

FINAL OFFICIAL STATEMENT DATED JUNE 24, 2024

**NEW ISSUE
NOT BANK QUALIFIED
BOOK ENTRY ONLY**

S&P RATING: AA-

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions. See "TAX CONSIDERATIONS" herein.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA
\$49,650,000 Lease Revenue Bonds, Series 2024A (City of Chaska, Minnesota Lease Obligation)
(the "Bonds")**

Dated Date	Date of Delivery (July 17, 2024)
Security	The Bonds will be special, limited obligations of the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") payable solely from rental payments (the "Rental Payments") to be received by the Authority from the City of Chaska, Minnesota (the "City") pursuant to a Lease Agreement between the Authority and the City dated July 1, 2024 (the "Lease"). The Bonds are issued pursuant to a Trust Indenture between the Authority and U.S. Bank Trust Company, National Association, St. Paul, Minnesota, (the "Trustee") dated July 1, 2024 (the "Indenture"); a resolution of the Authority dated May 20, 2024 (the "Authority Resolution"); and a concurring resolution of the City dated May 20, 2024 (the "City Resolution"). The Bonds do not constitute a debt for which the faith and credit or taxing powers of the Authority, the City, or the State of Minnesota will be pledged. The City's obligation under the Lease is subject to annual appropriation, as further discussed herein. Upon termination of the Lease in the event of nonappropriation, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Project to the Authority in accordance with the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the Lease within ten (10) days after the termination of the Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions. Upon termination of the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may lease or sell the Authority's interests in the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with the Trust Indenture.
Authorization	The Bonds are being issued pursuant to Minnesota Statutes, Sections 465.71, 471.64, 469.012 subdivision 1(h), Sections 469.033 and 469.034, and Chapter 475. See "Authority and Security" herein.
Purpose	The proceeds of the Bonds, along with available Authority funds, will be used to (i) construct a new public safety campus within the City (the "Project"); (ii) pay capitalized interest; and (iii) pay costs of issuance. See "Authority and Security" herein.
Principal and Interest Payments	Principal will be paid annually on February 1, beginning February 1, 2026. Interest will be payable semiannually on February 1 and August 1, beginning February 1, 2025. Interest through and including February 1, 2025 will be paid from Bond proceeds.

Redemption Provisions The Authority may elect on February 1, 2034 and on any day thereafter, to redeem Bonds due on or after February 1, 2035 at a price of par plus accrued interest.

The Bonds are subject redemption at the option of the Authority on any Business Day, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturity dates as the Authority may determine and by lot or other manner deemed fair as to Bonds maturing on the same date, in the event that all or any part of the Project is lost, stolen, destroyed or damaged beyond repair and the Authority determines that the reconstruction and restoration of the Project to its prior condition is not economically feasible. All prepayments shall be at a price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date.

The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.

Book Entry The Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See Appendix B for "Book Entry".

Denominations The Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.

Trustee U.S. Bank Trust Company, National Association, located in St. Paul, Minnesota ("Trustee") The Trustee will serve as registrar (the "Registrar") for the Bonds.

Underwriter Please see the "PURCHASER/UNDERWRITING" section herein for discussion regarding the Underwriter of the Bonds.

MATURITY SCHEDULE
(Base CUSIP(1) 16166N)

<u>Maturity</u> <u>(February 1)</u>	<u>Principal</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2026	\$ 835,000	5.000%	3.250%	102.604%	FF7
2027	\$ 875,000	5.000%	3.150%	104.478%	FG5
2028	\$ 920,000	5.000%	3.150%	106.148%	FH3
2029	\$ 965,000	5.000%	3.150%	107.766%	FJ9
2030	\$ 1,010,000	5.000%	3.150%	109.334%	FK6
2031	\$ 1,060,000	5.000%	3.150%	110.854%	FL4
2032	\$ 1,115,000	5.000%	3.150%	112.327%	FM2
2033	\$ 1,170,000	5.000%	3.150%	113.755%	FN0
2034	\$ 1,230,000	5.000%	3.150%	115.139%	FP5
2035	\$ 1,290,000	5.000%	3.160%	115.050%(2)	FQ3
2036	\$ 1,355,000	5.000%	3.200%	114.695%(2)	FR1
2037	\$ 1,425,000	5.000%	3.300%	113.813%(2)	FS9
2038	\$ 1,495,000	5.000%	3.390%	113.027%(2)	FT7
2039	\$ 1,570,000	5.000%	3.450%	112.506%(2)	FU4
2040	\$ 1,650,000	5.000%	3.570%	111.473%(2)	FV2
2041	\$ 1,730,000	4.000%	3.850%	101.186%(2)	FW0
2042	\$ 1,800,000	4.000%	3.900%	100.788%(2)	FX8
2043	\$ 1,870,000	4.000%	3.950%	100.392%(2)	FY6
2044	\$ 1,945,000	4.000%	4.000%	100.000%	FZ3
2049(3)	\$10,965,000	4.000%	4.130%	98.000%	GE9
2054(3)	\$13,375,000	4.125%	4.244%	98.000%	GK5

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the Authority, the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Priced to the first optional call date of February 1, 2034.

(3) Term Bonds (see “DESCRIPTION OF THE BONDS – Mandatory Redemption” herein).

The Official Statement dated June 24, 2024 is a Final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesperson, or other person has been authorized by the Authority to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the Authority and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the Authority since the respective date thereof. However, upon delivery of the securities, the Authority will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the issuer and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

BOARD OF COMMISSIONERS

Mark Windschitl	President/Mayor
Jon Grau	Commissioner/Council Member
McKayla Hatfield	Commissioner/Council Member
Mike Huang	Commissioner/Council Member
Taylor Hubbard	Commissioner/Council Member

* The Authority is governed by a five-member Board of Commissioners, with the members of the City Council serving on the Board.

AUTHORITY EXECUTIVE DIRECTOR/CITY ADMINISTRATOR

Matthew Podhradsky

AUTHORITY ASSISTANT EXECUTIVE DIRECTOR

Elise Durbin

CITY ADMINISTRATIVE SERVICES DIRECTOR

Noel Graczyk

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Dorsey and Whitney, LLP
Minneapolis, Minnesota

TRUSTEE

U.S. Bank Trust Company, National Association
Saint Paul, Minnesota

UNDERWRITER

RBC Capital Markets, LLC
New York, New York

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OFFICIAL STATEMENT

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA
\$49,650,000 LEASE REVENUE BONDS, SERIES 2024A (CITY OF CHASKA, MINNESOTA LEASE
OBLIGATION)**

PURPOSE OF THE ISSUE AND USE OF FUNDS

THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

The Authority is a public body politic and corporate and a political subdivision of the State of Minnesota (the "State") duly organized and existing under the laws of the State. The Authority was established on March 30, 1987 and is governed by a five-member Board of Commissioners, with the City Council members serving on the Board. The current Board members are as follows:

		<u>Expiration of Term</u>
Mark Windschitl	President/Mayor	December 31, 2024
Jon Grau	Commissioner	December 31, 2026
McKayla Hatfield	Commissioner	December 31, 2026
Mike Huang	Commissioner	December 31, 2024
Taylor Hubbard	Commissioner	December 31, 2024

Mr. Matthew Podhradsky, the Executive Director of the Authority, also serves as City Administrator for the City. Ms. Elise Durbin, the Assistant Executive Director of the Authority, also serves as the Assistant City Administrator for the City.

PURPOSE OF THE BONDS

The proceeds of the Bonds, along with available Authority funds, will be used to (i) construct a new public safety campus within the City; (ii) pay capitalized interest; and (iii) pay costs of issuance.

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	\$49,650,000.00
Net Reoffering Premium	1,612,076.50
Available Authority Funds	<u>4,100,000.00</u>
Total Sources of Funds	\$55,362,076.50
Uses of Funds:	
Deposit to Project Fund	\$53,486,535.66
Deposit to Capitalized Interest Fund	1,176,054.27
Costs of Issuance(1)	202,986.57
Underwriter's Compensation	<u>496,500.00</u>
Total Uses of Funds	\$55,362,076.50

(1) Includes fees for bond counsel, municipal advisor, registrar, rating, and other miscellaneous expenses.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State relating to the depositing, holding, securing, or investing of public funds. The Authority shall direct the investment of Bond proceeds.

DESCRIPTION OF THE BONDS

INTEREST CALCULATION

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2025. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months

REGISTRATION AND EXCHANGE FEATURES

Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," U.S. Bank Trust Company, National Association, Saint Paul, Minnesota at the written request of the registered owner thereof or the owner's attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

BOOK ENTRY

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book entry only form. See Appendix B: Book Entry.

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants.

NOTICE OF REDEMPTION

If the Bonds are to be redeemed pursuant to the Indenture, and written notice of an election to exercise an option to redeem Bonds under the Indenture shall have been given to the Trustee at least 45 days prior by the Authority (other than for the mandatory sinking fund redemption of certain maturities of the Bonds maturing in the years for which no notice of election shall be required), the Trustee shall prepare a notice in the name of the Authority or in its own name describing the Outstanding Bonds to be redeemed, the date of redemption, and the redemption price. Such notice may be conditional. Notice of redemption shall be mailed by the Trustee, not less than thirty (30) days nor more than ninety (90) days before the redemption date, by first-class mail or by electronic means, to the Owners of all Bonds which are to be redeemed, at their last addresses appearing upon the registry books of the Authority and shall be published to the extent required by law.

OPTIONAL REDEMPTION

The Authority may elect on February 1, 2034, and on any day thereafter, to redeem Bonds due on or after February 1, 2035. Redemption may be in whole or in part and if in part at the option of the Authority and in

such manner as the Authority shall determine. If less than all of the Bonds of a particular maturity at the time outstanding are to be called for prior redemption, the particular Bonds or portions thereof of such maturity to be redeemed shall be selected by lot, except as otherwise provided herein, by the Trustee in such manner as the Trustee, in its discretion, may determine. The Trustee shall call for redemption in accordance with the foregoing provisions as many Bonds or portions thereof as will, as nearly as practicable, exhaust the money available therefor. Particular Bonds or portions thereof shall be redeemed only in integral multiples of principal amount of \$5,000.

So long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Bonds or portions thereof to be redeemed shall be selected in accordance with the operational arrangements of The Depository Trust Company or such other securities depository.

SPECIAL OPTIONAL REDEMPTION

The Bonds are also subject to redemption at the option of the Authority on any Business Day, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturity dates as the Authority may determine and by lot or other manner deemed fair as to Bonds maturing on the same date, in the event that all or any part of the Project is lost, stolen, destroyed or damaged beyond repair and the Authority determines that the reconstruction and restoration of the Project to its prior condition is not economically feasible. All prepayments shall be at a price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date.

MANDATORY REDEMPTION

The Term Bonds maturing on February 1, in the years 2049 and 2054 (the “Term Bonds”) are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

	<u>2049 Term Bonds</u>			<u>2054 Term Bonds</u>	
<u>Year</u>	<u>Amount</u>		<u>Year</u>	<u>Amount</u>	
2045	\$2,025,000		2050	\$2,465,000	
2046	\$2,105,000		2051	\$2,565,000	
2047	\$2,190,000		2052	\$2,670,000	
2048	\$2,275,000		2053*	\$2,780,000	
2049*	\$2,370,000_		2054*	\$2,895,000	

* *Final Maturity.*

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the Authority shall determine.

AUTHORITY AND SECURITY

AUTHORITY

The Bonds are being issued pursuant to Minnesota Statutes, Sections 465.71, 471.64, 469.012 subdivision 1(h), Sections 469.033 and 469.034, and Chapter 475. The Bonds are further issued pursuant to a Lease Agreement between the Authority and the City dated July 1, 2024 (the “Lease”); a Trust Indenture between the Authority and U.S. Bank Trust Company, National Association, St. Paul, Minnesota, (the “Trustee”) dated July 1, 2024 (the “Indenture”); a resolution of the Authority dated May 20, 2024 (the “Authority Resolution”); and a concurring resolution of the City dated May 20, 2024 (the “City Resolution”).

SECURITY AND SOURCES OF PAYMENT

The Bonds will be special, limited obligations of the Authority payable from rental payments to be received by the Authority from the City pursuant to the Lease. The City's obligation under the Lease is subject to annual appropriation.

Capitalized interest has been included in the par amount of the Bonds to make the interest payments due on the Bonds through February 1, 2025. Thereafter, each year's collection of Lease payments, if collected in full, will be sufficient to pay debt service due on the Bonds in each year.

The Authority covenants and agrees, under the Indenture, that so long as the Bonds shall be outstanding it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture and in the Authority Resolution and in each and every Bond executed, authenticated and delivered. The Authority further covenants that it will pay, or cause to be paid, the principal of and interest on the Bonds, from Rental Payments made by the City and other amounts received in respect to the Lease or available under the Indenture. The Authority covenants that it will cause such amounts received to be deposited with the Trustee prior to the due date of each payment of principal and interest and prior to the maturity of any Bond in amounts sufficient to pay such payment; provided, however, that the principal of and interest on any Bond is not and shall not be deemed to represent a debt or pledge the faith or credit of the Authority, the City, or the State of Minnesota or grant to the holder of any Bond any right to have the Authority levy any taxes, or appropriate any funds to the payment of debt service on the Bonds. Such payment is to be made solely and only out of the moneys received pursuant to the Lease and, the funds and accounts established and maintained with the Trustee pursuant to the Indenture and appropriated to the payment of the Bonds by the Indenture.

Payment of the Bonds is intended to be made from Rental Payments paid by the City under the Lease held in trust by the Trustee in accordance with the Indenture. The City covenants and agrees, pursuant to the Lease, to pay the Rental Payments at the times and in the amounts as set forth in the Lease. The Rental Payments shall be payable directly to the Trustee on behalf of the Authority at least five days prior to each February 1 and August 1 payment date for the Bonds. Other moneys received by the Trustee from the City which are on deposit in the Bond Fund at least five days prior to each February 1 and August 1 payment date may be credited against the Rental Payments otherwise due on such date if the City so directs.

Except in the case of the City Council's failure to make an annual appropriation, the obligation of the City to make the Rental Payments under the Lease, or any other payments required thereunder, shall be absolute and unconditional. The City shall make all Rental Payments required under the Lease when due and its Rental obligation under the Lease. The City is not permitted to suspend or discontinue any Rental Payments provided for in the Lease and is not permitted to terminate the Lease for any cause, except in the event that the City Council fails to appropriate money sufficient for the continued performance of the Lease by the City. The City will not terminate the Lease term for causes including the destruction of or damage to the Facility, any change in State or federal laws or rulings, or any failure of the Authority to perform and observe any agreement, duty, liability or obligation arising out of or connected with the Lease or the Indenture.

The City shall have the right to cancel and terminate the Lease, in whole but not in part, at the end of any Fiscal Year of the City, in the manner and subject to the terms specified in the Lease, if the City's governing body does not appropriate money sufficient to pay the Rental Payments coming due in the next Fiscal Year. Lack of a sufficient appropriation shall be evidenced by a specific provision in the budget of the City which prohibits the expenditure of the City funds for this purpose. The City may effect such termination by giving the Authority a written notice of termination and by paying to the Authority any Rental Payments which are due and have not been paid at or before the end of its then current Fiscal Year. **THE LEASE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, OR THE STATE OF MINNESOTA AND THE BONDS ARE NOT SECURED BY THE FULL FAITH AND CREDIT OR TAXING POWER OF THE AUTHORITY, THE CITY OR THE STATE.**

Upon termination of the Lease in the event of nonappropriation, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Project to the Authority in accordance with the terms of the Lease

and conveyed to the Authority or released its interest in the Project granted under the Lease within ten (10) days after the termination of the Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions. Upon termination of the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may lease or sell the Authority's interests in the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with the Trust Indenture.

RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York have assigned a rating of "AA-" to the Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The Authority has not applied to any other rating service for a rating on the Bonds.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the Authority to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain investment considerations are set forth below.

MAINTENANCE OF RATINGS

The Bonds have been rated as to their creditworthiness by S&P. While the Authority does not anticipate any material changes in the future, no assurance can be given that the Bonds will maintain their original rating. If the rating on the Bonds decreases or is withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Rating" herein.

SECONDARY MARKET

While the purchaser of the Bonds may expect, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

FUTURE CHANGES IN LAW

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market

price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Minnesota legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The Authority cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the Authority.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE OBLIGATIONS

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, the owners of the Bonds may have to enforce available remedies.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Resolution on behalf of the owners of the Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The Authority's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The Authority cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the Authority, including but not limited to the payment of debt service on any of its outstanding debt obligations.

CYBERSECURITY

The Authority relies on computer networks, data storage, collection, and transmission to conduct the operations of the Authority and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the Authority, its information technology, data stored by the Authority and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The Authority acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the Authority could have a material impact on the Authority. Further, as cybersecurity threats evolve, the Authority will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

CREDIT RISK

Since the investor in a Bond is without recourse to the Trustee, the investor assumes the entire risk if the City does not meet its obligations under the Lease is insufficient to pay principal of and interest on the Bonds. The City's ability to perform said obligations and its willingness to appropriate monies for the Lease could be affected by the financial condition of the City and economic conditions generally, among other things. See "RISK FACTORS – Non-Appropriation". Upon termination of the Lease in the event of nonappropriation, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Project to the Authority in accordance with the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the Lease within ten (10) days after the termination of the Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions. Upon termination of the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may lease or sell the Authority's interests in the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with the Trust Indenture.

REMEDIES OF DEFAULT: ENFORCEABILITY RISK AND CANCELLATION

Investors should understand that in an event of default by the Authority under the Lease, the remedies provided by the Lease may be unenforceable due to the application of principles of equity or State and federal laws relating to bankruptcy, moratoriums, reorganizations and creditors' rights, or may require the expenditure of money and considerable time to enforce. Further, investors should understand that in an event of default by the Authority under the Lease and the termination of the Lease by the Trustee, the Trustee may be unable to sell or lease its fee title interest in the Project, or to sell such interest at a price which will provide to the investors net proceeds equal to the amount of remaining principal under the Lease.

NON-APPROPRIATION

Rental Payments will be payable from the City funds which are annually budgeted and appropriated by the governing body of the City and which may be reduced or terminated by action of such governing body. There is no assurance that the City will appropriate funds for the Rental Payments. The governing body of the City is under no obligation to provide City funds for such payments. Accordingly, any factors which may potentially influence the budgeting process of the City should be considered by a prospective purchaser of the Bonds. In the event the governing body of the City fails to appropriate funds necessary for Rental Payments or defaults under the Lease, the Lease will be terminated, and, in such event, the Bonds will be payable from any moneys held by the Trustee under the Indenture. Upon termination of the Lease in the event of nonappropriation, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Project to the Authority in accordance with the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the Lease within ten (10) days after the termination of the Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions. Upon termination of the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may lease or sell the Authority's interests in the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with the Trust Indenture.

INSURANCE RISK

In case of any damage to or destruction of the Project or any part thereof by any casualty, the Authority shall, whether or not any insurance proceeds are available or adequate for such purpose and regardless of the dollar amount of such damage or loss, with reasonable diligence commence and complete restoration of the Project at its own expense. No destruction of or damage to the Project, or any part thereof, shall entitle or permit the Authority to quit or surrender the Project or shall relieve the Authority from its liability to

pay in full the Rental Payments other payments cited in the Lease, or from any of its other obligations under the Lease. The Authority shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or taking of its own property or for damages on account of the taking of or interference with the Authority's right to possession, use of or occupancy of the Project.

DETERMINATION OF TAXABILITY RISK

If the interest on the Bonds were to become subject to taxation, no provision has been made for redemption of the Bonds and investors holding the Bonds would not be entitled to any additional interest exceeding the rate printed on the Bonds. The Bondholder would subsequently then be holding a security with a substantially lower interest rate return than that of a comparable taxable security.

NO MORTGAGE

Bondholders will not receive a mortgage or similar security instrument with respect to the Bonds. Accordingly, the Bondholders will not have any right to foreclose on any real property of the Authority as a result of an event of default under the Indenture.

OTHER FACTORS

An investment in the Bonds involves an element of risk. To identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) to make a judgment as to whether the Bonds are an appropriate investment.

PURCHASER/UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC, New York, New York (the "Underwriter") at a purchase price of \$50,765,576.50, which is the par amount of the Bonds of \$49,650,000.00, less the Underwriter's discount of \$496,500.00, plus the net original issue premium of \$1,612,076.50.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Bonds.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Authority has covenanted and agreed, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Authority Resolution, to provide annual reports of specified information and notice of the occurrence of certain events as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix D to this Official Statement.

The Authority believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. However, certain reportable events were not filed on a timely basis, including: a financial obligation notice.

The Authority has adopted specific disclosure policies and procedures to further ensure ongoing compliance with its continuing disclosure obligations. A failure by the Authority to comply with the Disclosure Covenants will not constitute an event of default on the Bonds (although holders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending

the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

FUTURE FINANCING

As of the date of the Official Statement, the City anticipates issuing the following additional debt in the next 12 months.

