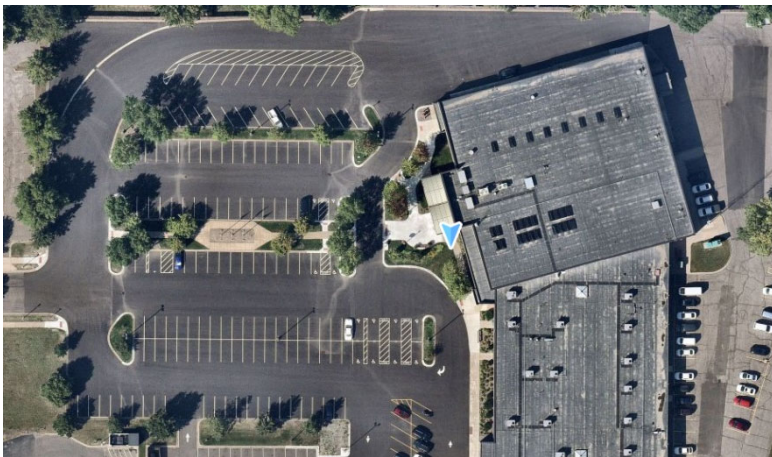


**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**OF THE**  
**CITY OF CAMBRIDGE, MINNESOTA**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2023**



*Signs of Progress in Cambridge, MN in 2023*  
*Drone Views of Airport Runway Improvements, City Hall Parking Lot Improvements and*  
*Sandquist Park Athletic Fields*

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**OF THE**  
**CITY OF CAMBRIDGE, MINNESOTA**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2023**

**Prepared By:**

**Finance Department**

**CAROLINE MOE,**  
**Director of Finance**

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## I. INTRODUCTORY SECTION

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April 3, 2024

To the Honorable Mayor  
and City Council  
City of Cambridge  
300 Third Avenue NE  
Cambridge, Minnesota 55008

Dear Honorable Mayor, Council Members and Citizens of the City of Cambridge:

The Annual Comprehensive Financial Report is submitted in conformance with all applicable governing laws and regulations. The following has set the standards forth:

- \* Cambridge City Policy and Code
- \* The State Auditor, State of Minnesota
- \* Government Finance Officers Association
- \* Governmental Accounting Standards Board

**RESPONSIBILITY.** Responsibility for both the accuracy of the presented data and the completeness of the financial statements including all disclosures rests with the City. We believe the data, as presented, is accurate in all material aspects. This report has been presented in a manner designed to fairly set forth the financial position and results of operations as measured by the financial activity of its various funds. 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). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Cambridge's MD&A can be found immediately following the report of the independent auditors.

**REPORTING ENTITY.** All City funds, departments, commissions, and other organizations for which the City of Cambridge is financially accountable are presented within the Annual Comprehensive Financial Report. The Cambridge Fire Relief Association does not meet the established criteria for inclusion in the reporting entity, and accordingly is excluded from this report.

**GENERAL INFORMATION.** The City of Cambridge was formed on January 21, 1876. Cambridge became a statutory City on January 1, 1974. The City of Cambridge as it exists today consists of 7.9 square miles. Cambridge has a population estimated at 10,541. Cambridge is a suburb of the northern metropolitan area, the City of Cambridge is a forty-minute drive from Minneapolis and Saint Paul.

To the Honorable Mayor, City Council Members, and Citizens of the City of Cambridge  
City of Cambridge, Minnesota

**SERVICES PROVIDED.** The City of Cambridge provides various services to the residents in the community. The current services are:

- I. General Government
  - a) Mayor & Council
  - b) Administration
  - c) Elections
  - d) Finance
  - e) Legal
  - f) Building
  - g) Planning
  - h) Engineering
  - i) City Hall Buildings
  
- II. Public Safety
  - a) Police Protection
  - b) Fire Protection
  - c) Emergency Management
  - d) Animal Control
  
- III. Public Works
  - a) Street Maintenance
  - b) Street Lighting
  - c) Park Maintenance
  - d) Water Maintenance
  - e) Sewer Maintenance
  - f) Storm Sewer Maintenance
  - g) Airport Maintenance
  
- IV. Housing & Redevelopment
  
- V. Municipal Liquor Store

**GOVERNMENT STRUCTURE.** Cambridge is a statutory city with the City Council appointing a City Administrator. The City Administrator has operating responsibilities for all City functions.

To the Honorable Mayor, City Council Members, and Citizens of the City of Cambridge  
 City of Cambridge, Minnesota

**ECONOMIC CONDITION AND OUTLOOK**

The population of Cambridge is increasing due to construction of additional housing units. Cambridge is also still experiencing growth in its commercial base and development as a regional trade center.

The City's General Fund has three major categories of revenue, which accounted for 93% of the total in 2023. They are general property taxes at 66%, licenses and permits at 8% and intergovernmental revenues at 19%. Intergovernmental revenue includes state aids, such as local government aid, highway maintenance aid and police aid as well as payments from the Cambridge-Isanti School District for school resource officers. Local Government Aid (LGA), from the State of Minnesota makes up approximately 68% of intergovernmental revenue and totals \$1,111,338.

In 2023, the City recognized an increase of approximately 9% in general fund intergovernmental revenue as listed below as compared to 2022. The recent history of LGA from 2014 through 2023 is highlighted in the table as follows:

	<u>LGA</u>
2014	689,437
2015	725,399
2016	736,066
2017	744,292
2018	802,355
2019	806,834
2020	955,567
2021	1,020,839
2022	1,059,979
2023	1,111,338

In 2023, the City had a 5% increase in license and permits as compared to 2022. The number of single-family home starts increased from 13 in 2022 to 35 in 2023. Also in 2023, building permits were pulled for two new apartment buildings in Cambridge. The City received a substantial amount of revenue from licenses and permits from 2014 through 2023. The past 10 years are shown below:

	<u>Revenues</u>	<u>Increase (Decrease)</u>
2014	310,730	(6,842)
2015	385,333	74,603
2016	395,993	10,660
2017	733,126	337,133
2018	502,729	(230,397)
2019	414,484	(88,245)
2020	489,618	75,134
2021	955,065	465,447
2022	678,365	(276,700)
2023	715,409	37,044

To the Honorable Mayor, City Council Members, and Citizens of the City of Cambridge  
City of Cambridge, Minnesota

**EMPLOYMENT**

Commercial and industrial development is helping to improve the employment outlook for Cambridge.

Major employers in the Cambridge area are as follows:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate # of Employees</u>
Cambridge Medical Center	Health care facility	700
Grace Pointe Crossing	Nursing home	500
Wal-Mart Supercenter	Retail merchandise	335
I.S.D. No. 911 (Cambridge-Isanti)	Elementary and secondary education	830
Isanti County	County government	294

**MAJOR INITIATIVES**

**FOR THE YEAR.** The City has many accomplishments to report for 2023 as detailed below.

In 2023, the City Council, City Administrator and key management staff worked to implement the City’s vision and core strategies to achieve that vision as defined at the end of 2021. Highlights from vision and core strategies are as follows:

*City of Cambridge Vision Statement*

*Capitalizing on its beautiful, natural setting and presence as a regional center, Cambridge endeavors to deliver a high quality of life and opportunities for residents, businesses, and visitors alike. With a balanced, planned approach to growth and development and an emphasis on its historic downtown, the City will continue to be a leader in quality community development and public services.*

*Core Strategy #1: Encourage and facilitate the revitalization and restoration of a vibrant downtown*

*Core Strategy #2: Deliver exceptional public services*

*Core Strategy #3: Connect opportunities to facilitate thriving commercial and industrial sectors*

*Core Strategy #4: Be responsible and flexible in managing the City’s administrative functions*

*Core Strategy #5: Foster engaged, informed, and involved citizens and community*

*Core Strategy #6: Enhance the City’s presence as a regional hub*

*Core Strategy #7: Provide diverse amenities for a high quality of life*

*Core Strategy #8: Highlight and capitalize on natural resources*

To the Honorable Mayor, City Council Members, and Citizens of the City of Cambridge  
City of Cambridge, Minnesota

Specifically in 2023, the City has expended significant effort on its downtown revitalization plans. The City implemented a program for downtown businesses to apply for assistance in upgrading water line size to accommodate installation of fire sprinkler systems in their downtown building. We had three businesses participate in this building. As a result, one of these property owners is currently expanding his downtown restaurant while another property opened a new retail store in downtown Cambridge. The third property owner is working to complete future business development plans. Also, in 2023, the City purchased land to provide additional parking for the downtown business district.

### **Local Option Sales Tax**

After voter's approved a local option sales tax referendum question in November, 2018, the State of Minnesota passed the required legislation to allow the City of Cambridge to begin collecting a .5% local sales tax to fund a new library, future street improvement projects and future improvements to Sandquist Park. In 2023, the City began the design phase to complete the trail connections of the Cambridge-Isanti Bike Walk trail with local option sales tax funding. It is expected that construction will occur in 2024.

### **Residential & Commercial Development**

In 2023, the City experienced an increase in residential housing construction primarily due to the start of construction in a new subdivision, Cambridge Cove. Cambridge Cove is expected to have 206 new single-family homes when completed.

The City saw activity in commercial development during 2023. Specifically, Pizza Ranch and Popeye's restaurants opened in 2023. In addition, a new Kwik Trip Convenience Store location opened within the City during 2023, bringing their total store count in Cambridge to three.

### **Infrastructure Development**

During 2023, the City replaced parking lots at the Cambridge City Hall/Cambridge City Center location as well as at the municipal liquor store, Northbound Liquor. The City also replaced one of its public parking lots in downtown. In addition, the City began construction of well #9 as part of its plan to make sure adequate water supply is available to support growth.

**FOR THE FUTURE.** The City continues to focus on quality of life improvements throughout the City. These efforts cover a broad array of areas, including protecting and improving the environment, expanding recreational opportunities, expanding city services, and increased communication between city representatives and the public.

Other City information can be obtained at our website located at [www.ci.cambridge.mn.us](http://www.ci.cambridge.mn.us).

To the Honorable Mayor, City Council Members, and Citizens of the City of Cambridge  
City of Cambridge, Minnesota

## **FINANCIAL INFORMATION**

**INTERNAL CONTROL.** The City's accounting system was developed and is continually evaluated to assure the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance in the areas of: (1) safeguarding assets against loss from unauthorized use or disposition; and (2) reliability of financial records and convenience of access for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance adopted by the City of Cambridge recognizes that: (1) the evaluation of cost and benefits requires estimates and judgments by management; and (2) the cost of a control should not exceed the benefits likely to be derived. All internal controls are evaluated against the above criteria. It is our belief that the City's internal accounting controls adequately safeguard the City's assets and also provide reasonable assurance of properly recording financial transactions.

**BUDGETING CONTROLS.** In addition to internal accounting controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, certain Special Revenue Funds and Debt Service Fund are included in the annual budget. Expenditures may not legally exceed budgeted appropriations on a fund level without City Council authorization.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

**RELEVANT FINANCIAL POLICIES.** The City relies on many financial policies to promote proper financial management and financial reporting. Specifically, three policies are particularly important to the City during 2023:

1. The City has a policy regarding General Fund unassigned fund balance policy which sets down guidelines for maintaining the proper reserve level. Specifically, the policy prescribes the following:
  - Maintenance of fund balance not less than 30-50% of the ensuing year's General Fund tax levy and Local Government Aid from the State of MN.
  - Maintenance of fund balance to cover accumulated compensated absences and prepaid items.
  - Maintenance of fund balance for emergencies at a level of 5% of ensuing year's general fund expenditures.
2. Since 2001, the City has had a fairly aggressive schedule for replacing the infrastructure in the original sections of the City of Cambridge. An essential part of funding this infrastructure comes from assessment to property owners that receive the benefit of the replacement. The City's assessment policy describes the process for determining assessments for property owners as well as setting repayment terms and interest rates.



To the Honorable Mayor, City Council Members, and Citizens of the City of Cambridge  
City of Cambridge, Minnesota

3. The City's most valued financial policy is its Long Range Financial Planning Policy. On an annual basis, the City Staff and Council work together to update its financial plan. The plan encompasses all funds and considers staffing levels, equipment purchases, capital project planning, debt management, as well as tax and utility rates. The policy also includes the practice of benchmarking its tax rate against all cities in the State of MN to determine the appropriate level for future tax levies.

### **OTHER INFORMATION**

**INDEPENDENT AUDIT.** State Statutes require an annual audit by independent certified public accountants. Redpath and Company was engaged by the City to render an opinion on the City's financial statements. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

**ACKNOWLEDGMENTS.** The preparation of this report could not have been accomplished without the efficient services of the Finance Department staff and the consultation of the City's auditing firm. Staff members, Joleen Kriesel, Linda Gerlach and Christine Hadley have my sincere appreciation for their contribution in the preparation of this report.

I also want to express our appreciation to the Mayor, members of the City Council, and City Administrator for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Caroline Moe  
Director of Finance

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cambridge  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morrill*

Executive Director/CEO

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**CITY OF CAMBRIDGE, MINNESOTA**

**ORGANIZATION**

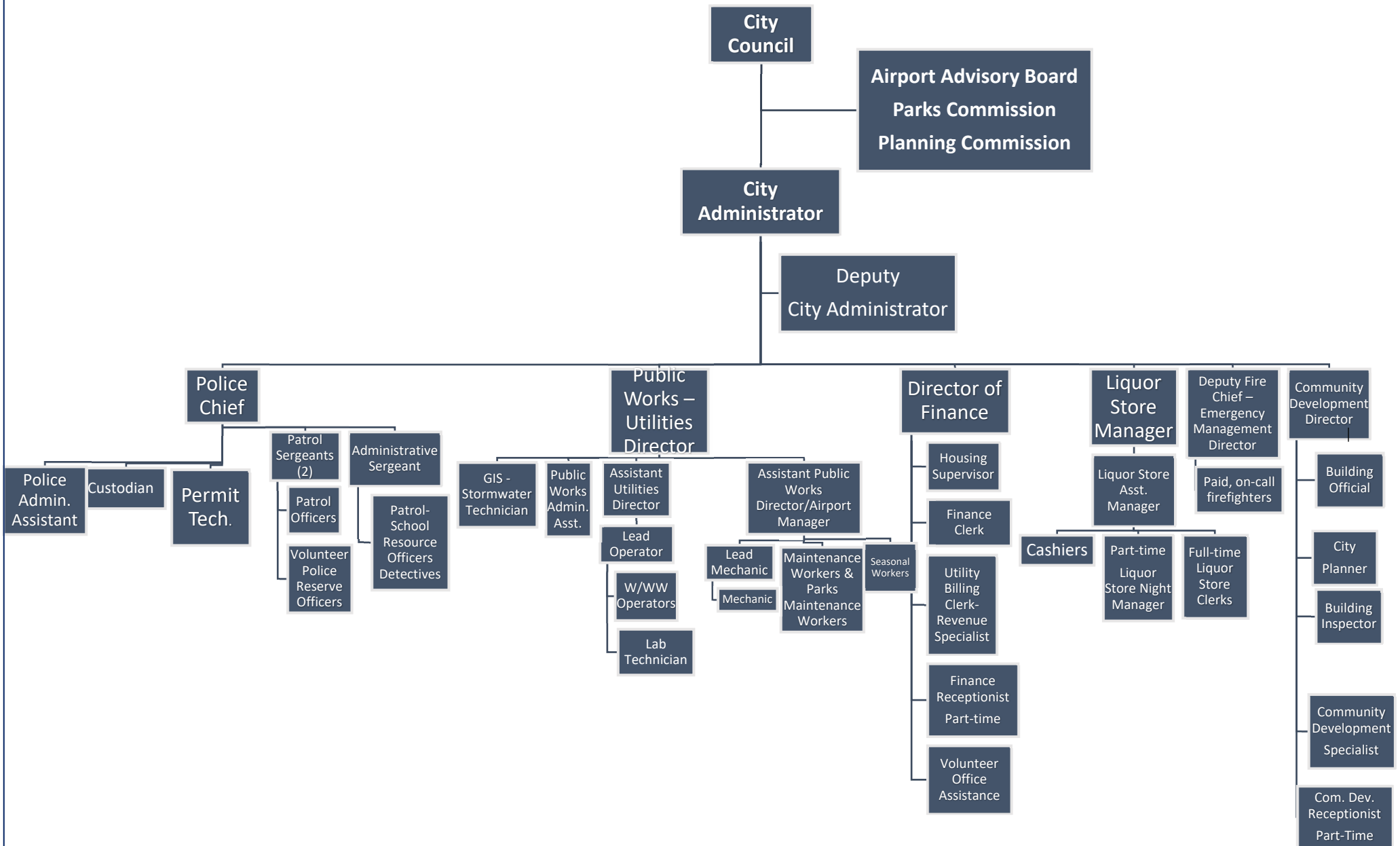
December 31, 2023

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	<u>Term Expires</u>
Mayor: Jim Godfrey	December 31, 2026
Council Members: Aaron Berg	December 31, 2026
Lisa Iverson	December 31, 2024
Robert Shogren	December 31, 2026
Mark Ziebarth	December 31, 2024
Administrator/Clerk: Evan Vogel	Appointed
Director of Finance: Caroline Moe	Appointed
Public Works Director: Todd Schwab	Appointed
City Engineer: Todd Blank	Appointed
Chief of Police: Todd Schuster	Appointed
Attorney: Rupp, Anderson, Squires & Walspurger	Appointed
Fiscal Consultants: Ehlers & Associates	Appointed

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# City of Cambridge Organizational Chart



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## **II. FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Cambridge, 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 Cambridge, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Cambridge, Minnesota's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

### ***Report on Summarized Comparative Information***

We have previously audited the City of Cambridge, Minnesota's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated March 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cambridge, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2024 on our consideration of the City of Cambridge, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cambridge, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cambridge, Minnesota's internal control over financial reporting and compliance.

*Redpath and Company, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 3, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Cambridge, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as referred to within the table of contents, of this report.

### **Financial Highlights**

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$127,989,837. Of this amount, \$22,146,343 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

The City's total net position increased by \$10,567,755.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,900,353. The amount nonspendable, restricted, committed or assigned was \$20,637,685.

At the end of the current fiscal year the general fund balance of \$4,513,462 included \$584,769 of nonspendable, \$655,592 of committed and \$3,273,101 of unassigned fund balance.

The City's total long-term liabilities (excluding net pension liabilities) decreased by \$3,290,771 during the current fiscal year, from \$33,613,662 to \$30,322,891 due to scheduled principal payments.

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

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

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

## Management's Discussion and Analysis

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The governmental activities of the City include general government, public safety, public works and economic development. The business-type activities of the City include water, wastewater, storm sewer, street lights, municipal liquor sales and housing.

The government-wide financial statements can be found on Statements 1 and 2 of this report.

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

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

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



## Management's Discussion and Analysis

The City maintains six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the following major funds:

- General Fund
- Debt Service Fund
- Redevelopment Capital Fund
- Local Option Sales Tax Fund
- Airport Improvement Fund
- EDA Operating Fund

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 subcombining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general, certain special revenue funds and its debt service fund.

A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Statements 3 through 5 of this report.

**Proprietary funds.** The City maintains six enterprise funds and two internal service funds as a part of its proprietary fund type. 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 water, wastewater, storm sewer, street lights, municipal liquor sales, and housing operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the following funds:

Enterprise funds:

- Water
- Wastewater
- Storm Sewer
- Street Lights
- Municipal Liquor Store
- Housing

The internal service funds are in a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided elsewhere in this report as Statements 25 through 27.

## Management's Discussion and Analysis

The basic proprietary fund financial statements can be found on Statements 6 through 8 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following Statement 8 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons and pensions. Combining and individual fund statements can be found on Statements 17 through 24 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$127,989,837 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$97,063,398 or 76%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$29,686,600	\$26,029,620	\$10,916,756	\$10,975,796	\$40,603,356	\$37,005,416
Capital assets	68,090,343	66,436,855	58,486,494	55,752,174	126,576,837	122,189,029
Total assets	<u>97,776,943</u>	<u>92,466,475</u>	<u>69,403,250</u>	<u>66,727,970</u>	<u>167,180,193</u>	<u>159,194,445</u>
Total deferred outflows of resources	4,069,690	4,683,224	-	-	4,069,690	4,683,224
Other liabilities	2,697,461	2,559,750	347,926	439,666	3,045,387	2,999,416
Noncurrent liabilities	21,128,571	25,994,119	13,803,970	15,966,602	34,932,541	41,960,721
Total liabilities	<u>23,826,032</u>	<u>28,553,869</u>	<u>14,151,896</u>	<u>16,406,268</u>	<u>37,977,928</u>	<u>44,960,137</u>
Total deferred inflows of resources	5,251,403	1,436,037	30,715	59,413	5,282,118	1,495,450
Net position:						
Net investment in capital assets	52,153,465	48,959,849	44,909,933	40,082,675	97,063,398	89,042,524
Restricted	8,780,096	6,675,301	-	-	8,780,096	6,675,301
Unrestricted	11,835,637	11,524,643	10,310,706	10,179,614	22,146,343	21,704,257
Total net position	<u>\$72,769,198</u>	<u>\$67,159,793</u>	<u>\$55,220,639</u>	<u>\$50,262,289</u>	<u>\$127,989,837</u>	<u>\$117,422,082</u>

Management’s Discussion and Analysis

The City adopted the accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* in 2015. Essentially, the standard required the unfunded portion of defined benefit pension plans to be reported by all participating employers. Recording the net pension liability and the pension related deferred outflows and inflows of resources do not change the City’s future funding requirements or obligations under the plans, which are determined by Minnesota statutes.

Net position was negatively impacted by \$4,402,075 at December 31, 2023 due to this standard. Pension-related amounts included in the above schedule related to the standard are as follows:

Deferred outflows of resources	\$4,069,690
Deferred inflows of resources	(3,862,115)
Noncurrent liabilities	<u>(4,609,650)</u>
Total	<u><u>(\$4,402,075)</u></u>

A portion of the City’s net positions represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$22,146,343 may be used to meet the City's ongoing obligations to citizens and creditors.

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

## Management's Discussion and Analysis

### City of Cambridge, Minnesota's Changes in Net Position

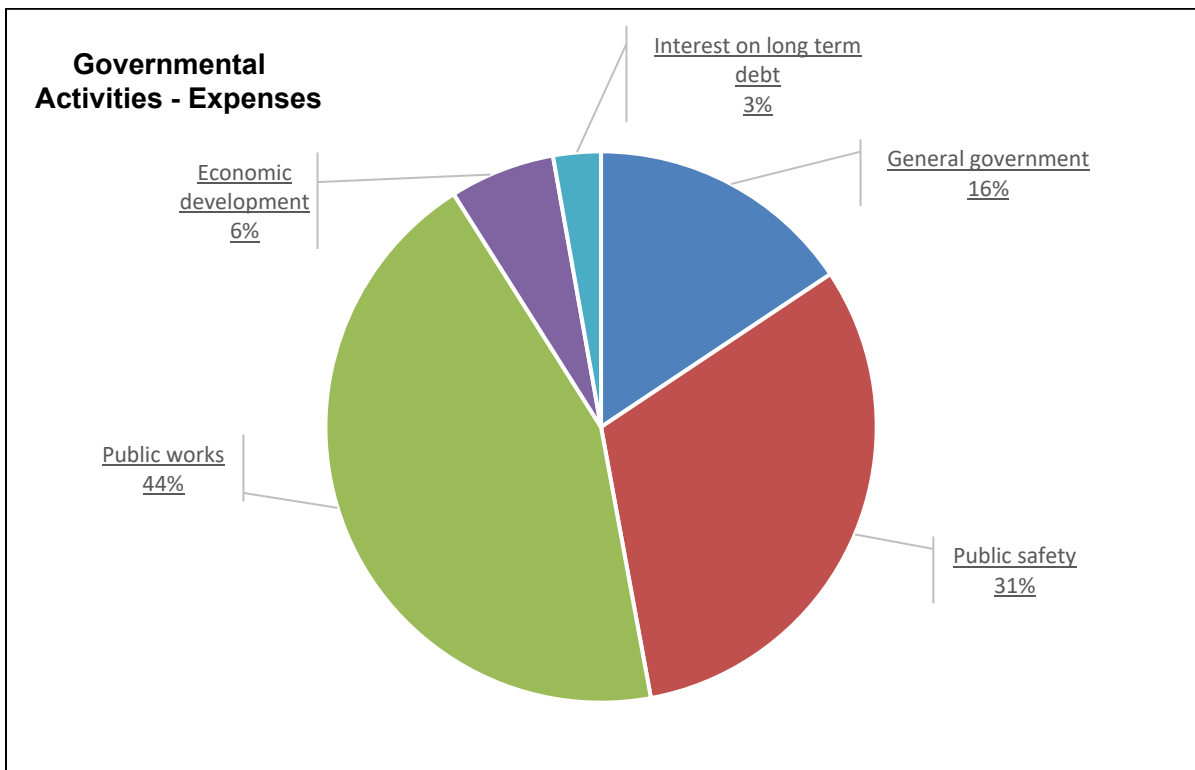
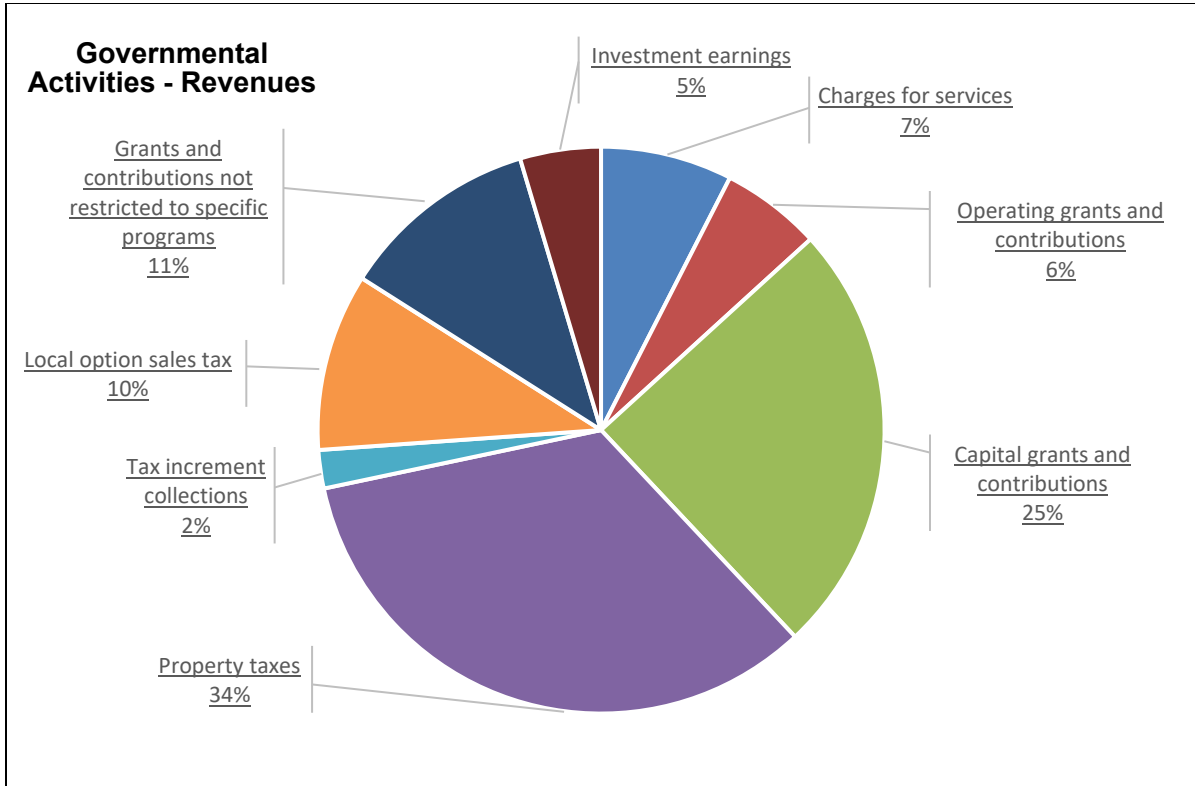
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$1,396,378	\$1,531,237	\$12,447,170	\$12,244,007	\$13,843,548	\$13,775,244
Operating grants and contributions	1,061,932	735,214	111,842	-	1,173,774	735,214
Capital grants and contributions	4,598,889	1,161,754	4,013,628	161,755	8,612,517	1,323,509
General revenues:						
Property taxes	6,255,359	5,835,367	-	-	6,255,359	5,835,367
Tax increment collections	406,713	378,706	-	-	406,713	378,706
Local option sales tax	1,880,011	1,914,082	-	-	1,880,011	1,914,082
Grants and contributions not restricted to specific programs	2,114,112	1,066,721	-	-	2,114,112	1,066,721
Gain on sale of capital asset	25,345	103,252	36,011	13,154	61,356	116,406
Unrestricted investment earnings	856,258	(272,541)	369,569	(160,847)	1,225,827	(433,388)
Total revenues	18,594,997	12,453,792	16,978,220	12,258,069	35,573,217	24,711,861
Expenses:						
General government	\$1,960,188	\$2,030,203	-	-	1,960,188	2,030,203
Public safety	3,940,640	3,557,925	-	-	3,940,640	3,557,925
Public works	5,502,256	4,985,768	-	-	5,502,256	4,985,768
Economic development	774,283	835,852	-	-	774,283	835,852
Interest on long-term debt	350,451	404,384	-	-	350,451	404,384
Water	-	-	2,053,872	1,776,137	2,053,872	1,776,137
Wastewater	-	-	3,513,945	3,451,617	3,513,945	3,451,617
Storm sewer	-	-	531,069	524,784	531,069	524,784
Street Lights	-	-	206,231	215,735	206,231	215,735
Municipal liquor	-	-	5,876,957	5,949,961	5,876,957	5,949,961
Housing	-	-	295,570	280,516	295,570	280,516
Total expenses	12,527,818	11,814,132	12,477,644	12,198,750	25,005,462	24,012,882
Increase in net position before transfers and special items	6,067,179	639,660	4,500,576	59,319	10,567,755	698,979
Transfers	(457,774)	725,000	457,774	(725,000)	-	-
Change in net position	5,609,405	1,364,660	4,958,350	(665,681)	10,567,755	698,979
Net position - January 1	67,159,793	65,795,133	50,262,289	50,927,970	117,422,082	116,723,103
Net position - December 31	\$72,769,198	\$67,159,793	\$55,220,639	\$50,262,289	\$127,989,837	\$117,422,082

### Governmental Activities

Governmental activities increased the City's net position by \$5,609,405 as the result of strong local option sales tax collections, stronger than expected building permit activity, receipt of one-time public safety funding and additional transfers in from municipal liquor store to fund future street projects. Business activities increased the City's net position by \$4,958,350 primarily due to receipt of grant funding to pay for a new well for the water fund and infrastructure received from a developer for a new subdivision including water, wastewater and stormwater assets.

