,497	(42,655)
Total Expenses	<u>2,120,011</u>	<u>2,046,430</u>	<u>73,581</u>	<u>446,474</u>	<u>483,187</u>	<u>(36,713)</u>
Change in Net Position	483,416	(380,727)	864,143	(12,533)	(41,365)	28,832
Net Position, January 1	<u>7,290,684</u>	<u>7,671,411</u>	<u>(380,727)</u>	<u>3,043,588</u>	<u>3,084,953</u>	<u>(41,365)</u>
Net Position, December 31	<u>\$ 7,774,100</u>	<u>\$ 7,290,684</u>	<u>\$ 483,416</u>	<u>\$ 3,031,055</u>	<u>\$ 3,043,588</u>	<u>\$ (12,533)</u>

Overall, the financial position of governmental activities remained relatively close to the prior year.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities. Business-type activities decreased the City's net position by \$12,533. The decrease can be attributed to an increase in expenses.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,708,730, a decrease of \$697,323 in comparison with the prior year. Approximately 31.1 percent of this total amount \$842,938 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund is *nonspendable* \$25, *restricted* \$669,083, *committed* \$71,360, or *assigned* \$1,125,324.

The *General fund* is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General fund was \$842,938. As a measure of the General fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 48.7 percent of total General fund expenditures and 54.2 percent of the 2022 budget.

The fund balance of the City's General fund increased by \$8,790 during the current fiscal year due to earning more revenues than budgeted.

The *Street Improvement* fund has a total fund balance of \$414,957, a decrease of \$23 from the previous year.

The *Park Dedication* fund ended the year with a total fund balance of \$339,524 due to park dedication fees collected.

The *Development* fund had a total fund balance of \$362,004, an increase of \$66,914 due to revenues exceeding expenditures.

The *2019A G.O. Improvement Bonds* fund has a total fund balance of \$237,978, an increase of \$20,905 from the previous year due to transfers in.

The *2018A / 2021A G.O Tax Increment Revenue Refunding Bond* fund has a total fund balance of \$0, a decrease of \$10,699 from the prior year due to the repayment of the bond funded with transfers in.

The *ARPA* fund balance is zero but has unearned revenue for future eligible expenditures.

The *Recycling* fund had a total fund balance of \$68,166 a decrease of \$2,223 due to charges for services exceeding operating costs.

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

The *Sewer* fund unrestricted net position of the Sewer operation amounted to \$842,451. The total decrease in net position for the fund was \$4,301.

The *Storm Sewer* fund unrestricted net position amounted to \$355,589. The total decrease in net position for the fund was \$8,232.

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

General Fund Budgetary Highlights

The original budget was not amended during the 2022 fiscal year. Revenues were more than budget by \$182,255 and expenditures were more than budget by \$173,465. As a result, the City experienced an overall favorable budget variance.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$7,687,703, (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City's investment in capital assets for the current fiscal year was 0.1 percent (a 1.9 percent decrease for governmental activities and a 4.9 percent increase for business-type activities).

City of Lauderdale's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Land	\$ 322,040	\$ 322,040	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-	142,600	(142,600)
Buildings	33,042	34,517	(1,475)	-	-	-
Improvements other than Buildings	70,448	88,138	(17,690)	-	-	-
Machinery and Equipment	201,555	196,137	5,418	-	-	-
Infrastructure	5,227,603	5,412,166	(184,563)	1,833,015	1,601,145	231,870
Total	<u>\$ 5,854,688</u>	<u>\$ 6,052,998</u>	<u>\$ (198,310)</u>	<u>\$ 1,833,015</u>	<u>\$ 1,743,745</u>	<u>\$ 89,270</u>

Additional information on the City's capital assets can be found in Note 3B starting on page 55 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding as follows.

City of Lauderdale's Outstanding Debt

	Governmental Activities			Business Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Bonds Payable	<u>\$ 800,000</u>	<u>\$ 2,265,000</u>	<u>\$ (1,465,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional information on the City's long-term debt can be found in Note 3D starting on page 56 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City sold 1795 Eustis Street for redevelopment in July 2022 for affordable senior housing that will open in fall 2023. The City does not anticipate any major new economic development in 2023.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, Heather Butkowski, City of Lauderdale, 1891 Walnut Street, Lauderdale, MN 55113.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF LAUDERDALE
LAUDERDALE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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City of Lauderdale, Minnesota
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 3,005,453	\$ 1,195,462	\$ 4,200,915
Receivables			
Accounts	15,315	70,283	85,598
Delinquent taxes	15,428	-	15,428
Interest	8,942	-	8,942
Special assessments	329,116	17,521	346,637
Due from other governments	2,284	-	2,284
Prepaid items	25	-	25
Capital assets			
Land and construction in progress	322,040	-	322,040
Depreciable buildings, property and equipment, net	5,532,648	1,833,015	7,365,663
Total Assets	<u>9,231,251</u>	<u>3,116,281</u>	<u>12,347,532</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>98,522</u>	<u>30,609</u>	<u>129,131</u>
Liabilities			
Accounts payable	77,705	290	77,995
Salaries payable	11,568	-	11,568
Accrued Interest payable	7,813	-	7,813
Due to other governments	755	-	755
Unearned revenue	247,803	-	247,803
Current liabilities - due within one year			
Compensated absences payable	32,303	7,204	39,507
Bonds payable	100,000	-	100,000
Noncurrent liabilities - due in more than one year			
Compensated absences payable	16,382	-	16,382
Bonds payable	715,166	-	715,166
Net pension liability	337,807	105,745	443,552
Total Liabilities	<u>1,547,302</u>	<u>113,239</u>	<u>1,660,541</u>
Deferred Inflows of Resources			
Deferred pension resources	<u>8,371</u>	<u>2,596</u>	<u>10,967</u>
Net Position			
Net investment in capital assets	5,039,522	1,833,015	6,872,537
Restricted for			
Debt service	427,904	-	427,904
Tax increments	91,581	-	91,581
Park dedication	339,524	-	339,524
Unrestricted	<u>1,875,569</u>	<u>1,198,040</u>	<u>3,073,609</u>
Total Net Position	<u>\$ 7,774,100</u>	<u>\$ 3,031,055</u>	<u>\$ 10,805,155</u>

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

City of Lauderdale, Minnesota
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Current				
General government	\$ 483,841	\$ 9,677	\$ -	\$ -
Public safety	1,036,656	200,948	-	-
Public works	316,368	-	-	18,038
Sanitation and recycling	70,189	62,362	6,118	-
Culture and recreation	186,725	486	-	342,000
Economic development	1,892	-	137,700	-
Interest on long term debt	24,340	-	-	-
Total Governmental Activities	<u>2,120,011</u>	<u>273,473</u>	<u>143,818</u>	<u>360,038</u>
Business-type Activities				
Sewer	324,632	326,090	-	-
Storm sewer	121,842	116,130	-	-
Total Business-type Activities	<u>446,474</u>	<u>442,220</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,566,485</u>	<u>\$ 715,693</u>	<u>\$ 143,818</u>	<u>\$ 360,038</u>

General Revenues and Transfers

Taxes

Property taxes, levied for general purposes

Franchise tax

Grants and contributions not restricted to specific programs

Investment earnings (loss)

Gain on sale of land held for resale

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (474,164)	\$ -	\$ (474,164)
(835,708)	-	(835,708)
(298,330)	-	(298,330)
(1,709)	-	(1,709)
155,761	-	155,761
135,808	-	135,808
(24,340)	-	(24,340)
<u>(1,342,682)</u>	<u>-</u>	<u>(1,342,682)</u>
-	1,458	1,458
-	(5,712)	(5,712)
-	(4,254)	(4,254)
<u>(1,342,682)</u>	<u>(4,254)</u>	<u>(1,346,936)</u>
950,228	-	950,228
15,998	-	15,998
616,927	458	617,385
(21,565)	(8,737)	(30,302)
264,510	-	264,510
<u>1,826,098</u>	<u>(8,279)</u>	<u>1,817,819</u>
483,416	(12,533)	470,883
<u>7,290,684</u>	<u>3,043,588</u>	<u>10,334,272</u>
<u>\$ 7,774,100</u>	<u>\$ 3,031,055</u>	<u>\$ 10,805,155</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF LAUDERDALE
LAUDERDALE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of Lauderdale, Minnesota
Balance Sheet
Governmental Funds
December 31, 2022

	Special Revenue			Capital Projects		
	General	ARPA	Recycling	Street Improvement	Park Dedication	Development
Assets						
Cash and temporary investments	\$ 891,724	\$ 247,803	\$ 70,433	\$ 419,915	\$ 339,524	\$ 362,004
Receivables						
Accounts	11,487	-	-	-	-	-
Delinquent taxes	15,428	-	-	-	-	-
Interest	8,942	-	-	-	-	-
Special assessments	7,586	-	73,430	46,613	-	-
Due from other governments	2,209	-	-	75	-	-
Prepaid items	25	-	-	-	-	-
Total Assets	<u>\$ 937,401</u>	<u>\$ 247,803</u>	<u>\$ 143,863</u>	<u>\$ 466,603</u>	<u>\$ 339,524</u>	<u>\$ 362,004</u>
Liabilities						
Accounts payable	\$ 68,777	\$ -	\$ 3,385	\$ 5,033	\$ -	\$ -
Due to other governments	755	-	-	-	-	-
Salaries payable	11,568	-	-	-	-	-
Unearned revenue	-	247,803	-	-	-	-
Total Liabilities	<u>81,100</u>	<u>247,803</u>	<u>3,385</u>	<u>5,033</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	6,220	-	-	-	-	-
Unavailable revenue - special assessments	7,118	-	72,312	46,613	-	-
Total Deferred Inflows of Resources	<u>13,338</u>	<u>-</u>	<u>72,312</u>	<u>46,613</u>	<u>-</u>	<u>-</u>
Fund Balances						
Nonspendable	25	-	-	-	-	-
Restricted	-	-	-	-	339,524	-
Committed	-	-	68,166	-	-	-
Assigned	-	-	-	414,957	-	362,004
Unassigned	842,938	-	-	-	-	-
Total Fund Balances	<u>842,963</u>	<u>-</u>	<u>68,166</u>	<u>414,957</u>	<u>339,524</u>	<u>362,004</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 937,401</u>	<u>\$ 247,803</u>	<u>\$ 143,863</u>	<u>\$ 466,603</u>	<u>\$ 339,524</u>	<u>\$ 362,004</u>