- Issuance of bonds to refinance the City's \$25,300,000 General Obligation Temporary State Aid Street Bonds, Series 2022 maturing on December 31, 2024. The City's portion is estimated to be \$6 million with the State and County funding the remainder.
- Issuance of a temporary short-term debt obligation in the estimated amount of \$3.6 million for the acquisition of land for the City's Municipal Service Building
- Issuance of general obligation bonds in the estimated amount of \$2.6 million to finance the 2024 Downtown Street Reconstruction Project,
- Issuance of general obligation bonds to finance a road project in an estimated amount o \$

The City periodically evaluates market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

LITIGATION

The city is entering into arbitration with the Mueller Company for non-compliance of the City's Advanced Metering Infrastructure Contract. The City is seeing damages for the failure of the system. Neither the City nor the Authority anticipate this arbitration affecting the validity of the Bonds or the Authority's ability to meet its financial obligations.

LEGAL MATTERS

The Bonds are subject to approval as to certain matters by Dorsey & Whitney LLP of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix C herein will be delivered at closing.

TAX MATTERS

TAX EXEMPTION

The following is a summary of certain U.S. federal and Minnesota income tax considerations relating to the purchase, ownership, and disposition of the Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the Bonds. The City has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Prospective purchasers of Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Bonds based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of Bonds. It does not address the application of the alternative minimum tax imposed on noncorporate taxpayers and applicable corporations (as defined in Section 59(k) of the Code) or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Minnesota income tax to the extent expressly specified herein. This summary is limited to consequences

to U.S. holders that purchase the Bonds for cash at original issue and hold the Bonds as “capital assets” (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the “issue price” of a maturity of Bonds is the first price at which a substantial amount of Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

Tax-Exempt Interest

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Code, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code), and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

The Code establishes certain requirements that must be met after the issuance of the Bonds in order that interest on the Bonds be excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. These requirements include, but are not limited to, provisions regarding the use of Bond proceeds and the facilities financed or refinanced with such proceeds and restrictions on the investment of Bond proceeds and other amounts. The City has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the Bonds to be included in federal gross income or in Minnesota taxable net income retroactively to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds is included in federal gross income or in Minnesota taxable net income.

Original Issue Discount

Bonds may be issued with original issue discount (“OID”). A Bond will be treated as issued with OID (a “Discount Bond”) if its “stated redemption price at maturity” (*i.e.*, the sum of all amounts payable on the Bond other than payments of qualified stated interest) exceeds its issue price. OID that accrues to a holder of a Discount Bond is excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder’s federal and Minnesota tax bases. OID is taxable under the Minnesota franchise tax on corporations and financial institutions.

OID on a Discount Bond generally accrues pursuant to a constant-yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of OID that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest

actually payable. For this purpose, the adjusted issue price is determined by adding to the issue price for such Discount Bonds the OID that is treated as having accrued during all prior accrual periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then the OID that would have accrued for that accrual period for federal income tax purposes is allocated ratably to the days in that accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of the Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Bonds, even if the Bonds are sold, redeemed, or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that OID on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

Market Discount

If a Bond is purchased for a cost that is less than the Bond's issue price (plus accrued OID, if any), the purchaser may be treated as having purchased the Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Bond (to the extent that the gain realized does not exceed the accrued market discount on the Bond).

Bond Premium

A holder that acquires a Bond for an amount in excess of its stated redemption price at maturity generally must, from time to time, reduce the holder's federal and Minnesota tax bases for the Bond. Premium generally is amortized for federal income tax purposes and Minnesota income and franchise tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, holders who acquire Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes or for purposes of the Minnesota income tax applicable to individuals, estates, and trusts.

Related Tax Considerations

Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain social security and railroad retirement benefits to take interest on the Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, and Minnesota law similarly denies a deduction for such interest in the case of individuals, estates, and trusts. In the case of a financial institution, generally, no deduction is allowed under section 265(b) the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the Bonds, unless the obligations are "qualified tax-exempt obligations." Indebtedness may be allocated to the Bonds for this purpose even though not directly traceable to the purchase of the Bonds. The Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Income or loss on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depends upon the particular tax status of the holder and the holder's other items of income or deduction.

Sale or Other Disposition

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Bond. A holder's adjusted tax basis in a Bond generally will be equal to the amount that the holder paid for the Bond, increased by any accrued OID with respect to the Bond and reduced by the amount of any amortized bond premium on the Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

Information Reporting and Backup Withholding

Payments of interest on the Bonds (including any allocable bond premium or accrued OID t) and proceeds from the sale or other disposition of the Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

MUNICIPAL ADVISOR

The Authority and the City have retained Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor" or "BTMA") as municipal advisor in connection with certain aspects of the issuance of the Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP ("BTAG") which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC ("H&F"), an investment adviser registered with the Securities and Exchange Commission (the "SEC"), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP ("Valeas"), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP ("BTUS") is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the Authority and the City to provide certain municipal advisory services to the Authority and the City and, in that capacity, has assisted the Authority and the City in preparing this Official Statement. The information contained in the Official Statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the Authority and the City. The Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the Authority and the City, and it has no secondary obligations or other responsibility. The Municipal Advisor's fees are expected to be paid from proceeds of the Bonds. BTMA provides certain specific municipal advisory services to the Authority and the City but is neither a placement agent to the Authority and the City nor a broker/dealer.

Other Financial Industry Activities and Affiliations:

Baker Tilly Wealth Management, LLC (“BTWM”), an SEC registered investment adviser, and Baker Tilly Capital, LLC (“BTC”), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority (“FINRA”), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment

THE TRUSTEE

The Authority has appointed U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, a national banking association organized under the laws of the United States of America, to serve as Trustee for the Bonds. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is only responsible to carry out those specific duties assigned to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture, or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the Authority and the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The Authority and the City have authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The Authority and the City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the Authority and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

GENERAL INFORMATION CONCERNING THE CITY OF CHASKA, MINNESOTA

CITY PROPERTY VALUES

Trend of Values(1)

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio(2)	Economic Market Value(3)	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2023/24	\$4,603,098,400	93.6%	\$4,925,953,094	\$39,482,000	\$4,481,794,100	\$50,564,554
2022/23	4,319,497,500	95.4	4,526,746,397	41,852,700	4,211,936,000	48,098,965
2021/22	3,536,714,700	86.7	4,077,914,727	64,033,600	3,413,565,400	39,734,514
2020/21	3,368,610,400	93.6	3,605,124,559	67,796,600	3,241,220,600	37,633,807
2019/20	3,281,441,700	98.2	3,341,985,928	68,005,600	3,146,456,700	36,527,116

(1) For a description of the Minnesota property tax system, see Appendix E.

(2) Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values> and <https://www.revenue.state.mn.us/economic-market-values-reports>.

(3) Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values> and <https://www.revenue.state.mn.us/economic-market-values-reports>.

2023/24 Adjusted Taxable Net Tax Capacity: \$50,564,554(1)

Real Estate:		
Residential Homestead	\$30,525,381	57.6%
Commercial/Industrial and Public Utility	13,018,657	24.6
Residential Non-Homestead	8,299,276	15.6
Agricultural, Commercial & Residential, and Seasonal/Recreational	650,747	1.2
Personal Property	<u>538,598</u>	<u>1.0</u>
2023/24 Net Tax Capacity	\$53,032,659	100.0%
Less: Captured Tax Increment	(2,581,627)	
Less: Fiscal Disparity Contribution	(4,825,436)	
Plus: Fiscal Disparity Distribution	<u>4,938,958</u>	
2023/24 Adjusted Taxable Net Tax Capacity	\$50,564,554	

(1) Excludes mobile home valuation of \$160,402.

Ten of the Largest Taxpayers in the City

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2023/24 Net Tax Capacity</u>
Aurora Investment LLC	Commercial/Agricultural	\$ 821,957
United Healthcare Services Inc.	Commercial	617,686
Chaska Industrial Owner 1 LLC	Commercial	584,958
Centerpoint Energy	Utility	405,550
Flexential LLC(1)	Commercial	378,780
Chaska Heights Senior Living LLC	Rental/Residential	358,251
Arrow Hazeltine Shores LLC	Rental/Residential	345,001
SB Chaska Partners LLC	Rental Residential	321,946
FSI International Inc	Commercial	306,432
Ridgebrook Investments LLLP	Rental/Residential	<u>303,824</u>
Total		\$4,444,385(2)

(1) Formerly Via West Inc.

(2) Represents 8.8% of the City's 2023/24 adjusted taxable net tax capacity.

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin(1)

Legal Debt Limit (3% of 2023/24 Estimated Market Value)	\$138,092,952
Less: Outstanding Debt Subject to Limit	<u>(89,059,000)</u>
Legal Debt Margin as of July 17, 2024	\$ 49,033,952

(1) The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.

NOTE: Certain types of debt are not subject to the legal debt limit. See Appendix E – Debt Limitations.

General Obligation Debt Supported Solely by Taxes(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
11-29-17	1,960,000	Equipment Certificates	2-1-2027	\$ 760,000
11-06-19	1,240,000	Equipment Certificates	2-1-2029	765,000
12-28-23	8,815,000	Equipment Certificates	2-1-2043	<u>8,815,000</u>
Total				\$10,340,000

(1) These issues are subject to the legal debt limit.

General Obligation Special Assessment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
08-15-12	\$2,430,000	Improvements	2-1-2028	\$ 695,000
08-15-12	3,295,000	Improvement Refunding	2-1-2027	645,000
12-30-14	3,080,000	Improvements	2-1-2030	1,360,000
08-19-15	5,940,000	Improvements	2-1-2031	3,310,000
11-29-17	6,875,000	Improvements	2-1-2038	5,605,000
11-29-17	1,790,000	Taxable Improvements	2-1-2033	1,010,000
12-27-17	995,000	Improvements Refunding	2-1-2029	525,000
11-06-19	4,440,000	Improvements	2-1-2039	3,565,000
12-04-19	1,250,000	Taxable Improvements	2-1-2035	940,000
12-04-19	1,740,000	Improvements Refunding	2-1-2033	995,000
09-02-20	1,725,000	Improvements	2-1-2037	1,515,000
09-02-20	2,205,000	Taxable Improvements Refunding	12-1-2034	1,720,000
12-28-23	1,250,000	Improvements	2-1-2038	<u>1,250,000</u>
Total				\$23,135,000

General Obligation Tax Increment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
12-27-17	\$ 460,000	Taxable Tax Increment Refunding	2-1-2031	\$ 285,000
12-04-19	2,600,000	Taxable Tax Increment	2-1-2040	<u>2,480,000</u>
Total				\$2,765,000

General Obligation Tax Abatement Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
11-29-17	\$245,000	Taxable Tax Abatement	2-1-2039	\$195,000
09-02-20	375,000	Taxable Tax Abatement Refunding	12-1-2023	<u>295,000</u>
Total				\$490,000

General Obligation State-Aid Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
01-14-21	\$ 4,940,000	State Aid Street	4-1-2041	\$4,390,000

General Obligation Utility Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
08-15-12	\$ 1,380,000	Water/Sewer Revenue Refunding	2-1-2027	\$ 260,000
12-30-15	5,170,000	Utility Revenue	2-1-2036	3,420,000
11-29-17	735,000	Utility Revenue	2-1-2038	585,000
11-06-19	2,135,000	Utility Revenue	2-1-2035	1,645,000
12-04-19	780,000	Taxable Utility Revenue	2-1-2030	495,000
09-02-20	1,215,000	Utility Revenue	2-1-2031	925,000
09-02-20	7,845,000	Taxable Utility Revenue Refunding	12-1-2032	<u>6,560,000</u>
Total				\$13,890,000

General Obligation Housing Revenue Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
10-07-20	\$2,200,000	Governmental Refunding (Brickyard)	1-1-2040	\$1,895,000

(1) Issued by the Carver County Community Development Agency and secured by the general obligation of the City. Rental revenue and other related sources are used to pay this debt.

Lease Obligations(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
04-15-15	\$12,855,000	Taxable Lease Revenue	2-1-2035	\$ 6,285,000
04-15-15	9,000,000	Lease Revenue	2-1-2035	7,535,000
12-30-15	3,410,000	Taxable Lease Revenue	2-1-2031	1,820,000
12-30-15	1,085,000	Lease Revenue	2-1-2026	245,000
12-27-17	1,880,000	Senior Center Addition Refunding	12-1-2027	830,000
09-02-20	2,310,000	Lease Revenue Refunding	12-1-2033	1,910,000
12-31-21	3,560,000	Lease Purchase	12-1-2041	3,299,000
07-17-24	49,650,000	Lease Revenue (the Bonds)	2-1-2054	<u>49,650,000</u>
Total				\$71,574,000

(1) Issued by the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") and payable from annual appropriation lease payments made by the City to the Authority. These issues are subject to the legal debt limit.

Installment Purchase Revenue Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
03-9-20	\$6,285,000	Taxable Full-Term Installment Purchase Revenue	12-1-2040	\$5,740,000
07-8-20	1,530,000	Taxable Full-Term Installment Purchase Revenue	12-1-2040	<u>1,405,000</u>
Total				\$7,145,000

(1) Issued by the Authority and payable from annual installment payments made by the City to the Authority. These issues are subject to the legal debt limit.

Electric Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
09-06-17	\$7,220,000	Electric Revenue	10-1-2037	\$5,575,000
12-29-20	1,830,000	Electric Revenue Refunding	10-1-2031	<u>1,405,000</u>
Total				\$6,980,000

MMPA Revenue Debt(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 7-17-24</u>
10-01-15	\$21,760,000	Electric Revenue Refunding (MMPA)	10-1-2030	\$12,010,000

(1) Issued by the City but payable from payments made by the Minnesota Municipal Power Agency to the City pursuant to an agency contract and not from the operation of the electric system of the City (i.e., not secured on a parity with the City's outstanding electric revenue debt).

Estimated Calendar Year Debt Service Payments

Year	G.O. . Debt Supported Solely by Taxes		G.O. Special Assessment Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2024 (at 7-17)	(Paid)	\$ 277,573	\$ 240,000	\$ 632,869
2025	\$ 635,000	1,099,813	2,595,000	3,321,582
2026	705,000	1,136,313	2,665,000	3,297,310
2027	735,000	1,130,313	2,775,000	3,309,865
2028	500,000	864,438	2,640,000	3,076,429
2029	525,000	864,663	2,550,000	2,900,865
2030	375,000	693,013	2,240,000	2,511,288
2031	390,000	688,888	2,020,000	2,213,378
2032	410,000	688,888	1,455,000	1,590,818
2033	430,000	687,888	1,495,000	1,589,703
2034	455,000	690,763	790,000	852,919
2035	475,000	687,513	620,000	663,394
2036	500,000	688,138	370,000	398,916
2037	525,000	687,513	380,000	397,097
2038	550,000	685,638	255,000	261,094
2039	580,000	690,288	45,000	45,563
2040	600,000	686,688		
2041	625,000	687,188		
2042	650,000	687,500		
2043	<u>675,000</u>	<u>687,656</u>		
Total	\$10,340,000(1)	\$15,010,675	\$23,135,000(2)	\$27,063,090

(1) 49.9% of this debt will be retired within ten years.

(2) 89.4% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

Year	G.O. Tax Increment Debt		G.O. Tax Abatement Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2024 (at 7-17)	(Paid)	\$ 41,398	\$ 25,000	\$ 29,728
2025	\$ 120,000	200,995	35,000	44,228
2026	125,000	202,220	40,000	48,828
2027	125,000	198,283	40,000	48,343
2028	135,000	204,195	45,000	52,773
2029	145,000	210,008	45,000	52,093
2030	150,000	210,843	45,000	51,368
2031	155,000	211,550	55,000	60,514
2032	125,000	177,610	55,000	59,466
2033	130,000	179,040	15,000	18,364
2034	130,000	175,270	15,000	17,846
2035	140,000	181,220	15,000	17,329
2036	145,000	181,945	15,000	16,811
2037	155,000	187,406	15,000	16,294
2038	165,000	192,526	15,000	15,776
2039	175,000	197,341	15,000	15,259
2040	<u>645,000</u>	<u>654,836</u>		
Total	\$2,765,000(1)	\$3,606,686	\$490,000(2)	\$565,020

Year	G.O. State Aid Debt		G.O. Utility Revenue Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2024 (at 7-17)	(Paid)	\$ 47,743	\$ 665,000	\$ 816,521
2025	\$ 205,000	296,385	1,360,000	1,649,114
2026	215,000	297,985	1,405,000	1,667,246
2027	220,000	294,285	1,435,000	1,668,286
2028	230,000	295,285	1,375,000	1,576,579
2029	240,000	295,885	1,440,000	1,609,475
2030	250,000	296,085	1,475,000	1,611,969
2031	260,000	299,785	1,420,000	1,525,201
2032	260,000	297,185	1,310,000	1,387,628
2033	265,000	299,560	525,000	576,463
2034	270,000	301,615	535,000	571,659
2035	270,000	298,375	460,000	482,272
2036	275,000	299,830	385,000	394,256
2037	280,000	300,945	50,000	52,313
2038	280,000	296,745	50,000	50,781
2039	285,000	297,225		
2040	290,000	297,480		
2041	<u>295,000</u>	<u>297,508</u>		
Total	\$4,390,000(3)	\$5,109,906	\$13,890,000(4)	\$15,639,763

- (1) 48.5% of this debt will be retired within ten years.
- (2) 81.6% of this debt will be retired within ten years.
- (3) 55.0% of this debt will be retired within ten years.
- (4) 89.3% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

Year	G.O. Housing Revenue Debt		Lease Obligations	
	Principal	Principal & Interest	Principal	Principal & Interest
2024 (at 7-17)	(Paid)	(Paid)	\$ 480,000	\$ 910,661
2025	\$ 105,000	\$ 137,076	1,995,000	5,078,605
2026	105,000	135,790	2,790,000	5,694,247
2027	110,000	138,640	2,770,000	5,558,982
2028	110,000	136,440	2,660,000	5,330,085
2029	110,000	134,240	2,770,000	5,322,288
2030	115,000	137,450	2,891,000	5,320,037
2031	115,000	136,070	3,021,000	5,320,313
2032	115,000	134,690	2,847,000	5,017,082
2033	120,000	138,100	2,974,000	5,015,639
2034	120,000	136,300	2,870,000	4,776,854
2035	120,000	134,200	2,996,000	4,771,551
2036	125,000	136,750	1,558,000	3,229,145
2037	125,000	134,250	1,635,000	3,229,601
2038	130,000	136,700	1,713,000	3,227,314
2039	135,000	139,050	1,795,000	3,225,124
2040	135,000	136,350	1,883,000	3,224,817
2041			1,971,000	3,228,881
2042			1,800,000	2,978,919
2043			1,870,000	2,975,519
2044			1,945,000	2,974,219
2045			2,025,000	2,974,819
2046			2,105,000	2,972,219
2047			2,190,000	2,971,319
2048			2,275,000	2,967,019
2049			2,370,000	2,969,119
2050			2,465,000	2,965,878
2051			2,565,000	2,962,134
2052			2,670,000	2,959,163
2053			2,780,000	2,956,756
2054			2,895,000	2,954,709
Total	\$1,895,000(1)	\$2,182,096	\$71,574,000(2)	\$116,063,018

(1) 59.4% of this debt will be retired within ten years.

(2) 35.2% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments (Continued)

Year	Installment Purchase Revenue Debt		Electric Revenue Debt	
	Principal	Principal & Interest	Principal	Principal & Interest
2024 (at 7-17)	\$ 345,000	\$ 441,489	\$ 475,000	\$ 592,088
2025	350,000	536,651	485,000	700,175
2026	355,000	534,628	505,000	700,775
2027	365,000	537,220	525,000	700,575
2028	370,000	534,294	550,000	704,575
2029	380,000	535,933	565,000	704,050
2030	395,000	542,133	585,000	705,250
2031	400,000	537,338	610,000	710,750
2032	410,000	536,050	415,000	495,400
2033	425,000	539,485	425,000	492,950
2034	435,000	537,492	440,000	495,200
2035	450,000	540,221	455,000	497,000
2036	465,000	542,522	465,000	493,350
2037	480,000	542,896	480,000	494,400
2038	495,000	542,792		
2039	505,000	537,226		
2040	<u>520,000</u>	<u>536,352</u>		
Total	\$7,145,000(1)	\$9,054,722	\$6,980,000(2)	\$8,486,538

(1) 53.1% of this debt will be retired within ten years.

(2) 73.6% of this debt will be retired within ten years.

Year	MMPA Revenue Debt	
	Principal	Principal & Interest
2024 (at 7-17)	\$ 1,475,000	\$ 1,775,250
2025	1,550,000	2,076,750
2026	1,625,000	2,074,250
2027	1,715,000	2,083,000
2028	1,795,000	2,077,250
2029	1,885,000	2,077,500
2030	<u>1,965,000</u>	<u>2,063,250</u>
Total	\$12,010,000	\$14,227,250

Other Debt Obligations

Leases

The City has entered into various capital leases for Fitness Equipment. Information can be found in the City's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023 for additional information.

Temporary Debt

In September 2022, the City issued \$25,300,000 General Obligation Temporary State Aid Street Bonds, Series 2022A (the "Series 2022A Bonds") in the form of a draw down line of credit. The proceeds of the Series 2022A Bonds were used to pay for the costs of state aid street improvement projects within the City. Interest on the Series 2022A Bonds will be paid quarterly. The proceeds of the Series 2022A Bonds will be disbursed to the City on a cost reimbursement basis, and shall not exceed the principal amount of \$25,300,000. The Series 2022A Bonds will mature on December 31, 2024.