Management's Discussion and Analysis

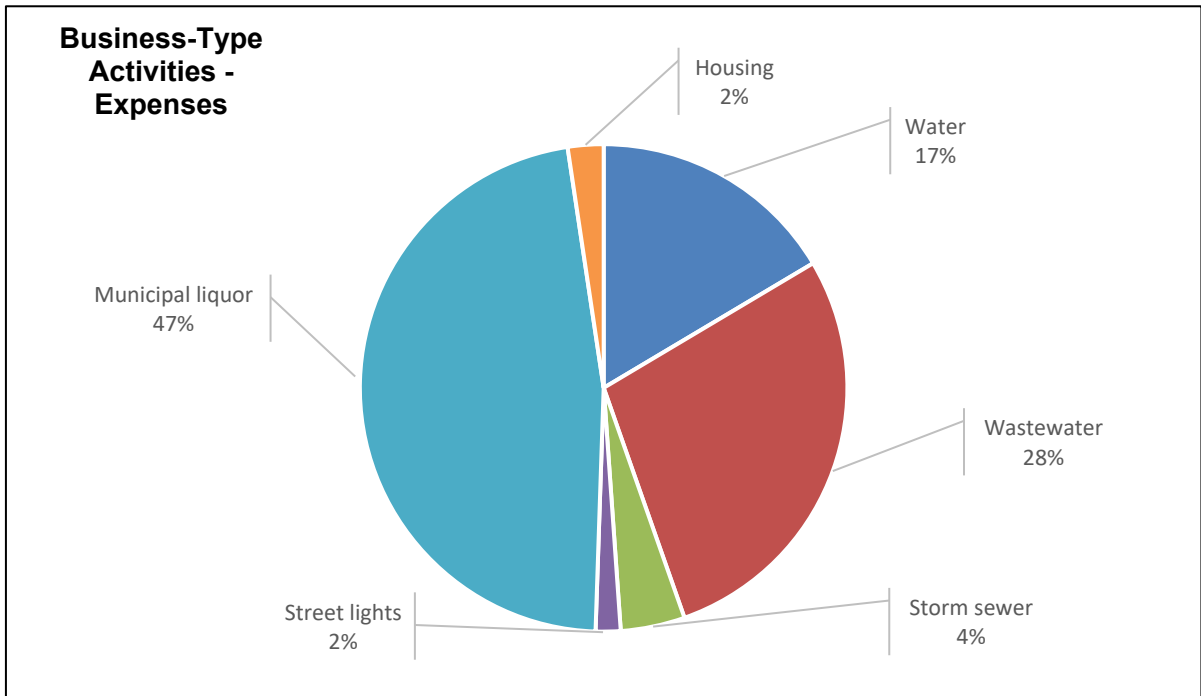
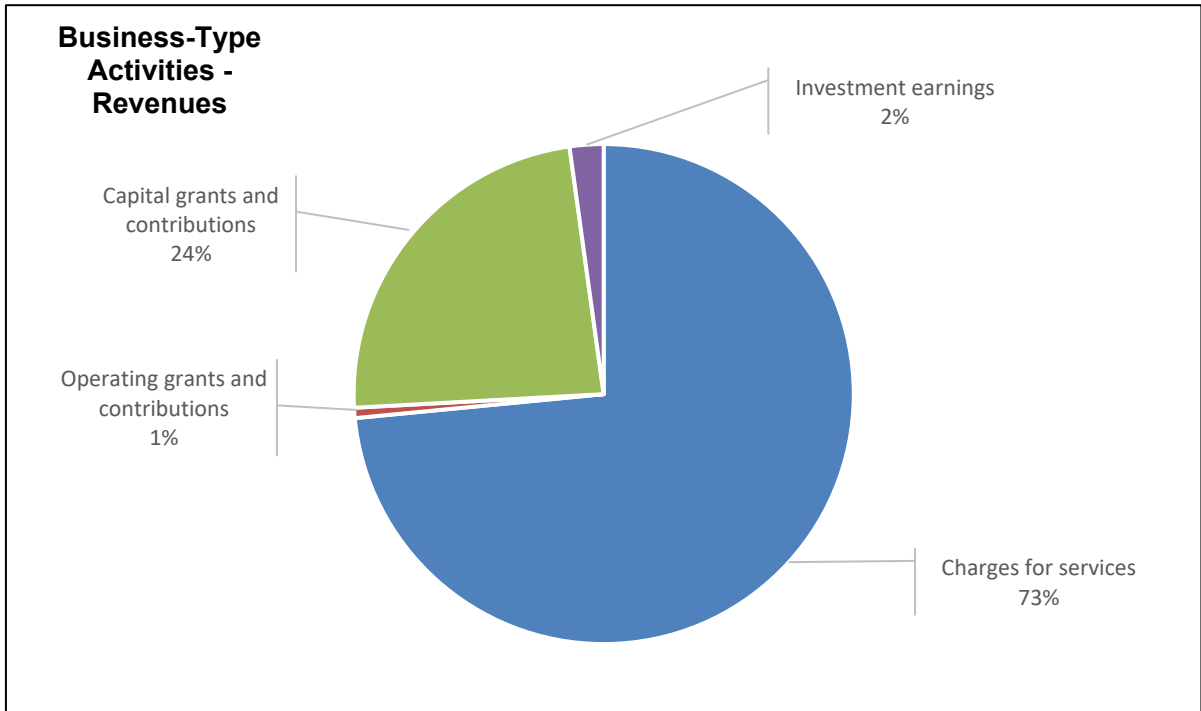
Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:



Management's Discussion and Analysis

Business-Type Activities

Below are specific graphs which provide comparisons of the business-type activities revenues and expenses:



## Management's Discussion and Analysis

### **Financial Analysis of the Government's Funds**

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 combined ending fund balances of \$23,900,353. Approximately 49% or \$11,721,087 of this total amount constitutes assigned fund balance. Approximately 32% or \$7,654,083 of the governmental funds ending fund balance is restricted due to debt covenants or applicable statute. Unassigned fund balance in total is \$3,262,668. Of the remainder of the fund balance, \$606,923 is considered nonspendable as it represents \$588,503 for prepaid items and \$18,420 for inventory. Also \$655,592 is committed for compensated absences.

The General Fund fund balance increased by \$520,563 in 2023 due to strong property tax collection, stronger than expected building permit activity and expenditures less than planned due to staff vacancy.

The Debt Service Funds fund balance increased by \$274,359 due to special assessment prepayments during the year, strong property tax collection, and higher than planned investment income.

The Redevelopment Capital Fund fund balance decreased by \$36,406 primarily due to costs to complete a downtown wayfinding study and park master plan work.

The Local Option Sales Tax Fund fund balance increased by \$1,200,257 due to collection of local option sales tax exceeding expectations. Accumulated resources will be used on projects approved by MN State Statute in future years.

The Airport Improvement Fund fund balance decreased by \$92,054 due to costs related the 2023 capital project activity.

The EDA Operating Fund fund balance decreased by \$457,503 due to expenditures for parking lot replacement.

The nonmajor special revenue funds increased by \$499,307 primarily due accumulation of funds from one-time public safety funding from the State of Minnesota.

The nonmajor capital project funds increased by \$1,624,086 primarily due to accumulation of resources for 2024 Street Improvement Project and for other future street projects.

Management’s Discussion and Analysis

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

The unrestricted net position in the respective proprietary funds are Water \$3,664,450, Wastewater \$4,594,442, Storm Sewer \$656,379, Street Lights \$131,479, Municipal Liquor Store \$1,000,610 and Housing \$419,278. The Water, Wastewater, Storm Sewer, Street Lights, Municipal Liquor Store and Housing funds had changes in net position in 2023 of \$2,419,842, \$936,054, \$1,502,306, \$50,297, \$50,017 and \$47,173, respectively.

**Budgetary Highlights**

**General Fund**

The General Fund budget was amended during 2023 with a summary of the significant changes detailed as follows.

GENERAL FUND REVENUES AND TRANSFERS IN:

Budgeted General Fund revenues and transfers in were increased by \$923,290 during 2023 from the originally adopted budget as detailed below:

Description	2023 Originally Adopted General Fund Budget	2023 Final Amended General Fund Budget	Increase (Decrease)	Reason for Change in 2023 Budget
Taxes	\$5,557,164	\$5,644,546	\$87,382	Tax collections were better than anticipated in 2023.
Licenses and permits	337,850	715,409	377,559	Permit activity was higher than anticipated due to start of construction on two apartment buildings and many single family homes.
Intergovernmental	1,469,590	1,651,524	181,934	Increase in amount due to addition of pass-through aid from the State of MN to the Cambridge Fire Relief Association for firefighter pensions and due to higher than expected funding for school resource police officer from the Cambridge-Isanti School District.
Charges for services	220,319	335,877	115,558	Increase due to higher than expected fire protection contract collections along with additional changes for engineering services related to new apartment building construction.
Fines and forfeits	42,000	57,169	15,169	Fine income was higher than anticipated this year.
Other	7,200	147,855	140,655	Investment income exceeded expectations for 2023.
Sale of property	-	5,033	5,033	No significant change.
Transfers from other funds	525,000	525,000	-	No significant change.
Total	\$8,159,123	\$9,082,413	\$923,290	



Management’s Discussion and Analysis

GENERAL FUND EXPENDITURES AND TRANSFERS OUT:

Budgeted General Fund expenditures and transfers out were increased by \$402,857 during 2023 from the originally adopted budget as detailed below:

Description	2023 Originally Adopted General Fund Budget	2023 Final Amended General Fund Budget	Increase (Decrease)	Reason for Change in 2023 Budget
Mayor and city council	\$64,460	\$61,572	(\$2,888)	No significant change.
Administration	425,130	400,273	(24,857)	Reduction due to planned compensation study costs being less than planned.
Elections	3,200	4,355	1,155	No significant change.
Finance	369,873	358,043	(11,830)	Decrease due to costs being less than planned for audit, training, and small tools.
Legal	126,000	101,495	(24,505)	Legal expenses were less than anticipated.
Building	338,505	347,059	8,554	Increase due to hiring of contracted electrical inspector for certain inspections.
Engineering	40,000	35,654	(4,346)	Decrease due to amount of development plan activity that required review by engineer.
Planning	342,982	313,487	(29,495)	Reduction due to delay in software replacement project.
City hall buildings	160,196	131,266	(28,930)	Reduction due to lower than expected contracted maintenance costs.
Police	2,979,147	2,757,866	(221,281)	Reduction due to delays in filling vacant positions.
Fire protection	430,280	599,896	169,616	Increase due to cost of pension pass through funding from the State of MN.
Emergency management	4,600	3,364	(1,236)	No significant change.
Animal control	5,000	4,800	(200)	No significant change.
Street maintenance	1,625,177	1,681,977	56,800	Increase in supply costs related to frequent snow removal events in the first half of 2023 and reclassification of parks staff time to the street department for a portion of 2023.
Park operation and maintenance	572,562	494,373	(78,189)	Decrease due to reclassification of parks staff time to the street department for a portion of 2023.
Library operations	128,800	125,899	(2,901)	No significant change.
Transfers to other funds	543,211	1,140,601	597,390	Increase in transfers to support Council initiatives.
Total	\$8,159,123	\$8,561,980	\$402,857	

Management’s Discussion and Analysis

GENERAL FUND REVENUES AND TRANSFERS IN:

Budgeted General Fund revenues and transfers are compared to 2023 actual results as detailed below:

Description	2023 Final Amended General Fund Budget	2023 Actual Results	Variance from Budget	Reason for Variance Between 2023 Final Amended Budget and Actual Results
Taxes	\$5,644,546	\$5,644,548	\$2	No significant change.
Licenses and permits	715,409	715,411	2	No significant change.
Intergovernmental	1,651,524	1,651,529	5	No significant change.
Charges for services	335,877	335,880	3	No significant change.
Fines and forfeits	57,169	57,170	1	No significant change.
Other	147,855	147,855	-	No significant change.
Sale of property	5,033	5,033	-	No significant change.
Transfer from other funds	525,000	525,000	-	No significant change.
Total	\$9,082,413	\$9,082,426	\$13	

GENERAL FUND EXPENDITURES AND TRANSFERS OUT:

Budgeted General fund expenditures and transfers out are compared to the 2023 actual results as detailed below:

Description	2023 Final Amended General Fund Budget	2023 Actual Results	Variance from Budget	Reason for Variance Between 2022 Final Amended Budget and Actual Results
Mayor and city council	\$61,572	\$61,566	(\$6)	No significant change.
Administration	\$400,273	400,262	(11)	No significant change.
Elections	\$4,355	4,355	-	No significant change.
Finance	\$358,043	358,033	(10)	No significant change.
Legal	\$101,495	101,494	(1)	No significant change.
Building	\$347,059	347,045	(14)	No significant change.
Engineering	\$35,654	35,654	-	No significant change.
Planning	\$313,487	313,481	(6)	No significant change.
New city hall buildings	\$131,266	131,260	(6)	No significant change.
Police	\$2,757,866	2,757,853	(13)	No significant change.
Fire protection	\$599,896	599,885	(11)	No significant change.
Emergency management	\$3,364	3,364	-	No significant change.
Animal control	\$4,800	4,800	-	No significant change.
Street maintenance	\$1,681,977	1,681,955	(22)	No significant change.
Parks operation and maintainar	\$494,373	494,362	(11)	No significant change.
Library operations	\$125,899	125,893	(6)	No significant change.
Transfers to other funds	\$1,140,601	1,140,601	-	No significant change.
Total	\$8,561,980	\$8,561,863	(\$117)	

## Management's Discussion and Analysis

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$126,576,837 (net of accumulated depreciation). Specifically, the City's investment in capital assets includes land, buildings, infrastructure, machinery and equipment and is detailed below:

#### City of Cambridge, Minnesota's Capital Assets (Net of Depreciation)

<b>Primary Government</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$9,103,951	\$215,266	\$ -	\$9,319,217
Construction in progress	180,218	3,160,889	1,031,648	2,309,459
Total capital assets, not being depreciated	<u>9,284,169</u>	<u>3,376,155</u>	<u>1,031,648</u>	<u>11,628,676</u>
Capital assets, being depreciated:				
Buildings and structures	17,636,096	12,680	-	17,648,776
Vehicles, equipment and furniture	8,611,839	211,287	74,896	8,748,230
Streets, airport runways, bridges and signals	78,639,730	2,074,368	-	80,714,098
Total capital assets, being depreciated	<u>104,887,665</u>	<u>2,298,335</u>	<u>74,896</u>	<u>107,111,104</u>
Less accumulated depreciation for:				
Buildings and structures	4,955,498	551,845	-	5,507,343
Vehicles, equipment and furniture	7,117,172	560,500	74,896	7,602,776
Streets, airport runways, bridges and signals	35,662,309	1,877,009	-	37,539,318
Total accumulated depreciation	<u>47,734,979</u>	<u>2,989,354</u>	<u>74,896</u>	<u>50,649,437</u>
Total capital assets being depreciated - net	<u>57,152,686</u>	<u>(691,019)</u>	<u>-</u>	<u>56,461,667</u>
Governmental activities capital assets - net	<u>\$66,436,855</u>	<u>\$2,685,136</u>	<u>\$1,031,648</u>	<u>\$68,090,343</u>
<b>Primary Government</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$2,718,994	\$ -	\$ -	\$2,718,994
Construction in progress	44,166	1,135,291	1,416	1,178,041
Total capital assets, not being depreciated	<u>2,763,160</u>	<u>1,135,291</u>	<u>1,416</u>	<u>3,897,035</u>
Capital assets, being depreciated:				
Buildings and structures	11,066,595	52,602	-	11,119,197
Machinery and equipment	1,480,355	522,362	239,400	1,763,317
Distribution and collection systems	88,550,509	4,099,861	-	92,650,370
Total capital assets, being depreciated	<u>101,097,459</u>	<u>4,674,825</u>	<u>239,400</u>	<u>105,532,884</u>
Less accumulated depreciation for:				
Buildings and structures	5,593,595	292,200	-	5,885,795
Machinery and equipment	1,146,705	116,441	239,400	1,023,746
Distribution and collection systems	41,368,145	2,665,739	-	44,033,884
Total accumulated depreciation	<u>48,108,445</u>	<u>3,074,380</u>	<u>239,400</u>	<u>50,943,425</u>
Total capital assets being depreciated - net	<u>52,989,014</u>	<u>1,600,445</u>	<u>0</u>	<u>54,589,459</u>
Business-type activities capital assets - net	<u>\$55,752,174</u>	<u>\$2,735,736</u>	<u>\$1,416</u>	<u>\$58,486,494</u>

## Management’s Discussion and Analysis

Additional information on the City’s capital assets can be found in Note 6.

**Long-term debt.** At the end of the current fiscal year, the City had total long-term debt outstanding of \$30,322,891 a decrease of \$3,290,771 from 2022. Of the total debt, \$6,555,000 is for general obligation improvement debt which is supported in part by special assessments. An additional \$8,855,000 is for general obligation sales tax revenue bonds which is supported by revenues derived from the local option sales tax. Also outstanding is \$13,207,000 of revenue bonds which financed capital investments for the water, wastewater and storm sewer operations.

Additional long-term debt in the amount of \$917,166 for compensated absences and \$788,725 for bond premiums was also outstanding at the end of 2023.

### City of Cambridge, Minnesota’s Outstanding Debt

General Obligation Improvement Bonds, General Obligation Tax Increment Bonds, Long-Term Notes and Compensated Absences:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General obligation improvement bonds	\$6,555,000	\$7,150,000	\$ -	\$ -	\$6,555,000	\$7,150,000
General obligation sales tax revenue bonds	8,855,000	9,415,000	-	-	8,855,000	9,415,000
Revenue bonds	-	-	13,207,000	15,252,000	13,207,000	15,252,000
Compensated absences	655,592	561,275	261,574	297,103	917,166	858,378
Bond premium	453,329	520,785	335,396	417,499	788,725	938,284
Total	<u>\$16,518,921</u>	<u>\$14,838,832</u>	<u>\$13,803,970</u>	<u>\$17,748,345</u>	<u>\$30,322,891</u>	<u>\$33,613,662</u>

During 2022, Standard and Poor’s affirmed the City’s AA bond rating due to consistently very strong liquidity, very strong management conditions, strong institutional framework score, tempered by the level of debt carried by the City. There was no bond rating action in 2023 for the City of Cambridge.

State Statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City of Cambridge, Minnesota is \$23,729,127. Of the City's outstanding debt, \$3,780,000 is counted within the statutory limitation.

Additional information on the City’s long-term debt can be found in Note 7.

**Requests for information.** This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 300 Third Avenue NE, Cambridge, Minnesota 55008.

## **BASIC FINANCIAL STATEMENTS**

CITY OF CAMBRIDGE, MINNESOTA  
STATEMENT OF NET POSITION  
December 31, 2023  
With Comparative Totals For December 31, 2022

Statement 1

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
			2023	2022
<b>Assets:</b>				
Cash and investments	\$24,098,079	\$9,671,540	\$33,769,619	\$29,855,114
Accrued interest receivable	30,357	-	30,357	75,944
Due from other governmental units	552,540	-	552,540	549,133
Accounts receivable - net	160,979	494,857	655,836	559,868
Prepaid items	588,503	20,837	609,340	830,060
Internal balances	155,932	(155,932)	-	-
Loan receivable	34,057	-	34,057	57,932
Land held for resale	-	-	-	1,304,444
Property taxes receivable	134,872	-	134,872	131,230
Special assessments receivable	2,523,573	155,348	2,678,921	1,827,110
Lease receivable	1,389,288	30,715	1,420,003	1,199,665
Inventories - at cost	18,420	699,391	717,811	614,916
<b>Capital assets (net of accumulated depreciation):</b>				
Land	9,319,217	2,718,994	12,038,211	11,822,945
Construction in progress	2,309,459	1,178,041	3,487,500	224,384
Buildings and structures	12,141,433	5,233,402	17,374,835	18,153,598
Vehicle, equipment and furniture	1,145,454	739,571	1,885,025	1,828,317
Infrastructure	43,174,780	48,616,486	91,791,266	90,159,785
Total assets	<u>97,776,943</u>	<u>69,403,250</u>	<u>167,180,193</u>	<u>159,194,445</u>
<b>Deferred outflows of resources:</b>				
Related to pensions	4,069,690	-	4,069,690	4,683,224
<b>Liabilities:</b>				
Accounts payable	627,781	95,284	723,065	485,545
Contracts payable	73,549	34,165	107,714	391,221
Deposits payable	296,251	35,763	332,014	403,435
Salaries and withholdings payable	320,370	-	320,370	294,116
Accrued liabilities	-	76,098	76,098	78,309
Accrued interest payable	170,510	106,616	277,126	333,716
Unearned revenue	1,209,000	-	1,209,000	1,013,074
<b>Compensated absences payable:</b>				
Due within one year	100,000	261,574	361,574	397,103
Due in more than one year	555,592	-	555,592	461,275
<b>Bonds payable:</b>				
Due within one year	1,515,000	2,112,000	3,627,000	3,200,000
Due in more than one year	14,348,329	11,430,396	25,778,725	29,555,284
<b>Net pension liability:</b>				
Due in more than one year	4,609,650	-	4,609,650	8,347,059
Total liabilities	<u>23,826,032</u>	<u>14,151,896</u>	<u>37,977,928</u>	<u>44,960,137</u>
<b>Deferred inflows of resources:</b>				
Related to leases	1,389,288	30,715	1,420,003	1,199,665
Related to pensions	3,862,115	-	3,862,115	295,785
Total deferred inflows of resources	<u>5,251,403</u>	<u>30,715</u>	<u>5,282,118</u>	<u>1,495,450</u>
<b>Net position:</b>				
Net investment in capital assets	52,153,465	44,909,933	97,063,398	89,042,524
<b>Restricted for:</b>				
Debt service	3,961,234	-	3,961,234	3,990,222
Tax Increment	206,955	-	206,955	163,956
Public safety programs	531,765	-	531,765	29,314
Trails program	207,742	-	207,742	169,364
Local option sales tax funded programs	3,501,941	-	3,501,941	2,301,684
Park Dedication	370,459	-	370,459	20,761
Unrestricted	11,835,637	10,310,706	22,146,343	21,704,257
Total net position	<u>\$72,769,198</u>	<u>\$55,220,639</u>	<u>\$127,989,837</u>	<u>\$117,422,082</u>

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

CITY OF CAMBRIDGE, MINNESOTA  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

Statement 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government	
							2023	2022
<b>Primary government:</b>								
<b>Governmental activities:</b>								
General government	\$1,960,188	\$783,019	\$1,598	\$ -	(\$1,175,571)	\$ -	(\$1,175,571)	(\$1,328,021)
Public safety	3,940,640	235,541	921,162	49,610	(2,734,327)	-	(2,734,327)	(2,861,511)
Public works	5,502,256	172,251	139,172	4,549,279	(641,554)	-	(641,554)	(3,219,385)
Economic development	774,283	205,567	-	-	(568,716)	-	(568,716)	(572,626)
Interest on long-term debt	350,451	-	-	-	(350,451)	-	(350,451)	(404,384)
Total governmental activities	<u>12,527,818</u>	<u>1,396,378</u>	<u>1,061,932</u>	<u>4,598,889</u>	<u>(5,470,619)</u>	<u>-</u>	<u>(5,470,619)</u>	<u>(8,385,927)</u>
<b>Business-type activities:</b>								
Water	\$2,053,872	\$2,342,003	\$ -	\$805,073	\$ -	\$1,093,204	\$1,093,204	\$333,119
Wastewater	3,513,945	2,629,226	-	1,635,268	-	750,549	750,549	(839,439)
Storm sewer	531,069	451,241	-	1,554,587	-	1,474,759	1,474,759	(120,533)
Street lights	206,231	251,862	-	-	-	45,631	45,631	32,376
Municipal liquor	5,876,957	6,563,528	-	-	-	686,571	686,571	705,307
Housing	295,570	209,310	111,842	18,700	-	44,282	44,282	96,182
Total business-type activities	<u>12,477,644</u>	<u>12,447,170</u>	<u>111,842</u>	<u>4,013,628</u>	<u>-</u>	<u>4,094,996</u>	<u>4,094,996</u>	<u>207,012</u>
Total primary government	<u>\$25,005,462</u>	<u>\$13,843,548</u>	<u>\$1,173,774</u>	<u>\$8,612,517</u>	<u>(5,470,619)</u>	<u>4,094,996</u>	<u>(1,375,623)</u>	<u>(8,178,915)</u>
<b>General revenues:</b>								
Property taxes					6,255,359	-	6,255,359	5,835,367
Tax increment collections					406,713	-	406,713	378,706
Local option sales tax					1,880,011	-	1,880,011	1,914,082
Grants and contributions not restricted to specific programs					2,114,112	-	2,114,112	1,066,721
Unrestricted investment earnings					856,258	369,569	1,225,827	(433,388)
Gain on sale of capital assets					25,345	36,011	61,356	116,406
Transfers					(457,774)	457,774	-	-
Total general revenues and transfers					<u>11,080,024</u>	<u>863,354</u>	<u>11,943,378</u>	<u>8,877,894</u>
Change in net position					<u>5,609,405</u>	<u>4,958,350</u>	<u>10,567,755</u>	<u>698,979</u>
Net position - January 1,					<u>67,159,793</u>	<u>50,262,289</u>	<u>117,422,082</u>	<u>116,723,103</u>
Net position - December 31					<u>\$72,769,198</u>	<u>\$55,220,639</u>	<u>\$127,989,837</u>	<u>\$117,422,082</u>

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2023  
With Comparative Totals For December 31, 2022

	General Fund	Debt Service Fund
<b>Assets:</b>		
Cash and investments	\$4,468,045	\$2,835,221
Accrued interest receivable	30,357	-
Due from other governmental units	20,024	-
Accounts receivable - net	128,619	-
Property taxes receivable:		
Delinquent	65,130	5,673
Due from County	63,837	-
Prepaid items	584,769	-
Inventory	-	-
Interfund receivable	-	-
Loan receivable	-	-
Lease receivable	422,160	-
Special assessments receivable	-	2,499,850
Land held for resale	-	-
Total assets	<u>\$5,782,941</u>	<u>\$5,340,744</u>
<b>Liabilities:</b>		
Accounts payable	\$189,802	\$ -
Salaries payable	320,370	-
Contracts payable	-	-
Interfund payable	-	-
Deposits payable	272,017	-
Unearned revenue	-	1,209,000
Total liabilities	<u>782,189</u>	<u>1,209,000</u>
<b>Deferred inflows of resources:</b>		
Related to leases	422,160	-
Unavailable revenue	65,130	1,296,523
Total deferred inflows of resources	<u>487,290</u>	<u>1,296,523</u>
<b>Fund balance:</b>		
Nonspendable	584,769	-
Restricted	-	2,835,221
Committed	655,592	-
Assigned	-	-
Unassigned	3,273,101	-
Total fund balance (deficit)	<u>4,513,462</u>	<u>2,835,221</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$5,782,941</u>	<u>\$5,340,744</u>

Fund balance reported above

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

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

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

Net pension liability related to the Cambridge Fire Department pension plan.

Deferred outflows of resources related to the Cambridge Fire Department pension plan.

Deferred inflows of resources related to the Cambridge Fire Department pension plan.

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

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

The assets and liabilities are included in the government-wide statement of net position.

Net position of governmental activities

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



Redevelopment Capital Fund	Local Option Sales Tax Fund	Airport Improvement Fund	EDA Operating Fund	Other Governmental Funds	Total Governmental Funds	
					2023	2022
\$2,358,973	\$3,156,603	\$71,084	\$122,625	\$10,689,170	\$23,701,721	\$20,174,585
-	-	-	-	-	30,357	75,944
-	345,338	178,089	-	9,089	552,540	535,833
-	-	-	-	250	128,869	71,659
-	-	-	-	232	71,035	67,627
-	-	-	-	-	63,837	63,603
-	-	-	2,646	1,088	588,503	428,239
-	-	-	-	18,420	18,420	9,952
-	-	-	10,433	-	10,433	2,559
-	-	-	-	34,057	34,057	57,932
-	-	-	967,128	-	1,389,288	1,140,252
-	-	-	-	23,723	2,523,573	1,658,521
-	-	-	-	-	-	1,304,444
<u>\$2,358,973</u>	<u>\$3,501,941</u>	<u>\$249,173</u>	<u>\$1,102,832</u>	<u>\$10,776,029</u>	<u>\$29,112,633</u>	<u>\$25,591,150</u>
\$13,053	\$ -	\$ -	\$730	\$324,196	\$527,781	\$288,318
-	-	-	-	-	320,370	294,116
-	-	73,549	-	-	73,549	391,221
-	-	-	-	10,433	10,433	2,559
-	-	-	11,777	12,457	296,251	367,718
-	-	-	-	-	1,209,000	1,013,074
<u>13,053</u>	<u>0</u>	<u>73,549</u>	<u>12,507</u>	<u>347,086</u>	<u>2,437,384</u>	<u>2,357,006</u>
-	-	-	967,128	-	1,389,288	1,140,252
-	-	-	-	23,955	1,385,608	1,726,148
-	-	-	967,128	23,955	2,774,896	2,866,400
-	-	-	2,646	19,508	606,923	438,191
-	3,501,941	-	-	1,316,921	7,654,083	5,245,941
-	-	-	-	-	655,592	561,275
2,345,920	-	175,624	120,551	9,078,992	11,721,087	11,121,648
-	-	-	-	(10,433)	3,262,668	3,000,689
<u>2,345,920</u>	<u>3,501,941</u>	<u>175,624</u>	<u>123,197</u>	<u>10,404,988</u>	<u>23,900,353</u>	<u>20,367,744</u>
<u>\$2,358,973</u>	<u>\$3,501,941</u>	<u>\$249,173</u>	<u>\$1,102,832</u>	<u>\$10,776,029</u>	<u>\$29,112,633</u>	<u>\$25,591,150</u>
					\$23,900,353	\$20,367,744
					68,090,343	66,436,855
					1,385,608	1,726,148
					(190,540)	(190,540)
					165,752	243,835
					(22,049)	(110,132)
					(16,689,431)	(17,852,363)
					(3,870,838)	(3,461,754)
					<u>\$72,769,198</u>	<u>\$67,159,793</u>

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

	General Fund	Debt Service Fund	Redevelopment Capital Fund
<b>Revenues:</b>			
General property taxes	\$5,644,548	\$607,388	\$ -
Tax increment collections	-	-	-
Licenses and permits	715,411	-	-
Intergovernmental	1,651,529	-	-
Special assessments	-	395,386	-
Charges for services	335,880	-	-
Local sales tax	-	-	-
Fines and forfeits	57,170	-	-
Investment income (loss)	145,039	79,285	97,542
Other	2,816	-	-
Total revenues	<u>8,552,393</u>	<u>1,082,059</u>	<u>97,542</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	1,753,150	-	-
Public safety	3,365,902	-	-
Public works	2,302,210	-	-
Economic development	-	-	36,110
<b>Capital outlay:</b>			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
<b>Debt service:</b>			
Principal retirement	-	1,155,000	-
Interest	-	447,025	-
Paying agent fees	-	5,675	-
Bond issuance costs	-	-	-
Construction/acquisition costs	-	-	315,266
Total expenditures	<u>7,421,262</u>	<u>1,607,700</u>	<u>351,376</u>
Revenues over (under) expenditures	<u>1,131,131</u>	<u>(525,641)</u>	<u>(253,834)</u>
<b>Other financing sources (uses):</b>			
Bonds issued	-	-	-
Bond premium	-	-	-
Sale of property	5,033	-	2,162
Transfers in	525,000	800,000	215,266
Transfers out	(1,140,601)	-	-
Total other financing sources (uses)	<u>(610,568)</u>	<u>800,000</u>	<u>217,428</u>
Net change in fund balance	520,563	274,359	(36,406)
Fund balance - January 1	<u>3,992,899</u>	<u>2,560,862</u>	<u>2,382,326</u>
Fund balance - December 31	<u><u>\$4,513,462</u></u>	<u><u>\$2,835,221</u></u>	<u><u>\$2,345,920</u></u>