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

Debt Service			
2019A G.O. Improvement Bonds	2018A / 2021A G.O Tax Increment Revenue Refunding Bond	Other Governmental Funds	Total Governmental Funds
\$ 234,230	\$ -	\$ 439,820	\$ 3,005,453
-	-	3,828	15,315
-	-	-	15,428
-	-	-	8,942
201,487	-	-	329,116
-	-	-	2,284
-	-	-	25
<u>\$ 435,717</u>	<u>\$ -</u>	<u>\$ 443,648</u>	<u>\$ 3,376,563</u>
\$ -	\$ -	\$ 510	\$ 77,705
-	-	-	755
-	-	-	11,568
-	-	-	247,803
-	-	510	337,831
-	-	-	6,220
197,739	-	-	323,782
<u>197,739</u>	<u>-</u>	<u>-</u>	<u>330,002</u>
-	-	-	25
237,978	-	91,581	669,083
-	-	3,194	71,360
-	-	348,363	1,125,324
-	-	-	842,938
<u>237,978</u>	<u>-</u>	<u>443,138</u>	<u>2,708,730</u>
<u>\$ 435,717</u>	<u>\$ -</u>	<u>\$ 443,648</u>	<u>\$ 3,376,563</u>

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

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City of Lauderdale, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2022

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

Total Fund Balances - Governmental Funds	\$ 2,708,730
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental fund.	
Cost of capital assets	8,800,695
Less: accumulated depreciation	(2,946,007)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Compensated absences payable	(48,685)
Net pension liability	(337,807)
Bonds payable	(800,000)
Bond premium	(15,166)
Delinquent property taxes receivable are not available soon enough to pay for the current periods expenditures, and therefore are reported as deferred inflow of resources in the funds.	6,220
Special assessments receivable are not available soon enough to pay for the current periods expenditures, and therefore are reported as deferred inflow of resources in the funds.	323,782
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	98,522
Deferred inflows of pension resources	(8,371)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(7,813)</u>
Total Net Position - Governmental Activities	<u><u>\$ 7,774,100</u></u>

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

City of Lauderdale, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue			Capital Projects		
	General	ARPA	Recycling	Street Improvement	Park Dedication	Development
Revenues						
Taxes	\$ 950,968	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	123,169	-	-	-	-	-
Intergovernmental	524,591	27,697	6,118	75	-	-
Charges for services	59,844	-	62,362	-	342,000	-
Fines and forfeitures	23,644	-	-	-	-	-
Special assessments	2,892	-	-	8,003	-	-
Interest on investments (loss)	(7,939)	-	(514)	(3,068)	(2,476)	(2,643)
Miscellaneous	61,778	-	-	-	-	137,700
Total Revenues	<u>1,738,947</u>	<u>27,697</u>	<u>67,966</u>	<u>5,010</u>	<u>339,524</u>	<u>135,057</u>
Expenditures						
Current						
General government	463,149	-	-	-	-	-
Public safety	1,033,352	-	-	-	-	-
Public works	115,344	-	-	-	-	-
Sanitation and recycling	-	-	70,189	-	-	-
Culture and recreation	118,312	-	-	-	-	-
Capital outlay	-	27,697	-	5,033	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>1,730,157</u>	<u>27,697</u>	<u>70,189</u>	<u>5,033</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,790</u>	<u>-</u>	<u>(2,223)</u>	<u>(23)</u>	<u>339,524</u>	<u>135,057</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(68,143)
Gain on sale of land held for resale	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,143)</u>
Net Change in Fund Balances	8,790	-	(2,223)	(23)	339,524	66,914
Fund Balances, January 1	<u>834,173</u>	<u>-</u>	<u>70,389</u>	<u>414,980</u>	<u>-</u>	<u>295,090</u>
Fund Balances, December 31	<u>\$ 842,963</u>	<u>\$ -</u>	<u>\$ 68,166</u>	<u>\$ 414,957</u>	<u>\$ 339,524</u>	<u>\$ 362,004</u>

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

Debt Service			
2019A G.O. Improvement Bonds	2018A / 2021A G.O Tax Increment Revenue Refunding Bond	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 15,998	\$ 966,966
-	-	-	123,169
-	-	-	558,481
-	-	-	464,206
-	-	-	23,644
79,267	-	-	90,162
(1,709)	(61)	(3,155)	(21,565)
-	-	-	199,478
<u>77,558</u>	<u>(61)</u>	<u>12,843</u>	<u>2,404,541</u>
-	-	-	463,149
-	-	-	1,033,352
-	-	-	115,344
-	-	-	70,189
-	-	22,758	141,070
-	-	16,536	49,266
100,000	1,365,000	-	1,465,000
24,796	4,208	-	29,004
<u>124,796</u>	<u>1,369,208</u>	<u>39,294</u>	<u>3,366,374</u>
<u>(47,238)</u>	<u>(1,369,269)</u>	<u>(26,451)</u>	<u>(961,833)</u>
68,143	1,358,570	-	1,426,713
-	-	(1,358,570)	(1,426,713)
-	-	264,510	264,510
<u>68,143</u>	<u>1,358,570</u>	<u>(1,094,060)</u>	<u>264,510</u>
20,905	(10,699)	(1,120,511)	(697,323)
<u>217,073</u>	<u>10,699</u>	<u>1,563,649</u>	<u>3,406,053</u>
<u>\$ 237,978</u>	<u>\$ -</u>	<u>\$ 443,138</u>	<u>\$ 2,708,730</u>

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

City of Lauderdale, Minnesota
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2022

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

Total Net Change in Fund Balances - Governmental Funds	\$ (697,323)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	27,697
Depreciation expense	(226,007)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources if governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Bond principal paid	1,465,000
Amortization of bond premium	2,333
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.	2,331
Long-term pension activity is not reported in governmental funds.	
Pension expense	(22,334)
Pension revenue from state contributions	1,488
Delinquent taxes and special assessment receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflow of resources in the funds.	
Special assessments	(66,372)
Property taxes	(740)
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.	
Compensated absences	(2,657)
Change in Net Position - Governmental Activities	<u>\$ 483,416</u>

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

City of Lauderdale, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 950,351	\$ 950,351	\$ 950,968	\$ 617
Licenses and permits	36,650	36,650	123,169	86,519
Intergovernmental	524,591	524,591	524,591	-
Charges for services	11,100	11,100	59,844	48,744
Fines and forfeitures	25,000	25,000	23,644	(1,356)
Special assessments	4,000	4,000	2,892	(1,108)
Interest (loss) on investments	4,000	4,000	(7,939)	(11,939)
Miscellaneous	1,000	1,000	61,778	60,778
Total Revenues	<u>1,556,692</u>	<u>1,556,692</u>	<u>1,738,947</u>	<u>182,255</u>
Expenditures				
Current				
General government	409,996	409,996	463,149	(53,153)
Public safety	939,101	939,101	1,033,352	(94,251)
Public works	91,487	91,487	115,344	(23,857)
Culture and recreation	108,108	108,108	118,312	(10,204)
Economic development	8,000	8,000	-	8,000
Total Expenditures	<u>1,556,692</u>	<u>1,556,692</u>	<u>1,730,157</u>	<u>(173,465)</u>
Net Change in Fund Balances	-	-	8,790	8,790
Fund Balances, January 1	<u>834,173</u>	<u>834,173</u>	<u>834,173</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 834,173</u>	<u>\$ 834,173</u>	<u>\$ 842,963</u>	<u>\$ 8,790</u>

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

City of Lauderdale, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Recycling Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Intergovernmental				
County	\$ 6,118	\$ 6,118	\$ 6,118	\$ -
Charges for services				
Sanitation	55,419	55,419	62,362	6,943
Interest (loss) on investments	800	800	(514)	(1,314)
Total Revenues	<u>62,337</u>	<u>62,337</u>	<u>67,966</u>	<u>5,629</u>
Expenditures				
Current				
Sanitation and recycling				
Personal services	25,376	25,376	25,699	(323)
Other services and charges	41,016	41,016	44,490	(3,474)
Total Expenditures	<u>66,392</u>	<u>66,392</u>	<u>70,189</u>	<u>(3,797)</u>
Net Change in Fund Balances	(4,055)	(4,055)	(2,223)	1,832
Fund Balances, January 1	<u>70,389</u>	<u>70,389</u>	<u>70,389</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 66,334</u>	<u>\$ 66,334</u>	<u>\$ 68,166</u>	<u>\$ 1,832</u>

City of Lauderdale, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities		
	Sewer	Storm Sewer	Total
Assets			
Current Assets			
Cash and temporary investments	\$ 821,625	\$ 373,837	\$ 1,195,462
Receivables			
Accounts receivable	48,917	21,366	70,283
Special assessments	17,521	-	17,521
Total Current Assets	<u>888,063</u>	<u>395,203</u>	<u>1,283,266</u>
Noncurrent Assets			
Capital assets			
Infrastructure	2,556,858	-	2,556,858
Less accumulated depreciation	(723,843)	-	(723,843)
Total Noncurrent Assets	<u>1,833,015</u>	<u>-</u>	<u>1,833,015</u>
Total Assets	<u>2,721,078</u>	<u>395,203</u>	<u>3,116,281</u>
Deferred Outflows of Resources			
Deferred pensions resources	<u>16,482</u>	<u>14,127</u>	<u>30,609</u>
Liabilities			
Current Liabilities			
Accounts payable	145	145	290
Compensated absences payable	3,602	3,602	7,204
Total Current Liabilities	<u>3,747</u>	<u>3,747</u>	<u>7,494</u>
Noncurrent Liabilities			
Net pension liability	<u>56,948</u>	<u>48,797</u>	<u>105,745</u>
Total Liabilities	<u>60,695</u>	<u>52,544</u>	<u>113,239</u>
Deferred Inflows of Resources			
Deferred pension resources	<u>1,399</u>	<u>1,197</u>	<u>2,596</u>
Net Position			
Investment in capital assets	1,833,015	-	1,833,015
Unrestricted	<u>842,451</u>	<u>355,589</u>	<u>1,198,040</u>
Total Net Position	<u>\$ 2,675,466</u>	<u>\$ 355,589</u>	<u>\$ 3,031,055</u>

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

City of Lauderdale, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities		
	Sewer	Storm Sewer	Total
Operating Revenues			
Charges for services	\$ 326,090	\$ 116,130	\$ 442,220
Operating Expenses			
Personal services	74,926	64,246	139,172
Supplies	802	801	1,603
Other services and charges	189,572	26,895	216,467
Repair and maintenance	-	29,900	29,900
Depreciation	59,332	-	59,332
Total Operating Expenses	324,632	121,842	446,474
Operating Income (Loss)	1,458	(5,712)	(4,254)
Nonoperating Revenues			
Other revenue	248	210	458
Interest income (loss)	(6,007)	(2,730)	(8,737)
Total Nonoperating Revenues	(5,759)	(2,520)	(8,279)
Change in Net Position	(4,301)	(8,232)	(12,533)
Net Position, January 1	2,679,767	363,821	3,043,588
Net Position, December 31	\$ 2,675,466	\$ 355,589	\$ 3,031,055