Conduit Debt

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

Overlapping Debt

<u>Taxing Unit(1)</u>	2023/24 <u>Adjusted Taxable Net Tax Capacity</u>	<u>Est. G.O. Debt As of 7-17-24(2)</u>	<u>Debt Applicable to Tax Capacity in City</u>	
			<u>Percent</u>	<u>Amount</u>
Carver County I.S.D. No. 112 (Eastern Carve County)	\$ 221,610,364	\$ 23,930,000	21.7%	\$ 5,192,810
Metropolitan Council	129,896,908	121,967,000	37.0	45,127,790
	5,878,108,871(3)	5,025,000(4)	0.9	<u>45,225</u>
Total				\$50,365,825

(1) Only those units with outstanding general obligation debt are shown here.

(2) Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.

(3) 2022/23 Values; most recent available.

(4) Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.

Debt Ratios(1)

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
2023/24 Estimated Market Value (\$4,603,098,400)	2.60%	3.70%
Per Capita (29,034– 2023 U.S. Census Estimate)	\$4,128	\$5,862

(1) Excludes general obligation utility revenue debt, general obligation housing revenue debt, electric revenue debt, MMPA revenue debt, and other debt obligations. Includes lease obligations and installment purchase revenue debt.

CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in the City of Chaska

	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	
					<u>Total</u>	<u>For Debt Only</u>
Carver County	35.180%	34.634%	34.170%	29.267%	30.106%	1.393%
City of Chaska	28.425	30.068	31.625	31.185	35.947	0.000
I.S.D. No. 112 (Eastern Carver County)(1)	33.006	32.327	31.220	27.747	28.659	13.966
Special Districts(2)	<u>4.973</u>	<u>5.014</u>	<u>4.846</u>	<u>4.688</u>	<u>4.626</u>	<u>1.257</u>
Total	101.584%	102.043%	101.861%	92.887%	99.338%	16.616%

(1) In addition, Independent School District No. 112 (Easter Carver County) has a 2023/24 market value tax rate of 0.17200% spread across the market value of property in support of an excess operating levy.

(2) Special districts include Metropolitan Council, Metropolitan Transit District, Mosquito Control, the Lower Minnesota River Watershed District #1, the Carver County Rail Authority, the Carver County Community Development Agency, and the Chaska Economic Development Authority.

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix E.

Tax Levies and Collections

<u>Levy/Collect</u>	<u>Net Levy(1)</u>	<u>Collected During Collection Year</u>		<u>Collected and/or Abated as of 12-31-23</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2023/24	\$19,939,632			(Not Yet Available)	
2022/23	14,995,915	\$14,954,034	99.7%	\$14,954,031	99.7%
2021/22	12,499,979	12,476,239	99.8	12,493,903	99.9
2020/21	11,213,750	11,183,052	99.7	11,213,027	99.9
2019/20	10,395,909	10,373,422	99.8	10,395,616	99.9

(1) The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix E.

**FUNDS ON HAND
As of February 29, 2024**

General Fund	\$ 7,609,959
Special Revenue Funds	(369,634)(1)
Debt Service Funds	6,490,853
Capital Project Funds	10,610,339
Enterprise Fund	14,749,798
Internal Service Funds	<u>4,557,358</u>
Total Cash and Investments	\$43,648,673(2)

(1)The negative balance is due to timing of receipt of funds in the Authority's Fund.

(2)The City is holding \$1,780,308.05 as of April 24, 2024 as Costco/Developer escrow funds.

INVESTMENTS

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

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- General obligations rated “A” or better.
- Revenue obligations rated “AA” or better.
- General obligations of the Minnesota Housing Finance Agency rated “A” or better.
- Banker's acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories.
- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The City’s investments are managed to attain a market rate of return while protecting capital. The City has the following mix of investment types as of December 31, 2023: 5.00% in First American Treasury Obligations, 62.17% in mutual funds and money markets, 25.95% in U.S. Government Agencies, 5.43% in State and Local Bonds, and 1.44% in Negotiable CDs. The Administrative Services Director (Treasurer) and City Administrator are charged with the responsibility of conducting investment transactions.

GENERAL INFORMATION CONCERNING THE CITY

The City is the county seat of Carver County, and is located approximately 18 miles southwest of Minneapolis and is part of the Minneapolis-Saint Paul metropolitan area. The City encompasses an area of approximately 18 square miles (11,520 acres).

Population

The City's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2023 U.S. Census Estimate	29,034	4.4%
2020 U.S. Census	27,810	17.0
2010 U.S. Census	23,770	36.2
2000 U.S. Census	17,449	53.9
1990 U.S. Census	11,339	35.9
1980 U.S. Census	8,346	--

Sources: United States Census Bureau, <http://www.census.gov/>.

The City's estimated population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2023/24	7,227	5,858	11,595	3,969
2022/23	7,331	5,654	11,903	3,568
2021/22	7,555	5,416	11,932	3,360
2020/21	7,493	5,419	11,867	3,149
2019/20	7,372	5,424	11,589	2,930

Source: Claritas, LLC.

Transportation

Major transportation routes serving the City include U.S. Highways 212 and 169 and State Highway 41. In addition, Interstate 494 is approximately 10 miles northeast of the City. Twin Cities and Western Railroad provides rail service to the City. Air transportation by major airlines is available at the Minneapolis-St. Paul International Airport, less than a half-hour drive from the City, and at the Flying Cloud Airport, approximately 10 miles east of the City.

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Independent School District No. 112 (Eastern Carver County)	Public education	1,210
Entegris Inc.	Semiconductor processing	802
Lake Region Manufacturing Co., Inc.	Catheter components	740
Carver County	County government	551
Apex International, MFG	Home-care product manufacturer	400
Old National Bank	Banking services	400
Beckman-Coulter, Inc.	Diagnostic reagents	381
TEL-FSI, Inc	Semi-centrifugal products	290
Import Specialties, Inc.	Automotive services	250
City of Chaska	City government	176

Note: Previously reported information was obtained through a telephone survey of individual employers. Any differences may be attributable to the change in the source of this information, as provided below.

Source: Information obtained from D&B Hoovers, <https://app.dnbhoovers.com/>. This does not purport to be a comprehensive list.

Labor Force Data

	Annual Average				April
	2020	2021	2022	2023	2024
Labor Force:					
Carver County	59,771	58,293	59,102	59,767	59,802
MSA	2,038,876	1,982,486	2,004,153	2,023,956	2,022,918
State of Minnesota	3,122,015	3,049,037	3,077,500	3,099,922	3,101,808
Unemployment Rate (%):					
Carver County	5.2%	3.0%	2.1%	2.4%	2.3%
MSA	6.5	3.7	2.5	2.7	2.6
State of Minnesota	6.3	3.7	2.7	2.8	2.7

Source: Minnesota Department of Employment and Economic Development, <https://apps.deed.state.mn.us/lmi/laus>. 2024 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

City of Chaska

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2023/24	\$337,393	\$1,232,618	\$82,337
2022/23	343,613	1,158,627	79,386
2021/22	291,283	1,152,443	80,163
2020/21	270,283	1,097,052	76,545
2019/20	305,490	1,069,092	78,299

Carver County

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$1,331,138	\$5,009,240	\$90,953
2022/23	1,414,686	5,063,203	91,382
2021/22	1,245,104	5,095,911	91,347
2020/21	1,194,759	4,593,426	83,278
2019/20	1,347,523	4,501,253	84,734

The 2023/24 Median Household EBI for the State of Minnesota was \$73,750. The 2022/23 Median Household EBI for the United States was \$64,600.

Source: Claritas, LLC.

Permits Issued by the City

	New Single Family Residential		New Commercial/Industrial		Total Value(1) (All Permits)
	Number	Value	Number	Value	
2024 (to 2-29)	27	\$11,661,657	14	\$ 2,729,100	\$ 15,378,078
2023	211	75,389,667	99	139,897,098	225,276,101
2022	180	57,411,144	67	85,702,856	164,120,361
2021	214	71,543,619	43	13,041,285	120,301,623
2020	113	28,362,364	38	8,370,259	51,398,828
2019	122	32,288,490	34	7,237,100	46,553,957
2018	79	36,288,936	49	14,207,139	57,621,735
2017	103	24,339,375	43	69,145,998	105,409,067
2016	144	40,503,141	38	14,769,385	70,331,176
2015	137	53,330,048	42	25,564,786	87,170,651

(1) In addition to building permits, the total value includes all other permits issued by the City (i.e. heating, lighting, plumbing, roof replacement, etc.).

Source: City of Chaska.

Recent Development

As per the Metropolitan Council Community Profile of the City, in 2022 (2023 data not yet available) there were approximately 7,230 single-family homes, 708 single-family attached townhomes, 44 multi-family homes (consisting of two, three, and four units), 2423 multi-family homes (consisting of five or more units), and 682 manufactured homes located within the City. In 2023, over 12 months, there were 0 single-family townhomes, and 206 new detached single-family homes constructed. The average value of a new home has increase/decreased by 4.54%, from \$353,980 in 2021 to \$337,905 as of December 31, 2022.

The status of single-family lot availability as of March 19, 2024 is as follows:

<u>Subdivision Name</u>	<u>Available Lots</u>	<u>Total Lots</u>	<u>Permits Issued to Date</u>
<i>Single Family</i>			
Chaska Bluffs 2 nd	9	17	8
Clover Field 7 th	1	11	10
Club West Seventh Addition	1	42	41
Club West Eighth Addition	0	43	43
Club West Ninth Addition	1	13	12
Club West Tenth Addition	2	4	2
Club West Eleventh Addition	13	18	5
Del Webb at Chaska	2	92	90
Del Webb at Chaska 2 nd	64	179	115
Ensnconced Woods	21	29	8
Harvest West	0	72	72
Harvest West 2 nd	5	56	51
Harvest West 3 rd	28	92	64
Klein Brickyard Thirteenth Addition	0	20	20
Kusske Estates	2	2	0
Oak Creek	35	57	22
Reserve at Autumn Woods 1 st	31	86	55
Rivertown Heights	22	44	22
Savanna Estates 2 nd Addition	3	11	8
Savanna Estates 3 rd Addition	3	26	23
Hidden Maples	2	4	2
Single Family Subtotal	<u>245</u>	<u>918</u>	<u>673</u>
<i>Multiple Family</i>			
Pioneer Vista	<u>0</u>	<u>54</u>	<u>38</u>
Grand Total	245	972	711

Commercial and Industrial Development

The City continues its multi-year program to reconstruct streets in the historic downtown core as a part of its Downtown Master Plan. This reconstruction has reinvigorated the coordination and planning efforts for the transformation of another downtown block, which will be called City Square West. The City envisions a gathering space that attracts citizens to come downtown to enjoy new and readily accessible services, and it is anticipated that construction will begin in 2024.

Other development activities include:

- *SW Chaska Master Plan.* The City has completed its SW Chaska Master Plan, which guides development and land use of an undeveloped two-plus square mile area in the southwest area of the City along Highway 212. While most of the area was originally determined to be residential, the new master plan allows for more corporate uses and allows residential development to be most consistent with current market conditions.
- *Highway 212 Interchange.* The City received \$10.5 million in State funds to create an interchange at County Highway 44 and Trunk Highway 212. Construction of the \$20.5 million interchange and improvements to County Highway 44 began in 2019 and was completed in 2020. The City and Carver County split the costs for the remaining \$10 million portion of the project. The interchange project improves access to neighborhoods in the southwest area of the City and facilitates industrial development in this area.

- *Chaska Building Center Site.* The City has been working to redevelop a former building center site on County Road 61 just east of downtown. The 12-acre site was previously home to dilapidated industrial buildings, which have since been demolished. To date, a portion of the site has been developed for affordable multi-family housing, another portion has been redeveloped into a cabinet milling facility for DDK Construction, Inc., and another portion was redeveloped into a 30,000 square-foot medical device manufacturer for Formacoat. The remaining four acres of the site is under construction as the Chaska Tech Center, which is intended to be a small-business catalyst site. Completion of this development is estimated to be in 2024.

- *Schram Brew Haus.* The City has facilitated the redevelopment of a former Carver County public works building on the west side of downtown on County Road 61 into a brewery and taproom called Schram Brew Haus. The City helped transfer ownership from Carver County to a development team who in turn renovated the building. This project returned the property to the tax rolls, established a productive use, and added an attraction in proximity to the City’s historic downtown.

- *Data Center.* A proposed developer has a purchase agreement for a 150,000 square foot Data Center. This Data Center would be within the City’s electric service territory. This data center is anticipated to use 190 MW and would be a direct sale from the power supplier.

Industrial Parks

There are two industrial parks located within the City with a combined capacity of 679 acres. Currently, there are over 100 enterprises occupying the parks, the larger of which include Lake Region Manufacturing, TEL-FSI, Inc., Beckman Coulter, Bailiwick, and Lifecore Biomedical. There are only two remaining sites in this industrial park, one with approximately 17 acres and one with approximately five acres. The five-acre site would be marketed for approximately \$3 million, while the 17-acre site would be marketed for approximately \$7 million. The City recently worked with three existing companies in the industrial parks on expansions totaling an additional 100,000 square feet.

The City has approximately 390 acres of corporate/industrial land planned for development since the opening of the new Highway 212. There is room for 5.5 million square feet of office/industrial space that will be marketed toward bioscience and high-tech companies. This is expected to add between \$300 million and \$500 million of taxable market value as well as 4,000 to 6,000 quality jobs when completed. With the opening of the Highway 212 Interchange, discussions with property owners are ongoing to develop this industrial park. (Include information about Oppidan)

Education

Public Education

The following district serves the residents of the City:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2023/24 Enrollment</u>
I.S.D. No. 112 (Eastern Carver County)	City of Chaska	K-12	9,254

Source: Minnesota Department of Education, www.education.state.mn.us.

Non-Public Education

City residents are also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2023/24 Enrollment</u>
Jonathan Montessori	City of Chaska	PreK	8
St. John's Lutheran School	City of Chaska	K-8	209
Southwest Christian High School	City of Chaska	9-12	505

Source: Minnesota Department of Education, www.education.state.mn.us.

Post-Secondary Education

City residents have access to various colleges and universities located throughout the Minneapolis/Saint Paul metropolitan area.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The City was organized as a municipality in 1891 and became a statutory city in 1975. The City's governing body is the City Council, comprised of the Mayor and four Council members. The Mayor serves a two-year term of office; Council members are elected by ward to serve overlapping four-year terms.

The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Mark Windschitl	Mayor	December 31, 2024
Jon Grau	Council Member, First Ward	December 31, 2026
Taylor Hubbard	Council Member, Second Ward	December 31, 2024
McKayla Hatfield	Council Member, Third Ward	December 31, 2026
Mike Huang	Council Member, Fourth Ward	December 31, 2024

The daily management and administration of the City is under the direction of the City Administrator, Mr. Matthew Podhradsky. Mr. Podhradsky has served in this capacity since August 4, 2008. Mr. Podhradsky also serves as the City Clerk.

Mr. Noel Graczyk serves as Administrative Services Director and has been in this position since 1988. The Administrative Services Director also serves as City Treasurer and, with direction from the City Council, and shares responsibility for financial management with the City Administrator.

The City has 176 regular full-time employees, 315 part-time employees, and 41 paid on-call volunteer firefighters.

Municipal Services

The Water Utility System has approximately 7,981 municipal and 30 private connections served by three elevated water storage facilities and a ground storage tank with a combined capacity of 4.5 million gallons. In addition, there are six wells that have the capacity to pump 8,360 gallons per minute or approximately 13,400,000 gallons per day. In 2023, average demand was 3,614,753 gallons per day while peak demand reached 7,312,000 gallons per day. Total tap water hardness is 26 parts per million gallons of water. The water treatment plant has the capacity to treat 12.6 million gallons per day for iron and manganese removal to only trace levels.

The 2023 operating revenues of the water utility system were \$5,194,001 with an average annual charge per household and commercial connection at approximately \$543. In 2010, the City began billing water usage based on a rate structure with inclining steps. Rates for 2023 range from \$2.06 to \$5.12 per thousand gallons.

The Sewer Utility System has approximately 7,802 municipal and 27 private connections. Average demand in 2023 was 3,300,000 gallons per day while peak demand reached 4,120,000 gallons per day. All sewage treatment services are operated through Metropolitan Council Environmental Services.

The 2023 operating revenues of the sewer utility system were \$6,761,550 with an average annual charge per household and commercial connection at approximately \$734. The 2023 sewage use charge is \$5.76 per thousand gallons. The established rates and charges for both the water and sewer systems produce revenues sufficient to operate the systems and pay debt service on those general obligation bonds that are payable from these revenues.

The Electric Utility System has approximately 11,538 connections. The electric utility's mission is to provide reliable electric service to its customers at competitive rates while making a profit that will be used to reduce community property taxes. The City owns and operates its own electric distribution system, purchasing electricity from the Minnesota Municipal Power Agency. The Agency is a joint venture on the part of the City with eleven other cities that have entered into agreements to purchase wholesale electric power. See "The Electric Utility" herein.

Storm Water Utility System. All property within the City is charged a rate for storm water utility services based on land use. The 2023 operating revenues of the storm water utility system were \$1,775,622. The Resistance Equivalency Rate (RER) is \$11.77.

Fire and Rescue Department. The City currently has a 41-member volunteer fire and rescue department, with a full-time Fire Chief. The City has a fully-equipped fire station with one pumper, seven various size tankers, a 100-foot aerial truck/pumper, eight fire trucks equipped with motorized pumps, an emergency/rescue vehicle, and other miscellaneous firefighting and rescue equipment.

Police Department. The City operates its own police department with 29 licensed police officers, including a chief of police and one full-time community service officer. Dispatching and jail facilities are coordinated through the Carver County Sheriff's Department.

Park and Recreational Facilities. The City's municipal park system encompasses approximately 992 acres of land consisting of 29 active recreation areas connected by a greenway system running from the Minnesota River to the Minnesota Landscape Arboretum. Virtually every home in Chaska is located no more than a quarter mile from the park system and most are connected by internal greenways within subdivisions. The 29 recreational areas offer a variety of facilities and activities to City residents including picnic areas with tables and electricity, cooking grills, drinking water, restrooms and shelter buildings, swimming, fishing, general playground equipment, baseball/softball fields, tennis courts, volleyball and basketball courts, hockey/skating rinks and horseshoe courts. The parks vary in size from two acres to 100 acres.

Community Center. The City operates an approximately 200,000 square-foot community center consisting of two ice arenas, gymnasiums, indoor running track, exercise machines, aquatic pools, racquetball courts, community rooms, offices, stage and auditorium, fitness center and the Lodge for Active Older Adults. The Center had 2023 operating revenues of \$3,183,967.

Curling Arena and Event Center. The City operates a curling center with six lanes for curling and a restaurant, and an event center that seats 350 people is adjacent the arena. The Curling Arena and Event Center had operating revenues of \$1,181,353 in 2023.

Municipal Golf Courses. The City operates two golf courses: The Loop at Chaska Golf Course, a nine-hole barrier-free course; and the Chaska Town Course, an 18-hole course. The golf courses had 2023 operating revenues of \$0 and \$3,145,142, respectively. The Loop at Chaska Golf Course is closed for business while undergoing a large reconstruction project. The course is anticipated to open in Spring 2024.

Labor Contracts

The status of labor contracts in the City is as follows:

<u>Bargaining Unit</u>	<u>No. of Employees</u>	<u>Expiration Date of Current Contract</u>
Teamsters No. 320	51	December 31, 2025
LELS (Patrol)	21	December 31, 2025
Police Supervisors	<u>8</u>	December 31, 2025
 Total all labor contracts	 80	
 Non-unionized employees	 <u>96</u>	
Total full-time employees	176	
Total part-time employees	315	
Volunteer Fire Department paid on-call employees	<u>41</u>	
 Total employees	 <u>532</u>	

Employee Pensions

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF) and the Public Employees Correctional Fund (PECF), which are cost-sharing multiple-employer retirement plans. In addition, the City participates in the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA.

A detailed description of these plans, along with the City’s required contributions to each plan, are represented in the City’s Annual Comprehensive Financial Reports. The City’s Annual Comprehensive Financial Report for fiscal year ended December 31, 2023 is included as Appendix F of this Official Statement.

Other Postemployment Benefits

The issuer has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City’s OPEB liabilities and associated contributions are represented in the City’s Annual Comprehensive Financial Reports. The City’s Annual Comprehensive Financial Report for fiscal year ended December 31, 2023 is included as Appendix F of this Official Statement.

Sources: City’s Annual Comprehensive Financial Reports.

Federal Financial Assistance

As of the date of this Official Statement, the City has received \$2,081,049 of CARES Act Assistance and \$2,949,418.31 of American Rescue Plan Act (ARPA) Funds.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Property Taxes	\$9,999,388	\$6,450,837	\$7,715,569	\$8,430,302	\$9,238,259
Charges for Services	3,912,324	4,140,543	4,891,208	5,329,623	6,021,951
Transfers In	250,000	4,801,298	4,481,486	4,395,954	4,622,856
Licenses and Permits	928,825	910,342	943,410	1,836,260	2,284,612
Intergovernmental	687,796	795,598	639,162	969,470	737,306
Other Revenue	146,613	160,743	309,109	344,451	429,036
Fines and Forfeitures	109,319	64,114	33,400	37,649	40,684

Sources: City's Annual Comprehensive Financial Reports.