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

Statement 4

Local Option Sales Tax Fund	Airport Improvement Fund	EDA Operating Fund	Other Governmental Funds	Total Governmental Funds	
				2023	2022
\$ -	\$ -	\$ -	\$15	\$6,251,951	\$5,832,748
-	-	-	406,713	406,713	378,706
-	-	-	-	715,411	678,365
-	1,617,790	-	2,141,515	5,410,834	2,392,899
-	-	-	3,808	399,194	843,797
-	-	195,845	834,676	1,366,401	804,090
1,880,011	-	-	-	1,880,011	1,914,082
-	-	-	-	57,170	48,782
120,246	-	17,369	396,777	856,258	(272,541)
-	-	-	514,652	517,468	135,006
<u>2,000,257</u>	<u>1,617,790</u>	<u>213,214</u>	<u>4,298,156</u>	<u>17,861,411</u>	<u>12,755,934</u>
-	-	-	-	1,753,150	1,746,486
-	-	-	1,878	3,367,780	3,094,115
-	-	-	583,882	2,886,092	2,390,918
-	-	262,120	383,300	681,530	744,481
-	-	-	26,239	26,239	85,159
-	-	-	142,613	142,613	64,789
-	-	-	55,114	55,114	294,921
-	-	-	-	1,155,000	1,110,000
-	-	-	-	447,025	347,125
-	-	-	-	5,675	3,475
-	-	-	-	-	72,483
-	1,709,844	458,597	892,448	3,376,155	4,780,257
<u>0</u>	<u>1,709,844</u>	<u>720,717</u>	<u>2,085,474</u>	<u>13,896,373</u>	<u>14,734,209</u>
<u>2,000,257</u>	<u>(92,054)</u>	<u>(507,503)</u>	<u>2,212,682</u>	<u>3,965,038</u>	<u>(1,978,275)</u>
-	-	-	-	-	3,780,000
-	-	-	-	-	72,343
-	-	-	18,150	25,345	138,538
-	-	50,000	1,459,403	3,049,669	4,161,347
(800,000)	-	-	(1,566,842)	(3,507,443)	(3,546,347)
<u>(800,000)</u>	<u>0</u>	<u>50,000</u>	<u>(89,289)</u>	<u>(432,429)</u>	<u>4,605,881</u>
1,200,257	(92,054)	(457,503)	2,123,393	3,532,609	2,627,606
<u>2,301,684</u>	<u>267,678</u>	<u>580,700</u>	<u>8,281,595</u>	<u>20,367,744</u>	<u>17,740,138</u>
<u>\$3,501,941</u>	<u>\$175,624</u>	<u>\$123,197</u>	<u>\$10,404,988</u>	<u>\$23,900,353</u>	<u>\$20,367,744</u>

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

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**CITY OF CAMBRIDGE, 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  
With Comparative Totals For The Year Ended December 31, 2022

**Statement 5**

	<u>2023</u>	<u>2022</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	\$3,532,609	\$2,627,606
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	223,966	444,869
Construction/acquisition costs	3,376,155	4,780,257
Depreciation expense	(2,989,354)	(2,946,043)
Various other transactions involving capital assets increase (decrease) net position on the statement of activities but are not reported in governmental funds because they do not provide (or use) current financial resources:		
Contributed infrastructure	1,042,721	319,089
Gain (loss) on disposal of capital assets	-	(44,317)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in delinquent property taxes	3,408	2,619
Change in deferred and delinquent special assessments	(343,948)	(793,670)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Bonds issued, including bond premium	-	(3,852,343)
Principal repayments	1,155,000	1,110,000
Internal service funds are used by management to charge the cost of insurance and pension expense to individual funds. This amount is net revenue attributable to governmental activities.	(409,084)	(65,599)
Governmental funds report pension contributions as expenditures, however pension expense is reported in the Statement of Activities. This amount by which pension expense differed from pension contributions for the Cambridge Fire Department pension plan (Note 9).	10,000	(98,193)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:		
Amortization of bond premium	67,456	72,429
Change in accrued interest payable	34,793	(53,730)
Change in compensated absences payable	(94,317)	(138,314)
Change in net position of governmental activities (Statement 2)	<u>\$5,609,405</u>	<u>\$1,364,660</u>

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2023  
With Comparative Totals For December 31, 2022

	Business-Type Activities - Enterprise Funds		
	601 Water	602 Wastewater	603 Storm Sewer
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$3,495,152	\$4,528,418	\$625,647
Due from other governmental units	-	-	-
Accounts receivable	165,147	262,710	42,473
Prepaid items	2,366	1,112	10,000
Inventories - at cost	-	-	-
<b>Total current assets</b>	<b>3,662,665</b>	<b>4,792,240</b>	<b>678,120</b>
<b>Noncurrent assets:</b>			
Special assessments	133,611	21,737	-
Lease receivable	30,715	-	-
<b>Capital assets:</b>			
Land	1,262,997	976,039	106,416
Construction in progress	1,178,041	-	-
Buildings and structures	7,560,701	125,425	-
Machinery and equipment	339,630	1,108,613	16,500
Distribution and collection system	26,235,065	47,530,834	18,884,471
<b>Total capital assets</b>	<b>36,576,434</b>	<b>49,740,911</b>	<b>19,007,387</b>
Less: Allowance for depreciation	(14,489,022)	(25,329,282)	(8,196,596)
<b>Net capital assets</b>	<b>22,087,412</b>	<b>24,411,629</b>	<b>10,810,791</b>
<b>Total noncurrent assets</b>	<b>22,251,738</b>	<b>24,433,366</b>	<b>10,810,791</b>
<b>Total assets</b>	<b>25,914,403</b>	<b>29,225,606</b>	<b>11,488,911</b>
Deferred outflows of resources related to pensions	-	-	-
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	17,465	3,868	-
Contracts payable	34,165	-	-
Accrued liabilities	1,819	-	-
Accrued interest payable	53,888	30,987	21,741
Deposits payable	-	-	-
Compensated absences payable - current portion	58,654	184,680	-
Bonds payable - current portion	961,060	822,180	328,760
<b>Total current liabilities</b>	<b>1,127,051</b>	<b>1,041,715</b>	<b>350,501</b>
<b>Noncurrent liabilities:</b>			
Bonds payable - noncurrent portion	3,823,092	5,945,547	1,661,757
Net pension liability	-	-	-
<b>Total noncurrent liabilities</b>	<b>3,823,092</b>	<b>5,945,547</b>	<b>1,661,757</b>
<b>Total liabilities</b>	<b>4,950,143</b>	<b>6,987,262</b>	<b>2,012,258</b>
<b>Deferred inflows of resources:</b>			
Related to leases	30,715	-	-
Related to pensions	-	-	-
<b>Total deferred inflows of resources</b>	<b>30,715</b>	<b>0</b>	<b>0</b>
<b>Net position:</b>			
Net investment in capital assets	17,269,095	17,643,902	8,820,274
Unrestricted	3,664,450	4,594,442	656,379
<b>Total net position</b>	<b>\$20,933,545</b>	<b>\$22,238,344</b>	<b>\$9,476,653</b>

Net position reported above

Adjustment to report the cumulative internal balance for the net effect of activity between the internal service funds and the enterprise funds over time.

Net position of business-type activities (Statement 1)

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

Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service
604 Street Lights	610 Municipal Liquor Store	901 Housing	Totals		
			2023	2022	
\$107,012	\$439,397	\$475,914	\$9,671,540	\$9,348,109	\$396,358
-	-	-	-	13,300	-
24,467	60	-	494,857	488,193	32,110
-	4,884	2,475	20,837	401,821	-
-	699,391	-	699,391	604,964	-
<u>131,479</u>	<u>1,143,732</u>	<u>478,389</u>	<u>10,886,625</u>	<u>10,856,387</u>	<u>428,468</u>
-	-	-	155,348	168,589	-
-	-	-	30,715	59,413	-
-	239,500	134,042	2,718,994	2,718,994	-
-	-	-	1,178,041	44,166	-
-	1,460,805	1,972,266	11,119,197	11,066,595	-
-	224,936	73,638	1,763,317	1,480,355	-
-	-	-	92,650,370	88,550,509	-
0	1,925,241	2,179,946	109,429,919	103,860,619	0
-	(1,084,825)	(1,843,700)	(50,943,425)	(48,108,445)	-
0	840,416	336,246	58,486,494	55,752,174	0
0	840,416	336,246	58,672,557	55,980,176	0
<u>131,479</u>	<u>1,984,148</u>	<u>814,635</u>	<u>69,559,182</u>	<u>66,836,563</u>	<u>428,468</u>
-	-	-	-	-	3,903,938
-	53,495	20,456	95,284	197,227	100,000
-	-	-	34,165	-	-
-	74,279	-	76,098	78,309	-
-	-	-	106,616	128,413	-
-	-	35,763	35,763	35,717	-
-	15,348	2,892	261,574	297,103	-
-	-	-	2,112,000	2,045,000	-
0	143,122	59,111	2,721,500	2,781,769	100,000
-	-	-	11,430,396	13,624,499	-
-	-	-	-	-	4,419,110
0	0	0	11,430,396	13,624,499	4,419,110
0	143,122	59,111	14,151,896	16,406,268	4,519,110
-	-	-	30,715	59,413	-
-	-	-	-	-	3,840,066
0	0	0	30,715	59,413	3,840,066
-	840,416	336,246	44,909,933	40,082,675	-
131,479	1,000,610	419,278	10,466,638	10,288,207	(4,026,770)
<u>\$131,479</u>	<u>\$1,841,026</u>	<u>\$755,524</u>	<u>\$55,376,571</u>	<u>\$50,370,882</u>	<u>(\$4,026,770)</u>
			\$55,376,571		
			(155,932)		
			<u>\$55,220,639</u>		

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>601 Water</u>	<u>602 Wastewater</u>	<u>603 Storm Sewer</u>
Operating revenues:			
Liquor store sales	\$ -	\$ -	\$ -
Customer billings	2,315,763	2,629,226	451,241
Charges for services	-	-	-
Rental and service income	-	-	-
HUD operating subsidy	-	-	-
Other	-	-	-
Insurance dividends	-	-	-
Sale of water meters	26,240	-	-
Total operating revenues	<u>2,342,003</u>	<u>2,629,226</u>	<u>451,241</u>
Operating expenses:			
Cost of liquor store sales	-	-	-
Salaries and wages	296,807	708,638	-
Employee benefits	108,201	283,060	-
Professional services	38,595	125,037	4,440
Shop supplies	16,315	25,142	-
Heat, light, and power	104,355	180,254	-
Maintenance and repairs	330,529	346,082	33,637
Advertising	1,981	-	-
Telephone	5,892	9,496	-
Insurance and bonds	33,270	48,221	-
Office supplies	11,644	12,410	102
Miscellaneous	169,740	15,464	2,092
Claims	-	-	-
Depreciation	856,157	1,653,458	453,069
Total operating expenses	<u>1,973,486</u>	<u>3,407,262</u>	<u>493,340</u>
Operating income (loss)	<u>368,517</u>	<u>(778,036)</u>	<u>(42,099)</u>
Nonoperating revenues (expenses):			
Intergovernmental	-	-	-
Investment income (loss)	117,353	195,292	27,547
Lottery proceeds-net	-	-	-
Gain on disposal of assets	1,511	34,500	-
Bond issuance costs	-	-	-
Interest expense	(78,324)	(74,698)	(37,729)
Miscellaneous	(2,062)	(1,272)	-
Total nonoperating revenues (expenses)	<u>38,478</u>	<u>153,822</u>	<u>(10,182)</u>

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



Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
604 Street Lights	610 Municipal Liquor Store	901 Housing	Totals		
			2023	2022	
\$ -	\$6,563,750	\$ -	\$6,563,750	\$6,650,278	\$ -
251,862	-	-	5,648,092	5,258,990	-
-	-	-	-	-	542,628
-	-	209,310	209,310	192,050	-
-	-	111,842	111,842	96,574	-
-	236	-	236	4,954	-
-	-	-	-	-	100,958
-	-	-	26,240	36,557	-
251,862	6,563,986	321,152	12,559,470	12,239,403	643,586
-	4,858,146	-	4,858,146	4,953,842	-
-	441,334	65,278	1,512,057	1,472,223	-
-	166,449	25,696	583,406	529,209	1,001,143
-	12,186	67,692	247,950	251,583	-
-	3,686	5,034	50,177	56,666	-
177,068	32,263	48,828	542,768	550,629	-
29,163	51,789	16,723	807,923	712,727	-
-	46,415	-	48,396	45,312	-
-	7,234	7,374	29,996	29,762	-
-	15,445	6,813	103,749	90,749	-
-	3,579	540	28,275	19,641	-
-	157,495	4,206	348,997	195,418	-
-	-	-	-	-	120,120
-	66,440	45,256	3,074,380	2,971,211	-
206,231	5,862,461	293,440	12,236,220	11,878,972	1,121,263
45,631	701,525	27,712	323,250	360,431	(477,677)
-	-	-	-	-	6,060
4,666	23,950	761	369,569	(160,847)	15,194
-	(458)	-	(458)	4,604	-
-	-	-	36,011	13,154	-
-	-	-	-	(4,410)	-
-	-	-	(190,751)	(236,400)	-
-	-	-	(3,334)	(2,675)	-
4,666	23,492	761	211,037	(386,574)	21,254

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>601 Water</u>	<u>602 Wastewater</u>	<u>603 Storm Sewer</u>
Income (loss) before capital contributions and transfers	<u>\$406,995</u>	<u>(\$624,214)</u>	<u>(\$52,281)</u>
Capital contributions:			
Capital contributions from developer	802,226	1,027,628	1,554,587
Capital grant	-	-	-
Connection charges & special assessments	2,847	607,640	-
Total capital contributions	<u>805,073</u>	<u>1,635,268</u>	<u>1,554,587</u>
Transfers:			
Transfers in	1,232,774	-	-
Transfers out	(25,000)	(75,000)	-
Total transfers	<u>1,207,774</u>	<u>(75,000)</u>	<u>0</u>
Change in net position	2,419,842	936,054	1,502,306
Net position - January 1	<u>18,513,703</u>	<u>21,302,290</u>	<u>7,974,347</u>
Net position - December 31	<u><u>\$20,933,545</u></u>	<u><u>\$22,238,344</u></u>	<u><u>\$9,476,653</u></u>

Change in net position reported for business-type activities above.  
Adjustment for the net effect of the current year activity between the internal service fund  
and the enterprise funds net position of business-type activities.  
Change in net position of business-type activities (Statement 2).

Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
604 Street Lights	610 Municipal Liquor Store	901 Housing	Totals		
			2023	2022	
\$50,297	\$725,017	\$28,473	\$534,287	(\$26,143)	(\$456,423)
-	-	-	3,384,441	-	-
-	-	18,700	18,700	88,074	-
-	-	-	610,487	73,681	-
0	0	18,700	4,013,628	161,755	0
-	-	-	1,232,774	-	-
-	(675,000)	-	(775,000)	(725,000)	-
0	(675,000)	0	457,774	(725,000)	0
50,297	50,017	47,173	5,005,689	(589,388)	(456,423)
81,182	1,791,009	708,351	50,370,882	50,960,270	(3,570,347)
\$131,479	\$1,841,026	\$755,524	\$55,376,571	\$50,370,882	(\$4,026,770)
			\$5,005,689		
			(47,339)		
			\$4,958,350		

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>601 Water</u>	<u>602 Wastewater</u>	<u>603 Storm Sewer</u>
Cash flows from operating activities:			
Receipts from customers and users	\$2,347,178	\$2,621,879	\$447,108
Payment to suppliers	(719,197)	(808,279)	(57,356)
Payment of wages and benefits	(396,611)	(974,862)	-
Miscellaneous revenue	2,847	-	-
Net cash flows from operating activities	<u>1,234,217</u>	<u>838,738</u>	<u>389,752</u>
Cash flows from noncapital financing activities:			
Transfer to other funds	-	-	-
Transfer to General Fund	(25,000)	(75,000)	-
Net cash flows from noncapital financing activities	<u>(25,000)</u>	<u>(75,000)</u>	<u>0</u>
Cash flows from capital and related financing activities:			
Principal received on special assessments	9,791	3,450	-
Connection fees and related charges	-	607,640	-
Payment to developer for future projects	-	-	-
HUD contribution	-	-	-
Transfer from other funds for capital and debt service	1,232,774	-	-
Sale of capital assets	1,511	34,500	-
Acquisition of capital assets	(1,134,415)	(664,927)	(148,818)
Principal paid on debt	(997,122)	(818,201)	(311,780)
Interest paid on debt	(92,598)	(80,631)	(42,653)
Debt proceeds, net of issue costs, discount & fiscal fees	-	-	-
Net cash flows from capital and related financing activities	<u>(980,059)</u>	<u>(918,169)</u>	<u>(503,251)</u>
Cash flows from investing activities:			
Investment income (loss)	117,353	195,292	27,547
Net increase (decrease) in cash and cash equivalents	346,511	40,861	(85,952)
Cash and cash equivalents - January 1	<u>3,148,641</u>	<u>4,487,557</u>	<u>711,599</u>
Cash and cash equivalents - December 31	<u><u>\$3,495,152</u></u>	<u><u>\$4,528,418</u></u>	<u><u>\$625,647</u></u>

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

604 Street Lights	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	610 Municipal Liquor Store	901 Housing	Totals		
			2023	2022	
\$251,280	\$6,561,998	\$321,198	\$12,550,641	\$12,229,651	\$1,069,991
(206,329)	(5,316,910)	(157,350)	(7,265,421)	(6,864,161)	(20,104)
-	(669,823)	(89,696)	(2,130,992)	(1,936,645)	(1,001,143)
-	(458)	-	2,389	9,215	-
<u>44,951</u>	<u>574,807</u>	<u>74,152</u>	<u>3,156,617</u>	<u>3,438,060</u>	<u>48,744</u>
-	(250,000)	-	(250,000)	(200,000)	-
-	(425,000)	-	(525,000)	(625,000)	-
<u>0</u>	<u>(675,000)</u>	<u>0</u>	<u>(775,000)</u>	<u>(825,000)</u>	<u>0</u>
-	-	-	13,241	13,499	-
-	-	-	607,640	69,070	-
-	-	-	-	(383,658)	-
-	-	32,000	32,000	74,774	-
-	-	-	1,232,774	100,000	-
-	-	-	36,011	172,757	-
-	(58,276)	-	(2,006,436)	(666,870)	-
-	-	-	(2,127,103)	(2,076,530)	-
-	-	-	(215,882)	(254,999)	-
-	-	-	-	225,590	-
<u>0</u>	<u>(58,276)</u>	<u>32,000</u>	<u>(2,427,755)</u>	<u>(2,726,367)</u>	<u>0</u>
<u>4,666</u>	<u>23,950</u>	<u>761</u>	<u>369,569</u>	<u>(160,847)</u>	<u>15,194</u>
<u>49,617</u>	<u>(134,519)</u>	<u>106,913</u>	<u>323,431</u>	<u>(274,154)</u>	<u>63,938</u>
<u>57,395</u>	<u>573,916</u>	<u>369,001</u>	<u>9,348,109</u>	<u>9,622,263</u>	<u>332,420</u>
<u>\$107,012</u>	<u>\$439,397</u>	<u>\$475,914</u>	<u>\$9,671,540</u>	<u>\$9,348,109</u>	<u>\$396,358</u>

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>601 Water</u>	<u>602 Wastewater</u>	<u>603 Storm Sewer</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$368,517</u>	<u>(\$778,036)</u>	<u>(\$42,099)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Intergovernmental revenue	-	-	-
Miscellaneous revenue	-	-	-
Connection fees	2,847	-	-
Depreciation	856,157	1,653,458	453,069
Changes in assets and liabilities:			
Decrease (increase) in receivables	34,156	(7,347)	(4,133)
Decrease (increase) in prepaid items	(1,356)	(102)	(10,000)
Decrease (increase) in inventory	-	-	-
Decrease (increase) in deferred outflows of resources	-	-	-
Increase (decrease) in payables	2,594	(29,235)	(7,085)
Increase (decrease) in deferred inflows of resources	(28,698)	-	-
Total adjustments	<u>865,700</u>	<u>1,616,774</u>	<u>431,851</u>
Net cash provided by operating activities	<u><u>\$1,234,217</u></u>	<u><u>\$838,738</u></u>	<u><u>\$389,752</u></u>

Noncash investing, capital and financing activities:

During 2023, capital assets in the amount of \$802,226, \$1,027,628 and \$1,554,587 were contributed to the Water, Wastewater and Storm Sewer Funds, respectively.

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

604 Street Lights	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	610 Municipal Liquor Store	901 Housing	Totals		
			2023	2022	
\$45,631	\$701,525	\$27,712	\$323,250	\$360,431	(\$477,677)
-	-	-	-	-	6,060
-	(458)	-	(458)	4,604	-
-	-	-	2,847	4,611	-
-	66,440	45,256	3,074,380	2,971,211	-
(582)	(60)	-	22,034	9,083	(32,094)
-	8,484	300	(2,674)	1,153	-
-	(94,427)	-	(94,427)	(14,086)	-
-	-	-	-	-	535,451
(98)	(106,697)	884	(139,637)	127,836	(3,637,409)
-	-	-	(28,698)	(26,783)	3,654,413
(680)	(126,718)	46,440	2,833,367	3,077,629	526,421
\$44,951	\$574,807	\$74,152	\$3,156,617	\$3,438,060	\$48,744

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

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Cambridge, Minnesota (the City) operates under the State of Minnesota Statutory Plan A form of government. The City Council, composed of an elected mayor and four elected trustee or council members, exercises legislative authority and determines all matters of policy.

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

**A. FINANCIAL REPORTING ENTITY**

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

COMPONENT UNITS

The City has one component unit, the Economic Development Authority (EDA). The EDA is considered a component unit because the governing boards are substantially the same as that of the City and because the City is in a relationship of financial burden with the entity.

The financial position and results of operations of the EDA component unit are presented using the blended method. Blended component units, although legally separate entities, are in substance, part of the City's operations and as such are reported as special revenue funds, debt service funds, capital project funds and enterprise funds. The component unit includes governmental funds using the modified accrual basis of accounting. Separate financial statements for the EDA are not prepared.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

The City reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for the accumulation of resources and costs related to the servicing of the governmental funds' bonds. While the City maintains sub-funds for each bond issue, for external financial reporting purposes, the City maintains one debt service fund.

The *Redevelopment Capital Fund* is used to account for resources and expenditures related to redevelopment of areas within the City.

The *Local Option Sales Tax Fund* is used to account for local option sales tax generated in Cambridge as authorized under legislation approved by the State of Minnesota.

The *Airport Improvement Fund* is used to account for costs associated with airport improvements, funded through federal and state government grants and transfers from the General Fund.

The *EDA Operating Fund* is used to account for the operations of the Mall and EDA administration.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the water service charges which are used to finance the water system operating expenses.

The *Wastewater Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operating expenses.

The *Storm Sewer Fund* accounts for storm sewer charges which are used to finance the storm sewer operating expenses.

The *Street Lights Fund* accounts for operations of the City's street lights.

The *Municipal Liquor Store Fund* accounts for operations of the municipal liquor store.

The *Housing Fund* accounts for operations of the EDA's apartment and other housing programs.

Additionally, the City reports the following fund type:

*Internal Service Fund* – accounts for property insurance and pension benefits provided to other departments of the City on a cost reimbursement basis.

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services, producing, and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Wastewater, Storm Sewer, Street Lights and Municipal Liquor enterprise funds are charges to customers for sales and services. The principal revenue of the Housing Fund is rental income. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **D. BUDGETS**

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General Fund, Debt Service Fund, EDA Operating Special Revenue Fund, and Airport Operating Special Revenue Fund. Budgeted expenditure appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to ensure effective budgetary control or to facilitate effective cash management.

## **E. LEGAL COMPLIANCE - BUDGETS**

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

1. The City Administrator submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following January 1. These budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis for the General Fund and on the fund basis for the Debt Service Fund, EDA Operating Special Revenue Fund and Airport Operating Special Revenue fund.
4. Interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues. Additionally, management cannot amend the budget without Council approval.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service Fund and budgeted Special Revenue Funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Fund. Supplementary budgets are provided and reviewed by council for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions, net income for operation, capital maintenance and are not reflected in the financial statements.
7. Expenditures may not legally exceed budgeted appropriations at the total fund level without City Council authorization. Monitoring of budgets is maintained at the expenditure category level (i.e., personnel; material and supplies; other services and charges; miscellaneous; capital outlay) within each activity.
8. The City Council may authorize transfer of budgeted amounts between City funds.
9. The City Council made supplemental budget appropriations throughout the year. Individual amendments were not material in relation to the original appropriations which were adjusted.

## **F. CASH AND INVESTMENTS**

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

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

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary funds have original maturities of 90 days or less. Therefore the entire balance in the proprietary funds are considered cash equivalents.

**G. RECEIVABLES AND PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Interfund loans are classified as “interfund receivables/payables.” Note 10 describes all interfund receivables and payables at December 31, 2023 and the City’s plan to eliminate them in future years. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

**H. PROPERTY TAX REVENUE RECOGNITION**

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

**I. SPECIAL ASSESSMENT REVENUE RECOGNITION**

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

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action.

If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The City generally recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. However, in cases where the project is not substantially complete, the assessment roll is deemed unearned. Uncollectible special assessments are not material and have not been reported.

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

**J. INVENTORIES**

**GOVERNMENTAL FUNDS**

Inventories of the Airport Operating special revenue fund are stated at cost, which approximates market, using the first-in, first out (FIFO) method. The primary government does not maintain material amounts of inventory within the other governmental funds. Inventories of the other governmental funds are recorded as expenditures at the time of purchase.

**PROPRIETARY FUNDS**

Inventories of the proprietary funds are stated at cost, which approximates market, using the first-in, first-out (FIFO) method.

**K. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City accounts for prepaid items under the consumption method.

**L. LEASE RECEIVABLE**

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

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

**M. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (except for easements which is \$50,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Buildings and structures	20 – 40 years
Machinery, vehicles, equipment and furniture	5 – 15 years
Streets, airport runway, bridges and signals	25 – 40 years
Distribution and collection systems	40 years

**N. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is vested as severance pay.

**O. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expenses in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## P. FUND BALANCE CLASSIFICATIONS

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

*Nonspendable* - consists of amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory.

*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 that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by resolution.

*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 balances represent the remaining amount that is not restricted or committed.
- In the General Fund, assigned amounts represent the specific purpose for which it is the City's intended use. These constraints are established by the City Council.

*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 first use restricted resources, and then use unrestricted resources as they are needed.

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

## Q. INTERFUND TRANSACTIONS

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

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



**R. USE OF ESTIMATES**

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

**S. MAJOR CUSTOMER**

The City has a contract with J. Rettenmaier USA where the Company reimburses the City for expenses associated with the operations of the industrial wastewater treatment plant. The total of such transactions amounted to \$313,825 and \$360,092 for December 31, 2023 and 2022, respectively.

**T. COMPARATIVE TOTALS & RECLASSIFICATIONS**

The basic financial statements, combining and individual fund financial statements, and schedules include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2022 from which the summarized information was derived.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year presentation.

**U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

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

In addition to liabilities, the Statement of Financial Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows reported in the government-wide and proprietary funds Statements of Net Position and lease related deferred inflows reported in the government-wide and proprietary funds Statements of Net Position and the governmental funds Balance Sheet. The government also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. Governmental funds report unavailable revenues from property taxes and special assessments.

**V. DEFINED BENEFIT PENSION PLANS**

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

**W. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	(\$15,410,000)
Compensated absences	(655,592)
Accrued interest payable	(170,510)
Unamortized bond premium	<u>(453,329)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position governmental activities	<u><u>(\$16,689,431)</u></u>

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

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

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial credit risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of December 31, 2023, the bank balance of the City’s deposits was \$25,206,621, all of which was either insured by the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or covered by perfected pledged collateral held in the City’s name.

**CITY OF CAMBRIDGE, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**B. INVESTMENTS**

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

At December 31, 2023 the City's investment balances were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	6-10
External investment pool - 4M Fund	\$1,608	\$1,608	\$ -	\$ -
External investment pool - 4MP Fund	61,020	61,020	-	-
Brokered certificates of deposit	6,887,921	1,159,366	4,856,490	872,065
Federal Home Loan Mortgage Corp	217,910	-	217,910	-
Federal National Mortgage Association	177,024	-	177,024	-
Federal Home Loan Bank	1,080,174	-	1,080,174	-
Federal Farm Credit Bank	313,978	-	313,978	-
Total	<u>\$8,739,635</u>	<u>\$1,221,994</u>	<u>\$6,645,576</u>	<u>\$872,065</u>
		Total investments		\$8,739,635
		Deposits		25,027,609
		Cash on hand		<u>2,375</u>
		Total cash and investments		<u>\$33,769,619</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2023:

Investment Type	12/31/2023	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered certificates of deposit	\$6,887,921	\$ -	\$6,887,921	\$ -
Federal Home Loan Mortgage Corp	217,910	-	217,910	-
Federal National Mortgage Association	177,024	-	177,024	-
Federal Home Loan Bank	1,080,174	-	1,080,174	-
Federal Farm Credit Bank	313,978	-	313,978	-
Subtotal	<u>\$8,677,007</u>	<u>\$0</u>	<u>\$8,677,007</u>	<u>\$0</u>
Investments at amortized cost:				
External investment pool - 4M Fund	1,608			
External investment pool - 4MP Fund	61,020			
Total	<u>\$8,739,635</u>			

The City's external investment pool investment is with the 4M fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

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

### **C. INVESTMENT RISKS**

Custodial credit risk – investments – For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. As of December 31, 2023, \$62,628 of the City's investments were invested in the 4M and 4MP Fund. Investments in the 4M Fund are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy does not address custodial risk. However, the City's investments in Federal Agency securities and brokered CDs are held by the broker-dealer, of which \$500,000 is insured through SIPC. Each broker-dealer has provided additional protection by purchasing additional private insurance. This insurance is subject to aggregate limits applied to all of the broker's accounts.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City's investment policy shall be designed to attain market-average rates of return during budgetary and economic cycles taking into account the City's investment risk constraint and cash flow characteristics, however, the City does not have a formal policy relating to interest rate risk. Also, the City does not have any duration limitations on its investments.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to only those investment instruments authorized by Minnesota Statutes. The City's investment policy places further restrictions on bankers acceptances and commercial paper.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. More than 5% of the City's investments are with the Federal Home Loan Bank.

At December 31, 2023 the City's investments in U.S. Government securities and U.S. Agency securities were rated "Aaa" by Moody's.

**CITY OF CAMBRIDGE, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**Note 3 RECEIVABLES**

Significant receivable balances not expected to be collected within one year of December 31, 2023 are as follows:

	Major Fund				Nonmajor	Total
	General	Debt Service	Water	Wastewater	Governmental Funds	
Special assessments receivable	\$ -	\$2,208,900	\$123,400	\$18,700	\$20,700	\$2,371,700
Property taxes receivable	21,500	2,000	-	-	-	23,500
Total	\$21,500	\$2,210,900	\$123,400	\$18,700	\$20,700	\$2,395,200

**Note 4 LEASE RECEIVABLE**

The City leases a portion of its water tower for a cellular tower antenna site. This lease is non-cancelable for a period of 4 years, with two renewal periods of 5 years at the lessee's option. The City considers the likelihood of these options being exercised to be less than 50%. The agreement calls for monthly lease payments of \$2,309-\$2,598, with increases of 4% each year. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 2.76% which is based on the rate available to finance acquisitions over the same time periods.