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

City of Lauderdale, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities		
	Sewer	Storm Sewer	Total
Cash Flows from Operating Activities			
Receipts from tenants and users	\$ 321,006	\$ 116,084	\$ 437,090
Payments to suppliers	(178,645)	(57,397)	(236,042)
Payments to employees	(76,463)	(65,205)	(141,668)
Net Cash Provided (Used) by Operating Activities	<u>65,898</u>	<u>(6,518)</u>	<u>59,380</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	<u>(160,300)</u>	<u>-</u>	<u>(160,300)</u>
Cash Flows from Investing Activities			
Interest on investments	<u>(6,007)</u>	<u>(2,730)</u>	<u>(8,737)</u>
Net Increase (decrease) in Cash and Cash Equivalents	(100,409)	(9,248)	(109,657)
Cash and Cash Equivalents, January 1	<u>922,034</u>	<u>383,085</u>	<u>1,305,119</u>
Cash and Cash Equivalents, December 31	<u><u>\$ 821,625</u></u>	<u><u>\$ 373,837</u></u>	<u><u>\$ 1,195,462</u></u>
Reconciliation of Operating Income (loss)			
to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 1,458	\$ (5,712)	\$ (4,254)
Adjustments to reconcile operating income (loss)			
to net cash provided by operating activities			
Depreciation	59,332	-	59,332
Other income	248	210	458
Increase (decrease) in assets/deferred outflows			
Accounts receivable	39	(46)	(7)
Prepaid items	11,864	249	12,113
Special Assessments	(5,123)	-	(5,123)
Deferred pension resources	6,790	5,679	12,469
Increase (decrease) in liabilities/deferred inflows			
Accounts payable	(115)	(50)	(165)
Due to other governments payable	(20)	-	(20)
Compensated absences payable	(2,673)	(2,167)	(4,840)
Net pension liability	23,495	20,331	43,826
Deferred pension resources	<u>(29,397)</u>	<u>(25,012)</u>	<u>(54,409)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 65,898</u></u>	<u><u>\$ (6,518)</u></u>	<u><u>\$ 59,380</u></u>
Noncash Capital and Related Financing Activities			
Disposal of capital assets	<u><u>\$ 15,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Lauderdale, Minnesota (the City), operates under the "Optional Plan A" form of government as defined in the State of Minnesota statutes. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Council members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The City has no component units that meet the GASB criteria.

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 City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

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

The *Street Improvement fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The *Park Dedication fund* accounts for park dedication related expenditures.

The *Development fund* accounts for development related revenues and expenditures.

The *2018A / 2021A G.O. Tax Increment Revenue Refunding Bonds fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the fund.

The *2019A G.O. Improvement Bonds fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the fund.

The *ARPA fund* accounts for the activity related to how the ARPA funds are collected and spent.

The *Recycling fund* accounts for the financial activity associated with city's recycling program.

The City reports the following major proprietary funds:

The *Sewer fund* accounts for the costs associated with the City's sanitary sewer system and to ensure that user charges are sufficient to pay for those costs.

The *Storm Sewer fund* accounts for the costs of the City's storm sewer system, which are financed by the storm sewer surcharge, and to ensure that the user charges are sufficient to pay of those costs.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

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. The City's recurring fair value measurements are listed in detail on page 52 and are valued using a matrix pricing model (Level 2 inputs).

The City has the following recurring fair value measurements as of December 31, 2022:

- Negotiable certificates of deposit of \$2,140,746 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is 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. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Property Taxes

The City Council annually adopts a tax levy in December and certifies it to the County for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, July and December each year.

In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by deferred inflow of resources, because they are not known to be available to finance current expenditures. Delinquent taxes receivable include the past six years' uncollected taxes. The billings are considered past due 60 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed..

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2022. The City annually certifies delinquent sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. In the fund financial statements, special assessments that remain unpaid at December 31 are classified as delinquent special assessments receivable. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables

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

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.

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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Useful Lives in Years
Buildings and Improvements	7 - 40
Improvements other than Buildings	15 - 40
Machinery and Equipment	3 - 20
Infrastructure	25 - 50

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources, are reported only in the statement of net position.

These items result from actuarial calculations and current year pension contributions made subsequent to the measurement dates.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the for the year ended December 31, 2022 was \$55,913 The components of pension expense are noted in the plan summaries in Note 4.

Compensated Absences

The City's policy allows for the carryover of unused vacation and sick leave to the next calendar year. Unused vacation and sick leave is accrued to the fund from which it is expected to be liquidated. Half of unused sick leave earned is payable upon separation from the City if the employee has been employed by the City for ten or more years. Three employees met the ten-year requirement at year end. The General fund is typically used to liquidate governmental compensated absences payable.

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. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of an amount not less than 45 percent of budgeted expenditures of the General fund for cash-flow timing needs.

Net Position

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

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

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

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 2: Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and special revenue funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In early summer of each year, the City Administrator works with staff to prepare a draft budget that identifies spending priorities. The City Administrator presents to the Council in August for review and discussion. The preliminary levy is established by the Council in September. The City Council holds a public hearing and the final budget and levy is adopted in early December.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Budgeted amounts are as originally adopted, or as amended by the City Council. There were no budget amendments in 2022.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2022 expenditures exceeded appropriations in the following funds.

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 1,556,692	\$ 1,730,157	\$ 173,465
Recycling	66,392	70,189	3,797

The excess expenditures were funded by revenues in excess of expectations or available fund balance.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$269,040 and the bank balance was \$275,458. The bank balance was covered by federal depository insurance and collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Investments

At year end, the City's investment balances were as follows:

Type of Investment	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Broker Money Market	N/A	less than 6 months	\$ 1,501,373	\$ -	\$ -	\$ -
4M Fund	P1	less than 6 months	289,756	-	-	-
Non-pooled Investments at Fair Value						
Negotiable Certificates of Deposit	N/A	less than 1 year	1,890,810	-	1,890,810	-
Negotiable Certificates of Deposit	N/A	1 to 5 Years	249,936	-	249,936	-
Total Investments			\$ 3,931,875	\$ -	\$ 2,140,746	\$ -

(1) Ratings provided by Moody's credit rating agency.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

Investment Policy

It is the policy of the City to invest public funds in a manner, which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City in accordance with all Minnesota and local statutes governing the investment of public funds.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

The investments of the City are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy specifically addresses custodial credit risk by limiting the amount that the City may invest in any one financial institution.
- *Concentration of Credit Risk.* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy limits investments in any one investment company to a maximum of 60 percent of the investment portfolio or \$2,000,000 (whichever is less).
- *Interest Rate Risk.* The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maturity of its investment portfolio to less than ten years.

Cash and Investments Summary

A reconciliation of cash and temporary investments as shown on the statement of net position for the City follows:

	Total Reporting Entity
Carrying Amount of Deposits	\$ 269,040
Investments	<u>3,931,875</u>
Total Cash and Temporary Investments	<u><u>\$ 4,200,915</u></u>

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 322,040	\$ -	\$ -	\$ 322,040
Capital Assets, being Depreciated				
Buildings	241,031	-	-	241,031
Improvements				
other than buildings	340,801	-	-	340,801
Machinery and equipment	399,778	27,697	-	427,475
Infrastructure	7,469,348	-	-	7,469,348
Total Capital Assets being Depreciated	8,450,958	27,697	-	8,478,655
Less Accumulated Depreciation for				
Buildings	(206,514)	(1,475)		(207,989)
Improvements other				
than buildings	(252,663)	(17,690)	-	(270,353)
Machinery and equipment	(203,641)	(22,279)	-	(225,920)
Infrastructure	(2,057,182)	(184,563)	-	(2,241,745)
Total Accumulated Depreciation	(2,720,000)	(226,007)	-	(2,946,007)
Total Capital Assets being Depreciated, Net	5,730,958	(198,310)	-	5,532,648
Governmental Activities Capital Assets, Net	\$ 6,052,998	\$ (198,310)	\$ -	\$ 5,854,688
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not being Depreciated				
Construction in progress	\$ 142,600	\$ -	\$ (142,600)	\$ -
Capital Assets being Depreciated				
Infrastructure	2,265,656	291,202	-	2,556,858
Less Accumulated Depreciation for				
Infrastructure	(664,511)	(59,332)	-	(723,843)
Total Capital Assets Being Depreciated, Net	1,601,145	231,870	-	1,833,015
Business-type Activities Capital Assets, Net	\$ 1,743,745	\$ 231,870	\$ (142,600)	\$ 1,833,015

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

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

Governmental Activities

General government	\$ 6,493
Public works	192,142
Culture and recreation	27,372
	<hr/>
Total Depreciation Expense - Governmental Activities	<u>\$ 226,007</u>

Business-type Activities

Sewer	<u>\$ 59,332</u>
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C. Interfund Receivables, Payables and Transfers

The City made transfer during the fiscal year 2022 as shown and described below:

Fund	Transfer In		
	2019A G.O. Improvement Bonds	2018A / 2021A G.O Tax Increment Revenue Refunding Bond	Total
Transfer Out			
Development	\$ 68,143	\$ -	\$ 68,143
Other governmental funds	-	1,358,570	1,358,570
	<hr/>	<hr/>	<hr/>
Total Transfers Out	<u>\$ 68,143</u>	<u>\$ 1,358,570</u>	<u>\$ 1,426,713</u>

Transfers were made for the following purposes:

- \$68,143 was transferred from the Development fund to the other 2019A GO Improvement Bonds fund to fund debt service requirements.
- \$1,358,570 was transferred from the TIF District No. 1-2 fund to the 2021A G.O. Tax Increment Revenue Refunding Bond fund for the early repayment of the 2021A G.O. Tax Increment Revenue Refunding Bond.