General Fund Budget Summary

	<u>2023 Budget</u>	<u>2023 Actual (unaudited)</u>	<u>2024 Budget</u>
Revenues:			
Taxes	\$ 11,352,388	\$11,349,298	\$14,138,947
Licenses and Permits	1,276,676	3,171,358	1,416,023
Intergovernmental	757,857	939,684	1,315,999
Charges for Services	6,290,495	6,396,998	6,783,617
Fines and Forfeits	40,223	50,110	41,027
Special Assessment	0	0	0
Investment Earnings	25,000	239,614	25,000
Other Revenue	<u>189,850</u>	<u>377,233</u>	<u>230,160</u>
Total Revenues	\$19,932,489	\$22,524,295	\$23,950,773
Expenditures:			
General Government	\$ 7,472,107	\$ 7,079,127	\$ 8,113,726
Public Safety	9,438,221	10,142,417	10,758,231
Public Works	2,927,842	2,850,198	3,206,038
Parks, Recreation and Arts	3,001,919	3,251,755	3,339,941
Unallocated	0	0	316,837
Debt Service	<u>116,400</u>	<u>221,478</u>	<u>0</u>
Total Expenditures	\$22,956,489	\$23,544,975	\$25,734,773
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$(3,024,000)	\$(1,020,680)	\$(1,784,000)
Other Financing Sources (Uses):			
Transfers In	\$ 5,004,000	\$ 4,870,595	\$ 4,898,000
Transfers Out	<u>(1,980,000)</u>	<u>(1,984,196)</u>	<u>(3,114,000)</u>
Total Other Financing Sources (Uses)	\$ 3,024,000	\$ 2,886,399	\$ 1,784,000
Net Change in Fund Balance	\$ 0	\$ 1,865,719	\$ 0
Beginning Fund Balance - January 1	\$ 3,653,255	\$ 3,653,225	\$ 5,518,974
Ending Fund Balance - December 31	\$ 3,653,255	\$ 5,518,974	\$ 5,518,974

Sources: City's Annual Comprehensive Financial Reports 2024 Budget.

BOOK ENTRY

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Authority or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

FORM OF BOND COUNSEL OPINION

Economic Development Authority
of the City of Chaska, Minnesota

RBC Capital Markets, LLC
New York, New York

Re: \$49,650,000 Lease Revenue Bonds, Series 2024A
Economic Development Authority of the City of Chaska, Minnesota

Ladies and Gentlemen:

We have acted as bond counsel in connection with the authorization, issuance and sale by Economic Development Authority of the City of Chaska, Minnesota (the “Issuer”), of its \$49,650,000 Lease Revenue Bonds, Series 2024A, dated, as originally issued, as of July 17, 2024 (the “Bonds”). For the purpose of rendering this opinion, we have examined: (1) a Lease Agreement, dated as of July 1, 2024 (the “Lease”), between the Issuer and the City of Chaska, Minnesota (the “City”); (2) a Trust Indenture, dated as of July 1, 2024 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, as Trustee; (3) certified copies of the resolutions of the governing bodies of the Issuer and the City approving and authorizing the execution and delivery of the Bonds, the Lease, the Indenture and other documents, as the case may be; and (4) such other documents, certificates and opinions as we consider necessary in order to render this opinion. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits, certificates and other documents furnished to us without undertaking to verify the same by independent investigation.

From such examination and on the basis of existing law, it is our opinion that:

1. The Issuer is authorized by the Constitution and laws of the State of Minnesota to issue the Bonds, to apply the proceeds of the Bonds to the financing of the Project (as defined in the Lease), to pledge the rental payments to be received pursuant to, and its interests in, the Lease as security for the payment of the principal of and interest on the Bonds.

2. The Lease has been duly authorized, executed and delivered by the Issuer and the City and is a valid instrument binding on the Issuer and the City and enforceable in accordance with its terms. The Indenture has been duly and validly authorized, executed and delivered by the Issuer and, assuming the due and valid authorization, execution and delivery thereof by the Trustee, is a valid instrument binding on the Issuer and enforceable in accordance with its terms.

3. The Bonds are valid and binding special obligations of the Issuer, enforceable in accordance with their terms and the terms of the Indenture, payable as to principal and interest from and secured by a valid and enforceable pledge of revenues derived from the Lease and from certain other revenues described in the Lease and the Indenture. Under the Lease, the Issuer is leasing the Project to the City, and the City agrees to pay to the Issuer rental payments, payable at times and in amounts sufficient to pay the principal of and interest on the Bonds when due. The rental payments are payable solely from moneys to be legally appropriated and provided for that purpose by the City. If the City Council fails to appropriate money for the payment of the rental payments coming due under the Lease for any fiscal year of the City, the City may terminate the Lease in the manner provided therein as of the end of the preceding fiscal year, without penalty or liability on the part of the City to pay any rental payments coming due after the end of such fiscal year.

4. Interest on the Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and (b) is not an item of tax

preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code.

5. Interest on the Bonds (a) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes and (b) is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates.

The opinions expressed in paragraphs 1, 2, and 3 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the application of equitable principles, whether considered at law or in equity.

The opinions expressed in paragraphs 4 and 5 above are subject to the compliance by the Issuer with certain requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. Noncompliance with these requirements could result in the inclusion of interest on the Bonds in gross income for federal income tax purposes and taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds.

Except as stated herein, we express no opinion regarding federal, state, or other tax consequences to the owner of the Bonds. We note, however, that interest on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) and is included in net income of corporations and financial institutions for purposes of the Minnesota franchise tax.

In providing this opinion, we have relied upon representations of the Issuer and the City and their respective officers as to (i) the intended application of the proceeds of the Bonds, (ii) the nature, use, cost, and economic life of the facilities and equipment financed by the Bonds, and (iii) other matters relating to the exemption of the interest on the Bonds from federal income taxation.

We have not been asked, and have not undertaken, to review the accuracy, completeness or sufficiency of any offering materials relating to the Bonds, and, accordingly, we express no opinion with respect thereto.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may occur after the date hereof and which may be retroactive.

Dated this 17th day of July, 2024.

Very truly yours,

FORM OF CONTINUING DISCLOSURE COVENANTS

Excerpt from Authority Resolution

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the “Rule”), which will enhance the marketability of the Bonds, the Authority hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The Authority and the City are the only obligated persons in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City or Authority fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The Authority will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the Authority, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2024, the following financial information and operating data in respect of the City (the “Disclosure Information”):
 - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
 - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: “APPENDIX A – General and Financial Information Concerning the City of Chaska, Minnesota – City Property Values;” “– City Indebtedness;” and “– City Tax Rates, Levies and Collections.”

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the Authority shall provide on or before such date unaudited financial statements and, within 10 days after the receipt thereof, the Authority shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System ("EMMA") or the SEC. The Authority shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City or the Authority have materially changed or been discontinued, such Disclosure Information need no longer be provided if the Authority includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other Authority or City operations in respect of which data is not included in the Disclosure Information and the Authority determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the Authority shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact"):
 - (A) principal and interest payment delinquencies;
 - (B) non-payment related defaults, if material;
 - (C) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) substitution of credit or liquidity providers, or their failure to perform;
 - (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
 - (G) modifications to rights of holders of the Bonds, if material;
 - (H) bond calls, if material, and tender offers;
 - (I) defeasances;
 - (J) release, substitution or sale of property securing repayment of the Bonds, if material;
 - (K) rating changes;
 - (L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
 - (M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (O) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other

- similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

- (3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:
- (A) the failure of the Authority to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the Authority under subsection (d)(2);
 - (C) the termination of the obligations of the Authority under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

- (1) The Authority agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).

- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the Authority in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the Authority under this section shall terminate and be without further effect as of any date on which the Authority delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the Authority to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the Authority from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the Authority accompanied by an opinion of Bond Counsel, who may rely on certificates of the Authority and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the Authority or the City or the type of operations conducted by the Authority or the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

**SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND
MINNESOTA REAL PROPERTY VALUATION**

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

PROPERTY VALUATIONS (CHAPTER 273, MINNESOTA STATUTES)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the Authority's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

**PROPERTY TAX PAYMENTS AND DELINQUENCIES
(CHAPTERS 275, 276, 277, 279-282 AND 549, MINNESOTA STATUTES)**

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes

due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

PROPERTY TAX CREDITS (CHAPTER 273, MINNESOTA STATUTES)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

DEBT LIMITATIONS

All Minnesota municipalities (counties, cities, towns, and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.
8. Obligations to repay loans made under Minnesota Statutes, Section 216C.37.
9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.
10. Obligations issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
11. Obligations issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

**LEVIES FOR GENERAL OBLIGATION DEBT
(SECTIONS 475.61 AND 475.74, MINNESOTA STATUTES)**

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

**METROPOLITAN REVENUE DISTRIBUTION (CHAPTER 473F, MINNESOTA STATUTES)
“FISCAL DISPARITIES LAW”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities,” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO
NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

<u>Property Type</u>	<u>Local Tax Payable 2020-2023</u>	<u>Local Tax Payable 2024</u>
Residential Homestead (1a)		
Up to \$500,000	1.00%	1.00%
Over \$500,000	1.25%	1.25%
Residential Non-homestead		
Single Unit (4bb)		
Up to \$500,000	1.00%	1.00%
Over \$500,000	1.25%	1.25%
2-3 unit and undeveloped land (4b1)	1.25%	1.25%
Market Rate Apartments		
Regular (4a)	1.25%	1.25%
Low-Income (4d)		
Up to \$100,000 ⁽³⁾	0.75%	0.75%
Over \$100,000 ⁽³⁾	0.25%	0.25%
Low-Income (4d1)		0.25%
Low-Income (4d2)		0.75%
Commercial/Industrial/Public Utility (3a)		
Up to \$150,000	1.50% ⁽¹⁾	1.50% ⁽¹⁾
Over \$150,000	2.00% ⁽¹⁾	2.00% ⁽¹⁾
Electric Generation Machinery	2.00%	2.00%
Commercial Seasonal Residential		
Homestead Resorts (1c)		
Up to \$600,000	0.50%	0.50%
\$600,000 - \$2,300,000	1.00%	1.00%
Over \$2,300,000	1.25% ⁽¹⁾	1.25% ⁽¹⁾
Seasonal Resorts (4c1)		
Up to \$500,000	1.00% ⁽¹⁾	1.00% ⁽¹⁾
Over \$500,000	1.25% ⁽¹⁾	1.25% ⁽¹⁾
Non-Commercial (4c12)		
Up to \$500,000	1.00% ⁽¹⁾⁽²⁾	1.00% ⁽¹⁾⁽²⁾
Over \$500,000	1.25% ⁽¹⁾⁽²⁾	1.25% ⁽¹⁾⁽²⁾
Disabled Homestead (1b)		
Up to \$50,000	0.45%	0.45%
\$50,000 - \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Land & Buildings		
Homestead (2a)		
Up to \$500,000	1.00%	1.00%
Over \$500,000	1.25%	1.25%
Remainder of Farm		
Up to \$3,500,000 ⁽⁴⁾	0.50% ⁽²⁾	0.50% ⁽²⁾
Over \$3,500,000 ⁽⁴⁾	1.00% ⁽²⁾	0.50% ⁽²⁾
Non-homestead (2b)	1.00% ⁽²⁾	1.00% ⁽²⁾

(1) State tax is applicable to these classifications.

(2) Exempt from referendum market value-based taxes.

(3) Historical valuations are: Payable 2023 - \$100,000; Payable 2022 - \$100,000; Payable 2021 - \$174,000; and Payable 2020 - \$150,000.

(4) Legislative increases, payable 2024. Historical valuations are: Payable 2023 - \$1,890,000; Payable 2022 - \$1,890,000; Payable 2021 - \$1,890,000; and Payable 2020 - \$1,880,000.

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First \$76,000 – 0.40%; \$76,000 to \$500,000 – 1.00%; and over \$500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

SUMMARY OF FINANCING DOCUMENTS

The following summaries do not purport to be comprehensive or definitive and all references to the documents summarized below are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the following documents. Copies of these documents are available for inspection during the period of the offering at the offices of the Municipal Advisor, and thereafter at the principal office of the Trustee. REFERENCE IS MADE TO EACH DOCUMENT IN ITS ENTIRETY FOR A COMPLETE AND ACCURATE UNDERSTANDING OF THE FINANCING DOCUMENTS

DEFINITIONS

Additional Bonds means any additional bonds issued pursuant to the terms and conditions of the Indenture.

Authority Representative means the President or Executive Director of the Authority or any other person authorized to act on behalf of the Authority under or with respect to the Indenture, as evidenced by a certificate conferring such authority executed by the President, given to the Trustee and the City.

Bond Fund means the fund so named and created under the Indenture.

Bond Resolution means the resolution of the Authority adopted by the Board of Commissioners of the Authority on May 20, 2024, respectively, authorizing the issuance and sale of the Series 2024 Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bond Year means a calendar year.

Bond or Bonds means the Series 2024 Bonds and any Additional Bonds.

Business Day means any day other than a Saturday, Sunday, or other day on which commercial banks in the city in which the principal corporate trust office of the Trustee is located are not open for business.

Certificate means a certification in writing required or permitted by the provisions of the Lease or the Indenture, signed and delivered to the Trustee or other proper person or persons.

City means the City of Chaska, Minnesota, and its permitted successors and assigns under the Lease.

City Representative means the Mayor or City Administrator, or any person authorized by law to act on behalf of the City under or with respect to the Lease, as evidenced by a certificate conferring such authority executed by the City Administrator and given to the Trustee and the Authority.

Completion Certificate means an executed certificate in the form of Exhibit C to the Lease, as the case may be.

Completion Date means, with respect to the Project, as the case may be, the date upon which the corresponding Completion Certificate is issued with respect thereto by the City and delivered to the Authority and the Trustee.

Debt Service Reserve Requirement means the amounts described in the Indenture.

Default means default by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Indenture, exclusive of any notice or period of grace required to constitute a default an “Event of Default” as described in the Indenture.

Event of Default means an Event of Default described in the Indenture which has not been cured.

Fiscal Year means the fiscal year of the Authority; initially, the 12-month period commencing on January 1 in each year.

Holder, Bondholder or Owner means the person or persons in whose name any Bond is registered in the registration books maintained by the Trustee on behalf of the Authority.

Indenture means this Trust Indenture under which the Bonds are authorized to be issued, and any amendments or supplements hereto entered into in accordance with the provisions hereof.

Independent Counsel means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not an officer or full-time employee of the Authority or the City.

Interest Payment Date means the stated maturity of an installment of interest on any of the Bonds.

Internal Revenue Code means the Internal Revenue Code of 1986, as amended from time to time.

Land means the real property as described on Exhibit B hereto, which real property is to be improved pursuant to the Lease.

Lease means the Lease-Purchase Agreement, dated as of July 1, 2024, between the Authority, as lessor, and the City, as lessee, relating to the Series 2024 Bonds, as the same may be amended or supplemented pursuant thereto and hereto.

Opinion of Counsel means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the City or Authority or appointed by the Trustee.

Outstanding means, when used as of any particular time with reference to Bonds (subject to the provisions of the Indenture pertaining to Bonds held by the Authority and the City) all Bonds

theretofore authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds deemed not outstanding pursuant to the terms of the Indenture; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of the Indenture pertaining to replacement of Bonds.

Payment Date means the fifth Business Day preceding each Interest Payment Date, which is the date upon which any Rental Payment is due and payable as provided in the Indenture.

Predecessor Bonds means every previous Bond evidencing all or a portion of the same debt as that evidenced by a particular Bond, including Bonds exchanged pursuant to the Indenture, and for purposes of this definition, any Bond authenticated and delivered under the Indenture in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

Principal Payment Date means the stated maturity of principal of any Bond, or the mandatory sinking fund redemption date of any Bond.

Project means the Land and the improvements to be acquired and constructed on the Land, as more fully described in Exhibit B to the Lease and Exhibit C hereof.

Project Costs means the costs defined in the Indenture.

Project Fund means the fund so named and created under the Indenture.

Project Purchase Price means the amount necessary to defease, to the earliest permissible redemption date, the remaining Outstanding principal amount of Bonds, together with an amount equal to the Authority's and Trustee's fees and expenses in connection with such defeasance and redemption.

Qualified Investments means (1) any investments permitted pursuant to Sections 118A.04 and 118A.05, Minnesota Statutes, for the investment of public funds, and (2) shares in an open-ended registered investment company which exclusively purchases and holds direct, full faith and credit obligations of the United States or obligations of agencies or instrumentalities of the United States, the full and timely payment of which is unconditionally guaranteed by the United States (including repurchase agreements collateralized by such obligations), including funds for which the Trustee or its affiliates provide investment advisory or other management services.

Redeem or Redemption includes and means "prepay" or "prepayment," as the case may be.

Rental Payment means any payment due from the City to the Authority under the Lease.

[*Reserve Fund* means the fund so named and created under the Indenture.]

Responsible Officer means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be

such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of the Indenture.

Series 2024 Bonds means the \$[PAR] Lease Revenue Bonds, Series 2024A, authorized by the Indenture and the Bond Resolution and described in the Indenture.

Trust Estate means the interest of the Authority in the Lease assigned under Granting Clause I of the Indenture; the revenues, money, investments, contract rights, general intangibles and instruments and proceeds and products and accessions thereof as set forth in Granting Clause II of the Indenture; and additional property held by the Trustee pursuant to Granting Clause III of the Indenture.

Trustee means the trustee at the time serving as such under the Indenture

THE LEASE

The following is a summary of certain provisions of the Lease. The summary is qualified in its entirety by reference to the full text of that Lease.

Lease. Upon the terms and conditions set forth in the Lease, the Authority leases the Project to the City, and the City leases the Project from the Authority.

Possession and Enjoyment. During the Lease Term, the Authority covenants to provide the City with the quiet use and enjoyment of the Project; and the City will peaceably and quietly have and hold and enjoy the Project without suit, trouble or hindrance from the Authority, except as expressly set forth in the Lease.

Authority Access to Project. The Authority and any Authority Representative have the right at all reasonable times to examine and inspect the Project and such rights of access to the Project as reasonably necessary to properly maintain the Project.

Lease Term; Termination. The Lease will remain in effect with respect to the Project for a Lease Term commencing on its date of execution and continuing until no Bonds remain Outstanding, or until terminated. The Lease Term will terminate prior to the date specified in the Lease upon the occurrence of the first of the following events: (a) termination of the Lease in the event of non-appropriation; (b) a default by the City and the Authority's election to terminate the Lease; or (c) the payment by the City of all Rental Payments due hereunder or the payment of the Purchase Price, together with any fees and expenses due the Authority or the Trustee under the Lease or the Indenture.

Rental Payments. The City will, by wire transfer in immediately available funds, pay Rental Payments with respect to the Project as follows:

(a) By each Rental Payment Date, the City will pay an amount equal to the interest, and principal, if any, due on the Bonds on the next succeeding Interest Payment Date.

(b) As a credit against the first interest payment otherwise required to be paid by the City to the Trustee pursuant to (a) above, there will be applied any accrued interest on the Bonds initially deposited into the Bond Fund.

(c) On each Rental Payment Date, so long as no Event of Default has occurred and is continuing, the City will have a credit against the Rental Payment otherwise due on said date to the extent of any investment profits or earnings which have been transferred or are otherwise available in the Bond Fund for such purpose.

(d) In the event the City will have paid Rental Payments with respect to the next succeeding Interest Payment Date, but the funds on deposit in the Bond Fund are nevertheless insufficient to pay such principal, premium (if any) and interest on the Bonds then due or to become due on such Interest Payment Date, the City will forthwith pay, as Rental Payments, the amount of the deficiency.

(e) The City will also have a credit against its Rental Payment obligations to the extent of funds transferred from the Reserve Fund to the Bond Fund to make the final payments due on Outstanding Bonds.

The Rental Payments will be paid directly to the Trustee at its corporate trust office for the account of the City for deposit in the Bond Fund as provided in the Indenture.

Except as provided in the Lease, the obligation of the City to make Rental Payments due with respect to the Project or any other payments required thereunder will be absolute and unconditional in all events.

The obligations of the City under the Lease, including its obligation to pay the Rental Payments due with respect to the Project in any Fiscal Year for which the Lease is in effect, will constitute a current expense of the City for such Fiscal Year and will not constitute an indebtedness of the City within the meaning of the Constitution and laws of the State (except to the extent any amount of the Lease shall be included in the calculation of net debt for purposes of Minnesota Section 475.53, as provided in Minnesota Statutes, Section 465.71). Nothing in the Lease will constitute a pledge by the City of any taxes or other moneys, other than moneys lawfully appropriated from time to time by or for the benefit of the City's annual budget and the proceeds of the Bonds or Net Proceeds of the Project, to the payment of any Rental Payment or other amount coming due under the Lease.