The City leases space within its City Center mall as follows:

Mall Space Lessee	Initial	Monthly	Discount
	Non-cancelable Term		
Gamer's Den	120 months	\$5,500 - \$6,624	2.76%
Minnesota Department of Public Safety	60 months	\$1,148	3.00%
Isanti County Aging	39 months	\$500	2.76%
Rum River	36 months	\$3,997	3.00%
Minnesota Department of Human Services	36 months	\$2,452 - \$2,675	3.00%
Mondo's Pet Store	48 months	\$3,415 - \$3,579	3.00%

The only Mall Space lease which has renewal options is the lease with the Minnesota Department of Human Services. The City does not believe that it is reasonably certain that the options will be exercised and therefore, the options are not included in the lease receivable. The lease receivables are measured at the present value of the future minimum lease payments expected to be received during the lease term at the discount rate listed above which is based on the rate available to finance acquisitions over the same time periods.

The City leases space within its library to East Central Regional Library. This lease is non-cancelable for a period of 10 years, with no renewal options. The agreement calls for monthly lease payments of \$4,922 - \$6,016. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 2.76% which is based on the rate available to finance acquisitions over the same time periods.

**CITY OF CAMBRIDGE, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

At December 31, 2023, the City recorded \$1,420,003 in lease receivables and deferred inflows of resources for these arrangements.

Total revenue recognized in relation to these leases is as follows:

Amortization of lease-related deferred inflows	
Antenna leases	\$28,698
Mall space leases	150,662
Library leases	<u>48,337</u>
Total revenue recognized resulting from deferred inflow amortization	227,697
Interest revenue	<u>33,578</u>
Total revenue recognized in relation to leased assets	<u><u>\$261,275</u></u>

**Note 5 UNAVAILABLE REVENUES**

Governmental funds report inflows of resources revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Property Taxes</u>	<u>Special Assessments</u>	<u>Total</u>
Major fund:			
General fund	\$65,130	\$ -	\$65,130
Debt service fund	5,673	1,290,850	1,296,523
Nonmajor funds	<u>232</u>	<u>23,723</u>	<u>23,955</u>
Total	<u><u>\$71,035</u></u>	<u><u>\$1,314,573</u></u>	<u><u>\$1,385,608</u></u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

**Note 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$9,103,951	\$215,266	\$ -	\$9,319,217
Construction in progress	180,218	3,160,889	1,031,648	2,309,459
Total capital assets, not being depreciated	<u>9,284,169</u>	<u>3,376,155</u>	<u>1,031,648</u>	<u>11,628,676</u>
Capital assets, being depreciated:				
Buildings and structures	17,636,096	12,680	-	17,648,776
Vehicles, equipment and furniture	8,611,839	211,287	74,896	8,748,230
Streets, airport runways, bridges and signals	78,639,730	2,074,368	-	80,714,098
Total capital assets, being depreciated	<u>104,887,665</u>	<u>2,298,335</u>	<u>74,896</u>	<u>107,111,104</u>
Less accumulated depreciation for:				
Buildings and structures	4,955,498	551,845	-	5,507,343
Vehicles, equipment and furniture	7,117,172	560,500	74,896	7,602,776
Streets, airport runways, bridges and signals	35,662,309	1,877,009	-	37,539,318
Total accumulated depreciation	<u>47,734,979</u>	<u>2,989,354</u>	<u>74,896</u>	<u>50,649,437</u>
Total capital assets being depreciated - net	<u>57,152,686</u>	<u>(691,019)</u>	<u>-</u>	<u>56,461,667</u>
Governmental activities capital assets - net	<u>\$66,436,855</u>	<u>\$2,685,136</u>	<u>\$1,031,648</u>	<u>\$68,090,343</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$2,718,994	\$ -	\$ -	\$2,718,994
Construction in progress	44,166	1,135,291	1,416	1,178,041
Total capital assets, not being depreciated	<u>2,763,160</u>	<u>1,135,291</u>	<u>1,416</u>	<u>3,897,035</u>
Capital assets, being depreciated:				
Buildings and structures	11,066,595	52,602	-	11,119,197
Machinery and equipment	1,480,355	522,362	239,400	1,763,317
Distribution and collection systems	88,550,509	4,099,861	-	92,650,370
Total capital assets, being depreciated	<u>101,097,459</u>	<u>4,674,825</u>	<u>239,400</u>	<u>105,532,884</u>
Less accumulated depreciation for:				
Buildings and structures	5,593,595	292,200	-	5,885,795
Machinery and equipment	1,146,705	116,441	239,400	1,023,746
Distribution and collection systems	41,368,145	2,665,739	-	44,033,884
Total accumulated depreciation	<u>48,108,445</u>	<u>3,074,380</u>	<u>239,400</u>	<u>50,943,425</u>
Total capital assets being depreciated - net	<u>52,989,014</u>	<u>1,600,445</u>	<u>0</u>	<u>54,589,459</u>
Business-type activities capital assets - net	<u>\$55,752,174</u>	<u>\$2,735,736</u>	<u>\$1,416</u>	<u>\$58,486,494</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$163,842
Economic Development	77,821
Public safety	203,477
Public works, including depreciation of general infrastructure assets	<u>2,544,214</u>
Total depreciation expense - governmental activities	<u><u>\$2,989,354</u></u>
Business-type activities:	
Water	\$856,157
Wastewater	1,653,458
Storm sewer	453,069
Liquor store	66,440
Housing	<u>45,256</u>
Total depreciation expense - business-type activities	<u><u>\$3,074,380</u></u>



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**Note 7 LONG-TERM DEBT**

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

As of December 31, 2023, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/2023
<u>Governmental Activities:</u>					
G.O. Improvement Bonds:					
Improvement Bonds of 2014	2% - 2.375%	5/28/2014	2/1/2025	\$1,601,532	\$225,000
Improvement Bonds of 2016	2% - 3%	5/17/2016	2/1/2027	2,570,000	980,000
Improvement Bonds of 2018	3.00%	5/30/2018	2/1/2029	1,970,000	1,255,000
Improvement Bonds of 2020	2% - 3%	5/28/2020	2/1/2031	385,000	315,000
Improvement Bonds of 2022	3.00%	5/26/2022	2/1/2033	3,780,000	3,780,000
Total G.O. Improvement Bonds				<u>10,306,532</u>	<u>6,555,000</u>
G.O. Sales Tax Revenue Bonds:					
Sales Tax Revenue Bonds of 2019	2% - 3%	12/30/2019	2/1/2040	7,235,000	6,390,000
Sales Tax Revenue Bonds of 2020	2% - 3%	5/28/2020	2/1/2040	3,255,000	2,465,000
Total G.O. Sales Tax Revenue Bonds				<u>10,490,000</u>	<u>8,855,000</u>
Compensated absences payable					655,592
Bond issuance premium					453,329
Total City indebtedness - governmental activities				<u>20,796,532</u>	<u>16,518,921</u>
<u>Business-Type Activities:</u>					
G.O. Revenue Bonds:					
G.O. Wastewater Revenue Note, Series 2013A (PFA Loan)	1.00%	8/13/2013	8/20/2032	\$11,737,686	\$5,777,000
G.O. Water & Sewer Bonds of 2014	2% - 2.375%	5/28/2014	2/1/2025	6,813,466	1,380,000
G.O. Water & Sewer Refunding Bonds of 2016	2% - 3%	5/17/2016	2/1/2027	3,570,000	1,355,000
G.O. Water & Sewer Bonds of 2018	3.00%	5/30/2018	2/1/2029	1,510,000	960,000
G.O. Water & Sewer Bonds of 2019	3% - 4%	7/11/2019	2/1/2039	2,405,000	1,990,000
G.O. Water & Sewer Bonds of 2020	2% - 3%	5/28/2020	2/1/2031	1,835,000	1,515,000
G.O. Storm Sewer Bonds of 2022	3.00%	5/26/2022	2/1/2033	230,000	230,000
Total G.O. Revenue Bonds				<u>28,101,152</u>	<u>13,207,000</u>
Compensated absences payable					261,574
Bond issuance premium					335,396
Total City indebtedness - business type activities				<u>28,101,152</u>	<u>13,803,970</u>
Total City indebtedness				<u>\$48,897,684</u>	<u>\$30,322,891</u>

The G.O. Wastewater Revenue Note, Series 2013A (PFA Loan) is considered a direct borrowing. The PFA Loan contains a provision that in an event of default, the PFA may a) impose a penalty as provided by Minnesota Rules Part 7380.0475, b) to the extent permitted by law, demand immediate payment of the loan, or c) exercise any other remedy available to the PFA.

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Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending December 31	G.O. Improvement Bonds		G.O. Sales Tax Revenue Bonds		PFA Loan		G.O. Revenue Bonds	
	Governmental Activities		Governmental Activities		Business-Type Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$940,000	\$173,469	\$575,000	\$213,444	\$617,000	\$57,700	\$1,495,000	\$185,439
2025	970,000	143,591	595,000	195,895	623,000	51,600	1,525,000	145,827
2026	875,000	122,475	605,000	177,894	629,000	45,370	855,000	115,200
2027	760,000	100,100	625,000	159,444	635,000	39,080	670,000	94,275
2028	630,000	80,000	645,000	140,394	642,000	32,730	495,000	76,725
2029	645,000	60,875	665,000	120,744	648,000	26,310	515,000	60,450
2030	435,000	44,875	690,000	103,869	654,000	19,830	345,000	47,975
2031	450,000	32,025	405,000	92,919	661,000	13,290	360,000	39,450
2032	420,000	19,200	410,000	84,769	668,000	6,680	150,000	32,850
2033	430,000	6,450	420,000	76,469	-	-	155,000	28,275
2034	-	-	430,000	67,725	-	-	135,000	23,925
2035	-	-	440,000	58,532	-	-	140,000	19,800
2036	-	-	450,000	48,869	-	-	140,000	15,600
2037	-	-	460,000	38,682	-	-	145,000	11,325
2038	-	-	470,000	28,219	-	-	150,000	6,900
2039	-	-	475,000	17,317	-	-	155,000	2,325
2040	-	-	495,000	5,850	-	-	-	-
Total	\$6,555,000	\$783,060	\$8,855,000	\$1,631,035	\$5,777,000	\$292,590	\$7,430,000	\$906,341

It is not practicable to determine the specific year for payment of accrued compensated absences.

**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
G.O. improvement bonds	\$7,150,000	\$ -	\$595,000	\$6,555,000	\$940,000
G.O. sales tax revenue bonds	9,415,000	-	560,000	8,855,000	575,000
Issuance premium	520,785	-	67,456	453,329	-
Total bonds payable	17,085,785	0	1,222,456	15,863,329	1,515,000
Compensated absences	561,275	237,582	143,265	655,592	100,000
Total government activity long-term debt	\$17,647,060	\$237,582	\$1,365,721	\$16,518,921	\$1,615,000
<b>Business-type activities:</b>					
Bonds payable:					
G.O. revenue bonds	\$8,865,000	\$ -	\$1,435,000	\$7,430,000	\$1,495,000
PFA loans	6,387,000	-	610,000	5,777,000	617,000
Issuance premium	417,499	-	82,103	335,396	-
Total bonds payable	15,669,499	0	2,127,103	13,542,396	2,112,000
Compensated absences	297,103	91,172	126,701	261,574	261,574
Total business-type activity long-term liabilities	\$15,966,602	\$91,172	\$2,253,804	\$13,803,970	\$2,373,574

For the governmental activities, compensated absences are generally liquidated by the General Fund.

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All long-term bonded indebtedness outstanding at December 31, 2023 is backed by the full faith and credit of the City, including improvement and revenue bond issues. Delinquent assessments receivable at December 31, 2023 totaled \$4,519.

In 2019, the City entered into a Credit Enhancement Program Agreement relating to the \$2,405,000 General Obligation Water Revenue Bonds, Series 2019A. If the City is unable to make any portion of the payment on the Bonds on or before the date due, the State of Minnesota, acting through the Minnesota Public Facilities Authority, shall make such payment in its place pursuant to the Act, providing that funds are available in the State General Fund. The obligation to make a payment under the Act is not a general obligation of the State of Minnesota. The Act does not obligate the legislature to provide for the availability of funds in the General Fund for this purpose.

**REVENUE PLEDGED**

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

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of total debt service	Term of Pledge		Principal and Interest paid	Pledged Revenue received
2013 Wastewater Revenue Note	Waste Water Treatment Plant Improvements	Sewer Customer Net Revenue	100%	2013-2032	\$6,069,590	\$673,870	\$2,629,226
2014 GO Bonds	Infrastructure improvements and refund 2007 bonds	Special Assessments	100%	2014-2025	\$230,335	\$116,856	\$64,871
2014 Water & Sewer Bonds	Infrastructure Improvements and refund 2005 & 2007 Bonds and refinance water treatment construction	Water & Sewer Customer Net Revenue	100%	2014-2025	\$1,412,466	\$706,893	\$5,396,230
2016 GO Bonds	Infrastructure Improvements	Special Assessments	100%	2016-2027	\$1,016,950	\$286,200	\$120,843
2016 Water & Sewer Bonds	Infrastructure Improvements	Water & Sewer Customer Net Revenue	100%	2016-2027	\$1,405,925	\$401,325	\$5,396,230
2018 GO Bonds	Infrastructure Improvements	Special Assessments	100%	2018-2028	\$1,371,175	\$230,500	\$108,230
2018 Water & Sewer Bonds	Infrastructure Improvements	Water & Sewer Customer Net Revenue	100%	2018-2028	\$1,048,950	\$175,975	\$5,396,230
2019 GO Sales Tax Bonds	Library Acquisition	Local Option Sales Tax	100%	2019-2040	\$7,715,322	\$454,281	\$1,880,011
2019 Water Revenue Bonds	Infrastructure Improvements	Water Customer Net Revenue	100%	2019-2039	\$2,527,525	\$167,950	\$2,315,763
2020 Water & Sewer Revenue Bonds	Infrastructure Improvements	Water & Sewer Customer Net Revenue	100%	2019-2039	\$1,675,175	\$203,750	\$5,396,230
2020 Assessment and Sales Tax Bonds	Street Improvements and Library Improvements	Special Assessments Local Options Sales Tax	100%	2020-2040	\$3,115,556	\$380,313	\$1,909,018
2022 Improvement Bonds	Street Improvements	Special Assessments	100%	2021-2033	\$4,374,750	\$133,875	\$66,435
2022 Sewer Revenue Bonds	Infrastructure Improvements	Sewer Customer Net Revenue	100%	2021-2033	\$266,300	\$8,146	\$451,241

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**Note 8**    **DEFINED BENEFIT PENSION PLANS - PERA**

**A. PLAN DESCRIPTION**

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

1. General Employees Retirement Fund (GERF)

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

2. Public Employees Police and Fire Fund (PEPFF)

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

**B. BENEFITS PROVIDED**

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

1. GERF Benefits

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

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. PEPFF Benefits

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

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

**C. CONTRIBUTIONS**

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

1. GERS 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 GERS for the year ended December 31, 2023 were \$261,821. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the PEPFF for the year ended December 31, 2023 were \$280,807. The City's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

1. GERS Pension Costs

At December 31, 2023, the City reported a liability of \$2,348,593 for its proportionate share of GERS'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 \$64,806.

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

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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 0.0420% at the end of the measurement period and 0.0398% for the beginning of the period.

City’s proportionate share of the net pension liability	\$2,348,593
State of Minnesota’s proportionate share of the net pension liability associated with the City	64,806
Total	<u><u>\$2,413,399</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$381,700 for its proportionate share of the GERS’s pension expense. In addition, the City recognized an additional \$291 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16 million to the GERS.

At December 31, 2023, the City reported its proportionate share of the GERS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$77,129	\$16,603
Changes in actuarial assumptions	389,764	643,729
Net collective between projected and actual investment earnings	-	100,500
Changes in proportion	90,807	41,317
Contributions paid to PERA subsequent to the measurement date	130,560	-
Total	<u><u>\$688,260</u></u>	<u><u>\$802,149</u></u>

The \$130,560 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2024	\$77,436
2025	(352,911)
2026	81,975
2027	(50,949)
Thereafter	-
Total	<u><u>(\$244,449)</u></u>

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2. PEPFF Pension Costs

At December 31, 2023, the City reported a liability of \$2,070,517 for its proportionate share of the PEPFF’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 0.1199% at the end of the measurement period and 0.1150% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$83,382.

City’s proportionate share of the net pension liability	\$2,070,517
State of Minnesota’s proportionate share of the net pension liability associated with the City	83,382
Total	\$2,153,899

The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$624,174 for its proportionate share of the Police and Fire Plan’s pension expense. The City recognized an additional (\$5,022) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$9 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$10,791 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.

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At December 31, 2023, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$572,250	\$ -
Changes in actuarial assumptions	2,411,006	2,911,729
Net collective between projected and actual investment earnings	-	109,515
Changes in proportion	88,175	16,673
Contributions paid to PERA subsequent to the measurement date	<u>144,247</u>	<u>-</u>
Total	<u><u>\$3,215,678</u></u>	<u><u>\$3,037,917</u></u>

The \$144,247 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2024	\$108,537
2025	29,708
2026	518,846
2027	(121,263)
2028	(502,314)
Thereafter	-
Total	<u><u>\$33,514</u></u>

The net pension liability will be liquidated by the general, wastewater, liquor and housing funds.

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.25% per year
Investment rate of return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERP and 1.00% for the PEPFF.



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

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

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study for GERF was completed in 2022. The assumption changes were adopted by the Board and become effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was 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.

Police and Fire Fund

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%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was 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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25%	0.75%
Private Market	25%	5.90%
Total	100%	

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2023 was 7.00%. 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 GERP and PEPFF 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.

**G. PENSION LIABILITY SENSITIVITY**

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate share of the GERP net pension liability	\$4,154,850	\$2,348,593	\$862,878
Proportionate share of the PEPFF net pension liability	\$4,108,153	\$2,070,517	\$395,308

**H. PENSION PLAN FIDUCIARY NET POSITION**

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

**I. PENSION EXPENSE**

Pension expense recognized by the City for the fiscal year ended December 31, 2023 is as follows:

GERF	\$381,991
PEPFF	619,152
Fire Relief (note 9)	<u>(10,000)</u>
Total	<u>\$991,143</u>

**Note 9 DEFINED BENEFIT PENSION PLAN – FIRE RELIEF**

**A. PLAN DESCRIPTION**

The Cambridge Firefighter’s Relief Association participates in the Statewide Volunteer Firefighter Retirement Plan (SVF), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The SVF plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2022 (measurement date), the plan covered 27 active firefighters and 5 vested terminated firefighter whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota Statutes, Chapter 353 G.

**B. BENEFITS PROVIDED**

The SVF provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City of Cambridge. Members are eligible for a lump-sum retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40% through 20 years at 100%.

**C. CONTRIBUTIONS**

The SVF 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 \$112,396 in fire state aid to the plan for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. The City’s statutorily-required contributions to the SVF plan for the year ended December 31, 2023 were \$0. The City’s contributions were equal to the required contributions as set by state statute, if applicable. In addition, the City made voluntary contributions of \$10,000 to the plan.

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**D. PENSION COSTS**

The total pension liability used to calculate the net pension liability in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The net pension liability (asset) was measured as of December 31, 2022. Previously, the City’s fiscal year-end and the measurement date were the same. However, current year SVF plan information from PERA is not available. The effect of re-reporting SVF plan information is not considered material to the financial statements.

At December 31, 2023, the City reported a net pension liability of \$190,540 for the SVF plan. The following table presents the changes in net pension liability during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Beginning balance December 31, 2021	\$1,235,835	\$1,434,412	(\$198,577)
Changes for the year:			
Service cost	81,365		81,365
Interest on pension liability	74,359	-	74,359
Actuarial experience(gains)/losses	5,721	-	5,721
Projected investment earnings	-	86,065	(86,065)
Contributions - employer	-	10,000	(10,000)
Contributions - State of MN	-	100,740	(100,740)
Changes in benefit level	124,416	-	124,416
Asset (gain)/loss	-	(299,073)	299,073
Benefit payouts	(155,768)	(155,768)	-
PERA administrative fee	-	(988)	988
Net changes	<u>130,093</u>	<u>(259,024)</u>	<u>389,117</u>
Balance end of year December 31, 2022	<u>\$1,365,928</u>	<u>\$1,175,388</u>	<u>\$190,540</u>

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2023, the City recognized pension expense of (\$10,000).

The net pension liability will be liquidated by the general fund.

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At December 31, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$151,175	\$ -
Difference between actual assumptions and actual experience	4,577	22,049
Contributions paid subsequent to the measurement date	<u>10,000</u>	<u>-</u>
Total	<u><u>\$165,752</u></u>	<u><u>\$22,049</u></u>

The \$10,000 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2024	\$25,387
2025	45,665
2026	62,651
2027	-
2028	-
Thereafter	-

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability, which was measured as of December 31, 2022, was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return of 6.0%
- Inflation rate of 3.0%

There were no changes in actuarial assumptions in 2022.

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that contributions to the SVF plan will be made as specified in statute. Based on that assumption 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 benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the City’s net pension liability for the SVF plan, calculated using the assumed discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease in Discount Rate (5.0%)</u>	<u>Current Discount Rate (6.0%)</u>	<u>1% Increase in Discount Rate (7.0%)</u>
Net pension liability	\$234,397	\$190,540	\$147,194

**H. PLAN INVESTMENTS**

1. Investment Policy

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the Governor (who is designated as chair of the Board), State Auditor, Secretary of State and State Attorney General.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in Minnesota Statutes, Chapter 11A and Chapter 353G.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investment policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

2. Asset Allocation

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the Volunteer Firefighter Plan that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	35.0%	5.10%
International Stocks	15.0%	5.30%
Bonds	45%	0.75%
Unallocated Cash	5%	0.00%
Total	<u>100%</u>	

The 6% long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class

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estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

3. Description of significant investment policy changes during the year

The SBI made no significant changes to their investment policy during fiscal year 2022 for the Statewide Volunteer Firefighter Retirement Plan.

**I. PENSION PLAN FIDUCIARY NET POSITION**

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

**Note 10 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS**

Individual fund interfund receivable and payable balances at December 31, 2023 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Major governmental funds:		
EDA Operating Fund	\$10,433	\$ -
Nonmajor governmental funds:		
TIF 6.23 Cambridge Family Apartments Fund	-	4,605
TIF 6.24 Mercantile Hotel Fund	-	5,828
	<u>          </u>	<u>          </u>
Total	<u>\$10,433</u>	<u>\$10,433</u>

The interfund receivable and payable balance relates to lending/borrowing arrangements to cover temporary cash shortages in tax increment financing districts that will later be reimbursed by tax increment and is short-term in nature.

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Transfers in and transfers out during 2023 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
Major Funds:		
General Fund	\$525,000	\$1,140,601
Debt Service Fund	800,000	-
Redevelopment Capital Fund	215,266	-
Local Option Sales Tax Fund	-	800,000
EDA Operating Fund	50,000	-
Nonmajor Funds	<u>1,459,403</u>	<u>1,566,842</u>
Total governmental funds	<u>3,049,669</u>	<u>3,507,443</u>
Proprietary Funds:		
Water	1,232,774	25,000
Wastewater	-	75,000
Municipal liquor	-	675,000
Total proprietary funds	<u>1,232,774</u>	<u>775,000</u>
Total	<u>\$4,282,443</u>	<u>\$4,282,443</u>

Interfund transfers provide assistance in financing various activities and/or projects.

**Note 11 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT DISTRICTS**

The City provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The following table reflects values as of December 31, 2023:

	Preserve Housing #6.15	Senior Housing #6.16	Oppidan (Greenburg Motor) #6.17	Main Street Flats #6.18	Roosevelt Gardens #6.20	Heritage Greens #6.21	Unique Opportunities #6.22	Cambridge Family Apartments #6.23	Strong Oak Apartments #6.25
	M.S. 469	M.S. 469	M.S. 469	M.S. 469	M.S. 469	M.S. 469	M.S. 469	M.S. 469	M.S. 469
Authorizing law									
Year established	2014	2015	2015	2017	2018	2021	2021	2023	2023
Final year of district	2040	2041	2041	2045	2045	2048	2048	2050	2051
Tax capacity (net):									
Original	\$1,933	\$606	\$19,802	\$4,883	\$1,479	\$4,719	\$1,181	\$3,319	\$1,186
Current (payable 2023)	<u>91,384</u>	<u>43,058</u>	<u>71,314</u>	<u>14,179</u>	<u>86,849</u>	<u>24,758</u>	<u>2,530</u>	<u>3,319</u>	<u>1,186</u>
Captured - retained	<u>\$89,451</u>	<u>\$42,452</u>	<u>\$51,512</u>	<u>\$9,296</u>	<u>\$85,370</u>	<u>\$20,039</u>	<u>\$1,349</u>	<u>\$0</u>	<u>\$0</u>



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The City has nine tax increment pay-as-you-go agreements. The agreements are not a general obligation of the City and are payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the City. Details of the pay-as-you-go notes are as follows:

TIF District #6-15-Preserve Apartment Project

Issued in 2013 in the principal sum of \$1,307,861 with no interest. Principal shall be paid on August 1, 2015 and each February 1 and August 1 thereafter to and including February 1, 2037. Payments are payable solely from available tax increment derived from the developed property paid to the City. The pay-as-you-go note provides payments to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for site improvements, land acquisition, and utilities. Principal payments will be completed by February 1, 2037. The City shall have no obligation to pay any unpaid balance of principal that remain after the final payment on February 1, 2037. The current year payment to the developer amounted to \$107,640. At December 31, 2023, the principal outstanding on the note was \$1,223,286.

TIF District #6-16-Walker Methodist

Issued in 2017 in the principal sum of \$842,950 with interest. Principal shall be paid on August 1, 2019 and each February 1 and August 1 thereafter to and including February 1, 2030. Payments are payable solely from available tax increment derived from the developed property paid to the City. The pay-as-you-go note provides payments to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for site improvements, land acquisition, and utilities. Principal payments will be completed by February 1, 2030. The City shall have no obligation to pay any unpaid balance of principal that remains after the final payment on February 1, 2030. The current year payment to the developer amounted to \$51,084. At December 31, 2023, the principal outstanding on the note was \$760,173.

TIF District #6-17-Greenberg Auto Redevelopment / Oppidan Project

Issued in 2015 in the principal sum of \$690,637 with interest. Principal shall be paid on August 1, 2018 and each February 1 and August 1 thereafter to and including February 1, 2034. Payments are payable solely from available tax increment derived from the developed property paid to the City. The pay-as-you-go note provides payments to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for site improvements, land acquisition, and utilities. Principal payments will be completed by February 1, 2034. The City shall have no obligation to pay any unpaid balance of principal that remains after the final payment on February 1, 2034. The current year payment to the developer amounted to \$61,986. At December 31, 2023, the principal outstanding on the note was \$494,432.

TIF District #6-18-Main Street Flats

Issued in 2018 in the principal sum of \$334,000 with interest. Principal shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2046. Payments are payable solely from available tax increment derived from the developed property paid to the City. The pay-as-you-go note provides payments to the developer equal to 95% of all tax increment received in the prior six months. The payment reimburses the developer for site improvements, land acquisition, and utilities. Principal payments will be completed by February 1, 2046. The City shall have no obligation to pay any unpaid balance of principal that remains after the final payment on February 1, 2046. The current year payment to the developer amounted to \$11,808. At December 31, 2023, the principal outstanding on the note was \$331,194.

TIF District #6-20-Roosevelt Garden Estate

Issued in 2018 in the principal sum of \$746,000 with interest. Principal shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2046. Payments are payable solely from available tax increment derived from the developed property paid to the City. The pay-as-you-go note provides payments to the developer equal to 95% of all tax increment received in the prior six months. The payment reimburses the developer for site improvements, land acquisition, and utilities. Principal payments will be completed by February 1, 2046. The City shall have no obligation to pay any unpaid balance of principal that remains after the final payment on February 1, 2046. The current year payment to the developer amounted to \$108,438. At December 31, 2023, the principal outstanding on the note was \$700,485.

TIF District #6-21-Heritage Greens

Issued in 2020, the City signed an agreement with a developer to reimburse the developer for public development costs paid under the terms of three pay-as-you go notes for a total of \$3,995,000. Payments are payable solely from available tax increment derived from the developed property paid to the City. The pay-as-you-go note provides payments to the developer equal to 95% of all tax increment received in the prior six months. The current year payment to the developer amounted to \$31,460 for accumulated interest on the pay-as-you-go note. At December 31, 2023, the principal outstanding on the note was \$3,995,000.

TIF District #6-22 – Unique Opportunities

As of December 31, 2023, documentation of the reimbursable costs has not yet been received and thus the amounts are not yet due to the developer.

TIF District #6-23 – Cambridge Family Apartments

As of December 31, 2023, documentation of the reimbursable costs has not yet been received and thus the amounts are not yet due to the developer.

TIF District #6-25 – Strong Oak Apartments

As of December 31, 2023, documentation of the reimbursable costs has not yet been received and thus the amounts are not yet due to the developer.

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**Note 12 DEFICIT FUND BALANCES/NET POSITION**

The City has deficit fund balances/net position at December 31, 2023 as follows:

<u>Fund</u>	<u>Amount</u>
Other Governmental Funds:	
TIF 6.23 Cambridge Family Apartments Fund	(\$4,605)
TIF 6.24 Mercantile Hotel Fund	(5,828)
Internal Service Fund:	
Pension Benefits	(4,355,238)

Future pension contributions and investment earnings will reduce the negative net position in the pension benefits fund. Tax increment will reduce the negative net position in the TIF 6.23 Cambridge Family Apartments and TIF 6.24 Mercantile Hotel Funds.

**Note 13 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

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

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 has a \$250 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, casualty, and automobile 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 portions. These deductibles are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including employee health and disability insurance. For employee health insurance coverage, the City provides employees with deductibles up to \$750 for single coverage and \$1,500 for family coverage.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Governmental Accounting Standards Board Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of the date of the report, liabilities that have occurred are immaterial.

**B. LITIGATION**

The City attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

**C. FEDERAL AND STATE FUNDS**

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

**D. TAX INCREMENT DISTRICTS**

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

**E. COMMITTED CONTRACTS**

As of December 31, 2023, the City had the following commitments for uncompleted construction contracts:

<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
Runway Reconstruction	\$1,737,458	\$266,473
Well #9	<u>1,400,463</u>	<u>364,210</u>
Total	<u><u>\$3,137,921</u></u>	<u><u>\$630,683</u></u>

**F. OPTION AGREEMENT**

Effective October 26, 2023, the City entered into an option agreement to purchase approximately 125 acres of land for \$4,000,000. In consideration for the seller granting the option, the City made a \$100,000 non-refundable payment which shall be applied to the purchase price if the City exercises the option. The option period expires October 26, 2024 but may be extended six months at the cost of an additional \$50,000 option payment.

**Note 14 DEFERRED AD VALOREM TAX LEVIES - BONDED DEBT**

General Obligation bond issues sold by the City are financed by ad valorem tax levies and special assessment bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the County Auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest.

These future scheduled tax levies are not shown as assets in the accompanying financial statements at December 31, 2023. Future scheduled tax levies for all bonds outstanding at December 31, 2023 totaled \$4,217,790.

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**Note 15 FUND BALANCE**

Definitions of fund balance are included at Note 1.P.