D. Long-term Debt

General Obligation Special Assessment Bonds

The following bonds were issued to finance various capital improvements and will be repaid from special assessments levied on the properties benefiting from the improvements and from ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2019A	\$ 900,000	1.50 - 3.00 %	06/26/19	02/01/30	<u>\$ 800,000</u>

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

The annual service requirements to maturity for the general obligation special assessment bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 100,000	\$ 17,937	\$ 117,937
2024	100,000	16,313	116,313
2025	100,000	14,625	114,625
2026	100,000	12,875	112,875
2027	100,000	10,500	110,500
2028-2030	300,000	13,500	313,500
Total	<u>\$ 800,000</u>	<u>\$ 85,750</u>	<u>\$ 885,750</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
G.O. improvement bonds	\$ 900,000	\$ -	\$ (100,000)	\$ 800,000	\$ 100,000
G.O. tax increment bonds	1,365,000		(1,365,000)	-	-
Total Bonds Payable	<u>2,265,000</u>	<u>-</u>	<u>(1,465,000)</u>	<u>800,000</u>	<u>100,000</u>
Unamortized Premium on Bonds	17,499	-	(2,333)	15,166	-
Compensated Absences Payable	<u>46,028</u>	<u>34,960</u>	<u>(32,303)</u>	<u>48,685</u>	<u>32,303</u>
Governmental Activity Long-term Liabilities	<u>\$ 2,328,527</u>	<u>\$ 34,960</u>	<u>\$ (2,964,636)</u>	<u>\$ 863,851</u>	<u>\$ 132,303</u>
Business-type Activities					
Compensated Absences Payable	<u>\$ 12,044</u>	<u>\$ 2,364</u>	<u>\$ (7,204)</u>	<u>\$ 7,204</u>	<u>\$ 7,204</u>

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on All Funds (Continued)

E. Components of Fund Balance

At December 31, 2022, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

Fund	Purpose	Amount
Fund Balance - Nonspendable		
General	Prepaid items	\$ 25
Fund Balance - Restricted		
Other governmental funds	Tax increments	91,581
2019A G.O. Improvement Bonds	Debt service	237,978
Park Dedication Fund	Park dedication	339,524
Total fund balance - Restricted		669,083
Fund Balance - Committed		
Communications	Cable access	3,194
Recycling	Recycling	68,166
Total Fund Balance - Committed		71,360
Fund Balance - Assigned		
Capital improvement - streets	Street capital	414,957
General capital improvement	Capital purchases	147,622
Development	Development	362,004
Park improvement	Park capital	200,741
Total Fund Balance - Assigned		1,125,324
Fund Balance - Unassigned		
General		842,938
Total Fund Balance		\$ 2,708,730

Note 4: Defined Benefit Pension Plan - Statewide

A. Plan Description

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

General Employees Retirement Plan

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

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plan - Statewide

B. Benefits Provided

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

General Employee 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 of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary 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 2020, 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.

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ending December 31, 2022, 2021 and 2020 were \$31,231, \$31,987, and 30,623, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2022, the City reported a liability of \$443,552 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2022. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$13,084. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2022, the City's proportionate share was 0.0056 percent and 0.0058 percent at the beginning of the period.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plan - Statewide (Continued)

City's Proportionate Share of the Net Pension Liability	\$ 443,552
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>13,084</u>
Total	<u><u>\$ 456,636</u></u>

For the year ended December 31, 2022, the City recognized pension expense of \$53,958 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$1,955 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Economic Experience	\$ 3,705	\$ 4,892
Changes in Actuarial Assumptions	103,853	1,804
Net Difference between Projected and Actual Earnings on Plan Investments	1,632	-
Changes in Proportion	4,549	4,271
Contributions Paid to PERA Subsequent to the Measurement Date	<u>15,392</u>	<u>-</u>
Total	<u><u>\$ 129,131</u></u>	<u><u>\$ 10,967</u></u>

The \$15,392 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 40,813
2024	38,001
2025	(16,152)
2026	40,110

E. Long-Term Expected Return on Investment

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

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plan - Statewide (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	33.5 %	5.10 %
Alternative Assets (Private Markets)	25.0	5.90
Bonds (Fixed Income)	25.0	0.75
International Equity	<u>16.5</u>	5.30
Total	<u><u>100.00 %</u></u>	

F. Actuarial Assumptions

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees plan was completed in 2019.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There were no changes in plan provisions since the previous 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:

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 4: Defined Benefit Pension Plan - Statewide (Continued)

G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

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

	City Proportionate Share of NPL		
	1 Percent		1 Percent
	Decrease (5.50%)	Current (6.50%)	Increase (7.50%)
General Employees Fund	\$ 700,566	\$ 443,552	\$ 232,706

I. Pension Plan Fiduciary Net Position

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

Note 5: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$1,000,000. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Legal Debt Margin

The City's statutory debt limit is computed as 3.0 percent of the taxable market value of property within the City. Long-term debt issued and financed partially or entirely by special assessments, tax increments or the net revenues of enterprise fund operations is excluded from the debt limit computation. The City has no debt which is applied against the statutory debt limit.

City of Lauderdale, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 5: Other Information (Continued)

C. Concentrations

The City receives a significant amount of its annual General fund revenue from the State of Minnesota from the Local Government Aid (LGA) program. The amount received in 2022 was \$524,591 for LGA. This accounted for 30 percent of General fund revenue.

D. Tax Increment Financing Districts

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

Note 6: Conduit Debt Obligations

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

As of December 31, 2022 the following issues were outstanding:

<u>Name</u>	<u>Date of Issue</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
Catholic Eldercare	12/1/2014	\$ 9,300,000	\$ 6,882,318
Benedictine Health System	7/14/2016	10,000,000	8,141,415
Catholic Eldercare	11/7/2017	9,000,000	8,628,721
Mltifamily Housing Revenue Bond	7/6/2022	14,300,000	14,300,000

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAUDERDALE
LAUDERDALE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of Lauderdale, Minnesota
Required Supplementary Information
December 31, 2022

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.0056 %	\$ 443,552	\$ 13,084	\$ 456,636	\$ 426,203	104.1 %	87.0 %
06/30/21	0.0058	247,686	7,466	255,152	415,003	59.7	87.0
06/29/20	0.0056	335,746	10,402	346,148	403,062	83.3	79.0
06/30/19	0.0055	304,083	9,500	313,583	389,732	78.0	80.2
06/30/18	0.0055	305,117	9,738	314,855	371,496	82.1	79.5
06/30/17	0.0057	363,884	-	363,884	365,590	99.5	75.9
06/29/16	0.0054	438,453	-	438,453	348,652	125.8	68.9
06/29/15	0.0054	279,856	-	279,856	312,684	89.5	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/22	\$ 31,231	\$ 31,231	\$ -	\$ 416,407	7.5 %
12/31/21	31,987	31,987	-	426,495	7.5
12/30/20	30,623	30,623	-	408,312	7.5
12/31/19	29,770	29,770	-	396,935	7.5
12/31/18	28,591	28,591	-	381,210	7.5
12/31/17	27,025	27,025	-	360,337	7.5
12/30/16	26,561	26,561	-	354,141	7.5
12/30/15	23,836	23,836	-	317,812	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Lauderdale, Minnesota
Required Supplementary Information (Continued)
December 31, 2022

Notes to the Required Supplementary Information - General Employees Fund

Changes in Actuarial Assumptions

2022 – The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - 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.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality 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.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

City of Lauderdale, Minnesota
Required Supplementary Information (Continued)
December 31, 2022

Notes to the Required Supplementary Information - General Employees Fund (Continued)

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - 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 - 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 - 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 - 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 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES

CITY OF LAUDERDALE
LAUDERDALE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

City of Lauderdale, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	<u>Special Revenue Communications</u>	<u>Capital Projects</u>	<u>Total</u>
Assets			
Cash and temporary investments	\$ (124)	\$ 439,944	\$ 439,820
Receivables			
Accounts	<u>3,828</u>	<u>-</u>	<u>3,828</u>
Total Assets	<u><u>\$ 3,704</u></u>	<u><u>\$ 439,944</u></u>	<u><u>\$ 443,648</u></u>
Liabilities			
Accounts payable	<u>\$ 510</u>	<u>\$ -</u>	<u>\$ 510</u>
Fund Balances			
Restricted	-	91,581	91,581
Committed	3,194	-	3,194
Assigned	<u>-</u>	<u>348,363</u>	<u>348,363</u>
Total Fund Balances	<u><u>3,194</u></u>	<u><u>439,944</u></u>	<u><u>443,138</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 3,704</u></u>	<u><u>\$ 439,944</u></u>	<u><u>\$ 443,648</u></u>

City of Lauderdale, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	<u>Special Revenue Communications</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes			
Franchise fees	\$ 15,998	\$ -	\$ 15,998
Interest (loss) on investments	-	(3,155)	(3,155)
Total Revenues	<u>15,998</u>	<u>(3,155)</u>	<u>12,843</u>
Expenditures			
Current			
Culture and recreation	22,758	-	22,758
Capital outlay			
Culture and recreation	-	14,644	14,644
Economic development	-	1,892	1,892
Total Expenditures	<u>22,758</u>	<u>16,536</u>	<u>39,294</u>
Excess (Deficiency) of Revenues			
Under (Over) Expenditures	<u>(6,760)</u>	<u>(19,691)</u>	<u>(26,451)</u>
Other Financing Sources (Uses)			
Transfers out	-	(1,358,570)	(1,358,570)
Gain on sale of land held for resale	-	264,510	264,510
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,094,060)</u>	<u>(1,094,060)</u>
Net Change in Fund Balances	(6,760)	(1,113,751)	(1,120,511)
Fund Balances, January 1	<u>9,954</u>	<u>1,553,695</u>	<u>1,563,649</u>
Fund Balances, December 31	<u>\$ 3,194</u>	<u>\$ 439,944</u>	<u>\$ 443,138</u>

City of Lauderdale, Minnesota
Communications Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022			2021
	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues				
Taxes				
Franchise fees	\$ 18,000	\$ 15,998	\$ (2,002)	\$ 17,907
Interest on investments (loss)	200	-	(200)	(12)
Total Revenues	<u>18,200</u>	<u>15,998</u>	<u>(2,202)</u>	<u>17,895</u>
Expenditures				
Current				
Culture and recreation				
Personal services	9,917	10,036	(119)	9,546
Other services and charges	<u>44,500</u>	<u>12,722</u>	<u>31,778</u>	<u>12,914</u>
Total Expenditures	<u>54,417</u>	<u>22,758</u>	<u>31,659</u>	<u>22,460</u>
Net Change in Fund Balances	(36,217)	(6,760)	29,457	(4,565)
Fund Balances, January 1	<u>9,954</u>	<u>9,954</u>	-	<u>14,519</u>
Fund Balances, December 31	<u>\$ (26,263)</u>	<u>\$ 3,194</u>	<u>\$ 29,457</u>	<u>\$ 9,954</u>

City of Lauderdale, Minnesota
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2022

	401	404	416	
	General Capital Improvement	Park Improvement	TIF District No. 1-2	Total
Assets				
Cash and temporary investments	<u>\$ 147,622</u>	<u>\$ 200,741</u>	<u>\$ 91,581</u>	<u>\$ 439,944</u>
Fund Balances				
Restricted	\$ -	\$ -	\$ 91,581	\$ 91,581
Assigned	<u>147,622</u>	<u>200,741</u>	<u>-</u>	<u>348,363</u>
Total Fund Balances	<u>\$ 147,622</u>	<u>\$ 200,741</u>	<u>\$ 91,581</u>	<u>\$ 439,944</u>