Termination of the Lease; Non-appropriation. The City shall have the right to cancel and terminate the Lease, in whole but not in part, at the end of any Fiscal Year of the City, in the manner and subject to the terms specified in the Lease, if the City's governing body does not appropriate money sufficient to pay the Rental Payments coming due in the next Fiscal Year. Lack of a sufficient appropriation shall be evidenced by a specific provision in the budget of the City which prohibits the expenditure of the City funds for this purpose. The City may effect such termination by giving the Authority a written notice of termination and by paying to the Authority any Rental Payments which are due and have not been paid at or before the end of its then current

Fiscal Year. The City shall endeavor to give notice of termination not less than one hundred twenty (120) days prior to the end of such Fiscal Year, and shall notify the Authority of any anticipated termination. In the event of termination of the Lease, the City shall deliver possession of the Project to the Authority, and release its interest in the Project granted under the Lease within ten (10) days after the termination of the Lease.

Intent to Continue Lease-Purchase Payments; Appropriations

The City presently intends to continue the Lease for the entire Lease Term and to pay all Rental Payments required hereunder. The City Administrator will include in the budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means at his or her disposal to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due therein. The City reasonably believes that money in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose.

Effect of Termination Upon termination of the Lease in the event of nonappropriation, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Project to the Authority in accordance with the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the Lease within ten (10) days after the termination of the Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions. Upon termination of the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may lease or sell the Authority's interests in the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with the Indenture.

Events of Default Defined The following are Events of Default under the Lease and the terms "events of default" and "default" mean, whenever they are used in the Lease, with respect to the Project, any one or more of the following events: (i) Failure by the City to pay any Rental Payments or other payments required to be paid hereunder at the time specified herein, which failure shall continue for a period of five days after written notice given to the City by the Trustee on behalf of the Authority.

(ii) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) above, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Trustee on behalf of the Authority, unless the Trustee shall agree in writing to an extension of such time prior to its expiration.

(iii) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on the operation of the Project, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition

applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

Remedies on Default Whenever any event of default shall have happened and be continuing with respect to the Project, the Trustee, on behalf of the Authority, shall have the right, at its option, to take one or any combination of the following remedial steps: Cancel and terminate the Lease by written notice in accordance with law, reenter and take possession of the Project and all improvements thereto, and charge the City for costs incurred in repossessing the Project, and all prior Rental Payments made hereunder by the City shall belong to the Authority as liquidated damages; and

Take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due and thereafter to become due during the then current Fiscal Year of the City with respect to the Project, or enforce performance and observance of any obligation, agreement or covenant of the City under the Lease; and

Lease or sell the Authority's interests in the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with the Indenture.

The Authority covenants to cooperate with the Trustee, upon request, in the exercise of any of the foregoing remedies.

Surrender of Project Upon the termination of the Lease, the City will surrender possession of the Project to the Authority in the condition, repair, appearance and working order required under the Lease.

Title During the Lease Term, and so long as the City is not in default under Article X, legal title to the Project and any and all repairs, replacements, substitutions and modifications to it shall be in the name of the Authority, subject to the interests of the City under the Lease. Upon termination of the Lease pursuant to Section 4.2(c), full and unencumbered legal title to the Project shall pass to the City, and the Authority shall have no further interest therein. In such event, the Authority shall execute and deliver to the City such documents as the City may request to evidence the passage of legal title to the Project to the City and the termination of the Authority's interest therein. **Security Interest.** The Authority shall have and retain a security interest under the Uniform Commercial Code in the Project, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof made pursuant to the Lease, and a security interest in the proceeds of all insurance policies and amounts held in the funds established pursuant to the Trust Indenture relating to the Bonds, in order to secure the City's payment of all Rental Payments due during the Lease Term and the performance of all other obligations herein to be performed by the City. The Authority is authorized to record such financing statements as may be necessary to perfect such security interest. The City will join with the Authority in executing such other documents and will perform such acts as the Authority may request to establish and maintain a valid security interest in the Project. If requested by the Authority, the City shall conspicuously mark the Project with appropriate lettering, labels or tags, and maintain such markings during the Lease Term, so as clearly to disclose the Authority's security interest in the Project. **Purchase of**

Project Except during the continuance of an Event of Default, the City shall have the option of purchasing the Project as follows:

(a) The City shall give written notice to the Authority and to the Trustee of its intention to purchase the Project, stating therein a closing date not less than forty (40) nor more than ninety (90) days after the date the notice is mailed, and the City shall make arrangements satisfactory to the Trustee for the giving of any required notice of redemption or notice of defeasance of the Bonds in connection with the purchase.

(b) The City shall pay to the Trustee, on or before the closing date, an amount equal to the Purchase Price for the Project.

(c) On the closing date, a closing shall be held at the principal office of the Trustee, or any other office mutually agreed upon. At the closing the City and the Authority shall, upon acknowledgment of receipt of the Purchase Price, the Authority shall convey or release to the City, all of its right, title and/or interest in and to the Project by delivering to the City such documents as the City deems necessary for this purpose.

At such time as all of the Bonds have been fully paid or provision for payment thereof has been made in accordance with the provisions of the Indenture, and all expenses of the Authority and Trustee have been paid or provided for to the date of such full payment of the Bonds, the City shall be deemed to have purchased all right, title and interest of the Authority in the Project, the Lease shall be deemed terminated, and title to the Project shall automatically vest in the City. Nevertheless, the Authority, at the expense of the City, shall execute such documents as shall be reasonably necessary to convey its interest in the Project to the City.

INDENTURE

The following is a summary of certain provisions of the Indenture between the Authority and the Trustee. The summary is qualified in its entirety by reference to the full text of the Indenture.

Authorization of Additional Bonds. The Authority may, upon request of the City, issue Additional Bonds to 1) provide funds to complete the acquisition and construction of the Project, (2) provide funds for additions to or further improvements of the Project, and (3) subject to the Indenture and applicable law, refund or advance refund any Bonds then Outstanding. Any such Additional Bonds shall be authorized by resolution of the Authority and described in a supplemental indenture executed by the Authority and the Trustee and which, when so issued, authorized and described, shall be secured by the Indenture and the Trust Estate on a parity with the Bonds then Outstanding under the Indenture; provided, that no such Additional Bonds shall be issued under the Indenture or secured by the Trust Estate on a parity with the Outstanding Bonds certain conditions described in the Indenture are met.

Project Fund. Pursuant to the Indenture, the Authority is required to establish an account with the Trustee entitled the "Series 2024 Project Fund" (the "Project Fund"). The moneys in the Project Fund will be held by the Trustee and applied to the payment of the Project Costs in accordance with the Indenture, and pending such application will be subject to a lien and

charge in favor of the Holders of the Bonds issued and Outstanding under the Indenture and held for the further security of such Holders until paid out as provided in the Indenture. In the event the moneys in the Bond Fund is insufficient on any Interest Payment Date to pay principal of, premium (if any) or interest on the Bonds due on such date, the Trustee will use any moneys then on deposit to the credit of the Project Fund, to pay such principal, premium and interest.

Bond Fund. Pursuant to the Indenture, the Authority is required to establish and maintain a separate account to be designated the “Bond Fund,” into which the Authority and Trustee will deposit: (i) the amount specified in the Indenture upon issuance of a series of Bonds; (ii) all Rental Payments received from the City pursuant to the Lease; (iii) all other moneys received by the Trustee from the City or Authority when accompanied by directions of the City or Authority that such moneys are to be paid into the Bond Fund or used for purposes for which moneys in the Bond Fund may be used; (iv) all other moneys required to be deposited in the Bond Fund pursuant to any provision of the Indenture or the Lease. The moneys and investments in the Bond Fund are irrevocably pledged to and will be used by the Trustee for the payment of principal of, premium (if any) on and interest on the Bonds, as and when such principal, premium and interest is due and payable.

[Reserve Fund. Pursuant to the Indenture, the Authority is required to establish and maintain a separate account to be designated “Series 2024 Reserve Fund” Money on hand in the Reserve Fund will be used only to pay maturing principal and interest on the Bonds when money in the Bond Fund is insufficient therefor; provided, that money on hand in the Reserve Fund may be applied by the Authority, at the request of the City, to the payment or discharge of the Bonds at any time when all Outstanding Bonds are to be discharged or paid in accordance with the Indenture. In the event that Additional Bonds are issued, the Reserve Fund will be increased on the date of issuance of such Additional Bonds to a Debt Service Reserve Requirement equal to the lesser of (i) 10% of the proceeds of each series of Outstanding Bonds issued pursuant to the Indenture and then Outstanding, including the Additional Bonds (ii) the maximum amount of principal and interest to come due in any future fiscal year, during the term of all then Outstanding Bonds, on all of the then Outstanding Bonds and on the Additional Bonds to be issued or (iii) 125% of the average annual debt service, during the term of all then Outstanding Bonds, on all of the then Outstanding Bonds and on the Additional Bonds to be issued. If the balance on hand in the Reserve Fund is ever reduced below the Debt Service Reserve Requirement, such deficiency will be restored out of additional payments to be made by the City under the Lease; provided no such restoration will be required if the City has determined to terminate the Lease in accordance with the Lease and has provided written notice of such intention to the Trustee.]

Investment of Funds. Any moneys held as a part of the Reserve Fund or Bond Fund will be invested or reinvested by the Trustee upon the request and direction of a City Representative in any Qualified Investment; provided that, unless an opinion of bond counsel is provided to the effect that acquisition of the Qualified Investment will not cause a violation of the provisions of Section 148 of the Code and applicable Regulations, no Qualified Investment shall be acquired for the Reserve Fund at a discount or premium exceeding 2% times the stated redemption price at maturity of the Qualified Investment

to be acquired and, for purposes of Section 148 of the Code and the Indenture, the investments in the Reserve Fund shall be valued at their outstanding principal amount as permitted by Section 1.148-5(d)(1)(i) of the Regulations.

Covenants.

Payment of Bonds. The Authority covenants and agrees, so long as the Bonds shall be outstanding, that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture and the Bond Resolution and in each and every Bond executed, authenticated and delivered hereunder; will pay or cause to be paid, from Rental Payments by the City and other amounts received in respect of the Lease or available under the Indenture, the principal of, premium (if any) on and interest on every Bond issued hereunder on the dates, at the places and in the manner prescribed in the Bonds in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for the payment of public and private debts; and will cause such amounts received to be deposited with the Trustee prior to the due date of each installment of principal and interest and prior to the maturity of any Bond in amounts sufficient to pay such installment; provided, however, that the principal of and interest on any Bond is not and shall not be deemed to represent a debt or pledge the faith or credit of the Authority, the City, or the State of Minnesota or grant to the Holder of any Bond any right to have the Authority, the City, or the State of Minnesota levy any taxes or appropriate any funds to the payment of principal of or interest on the Bonds, such payment to be made solely and only out of the money received pursuant to the Lease and the funds and accounts established and maintained with the Trustee pursuant to the requirements of the Indenture and appropriated to the payment of the Bonds by the Indenture.

Extension of Payments of Bonds. The Authority covenants and agrees, so long as the Bonds shall be outstanding, that it shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds, or the time of payment of any claims for interest by the purchase or refunding of such Bonds or claims for interest or by any other arrangement; and in case the maturity of any of the Bonds, or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default hereunder to the benefit of the Indenture or to any payment out of any assets of the Authority or the funds (except funds held in the trust by the Trustee for the payment of particular Bonds or claims for interest pursuant to the Indenture) held by the Trustee except subject to the prior payment of the principal of all Bonds issued and outstanding hereunder, the maturity of which Bonds or principal installments has not been extended, and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

Concerning the Lease. The Authority covenants and agrees, so long as the Bonds shall be outstanding, that it will cause and permit the Trustee to take such action as may be necessary or advisable to enforce the covenants, terms and conditions of the Lease if such action shall, in the Trustee's discretion, be deemed to be in the best interest of the Authority or the Bondholders. The Authority shall do or cause to be done all things on its part to be performed under the Lease so that the obligations of the City thereunder shall not be impaired or excused.

Events of Default. Each of the following events is hereby defined as, and is declared to be and to constitute, an “Event of Default”:

(i) If payment of the principal of, or premium, if any, on any of the Bonds, when the same shall become due and payable, whether at maturity or by proceedings for redemption (by redemption, declaration or otherwise), shall not be made; or

(ii) If payment of any interest on the Bonds when the same shall become due and payable (in which case interest shall be payable to the extent permitted by law on any overdue installments of interest, in each case at the interest rate borne by the Bonds in respect of which such interest is overdue) shall not be made; or

(iii) If an Event of Default shall occur and be subsisting under the Lease;
or

(iv) If default shall be made in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in the Indenture, or in the Bonds contained, and such default shall have continued for a period of thirty days after written notice thereof given to the Authority by the Trustee.

Enforcement of Covenants and Conditions. Upon the occurrence of an Event of Default with respect to a Lease, the Trustee may, anything herein to the contrary notwithstanding and without any request from any Bondholder of the Bonds relating thereto (subject, however, to the provisions of the Indenture), take such action or actions for the enforcement of its rights and the rights of such Bondholders and the rights of the Authority under such Lease as due diligence, prudence and care would require and to pursue the same with like diligence, prudence and care. Upon the occurrence of an Event of Default with respect to a Lease, the Trustee may, and shall upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Outstanding Bonds relating thereto, by written notice to the Authority, declare the principal of the respective Bonds to be immediately due and payable, whereupon that portion of the principal of such Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or in such Bonds to the contrary notwithstanding. Upon the happening and continuance of an Event of Default, the Trustee may, and shall upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of the outstanding Bonds relating thereto, proceed forthwith by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of such Bonds, to enforce application to such payment of the funds, revenues and income appropriated thereto by the Indenture and by such Bonds, to enforce rights of the Authority under such Lease, and to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights or any of the rights of the Bondholders with respect thereto. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of such Bondholders, as

aforesaid, unless such Bondholders shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby.

Power of Majority of BondholdersAnything in the Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds Outstanding hereunder with respect to a Lease shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken under the Indenture and such Lease; provided, that such direction shall not be otherwise than in accordance with the provisions of law and that the Trustee shall be indemnified as provided in the Indenture.**Notice to Bondholders**The Trustee shall give to the Holders of the Bonds relating to a Lease whose names and addresses are known to it, written notice of all Events of Default relating to such Lease known to the Trustee by virtue of actual knowledge of a Responsible Officer, within sixty (60) days after the occurrence of an Event of Default unless such Event of Default shall have been cured before the giving of such notice; provided that, except in the case of an Event of Default in the payment of principal and interest on any of such Bonds, the Trustee shall be protected in withholding such notice if and so long as its Board of Directors, an executive committee or trust default committee or chief executive officer of the Trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders relating thereto.**Amendments to the Lease Not Requiring Consent of Bondholders**The Authority, the City and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Lease as may be required (i) by the provisions of the Lease and the Indenture, (ii) in connection with the issuance of Additional Bonds as provided herein, (iii) in connection with the financing of any additions or expansions of the Project, so long as such amendments do not affect the obligation of the City to make Rental Payments as they become due and payable, (iv) for the purpose of curing any ambiguity or formal defect or omission, or (v) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders of the Bonds.**Amendments to Lease Requiring Consent of Bondholders**Except for the amendments, changes or modifications as provided elsewhere in the Indenture, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of any Lease without the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating thereto given and procured as in this Section provided; provided, however, that no such amendment, change or modification shall ever affect the obligation of the City to make Rental Payments as they become due and payable. If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding hereunder with respect to a Lease at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Holder of any such Bond shall have any right to object to any of the terms and provisions contained therein, or in the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Authority or the City from executing the same or from taking any action pursuant to the provisions thereof.**Supplemental Indentures.** The Authority, upon resolution, and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Indenture contained, may enter into such indentures supplemental hereto as may or shall by them be deemed necessary or desirable without the consent of any Bondholder for any one or more of the following purposes:

- (v) To correct the description of any property hereby pledged or intended so to be, or to assign, convey, pledge or transfer and set over unto the

Trustee, subject to such liens or other encumbrances as shall be therein specifically described, additional property or properties of the Authority or the City for the equal and proportional benefit and security of the Holders and owners of all Bonds at any time issued and Outstanding under the Indenture, subject, however, to the provisions hereinabove set forth with respect to extended Bonds;

(vi) To add to the covenants and agreements of the Authority in the Indenture contained other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Authority or to or upon any successor;

(vii) To evidence the succession or successive successions of any other department, agency, body or corporation to the Authority and the assumption by such successor of the covenants, agreements and obligations of the Authority in the Bonds hereby secured and in the Indenture and in any and every supplemental indenture contained or the succession, removal or appointment of any trustee or paying agent hereunder;

(viii) To cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indentures which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Indenture or any supplemental indenture as the Authority may deem necessary or desirable and which shall not be inconsistent with the provisions of the Indenture or any supplemental indenture and which shall not impair the security of the same;

(ix) To modify, eliminate and/or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding, however, the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939; and

(x) To provide for the issuance of Additional Bonds pursuant to the Indenture.

2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The following pages include the City's Annual Comprehensive Financial Report ("ACFR") for fiscal year ended December 31, 2023.

CITY OF CHASKA

STATE OF MINNESOTA



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

**CITY OF CHASKA
CARVER COUNTY, MINNESOTA**

Annual Comprehensive Financial Report

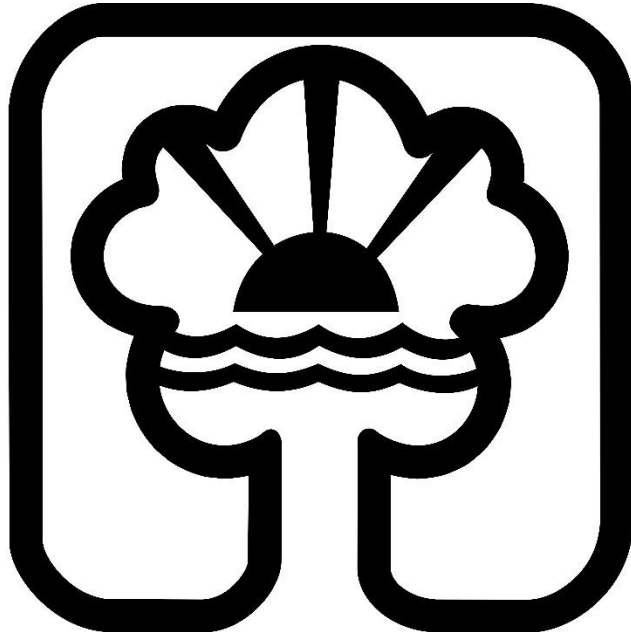
For the Fiscal Year Ended
December 31, 2023

Matthew Podhradsky, City Administrator

Report Prepared by
Administrative Services Department

Noel Graczyk, Administrative Services Director

Erica Mattice, Finance Division Director



Chaska

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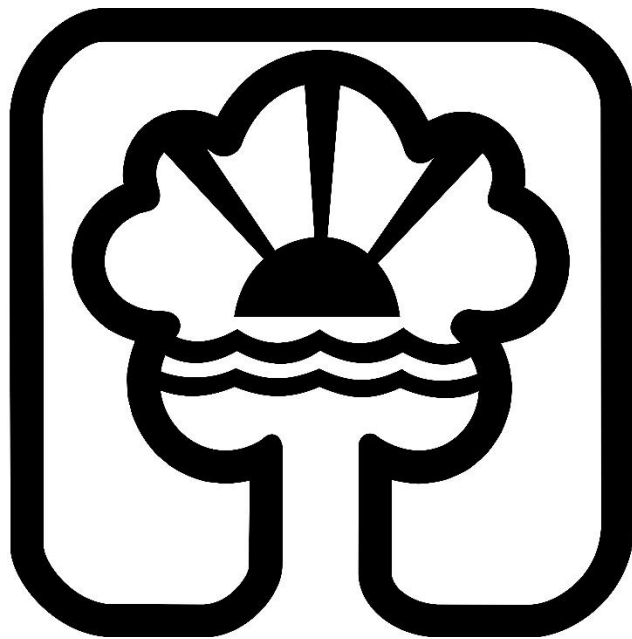
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Chaska