**A. CLASSIFICATIONS**

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

	General Fund	Debt Service Fund	Redevelopment Capital Fund	Local Option Sales Tax Fund	Airport Improvement Fund	EDA Operating Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>								
Prepaid items	\$584,769	\$ -	\$ -	\$ -	\$ -	\$2,646	\$1,088	\$588,503
Inventory	-	-	-	-	-	-	18,420	18,420
Total nonspendable	<u>584,769</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,646</u>	<u>19,508</u>	<u>606,923</u>
<b>Restricted for:</b>								
Tax increment	-	-	-	-	-	-	206,955	206,955
Debt service	-	2,835,221	-	-	-	-	-	2,835,221
Police admin fines program	-	-	-	-	-	-	24,491	24,491
Police forfeiture	-	-	-	-	-	-	8,960	8,960
CI bike trail capital	-	-	-	-	-	-	164,073	164,073
CI bike trail operations	-	-	-	-	-	-	43,669	43,669
Local option sales tax	-	-	-	3,501,941	-	-	-	3,501,941
Park Dedication	-	-	-	-	-	-	370,459	370,459
Public safety operations	-	-	-	-	-	-	431,564	431,564
Public safety equipment	-	-	-	-	-	-	66,750	66,750
Total restricted	<u>0</u>	<u>2,835,221</u>	<u>0</u>	<u>3,501,941</u>	<u>0</u>	<u>0</u>	<u>1,316,921</u>	<u>7,654,083</u>
<b>Committed for:</b>								
Compensated absences	655,592	-	-	-	-	-	-	655,592
<b>Assigned for:</b>								
Nonmajor funds capital projects	-	-	-	-	-	-	8,558,321	8,558,321
Redevelopment	-	-	2,345,920	-	-	-	-	2,345,920
Economic development	-	-	-	-	-	120,551	117,918	238,469
Airport capital projects	-	-	-	-	175,624	-	-	175,624
Airport operations	-	-	-	-	-	-	35,303	35,303
Downtown Revolving Loan Fund	-	-	-	-	-	-	30,259	30,259
Cambridge Economic Development	-	-	-	-	-	-	108,818	108,818
Downtown Grant Program	-	-	-	-	-	-	152,640	152,640
Housing Programs	-	-	-	-	-	-	75,733	75,733
Total assigned	<u>0</u>	<u>0</u>	<u>2,345,920</u>	<u>0</u>	<u>175,624</u>	<u>120,551</u>	<u>9,078,992</u>	<u>11,721,087</u>
Unassigned	3,273,101	-	-	-	-	-	(10,433)	3,262,668
<b>Total</b>	<u>\$4,513,462</u>	<u>\$2,835,221</u>	<u>\$2,345,920</u>	<u>\$3,501,941</u>	<u>\$175,624</u>	<u>\$123,197</u>	<u>\$10,404,988</u>	<u>\$23,900,353</u>

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The City’s policy for unassigned funds in the General Fund is:

- Minimum cash flow – ranging from 30% to 50% of the following year General Fund property tax levy and anticipated local government aids.
- Potential obligations under the City administrator’s contract.
- Emergency or unanticipated expenditures – equal to 5% of the upcoming year budgeted General Fund expenditures, excluding transfers out to other funds.

At December 31, 2023, the unassigned fund balance of the General Fund was \$3,273,101, compared to its targeted unassigned fund balance ranging from \$2,736,864 to \$4,282,609 on the above policy.

**Note 16 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The City does not provide other post employment benefits (OPEB) other than permitting retired employees to continue in the City’s group health insurance plan, as required by Minnesota Statutes. The retiree is required to pay 100% of the premium. The premium charged is a single common premium for both active and retired employees. This practice has the potential to create an OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees (implicit rate subsidy).

The City hired an actuary and determined the liability resulting from an implicit rate subsidy is not material and therefore, is not included in these financial statements.

**Note 17 CONDUIT DEBT**

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

As of December 31, 2023, there was one series of Senior Housing Revenue Bonds outstanding. The aggregate issued amount was \$13,210,000 with a final payment date of March 2052. The balance outstanding at December 31, 2023 was \$12,495,000.

**Note 18 RECENTLY ISSUED ACCOUNTING STANDARDS**

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

**Statement No. 99 *Omnibus 2022*.** The provisions of this Statement contain multiple effective dates, the next implementation date being for fiscal years beginning after June 15, 2023.

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

**Statement No. 101 *Compensated Absences*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

**Statement No. 102 *Certain Risk Disclosures*.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2024.

The effect these standards may have on future financial statements is not determinable at this time.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2023  
With Comparative Actual Amounts For The Year Ended December 31, 2022

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Original	Final			
Revenues:					
General property taxes:					
Current	\$5,525,620	\$5,614,171	\$5,614,172	\$1	\$5,547,627
Delinquent	30,000	28,054	28,055	1	44,584
Penalties, interest and other	1,544	2,321	2,321	-	1,513
Total general property taxes	5,557,164	5,644,546	5,644,548	2	5,593,724
Licenses and permits	337,850	715,409	715,411	2	678,365
Intergovernmental:					
Federal	-	6,538	6,539	1	6,742
State:					
Local government aid	1,120,317	1,111,338	1,111,338	-	1,059,979
Municipal state aid	50,000	50,000	50,000	-	50,000
State aid - police	150,000	187,671	187,672	1	144,241
State aid - fire	-	112,395	112,396	1	99,740
Other	8,273	25,256	25,257	1	5,910
County:					
Highway aid	5,000	6,862	6,862	-	5,732
Local:					
ISD #911	136,000	151,464	151,465	1	146,091
Total intergovernmental	1,469,590	1,651,524	1,651,529	5	1,518,435
Charges for services:					
General government	12,200	78,382	78,385	3	22,433
Public safety	127,411	175,651	175,651	-	127,312
Public works	80,708	81,844	81,844	-	84,883
Total charges for services	220,319	335,877	335,880	3	234,628
Fines and forfeits	42,000	57,169	57,170	1	48,782
Miscellaneous:					
Investment income (loss)	5,000	145,039	145,039	-	(6,501)
Patronage	200	1,007	1,007	-	584
Contributions and donations	2,000	800	800	-	4,565
Other	-	1,009	1,009	-	6,110
Total miscellaneous	7,200	147,855	147,855	0	4,758
Total revenues	7,634,123	8,552,380	8,552,393	13	8,078,692

See accompany notes to the required supplementary information.

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2023  
With Comparative Actual Amounts For The Year Ended December 31, 2022

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Original	Final			
<b>Expenditures:</b>					
<b>General government:</b>					
<b>Mayor and city council:</b>					
<b>Current:</b>					
Personal services	\$32,360	\$32,300	\$32,297	\$3	\$32,301
Materials and supplies	850	250	250	-	442
Other charges and services	4,250	4,518	4,516	2	2,324
Miscellaneous	27,000	24,504	24,503	1	23,805
<b>Total mayor and city council</b>	<b>64,460</b>	<b>61,572</b>	<b>61,566</b>	<b>6</b>	<b>58,872</b>
<b>Administration:</b>					
<b>Current:</b>					
Personal services	321,530	308,965	308,962	3	275,054
Materials and supplies	13,750	6,277	6,275	2	9,873
Other charges and services	49,200	38,312	38,307	5	13,837
Miscellaneous	40,650	46,719	46,718	1	40,001
<b>Total administration</b>	<b>425,130</b>	<b>400,273</b>	<b>400,262</b>	<b>11</b>	<b>338,765</b>
<b>Elections:</b>					
<b>Current:</b>					
Personal services	-	-	-	-	5,191
Materials and supplies	-	-	-	-	17
Other charges and services	-	-	-	-	367
Miscellaneous	3,200	4,355	4,355	-	2,012
<b>Total elections</b>	<b>3,200</b>	<b>4,355</b>	<b>4,355</b>	<b>0</b>	<b>7,587</b>
<b>Finance:</b>					
<b>Current:</b>					
Personal services	275,833	276,310	276,304	6	258,517
Materials and supplies	9,600	5,933	5,930	3	5,853
Other charges and services	60,940	57,849	57,848	1	53,614
Miscellaneous	23,500	17,951	17,951	-	19,846
<b>Total finance</b>	<b>369,873</b>	<b>358,043</b>	<b>358,033</b>	<b>10</b>	<b>337,830</b>
<b>Legal:</b>					
<b>Current:</b>					
General legal	76,000	51,494	51,494	-	66,447
Prosecution services	50,000	50,001	50,000	1	45,293
<b>Total legal</b>	<b>126,000</b>	<b>101,495</b>	<b>101,494</b>	<b>1</b>	<b>111,740</b>
<b>Building:</b>					
<b>Current:</b>					
Personal services	306,205	291,024	291,020	4	185,860
Materials and supplies	10,800	6,161	6,155	6	5,964
Other charges and services	12,650	40,816	40,813	3	254,403
Miscellaneous	8,850	9,058	9,057	1	3,781
<b>Total building</b>	<b>338,505</b>	<b>347,059</b>	<b>347,045</b>	<b>14</b>	<b>450,008</b>

See accompany notes to the required supplementary information.

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2023  
With Comparative Actual Amounts For The Year Ended December 31, 2022

**Statement 9**  
**Page 3 of 4**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Original	Final			
Expenditures (continued):					
Engineering:					
Current:					
Contractual services	\$40,000	\$35,654	\$35,654	\$ -	\$32,575
Planning:					
Current:					
Personal services	287,852	284,659	284,659	-	241,756
Materials and supplies	14,950	4,376	4,374	2	5,846
Other charges and services	23,880	17,322	17,320	2	15,902
Miscellaneous	16,300	7,130	7,128	2	5,755
Total planning	342,982	313,487	313,481	6	269,259
City hall building:					
Current:					
Personal services	47,597	44,779	44,778	1	43,966
Materials and supplies	10,700	8,541	8,541	-	5,698
Other charges and services	47,600	43,535	43,532	3	44,024
Miscellaneous	54,299	34,411	34,409	2	46,162
Total city hall building	160,196	131,266	131,260	6	139,850
Total general government	1,870,346	1,753,204	1,753,150	54	1,746,486
Public safety:					
Police:					
Current:					
Personal services	2,654,097	2,423,364	2,423,363	1	2,286,207
Materials and supplies	132,100	131,413	131,411	2	127,981
Other charges and services	124,500	124,714	124,707	7	123,175
Miscellaneous	68,450	78,375	78,372	3	60,425
Total police	2,979,147	2,757,866	2,757,853	13	2,597,788
Fire protection:					
Current:					
Personal services	279,180	298,706	298,705	1	239,460
Materials and supplies	60,250	88,504	88,501	3	67,081
Other charges and services	64,650	177,991	177,986	5	159,279
Miscellaneous	26,200	34,695	34,693	2	21,811
Total fire protection	430,280	599,896	599,885	11	487,631
Emergency management:					
Current:					
Materials and supplies	2,100	1,562	1,562	-	2,444
Other charges and services	300	-	-	-	-
Miscellaneous	2,200	1,802	1,802	-	1,452
Total emergency management	4,600	3,364	3,364	0	3,896
Animal control:					
Current:					
Other charges and services	5,000	4,800	4,800	-	4,800
Total public safety	3,419,027	3,365,926	3,365,902	24	3,094,115

See accompany notes to the required supplementary information.

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2023  
With Comparative Actual Amounts For The Year Ended December 31, 2022

**Statement 9**  
**Page 4 of 4**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Original	Final			
Expenditures (continued):					
Public works:					
Street maintenance:					
Current:					
Personal services	\$1,165,677	\$1,160,495	\$1,160,488	\$7	\$1,019,376
Materials and supplies	255,900	331,809	331,804	5	288,735
Other charges and services	62,300	70,738	70,734	4	61,432
Miscellaneous	141,300	118,935	118,929	6	109,301
Total street maintenance	<u>1,625,177</u>	<u>1,681,977</u>	<u>1,681,955</u>	<u>22</u>	<u>1,478,844</u>
Parks operation and maintenance:					
Current:					
Personal services	313,862	252,087	252,080	7	229,474
Materials and supplies	58,000	76,789	76,788	1	60,799
Other charges and services	129,900	103,403	103,402	1	92,256
Miscellaneous	70,800	62,094	62,092	2	55,369
Total parks operation and maintenance	<u>572,562</u>	<u>494,373</u>	<u>494,362</u>	<u>11</u>	<u>437,898</u>
Library operations					
Current:					
Materials and supplies	9,500	9,185	9,183	2	6,940
Other charges and services	49,800	52,627	52,624	3	48,868
Miscellaneous	69,500	64,087	64,086	1	62,125
Total library operations	<u>128,800</u>	<u>125,899</u>	<u>125,893</u>	<u>6</u>	<u>117,933</u>
Total public works	<u>2,326,539</u>	<u>2,302,249</u>	<u>2,302,210</u>	<u>39</u>	<u>2,034,675</u>
Total expenditures	<u>7,615,912</u>	<u>7,421,379</u>	<u>7,421,262</u>	<u>117</u>	<u>6,875,276</u>
Revenues over expenditures	<u>18,211</u>	<u>1,131,001</u>	<u>1,131,131</u>	<u>130</u>	<u>1,203,416</u>
Other financing sources (uses):					
Sale of property	-	5,033	5,033	-	-
Transfers in	525,000	525,000	525,000	-	625,000
Transfers out	(543,211)	(1,140,601)	(1,140,601)	-	(1,659,768)
Total other financing sources (uses)	<u>(18,211)</u>	<u>(610,568)</u>	<u>(610,568)</u>	<u>0</u>	<u>(1,034,768)</u>
Net change in fund balance	<u>\$0</u>	<u>\$520,433</u>	<u>520,563</u>	<u>\$130</u>	<u>168,648</u>
Fund balance - January 1			<u>3,992,899</u>		<u>3,824,251</u>
Fund balance - December 31			<u>\$4,513,462</u>		<u>\$3,992,899</u>

See accompany notes to the required supplementary information.

**CITY OF CAMBRIDGE, MINNESOTA**  
**SPECIAL REVENUE FUND - 205 EDA OPERATING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2023**  
**With Comparative Actual Amounts For The Year Ended December 31, 2022**

**Statement 10**

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual
	Original	Final			
Revenues:					
Investment income (loss)	\$ -	\$17,368	\$17,369	\$1	(\$8,661)
Charges for services:					
Rents	180,000	195,844	195,845	1	187,493
Total revenues	<u>180,000</u>	<u>213,212</u>	<u>213,214</u>	<u>2</u>	<u>178,832</u>
Expenditures:					
Current:					
Economic development	325,528	267,641	262,120	5,521	309,037
Capital outlay:					
Economic development	480,000	458,598	458,597	1	14,104
Total expenditures	<u>805,528</u>	<u>726,239</u>	<u>720,717</u>	<u>5,522</u>	<u>323,141</u>
Revenues over (under) expenditures	<u>(625,528)</u>	<u>(513,027)</u>	<u>(507,503)</u>	<u>5,524</u>	<u>(144,309)</u>
Other financing sources (uses):					
Transfers from other funds	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>350,000</u>
Net change in fund balance	<u>(\$575,528)</u>	<u>(\$463,027)</u>	<u>(457,503)</u>	<u>\$5,524</u>	<u>205,691</u>
Fund balance - January 1			<u>580,700</u>		<u>375,009</u>
Fund balance - December 31			<u>\$123,197</u>		<u>\$580,700</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -**  
**GENERAL EMPLOYEES RETIREMENT FUND**  
For the Last Ten Years\*

**Statement 11**

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Percentage of the Net Pension Liability	City's Proportionate Amount of the Net Pension Liability (a)	State's Proportionate Amount of the Net Pension Liability Associated with the City (b)	Total (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0430%	\$2,228,483	\$ -	\$2,228,483	\$2,530,509	88.1%	78.2%
2016	2016	0.0400%	3,247,802	42,499	3,290,301	2,484,980	132.4%	68.9%
2017	2017	0.0426%	2,719,556	34,212	2,753,768	2,745,659	100.3%	75.9%
2018	2018	0.0407%	2,257,869	74,000	2,331,869	2,732,299	85.3%	79.5%
2019	2019	0.0404%	2,233,626	69,497	2,303,123	2,861,670	80.5%	80.2%
2020	2020	0.0412%	2,470,128	76,044	2,546,172	2,935,352	86.7%	79.1%
2021	2021	0.0420%	1,793,588	54,794	1,848,382	3,023,679	61.1%	87.0%
2022	2022	0.0398%	3,152,173	92,487	3,244,660	2,982,373	108.8%	76.7%
2023	2023	0.0420%	2,348,593	64,806	2,413,399	3,341,422	72.2%	83.1%

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

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**  
For the Last Ten Years\*

**Statement 12**

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Fiscal Year Ending December 31	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2015	\$192,156	\$192,156	\$ -	\$2,562,080	7.50%
2016	192,348	192,348	-	2,564,628	7.50%
2017	199,412	199,412	-	2,658,818	7.50%
2018	209,970	209,970	-	2,799,606	7.50%
2019	218,808	218,808	-	2,917,435	7.50%
2020	223,842	223,842	-	2,984,550	7.50%
2021	224,741	224,741	-	2,996,548	7.50%
2022	233,374	233,374	-	3,111,651	7.50%
2023	261,821	261,821	-	3,490,944	7.50%

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



CITY OF CAMBRIDGE, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 PUBLIC EMPLOYEES POLICE AND FIRE FUND  
 For the Last Ten Years\*

Statement 13

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Percentage of the Net Pension Liability	City's Proportionate Amount of the Net Pension Liability (a)	State's Proportionate Amount of the Net Pension Liability Associated with the City (b)	Total (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.1160%	\$1,318,031	\$ -	\$1,318,031	\$1,057,915	124.6%	86.6%
2016	2016	0.1150%	4,615,150	-	4,615,150	1,107,053	416.9%	63.9%
2017	2017	0.1150%	1,552,637	-	1,552,637	1,181,042	131.5%	85.4%
2018	2018	0.1116%	1,189,541	-	1,189,541	1,175,719	101.2%	88.8%
2019	2019	0.1154%	1,228,550	-	1,228,550	1,216,964	101.0%	89.3%
2020	2020	0.1144%	1,507,914	35,525	1,543,439	1,289,756	116.9%	87.2%
2021	2021	0.1139%	879,187	39,519	918,706	1,345,984	65.3%	93.7%
2022	2022	0.1150%	5,004,346	218,574	5,222,920	1,396,787	358.3%	70.5%
2023	2023	0.1199%	2,070,517	83,382	2,153,899	1,574,224	131.5%	86.5%

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

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**CITY OF CAMBRIDGE, MINNESOTA****REQUIRED SUPPLEMENTARY INFORMATION****Statement 14****SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND**

For the Last Ten Years\*

Fiscal Year Ending December 31	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2015	\$183,786	\$183,786	\$ -	\$1,134,481	16.20%
2016	177,542	177,542	-	1,095,933	16.20%
2017	195,022	195,022	-	1,203,838	16.20%
2018	191,209	191,209	-	1,180,304	16.20%
2019	208,415	208,415	-	1,229,583	16.95%
2020	238,672	238,672	-	1,348,443	17.70%
2021	232,861	232,861	-	1,315,596	17.70%
2022	273,593	273,593	-	1,545,721	17.70%
2023	280,807	280,807	-	1,586,483	17.70%

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

See accompanying notes to the required supplementary information.

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -**  
**CAMBRIDGE FIRE RELIEF ASSOCIATION**  
For the Last Ten Years\*

Fiscal year ending - December 31, Measurement date - December 31,	2023 & 2022**	2021
	2022	2021
Total pension liability:		
Service cost	\$81,365	\$65,102
Interest on pension liability	74,359	74,963
Changes of benefit terms	5,721	-
Differences between expected and actual experience	-	(33,412)
Changes of assumptions	-	-
Changes in benefit level	124,416	-
Benefit payments, including refunds of employee contributions	(155,768)	(110,200)
Net change in total pension liability	130,093	(3,547)
Total pension liability - beginning	1,235,835	1,239,382
Total pension liability - ending (a)	<u>\$1,365,928</u>	<u>\$1,235,835</u>
Plan fiduciary net position:		
Contributions - employer	\$10,000	\$20,000
Contributions - State of Minnesota	100,740	89,927
Adjustment to initial asset transfer	-	-
Net investment income	(213,008)	121,890
Benefit payments, including refunds of employee contributions	(155,768)	(110,200)
Administrative expense	(988)	(1,002)
Other	-	-
Net change in plan fiduciary net position	(259,024)	120,615
Plan fiduciary net position - beginning	1,434,412	1,313,797
Plan fiduciary net position - ending (b)	<u>\$1,175,388</u>	<u>\$1,434,412</u>
Net pension liability/(asset) - ending (a) - (b)	<u>\$190,540</u>	<u>(\$198,577)</u>
Plan fiduciary net position as a percentage of the total pension liability	86.05%	116.07%
Covered-employee payroll***	Not Available	Not Available
Net pension liability as a percentage of covered employee payroll***	Not Available	Not Available

\*GASB 68 was implemented in 2015. Information prior to 2015 is not available.

\*\*Prior to 2023, the fiscal year end and measurement date were the same. However, 2023 SVF plan information from PERA is not available and therefore, 2022 amounts were re-reported in the City's 2023 ACFR.

\*\*\*The Cambridge Fire Relief Association is comprised on volunteers, therefore there are no payroll expenditures.

2020	2019	2018	2017	2016	2015
2020	2019	2018	2017	2016	2015
\$67,501	\$58,600	\$53,722	\$48,503	\$48,584	\$48,584
64,605	54,709	44,374	41,410	38,415	33,762
-	-	-	-	-	-
(2,136)	(5,744)	(26,499)	(19,056)	(10,313)	(4,803)
-	-	-	-	-	-
131,570	99,009	114,885	-	-	-
(62,824)	(38,240)	-	(53,360)	-	-
198,716	168,334	186,482	17,497	76,686	77,543
1,040,666	872,332	685,850	668,353	591,667	514,124
<u>\$1,239,382</u>	<u>\$1,040,666</u>	<u>\$872,332</u>	<u>\$685,850</u>	<u>\$668,353</u>	<u>\$591,667</u>
\$ -	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
85,434	79,489	78,549	74,729	74,946	77,120
-	-	-	-	-	3,438
166,777	167,200	(36,025)	93,813	42,669	1,269
(62,824)	(38,240)	-	(53,360)	-	-
(976)	(1,008)	(951)	(823)	(946)	(918)
-	-	-	-	-	-
188,411	217,441	51,573	124,359	126,669	90,909
1,125,386	907,945	856,372	732,013	605,344	514,435
<u>\$1,313,797</u>	<u>\$1,125,386</u>	<u>\$907,945</u>	<u>\$856,372</u>	<u>\$732,013</u>	<u>\$605,344</u>
<u>(\$74,415)</u>	<u>(\$84,720)</u>	<u>(\$35,613)</u>	<u>(\$170,522)</u>	<u>(\$63,660)</u>	<u>(\$13,677)</u>
106.00%	108.14%	104.08%	124.86%	109.52%	102.31%
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Not Available	Not Available	Not Available	Not Available	Not Available	Not Available

See accompanying notes to the required supplementary information.

**CITY OF CAMBRIDGE, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**CAMBRIDGE FIRE RELIEF ASSOCIATION**  
For the Last Ten Years<sup>(1)</sup>

Fiscal Year Ending December 31	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)
2015	\$992	\$10,000	(\$9,008)	(2)	(2)
2016	-	10,000	(10,000)	(2)	(2)
2017	-	10,000	(10,000)	(2)	(2)
2018	-	10,000	(10,000)	(2)	(2)
2019	-	10,000	(10,000)	(2)	(2)
2020	-	-	-	(2)	(2)
2021	-	20,000	(20,000)	(2)	(2)
2022	-	10,000	(10,000)	(2)	(2)
2023	-	10,000	(10,000)	(2)	(2)

<sup>(1)</sup> GASB 68 was implemented in 2015. Information prior to 2015 is not available.

<sup>(2)</sup> The Cambridge Fire Relief Association is comprised of volunteers, therefore, there are no payroll expenditures. (i.e., there are no covered payroll amounts or percentage calculations.)

**Note A LEGAL COMPLIANCE – BUDGETS**

The General and EDA Operating Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund and at the fund level for the EDA Operating Special Revenue Fund.

**Note B PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

*2023 Changes*

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was 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.

*2022 Changes*

Changes in Actuarial Assumptions:

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

*2021 Changes*

Changes in Actuarial Assumptions

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

*2020 Changes*

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

**CITY OF CAMBRIDGE, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2023

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*2019 Changes*

Changes in Actuarial Assumptions

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

Changes in the Plan Provisions

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

*2018 Changes*

Changes in Actuarial Assumptions:

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

*2017 Changes*

Changes in Actuarial Assumptions:

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

*2016 Changes*

Changes in Actuarial Assumptions:

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

**PERA – Public Employees Police and Fire Fund**

*2023 Changes*

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%

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was 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.



**CITY OF CAMBRIDGE, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2023

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*2022 Changes*

Changes in Actuarial Assumptions

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

*2021 Changes*

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

*2020 Changes*

Changes in Actuarial Assumptions:

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

*2019 Changes*

Changes in Actuarial Assumptions

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

Changes in the Plan Provisions

- There have been no changes since the prior valuation.

*2018 Changes*

Changes in Actuarial Assumptions:

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

*2017 Changes*

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year for 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed from healthy retirees.

**CITY OF CAMBRIDGE, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2023

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- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

*2016 Changes*

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**Single Employer – Fire Relief Association**

There have been no significant changes in actuarial assumptions or plan provisions to this plan. Details can be obtained from the financial reports of the Fire Relief Association.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND  
SCHEDULES**

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**NONMAJOR GOVERNMENTAL FUNDS**

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### SPECIAL REVENUE FUNDS

The Special Revenue Funds account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute or local ordinance and/or resolution to finance particular functions, activities or governments.

### CAPITAL PROJECT FUNDS

The Capital Project Funds were established to account for the resources expended to acquire assets of a relatively permanent nature other than those financed by Enterprise Funds.

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**CITY OF CAMBRIDGE, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**Statement 17**

December 31, 2023

With Comparative Totals For December 31, 2022

	Special	Capital	Total Nonmajor Governmental Funds	
	Revenue	Project	2023	2022
<b>Assets:</b>				
Cash and investments	\$1,087,832	\$9,601,338	\$10,689,170	\$9,987,155
Due from other governmental units	9,089	-	9,089	160,706
Accounts receivable	-	250	250	-
Property taxes receivable:				
Delinquent	-	232	232	257
Prepaid items	1,088	-	1,088	1,043
Inventory	18,420	-	18,420	9,952
Interfund receivable	-	-	-	2,559
Loan receivable	34,057	-	34,057	57,932
Lease receivable	-	-	-	669,755
Special assessments receivable:				
Deferred	-	23,723	23,723	27,315
<b>Total assets</b>	<b>\$1,150,486</b>	<b>\$9,625,543</b>	<b>\$10,776,029</b>	<b>\$10,916,674</b>
<b>Liabilities:</b>				
Accounts payable	\$129	\$324,067	\$324,196	\$46,501
Contracts payable	-	-	-	5,506
Interfund payable	10,433	-	10,433	2,559
Deposits payable	12,457	-	12,457	22,034
Unearned revenue	-	-	-	1,012,774
<b>Total liabilities</b>	<b>23,019</b>	<b>324,067</b>	<b>347,086</b>	<b>1,089,374</b>
<b>Deferred inflows of resources:</b>				
Related to leases	-	-	-	669,755
Unavailable revenue	-	23,955	23,955	27,572
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>23,955</b>	<b>23,955</b>	<b>697,327</b>
<b>Fund balance:</b>				
Nonspendable	19,508	-	19,508	10,995
Restricted	715,639	601,282	1,316,921	383,395
Assigned	402,753	8,676,239	9,078,992	8,739,322
Unassigned	(10,433)	-	(10,433)	(3,739)
<b>Total fund balance</b>	<b>1,127,467</b>	<b>9,277,521</b>	<b>10,404,988</b>	<b>9,129,973</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$1,150,486</b>	<b>\$9,625,543</b>	<b>\$10,776,029</b>	<b>\$10,916,674</b>

**CITY OF CAMBRIDGE, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2023**  
**With Comparative Totals For The Year Ended December 31, 2022**

**Statement 18**

	Special	Capital	Total Nonmajor Governmental Funds	
	Revenue	Project	2023	2022
Revenues:				
General property taxes	\$ -	\$15	\$15	\$ -
Tax increment collections	406,713	-	406,713	378,706
Intergovernmental	1,476,484	665,031	2,141,515	537,056
Special assessments	-	3,808	3,808	107,926
Charges for services	16,157	49,610	65,767	261,925
Connection, facility, and area charges	-	693,841	693,841	232,641
Investment income (loss)	26,242	370,535	396,777	(137,856)
Sale of merchandise and property	75,068	-	75,068	74,896
Park dedication fees	-	340,800	340,800	20,761
Direct charges to developers	-	11,002	11,002	4,956
Contributions and donations	-	135,850	135,850	22,297
Miscellaneous	27,000	-	27,000	75,733
Total revenues	<u>2,027,664</u>	<u>2,270,492</u>	<u>4,298,156</u>	<u>1,579,041</u>
Expenditures:				
Current:				
Public safety	-	1,878	1,878	-
Public works	148,943	434,939	583,882	356,243
Economic development	383,300	-	383,300	738,997
Capital outlay:				
General government	-	26,239	26,239	85,159
Public safety	-	142,613	142,613	64,789
Public works	-	55,114	55,114	294,921
Construction/acquisition costs	-	892,448	892,448	562,318
Total expenditures	<u>532,243</u>	<u>1,553,231</u>	<u>2,085,474</u>	<u>2,102,427</u>
Revenues over (under) expenditures	<u>1,495,421</u>	<u>717,261</u>	<u>2,212,682</u>	<u>(523,386)</u>
Other financing sources (uses):				
Sale of property	-	18,150	18,150	138,538
Transfers in	6,660	1,452,743	1,459,403	2,644,678
Transfers out	(1,002,774)	(564,068)	(1,566,842)	(163,311)
Total other financing sources (uses)	<u>(996,114)</u>	<u>906,825</u>	<u>(89,289)</u>	<u>2,619,905</u>
Net change in fund balance	499,307	1,624,086	2,123,393	2,096,519
Fund balance - January 1	<u>628,160</u>	<u>7,653,435</u>	<u>8,281,595</u>	<u>7,033,454</u>
Fund balance - December 31	<u>\$1,127,467</u>	<u>\$9,277,521</u>	<u>\$10,404,988</u>	<u>\$9,129,973</u>
Reconciliation of beginning fund balance to prior year ending fund balance:				
Prior year ending fund balance reported above				9,129,973
Less prior year ending fund balance for funds reported as nonmajor in prior year, major in current year:				
EDA Operating Fund				(580,700)
Airport Improvement Fund				(267,678)
Current year beginning fund balance				<u>\$8,281,595</u>

## NONMAJOR SPECIAL REVENUE FUNDS

The City of Cambridge had the following Special Revenue Funds during the year:

Forfeited Proceeds Fund – This fund was established to account for confiscated goods and cash related to controlled substance crimes.

Airport Operating Fund – This fund was established to account for the operating revenues and expenses associated with the operations and maintenance of the Cambridge Municipal Airport.

Police Administration Fines Fund – This fund was established to account for fines collected by the police department under the provisions of Minnesota Statutes which allows imposing of fines for minor traffic offenses by the City.

Cambridge Economic Development Revolving Loan Fund – This fund was established for activity related to the Minnesota Investment Fund loan passed through the City of Cambridge to Waterworks, Inc.

Downtown Revolving Loan Fund – This fund was established for activity related to a downtown improvement loan fund program established by the Cambridge City Council.

Cambridge Isanti Bike/Walk Trail Operating Fund – This fund was established to account for operating costs of the Cambridge-Isanti Bike/Walk Trail, including funds received from the City of Isanti and Isanti Township.

Regional Community Center Feasibility Fund – This fund was established for activity related to grants received to conduct a Regional Community Center Feasibility Study.