City of Lauderdale, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2022

	401 General Capital Improvement	404 Park Improvement	416 TIF District No. 1-2	Total
Revenues				
Interest on investments (loss)	\$ (1,078)	\$ (1,467)	\$ (610)	\$ (3,155)
Expenditures				
Capital outlay				
Culture and recreation	-	14,644	-	14,644
Economic development	-	-	1,892	1,892
Total Expenditures	-	14,644	1,892	16,536
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,078)	(16,111)	(2,502)	(19,691)
Other Financing Sources (Uses)				
Transfers out	-	-	(1,358,570)	(1,358,570)
Gain on sale of land held for resale	-	-	264,510	264,510
Total Other Financing Sources (Uses)	-	-	(1,094,060)	(1,094,060)
Net Change in Fund Balances	(1,078)	(16,111)	(1,096,562)	(1,113,751)
Fund Balances, January 1	148,700	216,852	1,188,143	1,553,695
Fund Balances, December 31	\$ 147,622	\$ 200,741	\$ 91,581	\$ 439,944

City of Lauderdale, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 950,351	\$ 950,351	\$ 950,968	\$ 617	\$ 897,291
Licenses and permits					
Business	4,050	4,050	4,527	477	4,125
Nonbusiness	32,600	32,600	118,642	86,042	25,564
Total licenses and permits	36,650	36,650	123,169	86,519	29,689
Intergovernmental					
State					
Local government aid	524,591	524,591	524,591	-	524,591
Charges for services					
General government	10,500	10,500	59,358	48,858	7,751
Culture and recreation	600	600	486	(114)	162
Total charges for services	11,100	11,100	59,844	48,744	7,913
Fines and forfeitures	25,000	25,000	23,644	(1,356)	22,615
Special assessments	4,000	4,000	2,892	(1,108)	843
Interest (loss) on investments	4,000	4,000	(7,939)	(11,939)	(1,785)
Miscellaneous					
Contributions and donations	-	-	365	365	305
Other	1,000	1,000	61,413	60,413	29,831
Total miscellaneous	1,000	1,000	61,778	60,778	30,136
Total Revenues	1,556,692	1,556,692	1,738,947	182,255	1,511,293

City of Lauderdale, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Legislative and executive					
Personal services	\$ 17,803	\$ 17,803	\$ 17,807	\$ (4)	\$ 17,800
Supplies	250	250	239	11	119
Other services and charges	6,800	6,800	7,403	(603)	5,620
Total legislative and executive	24,853	24,853	25,449	(596)	23,539
Administration					
Personal services	190,281	190,281	193,031	(2,750)	190,905
Supplies	5,600	5,600	6,114	(514)	3,684
Other services and charges	45,936	45,936	45,282	654	39,090
Total administration	241,817	241,817	244,427	(2,610)	233,679
Election, audit, and legal fees					
Personal services	21,613	21,613	22,186	(573)	16,517
Supplies	3,100	3,100	2,053	1,047	1,167
Other services and charges	50,850	50,850	42,334	8,516	36,948
Total election, audit, and legal fees	75,563	75,563	66,573	8,990	54,632
Planning and zoning					
Personal services	23,043	23,043	23,380	(337)	22,076
Supplies	1,000	1,000	1,236	(236)	914
Other services and charges	43,720	43,720	102,084	(58,364)	66,647
Total planning and zoning	67,763	67,763	126,700	(58,937)	89,637
Total general government	409,996	409,996	463,149	(53,153)	401,487
Public safety					
Police					
Other services and charges	816,683	816,683	816,143	540	785,422
Fire					
Other services and charges	76,875	76,875	77,478	(603)	75,773
Building inspections					
Personal services	14,293	14,293	14,363	(70)	49,195
Other services and charges	31,250	31,250	125,368	(94,118)	5,437
Total building inspections	45,543	45,543	139,731	(94,188)	54,632
Total public safety	939,101	939,101	1,033,352	(94,251)	915,827

City of Lauderdale, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2022
(With Comparative Actual Amounts for the Year Ended December 31, 2021)

	2022				2021
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures (Continued)					
Current (continued)					
Public works					
Streets and highways					
Personal services	\$ 51,987	\$ 51,987	\$ 55,175	\$ (3,188)	\$ 52,052
Supplies	4,000	4,000	7,464	(3,464)	5,194
Other services and charges	29,500	29,500	44,855	(15,355)	33,938
Total streets and highways	85,487	85,487	107,494	(22,007)	91,184
Street lighting					
Other services and charges	6,000	6,000	7,850	(1,850)	6,324
Total public works	91,487	91,487	115,344	(23,857)	97,508
Culture and recreation					
Parks and recreation					
Personal services	98,808	98,808	102,388	(3,580)	75,115
Supplies	1,500	1,500	5,081	(3,581)	1,044
Other services and charges	7,800	7,800	10,843	(3,043)	12,400
Total culture and recreation	108,108	108,108	118,312	(10,204)	88,559
Economic development					
Other services and charges	8,000	8,000	-	8,000	3,331
Total Expenditures	1,556,692	1,556,692	1,730,157	(173,465)	1,506,712
Net Change in Fund Balances	-	-	8,790	8,790	4,581
Fund Balances, January 1	834,173	834,173	834,173	-	829,592
Fund Balances, December 31	\$ 834,173	\$ 834,173	\$ 842,963	\$ 8,790	\$ 834,173

City of Lauderdale, Minnesota
Summary Financial Report
Revenues and Expenditures For General Operations
Governmental Funds
For the Years Ended December 31, 2022 and 2021

	Total		Percent Increase (Decrease)
	2022	2021	
Revenues			
Taxes	\$ 966,966	\$ 915,198	5.66 %
Licenses and permits	123,169	29,689	314.86
Intergovernmental	558,481	570,842	(2.17)
Charges for services	464,206	62,227	645.99
Fines and forfeitures	23,644	22,615	4.55
Special assessments	90,162	57,787	56.02
Interest (loss) on investments	(21,565)	(4,758)	353.24
Miscellaneous	199,478	38,948	412.16
Total Revenues	<u>\$ 2,404,541</u>	<u>\$ 1,692,548</u>	42.07 %
Per Capita	<u>\$ 1,070</u>	<u>\$ 745</u>	43.58 %
Expenditures			
Current			
General government	\$ 463,149	\$ 401,487	15.36 %
Public safety	1,033,352	915,827	12.83
Public works	115,344	97,508	18.29
Sanitation and recycling	70,189	68,109	3.05
Economic development	-	3,331	(100.00)
Culture and recreation	141,070	111,019	27.07
Capital outlay	49,266	179,453	(72.55)
Debt service			
Principal	1,465,000	1,395,000	N/A
Interest and bond issuance costs	29,004	81,377	(64.36)
Total Expenditures	<u>\$ 3,366,374</u>	<u>\$ 3,253,111</u>	3.48 %
Per Capita	<u>\$ 1,498</u>	<u>\$ 1,432</u>	4.59 %
Total Long-term Indebtedness	\$ 800,000	\$ 2,265,000	N/A
Per Capita	356	997	N/A
General Fund Balance - December 31	\$ 842,963	\$ 834,173	1.05 %
Per Capita	375	367	2.13

The purpose of this report is to provide a summary of financial information concerning the City of Lauderdale to interested citizens. The complete financial statements may be examined at City Hall, 1891 Walnut Street, Lauderdale, MN 55113. Questions about this report should be directed to Heather Butkowski, City Administrator at (651)792-7650.

OTHER REQUIRED REPORT

CITY OF LAUDERDALE
LAUDERDALE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Lauderdale, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Lauderdale, Minnesota (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 4, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the City of Lauderdale and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Abdo".

Abdo
Minneapolis, Minnesota
April 4, 2023

LAUDERDALE COUNCIL ACTION FORM

Action Requested

Consent _____
Public Hearing _____
Discussion X
Action X
Resolution X
Work Session _____

Meeting Date April 11, 2023

ITEM NUMBER Speed Limit Resolution

STAFF INITIAL AS

APPROVED BY ADMINISTRATOR _____

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

In November, the city council asked Stantec, the city's engineering firm, to prepare a speed study to assess appropriate speeds for residential streets in Lauderdale. The conclusion was that residential streets could be posted 20 mph but Eustis Street north of Larpentour and Roselawn Avenue from Fulham Street to Eustis Street can't be posted 20 mph because they are minor collector streets.

In consultation with Adam Capets from Stantec and Ramsey County engineering staff, the diagram of proposed signage was revised and is included in the packet. With the exception of one location, staff believe signage can be added to existing poles. The cost for signage is \$1,149 (see attached quote).

In order to change the speed limits, the Council must adopt the following resolution. The expectation is that this would go into effect June 1 unless the Council prefers another date. Staff wouldn't suggest any soon so we have time to order and install the signage and get the word out about the change. The police chief and captain are prepared to discuss the roll out with the Council when they are here to present the annual report on April 25.

OPTIONS:

STAFF RECOMMENDATION:

Motion to adopt Resolution No. 041123A—A Resolution Adopting Reduced Speed Limits on Streets over which the City has Jurisdiction as the Road Authority.

RESOLUTION NO. 041123A

**CITY OF LAUDERDALE
COUNTY OF RAMSEY
STATE OF MINNESOTA**

**A RESOLUTION ADOPTING REDUCED SPEED LIMIT ON STREETS OVER WHICH
THE CITY HAS JURISDICTION AS THE ROAD AUTHORITY**

WHEREAS, beginning in 2019 authority was given to cities to adopt a reduced speed limit on residential roadways under city jurisdiction per Minnesota Statutes, section 169.14; and

WHEREAS, the City of Lauderdale is a walkable city, that is sustainable and safe and lowering the speed limits will provide for safer streets and reduce the likelihood of death or life-changing injuries; and

WHEREAS, on November 22, 2022, the City Council authorized the city engineer to complete a speed limit study to determine the appropriate speed limits for municipal street; and

WHEREAS, the city engineer prepared the *City of Lauderdale Speed Limit Study* dated January 19, 2023, which indicates that speed limits for low volume municipal streets may be set at 20 MPH and municipal minor collector streets may be set at 25 MPH; and

WHEREAS, the speed limit for low volume municipal streets has been set in compliance with Minnesota Statutes, section 169.14, subd. 5h.

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Lauderdale adopts reduced speed limit on municipal streets over which the city has jurisdiction as the road authority per the *City of Lauderdale Speed Limit Study*; and

NOW THEREFORE BE IT FURTHER RESOLVED, the reduced speed limits will go into effect on June 1, 2023 after installation of new speed limit signs.

ADOPTED this 11th day of April, 2023 by the Lauderdale City Council.