City of Chaska

June 12, 2024

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

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

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

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

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

City Profile

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

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

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

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

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

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

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

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

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

Economic Condition and Outlook

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

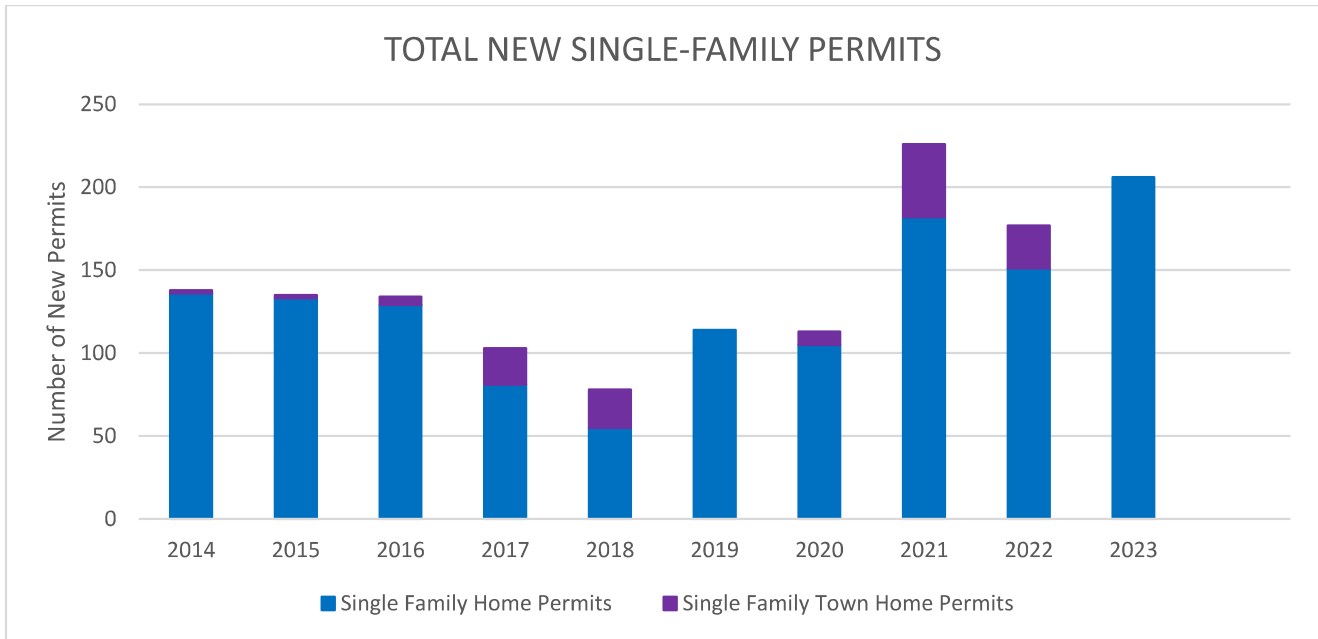
<i>Year</i>	<i>Population*</i>	<i>% Increase</i>
2000	17,603	
2010	23,770	35.0%
2020	27,810	17.0%
2023	28,170	1.3%
2030 Projected	32,000	13.6%
2040 Projected	36,600	14.4%

**Source of Projected Population: Metropolitan Council*

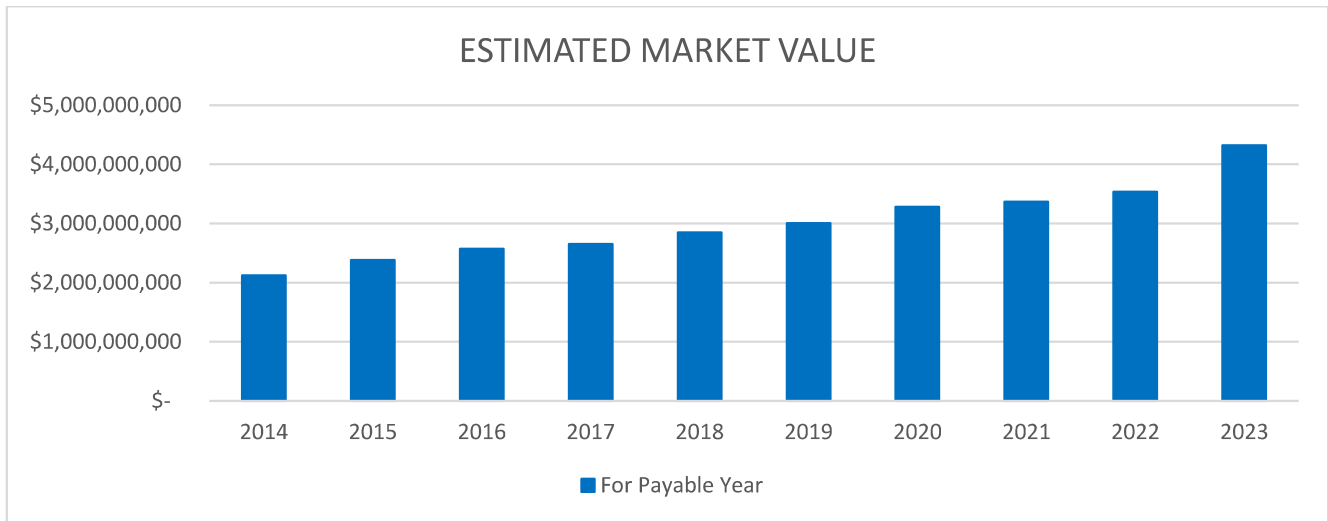
The increase in population between 2000 and 2010 is attributed to the addition of approximately 200 to 500 housing units (both single family and multifamily units) per year from 2002 through 2005, as well as the addition of a significant amount of commercial development in the community. This commercial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

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

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



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



Other development opportunities within the City include the following:

Industrial Parks

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

Southwest Chaska Corporate and Industrial Development

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

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

Southwest Chaska Master Plan

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

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

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

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

Long-Term Financial Planning

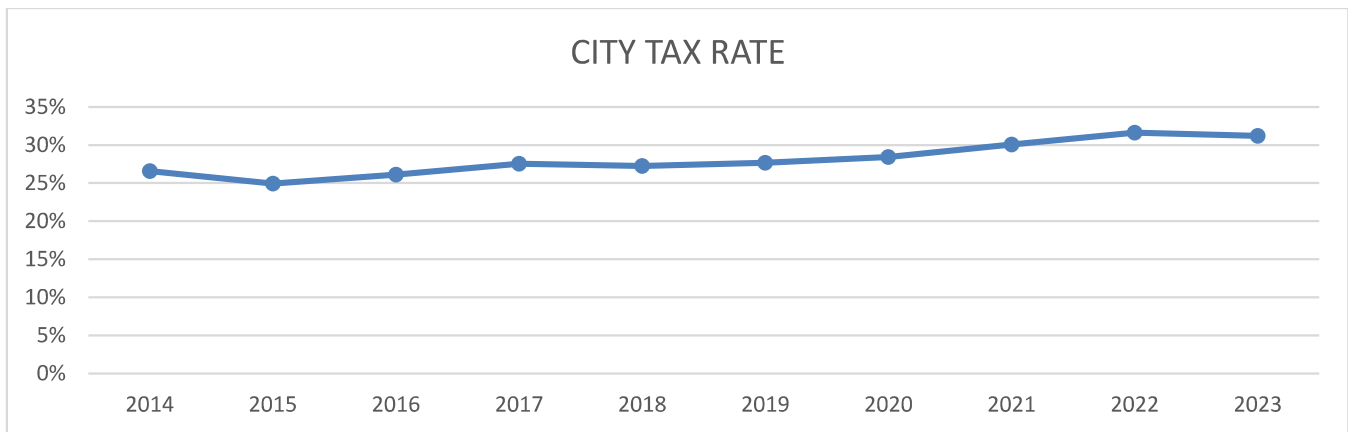
Each year the City develops a five-year financial forecast. The primary purpose of the forecast is to project available revenues and anticipated expenditures for all operating funds supported by property tax levies. The forecast is also used to establish the City’s maximum tax levy. In preparing the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

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

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

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

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



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

Major Initiatives

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

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

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

Certificate of Achievement

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

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

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

Acknowledgements

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

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

Respectfully submitted,

Noel J. Graczyk
Administrative Services Director, Treasurer

Erica H. Mattice
Finance Division Director



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

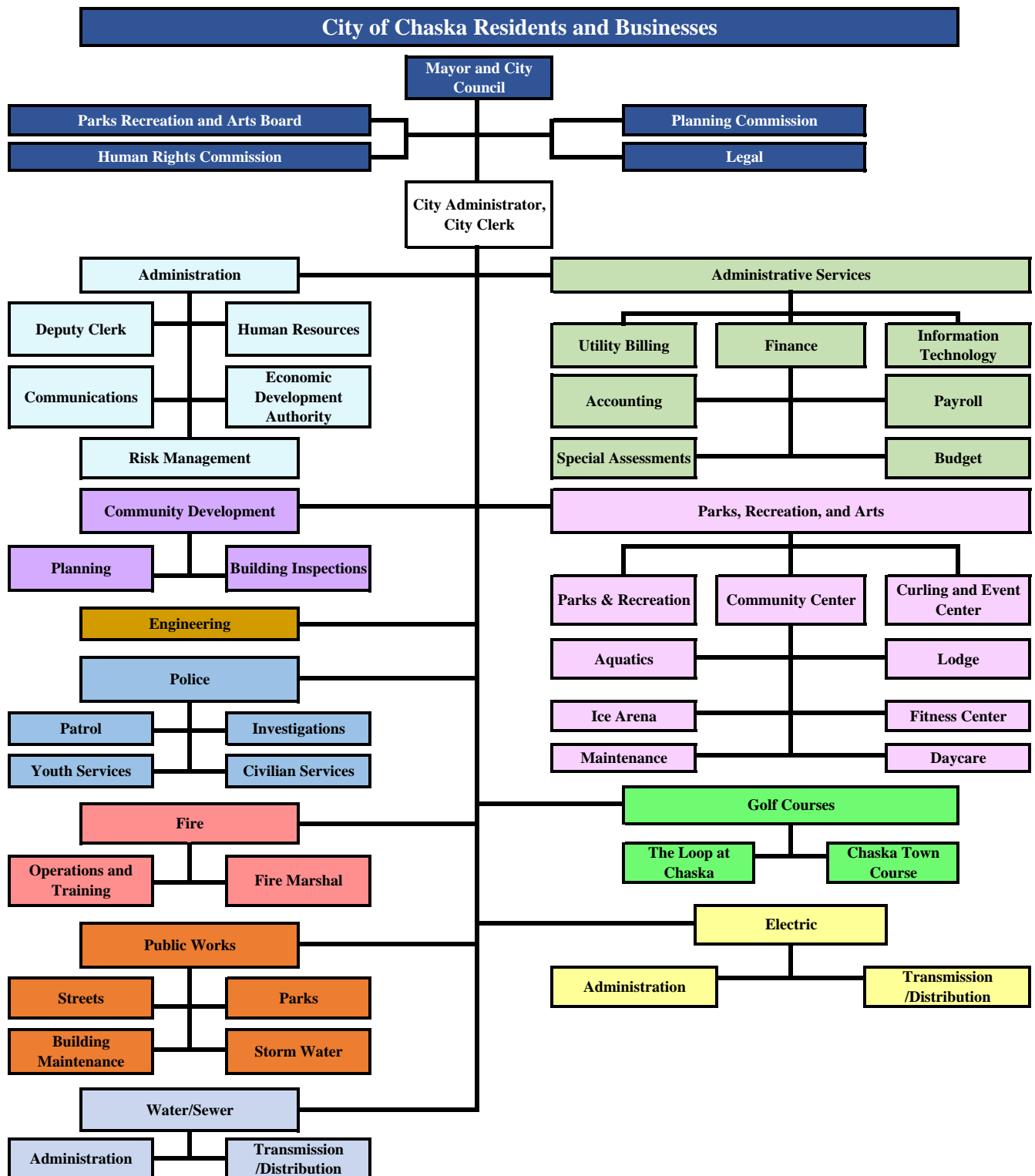
**City of Chaska
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



Elected Officials

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

Administrative Officials

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



PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Chaska, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

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

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

BASIS FOR OPINIONS

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

EMPHASIS OF MATTER

Change in Accounting Principle

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

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

OTHER INFORMATION

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

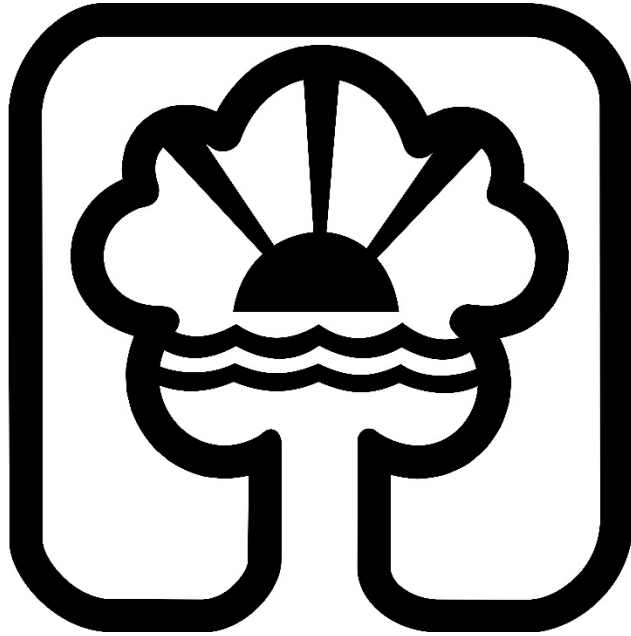
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or if the other information otherwise appears to be materially misstated.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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

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

Minneapolis, Minnesota
June 12, 2024



Chaska

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

FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Public Safety, Public Works, Parks, Recreation and Arts, and Economic Development. The business-type activities of the City include Electric, Water, Sewer, and Storm Water utilities, along with the Community Center, The Loop at Chaska, Chaska Town Course, Turbine Generator, and Curling Center operations.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds are reported in two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

By far, the largest portion of the City's net position (89.7%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, right to use leased assets, right to use subscription assets, and infrastructure), reduced by the outstanding balance of any long-term debt used to acquire those assets and the outstanding balance of any capital related payables, such as contracts and retainage payable. The City uses capital assets, including leased assets and subscription based assets, to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

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

Summary of Net Position

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

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

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

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

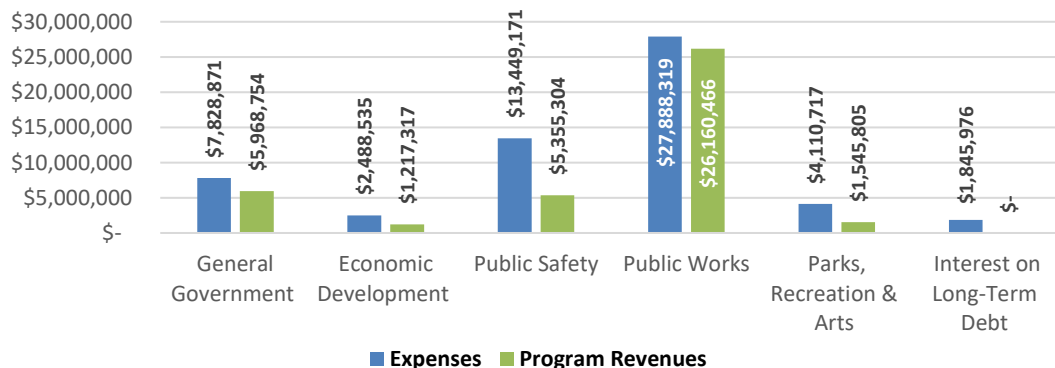
As a whole, the City had total revenues of \$141,455,890, for the year ended December 31, 2023. This is an increase of \$17,129,398 from the prior year.

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

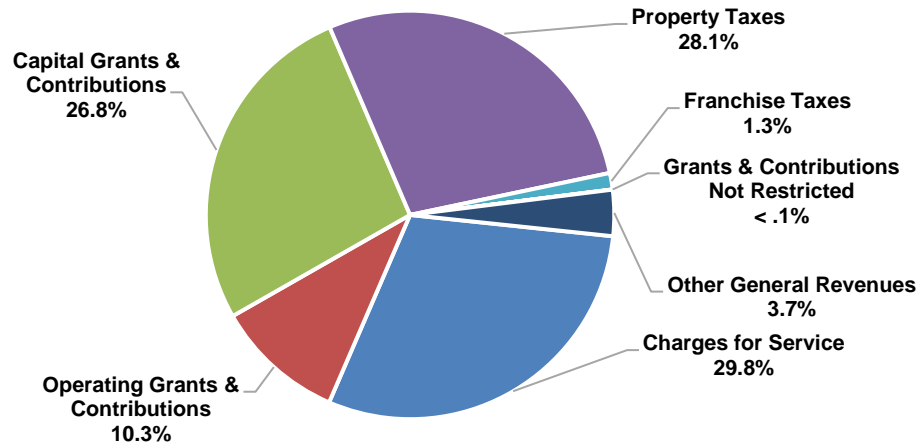
Governmental activities – Governmental Activities revenue increased \$13,165,509 from the prior year and expenses increased \$17,562,953. Significant components of revenue and expenses include:

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

Expenses and Program Revenues - Governmental Activities



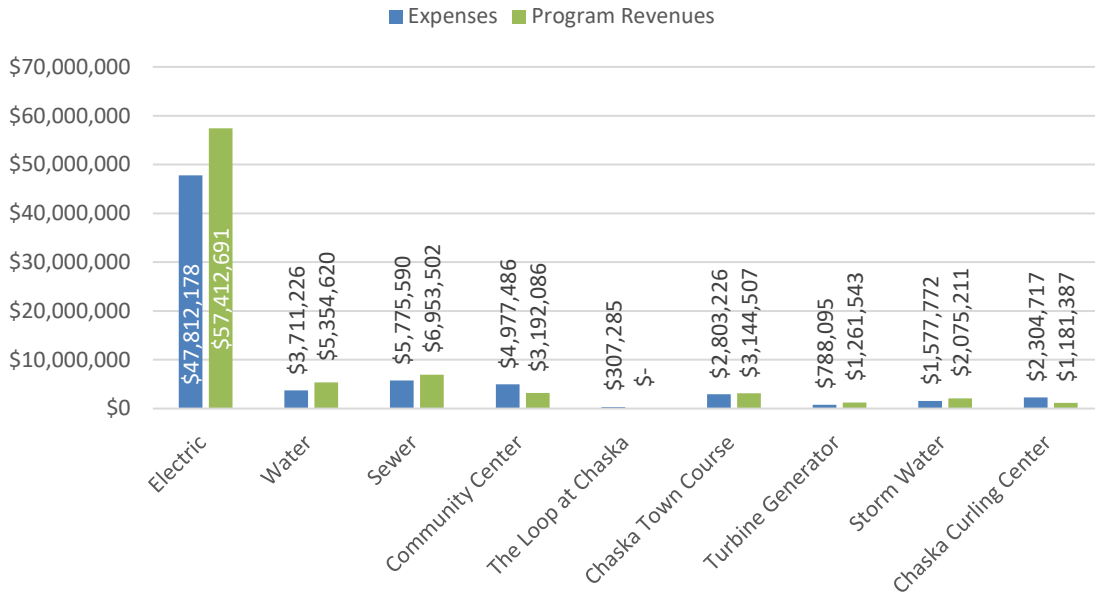
Revenues by Source - Governmental Activities



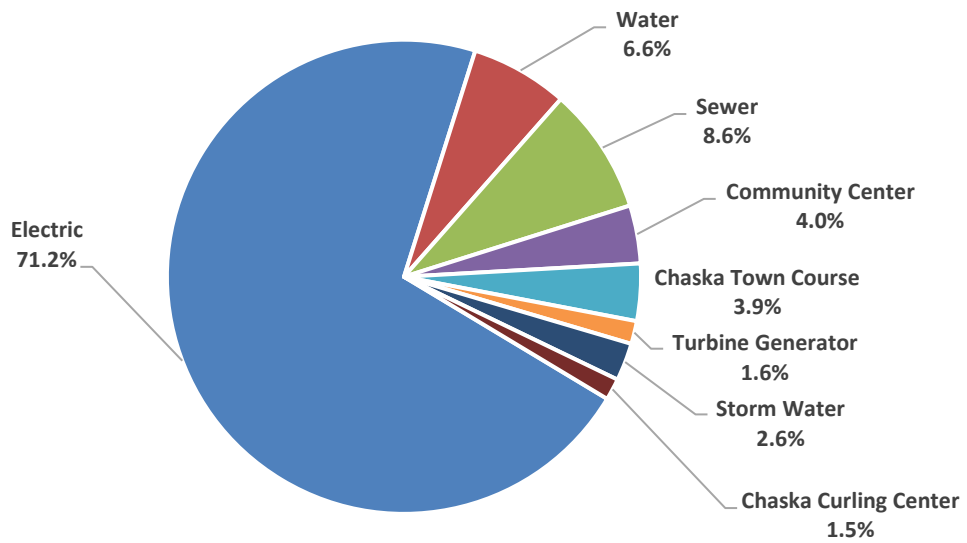
Business-type activities – Business-type Activities revenue increased \$3,963,889 from the prior year and expenses increased \$591,660. Significant components of revenue and expenses include:

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

Expenses and Program Revenues - Business-type Activities



Program Revenues - Business-type Activities



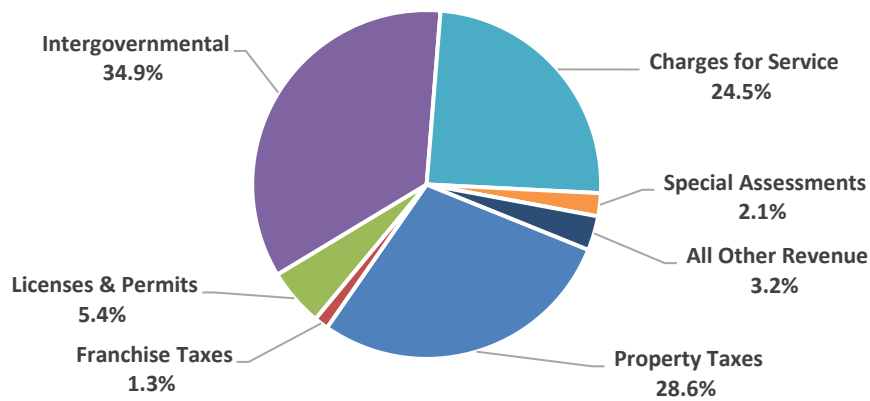
FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