Downtown Grant Program Fund – This fund was established for activity related to a downtown improvement grant program established by the Cambridge City Council.

Minnesota Public Safety Fund – This fund was established to account for the activity related to one-time appropriation from the State of Minnesota to aid in public safety.

TIF 6.15 Preserve Apartment Project Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.15 – Preserve Apartments.

TIF 6.16 Walker Methodist Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.16 – Walker Methodist.

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TIF 6.17 Greenberg Auto Redevelopment/Oppidan Project Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.17 – Greenberg Auto.

TIF 6.20 Roosevelt Garden Estate Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.20 – Roosevelt Garden Estate Apartment Building.

TIF 6.18 Main Street Flats Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.18 – Main Street Flats.

TIF 6.21 Heritage Greens Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.21 – Heritage Greens.

TIF 6.22 Unique Opportunities Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.22 – Unique Opportunities.

TIF 6.23 Cambridge Family Apartments Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.23 – Cambridge Family Apartments.

TIF 6.24 Mercantile Hotel Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.24 – Mercantile Hotel.

TIF 6.25 Strong Oak Apartments Fund – This fund is used to account for the accumulation of resources and the costs related to the TIF 6.25 – Strong Oak Apartments.

Federal American Rescue Plan Fund – This fund is used to account for the accumulation of resources and the costs related to the American Rescue Plan Funding.

Housing Programs Fund – This fund was established to account for grants received related to certain housing programs.

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
December 31, 2023  
With Comparative Totals For December 31, 2022

	209 Forfeited Proceeds Fund	211 Airport Operating Fund	213 Police Administration Fines Fund	214 Cambridge Economic Development Revolving Loan Fund	215 Downtown Revolving Loan Fund
<b>Assets:</b>					
Cash and investments	\$8,960	\$26,263	\$24,571	\$87,775	\$17,245
Due from other governmental units	-	9,089	-	-	-
Prepaid items	-	1,088	-	-	-
Inventory	-	18,420	-	-	-
Loan receivable	-	-	-	21,043	13,014
Lease receivable	-	-	-	-	-
Total assets	<u>\$8,960</u>	<u>\$54,860</u>	<u>\$24,571</u>	<u>\$108,818</u>	<u>\$30,259</u>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$49	\$80	\$ -	\$ -
Contracts payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>0</u>	<u>49</u>	<u>80</u>	<u>0</u>	<u>0</u>
<b>Deferred inflows of resources:</b>					
Related to leases	-	-	-	-	-
<b>Fund balance:</b>					
Nonspendable	-	19,508	-	-	-
Restricted	8,960	-	24,491	-	-
Assigned	-	35,303	-	108,818	30,259
Unassigned	-	-	-	-	-
Total fund balance	<u>8,960</u>	<u>54,811</u>	<u>24,491</u>	<u>108,818</u>	<u>30,259</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$8,960</u>	<u>\$54,860</u>	<u>\$24,571</u>	<u>\$108,818</u>	<u>\$30,259</u>

219 Cambridge-Isanti Bike/Walk Trail Operating Fund	222 Regional Community Center Feasibility Fund	225 Downtown Grant Program Fund	230 Minnesota Public Safety Fund	287 TIF 6.15 Preserve Apartment Project Fund	288 TIF 6.16 Walker Methodist Fund	289 TIF 6.17 Greenberg Auto Redevelopment Oppidan Project Fund
\$43,669	\$ -	\$152,640	\$431,564	\$90,187	\$33,131	\$61,645
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$43,669</u>	<u>\$0</u>	<u>\$152,640</u>	<u>\$431,564</u>	<u>\$90,187</u>	<u>\$33,131</u>	<u>\$61,645</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,808
-	-	-	-	-	-	-
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,808</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,669	-	-	431,564	90,187	33,131	59,837
-	-	152,640	-	-	-	-
-	-	-	-	-	-	-
<u>43,669</u>	<u>0</u>	<u>152,640</u>	<u>431,564</u>	<u>90,187</u>	<u>33,131</u>	<u>59,837</u>
<u>\$43,669</u>	<u>\$0</u>	<u>\$152,640</u>	<u>\$431,564</u>	<u>\$90,187</u>	<u>\$33,131</u>	<u>\$61,645</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
December 31, 2023  
With Comparative Totals For December 31, 2022

	290 TIF 6.20 Roosevelt Garden Estate Fund	291 TIF 6.18 Main Street Flats Fund	292 TIF 6.21 Heritage Greens Fund	293 TIF 6.22 Unique Opportunities Fund
<b>Assets:</b>				
Cash and investments	\$19,542	\$4,299	\$3,109	\$7,057
Due from other governmental units	-	-	-	-
Prepaid items	-	-	-	-
Inventory	-	-	-	-
Loan receivable	-	-	-	-
Lease receivable	-	-	-	-
<b>Total assets</b>	<u>\$19,542</u>	<u>\$4,299</u>	<u>\$3,109</u>	<u>\$7,057</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Interfund payable	-	-	-	-
Deposits payable	4,038	-	1,375	5,000
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>4,038</u>	<u>0</u>	<u>1,375</u>	<u>5,000</u>
<b>Deferred inflows of resources:</b>				
Related to leases	-	-	-	-
<b>Fund balance:</b>				
Nonspendable	-	-	-	-
Restricted	15,504	4,299	1,734	2,057
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balance</b>	<u>15,504</u>	<u>4,299</u>	<u>1,734</u>	<u>2,057</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$19,542</u>	<u>\$4,299</u>	<u>\$3,109</u>	<u>\$7,057</u>



294 TIF 6.23 Cambridge Family Apartments Fund	295 TIF 6.24 Mercantile Hotel Fund	296 TIF 6.25 Strong Oak Apartments Fund	298 Federal American Rescue Plan Fund	903 Housing Programs Fund	Total Nonmajor Special Revenue Funds	
					2023	2022
\$ -	\$ -	\$442	\$ -	\$75,733	\$1,087,832	\$2,174,871
-	-	-	-	-	9,089	38,510
-	-	-	-	-	1,088	1,043
-	-	-	-	-	18,420	9,952
-	-	-	-	-	34,057	57,932
-	-	-	-	-	-	669,755
<u>\$0</u>	<u>\$0</u>	<u>\$442</u>	<u>\$0</u>	<u>\$75,733</u>	<u>\$1,150,486</u>	<u>\$2,952,063</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$129	\$30,575
-	-	-	-	-	-	5,506
4,605	5,828	-	-	-	10,433	2,559
-	-	236	-	-	12,457	22,034
-	-	-	-	-	-	1,012,774
<u>4,605</u>	<u>5,828</u>	<u>236</u>	<u>0</u>	<u>0</u>	<u>23,019</u>	<u>1,073,448</u>
-	-	-	-	-	-	669,755
-	-	-	-	-	19,508	10,995
-	-	206	-	-	715,639	227,752
-	-	-	-	75,733	402,753	973,852
<u>(4,605)</u>	<u>(5,828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,433)</u>	<u>(3,739)</u>
<u>(4,605)</u>	<u>(5,828)</u>	<u>206</u>	<u>0</u>	<u>75,733</u>	<u>1,127,467</u>	<u>1,208,860</u>
<u>\$0</u>	<u>\$0</u>	<u>\$442</u>	<u>\$0</u>	<u>\$75,733</u>	<u>\$1,150,486</u>	<u>\$2,952,063</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

	209 Forfeited Proceeds Fund	211 Airport Operating Fund	213 Police Administration Fines Fund	214 Cambridge Economic Development Revolving Loan Fund	215 Downtown Revolving Loan Fund
<b>Revenues:</b>					
Tax increment collections	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Intergovernmental:</b>					
Federal	-	11,054	-	-	-
State aid	-	25,752	-	-	-
Other local aid	-	-	-	-	-
<b>Charges for services:</b>					
Police administrative fees	-	-	2,720	-	-
Hangar fees and tie down	-	13,437	-	-	-
Rents	-	-	-	-	-
Investment income (loss)	393	1,976	1,024	4,420	1,089
Fuel sales	-	75,068	-	-	-
Other	-	-	-	-	-
Total revenues	<u>393</u>	<u>127,287</u>	<u>3,744</u>	<u>4,420</u>	<u>1,089</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Public works	-	117,322	-	-	-
Economic development	-	-	-	-	-
Construction/acquisition costs	-	-	-	-	-
Total expenditures	<u>0</u>	<u>117,322</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues over (under) expenditures	<u>393</u>	<u>9,965</u>	<u>3,744</u>	<u>4,420</u>	<u>1,089</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	393	9,965	3,744	4,420	1,089
Fund balance - January 1	<u>8,567</u>	<u>44,846</u>	<u>20,747</u>	<u>104,398</u>	<u>29,170</u>
Fund balance - December 31	<u><u>\$8,960</u></u>	<u><u>\$54,811</u></u>	<u><u>\$24,491</u></u>	<u><u>\$108,818</u></u>	<u><u>\$30,259</u></u>

219 Cambridge-Isanti Bike/Walk Trail Operating Fund	222 Regional Community Center Feasibility Fund	225 Downtown Grant Program Fund	230 Minnesota Public Safety Fund	287 TIF 6.15 Preserve Apartment Project Fund	288 TIF 6.16 Walker Methodist Fund	289 TIF 6.17 Greenberg Auto Redevelopment Oppidan Project Fund
\$ -	\$ -	\$ -	\$ -	\$119,600	\$56,759	\$68,873
-	-	-	-	-	-	-
-	-	-	431,564	-	-	-
5,340	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,808	-	6,790	-	3,571	1,271	2,488
-	-	-	-	-	-	-
-	27,000	-	-	-	-	-
<u>7,148</u>	<u>27,000</u>	<u>6,790</u>	<u>431,564</u>	<u>123,171</u>	<u>58,030</u>	<u>71,361</u>
4,621	27,000	-	-	-	-	-
-	-	4,150	-	107,640	51,084	61,986
-	-	-	-	-	-	-
<u>4,621</u>	<u>27,000</u>	<u>4,150</u>	<u>0</u>	<u>107,640</u>	<u>51,084</u>	<u>61,986</u>
<u>2,527</u>	<u>0</u>	<u>2,640</u>	<u>431,564</u>	<u>15,531</u>	<u>6,946</u>	<u>9,375</u>
6,660	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,660</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9,187	0	2,640	431,564	15,531	6,946	9,375
34,482	-	150,000	-	74,656	26,185	50,462
<u>\$43,669</u>	<u>\$0</u>	<u>\$152,640</u>	<u>\$431,564</u>	<u>\$90,187</u>	<u>\$33,131</u>	<u>\$59,837</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

	290 TIF 6.20 Roosevelt Garden Estate Fund	291 TIF 6.18 Main Street Flats Fund	292 TIF 6.21 Heritage Greens Fund	293 TIF 6.22 Unique Opportunities Fund	294 TIF 6.23 Cambridge Family Apartments Fund
<b>Revenues:</b>					
Tax increment collections	\$114,145	\$12,429	\$33,104	\$1,803	\$ -
Intergovernmental:					
Federal	-	-	-	-	-
State aid	-	-	-	-	-
Other local aid	-	-	-	-	-
Charges for services:					
Police administrative fees	-	-	-	-	-
Hangar fees and tie down	-	-	-	-	-
Rents	-	-	-	-	-
Investment income (loss)	674	169	83	250	-
Fuel sales	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>114,819</b>	<b>12,598</b>	<b>33,187</b>	<b>2,053</b>	<b>0</b>
<b>Expenditures:</b>					
Current:					
Public works	-	-	-	-	-
Economic development	108,438	11,808	31,460	10	4,521
Construction/acquisition costs	-	-	-	-	-
<b>Total expenditures</b>	<b>108,438</b>	<b>11,808</b>	<b>31,460</b>	<b>10</b>	<b>4,521</b>
Revenues over (under) expenditures	6,381	790	1,727	2,043	(4,521)
Other financing sources (uses):					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net change in fund balance	6,381	790	1,727	2,043	(4,521)
Fund balance - January 1	9,123	3,509	7	14	(84)
Fund balance - December 31	<b>\$15,504</b>	<b>\$4,299</b>	<b>\$1,734</b>	<b>\$2,057</b>	<b>(\$4,605)</b>

Reconciliation of beginning fund balance to prior year ending fund balance:  
Prior year ending fund balance reported above  
Less prior year ending fund balance for funds reported as nonmajor in prior year, major in current year:  
    EDA Operating Fund  
Current year beginning fund balance

295 TIF 6.24 Mercantile Hotel Fund	296 TIF 6.25 Strong Oak Apartments Fund	298 Federal American Rescue Plan Fund	903 Housing Programs Fund	Total Nonmajor Special Revenue Funds	
				2023	2022
\$ -	\$ -	\$ -	\$ -	\$406,713	\$378,706
-	-	1,002,774	-	1,013,828	33,946
-	-	-	-	457,316	42,640
-	-	-	-	5,340	5,340
-	-	-	-	2,720	7,560
-	-	-	-	13,437	13,212
-	-	-	-	-	187,493
-	236	-	-	26,242	(26,367)
-	-	-	-	75,068	74,896
-	-	-	-	27,000	75,733
<u>0</u>	<u>236</u>	<u>1,002,774</u>	<u>0</u>	<u>2,027,664</u>	<u>793,159</u>
-	-	-	-	148,943	164,080
2,173	30	-	-	383,300	738,997
-	-	-	-	-	14,104
<u>2,173</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>532,243</u>	<u>917,181</u>
<u>(2,173)</u>	<u>206</u>	<u>1,002,774</u>	<u>0</u>	<u>1,495,421</u>	<u>(124,022)</u>
-	-	-	-	6,660	526,385
-	-	(1,002,774)	-	(1,002,774)	(63,311)
<u>0</u>	<u>0</u>	<u>(1,002,774)</u>	<u>0</u>	<u>(996,114)</u>	<u>463,074</u>
(2,173)	206	0	0	499,307	339,052
<u>(3,655)</u>	<u>-</u>	<u>-</u>	<u>75,733</u>	<u>628,160</u>	<u>869,808</u>
<u>(\$5,828)</u>	<u>\$206</u>	<u>\$0</u>	<u>\$75,733</u>	<u>\$1,127,467</u>	<u>\$1,208,860</u>
					1,208,860
					(580,700)
					<u>\$628,160</u>

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## NONMAJOR CAPITAL PROJECT FUNDS

The City of Cambridge had the following Capital Project Funds during the year:

Water Treatment Facility Fund – This fund was established to account for future construction of a water treatment facility. The project will be funded by water treatment facility charges to new development.

Water Area and Connection Fund – This fund was established to account for future enhancements to the water system, including but not limited to water towers, wells, pumphouses and watermain oversizing. The projects will be funded by water area demand charges to new development and water connection fees for all new connections to the water system.

Sewer Area Charge Fund – This fund was established to account for future enhancements to the waste water system, including but not limited to lift stations, force mains and sewer trunk oversizing. The projects will be funded by sewer area demand charges to new development.

Downtown Parking Construction Fund – This fund was established to account for resources accumulated for future downtown parking construction projects.

Park Improvement Capital Fund – This fund was established to account for resources accumulated for Park improvements.

Police Capital Fund – This fund was established to account for resources accumulated for Police Department capital projects and equipment replacement.

Public Works Capital Project Fund – This fund was established to account for resources accumulated for Public Works capital projects and equipment replacement.

City Hall Capital Project Fund – This fund was established to account for resources accumulated for City Hall capital projects and equipment replacement.

Fire Department Capital Project Fund – This fund was established to account for resources accumulated for Fire Department capital projects and equipment replacement.

Park Dedication Fund – This fund was established to account for resources accumulated from Park Dedication fees collected and related expenditures for development of parks.

EDA Land Acquisition Capital Project Fund – This fund was established to account for resources accumulated for the acquisition of land related to economic development plans for the City of Cambridge.

Cambridge Isanti Bike/Walk Trail Capital Project Fund – This fund was established to account for resources accumulated by the City of Cambridge for future capital replacement needs related to the Bike/Walk Trail.

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Library Capital Fund – This fund is used to account for resources accumulated and spent on the development of the new library in Cambridge.

Pavement Management Fund – This fund was established to account for costs associated with the annual crack sealing and sealcoating programs, funded through annual transfers from the General Fund.

2024 Street Improvement Fund - This fund was established to account for resources accumulated for the 2024 Street Improvement Project.

Highway 95 Improvement Project Fund - This fund was established to account for resources accumulated for the expected City costs related to the State of Minnesota's Highway 95 Improvement Project currently planned for 2026.

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
December 31, 2023  
With Comparative Totals For December 31, 2022

	401 Water Treatment Facility Fund	402 Water Area and Connection Fund	403 Sewer Area Charge Fund	407 Downtown Parking Construction Fund
<b>Assets:</b>				
Cash and investments	\$605,271	\$999,451	\$285,991	\$ -
Due from other governmental units	-	-	-	-
Accounts receivable	-	-	-	-
Property taxes receivable:				
Delinquent	-	-	-	-
Interfund receivable	-	-	-	-
Special assessments receivable:				
Deferred	-	-	-	-
Total assets	<u>\$605,271</u>	<u>\$999,451</u>	<u>\$285,991</u>	<u>\$0</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund balance:</b>				
Restricted	-	-	-	-
Assigned	605,271	999,451	285,991	-
Total fund balance (deficit)	<u>605,271</u>	<u>999,451</u>	<u>285,991</u>	<u>0</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$605,271</u>	 <u>\$999,451</u>	 <u>\$285,991</u>	 <u>\$0</u>

415 Park Improvement Capital Fund	417 Police Capital Fund	418 Public Works Capital Project Fund	419 City Hall Capital Project Fund	420 Fire Department Capital Project Fund
\$644,495	\$358,267	\$779,746	\$327,976	\$717,400
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$644,495</u>	<u>\$358,267</u>	<u>\$779,746</u>	<u>\$327,976</u>	<u>\$717,400</u>
\$ -	\$191,257	\$ -	\$ -	\$ -
<u>0</u>	<u>191,257</u>	<u>0</u>	<u>0</u>	<u>0</u>
-	-	-	-	-
-	-	-	-	66,750
644,495	167,010	779,746	327,976	650,650
<u>644,495</u>	<u>167,010</u>	<u>779,746</u>	<u>327,976</u>	<u>717,400</u>
<u>\$644,495</u>	<u>\$358,267</u>	<u>\$779,746</u>	<u>\$327,976</u>	<u>\$717,400</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
December 31, 2023  
With Comparative Totals For December 31, 2022

	421 Park Dedication Fund	422 EDA Land Acquisition Capital Project Fund	423 Cambridge- Isanti Bike/Walk Trail Capital Project Fund	425 Library Capital Fund
<b>Assets:</b>				
Cash and investments	\$370,459	\$117,918	\$164,073	\$112,947
Due from other governmental units	-	-	-	-
Accounts receivable	-	-	-	-
Property taxes receivable:				
Delinquent	-	-	-	-
Interfund receivable	-	-	-	-
Special assessments receivable:				
Deferred	-	-	-	-
Total assets	<u>\$370,459</u>	<u>\$117,918</u>	<u>\$164,073</u>	<u>\$112,947</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund balance:</b>				
Restricted	370,459	-	164,073	-
Assigned	-	117,918	-	112,947
Total fund balance (deficit)	<u>370,459</u>	<u>117,918</u>	<u>164,073</u>	<u>112,947</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$370,459</u>	 <u>\$117,918</u>	 <u>\$164,073</u>	 <u>\$112,947</u>

443 Pavement Management Fund	484 2024 Street Improvement Project Fund	486 Highway 95 Improvement Project Fund	Total Nonmajor Capital Project Funds	
			2023	2022
\$2,397,385	\$1,707,537	\$12,422	\$9,601,338	\$7,812,284
-	-	-	-	122,196
250	-	-	250	-
232	-	-	232	257
-	-	-	-	2,559
23,723	-	-	23,723	27,315
<u>\$2,421,590</u>	<u>\$1,707,537</u>	<u>\$12,422</u>	<u>\$9,625,543</u>	<u>\$7,964,611</u>
<u>\$72,000</u>	<u>\$48,388</u>	<u>\$12,422</u>	<u>\$324,067</u>	<u>\$15,926</u>
<u>72,000</u>	<u>48,388</u>	<u>12,422</u>	<u>324,067</u>	<u>15,926</u>
<u>23,955</u>	<u>-</u>	<u>-</u>	<u>23,955</u>	<u>27,572</u>
-	-	-	601,282	155,643
2,325,635	1,659,149	-	8,676,239	7,765,470
<u>2,325,635</u>	<u>1,659,149</u>	<u>0</u>	<u>9,277,521</u>	<u>7,921,113</u>
<u>\$2,421,590</u>	<u>\$1,707,537</u>	<u>\$12,422</u>	<u>\$9,625,543</u>	<u>\$7,964,611</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**For The Year Ended December 31, 2023**  
**With Comparative Totals For The Year Ended December 31, 2022**

	401 Water Treatment Facility Fund	402 Water Area and Connection Fund	403 Sewer Area Charge Fund	407 Downtown Parking Construction Fund
<b>Revenues:</b>				
General property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal:				
Airport improvement entitlement	-	-	-	-
State:				
MSA	-	-	-	-
Other	-	-	-	-
Local:				
Other	-	-	-	-
Special assessments:				
Current	-	-	-	-
Interest and penalties	-	-	-	-
Prepayments	-	-	-	-
Charges for services	-	-	-	-
Connection, facility, and area charges	240,567	86,034	24,648	-
Investment income (loss)	24,135	45,876	12,036	-
Park dedication fees	-	-	-	-
Direct charges to developers	-	-	-	-
Contributions and donations	-	-	-	-
Total revenues	<u>264,702</u>	<u>131,910</u>	<u>36,684</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Construction/acquisition costs	-	-	-	-
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues over (under) expenditures	<u>264,702</u>	<u>131,910</u>	<u>36,684</u>	<u>0</u>
<b>Other financing sources (uses):</b>				
Sale of property	-	-	-	-
Transfer from other funds	-	-	-	-
Transfer to other funds	(100,000)	(130,000)	-	(5,195)
Total other financing sources (uses)	<u>(100,000)</u>	<u>(130,000)</u>	<u>0</u>	<u>(5,195)</u>
Net change in fund balance	164,702	1,910	36,684	(5,195)
Fund balance - January 1	<u>440,569</u>	<u>997,541</u>	<u>249,307</u>	<u>5,195</u>
Fund balance - December 31	<u><u>\$605,271</u></u>	<u><u>\$999,451</u></u>	<u><u>\$285,991</u></u>	<u><u>\$0</u></u>

415 Park Improvement Capital Fund	417 Police Capital Fund	418 Public Works Capital Project Fund	419 City Hall Capital Project Fund	420 Fire Department Capital Project Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	49,610
-	-	-	-	-
28,787	13,726	34,025	14,321	24,504
-	-	-	-	-
-	-	-	-	-
2,000	-	-	-	133,850
<u>30,787</u>	<u>13,726</u>	<u>34,025</u>	<u>14,321</u>	<u>207,964</u>
-	-	-	-	1,878
1,212	203,068	-	-	-
-	-	-	26,239	-
-	58,265	-	-	84,348
14,524	-	40,590	-	-
-	-	-	-	-
<u>15,736</u>	<u>261,333</u>	<u>40,590</u>	<u>26,239</u>	<u>86,226</u>
<u>15,051</u>	<u>(247,607)</u>	<u>(6,565)</u>	<u>(11,918)</u>	<u>121,738</u>
-	-	-	-	18,150
-	130,000	25,000	34,000	122,941
-	-	-	-	-
<u>0</u>	<u>130,000</u>	<u>25,000</u>	<u>34,000</u>	<u>141,091</u>
15,051	(117,607)	18,435	22,082	262,829
<u>629,444</u>	<u>284,617</u>	<u>761,311</u>	<u>305,894</u>	<u>454,571</u>
<u>\$644,495</u>	<u>\$167,010</u>	<u>\$779,746</u>	<u>\$327,976</u>	<u>\$717,400</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**SUBCOMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**For The Year Ended December 31, 2023**  
**With Comparative Totals For The Year Ended December 31, 2022**

	421 Park Dedication Fund	422 EDA Land Acquisition Capital Project Fund	423 Cambridge- Isanti Bike/Walk Trail Capital Project Fund	425 Library Capital Fund
<b>Revenues:</b>				
General property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal:				
Airport improvement entitlement	-	-	-	-
State:				
MSA	-	-	-	-
Other	-	-	-	-
Local:				
Other	-	-	7,500	-
Special assessments:				
Current	-	-	-	-
Interest and penalties	-	-	-	-
Prepayments	-	-	-	-
Charges for services	-	-	-	-
Connection, facility, and area charges	-	-	-	-
Investment income (loss)	8,898	7,865	6,691	4,800
Park dedication fees	340,800	-	-	-
Direct charges to developers	-	-	-	-
Contributions and donations	-	-	-	-
Total revenues	<u>349,698</u>	<u>7,865</u>	<u>14,191</u>	<u>4,800</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Construction/acquisition costs	-	-	-	-
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues over (under) expenditures	<u>349,698</u>	<u>7,865</u>	<u>14,191</u>	<u>4,800</u>
<b>Other financing sources (uses):</b>				
Sale of property	-	-	-	-
Transfer from other funds	-	5,195	15,000	5,000
Transfer to other funds	-	(215,266)	-	-
Total other financing sources (uses)	<u>0</u>	<u>(210,071)</u>	<u>15,000</u>	<u>5,000</u>
Net change in fund balance	349,698	(202,206)	29,191	9,800
Fund balance - January 1	<u>20,761</u>	<u>320,124</u>	<u>134,882</u>	<u>103,147</u>
Fund balance - December 31	<u>\$370,459</u>	<u>\$117,918</u>	<u>\$164,073</u>	<u>\$112,947</u>

Reconciliation of beginning fund balance to prior year ending fund balance:

Prior year ending fund balance reported above

Less prior year ending fund balance for funds reported as nonmajor in prior year, major in current year:

  Airport Improvement Fund

Current year beginning fund balance



443 Pavement Management Fund	484 2024 Street Improvement Project Fund	486 Highway 95 Improvement Project Fund	Total Nonmajor Capital Project Funds	
			2023	2022
\$15	\$ -	\$ -	\$15	\$ -
-	-	-	-	100,088
-	657,531	-	657,531	345,459
-	-	-	-	2,083
-	-	-	7,500	7,500
3,006	-	-	3,006	13,961
802	-	-	802	4,547
-	-	-	-	89,418
-	-	-	49,610	53,660
342,592	-	-	693,841	232,641
79,576	65,295	-	370,535	(111,489)
-	-	-	340,800	20,761
11,002	-	-	11,002	4,956
-	-	-	135,850	22,297
<u>436,993</u>	<u>722,826</u>	<u>0</u>	<u>2,270,492</u>	<u>785,882</u>
-	-	-	1,878	-
230,659	-	-	434,939	192,163
-	-	-	26,239	85,159
-	-	-	142,613	64,789
-	-	-	55,114	294,921
<u>538,462</u>	<u>240,379</u>	<u>113,607</u>	<u>892,448</u>	<u>548,214</u>
<u>769,121</u>	<u>240,379</u>	<u>113,607</u>	<u>1,553,231</u>	<u>1,185,246</u>
<u>(332,128)</u>	<u>482,447</u>	<u>(113,607)</u>	<u>717,261</u>	<u>(399,364)</u>
-	-	-	18,150	138,538
1,002,000	-	113,607	1,452,743	2,118,293
(113,607)	-	-	(564,068)	(100,000)
<u>888,393</u>	<u>0</u>	<u>113,607</u>	<u>906,825</u>	<u>2,156,831</u>
556,265	482,447	0	1,624,086	1,757,467
<u>1,769,370</u>	<u>1,176,702</u>	<u>-</u>	<u>7,653,435</u>	<u>6,163,646</u>
<u>\$2,325,635</u>	<u>\$1,659,149</u>	<u>\$0</u>	<u>\$9,277,521</u>	<u>\$7,921,113</u>
				7,921,113
				(267,678)
				<u>\$7,653,435</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**SPECIAL REVENUE FUND - 211 AIRPORT OPERATING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2023**  
**With Comparative Actual Amounts For The Year Ended December 31, 2022**

**Statement 23**

	2023			2022 Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental:				
Federal	\$ -	\$11,054	\$11,054	\$33,946
State aid	21,000	25,752	25,752	42,640
Charges for services:				
Hangar fees and tie down	14,000	13,437	13,437	13,212
Investment income	-	1,975	1,976	-
Fuel sales	52,000	75,067	75,068	74,896
Total revenues	<u>87,000</u>	<u>127,285</u>	<u>127,287</u>	<u>164,694</u>
Expenditures:				
Current:				
Public works	<u>132,883</u>	<u>117,330</u>	<u>117,322</u>	<u>157,546</u>
Revenues over (under) expenditures	<u>(45,883)</u>	<u>9,955</u>	<u>9,965</u>	<u>7,148</u>
Other financing sources:				
Transfer from other funds	<u>45,883</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$0</u>	<u>\$9,955</u>	9,965	7,148
Fund balance - January 1			<u>44,846</u>	<u>37,698</u>
Fund balance - December 31			<u>\$54,811</u>	<u>\$44,846</u>

**CITY OF CAMBRIDGE, MINNESOTA**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2023

With Comparative Actual Amounts For The Year Ended December 31, 2022

**Statement 24**

	2023			2022 Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$596,147	\$596,147	\$607,388	\$239,024
Special assessments	393,993	393,993	395,386	735,871
Intergovernmental	-	-		
Investment income (loss)	-	-	79,285	(27,628)
Total revenues	<u>990,140</u>	<u>990,140</u>	<u>1,082,059</u>	<u>947,267</u>
Expenditures:				
Debt service:				
Principal retirement	1,155,000	1,155,000	1,155,000	1,110,000
Interest	447,025	447,025	447,025	347,125
Paying agent fees	7,225	7,225	5,675	3,474
Total expenditures	<u>1,609,250</u>	<u>1,609,250</u>	<u>1,607,700</u>	<u>1,460,599</u>
Revenues over (under) expenditures	<u>(619,110)</u>	<u>(619,110)</u>	<u>(525,641)</u>	<u>(513,332)</u>
Other financing sources:				
Transfers from other funds	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>827,626</u>
Net change in fund balance	<u>\$180,890</u>	<u>\$180,890</u>	274,359	314,294
Fund balance - January 1			<u>2,560,862</u>	<u>2,246,568</u>
Fund balance - December 31			<u>\$2,835,221</u>	<u>\$2,560,862</u>

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## INTERNAL SERVICE FUNDS

The Internal Service Funds were established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Property Insurance Fund – This fund is used to account for the accumulation and allocation of costs associated with the partial self-insuring of property and casualty insurance coverages with higher deductibles.

Pension Benefits Fund – This fund is used to provide pension benefits to other departments of the City on a cost reimbursed basis.