Mary Gaasch, Mayor

ATTEST:

Heather Butkowski, City Administrator



SALES QUOTE

Page: 1

Earl F. Andersen
Division of Safety Signs
19784 Kenrick Avenue
Lakeville, MN 55044
(952) 884-7300
www.efa-mn.com

Quote Number: 0147411
Quote Date: 3/27/2023
Salesperson: HOUSE ACCOUNT
Customer Number: 0002122
Quote Expiration Date: 12/31/5999

Quoted To:
CITY OF LAUDERDALE
1891 WALNUT
ST PAUL, MN 55113

Ship To:
CITY OF LAUDERDALE
1891 WALNUT
ST PAUL, MN 55113

Confirm To:
HEATHER 651-792-7657

Customer P.O. SPEED CHANGE		Ship VIA BEST	F.O.B.	Terms NET 30		
Item Code	Item Description		Unit	Ordered	Price	Amount
SIGN	R2-1 24X30 B/W 3M HIP SHEETED SPEED LIMIT 20		EACH	10.00	43.750	437.50
SIGN	R2-5AP 24"X6" B/W 3M HIP SHEETED CITYWIDE		EACH	10.00	15.000	150.00
SIGN	R2-5P 24"X18" B/W 3M HIP SHEETED UNLESS OTHERWISE POSTED		EACH	10.00	29.900	299.00
SIGN	R2-1 24X30 B/W 3M HIP SHEETED SPEED LIMIT 25		EACH	4.00	43.750	175.00
SIGN	R2-1 24X30 B/W 3M HIP SHEETED SPEED LIMIT 20		EACH	2.00	43.750	87.50

SHIPPING TO BE ADDED ONCE SHIPPED CAN BE PICKED UP IN LAKEVILLE WHEN READY.

To accept this quote please sign here: _____

THIS QUOTE EXPIRES 15 DAYS FROM DATE OF ISSUE.

Net Quote: 1,149.00
Freight: 0.00
Sales Tax: 0.00
Quote Total: 1,149.00
Less Deposit: 0.00
Quote Balance: 1,149.00

Special order items are not returnable. Returns and/or cancelled orders may be subject to a restocking/cancellation charge. A return authorization number is required prior to returning any product. No returns accepted after 60 days from date of original invoice date.

CITY OF LAUDERDALE SPEED LIMIT STUDY

Conclusions and Next Steps

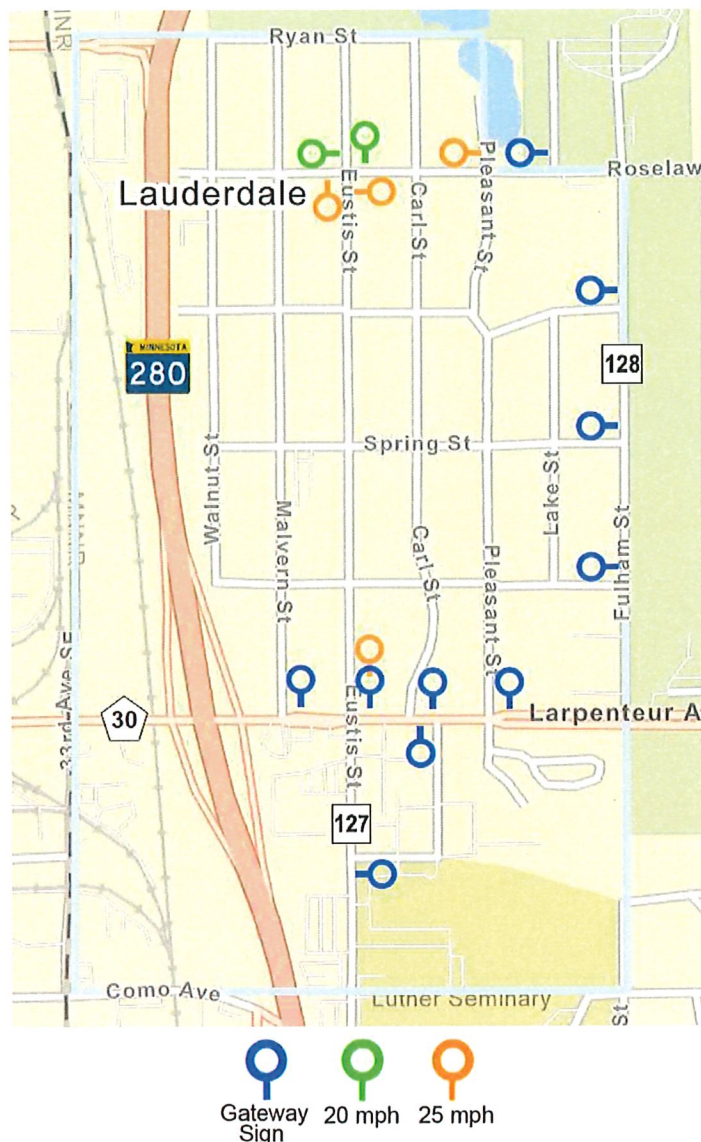


Figure 13: Speed Limit Sign Plan

5.3 ENFORCEMENT

While enforcement is the last strategy typically considered when changing roadway infrastructure, it is an important step in the process of speed limit reduction and is effective if done fairly and strategically. In its initial phases, enforcement (contracted with the Saint Anthony Police Department) can be carried out with increased patrol visibility, increased traffic stops with warnings being issued for a 6-month period for non-flagrant violations, writing citations for flagrant violations, and with passive means such as using speed trailers at certain locations. As enforcement is conducted over time, the new speed limits will become more credible and respected by drivers.



LAUDERDALE COUNCIL ACTION FORM

Action Requested

Consent _____
Public Hearing _____
Discussion _____X_____
Action _____X_____
Resolution _____X_____
Work Session _____

Meeting Date April 11, 2023

ITEM NUMBER No Mow May Program

STAFF INITIAL

AB

APPROVED BY ADMINISTRATOR

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

The University of Minnesota Bee Lab website says, "...the purpose of No Mow May is to encourage people to let spring flowers in their lawns bloom before mowing. Hibernating pollinators often need a bit more time under the leaves before they can safely emerge. Leaves left on the ground provide important insulation for bees hibernating underground and for moths and butterflies that overwinter in the leaves. Leaving your leaves where they are until temperatures are above 50 degrees F for 5 consecutive days will give most of those hibernating pollinators the protection that they need."

Last year the City supported the "No Mow May" campaign. Residents were offered window signs if they participated and code enforcement for rank growth was suspended through the end of May. As the Council discussed in February, No Mow May has downsides but the Council didn't want to stand in the way of those that want to participate. Like the U of M, the Council encourages residents to plant native and sustainable early spring flowers like violets, pussy toes, serviceberries, and bluebells to provide early spring food for pollinators.

To proceed, the Council must adopt the following resolution suspending the city code requirement that grass and weeds not exceed 8 inches in height during the month of May. No Mow May signs printed on heavy card stock for windows will be available at City Hall. We encourage residents to buy their preferred No Mow May / bee habitat yard signs.

OPTIONS:

STAFF RECOMMENDATION:

Motion to adopt Resolution No. 041123B— A Resolution Supporting No Mow May Initiative 2023.

RESOLUTION NO. 041123B

**CITY OF LAUDERDALE
COUNTY OF RAMSEY
STATE OF MINNESOTA**

A RESOLUTION SUPPORTING NO MOW MAY INITIATIVE 2023

WHEREAS, the City of Lauderdale City Council has made the environment and sustainability a priority; and

WHEREAS, recent research suggests that bee pollinators make use of spaces that have not been mowed as key floral resources during early spring in the upper Midwest United States; and

WHEREAS, pollinators and floral resources have a positive relationship, where the increase in pollinators can increase the amount of flora and vice versa; and

WHEREAS, the Lauderdale City Council finds it in the public interest and consistent with our priorities for the City to demonstrate its commitment to a safe and healthy community environment through the implementation of initiatives that help increase the pollinator population, No Mow May being one of those.

NOW THEREFORE BE IT RESOLVED that the Lauderdale City Council proclaims May 1-May 31, 2023 as “No Mow May” and encourages residents who wish to participate in this initiative to refrain from mowing lawns in May to provide vital early spring flowers for bees that emerge from hibernation and post notice of their participation through signage.

BE IT FURTHER RESOLVED that the City temporarily suspends enforcement of Lauderdale City Code requirements regarding grass length and regular cutting of weeds for No Mow May participants. The temporary suspension will last through June 5, 2023.

ADOPTED this 11th day of April, 2023 by the Lauderdale City Council.

Mary Gaasch, Mayor

ATTEST:

Heather Butkowski, City Administrator

LAUDERDALE COUNCIL ACTION FORM

Action Requested

Consent _____
Public Hearing _____
Discussion X
Action X
Resolution _____
Work Session _____

Meeting Date April 11, 2023

ITEM NUMBER Pothole Repair

STAFF INITIAL 

APPROVED BY ADMINISTRATOR _____

DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

As staff mentioned at the previous meeting, we generally don't have spring potholes to repair since we keep up with maintenance. With the age of our roads and the winter we had, we have a couple of problem areas and need to come up with a solution. Staff spoke with Jake Wegscheider from Goodmanson Construction about repair options. He provided two proposals.

1. Repair the road deterioration on Walnut Street (\$2,746) and the sinking section of road on Pleasant Street (\$13,561) and then repair/patch potholes around town on a time and materials basis not to exceed \$5,000. Condition issues are popping up as the snow recedes. We can see how far \$5,000 goes in repairing potholes. If there are more issues, we can discuss. *Staff recommend approving this proposal.*
2. The second proposal is for catch basin and manhole structure repairs. We have a few sinking manholes around town that are like driving over potholes. There is also a square catch basin in the Pleasant/Lake Street alley with significant condition issues. We anticipated fixing these with the mill and overlay project in a couple of years but some need repair sooner. Goodmanson suggested repairing with concrete for a permanent fix and then they wouldn't need repairs in 2-3 years. The city engineer said repairing with concrete is becoming more and more common as they hold up better/ don't settle. *Staff are still gauging how many repairs are needed as the snow recedes and will have more information at or in advance of the meeting to share in order to make a final decision on the proposal.*

Pricing: Since this type of work is hard to get apples to apples quotes for, staff asked the city engineer to compare Goodmanson's pricing to what they are seeing on bigger mill and overlay projects. They reported the pricing is reasonable with big projects seeing a little lower pricing. There is value in completing some of this work now as pricing goes up every year. Staff will continue to work on this item with the expectation we will have answers to our outstanding questions by the council meeting.