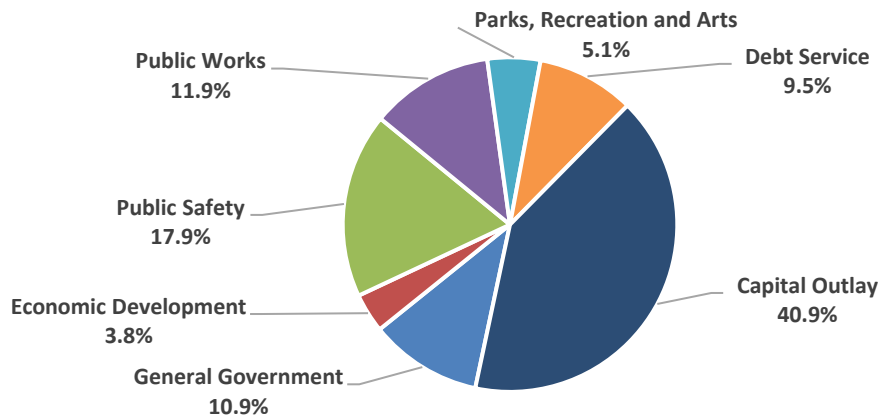
Governmental Funds - The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Chaska’s financing requirements. In particular, assigned and unassigned fund balance may serve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

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

Governmental Funds Revenues



Governmental Fund Expenditures



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

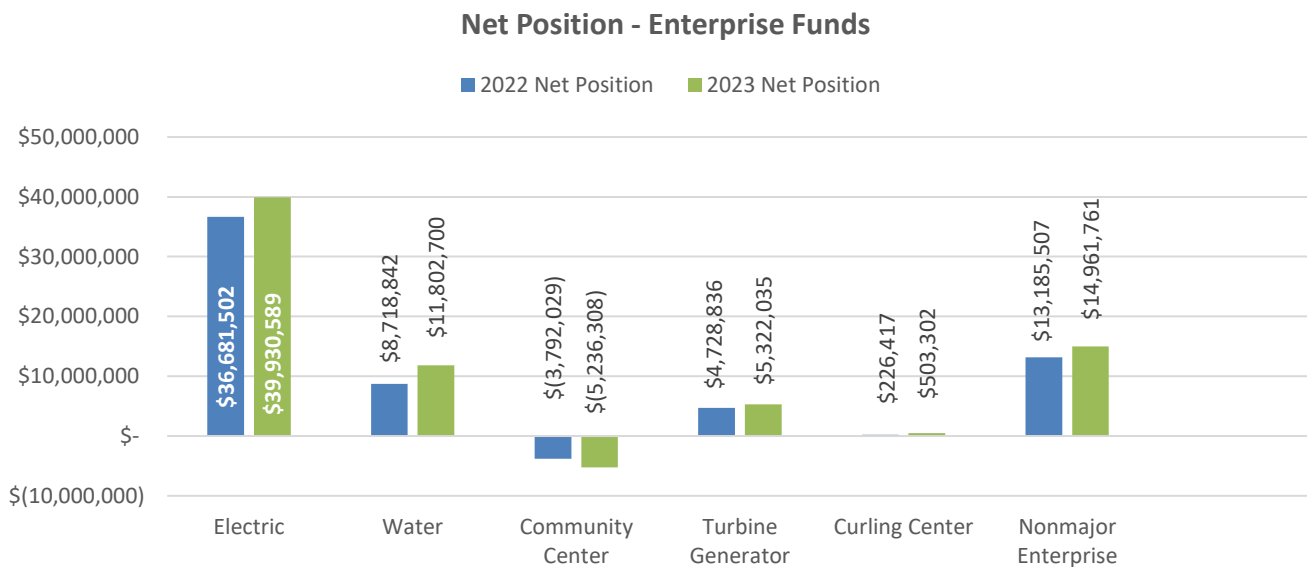
- For the year, total revenues of \$22,524,295 and transfers in of \$4,870,595 less total expenditures of \$23,544,975 and transfers out of \$1,984,196, resulted in the \$1,865,719 increase in fund balance. Total revenues were \$1,020,680 less than total expenditures. Overall revenues were higher than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

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

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

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

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



General Fund Budgetary Highlights

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

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

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

Budgetary variances – Revenues

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

Budgetary variances – Expenditures

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

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

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

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

Capital Assets - Net of Depreciation and Amortization

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

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

Long-Term Debt

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

Outstanding Long-Term Debt, Lease and Subscription Liabilities

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

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

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

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

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

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

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

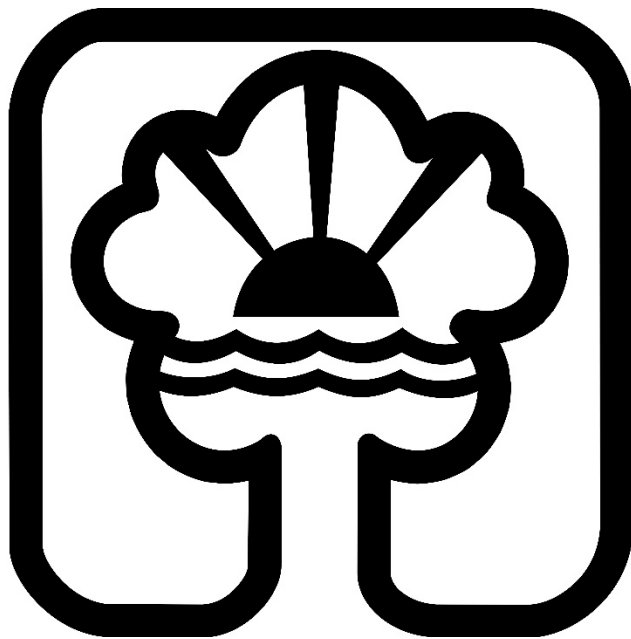
6. The City completed a staffing study in 2019 that identified a gap of 16 employees needed to sustainably provide services at expected levels. Due to the pandemic, the City delayed the program for one year, but in 2022 continued with the plan. The 2024 budget proposes filling the last of those positions.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

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

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

Requests for Information

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



Chaska

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2023

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

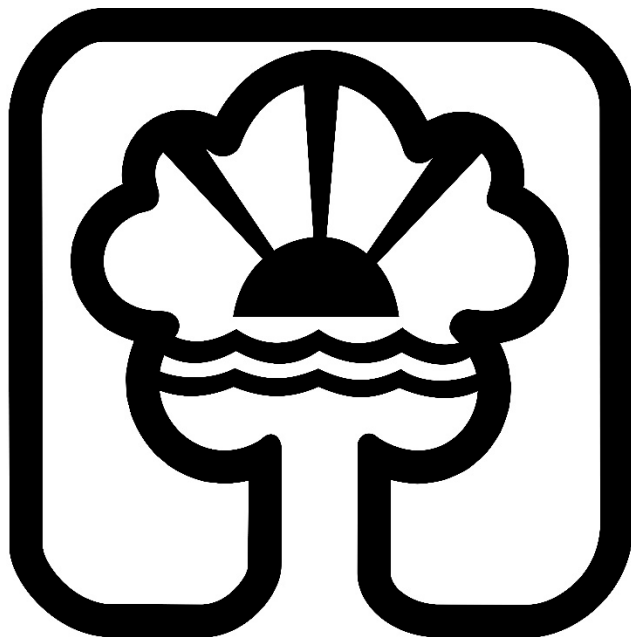
The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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



Chaska

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

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

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

CITY OF CHASKA, MINNESOTA

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

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

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

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

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

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

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

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

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

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

5,546,435

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

(124,922)

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

(656,607)

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

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

Net position of governmental activities

\$ 169,987,388

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

CITY OF CHASKA, MINNESOTA

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

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

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

CITY OF CHASKA, MINNESOTA

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

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

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

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

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

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

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

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

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

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

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

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (17,598)

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

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

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

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

CITY OF CHASKA, MINNESOTA

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

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

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

Proprietary Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2023

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
ASSETS								
Current Assets:								
Cash And Investments	\$ 3,785,421	\$ 904,053	\$ -	\$ 1,603,606	\$ -	\$ 1,784,599	\$ 8,077,679	\$ 410,932
Restricted Assets:								
Cash And Investments For Operating And Maintenance	10,000,000	-	-	-	-	-	10,000,000	-
Cash And Investments For Debt Service	861,916	-	237,588	3,051,953	1,325,777	-	5,477,234	-
Receivables:								
Special Assessments	6,092	1,984	-	-	-	5,252	13,328	-
Accounts:								
Current	4,380,640	290,936	179,006	-	132,496	766,825	5,749,903	-
Unbilled	4,355,762	318,259	-	-	-	604,193	5,278,214	-
Allowance For Uncollectible Accounts	(125,941)	(8,603)	(631)	-	(1,987)	(22,479)	(159,641)	-
Interest	26,148	5,703	1,226	113,331	-	10,014	156,422	3,925
Due From Other Funds	-	3,446,748	-	-	-	6,438,724	9,885,472	2,500,000
Due From Other Governments	-	1,360	-	-	-	4,000	5,360	-
Interfund Receivable	-	-	-	69,130	-	-	69,130	74,250
Supply Contract Receivable	-	-	-	1,383,614	-	-	1,383,614	-
Leases Receivable	-	25,791	250,576	51,493	-	-	327,860	-
Inventories	3,529,461	214,115	-	-	-	71,920	3,815,496	-
Prepaid Items	2,640	-	-	-	-	-	2,640	-
Total Current Assets	26,822,139	5,200,346	667,765	6,273,127	1,456,286	9,663,048	50,082,711	2,989,107
Noncurrent Assets:								
Supply Contract Receivable	-	-	-	12,122,588	-	-	12,122,588	-
Leases Receivable	-	207,536	902,575	361,124	-	-	1,471,235	-
Advance To Other Funds	1,191,884	-	-	511,818	-	-	1,703,702	2,557,328
Capital Assets:								
Land	778,843	222,130	90,466	-	-	466,545	1,557,984	-
Construction In Progress	2,301,372	3,362,189	-	-	-	5,550,409	11,213,970	-
Buildings	9,799,403	17,255,218	25,995,010	-	17,040,442	9,107,661	79,197,734	-
Other Improvements	-	1,271,864	955,554	-	-	1,337,777	3,565,195	-
Furniture And Equipment	2,846,525	864,229	3,880,355	-	1,877,363	4,703,985	14,172,457	-
Infrastructure	34,236,503	11,531,550	-	517,116	-	15,503,868	61,789,037	-
Leased Land Improvements	-	-	-	-	-	611,824	611,824	-
Leased Equipment	-	-	6,343	-	-	-	6,343	-
Subscriptions	63,357	1,111	-	-	-	1,111	65,579	-
Less: Accumulated Depreciation And Amortization	(24,279,313)	(17,026,683)	(21,436,623)	(54,434)	(4,519,086)	(13,741,692)	(81,057,831)	-
Total Net Capital Assets	25,746,690	17,481,608	9,491,105	462,682	14,398,719	23,541,488	91,122,292	-
Total Noncurrent Assets	26,938,574	17,689,144	10,393,680	13,458,212	14,398,719	23,541,488	106,419,817	2,557,328
TOTAL ASSETS	53,760,713	22,889,490	11,061,445	19,731,339	15,855,005	33,204,536	156,502,528	5,546,435
DEFERRED OUTFLOWS OF RESOURCES								
Pension Plan Deferrals	482,743	120,686	331,886	-	90,514	392,228	1,418,057	-
OPEB Plan Deferrals	7,220	903	1,592	-	474	2,449	12,638	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	489,963	121,589	333,478	-	90,988	394,677	1,430,695	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 54,250,676	\$ 23,011,079	\$ 11,394,923	\$ 19,731,339	\$ 15,945,993	\$ 33,599,213	\$ 157,933,223	\$ 5,546,435
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 150,095	\$ 254,676	\$ 87,812	\$ -	\$ 25,024	\$ 472,180	\$ 989,787	\$ -
Salaries Payable	44,145	12,115	47,912	-	11,249	41,442	156,863	-
Deposits Payable	477,931	24,611	7,077	-	27,149	364,723	901,491	-
Compensated Absences	205,324	54,754	76,325	-	25,785	155,668	517,856	-
Accrued Interest Payable	59,496	33,455	6,713	150,125	153,293	91,425	496,507	-
Due To Other Funds	-	-	9,365,162	-	5,446,748	1,438,724	16,250,634	-
Due To Other Governments	2,942,733	23,123	14,071	92,221	954	57,513	3,130,615	-
Interfund Payable	69,130	16,798	60,930	-	-	227,534	374,392	-
Revenue Bonds Payable	475,000	822,608	345,000	1,475,000	1,115,000	562,392	4,795,000	-
Financed Purchase Payable	-	-	51,365	-	-	-	51,365	-
Lease Liability	-	-	1,098	-	-	3,882	4,980	-
Subscription Liability	14,657	-	-	-	-	-	14,657	-
Other Post Employment Benefits	5,023	629	1,108	-	329	1,702	8,791	-
Unearned Revenue	6,092	1,985	303,193	-	110,718	202,972	624,960	-
Total Current Liabilities	4,449,626	1,244,754	10,369,766	1,717,346	6,916,249	3,620,157	28,317,898	-
Noncurrent Liabilities:								
Compensated Absences	82,955	13,275	60,397	-	38,691	68,898	264,216	-
Advance From Other Funds	511,818	1,355,563	740,821	-	-	3,976,071	6,584,273	-
Revenue Bonds Payable	7,028,728	7,848,290	2,818,086	12,029,997	8,105,000	8,702,194	46,532,295	-
Financed Purchase Payable	-	-	134,159	-	-	-	134,159	-
Lease Liability	-	-	-	-	-	596,775	596,775	-
Subscription Liability	30,556	-	-	-	-	-	30,556	-
Other Post Employment Benefits	177,389	22,182	39,118	-	11,640	60,170	310,499	-
Net Pension Liability	1,461,048	365,262	1,004,471	-	273,947	1,187,102	4,291,830	-
Total Noncurrent Liabilities	9,292,494	9,604,572	4,797,052	12,029,997	8,429,278	14,591,210	58,744,603	-
TOTAL LIABILITIES	13,742,120	10,849,326	15,166,818	13,747,343	15,345,527	18,211,367	87,062,501	-
DEFERRED INFLOWS OF RESOURCES								
Leases	-	226,048	1,109,993	402,779	-	-	1,738,820	-
Debt Refunding Deferrals	-	-	-	259,182	-	-	259,182	-
Pension Plan Deferrals	486,031	121,508	334,146	-	91,131	394,901	1,427,717	-
OPEB Plan Deferrals	91,936	11,497	20,274	-	6,033	31,184	160,924	-
TOTAL DEFERRED INFLOWS OF RESOURCES	577,967	359,053	1,464,413	661,961	97,164	426,085	3,586,643	-
NET POSITION								
Net Investment In Capital Assets	18,185,482	9,443,965	6,141,397	462,682	5,178,719	15,926,711	55,338,956	-
Restricted For Debt Service	10,861,916	-	237,588	2,916,293	1,325,777	-	15,341,574	-
Unrestricted	10,883,191	2,358,735	(11,615,293)	1,943,060	(6,001,194)	(864,950)	(3,396,451)	5,546,435
TOTAL NET POSITION	39,930,589	11,802,700	(5,236,308)	5,322,035	503,302	14,961,761	67,284,079	5,546,435
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 54,250,676	\$ 23,011,079	\$ 11,394,923	\$ 19,731,339	\$ 15,945,993	\$ 33,599,213	\$ 157,933,223	\$ 5,546,435
Net position - total enterprise funds							67,284,079	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							124,922	
Net position of business-type activities							\$ 67,409,001	

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

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTALS	GOVERNMENTAL
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE		INTERNAL SERVICE FUND
OPERATING REVENUES:								
Sales	\$ 56,742,382	\$ 5,194,001	\$ 3,183,967	\$ 1,261,543	\$ 1,181,353	\$ 11,681,679	\$ 79,244,925	\$ 1,236,002
OPERATING EXPENSES:								
Production	38,018,782	839,644	-	-	-	3,733,739	42,592,165	-
Distribution / Collections	3,148,595	950,520	-	-	-	1,224,331	5,323,446	-
Administration	4,751,110	931,058	3,953,489	353,975	1,294,955	4,563,828	15,848,415	1,257,280
Depreciation And Amortization	1,645,519	854,301	882,469	27,217	632,900	746,920	4,789,326	-
TOTAL OPERATING EXPENSES	47,564,006	3,575,523	4,835,958	381,192	1,927,855	10,268,818	68,553,352	1,257,280
OPERATING INCOME (LOSS)	9,178,376	1,618,478	(1,651,991)	880,351	(746,502)	1,412,861	10,691,573	(21,278)
NON-OPERATING REVENUES:								
Investment Earnings (Charges)	767,657	136,660	(386,149)	68,742	(186,874)	241,503	641,539	199,739
Intergovernmental	557	9,380	124	-	34	4,346	14,441	-
Payments	-	3,194	16,206	51,009	-	-	70,409	-
Gain On Sale Of Capital Assets	-	-	-	-	-	161,809	161,809	-
Miscellaneous Refunds	-	-	-	-	-	-	-	556,920
TOTAL NON-OPERATING REVENUES	768,214	149,234	(369,819)	119,751	(186,840)	407,658	888,198	756,659
NON-OPERATING EXPENSES:								
Interest	236,241	125,756	127,101	402,403	370,697	352,955	1,615,153	-
Fiscal Agent Fees	2,700	1,087	3,783	4,500	3,582	1,305	16,957	-
Loss On Sale Of Capital Assets	-	-	-	-	-	333	333	-
TOTAL NON-OPERATING EXPENSES	238,941	126,843	130,884	406,903	374,279	354,593	1,632,443	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	9,707,649	1,640,869	(2,152,694)	593,199	(1,307,621)	1,465,926	9,947,328	735,381
CAPITAL CONTRIBUTIONS	670,128	1,298,786	7,995	-	-	487,463	2,464,372	-
TRANSFERS IN (OUT):								
Transfers In	-	400,000	700,420	-	1,584,506	451,870	3,136,796	-
Transfers Out	(7,128,690)	(255,797)	-	-	-	(629,005)	(8,013,492)	(28,615)
TOTAL TRANSFERS IN (OUT)	(7,128,690)	144,203	700,420	-	1,584,506	(177,135)	(4,876,696)	(28,615)
CHANGE IN NET POSITION	3,249,087	3,083,858	(1,444,279)	593,199	276,885	1,776,254	7,535,004	706,766
NET POSITION, JANUARY 1	36,681,502	8,718,842	(3,792,029)	4,728,836	226,417	13,185,507	59,749,075	4,839,669
NET POSITION, DECEMBER 31	\$ 39,930,589	\$ 11,802,700	\$ (5,236,308)	\$ 5,322,035	\$ 503,302	\$ 14,961,761	67,284,079	\$ 5,546,435
							Change in net position - total enterprise funds	\$ 7,535,004
							Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(33,589)
							Change in net position - business-type activities	\$ 7,501,415

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

CITY OF CHASKA, MINNESOTA

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

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

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

Note 1 Summary of Significant Accounting Policies

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

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

A) The Financial Reporting Entity

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

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

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

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

B) Government-Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or

segment. Direct expenses also include allocated expenses to functional programs from centralized expenses reported in the Self Insurance fund. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meet the operational requirements of a particular function and 3) capital grants and contributions (including special assessments) that are restricted to meeting the capital requirements of a particular function. Taxes and other internally directed revenues are reported as *general revenues*.

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

Major Funds

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund type:

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

C) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus aims to report all inflows, outflows, and balances affecting or reflecting an entity's net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, principal and interest on long-term debt and other long-term obligations are recognized as expenditures to the extent they have matured.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses for all the City's enterprise funds and internal service fund are cost of sales and services, administrative expense, depreciation of capital assets, and amortization of right to use leased and subscription assets. All other revenues and expenses are reported as non-operating items.

D) Budgetary Accounting

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

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

E) Cash and Investments

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

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

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

F) Receivables

- **Property Tax**

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

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

- **Special Assessments**

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

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

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

- **Trade Receivables**

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

- **Leases Receivable**

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

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

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

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

H) Inventory

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

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

I) Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

J) Restricted Assets

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

K) Capital Assets

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

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

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

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

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

L) Compensated Absences

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

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

M) Deferred Outflows/Inflows of Resources

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

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

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

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

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

N) Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

O) Fund Balance Classifications

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

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

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

P) Net Position

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

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

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

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

Q) Interfund Transactions

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

R) Use of Estimates

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

S) Pension Plans

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

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

T) Change in Accounting Principle

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

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

Note 2 Compliance and Accountability

A) Budget

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

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

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

B) Excess of Expenditures Over Appropriations

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

C) Nonmajor Funds with Negative Equity

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

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

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

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

Note 3 Cash and Investments

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

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

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

A) Deposits

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

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

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

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

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

B) Investments

The City has the following investments at year-end:

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

N/A - Not Applicable

N/R - Not Rated

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

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

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

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not address limiting exposure to custodial credit risk.