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**CITY OF CAMBRIDGE, MINNESOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
December 31, 2023  
With Comparative Totals For December 31, 2022

**Statement 25**

	Property Insurance	Pension Benefits	Total	
			2023	2022
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$396,358	\$ -	\$396,358	\$332,420
Accounts receivable - net	32,110	-	32,110	16
Total assets	<u>428,468</u>	<u>0</u>	<u>428,468</u>	<u>332,436</u>
Deferred outflows of resources:				
Related to pensions	-	3,903,938	3,903,938	4,439,389
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	100,000	-	100,000	-
Noncurrent liabilities:				
Net pension liability	-	4,419,110	4,419,110	8,156,519
Total liabilities	<u>100,000</u>	<u>4,419,110</u>	<u>4,519,110</u>	<u>8,156,519</u>
Deferred inflows of resources:				
Related to pensions	-	3,840,066	3,840,066	185,653
<b>Net position:</b>				
Unrestricted	328,468	(4,355,238)	(4,026,770)	(3,570,347)
Total net position	<u>\$328,468</u>	<u>(\$4,355,238)</u>	<u>(\$4,026,770)</u>	<u>(\$3,570,347)</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For The Year Ended December 31, 2023**  
**With Comparative Totals For The Year Ended December 31, 2022**

**Statement 26**

	Property Insurance	Pension Benefits	Total	
			2023	2022
Operating revenues:				
Charges for services	\$ -	\$542,628	\$542,628	\$511,849
Insurance dividends	100,958	-	100,958	73,845
Total operating revenues	<u>100,958</u>	<u>542,628</u>	<u>643,586</u>	<u>585,694</u>
Operating expenses:				
Claims	120,120	-	120,120	68,106
Pension	-	1,001,143	1,001,143	832,208
Total operating expenses	<u>120,120</u>	<u>1,001,143</u>	<u>1,121,263</u>	<u>900,314</u>
Operating income (loss)	<u>(19,162)</u>	<u>(458,515)</u>	<u>(477,677)</u>	<u>(314,620)</u>
Nonoperating revenues (expenses):				
Intergovernmental revenue	-	6,060	6,060	66,568
Investment income (loss)	15,194	-	15,194	(3,840)
Total nonoperating operating revenues (expenses)	<u>15,194</u>	<u>6,060</u>	<u>21,254</u>	<u>62,728</u>
Income (loss) before transfers	<u>(3,968)</u>	<u>(452,455)</u>	<u>(456,423)</u>	<u>(251,892)</u>
Transfers in	-	-	-	110,000
Change in net position	<u>(3,968)</u>	<u>(452,455)</u>	<u>(456,423)</u>	<u>(141,892)</u>
Net position - January 1	<u>332,436</u>	<u>(3,902,783)</u>	<u>(3,570,347)</u>	<u>(3,428,455)</u>
Net position - December 31	<u>\$328,468</u>	<u>(\$4,355,238)</u>	<u>(\$4,026,770)</u>	<u>(\$3,570,347)</u>



**CITY OF CAMBRIDGE, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For The Year Ended December 31, 2023  
With Comparative Totals For The Year Ended December 31, 2022

**Statement 27**

	Property Insurance	Pension Benefits	Total	
			2023	2022
Cash flows from operating activities:				
Receipts from interfund services provided	\$68,848	\$1,001,143	\$1,069,991	\$910,919
Payment to suppliers	(20,104)	-	(20,104)	(67,534)
Payment of wages and benefits	-	(1,001,143)	(1,001,143)	(832,208)
Net cash flows from operating activities	<u>48,744</u>	<u>0</u>	<u>48,744</u>	<u>11,177</u>
Cash flows from noncapital financing activities:				
Transfer from other funds	-	-	-	110,000
Cash flows from investing activities:				
Investment income (loss)	<u>15,194</u>	<u>-</u>	<u>15,194</u>	<u>(3,840)</u>
Net increase (decrease) in cash and cash equivalents	63,938	-	63,938	117,337
Cash and cash equivalents - January 1	<u>332,420</u>	<u>-</u>	<u>332,420</u>	<u>215,083</u>
Cash and cash equivalents - December 31	<u><u>\$396,358</u></u>	<u><u>\$0</u></u>	<u><u>\$396,358</u></u>	<u><u>\$332,420</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>(\$19,162)</u>	<u>(\$458,515)</u>	<u>(\$477,677)</u>	<u>(\$314,620)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Intergovernmental revenue	-	6,060	6,060	66,568
Changes in assets and liabilities:				
Decrease (increase) in receivables	(32,094)	-	(32,094)	556
Decrease (increase) in deferred outflows of resources	-	535,451	535,451	(1,563,372)
Increase (decrease) in payables	100,000	(3,737,409)	(3,637,409)	5,483,744
Increase (decrease) in deferred inflows of resources	-	3,654,413	3,654,413	(3,661,699)
Total adjustments	<u>67,906</u>	<u>458,515</u>	<u>526,421</u>	<u>325,797</u>
Net cash provided (used) by operating activities	<u><u>\$48,744</u></u>	<u><u>\$0</u></u>	<u><u>\$48,744</u></u>	<u><u>\$11,177</u></u>

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**SUPPLEMENTARY FINANCIAL INFORMATION**

**CITY OF CAMBRIDGE, MINNESOTA**  
**COMBINED SCHEDULE OF BOND INDEBTEDNESS**  
 December 31, 2023

	<u>Dated</u>	<u>Final Maturity Date</u>	<u>Interest Rates (in percent)</u>
Bonded indebtedness:			
Improvement Bonds:			
Improvement Bonds of 2014 <sup>(1)</sup>	05/28/14	02/01/25	2% - 2.375%
Improvement Bonds of 2016 <sup>(2)</sup>	05/17/16	02/01/27	2% - 3.000%
Improvement Bonds of 2018 <sup>(3)</sup>	05/30/18	02/01/29	3.000%
Improvement Bonds of 2020 <sup>(4)</sup>	05/28/20	02/01/31	2% - 3.000%
Improvement Bonds of 2022 <sup>(5)</sup>	05/26/22	02/01/33	3.000%
Total Special Assessment Bonds			
Sales Tax Revenue Bonds:			
G.O. Sales Tax Revenue Bonds of 2019	12/30/19	02/01/40	2% - 3.000%
G.O. Sales Tax Revenue Bonds of 2020	05/28/20	02/01/40	2% - 3.000%
Total Sales Tax Revenue Bonds			
Revenue Bonds:			
G.O. Waste Water PFA Bonds of 2013	08/13/13	08/20/32	1.000%
G.O. Water & Sewer Bonds of 2014 <sup>(1)</sup>	05/28/14	02/01/25	2% - 2.375%
G.O. Water & Sewer Refunding Bonds of 2016 <sup>(2)</sup>	05/17/16	02/01/27	2% - 3.000%
G.O. Water & Sewer Bonds of 2018 <sup>(3)</sup>	05/30/18	02/01/29	3.000%
G.O. Water & Sewer Bonds of 2019	07/11/19	02/01/39	3% - 4.000%
G.O. Water & Sewer Bonds of 2020 <sup>(4)</sup>	05/28/20	02/01/40	2% - 3.000%
G.O. Storm Sewer Bonds of 2022 <sup>(5)</sup>	05/26/22	02/01/33	3.000%
Total Revenue Bonds			
Total City bonded indebtedness			

(1) Components of \$8,415,000 GO Bonds of 2014.  
 (2) Components of \$6,140,000 GO Bonds of 2016.  
 (3) Components of \$3,480,000 GO Bonds of 2018.  
 (4) Components of \$5,475,000 GO Bonds of 2020.  
 (5) Components of \$4,010,000 GO Bonds of 2022.

Authorized and Issued	Amount Retired		Outstanding at 12/31/23	Due in 2024	
	Prior Years	Current Year		Principal	Interest
\$1,601,532	\$1,266,532	\$110,000	\$225,000	\$110,000	\$3,969
2,570,000	1,330,000	260,000	980,000	270,000	18,250
1,970,000	525,000	190,000	1,255,000	195,000	34,725
385,000	35,000	35,000	315,000	35,000	8,075
<u>3,780,000</u>	<u>-</u>	<u>-</u>	<u>3,780,000</u>	<u>330,000</u>	<u>108,450</u>
<u>10,306,532</u>	<u>3,156,532</u>	<u>595,000</u>	<u>6,555,000</u>	<u>940,000</u>	<u>173,469</u>
7,235,000	550,000	295,000	6,390,000	305,000	150,281
<u>3,255,000</u>	<u>525,000</u>	<u>265,000</u>	<u>2,465,000</u>	<u>270,000</u>	<u>63,163</u>
<u>10,490,000</u>	<u>1,075,000</u>	<u>560,000</u>	<u>8,855,000</u>	<u>575,000</u>	<u>213,444</u>
11,737,686	5,350,686	610,000	5,777,000	617,000	57,700
6,813,466	4,768,466	665,000	1,380,000	685,000	24,214
3,570,000	1,850,000	365,000	1,355,000	375,000	25,225
1,510,000	405,000	145,000	960,000	150,000	26,550
2,405,000	315,000	100,000	1,990,000	95,000	64,050
1,835,000	160,000	160,000	1,515,000	170,000	38,800
<u>230,000</u>	<u>-</u>	<u>-</u>	<u>230,000</u>	<u>20,000</u>	<u>6,600</u>
<u>28,101,152</u>	<u>12,849,152</u>	<u>2,045,000</u>	<u>13,207,000</u>	<u>2,112,000</u>	<u>243,139</u>
<u>\$48,897,684</u>	<u>\$17,080,684</u>	<u>\$3,200,000</u>	<u>\$28,617,000</u>	<u>\$3,627,000</u>	<u>\$630,052</u>

CITY OF CAMBRIDGE, MINNESOTA  
DEBT SERVICE PAYMENTS TO MATURITY  
GENERAL OBLIGATION BONDS  
December 31, 2023

Exhibit 2

	\$1,601,532 G.O. Improv. Bonds of 2014	\$1,532,130 G.O. Improv. Bonds of 2016	\$1,970,000 G.O. Improv. Bonds of 2018	\$7,235,000 G.O. Sales Tax Revenue Bonds of 2019	\$3,255,000 G.O. Sales Tax Revenue Bonds of 2020	\$385,000 G.O. Improv. Bonds of 2020	\$3,780,000 G.O. Improv. Bonds of 2022	Total
Bonds payable	\$225,000	\$980,000	\$1,255,000	\$6,390,000	\$2,465,000	\$315,000	\$3,780,000	\$15,410,000
Future interest payable	5,335	36,950	116,175	1,325,320	305,715	29,850	594,750	2,414,095
Totals	<u>\$230,335</u>	<u>\$1,016,950</u>	<u>\$1,371,175</u>	<u>\$7,715,320</u>	<u>\$2,770,715</u>	<u>\$344,850</u>	<u>\$4,374,750</u>	<u>\$17,824,095</u>
Payments to maturity:								
2024	\$113,969	\$288,250	\$229,725	\$455,281	\$333,163	\$43,075	\$438,450	\$1,901,913
2025	116,366	291,400	228,800	455,981	334,914	38,625	438,400	1,904,486
2026	-	285,800	227,725	451,456	331,438	45,900	438,050	1,780,369
2027	-	151,500	226,500	451,706	332,738	44,700	437,400	1,644,544
2028	-	-	230,050	451,656	333,738	43,500	436,450	1,495,394
2029	-	-	228,375	451,306	334,438	42,300	435,200	1,491,619
2030	-	-	-	457,406	336,463	41,300	438,575	1,273,744
2031	-	-	-	455,056	42,863	45,450	436,575	979,944
2032	-	-	-	452,606	42,163	-	439,200	933,969
2033	-	-	-	455,006	41,463	-	436,450	932,919
2034	-	-	-	452,013	45,712	-	-	497,725
2035	-	-	-	453,619	44,913	-	-	498,532
2036	-	-	-	454,756	44,113	-	-	498,869
2037	-	-	-	455,419	43,263	-	-	498,682
2038	-	-	-	455,856	42,363	-	-	498,219
2039	-	-	-	450,853	41,464	-	-	492,317
2040	-	-	-	455,344	45,506	-	-	500,850
Totals	<u>\$230,335</u>	<u>\$1,016,950</u>	<u>\$1,371,175</u>	<u>\$7,715,320</u>	<u>\$2,770,715</u>	<u>\$344,850</u>	<u>\$4,374,750</u>	<u>\$17,824,095</u>

	\$11,737,686 G.O. Wastewater PFA Bond of 2013	\$6,813,466 G.O. Water and Sewer Bonds of 2014	\$3,570,000 G.O. Water and Sewer Bonds of 2016	\$1,510,000 G.O. Water and Sewer Bonds of 2018	\$2,405,000 G.O. Water and Sewer Bonds of 2019	\$1,835,000 G.O. Water and Sewer Bonds of 2020	\$230,000 G.O. Storm Sewer Bonds of 2022	Total
Bonds payable	\$5,777,000	\$1,380,000	\$1,355,000	\$960,000	\$1,990,000	\$1,515,000	\$230,000	\$13,207,000
Future interest payable	292,590	32,466	50,925	88,950	537,525	160,175	36,300	1,198,931
Totals	<u>\$6,069,590</u>	<u>\$1,412,466</u>	<u>\$1,405,925</u>	<u>\$1,048,950</u>	<u>\$2,527,525</u>	<u>\$1,675,175</u>	<u>\$266,300</u>	<u>\$14,405,931</u>
Payments to maturity:								
2024	\$674,700	\$709,214	\$400,225	\$176,550	\$159,050	\$208,800	\$26,600	\$2,355,139
2025	674,600	703,252	400,750	172,050	160,150	208,625	26,000	2,345,427
2026	674,370	-	402,950	177,400	156,150	208,300	25,400	1,644,570
2027	674,080	-	202,000	172,600	157,050	207,825	24,800	1,438,355
2028	674,730	-	-	172,725	157,750	212,125	29,125	1,246,455
2029	674,310	-	-	177,625	158,250	211,200	28,375	1,249,760
2030	673,830	-	-	-	159,150	206,200	27,625	1,066,805
2031	674,290	-	-	-	160,475	212,100	26,875	1,073,740
2032	674,680	-	-	-	156,725	-	26,125	857,530
2033	-	-	-	-	157,900	-	25,375	183,275
2034	-	-	-	-	158,925	-	-	158,925
2035	-	-	-	-	159,800	-	-	159,800
2036	-	-	-	-	155,600	-	-	155,600
2037	-	-	-	-	156,325	-	-	156,325
2038	-	-	-	-	156,900	-	-	156,900
2039	-	-	-	-	157,325	-	-	157,325
Totals	<u>\$6,069,590</u>	<u>\$1,412,466</u>	<u>\$1,405,925</u>	<u>\$1,048,950</u>	<u>\$2,527,525</u>	<u>\$1,675,175</u>	<u>\$266,300</u>	<u>\$14,405,931</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**TAXABLE VALUATIONS, TAX LEVIES AND TAX RATES**

**Exhibit 4**

	<u>Tax Capacity Values</u>		<u>Tax Capacity Values</u>	
	<u>2023/2024</u>		<u>2022/2023</u>	
Taxable valuations:				
Real estate	\$11,768,473		\$10,028,869	
Personal property	144,052		154,839	
Total	<u>11,912,525</u>		<u>10,183,708</u>	
Less: captured tax increment value	<u>(536,163)</u>		<u>(304,188)</u>	
Total for debt levy	11,376,362		9,879,520	
Less: JOBZ value	<u>-</u>		<u>-</u>	
Total for general fund levy	<u><u>\$11,376,362</u></u>		<u><u>\$9,879,520</u></u>	
	<u>Certified 2023, Payable 2024</u>		<u>Certified 2022, Payable 2023</u>	
	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>
Taxes levied:				
General fund revenue	\$6,225,497	54.723%	\$5,638,388	57.071%
Debt service levy	<u>608,058</u>	<u>5.345%</u>	<u>608,058</u>	<u>6.155%</u>
Totals	<u><u>\$6,833,555</u></u>	<u><u>60.068%</u></u>	<u><u>\$6,246,446</u></u>	<u><u>63.226%</u></u>



CITY OF CAMBRIDGE, MINNESOTA  
 SCHEDULE OF DEFERRED TAX LEVIES  
 IMPROVEMENT BONDS  
 December 31, 2023

Exhibit 5

Year	\$4,010,000 Improvement Bonds of 2022	\$1,970,000 Improvement Bonds of 2018	\$2,570,000 Improvement Bonds of 2016	Total
2024	\$370,000	\$120,558	\$117,500	\$608,058
2025	370,000	120,558	117,500	608,058
2026	370,000	120,558	50,000	540,558
2027	370,000	120,558	-	490,558
2028	370,000	120,558	-	490,558
2029	370,000	-	-	370,000
2030	370,000	-	-	370,000
2031	370,000	-	-	370,000
2032	370,000	-	-	370,000
Total	\$3,330,000	\$602,790	\$285,000	\$4,217,790

CITY OF CAMBRIDGE, MINNESOTA  
 SUBCOMBINING BALANCE SHEET  
 DEBT SERVICE FUNDS  
 December 31, 2023  
 With Comparative Totals For December 31, 2022

	324 2016 Street Improvement Fund	325 Library Bond Debt Service Fund	328 G.O. Improvement Bonds of 2018	372 G.O. Improvement Bonds of 2014
<b>Assets:</b>				
Cash and investments	\$392,000	\$749,561	\$447,246	\$176,703
Property taxes receivable:				
Delinquent	563	-	1,813	-
Special assessments receivable:				
Delinquent	1,337	-	79	1,017
Deferred	141,451	-	462,821	60,197
Total assets	<u>\$535,351</u>	<u>\$749,561</u>	<u>\$911,959</u>	<u>\$237,917</u>
<b>Liabilities:</b>				
Unearned revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflow of resources:				
Unavailable revenues	<u>143,351</u>	<u>-</u>	<u>464,713</u>	<u>61,214</u>
Fund balance:				
Restricted	<u>392,000</u>	<u>749,561</u>	<u>447,246</u>	<u>176,703</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$535,351</u>	<u>\$749,561</u>	<u>\$911,959</u>	<u>\$237,917</u>

380 2020 Street Improvement Debt Service Fund	384 G.O. Improvement Bonds of 2024	385 2016 Bonds (2015 Project Portion)	392 2022 Street Improvement Debt Service Fund	Total Debt Service Funds	
				2023	2022
\$159,633	\$6,063	\$228,701	\$675,314	\$2,835,221	\$2,560,862
-	-	886	2,411	5,673	3,457
999	-	-	1,087	4,519	13,322
149,882	1,209,000	97,138	374,842	2,495,331	1,617,884
<u>\$310,514</u>	<u>\$1,215,063</u>	<u>\$326,725</u>	<u>\$1,053,654</u>	<u>\$5,340,744</u>	<u>\$4,195,525</u>
\$ -	\$1,209,000	\$ -	\$ -	\$1,209,000	\$ -
150,881	-	98,024	378,340	1,296,523	1,634,663
159,633	6,063	228,701	675,314	2,835,221	2,560,862
<u>\$310,514</u>	<u>\$1,215,063</u>	<u>\$326,725</u>	<u>\$1,053,654</u>	<u>\$5,340,744</u>	<u>\$4,195,525</u>

**CITY OF CAMBRIDGE, MINNESOTA**

SUBCOMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

DEBT SERVICE FUNDS

For The Year Ended December 31, 2023

With Comparative Totals For The Year Ended December 31, 2022

	324 2016 Street Improvement Fund	325 Library Bond Debt Service Fund	328 G.O. Improvement Bonds of 2018	372 G.O. Improvement Bonds of 2014
<b>Revenues:</b>				
General property taxes:				
Current	\$49,610	\$ -	\$119,981	\$ -
Delinquent	281	-	616	-
Special assessments:				
Prepayments	-	-	4,266	1,954
Principal and interest	49,803	-	103,964	62,917
Investment income (loss)	14,698	21,101	13,520	6,167
Total revenues	<u>114,392</u>	<u>21,101</u>	<u>242,347</u>	<u>71,038</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	135,000	325,000	190,000	110,000
Interest	15,025	174,344	40,500	6,856
Paying agent fees	617	756	2,315	617
Total expenditures	<u>150,642</u>	<u>500,100</u>	<u>232,815</u>	<u>117,473</u>
Revenues over (under) expenditures	<u>(36,250)</u>	<u>(478,999)</u>	<u>9,532</u>	<u>(46,435)</u>
Other financing sources (uses):				
Transfers from other funds	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(36,250)	21,001	9,532	(46,435)
Fund balance - January 1	<u>428,250</u>	<u>728,560</u>	<u>437,714</u>	<u>223,138</u>
Fund balance - December 31	<u><u>\$392,000</u></u>	<u><u>\$749,561</u></u>	<u><u>\$447,246</u></u>	<u><u>\$176,703</u></u>

380 2020 Street Improvement Debt Service Fund	384 G.O. Improvement Bonds of 2024	385 2016 Bonds (2015 Project Portion)	392 2022 Street Improvement Debt Service Fund	Total Debt Service Funds	
				2023	2022
\$ -	\$ -	\$67,097	\$369,457	\$606,145	\$237,645
-	-	346	-	1,243	1,379
5,227	6,000	7,871	11,917	37,235	386,154
23,780	-	63,169	54,518	358,151	349,717
-	63	6,175	17,561	79,285	(27,627)
<u>29,007</u>	<u>6,063</u>	<u>144,658</u>	<u>453,453</u>	<u>1,082,059</u>	<u>947,268</u>
270,000	-	125,000	-	1,155,000	1,110,000
65,250	-	11,175	133,875	447,025	347,125
615	-	141	614	5,675	3,475
<u>335,865</u>	<u>0</u>	<u>136,316</u>	<u>134,489</u>	<u>1,607,700</u>	<u>1,460,600</u>
(306,858)	6,063	8,342	318,964	(525,641)	(513,332)
<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>827,626</u>
(6,858)	6,063	8,342	318,964	274,359	314,294
166,491	-	220,359	356,350	2,560,862	2,246,568
<u>\$159,633</u>	<u>\$6,063</u>	<u>\$228,701</u>	<u>\$675,314</u>	<u>\$2,835,221</u>	<u>\$2,560,862</u>

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

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### III. STATISTICAL SECTION (UNAUDITED)

This part of the City of Cambridge, Minnesota’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Cambridge, Minnesota’s overall financial health.

Contents	Tables
<p><b>Financial Trends</b>            These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	<p>Tables 1 – 4</p>
<p><b>Revenue Capacity</b>            These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</p>	<p>Tables 5 – 8</p>
<p><b>Debt Capacity</b>            These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	<p>Tables 9 – 12</p>
<p><b>Demographic and Economic Information</b>            These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	<p>Tables 13 – 15</p>
<p><b>Operating Information</b>            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 it performs.</p>	<p>Tables 16 – 17</p>

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

**CITY OF CAMBRIDGE, MINNESOTA**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$44,584,330	\$45,533,852	\$48,495,842	\$48,016,475
Restricted	6,691,401	6,862,625	5,067,471	5,228,625
Unrestricted	<u>7,306,374</u>	<u>4,803,343</u>	<u>3,124,264</u>	<u>4,523,543</u>
Total governmental activities net position	<u><u>\$58,582,105</u></u>	<u><u>\$57,199,820</u></u>	<u><u>\$56,687,577</u></u>	<u><u>\$57,768,643</u></u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$44,536,149	\$44,339,512	\$43,650,789	\$43,086,324
Unrestricted	<u>6,210,656</u>	<u>7,045,223</u>	<u>7,882,495</u>	<u>8,647,350</u>
Total business-type activities net position	<u><u>\$50,746,805</u></u>	<u><u>\$51,384,735</u></u>	<u><u>\$51,533,284</u></u>	<u><u>\$51,733,674</u></u>
<b>Primary government:</b>				
Net investment in capital assets	\$89,120,479	\$89,873,364	\$92,146,631	\$91,102,799
Restricted	6,691,401	6,862,625	5,067,471	5,228,625
Unrestricted	<u>13,517,030</u>	<u>11,848,566</u>	<u>11,006,759</u>	<u>13,170,893</u>
Total primary government net position	<u><u>\$109,328,910</u></u>	<u><u>\$108,584,555</u></u>	<u><u>\$108,220,861</u></u>	<u><u>\$109,502,317</u></u>

Note: GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability and pension related deferred outflows of resources.

Table 1

2018	2019	2020	2021	2022	2023
\$48,198,388	\$49,923,622	\$49,198,270	\$49,409,344	\$48,959,849	\$52,153,465
5,957,196	4,548,117	4,703,236	4,984,857	6,675,301	8,780,096
4,244,478	4,288,711	7,774,146	11,400,932	11,524,643	11,835,637
<u>\$58,400,062</u>	<u>\$58,760,450</u>	<u>\$61,675,652</u>	<u>\$65,795,133</u>	<u>\$67,159,793</u>	<u>\$72,769,198</u>
\$43,012,646	\$41,242,642	\$41,576,092	\$40,700,089	\$40,082,675	\$44,909,933
8,446,447	9,070,561	8,755,605	10,227,881	10,179,614	10,310,706
<u>\$51,459,093</u>	<u>\$50,313,203</u>	<u>\$50,331,697</u>	<u>\$50,927,970</u>	<u>\$50,262,289</u>	<u>\$55,220,639</u>
\$91,211,034	\$91,166,264	\$90,774,362	\$90,109,433	\$89,042,524	\$97,063,398
5,957,196	4,548,117	4,703,236	4,984,857	6,675,301	8,780,096
12,690,925	13,359,272	16,529,751	21,628,813	21,704,257	22,146,343
<u>\$109,859,155</u>	<u>\$109,073,653</u>	<u>\$112,007,349</u>	<u>\$116,723,103</u>	<u>\$117,422,082</u>	<u>\$127,989,837</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	2014	2015	2016	2017
<b>Expenses:</b>				
Governmental activities:				
General government	\$1,472,329	\$1,538,023	\$1,725,921	\$1,602,648
Housing and redevelopment	716,792	698,375	951,330	2,007,846
Public safety	2,274,727	2,453,949	2,995,476	2,408,839
Public works	3,737,160	3,760,192	4,113,329	4,171,040
Economic development	-	-	155,569	132,213
Interest on long-term debt	168,476	159,171	143,336	112,302
Total governmental activities expenses	<u>8,369,484</u>	<u>8,609,710</u>	<u>10,084,961</u>	<u>10,434,888</u>
Business-type activities:				
Water	1,680,185	1,546,130	1,647,004	1,665,223
Wastewater	2,043,445	2,022,060	2,416,961	2,842,823
Storm sewer	397,066	407,716	438,845	437,085
Street lights	-	-	-	-
Municipal liquor	4,533,434	4,665,906	4,950,661	5,065,569
Housing	246,895	202,671	235,520	228,240
Total business-type activities expenses	<u>8,901,025</u>	<u>8,844,483</u>	<u>9,688,991</u>	<u>10,238,940</u>
Total primary government expenses	<u>\$17,270,509</u>	<u>\$17,454,193</u>	<u>\$19,773,952</u>	<u>\$20,673,828</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
Licenses and permits	\$310,730	\$385,333	\$395,993	\$733,126
Other activities	493,435	613,840	645,231	797,058
Operating grants and contributions	829,587	873,237	1,137,206	1,900,505
Capital grants and contributions	2,277,691	2,098,399	795,494	1,243,398
Total governmental activities program revenues	<u>3,911,443</u>	<u>3,970,809</u>	<u>2,973,924</u>	<u>4,674,087</u>
Business-type activities:				
Charges for services:				
Water	1,614,945	1,702,107	1,799,986	1,856,559
Wastewater	2,228,823	2,207,400	2,253,251	2,249,564
Storm sewer	324,469	328,219	333,778	340,242
Street lights	-	-	-	-
Municipal liquor	4,971,838	5,121,556	5,396,677	5,531,308
Housing	155,169	162,759	172,206	173,682
Operating grants and contributions	74,818	80,773	80,942	75,931
Capital grants and contributions	1,442,111	231,174	205,399	577,958
Total business-type activities program revenues	<u>10,812,173</u>	<u>9,833,988</u>	<u>10,242,239</u>	<u>10,805,244</u>
Total primary government program revenues	<u>\$14,723,616</u>	<u>\$13,804,797</u>	<u>\$13,216,163</u>	<u>\$15,479,331</u>

**Table 2**  
**Page 1 of 2**

2018	2019	2020	2021	2022	2023
\$1,616,292	\$1,832,795	\$1,979,094	\$1,898,897	\$2,030,203	\$1,960,188
1,450,831	1,210,392	1,003,714	-	-	-
2,640,987	2,737,655	2,865,320	2,572,587	3,557,925	3,940,640
4,141,732	4,813,751	4,950,936	4,543,440	4,985,768	5,502,256
315,707	175,671	236,812	566,142	835,852	774,283
112,953	102,492	287,702	297,334	404,384	350,451
<u>10,278,502</u>	<u>10,872,756</u>	<u>11,323,578</u>	<u>9,878,400</u>	<u>11,814,132</u>	<u>12,527,818</u>
1,669,606	1,804,179	1,701,030	1,792,306	1,776,137	2,053,872
2,942,596	3,017,472	2,991,152	3,146,261	3,451,617	3,513,945
466,976	517,938	493,141	498,479	524,784	531,069
197,237	182,191	187,300	251,192	215,735	206,231
5,169,245	5,381,923	6,104,409	6,011,374	5,949,961	5,876,957
240,091	230,940	253,950	243,394	280,516	295,570
<u>10,685,751</u>	<u>11,134,643</u>	<u>11,730,982</u>	<u>11,943,006</u>	<u>12,198,750</u>	<u>12,477,644</u>
<u>\$20,964,253</u>	<u>\$22,007,399</u>	<u>\$23,054,560</u>	<u>\$21,821,406</u>	<u>\$24,012,882</u>	<u>\$25,005,462</u>
\$502,729	\$414,484	\$489,618	\$955,065	\$678,365	\$715,411
758,430	717,595	759,709	1,013,944	852,872	680,967
1,470,134	1,347,022	2,959,048	523,529	735,214	1,061,932
1,073,778	1,339,240	804,969	1,588,218	1,161,754	4,598,889
<u>3,805,071</u>	<u>3,818,341</u>	<u>5,013,344</u>	<u>4,080,756</u>	<u>3,428,205</u>	<u>7,057,199</u>
1,933,167	1,867,502	2,012,315	2,225,925	2,104,645	2,342,003
2,030,592	2,284,724	2,379,173	2,573,206	2,543,108	2,629,226
350,438	335,109	371,124	388,223	404,251	451,241
192,498	196,417	227,434	238,772	248,111	251,862
5,725,723	5,909,037	6,817,078	6,762,325	6,655,268	6,563,528
174,160	173,416	185,161	185,790	288,624	209,310
71,599	76,779	84,317	87,113	-	111,842
362,018	240,204	311,874	797,602	161,755	4,013,628
<u>10,840,195</u>	<u>11,083,188</u>	<u>12,388,476</u>	<u>13,258,956</u>	<u>12,405,762</u>	<u>16,572,640</u>
<u>\$14,645,266</u>	<u>\$14,901,529</u>	<u>\$17,401,820</u>	<u>\$17,339,712</u>	<u>\$15,833,967</u>	<u>\$23,629,839</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	2014	2015	2016	2017
<b>Net (expense) revenue:</b>				
Governmental activities	(\$4,458,041)	(\$4,638,901)	(\$7,111,037)	(\$5,760,801)
Business-type activities	1,911,148	989,505	553,248	566,304
Total primary government net (expense) revenue	<u>(\$2,546,893)</u>	<u>(\$3,649,396)</u>	<u>(\$6,557,789)</u>	<u>(\$5,194,497)</u>
<b>General revenues and other changes in net assets:</b>				
Governmental activities:				
General property taxes	\$4,895,037	\$4,968,378	\$5,004,822	\$5,161,658
Tax increment collections	60,524	184,629	289,334	244,088
Local option sales tax	-	-	-	-
Unrestricted grants and contributions	695,259	731,221	744,888	750,114
Investment earnings	242,628	118,306	80,750	59,076
Gain on disposal of capital assets	22,507	13,208	2,500	207,931
Special item - Section 8 closeout	-	-	-	-
Other	13,142	-	-	-
Transfers	379,315	428,000	476,500	419,000
Total governmental activities	<u>6,308,412</u>	<u>6,443,742</u>	<u>6,598,794</u>	<u>6,841,867</u>
Business-type activities:				
Investment earnings	118,263	67,991	64,864	46,545
Gain (loss) on disposal of capital assets	-	-	6,937	-
Miscellaneous	4,257	8,434	-	6,541
Transfers	(379,315)	(428,000)	(476,500)	(419,000)
Special item	-	-	-	-
Total business-type activities	<u>(256,795)</u>	<u>(351,575)</u>	<u>(404,699)</u>	<u>(365,914)</u>
Total primary government	<u>\$6,051,617</u>	<u>\$6,092,167</u>	<u>\$6,194,095</u>	<u>\$6,475,953</u>
<b>Change in net position:</b>				
Governmental activities	\$1,850,371	\$1,804,841	(\$512,243)	\$1,081,066
Business-type activities	1,654,353	637,930	148,549	200,390
Total primary government	<u>\$3,504,724</u>	<u>\$2,442,771</u>	<u>(\$363,694)</u>	<u>\$1,281,456</u>

Note: GASB 68 was implemented for 2015. Expenses for years prior to 2015 were not restated.