STAFF RECOMMENDATION:



GOODMANSON CONSTRUCTION

PROPOSAL

600 KASOTA AVE SE
MINNEAPOLIS, MN 55414
OFFICE: (651) 636-4996

WWW.GOODMANSONCONSTRUCTION.COM

Date: 4.5.23

Proposal Submitted To:

City of Lauderdale
Heather Butkowski
651-792-7657

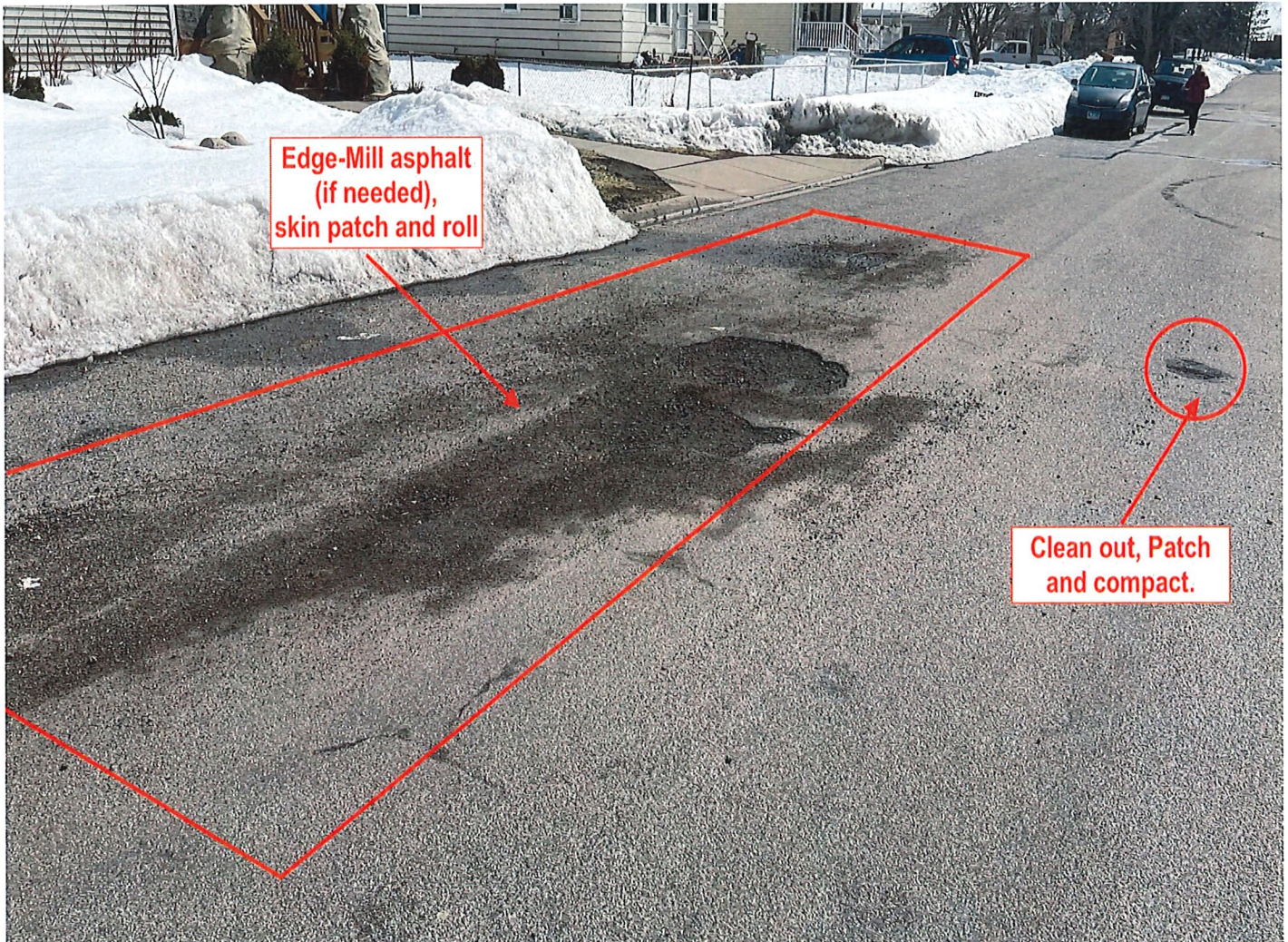
heather.butkowski@lauderdalemn.org

Work To Be Performed At:

Skin Patch & Asphalt Replacement
Lauderdale, MN 55113

We hereby propose to furnish the materials and perform the labor necessary for the completion of:

(1784 Walnut Site Diagram)



We hereby propose to furnish the materials and perform the labor necessary for the completion of:

➤ **WALNUT STREET SKIN PATCH & MALVERN STREET QUICK PATCH:**

- **1784 Walnut Street (12' x 20'):**
 - ✓ Edge-mill where needed.
 - ✓ Install **2" of SPWEA340B** hot asphalt mix by hand.
 - ✓ Compact with vibratory rollers.
 - ✓ Clean out 2' x 2' pot-hole, fill with hot mix and compact.
- **Malvern St. & Spring Street (1' x 18' asphalt scrape:**
 - ✓ Clean out 1' x 18' gouged pot-hole, fill with hot mix and compact.

ASPHALT REPAIR: \$2,746.00 (YES) (NO)

*****Must approve this job with the Pleasant Street Replacement job for this price*****

(PLEASE ANT STREET REPLACEMENT)



➤ **PLEASANT STREET ASPHALT REMOVE & REPLACE:**

- **1759 Pleasant St. Heaving Asphalt (30' x 42'):**
 - ✓ Set up Traffic Control
 - ✓ Saw-cut, remove, haul away and recycle failing asphalt up to 12" depth (which includes aggregate subbase).
 - ✓ Compact Sub Grade.
 - ✓ Furnish and install 8" of MN/DOT 3138 Class 5 Recycled Aggregate Base
 - ✓ **ASPHALT INSTALLATION:** Includes *Goodmanson Signature Service* –with a (1,260 sf) Heavy duty asphalt pavement. 2" (Base course) w/**SPWEA340B** hot mix asphalt, 2" (Wear course) @ **SPWEA340B** hot mix asphalt.

1759 ASPHALT REPLACEMENT:	\$13,561.00	(YES)	(NO)
----------------------------------	--------------------	--------------	-------------

We hereby propose to furnish the materials and perform the labor necessary for the completion of:

➤ **ADDED ASPHALT STREET PATCH WORK:**

• Areas to be determined between Lauderdale & Goodmanson:

- ✓ Clean out various pot-holes that need some patch work done.
- ✓ Place asphalt in pot-hole and compact.
- ✓ *Cost will be time & Materials with a NOT TO EXCEED (NTE) COST.*

NOT TO EXCEED: \$5,000.00 (YES) (NO)

****Exclusions:**

1. Relocating/Damage to buried unmarked obstacles (irrigation, utilities, etc).
2. Private Locates if needed (**estimate costs: \$600-1200.**)
3. Engineering/Design.
4. Cost of Permits (estimated cost: ~\$1k to \$3k) *if needed.*
5. Normal work hours 7am-6pm Monday-Friday. Winter Conditions 11/1-4/15
6. Electrical, plumbing, painting, boring, veneering, lighting, landscaping, watering of seed/sod.
7. Any **ADDITIONAL** sewer or utility work not described in above scope.
8. Hauling or disposal of contaminated materials.
9. Repairs to unforeseen issues during excavation.
10. Any other items not described in above scope.

WORK CREW

- All concrete work to be expertly performed by Goodmanson employees/ACI Certified Finishers.

LICENSED BONDED AND INSURED

- **MN LIC#: BC627075**
- **\$9 million umbrella coverage**

Notes:

- Exclusions - Cost of Permits, Electrical, Plumbing, Landscaping, Watering, Railings, Disposing of Contaminated Materials, Damage to Underground Utilities/Irrigation, Private Locates, Design/Engineering/Surveying, Subsoil Correction, Testing, Traffic Control
- This proposal may be withdrawn by Goodmanson Construction if not accepted within 7 days.
- (1) Mobilizations Included. For additional mob(s) add \$2,500.00
- Any alteration or deviation from specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance upon above work. Workmen's Compensation and Public Liability Insurance on above work to be taken out by: Goodmanson Construction, Inc. All concrete cracks. Every measure possible will be taken to control cracks so they cannot be seen.

Terms of Proposal

MN License #BC627075 | AA/EEO/Vets/Disability Employer

Length of Proposal:

This proposal may be withdrawn by Goodmanson Construction if not accepted within 7 days.

Permits (if necessary):

Cost of permit(s), if needed, not included in this proposal. Goodmanson Construction will obtain and asked to be reimbursed.

Concrete/Asphalt Removal (if applicable):

Cost includes up to 5½" of existing concrete/asphalt removal. If thicker than 5½", \$0.50 per inch of extra thickness per square foot will be charged following discussion and signed change order from owner.

Sub Soil (if applicable)

Cost includes up to 6" of recycled concrete base installation. If additional base is required, \$0.50 per inch of base per square foot will be charged following discussion and signed change order from owner.

Railings (if applicable):

Goodmanson does not replace or install railings. We recommend Andrew Laliberte with Dakota Unlimited 651-322-7123.

Irrigation Systems/Electrical/Utilities (if applicable):

Not responsible for damage to irrigation lines and heads/electrical lines/utilities. Gopher One locates requested by Goodmanson are for the safety of our employees only. Public and private utility locates do not guarantee location of utilities nor guarantee Goodmanson can avoid damage.

Goodmanson will use the best care possible to prevent any damage and will repair unexposed services at additional charge.

Payment Schedule:

10% deposit required to schedule (new customer), Payments Due as Work Progresses, Balance Due Day of Completion

18% per Year (1.5% month) Late Fee Applies on All Late Payments

CASH & CHECK ACCEPTED OR MASTERCARD & VISA WITH 2 % SERVICE FEE

Concrete has a natural variation in appearance and color similar to marble, granite and wood. Keep in mind that the color samples shown are an approximation of the final concrete color of the finished concrete. The in-place concrete will be affected by the concrete mixture, materials selected, finishing techniques, curing and sealing methods and weather conditions. Final in-place concrete will NOT look exactly like samples.

Any alteration or deviation from specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance upon above work. Workmen's Compensation and Public Liability Insurance on above work to be taken out by: Goodmanson Construction, Inc. All concrete cracks. Every measure possible will be taken to control cracks so they cannot be seen.

PRE-LIEN NOTICE: ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTIONS.

UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLY LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.