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

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

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

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

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

Note 4 Capital Assets

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

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

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

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

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

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

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

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

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

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

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

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

Note 6 Leases Receivable Agreements

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

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

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

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

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

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Annual payment requirements to maturity are as follows:

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

Note 7 Long-Term Liabilities

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

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

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

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

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

Bonds Payable:

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

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

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

(Continued)

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2023

(Continued)

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

General Obligation Bonds:

The City issues the following types of general obligation bonds:

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

Annual debt service requirements to maturity are as follows:

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

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

General Obligation Revenue Bonds:

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

Annual debt service requirements to maturity are as follows:

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

Revenue Bonds:

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

Annual debt service requirements to maturity are as follows:

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

EDA Revenue and EDA Lease Revenue Bonds:

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

Annual debt service requirements to maturity are as follows:

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

Lease Purchase Bonds:

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

Annual debt service requirements to maturity are as follows:

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

Revenue Pledged:

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

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

Arbitrage Rebate:

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Lease Liability:

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

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

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

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

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

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

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

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

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

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

Annual debt service requirements to maturity are as follows:

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

Subscription Liabilities:

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

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

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

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

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Annual debt service requirements to maturity are as follows:

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

Financed Purchase Payable:

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

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

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

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

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

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

2023 Activity:

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

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

Tax Abatements:

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

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

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

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

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

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

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

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

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

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

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

Conduit Debt:

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

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

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

Note 8 Interfund Receivables, Payables and Transfers

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

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

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

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

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

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

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

Transfers In/Out for 2023 are as follows:

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

Explanation of Transfers:

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

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

Note 9 Fund Balance and Net Position

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

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

Note 10 Risk Management

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

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

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

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

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

The City continues to carry commercial insurance for all other risks of loss, including life, disability, dental, and health insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The Self Insurance fund, an internal service fund which charges its costs to user departments, accounts for the risk management activities of the City. The fund is designed to build up a reserve, which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

Note 11 Commitments and Contingencies

A) Construction Commitments

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

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

B) Federal and State Funding

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

C) Legal Claims

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

Note 12 Jointly Governed Organizations

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

Note 13 Defined Benefit Pension Plans

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

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

Note 14 Defined Benefit Pension Plans – State-wide**A) Plan Description**

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

1. General Employees Retirement Plan

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

2. Public Employees Police and Fire Plan

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

B) Benefits Provided

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

1. General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. Police and Fire Plan Benefits

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

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

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

C) Contributions

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

1. General Employees Fund Contributions

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

2. Police and Fire Fund Contributions

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

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

At December 31, 2023, the City reported a liability of \$9,131,553 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$251,723.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .1633% at the end of the measurement period and .1502% for the beginning of the period.

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

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

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

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

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

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

2. Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$5,529,438 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .3202% at the end of the measurement period and .2915% for the beginning of the period.

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

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

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

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

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

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

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

E) Long-Term Expected Return on Investment

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total:	<u>100.0%</u>	

F) Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted

by the Board and became effective with the July 1, 2023, actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020 and were adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

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

1. General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2. Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

G) Discount Rate

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

H) Pension Liability Sensitivity

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

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

I) Pension Plan Fiduciary Net Position

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

Note 15 Defined Contribution Plan – PERA

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

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

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

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

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

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

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

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

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

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

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

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

B) Net Pension Liability (Asset)

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

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

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

Mortality rates were based on the following:

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

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

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

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

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

City of Chaska, Minnesota

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

C) Changes in the Net Pension Liability (Asset)

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

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

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

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

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

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

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

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

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

B) Benefits Provided

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

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

C) Contributions

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

D) Members

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

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

E) Actuarial Methods and Assumptions

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

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

F) Changes in the Total OPEB Liability

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

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

G) OPEB Liability Sensitivity

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

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

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

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

City of Chaska, Minnesota

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

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

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

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

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

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

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

PERA – General Employees Retirement Fund Schedule of City Contributions

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

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

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

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

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

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

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

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

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

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

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

Other Information:

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

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

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

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

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

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

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

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2023

Schedule of Changes in Total OPEB Liability and Related Ratios

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

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

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

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

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

2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

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

2020 Changes in Plan Provisions:

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

2019 Changes in Actuarial Assumptions:

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

2019 Changes in Plan Provisions:

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

2018 Changes in Actuarial Assumptions:

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

2018 Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

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

2017 Changes in Plan Provisions:

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

2016 Changes in Actuarial Assumptions:

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

2015 Changes in Actuarial Assumptions:

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

2015 Changes in Plan Provisions:

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

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

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

2023 Changes in Plan Provisions:

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

2022 Changes in Actuarial Assumptions:

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

2021 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

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

2019 Changes in Actuarial Assumptions:

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

2018 Changes in Actuarial Assumptions:

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

2018 Changes in Plan Provisions:

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

2017 Changes in Actuarial Assumptions:

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

2016 Changes in Actuarial Assumptions:

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

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

2015 Changes in Actuarial Assumptions:

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

2015 Changes in Plan Provisions:

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

OTHER POST-EMPLOYMENT BENEFITS PLAN

2022 Changes in Actuarial Assumptions:

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

2020 Changes in Actuarial Assumptions:

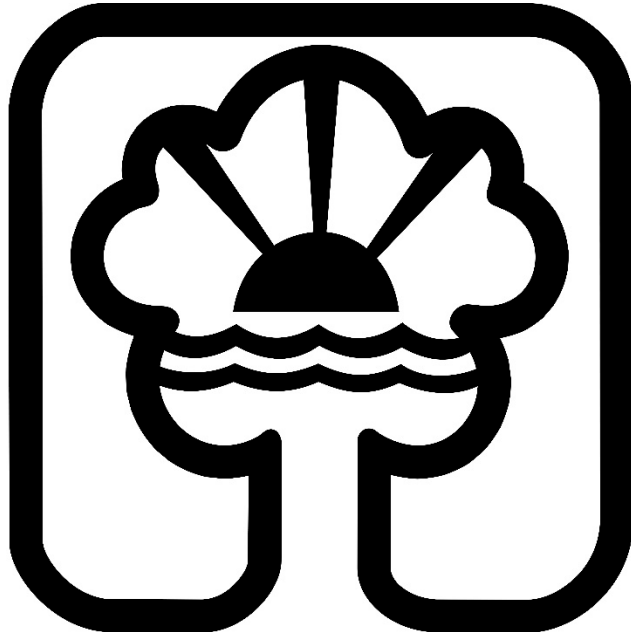
- The medical trend rate was changed from 6.25% grading to 5.00% over 5 years to 6.50% grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2017 Generational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

2019 Changes in Actuarial Assumptions:

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

2018 Changes in Actuarial Assumptions:

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



Chaska

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

City of Chaska, Minnesota

For the Year Ended December 31, 2023

CITY OF CHASKA, MINNESOTA

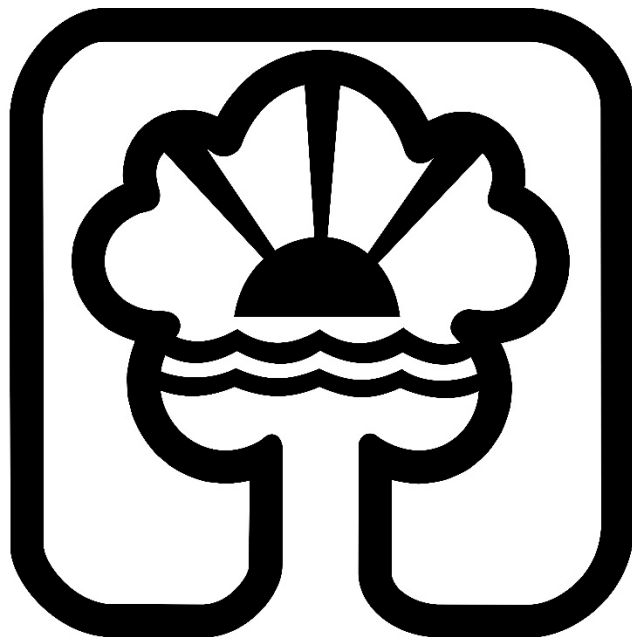
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

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

CITY OF CHASKA, MINNESOTA

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

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



Chaska

Nonmajor Special Revenue Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

CITY OF CHASKA, MINNESOTA

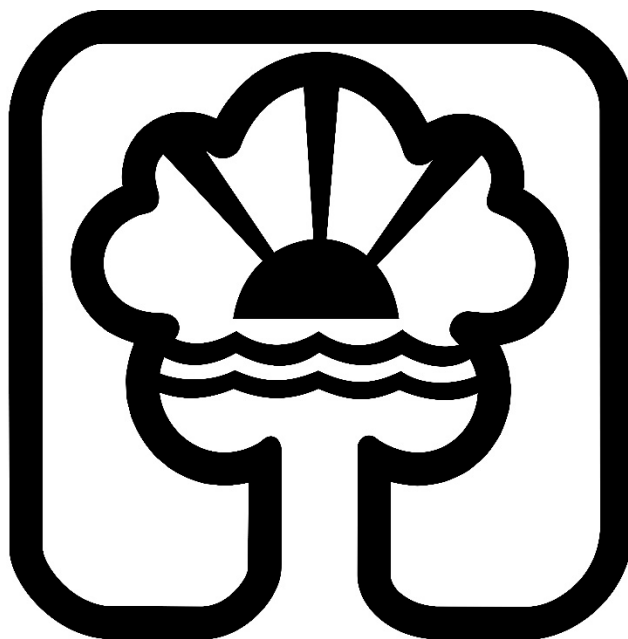
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

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

CITY OF CHASKA, MINNESOTA

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

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



Chaska

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

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

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2023

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

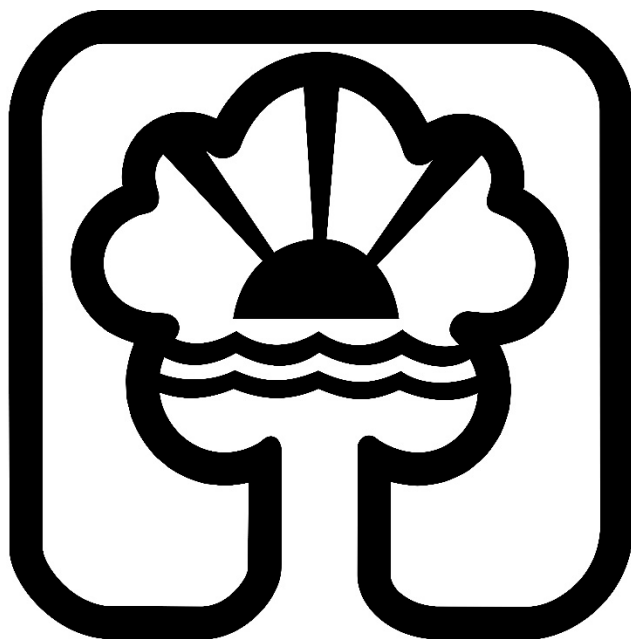
328	329	330	331	332	333, 334, 335	336	337	338	339	340	341	TOTALS
\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	\$4,940,000 TEMPORARY STATE AID STREET BONDS 2021A	\$5,680,000 GO IMP BONDS 2019B	\$1,250,000 TAXABLE GO IMP BONDS 2019D	\$2,600,000 TAXABLE GO TIF BONDS 2019D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

CITY OF CHASKA, MINNESOTA

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

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

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



Chaska

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

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

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2023

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

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

CITY OF CHASKA, MINNESOTA

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

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

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

CITY OF CHASKA, MINNESOTA

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

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

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

CITY OF CHASKA, MINNESOTA

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

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

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

Nonmajor Budgeted Special Revenue and Capital Project Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2023

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

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

CITY OF CHASKA, MINNESOTA

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

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

CITY OF CHASKA, MINNESOTA

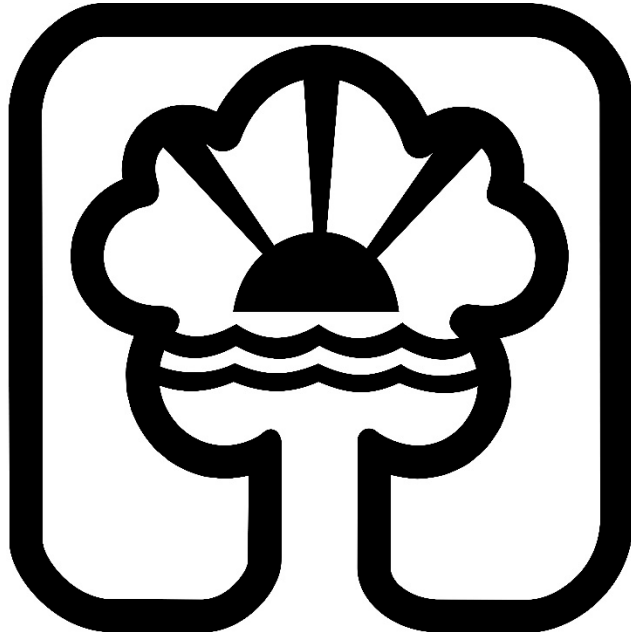
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHASKA EDA SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

CITY OF CHASKA, MINNESOTA

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

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



Chaska

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

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

CITY OF CHASKA, MINNESOTA

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

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

CITY OF CHASKA, MINNESOTA

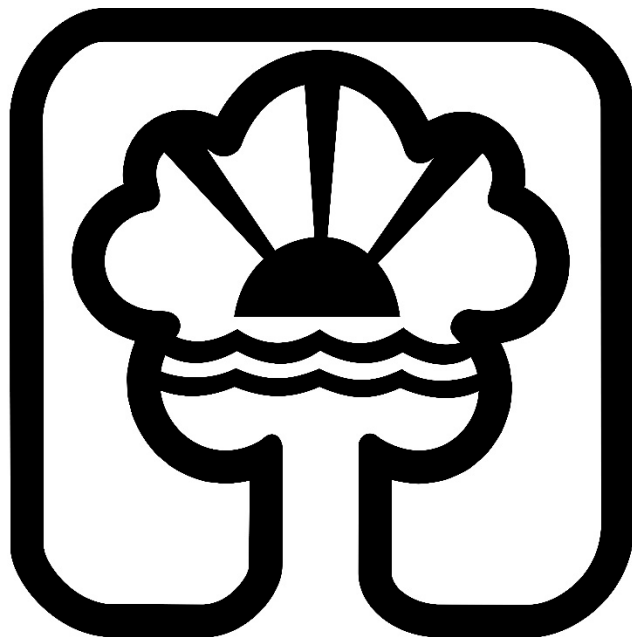
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

CITY OF CHASKA, MINNESOTA

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

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



Chaska

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

Content

- **Financial Trends:**

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

- Table 1 – Net Position by Component
- Table 2 – Changes in Net Position
- Table 3 – Governmental Activities Tax Revenues by Source
- Table 4 – Fund Balances of Governmental Funds
- Table 5 – Changes in Fund Balances of Governmental Funds
- Table 6 – General Governmental Tax Revenues by Source

- **Revenue Capacity:**

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

- Table 7 – Tax Capacity Value and Estimated Actual Value of Real and Personal Property
- Table 8 – Property Tax Rates – Direct and Overlapping Governments
- Table 9 – Principal Property Taxpayers
- Table 10 – Property Tax Levies and Collections

- **Debt Capacity:**

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

- Table 11 – Ratios of Outstanding Debt by Type
- Table 12 – Ratios of General Bonded Debt Outstanding to Estimated Actual Taxable Value
- Table 13 – Direct and Overlapping Governmental Activities Debt
- Table 14 – Legal Debt Margin Information
- Table 15 – Pledged Revenue Coverage

- **Demographic and Economic Information:**

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

- Table 16 – Demographic and Economic Statistics
- Table 17 – Principal Employers

- **Operating Information:**

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

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

Table 19 – Operating Indicators by Function/Program

Table 20 – Capital Asset Statistics by Function/Program

- **Sources:**

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

CITY OF CHASKA, MINNESOTA

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

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

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

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

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

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

Table 1

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

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

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

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

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

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

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

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

CITY OF CHASKA, MINNESOTA

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

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

Table 4

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

CITY OF CHASKA, MINNESOTA

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

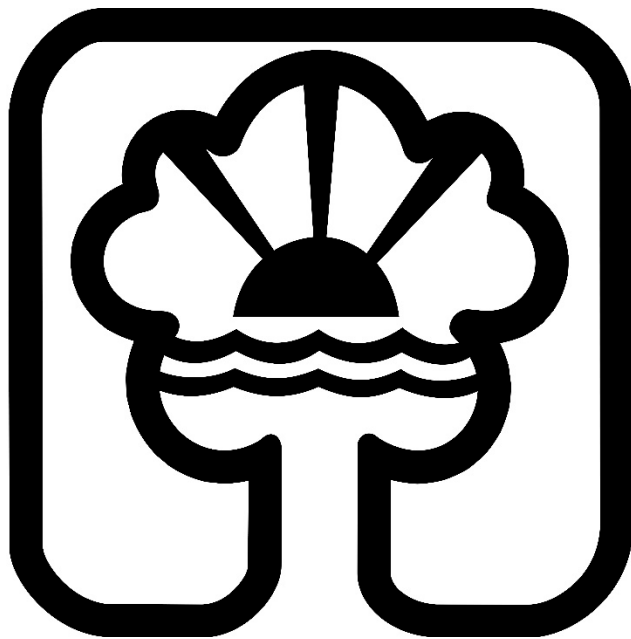
	FISCAL YEAR			
	2014	2015	2016	2017
REVENUES				
Taxes	\$ 14,386,746	\$ 13,150,434	\$ 12,470,764	\$ 13,420,767
Licenses and Permits	995,263	1,259,621	1,033,383	1,302,593
Intergovernmental	2,568,108	2,678,760	2,772,705	2,653,945
Charges for Services	3,470,471	4,387,691	5,316,461	5,717,156
Fines and Forfeitures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

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

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

Table 5

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



Chaska

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

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

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

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

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

CITY OF CHASKA, MINNESOTA

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

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

Source: Carver County Auditor

Table 7

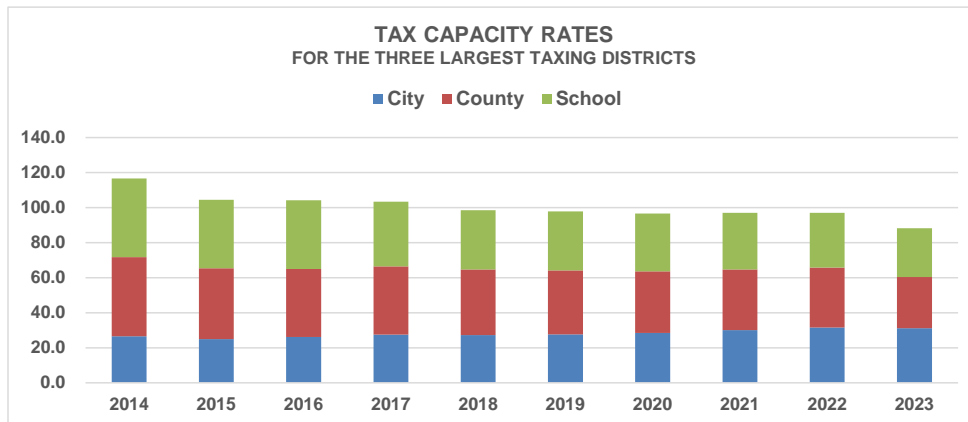
<u>TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE</u>	<u>ADJUSTED TAX CAPACITY VALUE</u>	<u>CITY TOTAL DIRECT TAX RATE</u>	<u>EDA TOTAL DIRECT TAX RATE</u>	<u>ESTIMATED ACTUAL MARKET VALUE REAL & PERSONAL</u>	<u>ADJ TAX CAPACITY VALUE AS A PERCENTAGE OF ACTUAL VALUE</u>
\$ (4,464,026)	\$ 19,371,587	26.586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

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

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

Source: Carver County Auditor

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



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

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

Source: Carver County Auditor

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

Ranked in order of Estimated Net Tax Capacity.

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

CITY OF CHASKA, MINNESOTA

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

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

Source: Carver County Auditor

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

Table 10

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

CITY OF CHASKA, MINNESOTA

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

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

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

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

BUSINESS-TYPE ACTIVITIES

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

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

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

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

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

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

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

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

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

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

Source: Carver County Auditor

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

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

CITY OF CHASKA, MINNESOTA

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

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

Source: Carver County Auditor (Market Value)

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

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

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

Table 14

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

CITY OF CHASKA, MINNESOTA

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

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

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

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

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

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

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

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

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

(2) Includes seasonal and part-time employees

(3) Formerly known as Klein Financial, Inc

(4) Formerly known as FSI International.

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

CITY OF CHASKA, MINNESOTA

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

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

Source: City of Chaska Payroll.

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

Table 18

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

CITY OF CHASKA, MINNESOTA

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

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

Source: City Utility, Golf Courses and Building Departments.

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

Table 19

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

CITY OF CHASKA, MINNESOTA

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

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

Source: City Departments

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

Table 20

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