**Table 2**  
**Page 2 of 2**

2018	2019	2020	2021	2022	2023
(\$6,473,431)	(\$7,054,415)	(\$6,310,234)	(\$5,797,644)	(\$8,385,927)	(\$5,470,619)
154,444	(51,455)	657,494	1,315,950	207,012	4,094,996
<u>(\$6,318,987)</u>	<u>(\$7,105,870)</u>	<u>(\$5,652,740)</u>	<u>(\$4,481,694)</u>	<u>(\$8,178,915)</u>	<u>(\$1,375,623)</u>
\$5,274,932	\$5,198,381	\$5,482,905	\$5,597,350	\$5,835,367	\$6,255,359
406,681	261,388	415,046	529,573	378,706	406,713
-	313,338	1,553,323	1,677,517	1,914,082	1,880,011
808,177	812,656	955,567	1,020,839	1,066,721	2,114,112
86,876	258,067	288,429	(13,639)	(272,541)	856,258
12,834	-	803	405,485	103,252	25,345
-	-	(185,637)	-	-	-
-	21,973	-	-	-	-
515,350	549,000	715,000	700,000	725,000	(457,774)
<u>7,104,850</u>	<u>7,414,803</u>	<u>9,225,436</u>	<u>9,917,125</u>	<u>9,750,587</u>	<u>11,080,024</u>
63,988	192,204	142,247	(19,677)	(160,847)	369,569
2,892	-	-	-	13,154	36,011
19,445	4,988	7,776	-	-	-
(515,350)	(549,000)	(715,000)	(700,000)	(725,000)	457,774
-	(766,124)	-	-	-	-
<u>(429,025)</u>	<u>(1,117,932)</u>	<u>(564,977)</u>	<u>(719,677)</u>	<u>(872,693)</u>	<u>863,354</u>
<u>\$6,675,825</u>	<u>\$6,296,871</u>	<u>\$8,660,459</u>	<u>\$9,197,448</u>	<u>\$8,877,894</u>	<u>\$11,943,378</u>
\$631,419	\$360,388	\$2,915,202	\$4,119,481	\$1,364,660	\$5,609,405
(274,581)	(1,169,387)	92,517	596,273	(665,681)	4,958,350
<u>\$356,838</u>	<u>(\$808,999)</u>	<u>\$3,007,719</u>	<u>\$4,715,754</u>	<u>\$698,979</u>	<u>\$10,567,755</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund:				
Nonspendable	\$269,415	\$250,151	\$271,152	\$284,867
Committed for compensated absences	324,368	337,320	322,010	323,286
Unassigned	2,518,074	2,696,726	2,828,588	2,895,455
Total general fund	<u>\$3,111,857</u>	<u>\$3,284,197</u>	<u>\$3,421,750</u>	<u>\$3,503,608</u>
All other governmental funds:				
Nonspendable	\$32,248	\$40,743	\$18,100	\$20,388
Restricted:				
Debt service funds	3,651,834	3,300,192	2,339,320	2,550,842
Special revenue funds	171,134	141,633	154,951	31,379
Capital project funds	113,540	154,951	16,764	16,879
Assigned reported in:				
Special revenue funds	493,642	891,603	940,105	1,251,230
Capital projects funds	4,765,196	4,963,087	3,928,587	5,181,985
Unassigned :				
Special revenue funds	-	-	-	-
Capital project funds	(1,205,940)	(1,170,958)	(1,129,255)	(1,078,129)
Total all other governmental funds	<u>\$8,021,654</u>	<u>\$8,321,251</u>	<u>\$6,268,572</u>	<u>\$7,974,574</u>



Table 3

2018	2019	2020	2021	2022	2023
\$280,016	\$307,509	\$321,905	\$286,065	\$427,196	584,769
363,503	460,076	471,780	422,961	561,275	655,592
3,032,410	2,990,491	2,851,910	3,115,225	3,004,428	3,273,101
<u>\$3,675,929</u>	<u>\$3,758,076</u>	<u>\$3,645,595</u>	<u>\$3,824,251</u>	<u>\$3,992,899</u>	<u>\$4,513,462</u>
\$24,952	\$28,100	\$15,616	\$23,437	\$10,995	\$22,154
3,346,398	1,751,769	2,393,549	2,246,568	2,560,862	2,835,221
148,167	285,202	121,659	1,440,070	2,529,436	4,217,580
85,228	7,404,430	92,175	14,675	155,643	601,282
1,007,652	1,156,128	2,010,620	593,903	973,852	523,304
4,812,301	5,007,226	7,541,807	9,597,234	10,147,796	11,197,783
-	-	(14,836)	-	(3,739)	(10,433)
<u>(1,018,710)</u>	<u>(1,390,513)</u>	<u>(839,972)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$8,405,988</u>	<u>\$14,242,342</u>	<u>\$11,320,618</u>	<u>\$13,915,887</u>	<u>\$16,374,845</u>	<u>\$19,386,891</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	2014	2015	2016	2017
<b>Revenues:</b>				
General property taxes	\$4,815,821	\$4,933,807	\$5,032,465	\$5,234,508
Tax increment collections	63,940	312,093	289,334	244,088
Licenses and permits	310,730	385,333	395,993	733,126
Intergovernmental	1,813,457	2,167,365	2,416,290	3,029,282
Special assessments	1,499,907	866,002	843,976	687,958
Charges for services	365,312	314,801	365,973	499,996
Local sales tax	-	-	-	-
Fines and forfeits	61,877	49,342	30,994	54,474
Investment income	239,998	115,465	78,383	57,859
Direct charges to developers	1,600	-	-	-
Rents	244,035	244,280	248,264	242,588
Other	51,391	95,642	83,962	80,126
<b>Total revenues</b>	<b>9,468,068</b>	<b>9,484,130</b>	<b>9,785,634</b>	<b>10,864,005</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,316,405	1,381,897	1,557,613	1,364,892
Housing and redevelopment	617,738	614,716	862,025	1,710,212
Public safety	2,037,856	2,199,013	2,200,364	2,300,865
Public works	1,961,529	1,883,657	2,037,452	2,042,897
Economic development	3,196	293	155,569	132,213
<b>Capital outlay:</b>				
General government	68,280	58,957	13,785	-
Housing and redevelopment	100,421	38,453	-	-
Public safety	147,431	116,365	355,045	51,067
Public works	837,478	536,492	1,075,101	144,882
<b>Debt service:</b>				
Principal retirement	1,581,506	1,449,749	3,722,466	1,592,894
Interest	188,965	191,983	179,335	186,709
Paying agent fees	2,250	5,275	4,340	4,120
Decertify TIF districts	1,391	-	-	-
Bond issuance costs	-	-	37,024	-
Developer reimbursement	35,683	-	-	-
Construction/acquisition costs	2,348,493	2,529,551	2,869,818	262,529
<b>Total expenditures</b>	<b>11,248,622</b>	<b>11,006,401</b>	<b>15,069,937</b>	<b>9,793,280</b>
<b>Revenues over (under) expenditures</b>	<b>(1,780,554)</b>	<b>(1,522,271)</b>	<b>(5,284,303)</b>	<b>1,070,725</b>

**Table 4**  
**Page 1 of 2**

2018	2019	2020	2021	2022	2023
\$5,307,698	\$5,186,298	\$5,471,214	\$5,598,962	\$5,832,748	\$6,251,951
406,681	261,388	415,046	529,573	378,706	406,713
502,729	414,484	489,618	955,065	678,365	715,411
2,736,749	2,665,061	4,514,855	2,235,154	2,392,899	5,410,834
585,570	706,189	601,838	421,928	843,797	399,194
398,435	344,428	419,695	725,158	605,959	1,366,401
-	313,338	1,553,323	1,677,517	1,914,082	1,880,011
92,899	84,760	57,025	33,554	48,782	57,170
85,427	252,971	285,020	(13,639)	(272,541)	856,258
-	-	-	-	-	-
267,096	288,407	282,989	255,232	198,131	-
118,498	56,894	80,243	36,390	135,006	517,468
<u>10,501,782</u>	<u>10,574,218</u>	<u>14,170,866</u>	<u>12,454,894</u>	<u>12,755,934</u>	<u>17,861,411</u>
1,470,157	1,636,103	1,889,938	1,870,572	1,746,486	1,753,150
1,363,885	1,133,044	953,202	-	-	-
2,440,112	2,461,449	2,607,562	2,758,027	3,094,115	3,367,780
1,972,149	2,324,332	2,617,478	2,267,219	2,390,918	2,886,092
315,707	175,671	236,812	530,314	744,481	681,530
60,452	37,845	126,604	11,894	85,159	26,239
-	-	214,045	80,840	64,789	142,613
292,554	184,121	7,543,919	153,374	294,921	55,114
209,803	346,280	31,875	-	-	-
1,138,591	2,719,362	510,000	1,070,000	1,110,000	1,155,000
139,135	172,605	227,327	397,607	347,125	447,025
2,001	2,501	3,000	6,689	3,474	5,675
-	-	-	-	-	-
39,892	125,781	62,885	-	72,484	-
-	-	-	-	-	-
3,006,256	1,327,508	4,601,499	2,029,427	4,780,257	3,376,155
<u>12,450,694</u>	<u>12,646,602</u>	<u>21,626,146</u>	<u>11,175,963</u>	<u>14,734,209</u>	<u>13,896,373</u>
<u>(1,948,912)</u>	<u>(2,072,384)</u>	<u>(7,455,280)</u>	<u>1,278,931</u>	<u>(1,978,275)</u>	<u>3,965,038</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	2014	2015	2016	2017
Other financing sources (uses):				
Redemption of refunded bonds	(\$593,894)	\$ -	\$635,500	\$ -
Refunding bonds issued/bonds issued	1,601,532	1,532,130	2,570,000	-
Transfers in	2,310,993	2,939,619	-	419,000
Transfers out	(1,931,678)	(2,511,619)	-	-
Premium (discount) on debt issued	85,817	-	172,047	-
Sale of property	22,507	23,208	2,500	298,135
Special item	-	-	-	-
Total other financing sources (uses)	<u>1,495,277</u>	<u>1,983,338</u>	<u>3,380,047</u>	<u>717,135</u>
Net change in fund balance	<u>(\$285,277)</u>	<u>\$461,067</u>	<u>(\$1,904,256)</u>	<u>\$1,787,860</u>
Debt service as a percentage of noncapital expenditures (1)	22.9%	21.2%	36.3%	19.1%
Debt service as percentage of total expenditures (1)	15.7%	14.9%	25.9%	18.2%

(1) During 2019, the City prepaid the remaining balance of the Bonds of 2012 and the PFA Bonds of 2001, the amount of principal retired early totaled \$2,735,000

**Table 4**  
**Page 2 of 2**

2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,970,000	7,235,000	3,640,000	-	3,780,000	-
515,350	549,000	715,000	700,000	615,000	3,049,669
-	-	-	-	-	(3,507,443)
54,463	184,912	250,909	-	72,343	-
12,834	21,973	803	794,994	138,538	25,345
-	-	(185,637)	-	-	-
<u>2,552,647</u>	<u>7,990,885</u>	<u>4,421,075</u>	<u>1,494,994</u>	<u>4,605,881</u>	<u>(432,429)</u>
<u>\$603,735</u>	<u>\$5,918,501</u>	<u>(\$3,034,205)</u>	<u>\$2,773,925</u>	<u>\$2,627,606</u>	<u>\$3,532,609</u>
14.4%	26.9%	8.1%	16.5%	15.3%	15.6%
10.3%	22.9%	3.4%	13.1%	9.9%	11.5%

**CITY OF CAMBRIDGE, MINNESOTA**  
**TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years

**Table 5**

Fiscal Year Ended December 31,	Residential Property	Commercial/Industrial Property	Non-Homestead Residential	All Other	Total Tax Capacity	Less: Captured Tax Increment Tax Capacity	Adjusted Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value	Tax Capacity as a Percent of EMV
2014	1,786,845	2,647,529	791,040	220,041	5,445,455	102,373	5,343,082	92.053	484,853,500	1.10%
2015	1,989,706	2,711,476	818,912	131,572	5,651,666	118,986	5,532,680	89.819	481,552,200	1.15%
2016	2,395,430	2,526,618	865,750	198,533	5,986,331	167,761	5,818,570	85.601	512,490,195	1.14%
2017	2,565,156	2,543,898	893,333	135,203	6,137,590	191,457	5,946,133	85.694	538,471,900	1.10%
2018	2,945,910	2,443,699	1,039,102	198,802	6,627,513	230,841	6,396,672	81.252	586,137,100	1.09%
2019	3,261,577	2,367,610	1,069,578	213,644	6,912,409	238,556	6,673,853	76.653	617,557,100	1.08%
2020	3,685,147	2,435,637	1,172,401	240,537	7,533,722	262,345	7,271,377	75.052	674,669,600	1.08%
2021	4,046,255	2,420,597	1,171,915	290,454	7,929,221	325,142	7,604,079	73.204	716,269,700	1.06%
2022	5,066,832	2,596,746	553,912	277,039	8,494,529	245,814	8,248,715	70.182	764,346,300	1.08%
2023	6,376,020	2,802,054	716,393	289,241	10,183,708	304,188	9,879,520	63.226	916,970,900	1.08%

Source: Continuing Disclosure Document or Isanti County Auditor's Office

**CITY OF CAMBRIDGE, MINNESOTA**  
**DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES**  
 Last Ten Fiscal Years

**Table 6**

Fiscal Year	Operating City Direct Rate	Debt Service City Direct Rate	Total City Direct Rate	Overlapping Rates			Total
				County	School District	Other	
2014	77.307	14.746	92.053	66.754	41.343	0.248	200.398
2015	76.324	13.495	89.819	66.485	47.737	0.235	204.276
2016	72.436	13.165	85.601	64.711	39.512	0.225	190.049
2017	74.140	11.554	85.694	66.005	39.330	0.228	191.257
2018	70.637	10.615	81.252	64.737	33.663	0.216	179.868
2019	70.333	6.321	76.654	64.404	30.712	0.212	171.982
2020	71.778	3.274	75.052	62.583	29.134	0.199	166.968
2021	70.072	3.131	73.203	61.727	29.094	0.188	164.212
2022	67.296	2.886	70.182	59.406	24.859	0.172	154.619
2023	57.071	6.155	63.226	50.190	20.626	0.146	134.188

Source: Continuing Disclosure Document

Note: Overlapping rates are those of the City of Cambridge, Isanti County, and Cambridge-Isanti School District #911 that apply to property owners within the City of Cambridge.

**CITY OF CAMBRIDGE, MINNESOTA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago

**Table 7**

Taxpayer	2023			2014		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
Wal-Mart Real Estate Business Trust	\$176,844	1	1.74%	\$203,298	1	3.73%
Menards, Inc.	151,053	2	1.48%	136,276	2	2.50%
Fleet Farm	144,652	3	1.42%	120,870	3	2.22%
Target Corporation	115,148	4	1.13%	114,648	4	2.11%
Country Club Manor of Hutchinson, LLP	91,384	5	0.90%	-	-	0.00%
East Central Electric Association	76,818	6	0.75%	73,266	5	1.35%
US Development & Leasing Corp	71,586	7	0.70%	-	-	0.00%
Centerpoint Energy	70,600	8	0.69%	-	-	0.00%
Allina Medical Clinic	66,266	9	0.65%	67,520	8	1.24%
Big River Cambridge, LLC	62,420	10	0.61%	-	-	0.00%
Recycling Fulfillment Centers LLC	-	-	0.00%	73,106	6	1.34%
LAAM Properties	-	-	0.00%	71,558	7	1.31%
Kohl's	-	-	0.00%	61,340	9	1.13%
Burlington Northern Sante Fe Railroad	-	-	0.00%	58,055	10	1.07%
Total	<u>\$1,026,771</u>		10.07%	<u>\$979,937</u>		18.00%
Total all property	<u>\$10,183,708</u>			<u>\$5,445,455</u>		

Source: Isanti County



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

**Table 8**

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year <sup>(1)</sup>	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$4,844,174	\$4,793,705	98.96%	\$32,472	\$4,826,177	99.63%
2015	4,907,148	4,837,402	98.58%	42,448	4,879,850	99.44%
2016	4,980,755	4,925,010	98.88%	25,515	4,950,525	99.39%
2017	5,095,439	5,088,602	99.87%	6,837	5,095,439	100.00%
2018	5,197,430	5,190,582	99.87%	4,181	5,194,763	99.95%
2019	5,197,430	5,131,311	98.73%	18,130	5,149,441	99.08%
2020	5,457,302	5,430,665	99.51%	14,837	5,445,502	99.78%
2021	5,566,449	5,523,870	99.24%	20,908	5,544,778	99.61%
2022	5,789,107	5,746,074	99.26%	18,065	5,764,139	99.57%
2023	6,246,446	6,197,676	99.22%	-	6,197,676	99.22%

Source: City Finance Department.

<sup>(1)</sup> Amount shown is after deduction for Market Value Homestead Credit.

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

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Fiscal Year	Improvement Bonds	Sales Tax Bonds	Total Bond Premiums	Total Governmental Activities	Percentage Market Value of Taxable Property
2014	\$9,150,936	\$ -	\$199,335	\$9,350,271	2.3%
2015	9,233,317	-	169,478	9,402,795	2.2%
2016	8,080,851	-	301,798	8,382,649	2.0%
2017	6,487,957	-	255,021	6,742,978	1.6%
2018	7,319,366	-	266,326	7,585,692	1.8%
2019	4,600,000	7,235,000	406,552	12,241,552	2.9%
2020	4,475,000	10,490,000	590,058	15,555,058	2.0%
2021	3,945,000	9,950,000	520,871	14,415,871	2.0%
2022	7,150,000	9,415,000	520,785	17,085,785	1.6%
2023	6,555,000	8,855,000	453,329	15,863,329	1.6%

Source: Isanti County

Note: Per capita statistics based on 2010 Census data or State Demographer Statistics

**Table 9**

Business-Type Activities					
Water / Wastewater Bonds	Total Bond Premiums	Total Business-Type Activities	Per Customer	Total Primary Government	Per Capita
\$24,435,950	\$364,551	\$24,800,501	\$6,813	\$34,150,772	\$4,147
20,846,785	323,214	21,169,999	6,115	30,572,794	3,667
21,272,154	507,344	21,779,498	5,925	30,162,147	3,550
19,122,049	442,423	19,564,472	5,161	26,307,450	3,007
18,751,630	423,816	19,175,446	5,561	26,761,138	3,018
18,771,000	526,983	19,297,983	4,917	31,539,535	3,513
18,824,000	576,723	19,400,723	4,985	34,955,781	3,779
17,021,000	495,029	17,516,029	4,307	31,931,900	3,452
15,252,000	417,499	15,669,499	3,685	32,755,284	3,321
13,207,000	335,396	13,542,396	3,107	29,405,725	2,790

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Isanti County	\$4,685,000	18.9930%	\$889,822
I.S.D. No. 911 (Cambridge-Isanti)	43,435,000	26.4708%	<u>11,497,592</u>
Subtotal - overlapping debt			12,387,414
City direct debt			<u>15,863,329</u>
Total direct and overlapping debt			<u><u>\$28,250,743</u></u>

Sources: Isanti County Auditor

**Note:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The City of Cambridge lies wholly within the geographic boundaries of Isanti County and ISD 911. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Cambridge. 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 considered.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable net tax capacities (NTC). Applicable percentages were estimated by determining the portion of another governmental unit's NTC that is within the City's boundaries and dividing that amount by each unit's NTC.

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

**Table 11**

**Legal Debt Margin Calculation for Fiscal Year 2023**

Market value	\$916,970,900
Applicable debt limit	3%
Debt limit	<u>27,509,127</u>
Debt applicable to limit:	
General obligation bonds	<u>(3,780,000)</u>
Legal debt margin	<u><u>\$23,729,127</u></u>

**Legal Debt Margin Calculation for Fiscal Years 2014 Through 2023**

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit
2014	\$13,787,973	\$2,660,000	\$11,127,973	19.29%
2015	14,446,566	2,335,000	12,111,566	16.16%
2016	15,374,706	1,970,000	13,404,706	12.81%
2017	15,871,992	1,600,000	14,271,992	10.08%
2018	17,584,113	1,205,000	16,379,113	6.85%
2019	18,526,713	-	18,526,713	0.00%
2020	20,240,088	-	20,240,088	0.00%
2021	21,488,091	-	21,488,091	0.00%
2022	22,930,389	3,780,000	19,150,389	16.48%
2023	27,509,127	3,780,000	23,729,127	13.74%

**Water Revenue Bonds**

Fiscal Year	Water Enterprise Fund			Debt Service		Coverage
	Operating Revenues	Less:	Net	Principal	Interest	
		Operating Expenses (1)	Available Revenue			
2014	\$1,614,945	\$592,487	\$1,022,458	\$984,142	\$247,637	0.83
2015	1,702,107	632,565	1,069,542	653,086	302,437	1.12
2016 (3)	1,799,986	682,580	1,117,406	1,665,304	155,334	0.61
2017	1,856,559	744,127	1,112,432	1,094,242	159,407	0.89
2018	1,933,167	749,012	1,184,155	880,108	184,304	1.11
2019	1,838,155	732,442	1,105,713	1,203,699	151,626	0.82
2020	2,012,315	747,747	1,264,568	782,263	168,303	1.33
2021	2,225,925	834,059	1,391,866	856,343	208,153	1.31
2022	2,104,645	820,129	1,284,516	964,732	120,935	1.18
2023	2,342,003	1,117,328	1,224,675	997,122	92,598	1.12

**Wastewater Revenue Bonds**

Fiscal Year	Wastewater Enterprise Fund			Debt Service		Coverage
	Operating Revenues	Less:	Net	Principal	Interest	
		Operating Expenses (1)	Available Revenue			
2014	\$2,228,823	\$1,124,136	\$1,104,687	\$683,410	\$55,378	1.50
2015	2,207,400	1,056,696	1,150,704	946,848	126,670	1.07
2016 (3)	2,253,251	1,057,434	1,195,817	1,119,107	123,753	0.96
2017	2,249,564	1,140,613	1,108,951	888,468	125,314	1.09
2018	2,030,592	1,271,164	759,428	787,755	128,012	0.83
2019	2,284,724	1,279,594	1,005,130	892,365	109,495	1.00
2020	2,379,173	1,324,121	1,055,052	710,811	102,028	1.30
2021	2,573,206	1,524,002	1,049,204	745,940	118,719	1.21
2022	2,543,108	1,723,367	819,741	808,507	92,340	0.91
2023	2,629,226	1,753,804	875,422	818,201	80,631	0.97

**Special Assessment Improvement Bonds**

Fiscal Year	Special Assessment Collections	Debt Service		(2) Coverage
		Principal	Interest	
2014	\$1,499,907	\$1,231,506	\$132,265	1.10
2015	857,310	1,114,749	142,132	0.68
2016 (3)	843,976	1,007,874	136,385	0.74
2017	687,958	1,222,894	151,009	0.50
2018	585,570	743,591	111,087	0.69
2019	706,189	1,514,366	158,111	0.42
2020	601,838	510,000	227,327	0.82
2021	421,928	530,000	214,232	0.57
2022	843,797	575,000	100,231	1.25
2023	399,194	595,000	82,681	0.59

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

- (1) Operating expenses do not include interest and depreciation.
- (2) Certain special assessment bond issues are also serviced by tax levy.
- (3) The 2016 principal amounts include the refunding of 2015 bonds.

<u>Fiscal Year</u>	<u>Population<sup>(3)</sup></u>	<u>Unemployment Rate<sup>(2)</sup></u>	<u>Personal Income<sup>(1)</sup></u>	<u>Per Capita Personal Income<sup>(1)</sup></u>
2014	8,273	5.00%	1,430,829,198	37,267
2015	8,338	4.30%	1,495,195,532	38,908
2016	8,496	5.20%	1,557,443,000	39,909
2017	8,749	4.80%	1,689,065,000	42,673
2018	8,868	5.40%	1,775,926,000	44,570
2019	8,977	2.70%	1,858,551,000	45,950
2020	9,249	5.90%	2,033,433,000	49,420
2021	9,249	4.60%	2,228,920,000	52,118
2022	9,862	4.50%	2,239,785,000	52,421
2023	10,541	3.40%	<b>Information Not Available</b>	

Sources: Minnesota State Demographer, Continuing Disclosure Document (unemployment rate)

<sup>(1)</sup> Personal income statistics for entire Isanti County and Per Capita Personal Income for Isanti County according to US Bureau of Economic Analysis.

<sup>(2)</sup> Isanti County rate

<sup>(3)</sup> 011 population per US Census Bureau  
 2014-2023 population per estimates from State of MN Demographer

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Employer	Product/Service	2023		2014	
		Employees	% of Total Employees	Employees	% of Total Employees
I.S.D. No. 911 (Cambridge-Isanti)	Elementary and secondary education	800	3.8%	815	5.1%
Cambridge Medical Center	Hospital	780	3.7%	800	5.0%
Wal-Mart Supercenter	Discount retail and grocery store	350	1.7%	350	2.2%
Grace Pointe Crossing	Skilled nursing facility	310	1.5%	300	1.9%
Park Manufacturing	Wire harnesses	300	1.4%	-	0.0%
Isanti County	County government and service	300	1.4%	294	1.8%
TEAM Industries Cambridge, Inc.	Precision machine shop	225	1.1%	220	1.4%
Menards Mega Store	Home improvement store	210	1.0%	200	1.2%
Fleet Farm	Retail Merchandise	200	1.0%	150	0.9%
Target	Retail Merchandise	145	0.7%	150	0.9%
Cambridge Metals & Plastics, Inc.	Manufacture recreational accessories	-	0.0%	200	1.2%
Arrow Tank	Metal Fabrication				
All others		17,384	82.8%	12,557	78.3%
Total <sup>(1)</sup>		21,004	100.0%	16,036	100.0%

Source: Continuing Disclosure Document

<sup>(1)</sup> Total employment listed is for all of Isanti County, not just the City of Cambridge.

**CITY OF CAMBRIDGE, MINNESOTA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

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Function/Program	Full-Time Equivalent Employees as of December 31,			
	2014	2015	2016	2017
General government:				
Administration	1	2	2	2
EDA	2	2	2	2
Finance	3	3	3	3
Building inspections	3	3	3	3
Building maintenance	1	1	1	1
Community development	2	2	2	2
Municipal liquor store	4	4	4	4
Public safety	15	16	16	16
Public works	10	10	9	9
Parks and recreation	1	1	2	2
Water	3	3	3	3
Sewer	6	6	6	6
<b>Total</b>	<b>51</b>	<b>53</b>	<b>53</b>	<b>53</b>

Source: City Finance Department

Table 15

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Full-Time Equivalent Employees as of December 31,

2018	2019	2020	2021	2022	2023
3	2	2	2	3	3
2	2	1	2	2	2
3	3	3	3	3	3
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	3	3
4	4	4	4	4	4
16	16	16	17	18	17
9	9	9	10	10	10
2	2	2	2	2	2
3	3	3	3	3	3
6	6	6	6	6	6
<u>54</u>	<u>53</u>	<u>52</u>	<u>55</u>	<u>58</u>	<u>57</u>

**CITY OF CAMBRIDGE, MINNESOTA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2014	2015	2016	2017
<b>Police:</b>				
Calls	15,919	12,323	17,390	15,810
Juvenile arrests	126	78	71	111
Adult arrests	1,092	1,113	1,144	978
Crime rate (per 100,000)	10,784	9,200	10,558	10,972
Clearance	58%	54%	50%	45%
<b>Fire:</b>				
Total calls dispatched	259	198	256	374
False alarms/cancelled calls	N/A	N/A	N/A	45
<b>Building inspection:</b>				
Permits issued:				
Residential	40	37	49	73
Commercial	N/A	2	4	2
Total permit valuation	\$18,833,654	\$20,843,136	\$22,340,621	\$57,629,800
<b>Water:</b>				
Connections	3,625	3,657	3,681	3,769
Annual consumption (thousands of gallons)	227,115,120	277,328,691	272,184,001	284,941,015
<b>Sewer:</b>				
Connections	3,637	3,650	3,676	3,791

Sources: Various City departments

Table 16

Fiscal Year						
2018	2019	2020	2021	2022	2023	
16,668	25,199	20,148	17,347	23,066	23,705	
83	76	36	20	51	29	
1,015	1,202	661	683	979	836	
9,382	10,104	8,747	7,568	7,128	4,639	
64%	65%	64%	53%	66%	Not available	
385	360	314	343	391	348	
89	78	51	42	35	72	
56	69	83	136	5	37	
1	2	2	2	5	5	
\$28,299,904	\$29,478,202	\$29,145,407	\$58,723,450	\$31,590,702	\$59,052,858	
3,839	3,925	3,892	4,067	4,252	4,358	
300,987,607	283,495,754	288,933,361	306,220,612	297,167,543	327,481,433	
3,448	3,964	3,925	4,279	4,292	4,370	

**CITY OF CAMBRIDGE, MINNESOTA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Police:				
Stations	1	1	1	1
Squad cars	15	16	16	16
Fire stations	1	1	1	1
Other public works:				
Miles of paved streets	56.0	56.0	56.0	56.0
Traffic signals	10	10	10	10
Park land:				
Number of parks	16	16	16	16
Water:				
Water mains (miles)	45.5	45.5	45.5	45.5
Storage capacity (gallons)	1,300,000	1,300,000	1,300,000	1,300,000
Wastewater:				
Sanitary sewers (miles)	44.5	44.5	44.5	44.5
Storm sewers (miles)	35.0	35.0	35.0	35.0
Treatment capacity	1.84 Mgd	1.84 Mgd	1.84 Mgd	1.84 Mgd

Sources: Various City departments

**Table 17**

Fiscal Year						
2018	2019	2020	2021	2022	2023	
1	1	1	1	1	1	1
16	17	17	17	17	17	17
1	1	1	1	1	1	1
56.0	56.0	56.0	56.0	56.0	56.0	57.0
10	10	10	10	10	10	10
16	17	17	17	17	18	18
45.5	45.5	45.5	45.5	45.5	45.5	47.0
1,300,000	1,300,000	1,750,000	1,750,000	1,750,000	1,750,000	1,900,000
44.5	44.5	44.5	44.5	44.5	44.5	47.0
35.0	35.0	36.3	36.3	36.3	36.3	38.0
1.84 Mgd	1.84 Mgd	1.84 Mgd	1.84 Mgd	1.84 Mgd	1.84 Mgd	1.84 Mgd

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