CUSTOMER'S THREE-DAY RIGHT TO TERMINATE: CUSTOMER IS ADVISED THAT IF THE WORK INVOLVES THE CUSTOMER'S HOMESTEAD, FEDERAL LAW ALLOWS CUSTOMER TO TERMINATE THIS AGREEMENT FOR ANY REASON WITHIN THREE (3) DAYS AFTER SIGNING IT. CUSTOMER ACKNOWLEDGES THAT THEY HAVE RECEIVED SUCH NOTICE PURSUANT TO THIS SECTION AND PURSUANT TO THE NOTICE OF RESCISSION ATTACHED HERE TO.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. Goodmanson Construction is authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date: _____

BILLING INFORMATION

Preferred Billing: ☐ Email **or** ☐ USPS

Payment Terms:

☐ **Net 15** – subtract 1% from job total

☐ **Net 30** – Contract price

☐ **Net 45** – add 1% to job total

☐ **Net 60** – add 2.5% to job total

DOCUMENTS NEEDED:

☐ W-9

☐ Certificate of Insurance

☐ Other _____

☐ P.O. # _____

Business Name: _____

Accounts Payable Contact: _____

Project Name: _____

Mailing Address: _____

City, State, Zip: _____

Phone Number: _____

E-mail Address: _____

Submitted by:

Jake Wegscheider

Project Estimator/Designer



GOODMANSON CONSTRUCTION

PROPOSAL

600 KASOTA AVE SE
MINNEAPOLIS, MN 55414

OFFICE: (651) 636-4996

WWW.GOODMANSONCONSTRUCTION.COM

Date: 4.5.23

Proposal Submitted To:

City of Lauderdale

Heather Butkowski

651-792-7657

heather.butkowski@lauderdalemn.org

Work To Be Performed At:

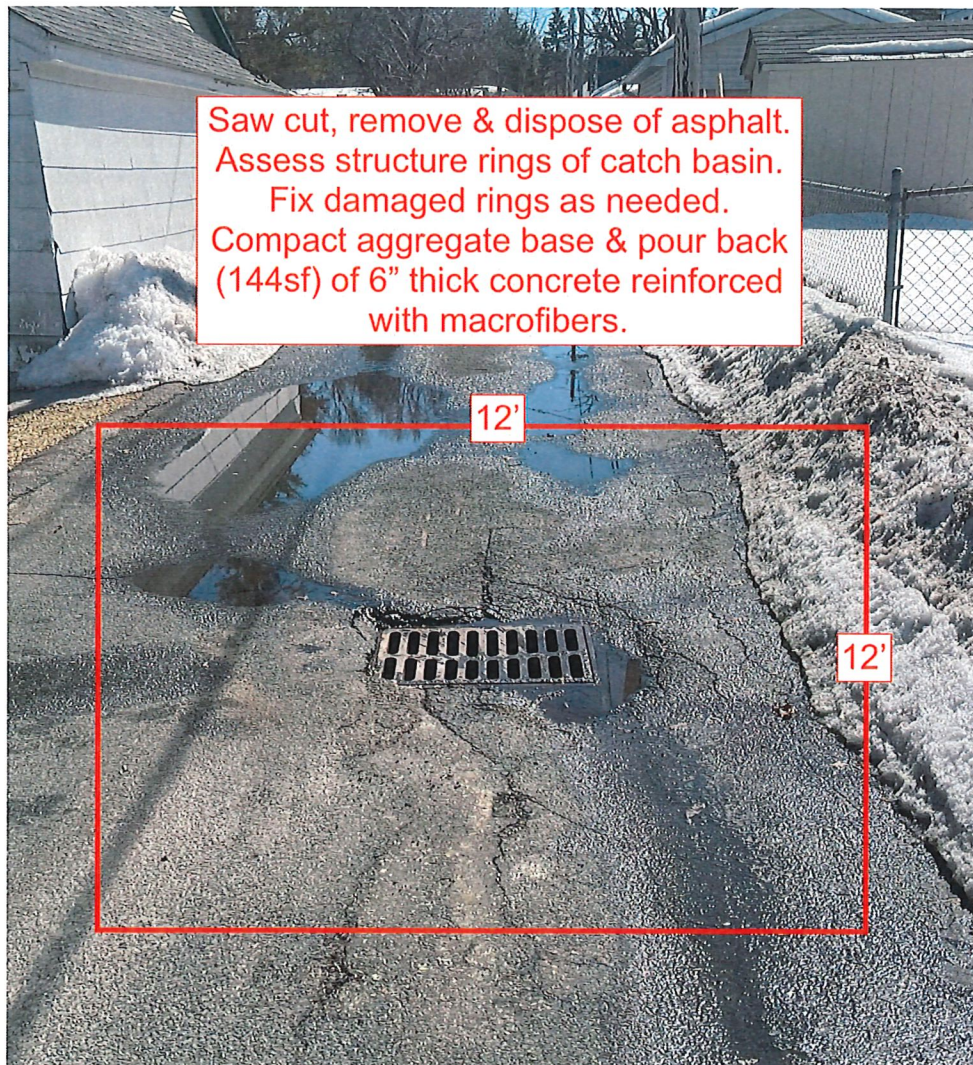
CATCH BASIN WORK

1891 Walnut Street

Lauderdale, MN 55113

We hereby propose to furnish the materials and perform the labor necessary for the completion of:

(RECTANGLE Site Diagram)



We hereby propose to furnish the materials and perform the labor necessary for the completion of:

➤ **CONCRETE CATCH BASIN SURROUND:**

• **(12' x 12') CONCRETE & RECTANGLE STRUCTURE RINGS:**

- ✓ Saw cut out 12'x12' section around catch basin, remove, and haul away asphalt.
- ✓ Assess damaged rings & replace.
- ✓ Properly grade and compact base with up to 6" of class 5 rock for grading purposes.
- ✓ Install 6" thick concrete reinforced with 3# per cubic yard macrofibers.
- ✓ 5,000 psi concrete mix.
- ✓ Caulk seam around concrete where asphalt meets concrete.

• **(9' x 9') CONCRETE & CIRCLE STRUCTURE RINGS:**

- ✓ Saw cut out 9'x9' section around catch basin, remove, and haul away asphalt.
- ✓ Assess damaged rings & replace.
- ✓ Properly grade and compact base with up to 6" of class 5 rock for grading purposes.
- ✓ Install 6" thick concrete reinforced with 3# per cubic yard macrofibers.
- ✓ 5,000 psi concrete mix.
- ✓ Caulk seam around concrete where asphalt meets concrete.

❖ *Extra discounts for signing up to replace 5 or 10+ catch basin surrounds*

RECTANGLE Surround Catch Basin **144** Sq. Ft.: **\$5,556.00** (YES) _____ (NO) _____

CIRCLE Surround Catch Basin **81** Sq. Ft.: **\$4,587.00** (YES) _____ (NO) _____

(5) CIRCLE Surround Catch Basin **81** Sq. Ft.: **\$20,974.00** (YES) _____ (NO) _____

(10+) CIRCLE Surround Catch Basin **81** Sq. Ft.: **\$39,097.00** (YES) _____ (NO) _____

If a specific number, such as, 7 catch basin surrounds are needed, I can price that out too!

****Exclusions:**

1. Relocating/Damage to buried unmarked obstacles (irrigation, utilities, etc).
2. Private Locates if needed (**estimate costs: \$600-900.**)
3. Engineering/Design.
4. Cost of Permits (estimated cost: ~\$1k to \$3k) *if needed.*
5. Normal work hours 7am-6pm Monday-Friday. Winter Conditions 11/1-4/15
6. Electrical, plumbing, painting, boring, veneering, lighting, landscaping, watering of seed/sod.
7. Any **ADDITIONAL** sewer or utility work not described in above scope.
8. Hauling or disposal of contaminated materials.
9. Repairs to unforeseen issues during excavation.
10. Any other items not described in above scope.

WORK CREW

- All concrete work to be expertly performed by Goodmanson employees/ACI Certified Finishers.

LICENSED BONDED AND INSURED

- MN LIC#: BC627075
- \$9 million umbrella coverage

We hereby propose to furnish the materials and perform the labor necessary for the completion of:

*****Following Photo shows a typical project area*****

Additional costs may occur after inspection of other locations picked out by the City of Lauderdale

(Circle Concrete Surrounds Diagram)



Terms of Proposal

MN License #BC627075 | AA/EEO/Vets/Disability Employer

Length of Proposal:

This proposal may be withdrawn by Goodmanson Construction if not accepted within 7 days.

Permits (if necessary):

Cost of permit(s), if needed, not included in this proposal. Goodmanson Construction will obtain and asked to be reimbursed.

Concrete/Asphalt Removal (if applicable):

Cost includes up to 5½" of existing concrete/asphalt removal. If thicker than 5½", \$0.50 per inch of extra thickness per square foot will be charged following discussion and signed change order from owner.

Sub Soil (if applicable)

Cost includes up to 6" of recycled concrete base installation. If additional base is required, \$0.50 per inch of base per square foot will be charged following discussion and signed change order from owner.

Railings (if applicable):

Goodmanson does not replace or install railings. We recommend Andrew Laliberte with Dakota Unlimited 651-322-7123.

Irrigation Systems/Electrical/Utilities (if applicable):

Not responsible for damage to irrigation lines and heads/electrical lines/utilities. Gopher One locates requested by Goodmanson are for the safety of our employees only. Public and private utility locates do not guarantee location of utilities nor guarantee Goodmanson can avoid damage.

Goodmanson will use the best care possible to prevent any damage and will repair unexposed services at additional charge.

Payment Schedule:

10% deposit required to schedule (new customer), Payments Due as Work Progresses, Balance Due Day of Completion

18% per Year (1.5% month) Late Fee Applies on All Late Payments

CASH & CHECK ACCEPTED OR MASTERCARD & VISA WITH 2 % SERVICE FEE

Concrete has a natural variation in appearance and color similar to marble, granite and wood. Keep in mind that the color samples shown are an approximation of the final concrete color of the finished concrete. The in-place concrete will be affected by the concrete mixture, materials selected, finishing techniques, curing and sealing methods and weather conditions.

Final in-place concrete will NOT look exactly like samples.

Any alteration or deviation from specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance upon above work. Workmen's Compensation and Public Liability Insurance on above work to be taken out by: Goodmanson Construction, Inc. All concrete cracks. Every measure possible will be taken to control cracks so they cannot be seen.

PRE-LIEN NOTICE: ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTIONS.

UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLY LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.

CUSTOMER'S THREE-DAY RIGHT TO TERMINATE: CUSTOMER IS ADVISED THAT IF THE WORK INVOLVES THE CUSTOMER'S HOMESTEAD, FEDERAL LAW ALLOWS CUSTOMER TO TERMINATE THIS AGREEMENT FOR ANY REASON WITHIN THREE (3) DAYS AFTER SIGNING IT. CUSTOMER ACKNOWLEDGES THAT THEY HAVE RECEIVED SUCH NOTICE PURSUANT TO THIS SECTION AND PURSUANT TO THE NOTICE OF RESCISSION ATTACHED HERE TO.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. Goodmanson Construction is authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date: _____

BILLING INFORMATION

Preferred Billing:

☐ Email

or

☐ USPS

Payment Terms:

☐ **Net 15** – subtract 1% from job total

☐ **Net 30** – Contract price

☐ **Net 45** – add 1% to job total

☐ **Net 60** – add 2.5% to job total

DOCUMENTS NEEDED:

☐ W-9

☐ Certificate of Insurance

☐ Other _____

☐ P.O. # _____

Business Name: _____

Accounts Payable Contact: _____

Project Name: _____

Mailing Address: _____

City, State, Zip: _____

Phone Number: _____

E-mail Address: _____

Submitted by:

Jake Wegscheider

Project Estimator/Designer